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

Creative Sensor Inc.

2025 Annual Report
Printed on: March 31, 2026

I. Name, Title, Telephone Number, and Email Address of the Spokesperson and Acting Spokesperson

Name of Spokesperson: Yao-Ming Wei Name of Acting Spokesperson: Shu-Hui Chen

Title: President Title: Project Deputy Manager, Human Resources Section

Telephone: (02)8912-1289 Telephone: (02)8912-1289

Email Address: spokesperson@csi-sensor.com.tw

II. Addresses and Telephone Numbers of the Head Office, Branch Offices, and Factories

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

III. Name, Address, Website, and Telephone Number of the Share Transfer Agent

Name: Yuanta Securities Co., Ltd., Shareholder Services Department

Address: B1, No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City

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

Telephone: 02-2586-5859

IV. Names of the CPAs Auditing the Most Recent Annual Financial Report, and the Name, Address, Website, and Telephone Number of Their Firm

Names: CPA Po-Chuan Lin and CPA Yung-Chih Lin

Firm Name: PricewaterhouseCoopers Taiwan

Address: 27F., No. 333, Sec. 1, Keelung Rd., Taipei City

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

Telephone: (02)2729-6666

V. Name of the Exchange Where Overseas Securities Are Listed and the Method for Accessing Information on Such Securities: None.

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

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One. Report to Shareholders

I. Operating Overview for 2025

In the first half of 2025, revenue increased compared to the same period of the previous year, driven by customers' advance purchases amid uncertainty surrounding U.S. tariff policies. However, in the second half of the year, as the direction of tariffs remained unclear, certain customers terminated their plans to export from China to the United States ahead of schedule. Coupled with the relatively high precautionary inventory levels accumulated in the first half, order momentum became more conservative.

Meanwhile, the rise of generative AI and the trend toward paperless operations have also brought structural changes to market demand. In response to the above environment, the Company initiated AI-related R&D and product deployment. Initial results have been achieved, and multiple invention patents have been obtained in Germany, Taiwan, and Japan. Applications for U.S. invention patents have also been filed, which will help strengthen long-term competitive advantages.

For the full year, although overall revenue decreased by 11% compared to the previous year due to the aforementioned external environment and inventory adjustments, the Company maintained a stable gross margin through disciplined cost control strategies, demonstrating the competitiveness of its core products. In addition, benefiting from non-operating gains from the liquidation of a subsidiary, earnings per share increased significantly compared to the previous year.

(I) The results of the implementation of the business plan and profitability analysis are as follows:

Unit: NTD thousands

Item \ Year	2025	2024	Growth Rate
Operating Revenue	3,720,643	4,200,192	(11.4)%
Gross Profit	763,817	858,386	(11.0)%
Earnings Per Share	4.03	3.27	23.2%

(II) Revenue and Profit/Loss:

Revenue for 2025 was NT\$3.72 billion, representing a decrease of 11.4% compared to NT\$4.2 billion in 2024. Gross profit for 2025 was NT\$763 million, representing a decrease of 11% compared to NT\$858 million in 2024. Earnings per share after tax was NT\$4.03, representing an increase of 23.2% compared to NT\$3.27 in 2024.

R&D Achievements in 2025:

1. The Company continued the development of key components, including new linear optical sensors and light sources, with the aim of achieving vertical integration and mastering core technologies.
2. The second prototype verification of the Smart Pattern Sensor was completed and recognized by customers, leading to its adoption in new equipment projects. Development of the third prototype has commenced, further enhancing functionality while reducing size by 60%.
3. A new micro infrared module and SDK were developed to provide customers with more comprehensive solutions. At the same time, the Company implemented a non-PRC supply chain strategy to meet customer needs and enhance product competitiveness.
4. In collaboration with strategic partners, the Company completed the development of an AI smart shelf solution and planned cooperative development of AI smart hospital beds and AI automated optical inspection equipment.
5. The Company obtained one German invention patent for IR image transmission, two Taiwanese invention patents for IR AI image algorithms, one Japanese invention patent for optical sensors, and filed a U.S. invention patent application for the Smart Pattern Sensor.

II. Outlook for 2026

Amid moderating global inflation and ongoing supply chain restructuring, end-market demand is exhibiting structural growth. The Company will continue to focus on high value-added product lines and cross-regional manufacturing deployment to enhance operational resilience and long-term competitiveness. At the same time, through technological upgrades and the development of new applications, the Company aims to expand its growth momentum.

With respect to growth drivers for CISM (Contact Image Sensor Module) products, the Company's development direction for the coming year will focus on deepening relationships with existing customers. Through specification upgrades and customized design, the Company seeks to increase procurement volume and product penetration per customer. In supply chain management, the Company will further optimize inventory management of raw materials and finished goods, while strengthening long-term partnerships with key suppliers to ensure supply stability and cost advantages. On the production side, the Company will continue to increase automation, optimize processes, and enhance quality control to improve yield and unit output efficiency, thereby strengthening price competitiveness and stabilizing the gross margin structure. In response to customers' demand for geopolitical risk diversification and localized supply, the Company has initiated forward-looking capacity planning with multi-site

manufacturing coordination. In the coming year, this will further diversify operational risks across regions, enhance order stability, strengthen operational resilience, and establish a foundation for future order capacity and delivery flexibility. In addition, IR infrared sensing modules represent one of the Company's key mid- to long-term technologies. The Company will continue to focus on applications in "security monitoring" and "industrial inspection." Through modular design and the integration of AI image processing, the Company aims to differentiate its products and create value, while steadily strengthening core competitiveness and laying a solid foundation for mid- to long-term growth.

The Company's operating policies for 2026 will focus on the following directions:

1. Strengthen control over inventory levels of raw materials and finished goods, maintain close communication with customers, and closely monitor market trends to respond to global economic uncertainties.
2. Increase the flexibility and proportion of automated production.
3. Optimize cost structure and enhance responsiveness to customer demand through allocation of labor and manufacturing conditions across different production sites.
4. Complete the development of samples for new self-developed linear optical sensors and light source key components, conduct customer validation, and introduce mass production to secure technological and product autonomy.
5. Complete the third prototype verification of the Smart Pattern Sensor, integrate it with end-customer equipment, commence small-volume shipments, and secure ODM business from brand customers to expand application markets.
6. Complete development of next-generation ultra-high-resolution micro infrared module samples and SDK, and commence sales. Introduce optimized AI image algorithms to support automation of infrared module production lines, increase production capacity to meet future order demand, with a target monthly capacity of 1K units.
7. In collaboration with strategic partners, complete development of AI smart hospital beds and AI automated optical inspection algorithms for healthcare applications.
8. In collaboration with strategic partners, invest in the manufacturing and sales of battery materials.
9. Continue to apply for patents in various countries to build competitive advantages.

Chairman: Huang Yu-Jen

Two. Corporate Governance Report

I. Information on Directors, President, Vice Presidents, Associate Vice Presidents, and Heads of Departments and Branches

(I) Directors

1. Information on Directors

As of March 27, 2026

Title	Nationality or Place of Registration	Name	Gender Age	Date of Election (Assumption of Office) Term of Office	Date of Initial Election (Years)	Number of Shares Held at the Time of Election	Number of Shares Currently Held		Shares Currently Held by		Spouse and Minor Children		Shares Held in the Name of Others		Major Education and Experience	Current Positions Concurrently Held in the Company and Other Companies	Other Supervisors, Directors, or Supervisors with Spousal or Second-Degree Kinship Relationships			Remarks
							Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			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	18.88%	0	0	0	0	Chairman and President, Teco Image Systems Co., Ltd. Chief Executive Officer, Information and Electronics Business Group, TECO Group Master's Degree in Electrical Engineering, Columbia University, USA	(Note 1)	None	None	None	
	Japan	Representative: Yu-Jen Huang	Male Age 51-60	May 31, 2024	3	June 20, 2003	450,000	0.30%	405,000	0.29%	0	0	0	0			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	8.59%	0	0	8,100,000	5.88%	Chief Operating Officer, Universal Cement Corporation Bachelor's Degree in Political Science, Columbia University, USA Master's Degree, East Asian Studies, Harvard University, USA	(Note 1)	None	None	None	
	Republic of China	Representative: Chih-Yuan Hou	Male Age 41-50	November 1, 2025	3	November 1, 2025	0	0.00%	0	0.00%	0	0	0	0			None	None	None	(Note 2)
Director	Republic of China	Koryo Electronics Co., Ltd.		May 31, 2024	3	June 14, 200	5,701,000	3.82%	5,130,900	3.72%	0	0	0	0	Chairman, Tong Seng Applied Materials Inc. Master's Degree in Electrical Engineering, Texas State University, USA	(Note 1)	None	None	None	
	Republic of China	Representative: En-Hsin Hsiao	Male Age 61-70	December 4, 2024	3	July 9, 2021	0	0.00%	0	0.00%	0	0	0	0			None	None	None	(Note 3)
Independent Director	Republic of China	Hsiu-Ming Wang	Male Age 61-70	May 31, 2024	3	June 16, 2009	0	0.00%	0	0.00%	0	0	0	0	Chairman, Minsing Creative Management	(Note 1)	None	None	None	

Title	Nationality or Place of Registration	Name	Gender Age	Date of Election (Assumption of Office) Term of Office	Date of Initial Election (Years)	Number of Shares Held at the Time of Election	Number of Shares Currently Held		Shares Currently Held by		Spouse and Minor Children		Shares Held in the Name of Others		Major Education and Experience	Current Positions Concurrently Held in the Company and Other Companies	Other Supervisors, Directors, or Supervisors with Spousal or Second-Degree Kinship Relationships			Remarks
							Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relationship	
														Consulting Co., Ltd. MBA, University of Leicester, UK						
Independent Director	Republic of China	Shih-Ying Huang	Female Age 41-50	May 31, 2024	3	July	0	0.00%	0	0.00%	0	0	0	0	Independent Director, Uni Pharma Co., Ltd.; Independent Director, M31 Technology Corporation Ph.D. in Financial Management, School of Management, Jinan University, Guangzhou		None	None	None	
Independent Director	Republic of China	Yun-Hsiang Hsiao	Male Age 61-70	May 31, 2024	3	November 29, 2022	0	0.00%	0	0.00%	0	0	0	0	Chairman, Taoyuan Autism Association Executive Master's Program in Business Administration, Kainan University		None	None	None	
Independent Director	Republic of China	Chi-Tung Ku	Male Age 51-60	May 31, 2024	3	May 31, 2024	0	0.00%	0	0.00%	0	0	0	0	Attorney, Zhan Xin Law Firm Independent Director, Ruentex Industries Ltd. Director, D-Link Corporation Assistant Manager, The Shanghai Commercial & Savings Bank, Ltd. Master's Degree, Graduate Institute of Law, Soochow University		None	None	None	

Note 1: Current positions concurrently held in the Company and other companies

Title	Name	Current Positions Concurrently Held in the Company and Other Companies	
Chairman	Yu-Jen Huang	Chairman:	Creative Sensor Inc.; Teco Image Systems Co., Ltd.; L&K Industries Philippines, Inc.
		Director:	Independent Director, Genetics Generation Advancement Corp.; Independent Director, Chunghwa Telecom Co., Ltd.; TDC Capital Co., Ltd.; Creative Sensor (USA) Co.; Creative Sensor Inc.; Creative Sensor Co., Ltd.; Nanchang Creative Sensor Technology Co., Ltd.; Sensorem Photonics India Private Limited
		Others:	Chief Strategy Officer, Creative Sensor Inc.; Chief Strategy Officer, Teco Image Systems Co., Ltd.
Director	Chih-Yuan Hou	Director:	Creative Sensor Inc.; Universal Cement Corporation; Tainan Spinning Co., Ltd.; Huan Ni Investment Co., Ltd.; Universal China Holdings Co., Ltd.; Liu Ho Machine Industry Co., Ltd.; China General Resource Co., Ltd.; China Bills Finance Corporation; Nantex Industry Co., Ltd.
		Supervisor:	Borch Investment Co., 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:	Minsing Creative Management Consulting Co., Ltd.
		Director:	Independent Director, Creative Sensor Inc.; Independent Director, King Yuan Electronics Co., Ltd.; Yong Wei Investment Holding Co., Ltd.
		Others:	Director, Taiwan Electrical and Electronic Manufacturers' Association
Independent Director	Shih-Ying Huang	Director:	Independent Director, Creative Sensor Inc.; Independent Director, Suntex Industries Co., Ltd.; Independent Director, M31 Technology Corporation; Independent Director, J-Star Biotechnology Co., Ltd.
		Others:	Partner CPA, Chih Hsin Certified Public Accountants
Independent Director	Yun-Hsiang Hsiao	Director:	Independent Director, Creative Sensor Inc.
		Others:	Member, Taoyuan City Education Review Committee; Member, Taoyuan City Special Education Evaluation Committee; Member, Taoyuan City Special Education Advisory Committee; Member, Evaluation Panel for Special Education in Senior High School and Below, Taoyuan City; Member, Identification and Placement Task Force for Special Education Students in Elementary and Junior High Schools, Taoyuan City; Founding President, Taoyuan Hutoushan Lions Club; Executive Director, Taiwan Lohas Industry Development Association; Honorary Chairman, Taoyuan Association for Persons with Disabilities; Advisor, Taoyuan Autism Association
Independent Director	Chi-Tung Ku	Director:	Independent Director, Creative Sensor Inc.; Independent Director, Ruentex Industries Ltd.
		Others:	Attorney, Zhan Xin Law Firm; Adjunct Lecturer, Bachelor's Program in Ocean Cultural and Creative Design Industries, National Taiwan Ocean University; Adjunct Assistant Professor-level Professional Technical Personnel, Soochow University; Director, Taichung Yaqiao Education Foundation

Note 2: Universal Cement Corporation reassigned Mr. Chih-Yuan Hou as its representative director on November 1, 2025.

Note 3: Koryo Electronics Co., Ltd. reassigned Mr. En-Hsin Hsiao as its representative director on December 4, 2024.

2. Names and Shareholding Ratios of the Top Ten Institutional Shareholders

Major Shareholders of Institutional Shareholders

As of March 27, 2026

Name of 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%); Tung An Investment Co., Ltd. (5.01%); Guangyuan Industrial Co., Ltd. (4.24%); Teco International Investment Co. Ltd. (4.17%); Ching-Chiang Li (0.85%); Citibank Custody – Barclays Capital Securities Co., Ltd. Investment Account (0.50%); Tung Ho International Investment Co., Ltd. (0.45%)
Universal Cement Corporation	Sheng Yuan Investment Co., Ltd. (10.32%); Yu Sheng Investment Co., Ltd. (10.28%); Po-Yi Hou (7.94%); HSBC Custody – Bitt Bank Investment Account (4.87%); Borch Investment Co., Ltd. (4.57%); Hou, Su-Chin (3.43%); Standard Chartered Custody – DBS Bank Account No. 0600049662 (3.09%); Hou, Po-Yu (2.76%); Wu Tsun-Hsien Cultural and Educational Foundation (1.79%); Hou, Po-Ming (1.00%)
Koryo Electronics Co., Ltd.	Teco Image Systems Co., Ltd. (19.29%); Creative Sensor Inc. (19.07%); Kuang You Co., Ltd. (11.30%); Lu, Chuan-Fu (10.05%); Tien Da Investment Co., Ltd. (9.82%); Mega World Industrial Co., Ltd. (2.91%); Huang, Lin-Ho-Hui (2.22%); Huang, Mao-Hsiung (0.94%); Mega World International Development Co., Ltd. (0.81%); Li, Fu-Hsing (0.76%)

Where Major Shareholders Are Institutional Shareholders – Their Major Shareholders

As of March 27, 2026

Institutional Name	Major Shareholders of the Institutional Entity
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%); Kuang You Co., Ltd. (6.99%); Ri Sheng Co., Ltd. (0.92%)
An Fu International Investment Co., Ltd.	You Wan International Investment Co., Ltd. (35%); An-Shin Food Services Co., Ltd. (30%); Tung Kuang Investment Co., Ltd. (31%); Guangyuan Industrial Co., Ltd. (4%)
Tung 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%)
Guangyuan Industrial Co., Ltd.	Tung Kuang Investment Co., Ltd. (34.46%); Huang, Lin-Ho-Hui (51.58%); Ming Yeh Investment Co., Ltd. (Hong Kong) (10.00%); Tung Ho International Investment Co., Ltd. (0.74%); Others (3.22%)
Teco International Investment Co. Ltd.	TECO Electric & Machinery Co., Ltd. (100%)
Tung Ho International Investment Co., Ltd.	Huang, Shang-Li (25.89%); Wang, Po-Yuan (20%); Guangyuan Industrial Co., Ltd. (29.5%); Yu-Jen Huang (17.78%); Others (6.83%)
Sheng Yuan Investment Co., Ltd.	Po-Yi Hou (99%)
Yu Sheng Investment Co., Ltd.	Po-Yi Hou (91.10%)
Borch Investment Co., Ltd.	Po-Yi Hou (50%)

Institutional Name	Major Shareholders of the Institutional Entity
Kuang You Co., Ltd.	Guangyuan Industrial Co., Ltd. (22.28%); Mega World International Development Co., Ltd. (18.38%); Mega World Industrial Co., Ltd. (15.19%); Huang, Mao-Hsiung (10.04%) Tung Kuang Investment Co., Ltd. (9.88%); Lin, Hsin-Pei (5.11%); Chang, Li-Chun (3.80%); Huang, Lin-Ho-Hui (3.74%); Chang, Li-Yu (3.74%); Chang, Ping-Yen (2.27%)
Mega World Industrial Co., Ltd.	Ming Cheng Investment Co., Ltd. (50.50%); Cheng Yue Co., Ltd. (25.25%); Kai Yue Industrial Co., Ltd. (17.25%); Others (7%)
Mega World International Development Co., Ltd.	Ming Cheng Investment Co., Ltd. (37%); Cheng Yue Co., Ltd. (26.25%); Mega World Industrial Co., Ltd. (9.25%); Kai Yue Industrial Co., Ltd. (9.13%); Others (18.37%)

3. Disclosure of Directors' Professional Qualifications and Independence of Independent Directors

Criteria Name	Professional Qualifications and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies in Which Independent Directorships Are Concurrently Held
Chairman / Yu-Jen Huang	1. Please refer to page 4 for the professional qualifications and experience of directors. 2. None of the directors has any of the circumstances set forth in the subparagraphs of Article 30 of the Company Act.	Not applicable	2
Director / Chih-Yuan Hou			0
Director / En-Hsin Hsiao			0
Independent Director / Hsiu-Ming Wang	1. Please refer to page 4 for the professional qualifications and experience of directors. 2. None of the directors has any of the circumstances set forth in the subparagraphs of Article 30 of the Company Act.	All independent directors meet the following conditions: 1. In compliance with Article 14-2 of the Securities and Exchange Act and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission 2. Neither the individual (nor through nominees), nor their spouse or minor children, holds any shares of the Company 3. No remuneration has been received in the past two years for providing business, legal, financial, accounting, or other related services to the Company or its affiliates	1
Independent Director / Shih-Ying Huang			3
Independent Director / Yun-Hsiang Hsiao			0
Independent Director / Chi-Tung Ku			1

Note 1: A person shall not serve as a managerial officer if any of the following circumstances applies; where already appointed, such person shall be automatically dismissed:

1. Having committed an offense under the Organized Crime Prevention Act and having been finally convicted, where the sentence has not yet been executed, has not been fully executed, or less than five years have elapsed since the completion of execution, expiration of probation, or pardon.
2. Having committed fraud, breach of trust, or misappropriation, and having been finally sentenced to imprisonment for a term of more than one year, where the sentence has not yet been executed, has not been fully executed, or less than two years have elapsed since the completion of execution, expiration of probation, or pardon.
3. Having committed an offense under the Anti-Corruption Act and having been finally convicted, where the sentence has not yet been executed, has not been fully executed, or less than two years have elapsed since the completion of execution, expiration of probation, or pardon.
4. Having been declared bankrupt or subject to a court ruling commencing liquidation proceedings, and civil rights have not yet been reinstated.
5. Having had negotiable instruments dishonored and being subject to refusal of transactions, with the restriction period not yet expired.

6. Having no legal capacity or having limited legal capacity.
7. Being subject to an order of assistance that has not yet been revoked.

Note 2:

1. Not a government agency, juristic person, or its representative as specified under Article 27 of the Company Act.
2. Concurrent service as an independent director in other public companies does not exceed three companies.
3. During the two years prior to election and during the term of office, none of the following circumstances applies:
 - (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) The individual, their spouse, minor children, or any person holding shares on their behalf holds 1% or more of the total issued shares of the Company, or is among the top ten individual shareholders.
 - (4) The spouse, or a relative within the second degree of kinship, or a lineal blood relative within the third degree of kinship, of any managerial officer referred to in (1), or of any person referred to in (2) or (3).
 - (5) A director, supervisor, or employee of a juristic person shareholder who directly holds 5% or more of the Company's total issued shares, is among the top five shareholders, or designates a representative to serve as a director of the Company under Article 27 of the Company Act.
 - (6) A director, supervisor, or employee of another company in which more than half of the Company's board seats or voting shares are controlled by the same person.
 - (7) A director, supervisor, or employee of another company or institution where the chairman, President, or an equivalent position is held by the same person or by the spouse of such person.
 - (8) A director, supervisor, managerial officer, or shareholder holding 5% or more of shares in a specific company or institution that has financial or business dealings with the Company.
 - (9) A professional individual, sole proprietorship, partnership, company, or institution, including its owner, partner, director, supervisor, managerial officer, and their spouse, that provides audit services or has received cumulative remuneration exceeding NT\$500,000 in the most recent two years for business, legal, financial, accounting, or related services to the Company or its affiliates. However, this restriction does not apply to members of the Company's Remuneration Committee.

4. Board Diversity and Independence

Board Diversity:

To strengthen corporate governance and promote the sound development of the Board's composition and structure, the Company has established the "Corporate Governance Best Practice Principles," which stipulate that the composition of Board members shall take diversity into consideration. Appropriate diversity policies shall be formulated based on the Company's operations, business model, and development needs, including, but not limited to, the following two aspects:

- (1) Basic attributes and values: gender, age, nationality, and culture.
- (2) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Board members shall generally possess the knowledge, skills, and competencies necessary to perform their duties. To achieve the objectives of corporate governance, the Board as a whole shall possess the following capabilities and experience:

- (1) Leadership capability.
- (2) Decision-making capability.
- (3) International market perspective.
- (4) Industry knowledge.
- (5) Crisis management capability.
- (6) Business and operational management capability.
- (7) Accounting and financial analysis capability.
- (8) Operational judgment capability.

(9) Environmental sustainability.

(10) Social participation.

Board Management Objectives:

The Company's Board guides corporate strategy, supervises management, and is accountable to the Company and its shareholders. It complies with applicable laws and regulations, the Company's Articles of Incorporation, and corporate governance practices and arrangements to ensure the proper discharge of the Board's responsibilities. Members of the Board shall possess the knowledge, skills, and capabilities necessary to perform their duties, including industry decision-making and management expertise. To achieve the functional objectives of the Board, the following diversity management objectives have been established:

- (1) Gender diversity: at least one female director.
- (2) Functional diversity: core areas including business and operational management, leadership and decision-making, industry knowledge, and accounting and financial analysis, covering the above four areas.

Implementation of Board Diversity:

- (1) Among the seven members of the Company's Board, one is a female director.
- (2) Among the four independent directors, one has served for less than two years, two have served between three and six years, and one has served for more than six years. Among all directors, two are aged between 41 and 50, two between 51 and 60, and three between 61 and 70, reflecting a broad age distribution.
- (3) Among the seven current directors, academic qualifications include a master's degree in electrical engineering management, a master's degree in East Asian (economic) studies, a master's degree in intellectual property, and a doctoral degree in financial management. Each director also has a distinct professional background. Directors Yu-Jen Huang, Chih-Yuan Hou, En-Hsin Hsiao, Chi-Tung Ku, and Yun-Hsiang Hsiao demonstrate strengths in operational judgment, leadership and decision-making, business and operational management, and crisis management, and possess perspectives on environmental sustainability and international markets. Director Shih-Ying Huang has expertise in accounting and financial analysis, and Director Hsiu-Ming Wang has relevant industry experience.
- (4) The Board members' academic backgrounds and areas of expertise are complementary, achieving diversity in both professional fields and gender, and fulfilling the objectives set under the Company's Board diversity policy.

Where the number of directors of either gender on the Board does not reach one-third of the total seats, the reasons and the measures planned to enhance gender diversity are described as follows:

Among the current seven directors, the proportion of directors of either

gender has not yet reached one-third (inclusive) of Board seats. However, the requirement of having at least one director of a different gender has been met, representing 14.3% (Ms. Shih-Ying Huang). The composition of the Board primarily considers candidates' professional background, experience, and their level of participation in and contribution to the Company's future development, without imposing specific limits on gender ratios. Nevertheless, the Company will continue to promote gender equality among Board members, with achieving one-third representation of either gender as a long-term objective.

Board Independence:

The Company aims to have independent directors account for at least one-third of the total number of directors, directors concurrently serving as Company management not exceeding one-third of the total number of directors, and no more than two directors having spousal or second-degree kinship relationships. The current Board of Directors comprises seven members with diverse backgrounds, including expertise in various industries, academia, and law. It includes one female director; among the seven members, four are independent directors, accounting for more than half of the total. Additionally, there are no spousal or second-degree kinship relationships among the directors. Accordingly, the Board of Directors of the Company is considered independent. The implementation status of the Board diversity policy is as follows:

Title	Chairman	Director	Director	Independent Director	Independent Director	Independent Director	Independent Director
Name	Yu-Jen Huang	Chih-Yuan Hou	En-Hsin Hsiao	Chi-Tung Ku	Hsiu-Ming Wang	Yun-Hsiang Hsiao	Shih-Ying 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	61-70	51-60	61-70	61-70	41-50
Concurrent position as an employee of the Company	v						
Professional knowledge and expertise							
Business	v	v	v	v	v	v	v
Technology	v	v	v		v		
Finance/Accounting							v
Legal				v			
Marketing	v	v	v		v	v	
Information security						v	v
Capabilities and experience							
Leadership capability	v	v	v	v	v	v	v
Decision-making capability	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 capability	v	v	v	v	v	v	v
Operational management capability	v	v	v	v	v	v	v
Accounting and financial analysis capability	v						v
Operational judgment capability	v	v	v	v	v	v	v
Environmental sustainability	v	v	v	v	v	v	v
Social participation	v	v	v	v	v	v	v

(II) Information on the President, Vice Presidents, Associate Vice Presidents, and Heads of Departments and Branch Units

As of March 27, 2026

Title	Nationality	Name	Gender	Date of election (appointment)	Shareholdings		Shareholdings held by spouse and minor children		Shares Held in the Name of Others		Major Education and Experience	Current positions concurrently held in other companies	Managers having spousal or second-degree kinship relationships			Remarks
					Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relationship	
Chief Strategy Officer	Japan	Yu-Jen Huang	Male	April 26, 2022	405,000	0.29%	0	0	0	0	Chairman and President, Teco Image Systems Co., Ltd. Chief Executive Officer, Information and Electronics Business Group, TECO Group Master's Degree in Electrical Engineering, Columbia University, USA	(Note 1)	None	None	None	
President	Republic of China	Yao-Ming Wei	Male	October 29, 2024	0	0	0	0	0	0	Consultant, Teco Image Systems Co., Ltd. Department of Electronics Engineering, Chung Yuan Christian University	(Note 1)	None	None	None	
Senior Manager	Republic of China	Mei-Chi Wu	Female	December 17, 2025	0	0	0	0	0	0	Senior Accounting Manager and Acting Spokesperson, Leascend Energy Co., Ltd. Graduate Institute of Accounting, Tamkang University	None	None	None	None	
Assistant Manager	Republic of China	Chen Yu	Male	August 5, 2025	27,000	0.02%	0	0	0	0	Accounting Specialist, Samsung Electronics Taiwan Co., Ltd. Department of Accounting, Fu Jen Catholic University	None	None	None	None	
Corporate Governance Officer	Republic of China	Hsiang-Hui Tsai	Male	November 6, 2025	0	0	0	0	0	0	Consultant, Teco Image Systems Co., Ltd. EMBA, National Tsing Hua University	(Note 1)	None	None	None	

Note 1: Current positions concurrently held in other companies.

Title	Name	Current positions concurrently held in other companies	
Chief Strategy Officer	Yu-Jen Huang	Chairman:	Teco Image Systems Co., Ltd., L&K Industries Philippines, Inc.
		Director:	Independent Director, Genetics Generation Advancement Corp.; Independent Director, Chunghwa Telecom Co., Ltd.; TDC Capital Co., Ltd.; Creative Sensor (USA) Co.; Creative Sensor Inc.; Creative Sensor Co., Ltd.; Nanchang Creative Sensor Technology Co., Ltd.; Sensorem Photonics India Private Limited
		Others:	Chief Strategy Officer, Teco Image Systems Co., Ltd.
President	Yao-Ming Wei	Chairman:	Tung Yu Digital Technology (Dongguan) Co., Ltd.
		Director:	Koryo Electronics Co., Ltd., Creative Sensor (USA) Co., L&K Industries Philippines, Inc., All-In-One International Co., Ltd., Image Systems International Limited
		Others:	President, Nanchang Creative Sensor Technology Co., Ltd.
Corporate Governance Officer	Hsiang-Hui Tsai	Director:	Tung Yu Digital Technology (Dongguan) Co., Ltd., Atlas Tech Investment Co., Ltd.

II. Remuneration Paid to Directors, the President, and Vice Presidents in the Most Recent Fiscal Year

(I) Remuneration of General Directors and Independent Directors

Unit: NT\$ thousand

No.	Title	Name	Directors' remuneration						Total of items A, B, C, and D and as a percentage of net income after tax		Remuneration received for concurrently serving as an employee						Total of items A, B, C, D, E, F, and G and as a percentage of net income after tax		Remuneration received from investee enterprises other than subsidiaries or from the parent company		
			Remuneration (A)		Severance/retirement pension (B)		Directors' remuneration (C)				Execution expenses (D)		Salaries, bonuses, and special allowances, etc. (E)		Severance/retirement pension (F)					Employees' compensation (G)	
			The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	Cash amount	Stock amount	Cash amount	Stock amount		The Company	All companies included in the financial statements
1	Chairman	Teco Image Systems Co., Ltd.	1,200	1,200	0	0	9,136	9,136	140	160	10,476 (2.44%)	10,496 (2.44%)	25,333	25,333	0	0	0	0	35,809 (8.34%)	35,829 (8.34%)	10,204
2		Representative: Yu-Jen Huang																			
3	Director	Universal Cement Corporation																			
4		Representative: Chih-Sheng Hou (Note 1)																			
3	Director	Universal Cement Corporation																			
5		Representative: Chih-Yuan Hou (Note 1)																			
6	Director	Koryo Electronics Co., Ltd.																			
7		Representative:																			

Remuneration Range Table

Remuneration ranges for each director of the Company	Name of Director			
	Total remuneration for the first four items (A+B+C+D)		Total remuneration for the first seven items (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements	The Company	All investee enterprises included in the financial statements
Below NT\$1,000,000	4, 5	4, 5	4, 5	4、5
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	2, 7	2, 7	7	7
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	1, 3, 6, 8, 9, 10, 11	1, 3, 6, 8, 9, 10, 11	1, 3, 6, 8, 9, 10, 11	1, 3, 6, 8, 9, 10, 11
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	—	—	—	—
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	—	—	—	—
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	—	—	—	—
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	—	—	2	2
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	—	—	—	—
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	—	—	—	—
NT\$100,000,000 or more	—	—	—	—
Total	1~11	1~11	1~11	1~11

Indicated by each director's number

The remuneration disclosed in this table differs from the concept of income under the Income Tax Act; therefore, this table is for information disclosure purposes only and not for taxation purposes.

(II) Remuneration of the President and Vice Presidents

Unit: NT\$ thousand

No.	Title	Name	Salary (A)		Severance/retirement pension (B)		Bonuses and special allowances, etc. (C)		Employees' compensation amount (D)				Total of items A, B, C, and D and as a percentage of net income after tax (%)		Number of employee stock options obtained		Number of restricted shares awarded to employees		Remuneration received from investee enterprises other than subsidiaries or from the parent company
			The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	
									Cash dividend amount	Stock dividend amount	Cash dividend amount	Stock dividend amount							
1	Chairperson concurrently serving Chief Strategy Officer	Yu-Jen Huang	13,619	13,619	0	0	15,021	15,021	344	0	344	0	28,984 6.75%	28,984 6.75%	0	0	0	0	Yes
2	President	Yao-Ming Wei																	None

Remuneration Range Table

Remuneration ranges for each President and Vice President of the Company	Name of President and Vice President	
	The Company	All companies included in the financial statements
Below NT\$1,000,000	—	—
NT\$1,000,000 (exclusive) to NT\$2,000,000 (exclusive)	—	—
NT\$2,000,000 (exclusive) to NT\$3,500,000 (exclusive)	—	—
NT\$3,500,000 (exclusive) to NT\$5,000,000 (exclusive)	2	2
NT\$5,000,000 (exclusive) to NT\$10,000,000 (exclusive)	—	—
NT\$10,000,000 (exclusive) to NT\$15,000,000 (exclusive)	—	—
NT\$15,000,000 (exclusive) to NT\$30,000,000 (exclusive)	1	1
NT\$30,000,000 (exclusive) to NT\$50,000,000 (exclusive)	—	—
NT\$50,000,000 (exclusive) to NT\$100,000,000 (exclusive)	—	—
NT\$100,000,000 or more	—	—
Total	1,2	1,2

* Indicated by each manager's number

* The remuneration disclosed in this table differs from the concept of income under the Income Tax Act; therefore, this table is for information disclosure purposes only and not for taxation purposes

(III) Names of managers receiving employees' compensation and distribution status

Unit: NT\$ thousand

	Title	Name	Stock dividend amount	Cash dividend amount	Total	Total amount as a percentage of net income after tax (%)
Manager	Chairperson concurrently serving Chief Strategy Officer	Yu-Jen Huang	0	10,772 (Estimated amount)	10,772 (Estimated amount)	2.51%
	President	Yao-Ming Wei				
	Senior Manager	Chien-Chung Hung (Note 2)				
	Manager	Chi-Ping Lin (Note 3)				
	Corporate Governance Officer	Chiao-Pei Mai (Note 4)				
	Senior Manager	Mei-Chi Wu (Note 3)				
	Assistant Manager	Chen Yu (Note 2)				
	Corporate Governance Officer	Hsiang-Hui Tsai (Note 4)				

Note 1: Refers to the amount of employees' compensation (including stock and cash) to be distributed to managers as approved by the Board of Directors for the most recent fiscal year. If it cannot be estimated, the proposed distribution amount for the current year shall be calculated based on the proportion of the actual distribution amount in the previous year. Net income after tax refers to the net income after tax for the most recent fiscal year.

Note 2: Mr. Chien-Chung Hung, Head of Finance, resigned on August 5, 2025, and was succeeded on the same date by Mr. Yu Chen.

Note 3: Ms. Chi-Ping Lin, Head of Accounting, resigned on December 17, 2025, and was succeeded on the same date by Ms. Mei-Chi Wu.

Note 4: Ms. Chiao-Pei Mai, Corporate Governance Officer, resigned on October 16, 2025, and was succeeded on November 6, 2025 by Mr. Hsiang-Hui Tsai.

(IV) Comparative analysis of the proportion of total remuneration paid by the Company and all companies included in the consolidated financial statements to the Company's directors, President, and Vice Presidents to net income after tax in the parent company only or individual financial statements for the most recent two fiscal years, together with an explanation of the policies, standards, and structure of remuneration, the procedures for determining remuneration, and its relationship to operating performance and future risks.

1. Analysis of the proportion of total remuneration paid by the Company and all companies included in the consolidated financial statements to the Company's directors, President, and Vice Presidents to net income after tax in the parent company only or individual financial statements for the most recent two fiscal years

Title	The proportion of total remuneration paid by the Company and all companies included in the consolidated financial statements to the Company's directors, President, and Vice Presidents to net income after tax in the parent company only financial statements	
	2024	2025
Director	9.18%	12.37%
President		
Vice President		

2. Policies, standards, and structure of remuneration, procedures for determining remuneration, and the relationship to operating performance and future risks.

- (1) In accordance with Article 19 of the Company's Articles of Incorporation, if the Company has profits in a given year, an amount not exceeding 5% of the profits for the year shall be appropriated as directors' remuneration. Such remuneration shall be distributed in accordance with the "Regulations Governing the Payment of Directors' Remuneration" established by the Company's Remuneration Committee and approved by the Board of Directors.

The scope of directors' remuneration of the Company includes directors' remuneration from earnings distribution, execution expenses, and compensation. In accordance with Article 13-1 of the Company's Articles of Incorporation, directors' compensation is authorized to be determined by the Board of Directors based on their level of participation in the Company's operations and the value of their contributions, with reference to industry standards. Remuneration from earnings distribution: In accordance with the Company's Articles of Incorporation, the Remuneration Committee shall consider the overall performance of the Board of Directors, the Company's operating performance, future operations, and risk appetite; propose a distribution plan; submit it to the Board of Directors for resolution; and report it to the shareholders' meeting. Execution expenses: Attendance fees are paid to each director present at each meeting of the Board of Directors.

- (2) The employees' compensation paid by the Company to its managerial officers is determined in accordance with the Company's Articles of Incorporation. If the Company has profits, 5% to 15% of the profits for the year shall be appropriated as employees' compensation; however, if the Company has accumulated losses from prior years, such losses shall first be offset before appropriating employees' compensation and directors' remuneration, and the remaining amount shall then be appropriated proportionally.

Managerial remuneration includes fixed salary, year-end performance bonuses, and employees' compensation. Salaries are determined with reference to industry market salary levels and their relationship to future risks, based on individual job responsibilities and professional capabilities; year-end performance bonuses and employees' compensation are calculated in accordance with the Company's "Regulations Governing Year-End Performance Bonuses" and "Regulations Governing Employees' Compensation." Salary amounts, year-end performance bonuses, and employees' compensation are submitted to the Remuneration Committee for review and, upon approval by the Board of Directors, the Chairperson is authorized to determine and distribute such remuneration in accordance with the established policies.

The remuneration of the Company's managerial officers is determined based on a comprehensive consideration of the operating results for the year, their managerial performance, and their contributions. The fairness and reasonableness of such remuneration are reviewed and discussed by the Remuneration Committee, and the remuneration system is reviewed continuously in light of actual operating conditions and relevant regulations.

III. Status of Corporate Governance Operations

(I) Status of Board of Directors Operations

The Board of Directors convened 11 meetings in the most recent fiscal year and up to the date of printing of this annual report. The attendance of directors is as follows:

Title	Name	Number of meetings attended in person	Number of meetings attended 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	11	0	100	Required to attend 11 meetings
Director	Universal Cement Corporation Representative: Chih-Sheng Hou	6	2	75	Required to attend 8 meetings
Director	Universal Cement Corporation Representative: Chih-Yuan Hou	3	0	100	Required to attend 3 meetings
Director	Koryo Electronics Co., Ltd. Representative: En-Hsin Hsiao	11	0	100	Required to attend 11 meetings
Independent Director	Hsiu-Ming Wang	11	0	100	Required to attend 11 meetings
Independent Director	Shih-Ying Huang	11	0	100	Required to attend 11 meetings
Independent Director	Yun-Hsiang Hsiao	11	0	100	Required to attend 11 meetings
Independent Director	Chi-Tung Ku	11	0	100	Required to attend 11 meetings

Other matters to be disclosed:

I. If any of the following circumstances apply to the operation of the Board of Directors, the date and session of the Board meeting, the content of the proposals, the opinions of all independent directors, and the Company's handling of such opinions shall be specified:

- (I) Matters set forth in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee; therefore, the matters set forth in Article 14-3 of the Securities and Exchange Act are not applicable. For relevant information, please refer to the status of Audit Committee operations. All independent directors approved all proposals.
- (II) Other than the foregoing matters, any Board resolutions to which independent directors have expressed dissenting or qualified opinions that are recorded or stated in writing: None.

II. Implementation of directors' recusal due to conflicts of interest:

The 5th meeting of the 10th Board of Directors (February 27, 2025)

Name of director: Director Chih-Sheng Hou

Content of proposal: Proposed issuance of privately placed common shares in 2021, followed by a public offering and application for listing.

Reason for recusal due to conflict of interest and participation in voting: Director Chih-Sheng Hou temporarily recused himself due to a conflict of interest and did not participate in the discussion or voting. Resolution: Except for Director Chih-Sheng Hou, who recused himself due to a conflict of interest, all attending directors approved the proposal as presented.

III. Listed companies shall disclose information on the evaluation cycle and period, evaluation scope, methods, and evaluation content of Board self-evaluation (or peer evaluation): On December 16, 2019, the Board of Directors of the Company approved the “Regulations Governing Board Performance Evaluation,” and since 2020, the Company has conducted annual performance evaluations of the Board of Directors, individual directors, and functional committees. For the results of the 2025 evaluation, please refer to the status of Board performance evaluation implementation.

IV. Objectives for strengthening Board functions in the current year and the most recent fiscal year (e.g. establishment of an Audit Committee, enhancement of information transparency) and evaluation of implementation:

1. To ensure effective communication with the management team, the Company continues to arrange briefings for the directors on the Company’s operational developments. This enables the directors to have a clear understanding of the Company and the management team, thereby facilitating professional and appropriate judgment, supporting the Company’s operational development, and effectively enhancing Board functions.
2. Directors are encouraged to pursue continuing education. The Company proactively provides and arranges information on training programs for directors. All directors of the Company have completed training in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies” and meet the required standards.
3. The Company continues to enhance the quality of Board decision-making. Directors have demonstrated good attendance at Board meetings and maintain effective communication and interaction with the management team, the head of internal audit, and the signing CPAs. The management team is required to implement and monitor corporate governance policies, internal control systems, and operating performance. If any proposal involves a conflict of interest requiring recusal by a director or a managerial officer attending the meeting, such recusal is duly implemented.

(II) Status of Implementation of Board Performance Evaluation

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Conducted once annually	January 1, 2025 – December 31, 2025	Performance evaluation of the Board of Directors, individual directors, the Audit Committee, the Remuneration Committee, and the Sustainable Development Committee	Internal self-evaluation of the Board of Directors using the “Board Performance Self-Assessment Questionnaire”	The evaluation criteria of the “Board Performance Self-Assessment Questionnaire” encompass five major dimensions, including the degree of participation in the Company’s operations, enhancement of the quality of Board decision-making, Board composition and structure, election and continuing education of directors, and internal control.

Results of the 2025 Board performance evaluation

(1) Overall Board of Directors:

Evaluation items	Number of questions	Score
A. Degree of participation in the Company's operations	12	25.0
B. Enhancement of the quality of Board decision-making	12	25.6
C. Board composition and structure	7	15.2
D. Election and continuing education of directors	7	14.4
E. Internal control	7	14.8
Total	45	95.0

(2) Individual directors:

Evaluation items	Number of questions	Score
A. Understanding of the Company's objectives and missions	3	12.9
B. Awareness of directors' duties	3	13.0
C. Degree of participation in the Company's operations	8	33.0
D. Internal relationship management and communication	3	12.3
E. Professional expertise and continuing education of directors	3	12.5
F. Internal control	3	12.5
Total	23	96.2

(3) Audit Committee:

Evaluation items	Number of questions	Score
A. Degree of participation in the Company's operations	4	17.7
B. Awareness of the duties of the Audit Committee	5	20.9
C. Enhancement of the quality of Audit Committee decision-making	7	30.0
D. Composition of the Audit Committee and appointment of its members	3	13.2
E. Internal control	3	12.3
Total	22	94.1

(4) Remuneration Committee:

Evaluation items	Number of questions	Score
A. Degree of participation in the Company's operations	4	20.0
B. Awareness of the duties of the Remuneration Committee	5	23.3
C. Enhancement of the quality of Remuneration Committee decision-making	7	33.0
D. Composition of the Remuneration Committee and appointment of its members	3	13.7
E. Internal control	1	4.7
Total	20	94.7

(5) Sustainable Development Committee:

Evaluation items	Number of questions	Score
A. Degree of participation in the Company's operations	4	22.1
B. Awareness of the duties of the Sustainable Development Committee	3	16.8
C. Enhancement of the quality of Sustainable Development Committee decision-making	7	38.8
D. Composition of the Sustainable Development Committee and appointment of its members	3	17.1
Total	17	94.8

(III) Operation of the Audit Committee

1. The primary purpose of the operation of the Company's Audit Committee is to oversee the following matters:
 - Fair presentation of the Company's financial statements.
 - Appointment (dismissal), independence, and performance of the certified public accountants.
 - Effective implementation of the Company's internal control system.
 - Compliance by the Company with relevant laws and regulations.
 - Management of existing or potential risks of the Company.
2. The authorities of this Committee are as follows:
 - Formulation or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
 - Assessment of the effectiveness of the internal control system.
 - Formulation or amendment, in accordance with Article 36-1 of the Securities and Exchange Act, of the procedures for major financial business activities such as acquisition or disposal of assets, engagement in derivative transactions, lending of funds to others, and endorsements or guarantees for others.
 - Matters involving directors' personal interests.
 - Material asset or derivative transactions.
 - Material lending of funds, endorsements, or provision of guarantees.
 - Offering, issuance, or private placement of equity-type securities.
 - Appointment, dismissal, or remuneration of the certified public accountants.
 - Appointment or dismissal of the heads of finance, accounting, or internal audit.
 - Financial reports that are required to be audited and attested by certified public accountants and signed or sealed by the Chairperson, managerial officers, and the chief accounting officer.
 - Other material matters as prescribed by the Company or the competent authority.
3. Term of the current Committee members: from May 31, 2024 to the expiration of the term of office of the Board of Directors for which they were appointed. The Audit Committee convened 11 meetings during the most recent fiscal year and up to the

date of printing of the annual report. The qualifications and attendance of members are as follows:

Title	Name	Number of meetings attended in person	Number of meetings attended by proxy	Actual attendance rate (%)	Remarks
Second Audit Committee (Term: May 31, 2024 to May 30, 2027)					
Convener / Independent Director	Shih-Ying Huang	11	0	100	Required to attend 11 meetings
Independent Director	Hsiu-Ming Wang	11	0	100	Required to attend 11 meetings
Independent Director	Yun-Hsiang Hsiao	11	0	100	Required to attend 11 meetings
Independent Director	Chi-Tung Ku	11	0	100	Required to attend 11 meetings
Other matters to be disclosed:					
I. Where any of the following circumstances occur during the operation of the Audit Committee, the date and session of the Audit Committee meeting, the content of the proposals, any dissenting opinions, qualified opinions, or material recommendations of the independent directors, the resolution results of the Audit Committee, and the Company's handling of the Audit Committee's opinions shall be specified.					
(I) Matters set forth in Article 14-5 of the Securities and Exchange Act.					
Audit Committee Date and Session	Content of Proposals	Audit Committee Resolution Results	Company's Handling of Audit Committee's Opinions		
February 27, 2025 Second Session Fourth Meeting	<ol style="list-style-type: none"> 1. Approval of the Company's 2024 Business Report and financial statements. 2. Approval of the Company's 2024 earnings distribution in the form of cash dividends. 3. Approval of the Company's 2024 earnings distribution table. 4. Approval of the Company's 2024 "Internal Control System Statement." 5. Approval of the Company's share repurchase for transfer to employees. 6. Approval of the supplementary public offering and listing application for the Company's 2021 private placement of common shares. 7. Approval of the private placement of common shares through capital increase. 8. Approval of the appointment of certified public accountants for 2025, along with their remuneration and independence assessment. 	Approved as proposed by all attending Committee members	Approved as proposed by all attending directors at the Board meeting on February 27, 2025.		
April 17, 2025 Second Session Fifth Meeting	Approval of the Company's subscription to the convertible note issued by Ejoule International Limited.	Approved as proposed by all attending Committee members	Approved as proposed by all attending directors at the Board meeting on April 17, 2025.		

May 8, 2025 Second Session Sixth Meeting	Approval of the Company's consolidated financial statements for the first quarter of 2025.	Approved as proposed by all attending Committee members	Approved as proposed by all attending directors at the Board meeting on May 8, 2025.
June 2, 2025 Second Session Seventh Meeting	Approval of matters relating to the pricing and related terms of the Company's first issuance of private placement of common shares in 2025.	Approved as proposed by all attending Committee members	Approved as proposed by all attending directors at the Board meeting on June 2, 2025.
July 10, 2025 Second Session Eighth Meeting	Approval of expenditures related to the Company's engagement of L&K Industries Philippines, Inc. for contract manufacturing, including plant renovation, cleanroom construction, and purchase and transfer of production equipment.	Approved as proposed by all attending Committee members	Approved as proposed by all attending directors at the Board meeting on July 10, 2025.
August 5, 2025 Second Session Ninth Meeting	<ol style="list-style-type: none"> Approval of the Company's consolidated financial statements for the second quarter of 2025. Approval of personnel matters of the Company's managerial officers. 	Approved as proposed by all attending Committee members	Approved as proposed by all attending directors at the Board meeting on August 5, 2025.
September 4, 2025 Second Session Tenth Meeting	<ol style="list-style-type: none"> Approval of the Company's subscription to the convertible note issued by Ejoule International Limited. 	Approved as proposed by all attending Committee members	Approved as proposed by all attending directors at the Board meeting on September 4, 2025.
October 2, 2025 Second Session Eleventh Meeting	<ol style="list-style-type: none"> Approval of the Company's acquisition of a production base in the Philippines. Approval of the Company's acquisition of equity interests in L&K Industries Philippines, Inc. 	Approved as proposed by all attending Committee members	Approved as proposed by all attending directors at the Board meeting on October 2, 2025.
November 6, 2025 Second Session Twelfth Meeting	<ol style="list-style-type: none"> Approval of the Company's consolidated financial statements for the third quarter of 2025. Approval of the Company's Business Report for the first half of 2025. Approval of the Company's earnings distribution in the form of cash dividends for the first half of 2025. Approval of the maturity rollover of the convertible bonds issued by Ejoule International Limited. 	Approved as proposed by all attending Committee members	Approved as proposed by all attending directors at the Board meeting on November 6, 2025.
December 17, 2025 Second Session Thirteenth Meeting	<ol style="list-style-type: none"> Approval of the Company's 2026 budget. Approval of the Company's bank financing agreements for 2026. Approval of the Company's capital increase in subsidiary L&K Industries Philippines, Inc. Approval of the Company's lending of funds to subsidiary L&K Industries Philippines, Inc. Approval of the Company's capital 	Approved as proposed by all attending Committee members	Approved as proposed by all attending directors at the Board meeting on December 17, 2025.

	<p>increase in subsidiary Sensorem Photonics India Private Limited.</p> <p>6. Approval of the independence and qualification assessment of the Company's certified public accountants.</p> <p>7. Approval of the 2025 audit plan.</p> <p>8. Approval of amendments to the "Xingong Circular" internal control system.</p> <p>9. Approval of personnel matters of the Company's chief accounting officer.</p>		
<p>March 3, 2026 Second Session Fourteenth Meeting</p>	<p>1. Approval of the Company's 2025 Business Report and financial statements.</p> <p>2. Approval of the Company's 2025 earnings distribution in the form of cash dividends.</p> <p>3. Approval of the Company's 2025 earnings distribution table.</p> <p>4. Approval of the Company's 2025 "Internal Control System Statement."</p> <p>5. Approval of the Company's endorsement/guarantee for subsidiary L&K Industries Philippines, Inc.</p> <p>6. Approval of the Company's share repurchase for transfer to employees.</p> <p>7. Approval of amendments to the Company's "Approval Hierarchy Table."</p> <p>8. Approval of amendments to the Company's "Procedures for Acquisition or Disposal of Assets."</p> <p>9. Approval of the private placement of common shares through capital increase.</p> <p>10. Approval of additional remuneration for the Company's certified public accountants for 2025.</p> <p>11. Approval of the appointment of certified public accountants for 2026 and their remuneration.</p>	<p>Approved as proposed by all attending Committee members</p>	<p>Approved as proposed by all attending directors at the Board meeting on March 9, 2026.</p>

(II) Other than the foregoing matters, other matters not approved by the Audit Committee but resolved with the consent of more than two-thirds of all directors: None.

II. Implementation of recusal by independent directors in respect of proposals with conflicts of interest, including the names of the independent directors, the content of the proposals, the reasons for recusal, and participation in voting: None.

III. Communication between independent directors, the head of internal audit, and the certified public accountants (including significant matters, methods, and results of communication regarding the Company's financial and business conditions).

(I) The head of internal audit reports the audit results to the independent directors in the month following completion of each audit item, and attends the Company's Audit Committee meetings to present audit reports. No objections were raised by the Committee members.

(II) Communication between independent directors and the head of internal audit is as follows:

Audit Committee Date and Session	Communication Matters	Communication Results
February 27, 2025 Second Session, Fourth Meeting	Audit reports.	Acknowledged by all attending independent directors
	2024 "Internal Control System Statement."	Reviewed and approved by all attending independent directors and submitted to the Board of Directors for resolution

May 8, 2025 Second Session, Sixth Meeting	Audit reports.	Acknowledged by all attending independent directors
August 5, 2025 Second Session, Ninth Meeting	Audit reports.	Acknowledged by all attending independent directors
November 6, 2025 Second Session, Twelfth Meeting	Audit reports.	Acknowledged by all attending independent directors
December 17, 2025 Second Session, Thirteenth Meeting	Audit reports.	Acknowledged by all attending independent directors
	2026 audit plan.	Reviewed and approved by all attending independent directors and submitted to the Board of Directors for resolution

(III) Communication between independent directors, the head of internal audit, and the certified public accountants is as follows:

Term of Office	Communication Matters	Communication Results
February 27, 2025	Completion of the audit of the 2024 financial statements, with discussion of the audit results and key audit matters.	Acknowledged by all attending independent directors
December 17, 2025	Audit planning for the 2025 financial statements Independence of the certified public accountants 2024 Audit Quality Indicators (AQI) information	Acknowledged by all attending independent directors

(IV) Status of Corporate Governance Implementation and Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Therefor

Evaluation items	Implementation Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Therefor
	Yes	No	Summary Description	
I. Has the Company established and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company revised and approved the “Corporate Governance Best Practice Principles” at the 22nd meeting of the 9th Board of Directors (February 3, 2023), and has disclosed them on the Market Observation Post System and the Company’s website under the corporate governance section.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
II. Shareholding Structure and Shareholders’ Rights				
(I) Has the Company established internal operating procedures to handle shareholder suggestions, inquiries, disputes, and litigation matters, and implemented them accordingly?	✓		(I) The Group has established a shareholder services function and spokesperson system, and shareholder suggestions, inquiries, and disputes are handled uniformly by the spokesperson or acting spokesperson in accordance with internal operating procedures.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
(II) Does the Company maintain a list of major shareholders with actual control over the Company and the ultimate beneficial owners of such major shareholders?	✓		(II) In accordance with Article 25 of the Securities and Exchange Act, the Group reports monthly to the designated information reporting system of the competent authority the changes in shareholdings of directors, managerial officers, and shareholders holding more than 10% of the Company’s shares.	
(III) Has the Company established and implemented risk control and firewall mechanisms between the Company and its affiliated enterprises?	✓		(III) The Group has established the “Regulations Governing Financial and Business Operations between Affiliated Enterprises” to ensure sound financial and business transactions between the Group and its affiliated enterprises, and to prevent irregular transactions or improper transfer of benefits in matters such as purchase and sales transactions, acquisition or disposal of assets, endorsements or guarantees, and lending of funds among affiliated enterprises.	

Evaluation items	Implementation Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Therefor
	Yes	No	Summary Description	
(IV) Has the Company established internal regulations prohibiting insiders from trading securities using undisclosed market information?	✓		(IV) The Group has established the “Procedures for Handling Material Inside Information,” the “Management of Insider Trading Prevention,” and the “Code of Ethical Conduct for Directors and Managerial Officers,” which prohibit insiders from trading securities using undisclosed market information. Insiders are also prohibited from trading the Company’s shares during the blackout periods of 30 days prior to the announcement of annual financial reports and 15 days prior to the announcement of each quarterly financial report. These serve as the basis for the Company’s mechanisms for handling and disclosing material information to prevent insider trading.	
III. Composition and Responsibilities of the Board of Directors				
(I) Has the Board adopted a diversity policy, set specific management objectives, and implemented them?	✓		(I) The Group has established a board diversity policy in the “Corporate Governance Best Practice Principles.” Directors are selected based on professional background and areas of expertise, with the requisite knowledge, skills, and competencies to perform their duties. Members of the Board include distinguished individuals from both academia and industry, possessing not only extensive corporate governance and industry experience but also expertise in finance, accounting, and related fields. Directors attend Board meetings to effectively supervise and understand the execution of operating plans. For specific management objectives and implementation status, please refer to page 10: Board Diversity and Independence.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
(II) In addition to establishing the Remuneration Committee and Audit Committee as required by law, has the Company voluntarily established other functional committees?	✓		(II) In addition to establishing the Remuneration Committee and Audit Committee as required by law, the Group resolved, at the 3rd meeting of the 10th Board of Directors (October 29, 2024), to establish a “Sustainable Development Committee” (please refer to: Operation of the Sustainable Development Committee) in order to fulfill corporate social responsibility, promote economic, environmental, and social progress toward sustainable development, and strengthen sustainability governance.	

Evaluation items	Implementation Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Therefor
	Yes	No	Summary Description	
(III) Has the Company established board performance evaluation measures and evaluation methods, and does it conduct regular annual evaluations, report the results to the Board, and apply the results as reference for individual director remuneration and nomination for re-election?	✓		(III) To enhance the functions and operational efficiency of the Board, the Group approved the “Board Performance Evaluation Measures” at the Board meeting on December 16, 2019, stipulating that evaluation results shall be completed before the end of the first quarter of the following year. The performance evaluation results of the Board, individual directors, and functional committees for 2025 were reported at the 15th meeting of the 10th Board of Directors. For details, please refer to the implementation of board performance evaluation.	
(IV) Does the Company regularly evaluate the independence of the certified public accountants?	✓		(IV) The Company regularly evaluates the independence and suitability of its certified public accountants on an annual basis, including verifying whether they are shareholders of the Company or receive remuneration from the Company, confirming that they are not related parties, and determining whether they are involved in litigation. The Company also obtains independence statements and Audit Quality Indicators (AQIs) issued by the certified public accountants. The Company’s finance and accounting unit first conducts a preliminary assessment of the independence and suitability of the certified public accountants, which is then reviewed and approved by the Audit Committee and submitted to the Board of Directors for final approval. The Company coordinates with the accounting firm to periodically rotate the certified public accountants. Details of the 2025 evaluation procedures are provided in Appendix 1. The independence and suitability of the certified public accountants were approved at the 13th meeting of the 2nd Audit Committee (December 17, 2025) and the 14th meeting of the 10th Board of Directors.	
IV. Has the Company appointed appropriate and sufficient corporate governance personnel and designated a chief corporate governance	✓		The Group resolved at the 13th meeting of the 10th Board of Directors on November 6, 2025 to appoint Hsiang-Hui Tsai as the Chief Corporate Governance Officer, responsible for promoting corporate governance-related matters. The main responsibilities include handling matters related to Board and shareholders’ meetings in accordance with	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation items	Implementation Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Therefor
	Yes	No	Summary Description	
officer responsible for corporate governance-related matters (including but not limited to providing directors with information necessary for performing their duties, assisting directors in compliance with laws and regulations, handling matters related to Board and shareholders' meetings in accordance with the law, and preparing minutes of Board and shareholders' meetings)?			the law, preparing minutes of Board and shareholders' meetings, assisting directors in assuming office and continuing education, providing directors with necessary information for performing their duties, and reporting to the Board the results of reviews regarding whether independent directors meet the relevant legal and regulatory qualifications at the time of nomination, election, and during their tenure. Assisting directors in compliance with laws and regulations and strengthening Board functions.	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on its website, and appropriately responded to key corporate social responsibility issues of concern to stakeholders?	✓		The Group has established a spokesperson, acting spokesperson, and shareholder services personnel, and provides contact information on the Company's website to facilitate direct communication with stakeholders, enabling them to understand the Company's operating conditions. A "Stakeholders" section under sustainability development has been established on the Company's website.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
VI. Has the Company engaged a professional shareholder services agent to handle shareholders' meeting matters?	✓		The Group has engaged Yuanta Securities Co., Ltd., Shareholder Services Department (Tel: (02) 2586-5859; Address: B1, No. 67, Section 2, Dunhua South Road, Da'an District, Taipei City) as the professional shareholder services agent to handle all shareholder services matters of the Company.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
VII. Information				

Evaluation items	Implementation Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Therefor
	Yes	No	Summary Description	
(I) Disclosure Has the Company established a website to disclose financial, business, and corporate governance information?	✓		(I) The Group has established a website to disclose financial, business, and corporate governance information. The Company's website is: http://www.csi-sensor.com.tw	(I) Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
(II) Has the Company adopted other methods of information disclosure (such as establishing an English website, designating personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, and posting investor conference materials on the Company's website)?	✓		(II) The Group has established an English website (http://www.csi-sensor.com.tw/en/index.html), designated personnel responsible for the collection and dissemination of information, and implemented the spokesperson system.	(II) Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
(III) Does the Company announce and file annual financial reports within two months after the end of the fiscal year, and announce and file first, second, and third quarter financial reports and monthly operating results ahead of the prescribed deadlines?		✓	(III) The Group announces and files annual financial reports (within 75 days), first, second, and third quarter financial reports (within 45 days), and monthly operating results (before the 10th of each month) within the deadlines stipulated under Article 36 of the Securities and Exchange Act and other relevant regulations. Currently, it is unable to announce and file annual financial reports within two months after the end of the fiscal year. The 2025 annual financial report was announced and filed on March 11, 2026.	(III) There are minor differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies; however, the Company remains in compliance with the Securities and Exchange Act.

Evaluation items	Implementation Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Therefor
	Yes	No	Summary Description	
VIII. Does the Company have other important information that would facilitate understanding of its corporate governance operations (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, status of directors' continuing education, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the Company's purchase of liability insurance for directors)?	✓		<p>(1) Employee rights and employee care: The Company has consistently treated employees with integrity and has established good relationships with employees through various welfare measures and education and training programs. Please refer to the "Labor Relations" section of this annual report.</p> <p>(2) Investor relations: The Company has established an investor section on its website to facilitate investors' access to information regarding the Group, and has set up a spokesperson mailbox to handle shareholder suggestions.</p> <p>(3) Supplier relations: The Company has consistently maintained good relationships with its suppliers.</p> <p>(4) Stakeholder rights: Stakeholders may communicate and provide suggestions to the Company in order to safeguard their legitimate rights and interests.</p> <p>(5) Status of directors' continuing education: The directors of the Group have undertaken continuing education in accordance with the "Directions for the Implementation of Continuing Education for Directors of TWSE/TPEX Listed Companies" (Note).</p> <p>(6) Implementation of risk management policies and risk measurement standards: Please refer to the "Analysis and Assessment of Risk Factors" section of this annual report.</p> <p>(7) Implementation of customer policies: The Company maintains stable and positive relationships with customers to create corporate profits.</p> <p>(8) Status of the Company's purchase of liability insurance for directors: The Company has purchased liability insurance for all directors and managerial officers.</p>	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
<p>IX. Please describe the improvements made based on the results of the most recent corporate governance evaluation released by the Corporate Governance Center of Taiwan Stock Exchange Corporation, and for items not yet improved, propose priority areas for enhancement and corresponding measures. (Companies not included in the evaluation are not required to complete this section)</p> <p>In 2025, the Company's improvements are as follows: (1) disclosure of the linkage between performance evaluation and remuneration of directors and managerial officers; (2) submission of the sustainability report to the Board of Directors for approval, and publication of the English version of the sustainability report; (3) establishment of policies for reducing water usage and other waste management, including reduction targets and implementation measures; (4) disclosure of the Company's risks or opportunities related to the community and adoption of corresponding measures. The Company will continue to strengthen its sustainable development initiatives in the future in order to align with the principles of corporate governance and corporate sustainability.</p>				

Note: 1. Status of Directors' Continuing Education in 2025

Title	Name	Training Date	Organizing Institution	Course Title	Training Hours
Director	Yu-Jen Huang	December 23, 2025	Chinese Association of Independent Directors	Carbon interconnection: carbon fees, carbon taxes, carbon credits, and carbon trading	3
		December 26, 2025	Chinese Association of Independent Directors	How boards of directors oversee post-merger integration and the establishment of management mechanisms	3
Director	Chih-Yuan Hou	May 9, 2025	Taiwan Institute of Directors	Future trends in the global economy and markets	3
		June 25, 2025	Chinese Corporate Governance Association	Legal matters that boards of directors should understand in supervising enterprises: avoiding inadvertent violations of concerted action regulations	3
Director	En-Hsin Hsiao	December 23, 2025	Chinese Association of Independent Directors	Carbon interconnection: carbon fees, carbon taxes, carbon credits, and carbon trading	3
		December 26, 2025	Chinese Association of Independent Directors	How boards of directors oversee post-merger integration and the establishment of management mechanisms	3
Independent Director	Hsiu-Ming Wang	August 8, 2025	Securities and Futures Institute	AI development and cybersecurity risks	3
		November 7, 2025	Securities and Futures Institute	Enterprise risk management and crisis response – from the perspective of directors and supervisors	3
Independent Director	Shih-Ying Huang	June 20, 2025	Chinese Corporate Governance Association	Corporate governance and securities regulations	3
		July 9, 2025	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6
		December 22, 2025	Chinese Corporate Governance Association	Corporate governance and the duties and responsibilities of responsible persons of companies	3
Independent Director	Yun-Hsiang Hsiao	September 10, 2025	Taiwan Project Management Association	ESG project management for sustainable development	3
		September 12, 2025	Taiwan Project Management Association	SDGs and ESG sustainable management	3
Independent Director	Chi-Tung Ku	July 9, 2025	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6
		December 23, 2025	Chinese Corporate Governance Association	Technology applications and risk management	3
		December 23, 2025	Chinese Corporate Governance Association	How boards of directors oversee ESG risks to build sustainable corporate competitiveness	3
		December 24, 2025	Chinese Corporate Governance Association	Taiwan Controlled Foreign Company (CFC) regulations after two years of implementation: key considerations and regulatory updates for Taiwanese companies with overseas subsidiaries	3
		December 24, 2025	Chinese Corporate Governance Association	Employee incentive instruments and case sharing	3

2. Status of Managerial Officers' Continuing Education

Title	Name	Training Date	Organizing Institution	Course Title	Training Hours
Senior Manager	Mei-Chi Wu	2025/7/24–2025/7/25	Accounting Research and Development Foundation	Continuing education program for chief accounting officers of issuers, securities firms, and stock exchanges	12
		December 23, 2025	Chinese Association of Independent Directors	Carbon interconnection: carbon fees, carbon taxes, carbon credits, and carbon trading	3
		December 26, 2025	Chinese Association of Independent Directors	How boards of directors oversee post-merger integration and the establishment of management mechanisms	3
Assistant Manager	Chen Yu	December 23, 2025	Chinese Association of Independent Directors	Carbon interconnection: carbon fees, carbon taxes, carbon credits, and carbon trading	3
		December 24, 2025	Accounting Research and Development Foundation	Integrated practical analysis from ESG reporting in annual reports to compliance with sustainability disclosure regulations	6
		December 26, 2025	Securities and Futures Institute	Governance of ESG information by the board of directors and the audit committee	6
Corporate Governance Officer	Hsiang-Hui Tsai	December 23, 2025	Chinese Association of Independent Directors	Carbon interconnection: carbon fees, carbon taxes, carbon credits, and carbon trading	3
		December 26, 2025	Chinese Association of Independent Directors	How boards of directors oversee post-merger integration and the establishment of management mechanisms	3

Appendix 1: Assessment Report on the Independence and Suitability of the Company's Certifying CPAs

In accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," the independence and suitability of the certifying CPAs shall be evaluated periodically (once annually). The independence and suitability of CPA Po-Chuan Lin and CPA Yung-Chih Lin of PricewaterhouseCoopers Taiwan were assessed, and no circumstances were identified that may affect the independence and suitability of the Company's certifying CPAs.

The assessment items for the independence and suitability of the Company's certifying CPAs are as follows:

I. Independence Assessment					
Item No.	Assessment Criteria	Yes	No	Not applicable	Remarks
01	Does the CPA, his/her spouse, or minor children have no investment relationship with the Company?	V			
02	Does the CPA, his/her spouse, or minor children have no financing or guarantee arrangements with the Company?	V			
03	Does the CPA or members of the audit engagement team have no shareholding investment relationship with the Company or its group?	V			Verified as true through the Company and the stock affairs agent in December 2025.
04	Does the CPA or members of the audit engagement team not serve as a director, managerial officer, or hold any position with significant influence over the audit engagement in the Company?	V			As stated in the independence statement issued by the certifying CPAs of PricewaterhouseCoopers Taiwan obtained in December 2025.
05	Has the CPA or members of the audit engagement team not acted as an intermediary for the issuance of the Company's shares or other securities?	V			
06	Has the CPA or members of the audit engagement team not acted as the Company's defense counsel or represented the Company in coordinating conflicts with third parties?	V			
07	Does the CPA or members of the audit engagement team have no familial relationship with the Company's directors, managerial officers, or personnel holding positions with significant influence over the audit engagement?	V			
08	Has any co-practicing CPA of the CPA firm to which the CPA belongs, within one year after leaving office, not served as a director, managerial officer, or held any position with significant influence over the audit engagement in the Company?	V			
09	Has the CPA or members of the audit engagement team not received gifts of significant value or special preferential treatment from the Company, its directors, managerial officers, or major shareholders?	V			
10	Does the CPA not perform routine work for the Company and receive fixed remuneration?	V			
11	Where the CPA has a direct or significant indirect interest in the commissioned matters that may affect impartiality and independence, has the CPA recused			V	No circumstances were identified in which commissioned matters involved a direct or significant indirect interest affecting impartiality and independence.

I. Independence Assessment					
Item No.	Assessment Criteria	Yes	No	Not applicable	Remarks
	himself/herself and not undertaken such engagement?				
12	Has the certifying CPA not provided audit services to the Company for seven consecutive years?	V			CPA Po-Chuan Lin is in the fourth year of service in the current year, and CPA Yung-Chih Lin is in the first year of service in the current year; none of the aforementioned circumstances apply.
13	Do members of the audit engagement team, other co-practicing CPAs, or shareholders of the CPA firm, the CPA firm itself, its affiliated entities, and network firms also maintain independence with respect to the Company?	V			
14	Have written reports on independence or formal independence statements issued by the CPA firm been obtained and reviewed?	V			An independence statement issued by PricewaterhouseCoopers Taiwan was obtained on December 10, 2025.
15	Has the CPA maintained an objective and impartial stance in performing professional services and avoided the impact of bias, conflicts of interest, or other interests on professional judgment?	V			
16	Does the CPA firm to which the CPA belongs have no business relationship with the Company or its group?	V			
17	Does the CPA firm to which the CPA belongs have no litigation relationship with the Company or its group?	V			
II. Suitability Assessment					
Item No.	Assessment Criteria	Yes	No	Not applicable	Remarks
01	Has the CPA had no disciplinary record from the CPA Disciplinary Committee in the past two years, and has the CPA firm had no involvement in significant litigation cases in the past two years or at present?	V			
02	Does the CPA possess professional knowledge, provide professional consulting and training services to the Company, and promptly provide updates on relevant regulations?	V			The CPA possesses professional knowledge, provides consultation, and offers training services to the Company.
03	Does the CPA possess relevant industry experience and professional competence to perform his/her duties?	V			The CPA has many years of audit experience and professional expertise in relevant industry fields.
04	Does the CPA firm have sufficient scale, resources, and geographic coverage in handling the Company's audit services to meet the audit requirements of the Company?	V			PricewaterhouseCoopers Taiwan is one of the Big Four CPA firms in Taiwan, with an excellent reputation, and currently has no material litigation cases.
05	Does the CPA firm have clear quality control procedures to ensure the quality of financial reporting?	V			PricewaterhouseCoopers Taiwan has rigorous quality control policies in place to ensure quality.
06	Have the CPA firm and its personnel fulfilled confidentiality obligations with respect to the Company's confidential information, particularly information involving individuals?	V			The firm and relevant personnel have fulfilled confidentiality obligations, and no related disputes have occurred.
Overall Assessment Conclusion: Based on the above assessment results, no circumstances were identified that would affect the independence and suitability of the Company's certifying CPAs.					

(V) Composition, Duties, and Operation of the Remuneration Committee

1. Information on Members of the Remuneration Committee

Criteria		Professional Qualifications and Experience	Independence Status	Number of Other Public Companies in Which the Member Concurrently Serves as a Member of the Remuneration Committee
Status	Name			
Independent Director (Convener)	Hsiu-Ming Wang	Please refer to page 9 for disclosure of directors' professional qualifications and independence of independent directors.		2
Independent Director	Yun-Hsiang Hsiao			0
Member	Lin Yu-Chi	<p>Has more than five years of work experience and possesses expertise required for the Company's business, including in business and finance.</p> <p>Education and Experience: MBA, Pepperdine University Independent Director, Fubon Life Insurance Co., Ltd. Executive Director, Taipei Xiyuan Hospital</p>	<p>Complies with the independence requirements set forth in Article 6 of the "Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Companies Whose Stock Is Listed on the TWSE or Traded on TPEX."</p> <ul style="list-style-type: none"> ● The individual, his/her spouse, and relatives within the second degree of kinship have not served as directors, supervisors, or employees of the Company or its affiliated enterprises. ● The individual, his/her spouse, and relatives within the second degree of kinship (or through nominee arrangements) do not hold shares of the Company in terms of number or percentage. ● Has not served as a director, supervisor, or employee of any company having a specific relationship with the Company. ● Has not received remuneration for providing business, legal, financial, or accounting services to the Company or its affiliated enterprises in the most recent two years. 	1

2. Duties of the Remuneration Committee

The Remuneration Committee shall exercise the due care of a good administrator, faithfully perform the following duties, and submit its recommendations to the Board of Directors for discussion:

- (1) Establish and periodically review policies, systems, standards, and structures for performance evaluation and remuneration of directors and managerial officers.
- (2) Regularly evaluate and determine the remuneration of directors and managerial officers.

3. Information on the Operation of the Remuneration Committee

- (1) The Company's 6th Remuneration Committee consists of three members.
- (2) Term of the current committee: from August 5, 2024 until the expiration of the term of the corresponding Board of Directors; from 2025 to the date of printing of the annual report, the Remuneration Committee convened six meetings. The qualifications and attendance of members are as follows:

Title	Name	Number of Actual Attendances (B)	Number of meetings attended by proxy	Actual Attendance Rate (%) (B/A) (Note)	Remarks
6th Remuneration Committee (Term: August 5, 2024 to May 30, 2027)					
Convener	Hsiu-Ming Wang	6	0	100%	Required to attend 6 meetings
Member	Yun-Hsiang Hsiao	6	0	100%	Required to attend 6 meetings
Member	Lin Yu-Chi	6	0	100%	Required to attend 6 meetings (Newly appointed on February 27, 2025)

Other matters to be disclosed:

- I. Where the Board of Directors does not adopt or amends the recommendations of the Remuneration Committee, it shall specify the date and session of the Board meeting, the content of the proposal, the resolution of the Board, and the Company's handling of the Remuneration Committee's opinions (if the remuneration approved by the Board is more favorable than that proposed by the Remuneration Committee, the differences and reasons shall be specified): None.
- II. If any member of the Remuneration Committee has expressed dissenting or qualified opinions on a resolution, and such opinions are recorded or provided in writing, the date and session of the Remuneration Committee meeting, the content of the proposal, all members' opinions, and the handling of such opinions shall be specified: None.

(3) Matters discussed and resolutions of the Remuneration Committee:

Date and Session	Attending Members	Agenda Items and Follow-up Actions	Resolution Results	The Company's Handling of the Remuneration Committee's Opinions
6th Term, 3rd Meeting February 27, 2025	Convener Hsiu-Ming Wang Member Yun-Hsiang Hsiao	<ol style="list-style-type: none"> 1. Proposal for distribution of directors' and supervisors' remuneration and employees' remuneration for 2024, submitted for discussion. 2. Review of the Company's share repurchase and transfer to employees plan, submitted for discussion. 3. Review of the Company's employee stock ownership trust plan, submitted for discussion. 4. Review of the proposed amendment to Article 19 of the Company's Articles of Incorporation regarding distribution of remuneration to frontline employees, submitted for discussion. 	Approved by all committee members.	Submitted to the Board of Directors and approved by all attending directors.
6th Term, 4th Meeting May 8, 2025	Convener Hsiu-Ming Wang Member Yun-Hsiang Hsiao Member Lin Yu-Chi	<ol style="list-style-type: none"> 1. Review of the proposed distribution of managerial employees' remuneration for 2025, submitted for discussion. 2. Review of the proposed distribution of managerial performance bonuses for 2025, submitted for discussion. 	Approved by all committee members.	Submitted to the Board of Directors and approved by all attending directors.
6th Term, 5th Meeting August 5, 2025	Convener Hsiu-Ming Wang Member Yun-Hsiang Hsiao Member Lin Yu-Chi	<ol style="list-style-type: none"> 1. Renaming and amendment of the Company's "Regulations Governing the Payment of Directors' Remuneration," submitted for discussion. 2. Review of personnel matters of managerial officers, submitted for discussion. 	Approved by all committee members.	Submitted to the Board of Directors and approved by all attending directors.
6th Term, 6th Meeting November 6, 2025	Convener Hsiu-Ming Wang Member Yun-Hsiang Hsiao Member Lin Yu-Chi	<ol style="list-style-type: none"> 1. Review of appointment and compensation of the Company's corporate governance officer, submitted for discussion. 2. Review of the proposed distribution of special bonuses to managerial officers for 2025, submitted for discussion. 	Approved by all committee members.	Submitted to the Board of Directors and approved by all attending directors.
6th Term, 7th Meeting December 17, 2025	Convener Hsiu-Ming Wang Member Yun-Hsiang Hsiao Member Lin Yu-Chi	<ol style="list-style-type: none"> 1. Review of appointment and compensation of the Company's accounting officer, submitted for discussion. 	Approved by all committee members.	Submitted to the Board of Directors and approved by all attending directors.

Date and Session	Attending Members	Agenda Items and Follow-up Actions	Resolution Results	The Company's Handling of the Remuneration Committee's Opinions
6th Term, 8th Meeting March 9, 2026	Convener Hsiu-Ming Wang Member Yun-Hsiang Hsiao Member Lin Yu-Chi	<ol style="list-style-type: none"> 1. Report on the distribution of year-end bonuses to managerial officers for 2024. 2. Proposal for distribution of directors' and supervisors' remuneration and employees' remuneration for 2025, submitted for discussion. 3. Review of the Company's share repurchase and transfer to managerial officers and employees plan, submitted for discussion. 4. Review of the proposed distribution of managerial performance bonuses for 2025, submitted for discussion. 	Approved by all committee members.	Submitted to the Board of Directors and approved by all attending directors.

(VI) Composition, Duties, and Operation of the Sustainable Development Committee

1. Information on Members of the Sustainable Development Committee

Title	Name	Sustainability Expertise and Capabilities	Professional Qualifications and Experience
Independent Director	Shih-Ying Huang	Accounting and Auditing	Please refer to page 9 for disclosure of directors' professional qualifications and independence of independent directors.
Independent Director	Hsiu-Ming Wang	Operational Management Practices and Application of Innovative Technologies	
Independent Director	Yun-Hsiang Hsiao	Human Rights Protection and Safeguarding of Employee Rights and Interests, Social Participation	
Independent Director	Chi-Tung Ku	Regulatory Compliance	
Convener/ Head of Finance	Chien-Chung Hung (Note)	Accounting and Finance, Organizational Management	Has more than five years of work experience and possesses expertise required for the Company's business, including in business, finance, and accounting.
Project Deputy Manager, Human Resources Section	Shu-Hui Chen (Note)	Human Rights Protection and Safeguarding of Employee Rights and Interests, Social Participation	Possesses expertise in human resources management and labor laws and regulations

Note: Mr. Chien-Chung Hung, a member of the Sustainable Development Committee, resigned on August 5, 2025, and was succeeded on the same day by Ms. Shu-Hui Chen.

2. Duties of the Sustainable Development Committee

The Sustainable Development Committee shall exercise the due care of a good administrator and faithfully perform the following duties, and submit its recommendations to the Board of Directors for discussion:

- (1) Formulate, promote, and enhance the Company's sustainability development policies, annual plans, and strategies.
- (2) Review, track, and revise the implementation and effectiveness of sustainability development.
- (3) Oversee sustainability information disclosure and review the sustainability report.
- (4) Supervise the implementation of the Company's Sustainability Development Best Practice Principles and other sustainability-related matters as resolved by the Board of Directors.

3. Information on the Operation of the Sustainable Development Committee

- (1) The Company's 1st Sustainable Development Committee consists of five members.
- (2) Term of the current committee: from October 29, 2024 until the expiration of the term of the corresponding Board of Directors; from 2025 to the date of printing of the annual report, the current Sustainable Development Committee

convened one meeting. The qualifications and attendance of the members are as follows:

Title	Name	Number of meetings attended in person	Number of meetings attended by proxy	Actual attendance rate (%)	Remarks
Convener/ Head of Finance	Chien-Chung Hung	1	0	100	Required to attend 1 meeting
Independent Director	Shih-Ying Huang	1	0	100	Required to attend 1 meeting
Independent Director	Hsiu-Ming Wang	1	0	100	Required to attend 1 meeting
Independent Director	Yun-Hsiang Hsiao	1	0	100	Required to attend 1 meeting
Independent Director	Chi-Tung Ku	1	0	100	Required to attend 1 meeting

Date and Session	Content of Proposals	Sustainable Development Committee Resolution Results	The Company's Handling of the Sustainable Development Committee's Opinions
July 25, 2025 1st Term 2nd Meeting	Approval of the Company's 2024 Sustainability Report.	Approved as proposed by all attending members.	Noted.

(VII) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		<ol style="list-style-type: none"> 1. To implement the concept of sustainable operations, the Company’s Board of Directors resolved on October 29, 2024 to establish the “Sustainable Development Committee” as a dedicated governance unit under the Board responsible for promoting sustainable development, and for reviewing and supervising the Company’s sustainability-related strategies, objectives, and material issues. 2. The current Sustainable Development Committee consists of five members appointed by the Board of Directors, including four independent directors and one member of senior management, and it regularly reviews major sustainability-related proposals and provides recommendations on implementation status. 3. A “Sustainable Development Promotion Team” has been established under the Sustainable Development Committee as a dedicated (or concurrent) implementation unit, convened by the Chairman. The management team has established committees based on functional areas, including corporate governance, information security, innovation and R&D, quality management, environment and energy, human resources, occupational safety and health, social responsibility, and supply chain management, to implement and execute sustainability-related initiatives. 4. Reporting by the implementation unit to the Board of Directors: <ol style="list-style-type: none"> (1) Acting under the authorization of the Board of Directors, the Sustainable Development Committee executes and reports the following matters to the Board of Directors: <ul style="list-style-type: none"> ● Formulating, promoting, and strengthening the Company’s sustainable development policies, annual plans, and strategies. ● Reviewing, tracking, and revising the implementation status and 	Compliant with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons						
	Yes	No	Summary Description							
			<p>effectiveness of sustainable development initiatives.</p> <ul style="list-style-type: none"> ● Overseeing sustainability information disclosure and reviewing the sustainability report. ● Supervising the implementation of the Company's Sustainable Development Best Practice Principles and other sustainability-related matters as resolved by the Board of Directors. <p>(2) The Sustainable Development Committee reports to the Board of Directors at least once annually on the outcomes of sustainable development initiatives and key plans for the following year. On August 5, 2025, it reported to the Board the 2024 Sustainability Report, identified material sustainability topics, presented the 2024 sustainability performance results, and outlined 2025 sustainability action targets.</p>							
II. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		<p>1. The scope of this disclosure and risk assessment boundary covers the Company and its Mainland China subsidiary included in the consolidated financial statements for the period from January 2025 to December 2025.</p> <p>2. Based on the principle of materiality in sustainability development, risk assessments are conducted on identified material issues, and corresponding management measures are established based on the assessed risks:</p> <table border="1"> <thead> <tr> <th>Material Issues</th> <th>Risk Assessment Items</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Climate Change</td> <td> <p>1. A greenhouse gas reduction target has been set to achieve at least a 1% annual reduction from the base year.</p> <p>2. To reduce energy consumption in the production process, Mainland China subsidiary invested approximately RMB 2.16 million in 2024 to replace power equipment and introduce variable-frequency air compressors and variable-frequency chillers.</p> <p>3. The Scope 1 and Scope 2 emission intensity of the</p> </td> </tr> </tbody> </table>	Material Issues	Risk Assessment Items	Description	Environment	Climate Change	<p>1. A greenhouse gas reduction target has been set to achieve at least a 1% annual reduction from the base year.</p> <p>2. To reduce energy consumption in the production process, Mainland China subsidiary invested approximately RMB 2.16 million in 2024 to replace power equipment and introduce variable-frequency air compressors and variable-frequency chillers.</p> <p>3. The Scope 1 and Scope 2 emission intensity of the</p>	Compliant with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
Material Issues	Risk Assessment Items	Description								
Environment	Climate Change	<p>1. A greenhouse gas reduction target has been set to achieve at least a 1% annual reduction from the base year.</p> <p>2. To reduce energy consumption in the production process, Mainland China subsidiary invested approximately RMB 2.16 million in 2024 to replace power equipment and introduce variable-frequency air compressors and variable-frequency chillers.</p> <p>3. The Scope 1 and Scope 2 emission intensity of the</p>								

Implementation Items	Implementation Status				Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description		
					Company and its Mainland China subsidiary included in the consolidated financial statements in 2025 decreased by 0.7 compared with the base year (2023), achieving the annual 1% reduction target.
			Social	Talent Development and Growth	<ol style="list-style-type: none"> In line with succession planning, the Company continues to enhance its training needs analysis mechanism and plans to introduce L1–L4 learning effectiveness evaluations, based on which key performance indicators (KPIs) and key risk indicators (KRIs) will be designed to systematically assess and track training effectiveness and related risk exposure levels. The Company plans to establish a proprietary corporate knowledge base (e-learning) to standardize the practical know-how of senior employees into courses, thereby strengthening internal accumulation and transfer of technical knowledge, preventing loss of critical experience, and reducing reliance on external instructors.
			Corporate Governance	Supplier Management	<p>Suppliers are important partners in sustainable operations. Assisting suppliers in understanding and establishing sustainable operational practices is critical to the Group's long-term development:</p> <ol style="list-style-type: none"> Establishing standards: Formulating a Supplier Code of Conduct to assist suppliers in building climate resilience and stabilizing supply. Supplier evaluation: Conduct annual supplier evaluations to ensure compliance with of the Code of Conduct. Follow-up and improvement: Continuously track improvement status and promote ongoing

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			improvements by suppliers.	
<p>III. Environmental Issues</p> <p>(I) Has the Company set an environmental management system designed to industry characteristics?</p> <p>(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?</p>	<p>✓</p> <p>✓</p>		<p>(I) The Group is primarily engaged in the research and development, manufacturing, and sales of electronic-related products, with its main production sites located in Mainland China. In compliance with local environmental regulations, the Group has established environmental management procedures and operational control practices. Through measures such as pollution prevention, waste classification and treatment, and energy conservation and emission reduction, the environmental impact of operations is effectively controlled. The plant has also established an environmental management system and obtained ISO 14001 Environmental Management System certification (with the certificate valid from October 31, 2023 to September 24, 2026), covering major production processes and related supporting activities. Through third-party verification and annual internal and external audits, environmental management performance is continuously reviewed and improved.</p> <p>(II) The Group actively promotes various energy reduction measures and continuously improves energy efficiency through engineering improvements or replacement with high-efficiency equipment, such as energy-saving lighting, energy-saving controllers, high-efficiency power equipment, variable-frequency air compressors, and variable-frequency chillers. Electricity consumption in 2025 decreased by 237,233 kWh (1.33%) compared to the base year (2023), indicating that the implemented energy-saving and efficiency improvement measures have produced tangible reduction results. However, the electricity consumption reduction target of 1% per year has not been achieved consecutively. The Group will continue to review its reduction strategies and refine management measures to strengthen long-term carbon reduction performance.</p>	<p>Compliant with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</p> <p>Compliant with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</p>

Implementation Items	Implementation Status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons		
	Yes	No	Summary Description					
(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted	✓			2023	2024	2025	Compliant with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies	
			The Company	Electricity Consumption (kWh)	258,066	274,279		346,875
			Mainland China Subsidiary Included in the Consolidated Financial Statements	Electricity Consumption (kWh)	17,517,719	17,558,813		17,191,677
			Total	Electricity Consumption (kWh)	17,775,785	17,833,092		17,538,552
			Comparison with Base Year	Electricity Consumption (kWh)		Increase of 57,307		Decrease of 237,233
				Percentage change		Increase of 0.32%		Decrease of 1.33%
			<p>In terms of materials and resources usage, major raw materials and key components comply with environmental regulations such as the EU RoHS and REACH. Through supplier management and design optimization, the use of hazardous substances and packaging materials is minimized to the extent possible. In addition, the Company has initiated a product life cycle (LCA) assessment mechanism. In the initial phase, the focus is on personnel training and process review. Subject to compliance with regulatory and customer quality requirements, the Company will progressively expand the introduction and application of low environmental impact materials and alternative solutions.</p>					
			<p>(III) For the assessment of climate change-related risks and opportunities and the corresponding response measures, please refer to pp 65-71, section (VIII) Climate-Related Information of TWSE/TPEX Listed Companies.</p>					

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
<p>relevant measures to address them?</p> <p>(IV) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?</p>	✓		<p>(IV) Since 2023, the Company and its Mainland China subsidiary included in the consolidated financial statements have regularly compiled annual statistics on greenhouse gas emissions, water consumption, and total waste weight, and have established annual reduction performance targets, with achievement status regularly reviewed by the Sustainable Development Committee.</p> <ol style="list-style-type: none"> 1. Greenhouse Gas: In accordance with ISO 14064-1:2018, greenhouse gas inventory procedures have been established, and inventories and disclosures covering both direct and indirect emissions from operations have been completed. The 2025 self-assessment results, as well as the year-by-year reduction policies and targets established with 2023 as the base year, are disclosed in pp 65-71, section (VIII) Climate-Related Information of TWSE/TPEX Listed Companies, and are used to monitor the variance between actual emissions and targets over the most recent two years. 2. Water Consumption: To strengthen water resource management, the Group adopts three key strategies: source reduction, water recycling and reuse, and water pollution prevention. In 2025, Mainland China subsidiary completed the transformation project for wastewater recycling of the process pure water system and rainwater-sewage diversion, thereby improving water usage and wastewater treatment efficiency. The amount of recycled wastewater from the process pure water system in 2025 was approximately 11,000 cubic meters. Water consumption in 2025 decreased by 13,921 cubic meters (7.53%) compared to the base year (2023), and water intensity achieved the annual reduction target of 1% compared to the base year. Water consumption data for the base year and the most recent two years are as follows: 	Compliant with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Implementation Items	Implementation Status						Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons	
	Yes	No	Summary Description					
					2023	2024	2025	
			The Company	Water Consumption (cubic meters, m ³)	0.84	0.75	0.91	
			Mainland China Subsidiary Included in the Consolidated Financial Statements	Water Consumption (cubic meters, m ³)	184,802	207,138	198,723	
			Total	Water Consumption (cubic meters, m ³)	184,803	207,139	198,724	
				Water Intensity (cubic meters, m ³ per million)	60.47	49.32	53.41	
			Comparison with Base Year	Target Water Intensity (cubic meters, m ³ per million)	Base Year	59.87	59.26	
				Achievement Status		Achieved	Achieved	
			<p>3. Waste: The Group actively promotes source management and waste resource utilization. Subject to technical, economic, and feasibility considerations, the main production sites have established the “Hazardous Waste Management Measures” and “Waste Classification Management Regulations” to promote reduction of process waste and waste resource utilization. Dedicated units are responsible for waste recycling and disposal, and qualified contractors are engaged for waste treatment. Waste generation in 2025 decreased by 37.38 metric tons (9.58%) compared to the base year (2023), and waste intensity achieved the annual reduction target of 1% compared to the base year. The Group continues to focus on reduction and compliant treatment as its primary management approach. Waste generation data for the base year and the most</p>					

Implementation Items	Implementation Status				Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																																							
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			<p>recent two years are as follows:</p> <table border="1"> <thead> <tr> <th colspan="2"></th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>The Company</td> <td>Non-hazardous Waste (metric tons)</td> <td>24.90</td> <td>0.08</td> <td>0.08</td> </tr> <tr> <td rowspan="2">Mainland China Subsidiary Included in the Consolidated Financial Statements</td> <td>Hazardous Waste (metric tons)</td> <td>12</td> <td>10</td> <td>9.83</td> </tr> <tr> <td>Non-hazardous Waste (metric tons)</td> <td>353.35</td> <td>363.63</td> <td>342.96</td> </tr> <tr> <td rowspan="2">Total</td> <td>Waste (metric tons)</td> <td>390.25</td> <td>373.71</td> <td>352.87</td> </tr> <tr> <td>Waste Intensity (metric tons per million)</td> <td>0.128</td> <td>0.089</td> <td>0.095</td> </tr> <tr> <td>Comparison with Base Year</td> <td>Target Waste Intensity (metric tons per million)</td> <td>Base Year</td> <td>0.127</td> <td>0.125</td> </tr> <tr> <td></td> <td>Achievement Status</td> <td></td> <td>Achieved</td> <td>Achieved</td> </tr> </tbody> </table>					2023	2024	2025	The Company	Non-hazardous Waste (metric tons)	24.90	0.08	0.08	Mainland China Subsidiary Included in the Consolidated Financial Statements	Hazardous Waste (metric tons)	12	10	9.83	Non-hazardous Waste (metric tons)	353.35	363.63	342.96	Total	Waste (metric tons)	390.25	373.71	352.87	Waste Intensity (metric tons per million)	0.128	0.089	0.095	Comparison with Base Year	Target Waste Intensity (metric tons per million)	Base Year	0.127	0.125		Achievement Status		Achieved	Achieved	
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<p>IV. Social Issues</p> <p>(I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p>	✓		<p>(I) In order to fulfill corporate social responsibility and safeguard the fundamental human rights of employees, suppliers, and business partners, the Company is committed to respecting and protecting human rights, and recognizes and upholds international human rights standards and norms, including the Universal Declaration of Human Rights, the Ten Principles of the United Nations Global Compact, and the International Covenant on Economic, Social and Cultural Rights (ICESCR), and prohibits any acts that infringe upon or violate human rights, so that all individuals are treated fairly and with dignity. The Company complies with labor-related laws and regulations in the jurisdictions where it operates and has established the “Creative Sensor Inc. Human Rights Policy Statement” and</p>			Compliant with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies																																						

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons				
	Yes	No	Summary Description					
			<p>implemented related measures. This policy applies to all managers and employees, affiliated enterprises, related enterprises, suppliers, contractors, partners, and other stakeholders, and the Company is committed to preventing and eliminating any human rights violations.</p> <p>Each year, the Company regularly reviews its operations, value chain, new business activities (such as mergers and acquisitions and joint ventures), and other related activities through monitoring of key social issues, data tracking, and questionnaire surveys to identify and assess potential human rights risks. Based on such assessments, it formulates human rights risk management plans and continuously monitors and improves implementation outcomes.</p> <p>A summary of the Company's human rights management policies and specific programs is as follows:</p> <table border="1"> <thead> <tr> <th>Human Rights Management Policy</th> <th>Specific Programs</th> </tr> </thead> <tbody> <tr> <td>Employee diversity, inclusion, and equality</td> <td> <ul style="list-style-type: none"> ● The Company prohibits forced labor and the employment of child labor below the statutory minimum age. ● The Company ensures workplace diversity and adheres to principles of openness and fairness, and does not tolerate any discriminatory language, attitudes, or behaviors based on gender, race, socioeconomic status, age, marital or family status, language, religion, political affiliation, nationality, appearance, facial features, or physical and mental disabilities. Any form of harassment in the workplace is prohibited, including sexual harassment, psychological or physical coercion, or verbal abuse. ● The Company implements fairness and equality in employment, compensation and benefits, training, evaluation, and promotion opportunities, and provides effective and appropriate grievance mechanisms to prevent and respond to actions that may harm </td> </tr> </tbody> </table>	Human Rights Management Policy	Specific Programs	Employee diversity, inclusion, and equality	<ul style="list-style-type: none"> ● The Company prohibits forced labor and the employment of child labor below the statutory minimum age. ● The Company ensures workplace diversity and adheres to principles of openness and fairness, and does not tolerate any discriminatory language, attitudes, or behaviors based on gender, race, socioeconomic status, age, marital or family status, language, religion, political affiliation, nationality, appearance, facial features, or physical and mental disabilities. Any form of harassment in the workplace is prohibited, including sexual harassment, psychological or physical coercion, or verbal abuse. ● The Company implements fairness and equality in employment, compensation and benefits, training, evaluation, and promotion opportunities, and provides effective and appropriate grievance mechanisms to prevent and respond to actions that may harm 	
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Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons						
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Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons								
	Yes	No	Summary Description									
(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation,	✓		<p>The Company is formulating human rights due diligence procedures primarily based on the EU Corporate Sustainability Due Diligence Directive and the OECD Due Diligence Guidance for Responsible Business Conduct. Through the identification and assessment of human rights risks, the Company designs risk management and mitigation measures, implements improvements and follow-up tracking, and effectively reduces the impact and consequences of human rights risks.</p> <p>Scope of assessment: All employees of the Company and tier-1 suppliers. The implementation steps for human rights due diligence are as follows:</p> <table border="1"> <tr> <td>1. Identification and assessment</td> <td>Identification of adverse human rights impacts arising from operations and the supply chain</td> </tr> <tr> <td>2. Risk mitigation and remediation measures</td> <td>Adoption of risk mitigation and remediation measures for adverse human rights impacts</td> </tr> <tr> <td>3. Tracking</td> <td>Tracking of implementation status and effectiveness</td> </tr> <tr> <td>4. Communication</td> <td>Information disclosure</td> </tr> </table> <p>With reference to international human rights standards and human rights issues of concern to domestic and international peer benchmark companies, the Company actively establishes and promotes rigorous human rights risk assessment and management, and actively implements mitigation and remediation mechanisms for human rights incidents to ensure that the human rights of stakeholders are fully respected and protected.</p> <p>(II) Compensation and operating performance results Article 19 of the Company's Articles of Incorporation stipulates that if the Company has profits in a given year, 5% to 15% of such profits shall be appropriated as employee compensation. The proportion and amount are reviewed annually by the Remuneration Committee based on the Company's operating performance and actual needs, and are submitted to the Board of Directors and</p>	1. Identification and assessment	Identification of adverse human rights impacts arising from operations and the supply chain	2. Risk mitigation and remediation measures	Adoption of risk mitigation and remediation measures for adverse human rights impacts	3. Tracking	Tracking of implementation status and effectiveness	4. Communication	Information disclosure	Compliant with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
1. Identification and assessment	Identification of adverse human rights impacts arising from operations and the supply chain											
2. Risk mitigation and remediation measures	Adoption of risk mitigation and remediation measures for adverse human rights impacts											
3. Tracking	Tracking of implementation status and effectiveness											
4. Communication	Information disclosure											

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
<p>leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?</p> <p>(III) Does the Company provide employees with a safe and healthy working</p>	✓		<p>shareholders' meeting for approval, with authorization granted to the Chairman to determine and distribute such compensation in accordance with the existing "Employee Compensation Plan." The salaries and bonuses of managers are determined in accordance with the Company's compensation standards, taking into account their roles, contributions, performance, and responsibilities. These are reviewed individually on a regular basis by the Remuneration Committee and submitted to the Board of Directors for approval. Performance evaluation criteria include professional capabilities, business development capabilities, operational management capabilities, leadership, and risk management, and are incorporated into the basis for year-end bonuses and employee compensation. The Company's performance bonus system is also linked to individual contributions to the Company and overall operating performance, providing reasonable incentive-based compensation.</p> <p><u>Other employee welfare measures</u> The Group has established work rules and relevant personnel management regulations, which clearly stipulate employee compensation, working hours, leave, pension benefits, labor and health insurance benefits, and occupational accident compensation, all in compliance with labor laws and regulations. An Employee Welfare Committee has also been established to administer various welfare programs. For details, please refer to pages 102 to 106 of the annual report.</p> <p><u>Workplace diversity</u> The Company places emphasis on workplace diversity, with female employees accounting for approximately 49.81% and female supervisors accounting for approximately 36.36%.</p> <p>(III) The Group complies with the ISO 45001 occupational health and safety standard. The Group's occupational health and safety policy is as follows: For measures relating to workplace environmental protection and employee</p>	Compliant with the Sustainable Development Best

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
<p>environment, and implement regular safety and health education for employees?</p> <p>(IV) Has the Company established effective career development training programs for employees?</p>	✓		<p>personal safety, please refer to page 105 of the annual report.</p> <p>In 2025, the number of occupational accidents was 2, with 2 affected employees, representing 0.37% of the total workforce. The Company conducts annual in-service safety and health training in July and provides a safe working environment. In 2025, the number of fire incidents was 0, with 0 casualties, and the casualty rate was 0% of the total workforce. The Company conducts annual inspections and improvements of fire protection equipment in November, and regularly holds fire safety and first aid training courses in the third quarter to enhance employees' knowledge of fire safety.</p> <p>(IV) The Group has established a comprehensive and systematic employee career development and training mechanism. Adhering to a "people-oriented" management philosophy, the Company plans and offers supervisory training, core competency development, and professional skills enhancement courses on an annual basis, and publishes relevant training information through real-time electronic bulletin boards to assist employees in planning their learning paths in accordance with individual career development needs.</p> <p>At the institutional level, the Company promotes various training initiatives in accordance with the "Regulations Governing Education and Training Implementation," "Regulations Governing Internal Education and Training Implementation," "Regulations Governing External Training Management," "Language Proficiency Subsidy Regulations," and "In-Service Continuing Education Subsidy Regulations," and actively provides a diversified learning and development environment to cultivate talent with an international perspective and proactive learning capabilities.</p> <p>At the same time, training programs are planned in accordance with different job levels and position requirements, including orientation training for new hires, on-the-job training, professional and management courses, and succession</p>	<p>Practice Principles for TWSE/TPEX Listed Companies</p> <p>Compliant with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</p>

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons															
	Yes	No	Summary Description																
(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		<p>planning. Through an internal instructor system and course subsidy mechanisms, the Company promotes knowledge transfer and continuous improvement, thereby strengthening overall organizational learning effectiveness.</p> <p>The Group continues to invest resources in talent development and effectively supports the alignment of employee career development with the Company's long-term growth objectives. In 2024 and 2025, supervisory training, core competency, and professional capability enhancement courses, including internal and external training programs, were conducted.</p> <table border="1"> <thead> <tr> <th></th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Number of participants (Number)</td> <td>3,369</td> <td>2,927</td> </tr> <tr> <td>Total hours (Hours)</td> <td>13,815.2</td> <td>12,265.1</td> </tr> <tr> <td>Average hours per person (Hours)</td> <td>4.1</td> <td>4.2</td> </tr> <tr> <td>Total annual training expenditure (NT\$)</td> <td>NT\$662,259</td> <td>NT\$441,291</td> </tr> </tbody> </table> <p>(V) To fulfill corporate social responsibility and safeguard customer rights, the Company has established a "Customer Rights Protection Policy," committing to place importance on and protect customer health, safety, privacy, and lawful rights and interests at all stages of its products and services, and to comply with relevant laws and regulations and international standards.</p> <p>In terms of product safety and environmental responsibility, the Company has adopted and implemented various international standards and regulations, including the EU Restriction of Hazardous Substances Directive (RoHS), the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), and conflict minerals-related regulations, to ensure that its products comply with international environmental protection and safety requirements. In addition, its production sites have obtained ISO 14001 environmental management system certification. Furthermore, the Company requires its major suppliers to comply</p>		2024	2025	Number of participants (Number)	3,369	2,927	Total hours (Hours)	13,815.2	12,265.1	Average hours per person (Hours)	4.1	4.2	Total annual training expenditure (NT\$)	NT\$662,259	NT\$441,291	Compliant with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
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Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(VI) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their	✓		<p>with RoHS, REACH, and conflict minerals-related regulations, thereby jointly fulfilling supply chain responsibility and sustainable management.</p> <p>With respect to customer communication and complaint handling mechanisms, the Company discloses comprehensive product and service information on its official website to ensure information transparency and labeling compliance, and has established dedicated contact windows and customer service email addresses to provide customers with multiple communication channels. In addition to providing feedback through sales representatives in real time, customers may also submit complaints via telephone or email. Upon receipt of a complaint, the Company will provide an initial response within five business days, explaining the progress of handling and the expected completion timeline to ensure the timeliness and effectiveness of complaint resolution.</p> <p>Overall, the Company has established a comprehensive customer rights protection mechanism and continues to strengthen product safety, information transparency, privacy protection, and complaint handling processes to enhance customer trust and comply with relevant laws and regulations and international standards.</p> <p>(VI) The Group has established a “Supplier-Related Management Mechanisms” and related management mechanisms, with “compliance, risk management, and shared sustainability” as core principles, incorporating quality, cost, delivery, and sustainability issues such as environmental protection, occupational safety and health, and labor and human rights into supply chain management. The Company requires suppliers to comply with applicable laws and regulations relating to environmental protection, labor, human rights, taxation, and fair competition, and to align with the spirit of international standards such as RoHS, REACH, and the Responsible Business Alliance (RBA). Suppliers are prohibited from engaging in bribery, child labor, forced labor, document falsification, or illegal emissions. Violations may result in suspension or termination of cooperation depending on the</p>	Compliant with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
implementation?			<p>severity of the circumstances. Compliance and business ethics management are strengthened through the Supplier Code of Conduct, self-assessments, and, where necessary, audit measures.</p> <p>In terms of environmental protection and responsible sourcing, the Company requires suppliers to use materials and processes that comply with regulatory and environmental requirements, reduce energy consumption, greenhouse gas emissions, and pollution, and, for high-risk raw materials such as 3TG, to provide information on sources and smelters. Priority is given to suppliers with environmental and social management systems and those certified under responsible smelter programs. The Company is also progressively introducing supply chain carbon inventory and product life cycle assessment (LCA) mechanisms as references for supplier selection and cooperation.</p> <p>With respect to social responsibility and labor and human rights, the Company requires suppliers to safeguard employees' fundamental human rights, provide a safe, healthy, non-discriminatory, and harassment-free working environment, prohibit child labor and forced labor, comply with reasonable working hours and lawful wages, respect freedom of association and privacy rights, establish grievance and remediation mechanisms, and regularly review human rights risks and improvement measures.</p> <p>At the implementation and risk management level, a risk-based approach is adopted for supplier classification and risk assessment. A cross-functional team regularly reviews major suppliers and the concentration of key materials based on quality, delivery, cost, and ESG indicators. For risks such as single-source dependency, disruption of key components, and geopolitical risks, diversified sourcing, backup, or alternative solutions are planned to enhance supply chain stability and resilience. The Company also distributes RBA self-assessment questionnaires to key suppliers to collect information on their management status</p>	

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			<p>in environmental, occupational safety and health, and labor and human rights aspects, serving as a basis for risk identification, follow-up communication, and, where necessary, on-site inspections, and to urge suppliers to propose and implement improvement plans.</p> <p>The Company regards suppliers as long-term strategic partners and supports continuous improvement in quality, efficiency, and sustainability performance through evaluation feedback and regular communication. Currently, a systematic supplier training and recognition mechanism has not yet been formally implemented. Going forward, the Company will evaluate and plan relevant training and supplier recognition programs based on the progress of supply chain sustainability initiatives and practical needs, in order to strengthen the overall sustainability competitiveness of the supply chain.</p>	
V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non- financial information? Does the company obtain third party assurance or certification for the reports above?	✓		<p>The Company prepares the “2024 Sustainability Report” in accordance with the Universal Standards, Sector Standards, and Topic Standards issued by the Global Reporting Initiative (GRI), disclosing the material economic, environmental, and people (including human rights) topics identified by the Company and their impacts, and providing explanations in accordance with the relevant disclosure items and reporting requirements. The Company also refers to the Sustainability Accounting Standards Board (SASB) Standards to disclose industry-specific metrics and prepares an index mapping SASB indicators in the report for stakeholders’ reference.</p> <p>The Company has prepared sustainability reports annually since 2023. Currently, the Company’s sustainability reports have not yet been subject to independent third-party verification or assurance opinions. However, the Company has completed the compilation and review of key indicator data in accordance with internal control procedures to maintain the accuracy and consistency of disclosed information. Going forward, the Company will assess the timely introduction of third-party assurance mechanisms in light of regulatory requirements and stakeholder expectations.</p>	Compliant with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
<p>VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: The Company has established the "Creative Sensor Inc. Sustainable Development Best Practice Principles," and its actual corporate social responsibility operations are in compliance with such principles, with no material differences.</p>				
<p>VII. Other important information to facilitate better understanding of the company's promotion of sustainable development:</p> <ol style="list-style-type: none"> 1. Environmental protection: The Group has obtained ISO 14001 environmental management system certification. The Group's environmental policy is as follows: (1) Comply with and meet environmental laws and other applicable requirements. (2) Promote resource recycling and reuse, and implement industrial waste reduction to achieve pollution prevention. (3) Reduce the use of hazardous substances, implement pollution control and management, and commit to green product design and manufacturing. (4) Prevent accidents and disasters, and strengthen disaster prevention drills. In addition, to promote environmental awareness and support a green planet, the Company implements waste classification and reduction, as well as water and electricity conservation measures. 2. Community participation, social contributions, social services, and public welfare: In 2025, the Group donated teaching and protective materials to Tanmei Elementary School, including solar panel teaching kits, earthquake safety hoods, disaster prevention intercoms, and smart video doorbells. The solar panel teaching kits assist the school in promoting renewable energy education and cultivating students' awareness of environmental protection and energy sustainability, thereby deepening sustainability awareness. The earthquake safety hoods, disaster prevention intercoms, and smart video doorbells enhance campus disaster prevention and safety equipment, improve the school's overall emergency response capabilities, and ensure students' health and safety in the learning environment. The Company also procures shareholders' meeting gifts from the Eden Social Welfare Foundation's sheltered workshop in the form of soap gift sets to support employment for persons with disabilities. Through these public welfare initiatives, the Company not only assists schools in strengthening disaster prevention and safety and promoting energy sustainability education, but also demonstrates its commitment to fulfilling corporate social responsibility, thereby further enhancing its sustainability value and positive social impact. 3. Consumer rights: The Company assigns dedicated personnel to each customer to provide product consultation and assistance, maintaining stable and positive customer relationships. 4. Human rights: To uphold gender equality and human dignity, the Company has established the "Measures for Prevention of Sexual Harassment and Disciplinary Actions," which have been filed with the competent authority. The Company has established a stakeholder section on its website, along with dedicated contact personnel information, to facilitate stakeholder complaints and communication. 5. Safety and health: The Group has established the "Safety and Health Work Rules" and other standard operating procedures. External vendors are 				

Implementation Items	Implementation Status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No		
<p>engaged monthly to conduct occupational safety and health inspections; drinking water is tested semi-annually; and lighting, fire protection, and carbon dioxide levels are tested annually. Comprehensive workplace disinfection is also carried out regularly to provide a safe and healthy working environment for employees. In addition, the Company conducts annual employee health examinations and provides occupational safety and health education and training.</p>				

(VIII) Climate-Related Information of TWSE/TPEX Listed Companies

Implementation status of climate-related information

1. Describe the board’s and management’s oversight and governance of climate-related risks and opportunities.

The Company pays close attention to the risks and opportunities arising from climate change on its operations and, with reference to the Task Force on Climate-related Financial Disclosures (TCFD) framework, incorporates climate-related issues into its overall corporate governance and risk management mechanisms. Through clear allocation of responsibilities, the Company strengthens the supervision and management of climate-related risks and opportunities. The Board of Directors serves as the highest decision-making and supervisory body for the management of climate-related risks and opportunities, responsible for approving climate-related policies, strategies, and medium- to long-term objectives, and regularly reviewing the implementation and effectiveness of climate risk and opportunity management to ensure that climate-related issues are appropriately incorporated into the Company’s operations and risk management considerations.

Under the Board of Directors, a Sustainable Development Committee has been established. The current Sustainable Development Committee consists of five members appointed by the Board, including four independent directors and one senior management member. Under the authorization of the Board, the Committee reviews the identification results, assessment methodologies, management strategies, and related metrics and targets for climate-related risks and opportunities, and regularly reports to the Board on climate change risks and opportunities and their management status, serving as a basis for the Board’s decision-making and oversight. A Sustainability Promotion Task Force has been established under the Sustainable Development Committee as the execution unit of management. It is responsible for consolidating the identification and assessment results of climate-related risks and opportunities from various functional units, planning and promoting response and management measures, including the formulation and tracking of related metrics and targets, and regularly reporting implementation status and performance to the Sustainable Development Committee, thereby forming a comprehensive climate governance structure from the Board to the Committee and to management.

2. Describe how the identified climate risks and opportunities affect the business, strategy, and finance of the business (short, medium, and long term).

Type	Climate risk	Time horizon	Potential impacts on business and finance	Strategy
Physical risk – acute	Sudden extreme events, such as heavy rainfall (flooding), typhoons, and heatwaves	Short term	Such events may disrupt access to production sites, damage equipment, or cause temporary shutdowns, resulting in reduced production capacity and delayed shipments, thereby affecting revenue performance in the short term and increasing repair and recovery-related operating costs.	<ol style="list-style-type: none"> 1. Conduct risk assessments and scenario simulations for different extreme climate scenarios. 2. Strengthen disaster prevention facilities and emergency response plans. 3. Establish backup production capacity and safety stock levels to reduce the risk of operational disruptions.

Type	Climate risk	Time horizon	Potential impacts on business and finance	Strategy
Physical risk – chronic	Long-term climate changes, such as rising average temperatures, changes in precipitation patterns, and drought	Medium term/long term	Long-term climate changes and drought may affect the stability of regional water resource supply, leading to constraints on production water usage and reduced process efficiency, thereby affecting production capacity and delivery schedules, and increasing capital expenditures and operating costs for procuring alternative water sources and adjusting equipment.	Strengthen water resource management based on climate scenario analysis results, plan measures to improve water use efficiency and recycling, assess heat resistance and drainage capacity of key facilities, and, where necessary, adjust production capacity allocation and equipment investment plans to enhance climate resilience.
Transition risk – policy and regulatory risk	Government introduction or strengthening of climate-related regulations, such as carbon fees, greenhouse gas emission controls, and energy efficiency standards	Medium term/long term	Carbon fees and emission controls may increase operating and compliance costs. Failure to respond in a timely manner may affect market competitiveness and require additional capital expenditures for environmental protection and energy-saving equipment.	Continuously monitor domestic and international developments in climate and carbon management regulations, plan to implement greenhouse gas inventories and internal carbon pricing mechanisms, and promote energy-saving and emission reduction projects and equipment replacement to reduce future carbon costs and regulatory risks.
Transition risk – technology and market risk	Adoption of low-carbon technologies and changes in customer demand for low-carbon products	Medium term/long term	Failure to promptly adopt energy-saving and carbon reduction technologies, or if products fail to meet customers' carbon emission and environmental requirements, may result in order loss or pricing pressure, affecting revenue and profitability; at the same time, investment in new technologies will increase short-term capital expenditures.	Continuously evaluate and introduce energy-saving, emission reduction, and high-efficiency process technologies, enhance product environmental performance, and collaborate with customers and suppliers to develop low-carbon solutions in response to market demand for low-carbon products.
Transition risk –	Stakeholder expectations regarding corporate climate	Short term/medium	If external parties perceive that the Company's climate risk management and	Strengthen climate-related disclosures in accordance with policies and international

Type	Climate risk	Time horizon	Potential impacts on business and finance	Strategy
reputational risk	actions and information disclosure	term	carbon reduction actions are insufficient, this may affect brand image and customer trust, thereby exerting pressure on orders and cooperation opportunities, and may also affect financing conditions.	standards (such as TCFD and IFRS S2), establish clear carbon reduction targets and transition plans, and regularly communicate progress to stakeholders to enhance corporate image and trust.

3. Describe the financial impact of extreme weather events and transformative actions.

Based on internal assessments, an increase in the frequency and intensity of extreme climate events (such as heavy rainfall, flooding, and drought) may affect operations, including production line interruptions, equipment damage, and logistics disruptions, thereby impacting product manufacturing and delivery schedules. Potential financial impacts include higher operating costs and capital expenditures, as well as reduced revenue resulting from shipment delays or supply disruptions. In the transition to a low-carbon economy, the Company may be subject to policies and regulations such as carbon fees, greenhouse gas emission caps, and renewable energy regulatory requirements. Actions to improve energy efficiency and reduce energy consumption, water use, and waste generation to mitigate climate impacts may result in higher capital expenditures and operating costs in the short term, but are expected to help reduce long-term regulatory compliance risks and operational impacts.

4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.

The Company continues to incorporate climate-related risks and opportunities into its overall risk management system. The Sustainable Development Promotion Team, in accordance with the TCFD recommended framework, regularly collaborates with various functional units to identify, assess, and manage climate related risks and opportunities. Relevant processes include the identification of risks and opportunities, assessment of potential financial impacts, and planning of response measures, which are incorporated into the Company's risk management mechanisms based on the principle of materiality.

In terms of risk assessment, the Company plans to evaluate physical risks (such as droughts and heavy rainfall) and transition risks (such as those driven by regulations, customers, and markets) in terms of their potential impact on operations and finance performance and their likelihood of occurrence, serving as a basis for risk prioritization and management.

In terms of risk management, relevant units plan to formulate and implement response measures based on the assessment results. For example, production sites have initiated the establishment of emergency response and business continuity plans (BCP), and conduct regular drills and tests to reduce the impact of operational disruptions caused by climate events and enhance overall climate resilience.

The aforementioned implementation status and assessment results of climate risk management are regularly reported to the Sustainable Development Committee and are incorporated into the Company's overall risk management and governance framework for ongoing monitoring and review.

5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.

The Company has commenced its analysis and, with reference to the IPCC Sixth Assessment Report (AR6), has selected three climate scenarios: SSP1-2.6 (low emissions scenario), SSP2-4.5 (medium emissions scenario), and SSP5-8.5 (very high emissions scenario), to assess the potential impacts of climate change on operations and finance and resilience in the short, medium, and long term. Scenario assumptions cover varying levels of global decarbonization efforts and warming, and incorporate projections of temperature increases, changes in precipitation patterns, and the frequency and intensity of extreme climate events (such as droughts, heavy rainfall, and high temperatures). In alignment with the implementation timeline of IFRS S2, the Company will further examine, under the above three scenarios, the stability of water resources supply and the degree of dependence on production water at major production sites and within key supply chains as a basis for strengthening climate resilience and adaptation strategies.

6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.

The Company plans to manage climate-related physical and transition risks and to incorporate greenhouse gas reduction and energy efficiency improvements into its medium- to long-term operational objectives. The plan includes continued promotion of energy conservation, water conservation, and waste reduction measures, enhancement of process and equipment energy efficiency, and, in alignment with the IFRS S2 implementation timeline, the gradual introduction of internal carbon pricing to internalize carbon costs and incorporate them into operational and investment decision-making.

In terms of metrics and targets, the Company uses greenhouse gas emissions as the core management indicator and has set a target to reduce greenhouse gas emissions by 1% annually. This is supplemented by indicators such as energy use efficiency (e.g. energy consumption per unit of product), water intensity, and waste generation, to measure the effectiveness of the transition plan. The aforementioned metrics and targets will be used to continuously monitor and manage physical risks (such as the impact of disruptions in energy and water supply on operations) and transition risks (such as carbon fees, emission controls, and customer decarbonization requirements), and will be reviewed and adjusted on a rolling basis in response to regulatory and market developments.

7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.

The Company has not yet formally implemented internal carbon pricing; however, it has begun to collect, study, and analyze domestic and international internal carbon pricing systems and related practices as a basis for formulating the Group's internal carbon pricing policy in the future. In alignment with the implementation timeline of IFRS S2, the Company will comprehensively consider factors such as international carbon price levels, domestic carbon fees and related regulatory developments, industry characteristics, and the Company's decarbonization targets, in formulating an appropriate internal carbon price level and scope of application. The Company will also assess the feasibility and financial impacts of incorporating carbon costs into investment evaluation and operational decision-making processes. Once implemented, the internal carbon price level will be reviewed and adjusted on a regular basis.

8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.

The Company's climate-related management targets cover greenhouse gas emissions arising from its operational activities and resource use efficiency. The scope of targets includes Scope 1 and Scope 2 greenhouse gas emissions, electricity intensity per unit, water consumption per unit of product, and waste generation per unit, with a planned annual reduction target of 1% to gradually reduce the impact of operations on climate and the environment.

To achieve the above targets, the Company promotes reduction initiatives through efficiency improvements, including replacing production equipment to enhance energy efficiency and reduce energy consumption, encouraging outsourced fleets to adopt electric vehicles to reduce emissions during transportation, and planning to promote suppliers' reduction of greenhouse gas emissions to expand decarbonization benefits across the value chain. Going forward, the Company will assess the feasibility of introducing solar power generation facilities and other renewable energy solutions based on operational conditions and regulatory developments, to strengthen the low-carbon transition of its energy structure.

As of the date hereof, the Company has not used carbon offset mechanisms or renewable energy certificates (RECs) to achieve the above targets. If such tools are introduced in the future, the Company will disclose, based on actual conditions, the sources and quantities of offsets or the quantities of RECs purchased and used, and incorporate such information into the disclosure of progress toward achieving climate-related targets.

9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

The Company and its Mainland China subsidiary included in the consolidated financial statements conducted greenhouse gas inventories for the first time in 2023.

The Company and its Mainland China subsidiary included in the consolidated financial statements conduct greenhouse gas emission inventories and prepare inventory statements in accordance with ISO 14064-1, covering Scope 1 (direct emissions) and Scope 2 (energy indirect emissions).

The base year and the most recent two years of greenhouse gas inventory data apply the operational control approach as the organizational boundary. The relevant inventory data are as follows:

		2023	2024	2025
The Company	Scope 1 emissions (metric tons CO2e)	12.88	12.76	16.70
	Scope 2 emissions (metric tons CO2e)	127.74	124.88	164.42
	Subtotal	140.62	137.64	181.12
Mainland China Subsidiary Included in the Consolidated Financial Statements	Scope 1 emissions (metric tons CO2e)	210.15	190.12	209.18
	Scope 2 emissions (metric tons CO2e)	10,790.91	10,816.23	10,590.07
	Scope 3 emissions (metric tons CO2e)	1,112.37	1,443.81	579.37
	Subtotal	12,113.43	12,450.16	11,378.62
Total	Scope 1 and Scope 2 emissions (metric tons CO2e)	11,141.68	11,143.99	10,980.37
	Scope 1 and Scope 2 emission intensity (metric tons CO2e per NT\$ million)	3.65	2.65	2.95
	Scope 1 to Scope 3 emissions (metric tons CO2e)	12,254.05	12,587.80	11,559.74
	Scope 1 to Scope 3 emission intensity (metric tons CO2e per NT\$ million)	4.01	3	3.11

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.
The Company and its subsidiaries included in the consolidated financial statements will implement greenhouse gas assurance in accordance with the sustainability roadmap starting from 2027 and 2028, respectively.

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

Describe the base year and data for greenhouse gas reduction, reduction targets, strategies, concrete action plans, and the achievement of reduction targets.

The Company and its Mainland China subsidiary included in the consolidated financial statements have set a target of reducing greenhouse gas emissions generated from Scope 1 and Scope 2 by 1% annually, using 2023 as the base year:

(1) In terms of Scope 1 and Scope 2 emissions (metric tons CO₂e)

	2023	2024	2025
Actual emissions	11,141.68	11,143.99	10,980.37
Target emissions	Base Year	11,030.26	10,918.85

(2) In terms of Scope 1 and Scope 2 emission intensity (tCO₂e per million NTD of revenue)

	2023	2024	2025
Actual intensity	3.65	2.65	2.95
Target intensity (Base year)	Base Year	3.61	3.58
Achievement Status		Achieved	Achieved

To effectively implement greenhouse gas reduction, the following specific actions are planned to further achieve the annual 1% reduction target:

- (1) Replacing production equipment to reduce energy consumption.
- (2) Evaluating the installation of solar power generation facilities.
- (3) Encouraging outsourced fleets to adopt electric vehicles.
- (4) Planning to promote suppliers to reduce greenhouse gas emissions.

(IX) Status of the Company's Implementation of Ethical Corporate Management and Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Therefor

Evaluation items	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Therefor
	Yes	No	Summary Description	
I. Establishment of Ethical Corporate Management Policies and Programs				
(I) Has the Company established an ethical corporate management policy approved by the Board of Directors, clearly stated such policy and practices in its regulations and external documents, as well as the commitment of the Board of Directors and senior management to actively implement such policy?	✓		(I) The Group has established the "Code of Ethical Corporate Management" as resolved by the 19th meeting of the 8th Board of Directors, and has disclosed it on the Market Observation Post System and the Company's website.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
(II) Has the Company established a risk assessment mechanism for unethical conduct, does it regularly analyze and assess business activities with a higher risk of unethical conduct within its scope of operations, and formulate programs to prevent unethical conduct accordingly, covering at least the preventive measures specified in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	✓		(II) The Group has established "Work Rules" and a series of ethical systems stipulating that employees are prohibited from accepting monetary or financial gifts from customers or suppliers and other provisions to prevent unethical conduct. In the event of a violation with serious circumstances, the Company may terminate employment without prior notice and require compensation for losses incurred by the Company.	
(III) Has the Company specified operational procedures, codes of conduct, disciplinary measures for violations, and complaint mechanisms in its programs for preventing unethical conduct, implemented such programs,	✓		(III) The Group has established the "Operational Procedures and Code of Conduct for Ethical Corporate Management." In addition, the "Work Rules," "Trade Secret Management Regulations," and "Reward and Disciplinary Measures" all	

Evaluation items	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Therefor
	Yes	No	Summary Description	
and does it regularly review and revise them?			include provisions for preventing unethical conduct, and overseas subsidiaries have also established relevant regulations. Regular employee education and training and awareness programs are conducted to ensure a full understanding of the Company's commitment, policies, prevention programs, and the consequences of violations of unethical conduct.	
<p>II. Implementation of Ethical Corporate Management</p> <p>(I) Does the Company evaluate the integrity records of its counterparties and stipulate integrity clauses in the contracts entered into with such counterparties?</p> <p>(II) Has the Company established a dedicated unit under the Board of Directors responsible for promoting ethical corporate management, and does it report regularly (at least once a year) to the Board of Directors on its ethical corporate management policies, programs for preventing unethical conduct, and the status of supervision and implementation?</p> <p>(III) Has the Company established policies to prevent conflicts of interest, and does it provide appropriate channels for disclosure, and implement such</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Group regularly reviews the financial and credit status of customers for purchases and sales to avoid transactions with parties having records of unethical conduct, and integrity-related clauses are included in all commercial contracts.</p> <p>(II) The Group has designated the Internal Audit Office as the dedicated unit for ethical corporate management, which regularly reports the implementation status to the Board of Directors and supervises the Human Resources Department in handling matters such as revision, implementation, interpretation, and consultation services related to ethical corporate management.</p> <p>(III) The Group has included non-compete provisions in employment contracts with employees. Overseas subsidiaries have established a</p>	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation items	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Therefor
	Yes	No	Summary Description	
<p>policies?</p> <p>(IV) Has the Company established effective accounting and internal control systems to implement ethical corporate management, and does the internal audit unit formulate relevant audit plans based on the results of risk assessments of unethical conduct and audits compliance with programs for preventing unethical conduct, or engages CPAs to conduct such audits?</p> <p>(V) Does the Company regularly conduct internal and external education and training on ethical corporate management?</p>	<p>✓</p> <p>✓</p>		<p>conflict of interest declaration system for employees to make disclosures. Directors who have a personal interest or represent a legal entity with an interest in matters submitted to the Board of Directors shall recuse themselves in accordance with laws and regulations to prevent conflicts of interest. In addition, the Group has established an employee suggestion mailbox and an “Employee Grievance Management System” to provide appropriate channels for employees to express their views.</p> <p>(IV) To ensure the implementation of ethical corporate management, the Group has established effective accounting and internal control systems in accordance with laws and regulations. Internal audit personnel also regularly audit compliance with the accounting system and internal control system and report to the Board of Directors on a quarterly basis.</p> <p>(V) The Group regularly conducts training programs to promote and ensure that employees clearly understand the concepts and regulations of ethical corporate management.</p>	
<p>III. Operation of the Company’s Whistleblowing System</p> <p>(I) Has the Company established a specific whistleblowing and reward system, convenient reporting channels, and</p>	<p>✓</p>		<p>(I) The Group has established the “Procedures for Handling Reports of Illegal, Unethical or Dishonest Conduct,” set up</p>	<p>In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX</p>

Evaluation items	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Therefor
	Yes	No	Summary Description	
designated appropriate responsible personnel to handle reported cases? (II) Has the Company established standard operating procedures for investigating reported cases, follow-up measures after completion of investigations, and relevant confidentiality mechanisms? (III) Has the Company adopted measures to protect whistleblowers from improper treatment due to their reporting?	✓		reporting mailboxes and dedicated hotlines, assigned responsible personnel for handling different types of matters, and the Human Resources unit administers rewards and disciplinary actions based on investigation results. (II) The Group handles reported cases under strict confidentiality and has clearly stipulated relevant provisions in its internal regulations, and has also included confidentiality obligations in employee confidentiality agreements. (III) The Group adopts strict confidentiality measures for whistleblower information to ensure that whistleblowers are not subject to improper treatment or unfair handling as a result of reporting.	Listed Companies
IV. Enhancement of Information Disclosure Does the Company disclose the content and implementation effectiveness of its Code of Ethical Corporate Management on its website and the Market Observation Post System?	✓		The Group has established a corporate website to provide access to ethical corporate management-related policies and promotional information for employees' reference at any time. It has also uploaded its annual reports and sustainability reports to the Market Observation Post System to disclose corporate information and related implementation results.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
V. If the Company has established its own Code of Ethical Corporate Management in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any differences between its operation and the established code:				

Evaluation items	Implementation Status		Summary Description	Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Therefor
	Yes	No		

None.

VI. Other important information that would facilitate a better understanding of the Company's ethical corporate management operations: (e.g. the Company's review and revision of its established Code of Ethical Corporate Management)
 The Group arranges for directors to participate in education and training related to ethical corporate management and corporate governance on an annual basis. Any competitive activities engaged in by directors and managerial officers are submitted to the shareholders' meeting or the Board of Directors for approval in accordance with laws and regulations.

(X) Other important information that would facilitate a better understanding of the Company's corporate governance operations may also be disclosed: please refer to the Company's website at www.csi-sensor.com.tw and the Market Observation Post System at mopsov.twse.com.tw.

(XI) Status of Implementation of the Internal Control System

1. Internal Control System Statement

Creative Sensor Inc.
Internal Control System Statement

Date: February 4, 2026

The internal control system of the Company for 2025, based on the results of self-assessment, is hereby declared as follows:

- I. The Company acknowledges that the establishment, implementation, and maintenance of the internal control system are the responsibilities of the Board of Directors and management. The Company has established such a system. The purpose of the system is to provide reasonable assurance regarding the achievement of objectives relating to the effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), the reliability, timeliness, and transparency of reporting, and compliance with applicable regulations and relevant laws and rules.
- II. The internal control system has inherent limitations. Regardless of how well designed, an effective internal control system can only provide reasonable assurance with respect to the achievement of the above three objectives. Moreover, due to changes in environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system includes a self-monitoring mechanism, and once deficiencies are identified, the Company will take corrective actions.
- III. The Company evaluates whether the design and implementation of the internal control system are effective based on the criteria for assessing the effectiveness of internal control systems as set forth in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria adopted under the "Regulations" classify the internal control system into five components based on the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component further comprises a number of elements. Please refer to the "Regulations" for the aforementioned elements.
- IV. The Company has adopted the aforementioned criteria for evaluating the internal control system to assess the effectiveness of the design and implementation of its internal control system.
- V. Based on the results of the aforementioned assessment, the Company considers that, as of December 31, 2025, its internal control system (including supervision and management of subsidiaries), including controls over the effectiveness and efficiency of operations, the reliability, timeliness, and transparency of reporting, and compliance with applicable regulations and relevant laws and rules, is effective in both design and implementation, and can provide reasonable assurance regarding the achievement of the aforementioned objectives.
- VI. This statement will serve as a principal part of the Company's annual report and prospectus and will be publicly disclosed. If any of the above disclosed content involves falsehood, concealment, or other illegal matters, it shall be subject to legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement has been approved by the Board of Directors on March 9, 2026. Among the seven directors present, none expressed dissenting opinions, and all agreed to the contents of this statement. This is hereby declared.

Creative Sensor Inc.

Chairman: Yu-Jen Huang (signature)

President: Yao-Ming Wei (signature)

2. Where a CPA has been engaged to conduct a special review of the internal control system, the CPA's review report shall be disclosed: None.

(XII) Major Resolutions of Shareholders' Meetings and Board Meetings in 2025 and up to the Date of Publication of the Annual Report

1. Major Resolutions of the Annual General Meeting and Implementation Status

Term of Office	Matters for Resolution	Implementation Status
May 20, 2025	Adoption of the 2024 Business Report and Financial Statements	Approved as proposed based on the voting results.
	Adoption of the 2024 Earnings Distribution Table	1. Approved as proposed based on the voting results. 2. Cash dividends of NT\$2.10 per share; the ex-dividend record date was August 2, 2025, and the cash dividend payment date was August 20, 2025.
	Approval of amendments to the Company's "Articles of Incorporation"	Approved as proposed based on the voting results.
	Approval of the Company's capital reduction in cash	Approved as proposed based on the voting results.

2. Major Resolutions of the Board of Directors in 2025 and up to the Date of Publication of the Annual Report

Term of Office	Major Resolutions	Independent Directors' Dissenting or Qualified Opinions
5th Meeting of the 10th Board of Directors (February 27, 2025)	<ol style="list-style-type: none"> 1. Approval of the Company's 2024 Business Report and financial statements. 2. Approval of the Company's 2024 distribution of employee compensation and directors' remuneration. 3. Approval of the Company's 2024 cash dividend distribution. 4. Approval of the Company's 2024 earnings distribution. 5. Approval of the Company's 2024 "Internal Control System Statement." 6. Approval of the Company's share repurchase for transfer to employees. 7. Approval of amendments to the Company's "Articles of Incorporation." 8. Approval of the appointment of members of the Company's 6th Remuneration Committee. 9. Approval of the supplementary public issuance and application for listing of the Company's privately placed common shares issued in 2021. 10. Approval of the private placement of common shares through capital increase. 11. Approval of the appointment of the Company's attesting CPAs for 2025, including remuneration and independence assessment. 12. Approval of convening the Company's 2025 	<p>No dissenting or qualified opinions No dissenting or qualified opinions</p> <p>No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions</p>

Term of Office	Major Resolutions	Independent Directors' Dissenting or Qualified Opinions
	Annual General Meeting and related matters.	qualified opinions
6th Meeting of the 10th Board of Directors (April 17, 2025)	Approval of the Company's proposed subscription of convertible notes issued by Ejoule International Limited.	No dissenting or qualified opinions
7th Meeting of the 10th Board of Directors (May 8, 2025)	<ol style="list-style-type: none"> 1. Approval of the consolidated financial report for the first quarter of 2025. 2. Approval of the cooperation agreement for battery materials manufacturing in India. 	No dissenting or qualified opinions No dissenting or qualified opinions
8th Meeting of the 10th Board of Directors (June 2, 2025)	Approval of matters relating to the pricing and related terms of the Company's first issuance of private placement of common shares in 2025.	No dissenting or qualified opinions
9th Meeting of the 10th Board of Directors (July 10, 2025)	Approval of the Company's engagement of L&K Industries Philippines, Inc. for manufacturing services, including related expenditures for plant renovation, cleanroom construction, and procurement and transfer of production equipment.	No dissenting or qualified opinions
10th Meeting of the 10th Board of Directors (August 5, 2025)	<ol style="list-style-type: none"> 1. Approval of the consolidated financial report for the second quarter of 2025. 2. Approval of the Company's 2024 Sustainability Report. 3. Approval of renaming and amendments to the Company's "Regulations Governing the Payment of Directors' Remuneration." 4. Approval of renaming and amendments to the Company's "Regulations Governing the Payment of Bonuses to Corporate Representatives Appointed to Investee Companies." 5. Approval of personnel matters relating to the Company's managerial officers. 	No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions
11th Meeting of the 10th Board of Directors (September 4, 2025)	<ol style="list-style-type: none"> 1. Approval of the Company's proposed joint establishment with Teco Image Systems Co., Ltd. of SPV Joint Entity A (tentative), for investment in a manufacturing joint venture (MJV) for battery components and materials in India. 2. Approval of the Company's proposed joint establishment with Teco Image Systems Co., Ltd. of SPV Joint Entity B (tentative), for the sales and distribution of battery components and materials produced by the MJV in the Indian and Philippine markets. 3. Approval of the execution of a cooperation agreement for the manufacturing of battery components and materials in India. 4. Approval of the Company's proposed participation with technology startups and strategic partners in establishing a manufacturing joint venture (MJV) 	No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions

Term of Office	Major Resolutions	Independent Directors' Dissenting or Qualified Opinions
	<p>for battery components and materials in India.</p> <p>5. Approval of the Company's proposed subscription of convertible notes issued by Ejoule International Limited.</p>	No dissenting or qualified opinions
12th Meeting of the 10th Board of Directors (October 2, 2025)	<p>1. Approval of the Company's proposed acquisition of a production base in the Philippines.</p> <p>2. Approval of the Company's proposed acquisition of common share equity in L&K Industries Philippines, Inc..</p>	No dissenting or qualified opinions No dissenting or qualified opinions
13th Meeting of the 10th Board of Directors (November 6, 2025)	<p>1. Approval of the consolidated financial report for the third quarter of 2025.</p> <p>2. Approval of the business report for the first half of 2025.</p> <p>3. Approval of the cash dividend distribution for earnings of the first half of 2025.</p> <p>4. Approval of the maturity extension of the convertible notes issued by Ejoule International Limited.</p> <p>5. Approval of the memorandum of understanding to be jointly executed by the Company, its strategic partners in India, and the Andhra Pradesh Economic Development Board, Government of Andhra Pradesh.</p> <p>6. Approval of the appointment of the Company's corporate governance officer.</p>	No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions
14th Meeting of the 10th Board of Directors (December 17, 2025)	<p>1. Approval of the Company's 2026 budget.</p> <p>2. Approval of the Company's 2026 bank financing agreements.</p> <p>3. Approval of the Company's cash capital increase in subsidiary L&K Industries Philippines, Inc..</p> <p>4. Approval of the Company's provision of loans to subsidiary L&K Industries Philippines, Inc..</p> <p>5. Approval of the Company's cash capital increase in subsidiary Sensorem Photonics India Private Limited.</p> <p>6. Approval of the independence and qualification assessment of the Company's attesting CPAs.</p> <p>7. Approval of the audit plan for 2026.</p> <p>8. Approval of amendments to the internal control system for the "payroll cycle."</p> <p>9. Approval of the appointment of the Company's chief accounting officer.</p>	No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions No dissenting or qualified opinions
15th Meeting of the 10th Board of Directors (March 9, 2026)	<p>1. Approval of the Company's 2025 Business Report and financial statements.</p> <p>2. Approval of the Company's 2025 distribution of employee compensation and directors'</p>	No dissenting or qualified opinions No dissenting or qualified opinions

IV. Information on CPA Remuneration

Unit: NT\$ thousand

Name of CPA Firm	Name of CPA	Audit Period	Audit Fees	Non-audit Fees	Total	Remarks
PricewaterhouseCoopers Taiwan	Po-Chuan Lin	2025.01.01–December 31, 2025	3,710	50	3,760	Non-audit fees relate to payroll information checklist procedures
	Lin, Yung-Chih	2025.01.01–December 31, 2025				
PricewaterhouseCoopers Taiwan	Tsai, Yen-Tan	2025.01.01–December 31, 2025	0	695	695	Non-audit fees relate to tax certification services
KPMG Taiwan	Chen, Tsai-Huang	2025.01.01–December 31, 2025	0	360	360	Non-audit fees relate to transfer pricing and master file documentation
	Chang, Wei-Hsin	2025.01.01–December 31, 2025				

Notes: If the Company has changed its CPA or CPA firm during the current year, it shall separately disclose the audit periods and explain the reasons for the change in the remarks column, and disclose in sequence the audit and non-audit fees paid. Non-audit fees shall be accompanied by notes explaining the nature of the services provided.

(I) Where the Company has changed its CPA firm and the audit fees paid in the year of change are lower than those in the preceding year: None.

(II) Where audit fees have decreased by more than 10% compared to the preceding year: None.

V. Information on Change of CPAs: None.

VI. Where the Chairman, President, or managerial officers responsible for finance or accounting of the Company have, within the most recent year, served at the CPA firm engaged by the Company or its affiliated enterprises, the name, title, and period of service shall be disclosed: None.

VII.Changes in Shareholdings and Share Pledges of Directors, Managerial Officers, and Shareholders Holding More Than 10% in the Most Recent Year and up to the Date of Publication of the Annual Report

1. Changes in Shareholdings of Directors, Managerial Officers, and Major Shareholders

Unit: shares

Title	Name	2025		As of March 27, 2026	
		Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares
Major Shareholders/Directors	Teco Image Systems Co., Ltd.	-	-	-	-
Director	Representative of Teco Image Systems Co., Ltd.: Yu-Jen Huang	-	200,000	-	-
Major Shareholders/Directors	Universal Cement Corporation	-	-	-	-
Director	Representative of Universal Cement Corporation: Chih-Sheng Hou (Note 1)	-	-	-	-
Director	Representative of Universal Cement Corporation: Chih-Yuan Hou (Note 2)	-	-	-	-
Director	Koryo Electronics Co., Ltd.	-	-	-	-
Director	Representative of Koryo Electronics Co., Ltd.: En-Hsin Hsiao	-	-	-	-
Independent Director	Hsiu-Ming Wang	-	-	-	-
Independent Director	Shih-Ying Huang	-	-	-	-
Independent Director	Yun-Hsiang Hsiao	-	-	-	-
Independent Director	Chi-Tung Ku	-	-	-	-
President	Yao-Ming Wei	-	-	-	-
Chief Strategy Officer	Yu-Jen Huang	-	200,000	-	-
Senior Manager	Chien-Chung Hung (Note 3)	-	112,000	-	-
Manager	Chi-Ping Lin (Note 4)	-	-	-	-
Corporate Governance Officer	Chiao-Pei Mai (Note 5)	-	-	-	-
Senior Manager	Mei-Chi Wu (Note 6)	-	-	-	-
Assistant Manager	Yu Chen (Note 7)	-	-	-	-
Corporate Governance Officer	Hsiang-Hui Tsai (Note 8)	-	-	-	-

Note 1: Mr. Chih-Sheng Hou resigned on November 1, 2025. Universal Cement Corporation appointed a new representative director, and his shareholding will no longer be reported thereafter.

Note 2: Mr. Chih-Yuan Hou assumed office on November 1, 2025. Universal Cement Corporation appointed a new representative director, and his shareholding will be reported from that date.

Note 3: Mr. Chien-Chung Hung resigned on August 5, 2025, and his shareholding will no longer be reported thereafter.

Note 4: Ms. Chi-Ping Lin resigned on December 17, 2025, and her shareholding will no longer be reported thereafter.

Note 5: Ms. Chiao-Pei Mai resigned on October 16, 2025, and her shareholding will no longer be reported thereafter.

Note 6: Ms. Mei-Chi Wu assumed office on December 17, 2025, and her shareholding will be reported from that date.

Note 7: Mr. Yu Chen assumed office on August 5, 2025, and his shareholding will be reported from that date.

Note 8: Mr. Hsiang-Hui Tsai assumed office on November 6, 2025, and his shareholding will be reported from that date.

2. Information on counterparties to share transfers by directors, managerial officers, and major shareholders that are related parties: None.
3. Information on counterparties to share pledges by directors, managerial officers, and major shareholders that are related parties: None.

VIII. Information on the top ten shareholders by shareholding percentage, indicating whether they are related parties or have spousal or kinship relationships within the second degree of kinship

As of March 27, 2026
Unit: shares; %

Name (Note 1)	Shares Held by The Shareholder		Shareholdings Held by Spouse and Minor Children		Shares Held in the Name of Others		For the Top Ten Shareholders, Where There Exist Related-Party Relationships or Relationships of Spouse or Relatives Within the Second Degree of Kinship, the Names and Such Relationships		Remarks
	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Name (or Name of Individual)	Relationship	
Representative of Teco Image Systems Co., Ltd.: Yu-Jen Huang	26,015,634	18.88%	Not Applicable		0	0	Creative Sensor Inc.	Serves as a Director of Teco Image Systems Co., Ltd.	None
	405,000	0.29%	0	0	0	0	Koryo Electronics Co., Ltd.	Koryo Electronics Co., Ltd. director is Teco Image Systems Co., Ltd.	
							Creative Sensor Inc.	Same Chairman	
Representative of Universal Cement Corporation: Bo-Zhi Investment Co., Ltd.	11,842,200	8.59%	Not Applicable		8,100,000	5.88%	Huan Ni Investment	A Subsidiary of Universal Cement Corporation	None
	0	0%	Not Applicable		Data Unavailable		Po-Yi Hou	Serves as a Chairman of Borch Investment Co., Ltd.	
Representative of Tien Da Investment Co., Ltd.: Chien-Kuo Yang	11,105,515	8.06%	Not Applicable		0	0	Koryo Electronics	Serves as a Director of Tien Da Investment Co., Ltd.	None
	0	0%	Data Unavailable						
Representative of Huan Ni Investment Co., Ltd.: Po-Yi Hou	8,100,000	5.88%	Not Applicable		0	0	Universal Cement Corporation	Serves as a Director and Supervisor of Huan Ni Investment Co., Ltd.	None
	0	0%	Data Unavailable						
Representative of Koryo Electronics Co., Ltd.: Shun-Jung Liao	5,130,900	3.72%	Not Applicable		0	0	Teco Image Systems Co., Ltd.	Serves as a Director of Koryo Electronics Co., Ltd.	None
							Creative Sensor Inc.	Serves as a Director of Koryo Electronics Co., Ltd.	
	0	0%	Data Unavailable						
Representative of Creative Sensor Inc.:	2,837,800	2.06%	Not Applicable		0	0	Teco Image Systems Co., Ltd.	Serves as a Director of Creative	None

Name (Note 1)	Shares Held by The Shareholder		Shareholdings Held by Spouse and Minor Children		Shares Held in the Name of Others		For the Top Ten Shareholders, Where There Exist Related-Party Relationships or Relationships of Spouse or Relatives Within the Second Degree of Kinship, the Names and Such Relationships		Remarks
	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Name (or Name of Individual)	Relationship	
Yu-Jen Huang								Sensor Inc.	
							Koryo Electronics	Serves as a Director of Creative Sensor Inc.	
							Universal Cement Corporation	Serves as a Director of Creative Sensor Inc.	
	405,000	0.29%	0	0	0	0	Teco Image Systems Co., Ltd.	Same Chairman	
Hou A-Chung	1,750,000	1.27%	Data Unavailable						None
CTBC Bank Entrusted Property Account for The Employee Stock Ownership Trust of Creative Sensor Inc.	1,651,000	1.20%	Not Applicable				None	None	None
Lin Kao-Huang	1,650,000	1.20%	Data Unavailable						None
Chang Po-Han	1,296,000	0.94%	0	0	0	0	None	None	None

Note 1: All of the top ten shareholders shall be disclosed. For institutional shareholders, the name of the institutional shareholder and the name of its representative shall be separately disclosed.

Note 2: The calculation of shareholding percentage refers to the shareholding ratio calculated separately under one's own name, that of a spouse, minor children, or under the names of others.

IX. Shareholdings in the Same Investee by the Company, Its Directors, Managers, and Entities Directly or Indirectly Controlled by the Company, and the Aggregated Combined Shareholding Ratio

December 31, 2025 / Unit: Thousand Shares

Investee	Investment by the Company		Investment by Directors, Managers, and Entities Directly or Indirectly Controlled		Combined Investment	
	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%
Sensorem Photonics India Private Limited	728	91%	0	0	728	91%
L&K Industries Philippines, Inc.	1,000	100%	0	0	1,000	100%
Tien Da Investment Co., Ltd.	21,340	29.85%	0	0	21,340	29.85%
Teco Image Systems Co., Ltd.	33,408	29.69%	12,474	11.08%	45,882	40.77%
Creative Sensor Co., Ltd. (Hong Kong)	0	0	15,501	100%	15,501	100%
Nanchang Creative Sensor Technology Co., Ltd.	0	0	Capital Contribution Certificate	100%	Capital Contribution Certificate	100%

Note: Investments accounted for using the equity method.

Three. Capital Raising

I. Capital and Shares

(I) Sources of Share Capital

As of March 27, 2026

Unit: NT\$ thousand; thousand shares

Year Month	Issue Price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Source of Share Capital	Where Capital Contributions Are Made in Assets 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	Cash capital increase NT\$50,000 thousand	None	—
June 2000	12.5	72,000	720,000	36,000	360,000	Cash capital increase NT\$300,000 thousand	None	Note 1
June 2002	12.5	72,000	720,000	50,000	500,000	Cash capital increase NT\$140,000 thousand	None	Note 2
November 2002	18.0	72,000	720,000	70,000	700,000	Cash capital increase NT\$200,000 thousand	None	Note 3
July 2004	10.0	112,900	1,129,000	78,239	782,390	Capitalization of earnings NT\$82,390 thousand	None	Note 4
June 2005	10.0	112,900	1,129,000	87,331	873,316	Capitalization of earnings NT\$90,926 thousand	None	Note 5
November 2005	43.0	112,900	1,129,000	98,968	989,686	Cash capital increase NT\$116,370 thousand	None	Note 6
March 2006	55.8	112,900	1,129,000	99,821	998,216	Conversion of domestic unsecured convertible bonds into 853,030 common shares	None	—
August 2006	10.0	160,000	1,600,000	123,027	1,230,277	Capitalization of earnings NT\$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 bonds into 532,690 common shares	None	—
April 2007	36.23	160,000	1,600,000	126,663	1,266,627	Conversion of domestic unsecured convertible bonds into 3,102,351 common shares	None	—
July 2007	36.23	160,000	1,600,000	126,682	1,266,820	Conversion of domestic unsecured convertible bonds into 19,320 common shares	None	—
August 2008	10.0	160,000	1,600,000	130,000	1,300,000	Capitalization of earnings NT\$33,180 thousand	None	Note 8
February 2009	10.0	160,000	1,600,000	127,000	1,270,000	Cancellation of treasury shares NT\$30,000 thousand	None	Note 9
April 2010	30.1	160,000	1,600,000	127,035	1,270,350	Exercise of employee stock options for issuance of 35,000 common shares	None	—

Year Month	Issue Price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Source of Share Capital	Where Capital Contributions Are Made in Assets Other Than Cash	Others
April 2011	28.94	160,000	1,600,000	127,055	1,270,550	Exercise of employee stock options for issuance of 20,000 common shares	None	—
July 2020	10.0	250,000	2,500,000	127,055	1,270,550	Increase in authorized capital by 90,000,000 shares	None	Note 10
November 2021	23.49	250,000	2,500,000	149,055	1,490,550	Private placement cash capital increase issuing 22,000,000 common shares	None	—
September 2024	10.0	250,000	2,500,000	134,149.5	1,341,495	Cash capital reduction NT\$149,055 thousand	None	Note 11
July 2025	40.0	250,000	2,500,000	137,824.5	1,378,245	Private placement cash capital increase issuing 3,675,000 common shares	None	—

Note 1: Approval reference for issuance of new shares for cash capital increase: Letter No. (89) Tai-Cai-Zheng (I) No. 520523 dated June 23, 2000, Securities and Futures Commission, Ministry of Finance.

Note 2: Approval reference for issuance of new shares for cash capital increase: Letter No. (91) Tai-Cai-Zheng (I) No. 111551 dated March 25, 2002, Securities and Futures Commission, Ministry of Finance.

Note 3: Approval reference for issuance of new shares for cash capital increase: Letter No. (91) Tai-Cai-Zheng (I) No. 0910161006 dated November 14, 2002, Securities and Futures Commission, Ministry of Finance.

Note 4: Approval reference for issuance of new shares through capitalization of earnings: Letter No. (93) Tai-Cai-Zheng (I) No. 0930127004 dated June 17, 2004, Securities and Futures Commission, Ministry of Finance.

Note 5: Approval reference for issuance of new shares through capitalization of earnings: Letter No. Jin-Guan-Zheng-I No. 0940122245 dated June 2, 2005, Financial Supervisory Commission, Executive Yuan.

Note 6: Approval reference for issuance of new shares for cash capital increase: Letter No. Jin-Guan-Zheng-I No. 0940149562 dated November 25, 2005, Financial Supervisory Commission, Executive Yuan.

Note 7: Approval reference for issuance of new shares through capitalization of earnings: Letter No. Jin-Guan-Zheng-I-Zi No. 0950127763 dated June 30, 2006, Financial Supervisory Commission, Executive Yuan.

Note 8: Approval reference for issuance of new shares through capitalization of earnings: Letter No. Jin-Guan-Zheng-I-Zi No. 0970033055 dated July 2, 2008, Financial Supervisory Commission, Executive Yuan.

Note 9: Approval reference for cancellation of treasury shares: Letter No. Jin-Guan-Zheng-I-Zi No. 0970069736 dated December 19, 2008, Financial Supervisory Commission, Executive Yuan.

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

Note 11: Approval reference for capital reduction: Letter No. Jing-Shou-Shang-Zi No. 11330160790 dated September 6, 2024.

As of March 27, 2026

Unit: shares

Class of Shares	Authorized Capital			Remarks
	Outstanding Shares (Note 1)	Unissued Shares (Note 2)	Total	
Common Shares	114,349,500	112,175,500	250,000,000	Listed Shares
	23,475,000			Privately Placed Shares

Note 1: Listed company shares.

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

Note 3: Information on fundraising and issuance under the shelf registration system: Not applicable.

(II) List of Major Shareholders: Shareholders Holding the Top Ten Shareholding Ratios

As of March 27, 2026

Name of Major Shareholder	Shares	Number of Shares Held	Shareholding Ratio
Teco Image Systems Co., Ltd.		26,015,634	18.88%
Universal Cement Corporation		11,842,200	8.59%
Tien Da Investment Co., Ltd.		11,105,515	8.06%
Huan Ni Investment Co., Ltd.		8,100,000	5.88%
Koryo Electronics Co., Ltd.		5,130,900	3.72%
Creative Sensor Inc.		2,837,800	2.06%
Hou A-Chung		1,750,000	1.27%
CTBC Bank entrusted property account for the employee stock ownership trust of Creative Sensor Inc.		1,651,000	1.20%
Lin Kao-Huang		1,650,000	1.20%
Chang Po-Han		1,296,000	0.94%

(III) Dividend Policy and Implementation

1. Dividend policy as set forth in the Articles of Incorporation

Upon closing the accounts at the end of each semi-annual accounting period, if there are profits, the Company shall allocate them in the following order:

- (1) Payment of taxes.
- (2) Offset of accumulated losses.
- (3) Allocation of 10% as legal reserve; provided, however, that this shall not apply when the legal reserve has reached the total paid-in capital of the Company.
- (4) Allocation or reversal of special reserve in accordance with the regulations of the competent authority.
- (5) V. After deducting the amounts under Subparagraphs 1 through 4, if there is any remaining balance together with accumulated undistributed earnings, the Board of Directors is authorized, with the attendance of at least two-thirds of the directors and the approval of a majority of the attending directors, to distribute all or part of the dividends and bonuses in cash and report to the shareholders' meeting.

Prior to distribution of earnings, the Company shall estimate and reserve employee compensation and directors' remuneration, and distribute them at the end of each fiscal year in accordance with the preceding article. The Company operates in an industry with stable growth. In view of future plans for plant expansion and reinvestment, the distribution of earnings shall, in principle, allocate 80% of shareholders' dividends. Of the shareholders' dividends referred to in the preceding paragraph, the proportion of cash dividends shall, in principle, be 50%, but shall not be less than 5%.

2. The Board of Directors resolved on March 9, 2026 to distribute a cash dividend of NT\$2.10 per share. The ex-dividend record date will be determined separately and distribution will be made in accordance with the relevant procedures.

(IV) Impact of the Proposed Stock Dividend Distribution at This Shareholders' Meeting on the Company's Operating Performance and Earnings per Share: Not applicable.

(V) Employee Compensation and Directors' Remuneration:

1. Percentage or range of employee compensation and directors' remuneration as stipulated in the Articles of Incorporation:

If the Company records a profit for the year, it shall allocate 5% to 15% of the annual profit as employee compensation, of which the total compensation allocated to frontline employees shall not be less than 15%, and allocate not more than 5% as directors' remuneration. In addition, in accordance with the Company's "Rules Governing the Payment of Directors' Remuneration," such remuneration shall be determined and distributed based on evaluation factors including the degree of participation in the Company's operations, contribution value, and level of due diligence, with reference to domestic and international market standards, and shall be reviewed from time to time in light of actual operating conditions and relevant regulations. If the Company has accumulated losses from prior years, such losses shall first be offset before allocating employee compensation and directors' remuneration from current-year profits, with the remaining balance allocated proportionally.

2. Basis for estimating employee compensation and directors' remuneration for the current period, the basis for calculating the number of shares for employee compensation distributed in stock, and the accounting treatment for any difference between the estimated and actual distributed amounts: If there is any difference between the actual distributed amount and the estimated amount, such difference shall be treated as a change in accounting estimate and recognized in profit or loss for 2026.

3. Distribution of remuneration as approved by the Board of Directors:

- (1) Amounts of employee compensation and directors' remuneration distributed in cash or stock. Where there is any difference from the estimated amount recognized as an expense in the year, the variance, reasons, and treatment shall be disclosed:

The Board of Directors resolved on March 9, 2026 to approve the distribution of directors' remuneration and employee compensation for 2025, proposing NT\$18,436,866 for directors' remuneration and NT\$55,310,598 for employee compensation, all to be distributed in cash, and to be reported to the shareholders' meeting on May 25, 2026.

- (2) Amount of employee compensation distributed in stock and its percentage of net income after tax in the parent company only financial statements or individual financial statements for the current period and of the total employee compensation: No stock-based compensation was distributed.

4. Actual distribution of employee compensation and directors' and supervisors' remuneration for the previous year (including number of shares distributed, amounts, and share price), and where there is any difference from the recognized employee compensation and directors' and supervisors' remuneration, the variance, reasons, and treatment shall be explained:

Unit: NT\$

Item	Recipients	Amount approved by the Board of Directors	Actual amount distributed	Method of distribution
Employee compensation	Employees of the Company	45,681,006	45,681,006	Cash
Directors' remuneration	Directors of the Company	15,227,003	15,227,003	
Total		60,908,009	60,908,009	

(VI) Status of the Company's share repurchases: None.

II. Status of corporate bond issuance: None.

III. Status of preferred share issuance: None.

IV. Status of issuance of overseas depositary receipts: None.

V. Status of issuance of employee stock options: None.

VI. Status of issuance of restricted shares for employees: None.

VII. Status of issuance of new shares in connection with mergers or acquisitions of shares of other companies: None.

VIII. Status of implementation of fund utilization plans: None.

Four. Operating Overview

I. Business Overview

(I) Scope of Business

1. Primary business activities of the Company
 - (1) Electronic components manufacturing.
 - (2) Computer and peripheral equipment manufacturing.
 - (3) Wired communication equipment manufacturing.
 - (4) Wireless communication equipment manufacturing.
 - (5) Telecommunications-controlled radio frequency equipment manufacturing.
 - (6) General instrument manufacturing.
 - (7) Optical instrument manufacturing.
 - (8) International trade.
 - (9) Wholesale of electronic materials.
 - (10) Wholesale of computers and office equipment.
 - (11) Wholesale of telecommunications equipment.
 - (12) Wholesale of precision instruments.
 - (13) Retail of electronic materials.
 - (14) Retail of computers and office equipment.
 - (15) Retail of telecommunications equipment.
 - (16) Retail of precision instruments.
 - (17) Information software services.
 - (18) Lighting equipment manufacturing.
 - (19) Other electrical and electronic machinery and equipment manufacturing.
 - (20) Ship and parts manufacturing.
 - (21) Rail vehicle and parts manufacturing.
 - (22) Automobile and parts manufacturing.
 - (23) Motorcycle and parts manufacturing.
 - (24) Bicycle and parts manufacturing.
 - (25) Aircraft and parts manufacturing.
 - (26) Other transportation equipment and parts manufacturing.
 - (27) Other optical and precision instrument manufacturing.
 - (28) Wholesale of aircraft and parts.
 - (29) Wholesale of photographic equipment.
 - (30) Retail of traffic signaling equipment.
 - (31) Retail of aircraft and parts.

- (32) Industrial plastic products manufacturing.
- (33) Retail of photographic equipment.
- (34) Battery manufacturing.
- (35) Wholesale of batteries.
- (36) Retail of batteries.
- (37) Basic chemical industry.
- (38) Manufacturing of precision chemical materials.
- (39) Manufacturing of other chemical materials.
- (40) Powder metallurgy.
- (41) Wholesale of chemical raw materials.
- (42) Wholesale of other chemical products.
- (43) Retail of chemical raw materials.
- (44) Energy technology services.
- (45) Synthetic resin and plastics manufacturing.
- (46) Industrial additives manufacturing.
- (47) Except for licensed businesses, the Company may engage in any business not prohibited or restricted by applicable laws and regulations.

2. Revenue Breakdown

Unit: NT\$ thousand

Item	2024		2025	
	Revenue	Percentage of Revenue (%)	Revenue	Percentage of Revenue (%)
Image Sensors	4,200,192	100	3,720,643	100
Total	4,200,192	100	3,720,643	100

3. Current Products

The Group's principal business activities are the design, manufacture, and trading of CISM (Contact Image Sensor Module).

4. New Products Planned for Development

With respect to the principal applications and market demand for CIS products, the Group has developed a full product line to meet the needs of various scanning input devices (such as MFP scanners, and copiers). Key R&D initiatives for 2025 are as follows:

- A. Mass production of CISM with high depth of field.
- B. Mass production of next-generation high-brightness CISM light sources.
- C. Cost-optimized CISM design.
- D. Development of intelligent pattern contrast sensors.
- E. Integration of Edge AI and SDK to optimize the performance of infrared thermal imaging modules.

- F. Development of ultra-high-resolution infrared thermal imaging modules.
- G. Enhancement of automated production process capabilities.

(II) Industry Overview

1. Current status and development of the industry:

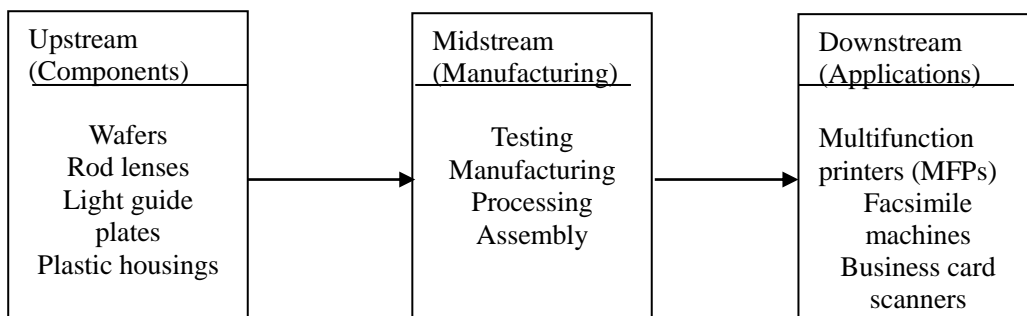
The Group’s principal business is the design, manufacture, and sale of CISM. Its products are applied in personal computer peripheral scanners, office or workstation multifunction printers (MFPs), digital copiers, electronic whiteboards, fingerprint identification systems, and banknote recognition systems. Accordingly, developments in the computer peripherals industry are closely related to the Company.



Due to its modular design, CISM facilitates system integration and assembly by system manufacturers. Over years of development, CISM has become the mainstream solution for scanning function products for personal and SOHO business applications. The Group’s core products are supplied for use in scanners, facsimile machines, and multifunction office machines.

2. Industry upstream, midstream, and downstream relationships:

The Group’s CISM products utilize wafers, rod lenses, light guide plates, plastic housings, and other electronic components as inputs. Following front-end and back-end processes, including wafer testing, wafer dicing, die bonding, wire bonding, and assembly, the products undergo testing and inspection before being sold directly to professional OEM manufacturers. The upstream, midstream, and downstream industry relationships are as follows:



3. Product Development Trends and Competitive Landscape:

(1) Product Development Trends

CISM has become a key component adopted in multifunction printers, with a focus on low cost, low power consumption, and compact and lightweight design, which constitute the Group's competitive niche. Through co-development with customers, the Group is advancing toward solutions featuring ultra-high speed, high precision, and high depth of field. The Company's team has established customer confidence in terms of R&D, pricing, quality, and service. The Company is also actively developing new products internally to expand into new markets.

(2) Industry Market Competition

Following customer inventory adjustments in 2023, demand rebounded in 2024 and reached its highest level since the pandemic. In 2025, however, tariff impacts led customers to adopt a more conservative demand outlook to avoid higher tariffs, resulting in reduced shipment volumes. Nevertheless, through effective business strategies, the Company achieved revenue that surpassed its competitors and maintained its market leadership position. At the same time, the Group has implemented fully automated production across its product lines to minimize costs and optimize quality, in response to continuously rising labor costs. Market competition continues to focus on supply chain management and cost control.

(III) Technology and R&D Overview

R&D expenditures and successfully developed technologies or products in recent years:

1. Total consolidated R&D expenditure in 2025 amounted to NT\$77,779 thousand.
2. Successfully developed technologies or products:
 - (1) Annual mass production models for major Taiwanese, Japanese, and U.S. customers.
 - (2) Completion and mass production of high-speed A4 & A3 CISM.
 - (3) Introduction of in-house components into A4 CISM and commencement of mass production.
 - (4) Completion of high depth-of-field CISM prototype.
 - (5) Completion of intelligent pattern contrast sensor prototype.
 - (6) Mass production of high/low resolution infrared thermal imaging modules.

(IV) Short-Term and Long-Term Business Development Plans

1. Short-term business development plans:
 - (1) Actively monitor downstream customer inventory levels and adjust material preparation in a timely manner to mitigate risks.
 - (2) Improve production efficiency and strictly control costs to maintain gross margins.
 - (3) Mass production of high depth-of-field image input modules to enhance competitiveness in the high-end MFP market.
 - (4) Actively promote infrared thermal imaging modules in applications such as

“security surveillance” and “industrial inspection.”

2. Long-term business development plans:
 - (1) Develop next-generation linear scanning light sources to further reduce costs and improve luminous efficiency.
 - (2) Develop high-end infrared thermal imaging modules and multispectral imaging modules to enter high-margin niche application markets.
 - (3) Develop intelligent pattern contrast sensors and industrial barcode scanners to expand application markets for scanning modules.
 - (4) Develop markets for other optical input/output devices.
 - (5) Expand sales across diversified product segments.

II. Market and Production/Sales Overview

(I) Market Analysis

1. Sales regions of major products

The Group’s products are primarily sold to information technology and consumer electronics manufacturers in Asia, the United States, and Europe, most of which are internationally recognized OEM or system manufacturers.

2. Market share

Unit: NT\$ thousand

Operating Revenue	2024	2025
Creative Sensor Inc.	4,200,192	3,720,643
AsiaTech Image Inc.	4,393,068	3,713,187

Source: Market Observation Post System

3. Future Supply and Demand Conditions and Growth Potential

(1) From the supply perspective:

In 2025, affected by trade tariffs, customer demand became more conservative. There was no risk of material shortages; however, the Group continued to maintain upstream and downstream supply chain relationships and strengthened raw material inventory control to ensure a stable material supply, so that production capacity would not be affected by shortages.

(2) From the demand perspective:

Following the situation in 2025, prices of PCB raw materials, including copper clad laminates and fiberglass, continued to rise due to strong AI-driven demand, while gold prices also continued to reach new highs. On the customer side, persistent increases in memory prices have reached a point where customers are no longer able to absorb cost increases and must pass them on to selling prices. In addition, the recent impact of the U.S.–Israel–Iran conflict is expected to drive up oil prices, which in turn will lead to surging prices of other raw materials and intensify inflationary pressures, ultimately reducing consumer purchasing power. It is anticipated that global economic growth in 2026 will be slightly lower than in 2025. Rising product prices are expected to reduce consumer spending, thereby negatively impacting economic activity. Demand for consumer-grade models is expected to continue weakening, while shipments of commercial models are expected to remain stable due to customers’ new product development plans and demand for business color

printing. In the long term, under the influence of paperless trends and generative AI development, shipments in the multifunction printer market are expected to show a gradual year-by-year decline.

4. Competitive Advantages

(1) Stringent quality requirements and advanced manufacturing processes:

The Company's customers are all internationally recognized brand manufacturers, and therefore impose stringent quality requirements. The Company continuously implements quality improvement programs to pursue excellence. It has obtained international quality system certifications, including ISO 9001 and ISO 14001. The manufacturing facilities have further enhanced cleanroom ESD protection environments, progressively automated production lines, and introduced lean production systems, thereby enabling the production of high-quality products. In addition, the Company's product design can accommodate varying customer requirements and offers superior design integration capabilities compared to industry peers, resulting in overall product quality exceeding industry standards.

(2) Strong supplier integration capabilities:

Key components of CISM, such as sensing elements, circuit boards, focusing lenses, and light source components, require close collaboration with suppliers in development, making quality control critical. The Group adopts a closely coordinated R&D and design approach with suppliers to secure business opportunities from customers. Furthermore, through close cooperative relationships and procurement scale, the Group is able to obtain raw materials at stable and reasonable prices, thereby enhancing product competitiveness.

(3) Comprehensive R&D team and technical capabilities:

The Group's R&D team has extensive experience in CISM development, possesses in-house design capabilities, and has obtained multiple patents. It also engages in collaborative development of key raw materials with related suppliers. As a result, the Group's R&D quality and technological innovation capabilities are ahead of industry peers.

(4) Expansion of product application areas:

Leveraging years of accumulated CISM production technology, the Group has expanded into related technologies and upstream and downstream product development fields. In addition to its existing products, it has successfully developed intelligent pattern contrast sensors for large-scale printing machines, which have been recognized by customers. Its far-infrared thermal imaging products have been successfully integrated into multiple customer systems, and the Group will continue to promote these products to end customers in industrial inspection and surveillance markets to increase shipment volumes.

5. Favorable and Unfavorable Factors for Future Development and Corresponding Countermeasures:

Item	Favorable Factors	Unfavorable Factors	Countermeasures
I. Industry Outlook	The multifunction peripheral (MFP) market remains the mainstream for office/home-use products, with stable demand, and the CIS industry remains an oligopolistic market with high entry barriers. Given the limited number of domestic and international competitors, market demand is expected to remain stable in the medium to long term.	Multifunction peripherals have entered a mature stage, with growth slowing, resulting in a gradual deceleration in revenue growth for the Company's related products.	<ol style="list-style-type: none"> (1) Develop higher-speed and higher-resolution products for application in high-end inkjet and laser MFPs to expand product penetration and maintain continued revenue growth. (2) Collaborate with domestic manufacturers to jointly develop key raw materials to reduce costs. (3) Leverage COB packaging and imaging technology capabilities to enter industries such as pattern contrast sensors and infrared thermal imaging sensors, thereby expanding business niches and developing new application fields.
II. Position in the Industry	Currently holds the world's highest market share in color contact image sensors, with strong economies of scale and cost control capabilities.	Both upstream and downstream markets are oligopolistic, resulting in weaker pricing power, while competitors engage in price competition to capture business opportunities.	<ol style="list-style-type: none"> (1) Strengthen the development of both high-end products and low-cost module products, balancing the enhancement of value-added and market share to widen the gap with peers. (2) Continue process improvements and collaborate with suppliers to develop high-performance, low-cost raw materials to reduce production costs.
III. Supply Status of Major Raw Materials	The Group has established long-term strategic alliances with major raw material suppliers, enabling effective control over the quality and quantity of supplied raw materials and components.	Certain products of major raw material suppliers are in oligopolistic markets, resulting in limited pricing flexibility.	<ol style="list-style-type: none"> (1) Collaborate with relevant manufacturers to jointly develop key raw materials to reduce costs. (2) Continue to maintain sound relationships with suppliers to secure stable sources of supply.
IV. Sales Status of Major Products	The Group's product quality and delivery lead times are well recognized by customers, and its market share remains firmly in a leading position in color CIS. With ongoing new customer development and co-development of new products with customers, sales volume is expected to continue growing.	<ol style="list-style-type: none"> (1) The downstream product market exhibits pronounced seasonality, affecting capacity planning. (2) High customer concentration. 	<ol style="list-style-type: none"> (1) Actively expand business development to attract new customers and new orders in order to diversify the customer base. (2) Secure long-term and stable orders to enable appropriate capacity allocation and reduce operating costs arising from pronounced seasonality.

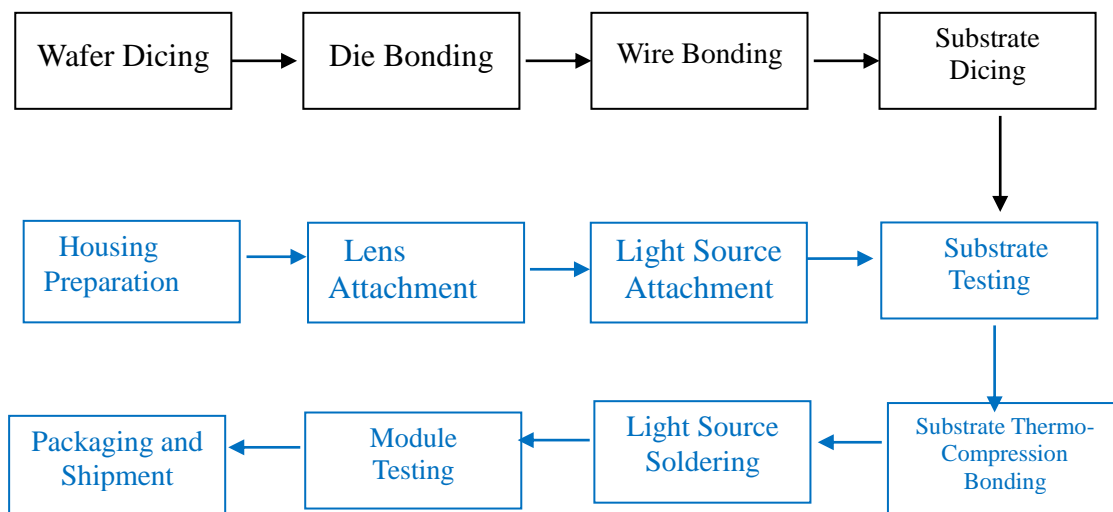
Item	Favorable Factors	Unfavorable Factors	Countermeasures
V. Financial Condition	The Group has maintained stable profitability over the long term. In addition, management places significant emphasis on controlling accounts receivable and inventories, resulting in consistent net cash inflows from operating activities, a sound financial structure, and sufficient internal funding.	Overconcentration in product lines and the maturity of the industry, together with slow revenue and profit growth, weaken profitability.	Develop new business initiatives to inject momentum into future profitability. In addition, the Group currently maintains ample funds to meet future capital expenditure requirements.

(II) Major Uses and Manufacturing Process of Principal Products

1. Major Uses of Principal Products

Item	Principal Products	Uses
Contact Image Sensor	CIS	Multifunction Peripherals Facsimile machines Image Scanners Copiers Business Card Scanners Currency Counters

2. Manufacturing Process



(III) Supply Status of Major Raw Materials

Major Raw Materials	Supply Source	Supply Status
Wafers	Japan, Singapore, United States, Philippines	Good
Rod lenses	Japan, Mainland China	Good
Light Guide Plate	Japan, Taiwan, Mainland China	Good
Printed Circuit Board	Mainland China	Good

(IV) Names of Customers Accounting for 10% or More of Total Purchases (Sales) in Any of the Most Recent Two Years, and Their Purchase (Sales) Amounts and Proportions

1. Information on Major Suppliers for the Most Recent Two Years

Unit: NT\$ thousand

Item	2024				2025			
	Name	Amount	Percentage of Net Annual Purchases [%]	Relationship with the Issuer	Name	Amount	Percentage of Net Annual Purchases [%]	Relationship with the Issuer
1	Company A	233,742	8.20%	Key management personnel of the Group	Company A	505,431	20.34%	Key management personnel of the Group
2	Company B	472,621	16.57%	None	Company B	403,977	16.25%	None
3	Company C	450,562	15.80%	None	Company C	339,316	13.65%	None
	Others	1,694,845	59.43%		Others	1,236,612	49.76%	
	Net Purchases	2,851,770	100.00%		Net Purchases	2,485,336	100.00%	

Reasons for Changes: There have been no significant changes in the ranking of the Company's suppliers over the most recent two years. However, to diversify procurement risk and stabilize sources of supply, the Company has actively sought new partner vendors without compromising the quality of raw materials.

2. Information on Major Customers for the Most Recent Two Years

Unit: NT\$ thousand

Item	2024				2025			
	Name	Amount	Percentage of Net Annual Sales [%]	Relationship with the Issuer	Name	Amount	Percentage of Net Annual Sales [%]	Relationship with the Issuer
1	Company A	615,864	14.66%	None	Company A	619,808	16.66%	None
2	Company B	525,504	12.51%	None	Company B	502,777	13.51%	None
3	Company C	443,558	10.56%	None	Company C	442,528	11.89%	None
	Others	2,615,266	62.27%		Others	2,155,530	57.94%	
	Net Sales	4,200,192	100.00%		Net Sales	3,720,643	100.00%	

Reasons for Changes: As the Company produces a single product, its customers are all major international companies, resulting in a stable customer base. In addition to maintaining good relationships with existing customers, the Company is also committed to developing new customer sources.

III. Number of Employees for the Most Recent Two Years and as of the Date of Printing of the Annual Report

Item	Year	2024	2025	As of March 31, 2026
		Number of Employees	Indirect Labor	311
Direct Labor	749		704	687
Total	1,060		1,082	1,058
Average Age		37.5	36.6	36.7
Average Years of Service		5.7	6.2	6.0
Distribution of Educational Attainment (%)	Doctorate	0%	0%	0%
	Master's	2.0%	2.1%	2.2%
	Junior College and University	27.9%	29.1%	29.5%
	Senior High School	36.5%	35.5%	35.3%
	Below Senior High School	33.6%	33.3%	33%

IV. Environmental Protection Expenditures

In the most recent year and up to the date of printing of the annual report, the total amount of losses incurred due to environmental pollution (including compensation and violations of environmental protection laws identified through environmental protection inspections, with details including the date of disposition, reference number of disposition, provisions of laws violated, content of violations, and details of dispositions, and disclosure of currently and potentially estimable amounts and corresponding countermeasures) and penalties, as well as an explanation of future countermeasures (including improvement measures) and potential expenditures (including estimated amounts of losses, penalties, and compensation that may arise if countermeasures are not taken; if a reasonable estimate cannot be made, the reasons thereof shall be explained): The Group is engaged in the manufacturing of electronic components, and its production processes do not generate air emissions, wastewater, or noise pollution. Accordingly, no losses due to environmental pollution were incurred in the most recent two years, and no significant environmental protection capital expenditures are expected in the future.

V. Labor Relations

(I) Employee welfare measures, further education, training, retirement systems and their implementation, labor-management agreements, and measures to safeguard employee rights:

1. Employee welfare measures and their implementation:

- A. Employees of the Company are enrolled in Labor Insurance and National Health Insurance from the date of employment; employees of overseas subsidiaries are enrolled in local insurance systems from the date of employment.
- B. In accordance with the Company's employee share subscription plan, when conducting cash capital increases, 10% to 15% of the shares are reserved for employee subscription, and an employee profit-sharing scheme is implemented.
- C. The Company has established an Employee Welfare Committee, which is responsible for the overall administration of various welfare measures. At present, labor conditions such as leave and working hours are handled in accordance with the Labor Standards Act, and various welfare measures have been implemented.

D. Current employee welfare measures are as follows:

- ① Cash gifts for three major festivals and birthday gift vouchers.
- ② Year-end bonuses and performance bonuses.
- ③ Year-end banquet events.
- ④ Domestic and overseas employee travel activities.
- ⑤ Monetary gifts for employee weddings, funerals, and celebrations, and subsidies for children's education.
- ⑥ Leave entitlements more favorable than those stipulated in the Labor Standards Act and paid personal leave.
- ⑦ Provision of Labor Insurance, National Health Insurance, and group insurance in accordance with regulations.
- ⑧ Opportunities for employees to subscribe to shares in cash capital increases.

2. Employee further education and training systems and their implementation:

- A. Employee education and training are implemented in accordance with the Company's relevant training policies, including the "Education and Training Implementation Regulations," "Internal Education and Training Implementation Regulations," "External Training Management Regulations," "Language Proficiency Test Subsidy Regulations," and "On-the-Job Further Education Subsidy Regulations." The Company actively provides employees with various learning and development opportunities and environments to cultivate talent with an international perspective and proactive learning capabilities.
- B. Statistics of education and training hours for 2025: During 2025, a total of 207 participants attended internal and external training programs covering management training, core competencies, and professional skills enhancement, with a total of 809.5 training hours. The average training hours per employee in 2025 were 12 hours, and total annual training expenditures amounted to NT\$315,291.

3. Retirement system and its implementation:

- A. The Company's employee retirement system and policies are implemented in accordance with the Labor Standards Act and the Labor Pension Act; overseas subsidiaries follow the pension insurance systems prescribed by the government of the People's Republic of China. Implementation details include:
 - (1) Years of service under the Labor Standards Act (old system): Defined benefit pension plan
 - a. Employee retirement application: Employees who have worked for more than 15 years and reached the age of 55, or those who have worked for more than 25 years, may apply for voluntary retirement.
 - b. Payment of employee retirement benefits: Calculated based on one month of the employee's average wage at the time of approved retirement as the base unit. For each year of service, two base units are granted; for service years exceeding 15 years, one base unit is granted per additional year, with a maximum total of 45 base units. Service periods of less than six months are counted as half a year; six months or more are counted as one year.

- (2) Years of service under the Labor Pension Act (new system): Defined contribution pension plan
- a. Monthly contribution of 6% by the Company: In accordance with the monthly contribution wage classification table published by the Bureau of Labor Insurance, the Company contributes 6% of the employee's monthly wage to the employee's individual pension account.
 - b. Voluntary employee contributions: Employees may also make voluntary contributions within 6% of their monthly wages based on personal preference. B. Establishment of a "Labor Pension Reserve Supervisory Committee" to oversee the implementation of the retirement system.
- B. In accordance with R.O.C. Statement of Financial Accounting Standards No. 18, the Company engages an actuary to conduct evaluations and calculations of the labor pension reserve and to issue an actuarial valuation report.
- C. Since July 1, 2005, the Company has contributed 6% of employees' monthly wages to individual pension accounts in accordance with the Labor Pension Act; overseas subsidiaries contribute a certain percentage of total employee salaries to pension insurance in accordance with the regulations of the government of the People's Republic of China, and employee pensions are centrally managed and administered by the government on a monthly basis.
4. Labor-Management Agreements and Measures for Safeguarding Employee Rights:
- The Group has consistently adhered to a management approach characterized by self-management and full employee participation. Through regular operational meetings, education and training, and effective communication between supervisors and subordinates in each department, labor-management relations remain highly harmonious.
5. Employee Code of Conduct or Ethics:
- To maintain workplace order and clearly define the rights and obligations between labor and management, the Group has established "Work Rules" in accordance with applicable laws and regulations, which have been approved by the competent authority and publicly disclosed. In addition, to reduce operational risks, prevent conduct that may harm shareholders' interests, and provide guidance for employees, the Company has established and actively promoted the following codes:
- A. Code of Ethical Corporate Management: Employees shall not directly or indirectly offer, promise, request, or accept any improper benefits, or engage in any conduct that violates integrity or breaches fiduciary duties.
 - B. Compliance with Antitrust Regulations: Employees shall maintain a high level of vigilance in dealing with competitors and business counterparts, clearly state that sensitive information cannot be disclosed, and refrain from granting any preferential treatment.
 - C. Reporting Illegal and Unethical Conduct: Employees who discover any violations of the Company's ethical standards, such as misappropriation of company assets, actions affecting the accuracy of financial reporting, or receipt of improper benefits from external parties, shall report such matters through the Company's established internal channels.
6. Procedures for Handling Material Internal Information:
- To establish sound mechanisms for handling and disclosing material internal information, prevent improper information leakage, and ensure the consistency and

accuracy of information disclosed externally, the Group has amended its internal control system to include “Management of Insider Trading Prevention,” which was submitted to and approved by the Board of Directors on December 21, 2022, and communicated to all employees and managerial personnel.

7. Measures for Protecting the Working Environment and Employee Personal Safety:

A. Measures for Protection of the Working Environment

- ① The Group has obtained ISO 14001 environmental management system certification. The Group’s environmental policy includes: (1) compliance with environmental laws and regulations and other applicable requirements. (2) Promote resource recycling and reuse, and implement industrial waste reduction to achieve pollution prevention. (3) Reduce the use of hazardous substances, implement pollution control and management, and commit to green product design and manufacturing. (4) Prevent accidents and disasters, and strengthen disaster prevention drills.
- ② Equipment Safety: Elevators and freight lifts in the Company’s premises are subject to regular inspections in accordance with applicable regulations, and external contractors are engaged monthly to conduct occupational safety and health inspections; employees are required to wear protective equipment to mitigate labor-related risks.
- ③ Fire Safety: A comprehensive fire protection system has been installed in accordance with the Fire Services Act, including sprinkler systems and evacuation systems such as descent devices and emergency lighting. Annual inspections of lighting, fire protection equipment, and carbon dioxide levels are conducted.
- ④ The Group conducts drinking water quality testing semi-annually and performs comprehensive workplace disinfection annually to maintain workplace hygiene.

B. Measures for Protection of Employee Personal Safety

- ① The Group has established “Occupational Safety and Health Work Rules” to safeguard employees’ physical and mental well-being and to mitigate major hazards arising from operations. In addition, the Group has formulated “Attendance Regulations for Incidents such as Natural Disasters, Power Outages, and Material Shortages” to facilitate immediate response in the event of such incidents.
- ② Medical Care: The Group provides annual health examinations for employees.
- ③ The Group conducts regular annual occupational safety and health education and training to enhance employees’ relevant knowledge and reduce occupational injuries.
- ④ Alcohol-based hand sanitizers and masks are available at the reception area at all times for use by employees and visitors to reduce the risk of influenza transmission in the workplace.
- ⑤ To prevent risks to employee personal safety, the use of protective equipment is required, and relevant operating procedures have been established.

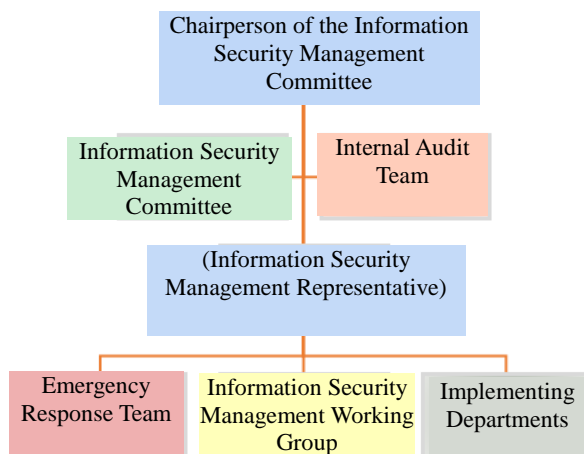
- (II) Losses Incurred by the Company Due to Labor Disputes in the Most Recent Year and up to the Date of Printing of the Annual Report (including violations of the Labor Standards Act identified through labor inspections, with details including the date of disposition, reference number of disposition, provisions of laws violated, content of violations, and details of dispositions), and disclosure of currently and potentially estimable amounts and corresponding countermeasures; if a reasonable estimate cannot be made, the reasons thereof shall be explained: None.

VI. Information and Communication Security Management:

(I) Information and Communication Security Risk Management Framework

To effectively implement the information security management system, the Company has established an Information Security Management Committee. The President serves as the Chairperson of the Information Security Management Committee, and the head of the information department serves as the Vice Chairperson. In addition, one Executive Secretary is appointed by the President to serve in this role. Various working groups are established under the Committee to promote the implementation of the information security management system, and members of each working group are designated by the head of the information department.

The information security management organizational structure is as follows:



(II) Information Security Policy

Based on operational requirements, the Company has established an “Information Security Management System” in accordance with international standards such as ISO/IEC 27001, ISO/IEC 31000, ISO/IEC 31010, and ISO/IEC Guide 73, as well as applicable laws and regulations including the Cyber Security Management Act and the Personal Data Protection Act. This is to ensure that the Company’s information and communication infrastructure and information systems meet requirements relating to confidentiality, integrity, availability, and legality, to enhance the Company’s existing management systems, and to adopt the PDCA continuous improvement cycle management model established by international standard-setting organizations. Through the integration and strengthening of the information security management system, a structured, documented, and systematic management mechanism has been established, with ongoing monitoring and review of management performance to implement information security management, personal data protection, and business continuity principles, and to achieve the following objectives:

1. Implement the Company’s information security management policy.
2. Introduce the information security management system.

3. Enhance the Company's information security management capabilities.
4. Strengthen the Company's information security incident response capabilities.
5. Achieve the measurement indicators of the information security management policy.

(III) Specific Management Programs

In 2025, the Company completed the "Information Security Management System Implementation and Certification Project" and successfully obtained ISO 27001 Information Security Management System certification in July 2025. Key tasks include external threat prevention measures and internal management measures:

1. External Threat Prevention Measures

- (1) Conduct regular vulnerability scanning, system updates, and social engineering attack drills to mitigate the risk of hacking.
- (2) Utilize firewalls to filter malicious websites and programs.
- (3) Use email filtering software to filter email viruses and spam.
- (4) Update antivirus software to prevent infection by various types of viruses.
- (5) Conduct audits of hardware and software vendors and execute confidentiality undertakings with outsourced personnel.
- (6) Regularly collect threat intelligence and conduct information security intelligence sharing, as well as reporting, response, and handling of information security incidents.

2. Internal Management Measures

- (1) Strengthen information security awareness promotion and education and training.
- (2) Encrypt confidential documents to prevent data leakage.
- (3) Perform regular backups of critical systems and conduct annual business continuity drills.
- (4) Regularly review privileged and general user accounts to control account access.
- (5) Establish system development and testing environments to reduce human error.
- (6) Prohibit non-company computers from accessing internal network resources.
- (7) Collect system logs to prevent unauthorized system access.
- (8) Prohibit the use of USB storage devices on company computers without authorization.
- (9) Classify information assets and conduct information security risk assessments and improvement plans.

(IV) Information Security Investment Plans

1. Enhance the depth of information security protection, continue to maintain ISO 27001:2022 certification, and regularly review information security policies to ensure information security.
2. Conduct information security health checks on the information environment and establish overseas offsite backup data centers to ensure data security.

3. Introduce a Hyper-Converged Infrastructure (HCI) system, integrating shared data center hardware for storage resources with intelligent software to build flexible modular architecture, thereby enhancing flexibility and agility in deploying new applications, enabling rapid response to business needs, improving the performance of critical applications such as relational databases, and indirectly enhancing security.

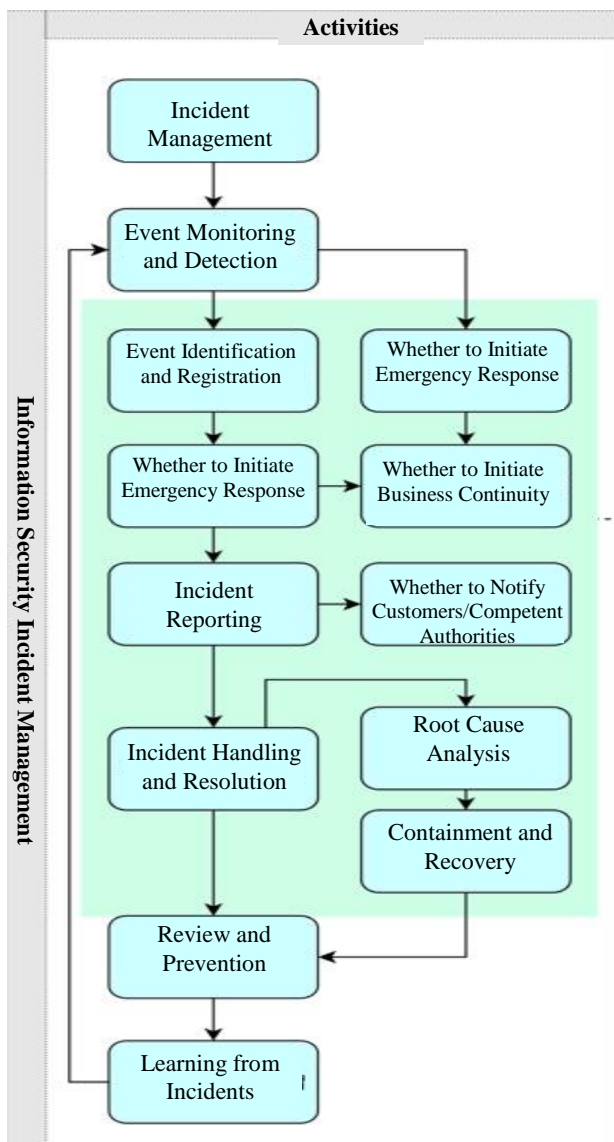
(V) Emergency Reporting Procedures

Information security incidents include events that cause substantial damage to information and communication assets, such as virus infections, data leakage, unauthorized access, system or equipment service interruptions, data loss, or data tampering.

In the event of an incident in the information security management system, reporting and handling shall be carried out in the shortest possible time. The Company has established Information Security Incident Management Procedures to record, handle, and manage information security events and incident data, promptly eliminate incidents, and reduce the potential harm and impact caused by information security incidents.

In accordance with the requirements of the Cyber Security Management Act, the Company shall notify customers and competent authorities in the event of an information security incident in accordance with contractual provisions.

The Company's information security incident reporting procedures are as follows:



Follow-up Remedial Measures for Information Security Incidents

The Company implements the principles set out in the Information Security Incident Management Procedures. In the event of a major information security incident, the Company will initiate handling procedures in accordance with the established workflow at the earliest possible time to minimize impact.

Implementation Results

1. Obtained ISO 27001 certification in 2025.
2. No information security incidents affecting the Company's operations occurred in 2025.
3. A total of 19 participants completed 57 hours of information security training in 2025.

Losses incurred, potential impacts, and corresponding countermeasures arising from material information and communication security incidents in the most recent year and up to the date of printing of the annual report; if a reasonable estimate cannot be made, the reasons thereof shall be explained: None.

VII. Material Contracts: None.

Five. Analysis and Review of Financial Position and Operating Results and Risk Matters

I. Financial Position

Comparative Analysis of Financial Position

Unit: NT\$ thousand

Item \ Year	2025	2024	Difference		
			Amount	%	Description
Current assets	4,270,868	4,312,223	(41,355)	(0.96)	—
Non-current assets	216,830	144,408	72,422	50.15	1
Other assets	5,864,738	4,611,279	1,253,459	27.18	2
Total assets	10,352,436	9,067,910	1,284,526	14.17	—
Current liabilities	2,574,660	2,684,513	(109,853)	(4.09)	—
Total liabilities	2,735,714	2,829,848	(94,134)	(3.33)	—
Share capital	1,378,245	1,341,495	36,750	2.74	—
Capital surplus	1,114,940	986,117	128,823	13.06	—
Retained earnings	2,343,488	2,127,582	215,906	10.15	—
Total shareholders' equity	7,616,722	6,238,062	1,378,660	22.10	3
Explanation of changes between the two periods: Only items with a change of 20% or more and an absolute amount exceeding NT\$10,000 thousand are analyzed.					
1. Primarily attributable to plant expansion.					
2. Primarily attributable to an increase in the fair value of marketable securities.					
3. Primarily attributable to an increase in net income for the period.					

II. Financial Performance

Comparative Analysis of Financial Performance

Item \ Year	2025	2024	Increase (decrease) Amount	Change ratio %	Explanation of changes
Operating costs	2,956,826	3,341,806	(384,980)	(11.52)	1
Gross Profit	763,817	858,386	(94,569)	(11.02)	1
Operating expenses	410,094	376,440	33,654	8.94	—
Operating income	353,723	481,946	(128,223)	(26.61)	1
Non-operating income and expenses					—
Other income	199,219	175,601	23,618	13.45	—
Other gains and losses	76,113	(89,736)	165,849	184.82	2
Finance costs	(26,083)	(24,859)	1,224	4.92	—
Share of profit or loss of associates and joint ventures accounted for using the equity method	(2,444)	10,709	(13,153)	(122.82)	3
Profit before tax	600,528	553,661	46,867	8.46	1
Income tax expense	(171,156)	(192,390)	(21,234)	(11.04)	1
Net income for the period	429,372	361,271	68,101	18.85	1
Explanation of changes: Items with a change ratio of less than 20% or an absolute amount of less than NT\$10,000 thousand are not analyzed. The analysis is as follows:					
1. Revenue and gross profit were affected by a decline in end-market demand.					
2. Attributable to gains from the liquidation of a subsidiary during the year.					
3. Attributable to operating losses of investee companies.					

III. Cash Flows

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

Item \ Year	2025	2024	Increase (decrease) ratio
Cash flow ratio (%)	10.08	28.13	(64.17)
Cash flow adequacy ratio (%)	158.27	181.62	(12.86)
Cash reinvestment ratio (%)	(0.14)	7.56	(101.85)
The decline in the cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio was primarily due to a decrease in revenue, resulting in reduced cash inflows from operating activities.			

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

(III) Analysis of cash liquidity for the coming year:

Unit: NT\$ thousand

Beginning cash balance (1)	Estimated net cash flows from operating activities for the year (2)	Estimated cash flows from investing and financing activities for the year (3)	Estimated cash surplus (deficit) (1)+(2)+(3)	Remedial measures for estimated cash deficit	
				Investment plan	Financial plan
3,056,458	134,313	(409,294)	2,781,477	\$ -	\$ -
<p>1. Analysis of changes in cash flows for the current year</p> <p>(1) Operating activities: Primarily attributable to stable operating revenue and continued profitability, together with effective control over inventory levels and collection of accounts receivable, resulting in net cash inflows.</p> <p>(2) Investing activities: Cash outflows from investing activities in 2026 are expected to be capital expenditures.</p> <p>(3) Financing activities: Cash outflows from financing activities in 2026 are expected to be mainly for the distribution of cash dividends. In the event of future operational expansion needs, the Company will adopt the most favorable financing method based on market conditions.</p> <p>2. Remedial measures for estimated cash deficit and liquidity analysis: Not applicable.</p>					

IV. Impact of Major Capital Expenditures in the Most Recent Year on Financial and Operating Activities: There were no material capital expenditures in the most recent year.

V. Investment Policy in the Most Recent Year, Main Reasons for Profit or Loss, Improvement Plans, and Investment Plan for the Coming Year

(I) Investment policy

The Group's investments primarily focus on its core business, including image sensors. In line with the Company's long-term development plans, all investment projects are evaluated with a prudent and conservative approach.

(II) Main reasons for profit or loss

The share of loss of associates and joint ventures accounted for using the equity method was NT\$(2,444) thousand, a decrease of NT\$13,153 thousand compared to NT\$10,709 thousand in 2024, primarily due to increased losses of investee companies.

(III) Investment plan for the coming year

For the coming year, in addition to continuing to strengthen investments in its core business, the Group will adjust and deploy its future development strategies in accordance with changes in the economic environment and in coordination with the progress of new product development.

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

(I) Impact of interest rate, exchange rate fluctuations, and inflation on the Company's profit or loss and corresponding future measures

1. Impact on the Company's profit or loss

Unit: NT\$ thousand

Item	2025 Amount	% of operating revenue	% of profit before tax
Net interest income (expense)	36,067	0.97	6.01
Net foreign exchange gain (loss)	(85,721)	(2.30)	(14.27)
Net gain (loss) on forward exchange hedging	40,514	1.09	6.75

2. Interest rate fluctuations

The Group's interest rate risk arises from short-term borrowings. Borrowings issued at floating interest rates expose the Group to cash flow interest rate risk, which is partially offset by cash and cash equivalents held at floating interest rates. In response to fluctuations in borrowing interest rates, the Group continuously monitors market changes and adjusts its financing strategies accordingly.

3. Exchange rate fluctuations

The Group's operations involve certain non-functional currencies (the functional currency of the Company and certain subsidiaries is NTD, while the functional currency of some subsidiaries is RMB or USD). Accordingly, the Group is exposed to the impact of exchange rate fluctuations. The Company establishes a natural hedging strategy through recognized assets and liabilities, and also utilizes spot transactions, forward foreign exchange contracts, and currency swaps for hedging purposes. Hedging activities are conducted based on prudent principles to mitigate the impact of exchange rate fluctuations on the Company's profit or loss. Information on the Company's significant foreign currency-denominated assets and liabilities subject to exchange rate fluctuations is as follows (unit: NT\$ thousands):

December 31, 2025

Sensitivity analysis						
Foreign currency (thousands)	Exchange rate	Carrying amount (NT\$)	Change ratio	Impact on profit or loss	Impact on other comprehensive income	
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD: NTD	\$ 76,622	31.38	\$ 2,404,398	1%	\$ 24,044	\$ -
RMB: NTD	300	4.46	1,338	1%	13	-
USD: RMB	48,627	7.03	1,525,915	1%	15,259	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD: NTD	\$ 41,699	31.38	\$ 1,308,515	1%	\$ 13,085	\$ -
USD: RMB	21,822	7.03	684,774	1%	6,848	-

December 31, 2024

Sensitivity analysis						
Foreign currency (thousands)	Exchange rate	Carrying amount (NT\$)	Change ratio	Impact on profit or loss	Impact on other comprehensive income	
(Foreign currency: functional currency)						
<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	-

4. Inflation

Inflation has not had an adverse impact on the Group's operations. The Group will continue to closely monitor the effects of interest rates, exchange rates, and inflation on its profit or loss and will formulate appropriate response measures in a timely manner.

- (II) Policies on engaging in high-risk, highly leveraged investments, lending of funds to others, endorsements and guarantees, and derivative financial instrument transactions, the main reasons for profit or loss, and future response measures
1. The Group did not engage in high-risk or highly leveraged investments in the most recent year.
 2. The Company has provided loans to subsidiaries in which it holds 100% equity to support operational and production expansion needs, in accordance with the "Procedures for Lending Funds to Others." As of December 31, 2025, the Company's balance of funds lent to others amounted to NT\$62,750 thousand.
 3. As of December 31, 2025, the Company had no endorsements or guarantees.

4. To hedge against risks arising from exchange rate fluctuations in its net foreign currency positions, as of December 31, 2025, the notional amount of the Company's forward foreign exchange contracts was USD 25,000 thousand, and the notional amount of its swap contracts was USD 23,000 thousand. As the Company engages in derivative financial instruments for hedging purposes, and such transactions are subject to stringent controls under the Company's "Procedures for Acquisition or Disposal of Assets," the resulting gains or losses have not had a material impact on the Company's profit or loss. Future operations will continue to be conducted for hedging purposes.
5. Adoption of hedge accounting for financial instruments and related objectives and methods: The Group has not adopted hedge accounting.

In addition to prudent evaluation, regular reporting, and control, the implementation of the above policies is governed by the Company's "Procedures for Acquisition or Disposal of Assets," "Procedures for Lending Funds to Others," and "Procedures for Endorsements and Guarantees."

(III) Future R&D plans and expected R&D expenditures

1. Future R&D plans

- (1) Continuous improvement of CISM cost and quality.
- (2) Design of high depth-of-field digital CISM.
- (3) Development of A3 high illumination depth light sources.
- (4) Sample delivery of intelligent pattern contrast sensors.
- (5) Development of high-end infrared thermal imaging modules.
- (6) Development of multispectral imaging modules.

2. Expected R&D expenditures: R&D expenses for 2026 are estimated to be approximately NT\$85,700 thousand.

(IV) Impact of significant domestic and international policy and legal changes on the Company's financial and business operations and corresponding measures

The Group's management team has consistently closely monitored any domestic and international policies and regulations that may affect the Company's financial and business operations. To date, changes in relevant policies and regulations have not had a material impact on the Company's financial and business operations.

(V) Impact of technological changes (including information security risks) and industry developments on the Company's financial and business operations and corresponding measures

Email has replaced fax as the primary means of communication. In line with this trend, the ability to process faxes is no longer a determining factor for consumers when purchasing multifunction devices. Instead, the scanning and copying functions have become the main competitive advantages of multifunction office machines. From fax machines and scanners to multifunction devices integrating fax, scanning, copying, and printing, the Company has maintained alignment with market supply and demand, remaining highly responsive to technological changes in the industry in order to quickly meet customer needs.

- (VI) Impact of changes in corporate image on crisis management and corresponding measures

The Group has consistently been committed to maintaining its corporate image and complying with applicable laws and regulations. To date, there have been no incidents that have materially affected the Company's corporate image.

- (VII) Expected benefits, potential risks, and corresponding measures for mergers and acquisitions: The Group did not engage in any mergers or acquisitions in the most recent year.

- (VIII) Expected benefits, potential risks, and corresponding measures for plant expansion:

The Company plans for its subsidiary, L&K Industries Philippines, Inc., to serve as a second production base. The plan involves initiating pilot production and mass production of CISM in the Clark Economic Zone in the Philippines, including plant expansion, production line modifications, and equipment procurement, and is expected to be completed in 2026.

- (IX) Risks arising from concentration in procurement or sales and corresponding measures

The multifunction office equipment market is primarily dominated by brand manufacturers, and the Group's major customers account for more than half of the global market share; accordingly, sales concentration is an inherent characteristic of the industry. In terms of the supply of color image sensors, there are very few manufacturers domestically and internationally with the capability to produce such sensors. Coupled with strong market demand and high barriers to entry, this has resulted in an oligopolistic market structure. Currently, only a limited number of manufacturers, including A-Tai Imaging, Canon Inc., and the Company, are capable of mass-producing color CISM. The limited number of supply sources has led to a concentration of procurement sources among major system manufacturers.

- (X) Impact, risks, and corresponding measures of significant transfers or changes in shareholdings by directors or major shareholders holding more than 10%: In the most recent year, there were no significant transfers or changes in shareholdings by the Company's directors or major shareholders holding more than 10%.

- (XI) Impact, risks, and corresponding measures of changes in management control: None.

- (XII) Litigation or non-litigation matters: The Company and its directors, president, responsible persons, major shareholders holding more than 10%, and subsidiaries are required to disclose any material concluded or pending litigation, non-litigation, or administrative proceedings that may have a significant impact on shareholders' equity or the price of securities, including the facts in dispute, amount in controversy, commencement date of litigation, principal parties involved, and status as of the date of publication of the annual report: None.

- (XIII) Other significant risks and corresponding measures: None.

VII. Other significant matters: None.

Six. Special Disclosures

- I. Information on affiliated enterprises: Please refer to the Market Observation Post System. Access path is as follows: Market Observation Post System > Single Company > Electronic Document Download > Affiliated Enterprises Reports Section
- II. Status of private placements of securities in the most recent year and up to the date of publication of the annual report:
 - (I) The Company's shareholders' meeting on May 20, 2025 approved a private placement of common shares through capital increase in cash, with a total number not exceeding 6,707.5 thousand shares. Subject to market conditions and the Company's funding needs, the private placement may be carried out in up to two tranches within one year from the date of the shareholders' meeting resolution, in accordance with applicable laws and regulations. As of the publication date, the actual number of privately placed common shares issued was 3,675 thousand shares. The purpose is to leverage the knowledge, technology, capabilities, and capital contributions of strategic investors, which is expected to enhance the Company's competitiveness and improve operating efficiency, thereby benefiting the Company's long-term development and the interests of existing shareholders. The remaining quota of 3,032.5 thousand shares expired and became void on May 20, 2026, upon the lapse of one year.
 - (II) On March 9, 2026, the Board of Directors resolved to proceed with a private placement of common shares, with a total number not exceeding 6,891.2 thousand shares, and to submit the proposal to the shareholders' meeting on May 25, 2026 to authorize the Board of Directors to carry out the private placement in up to two tranches within one year from the date of the shareholders' meeting resolution, at an appropriate time based on prevailing financial market conditions.
- III. Other necessary supplementary disclosures: None.
- IV. Events in the most recent year and up to the date of publication of the annual report that have had a material impact on shareholders' equity or the price of securities: None.

Creative Sensor Inc.

Yu-Jen Huang