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2024

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# Annual Report

Published May 2, 2025

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**4. Auditors and the name, address, website and contact number of Auditing CPA**

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Website : [www.ey.com](http://www.ey.com)  
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**5. Name of overseas exchange where securities are listed, and method of inquiry:**  
None

**6. Company website : [www.coretronic.com](http://www.coretronic.com)**

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## One. Letter to the Shareholders

Dear Shareholders,

### I. Introduction

For the fiscal year of 2024, Coretronic reported consolidated sales revenue of NT\$39,669 million, reflecting a 0.5% YoY increase. The consolidated operating income totaled NT\$188 million, while pre-tax income reached NT\$878 million. Net income was NT\$658 million, with NT\$820 million attributable to the equity holders of the parent company. EPS for 2024 stood at NT\$2.1.

### II. Business Report for 2024

(I) The sales volume of each major product of the Company in FY 2024 is as follows:

Product	2023	2024	Diff.
Energy Saving Products (unit/pc)	30,466,227	29,902,651	-1.85%
Visual Solutions Products (unit)	974,847	862,417	-11.53%

(II) Budget Execution: The Company was not required to publish financial forecasts for FY2024.

(III) The results of financial income and expenditure and profitability analysis are tabulated below:

Item		Fiscal Year	
		2023	2024
Financial structure	Liabilities to assets ratio (%)	53.87	53.58
	Long-term capital to property, plant and equipment ratio (%)	293.81	286.44
Solvency	Liquidity ratio (%)	135.23	147.68
	Current ratio (%)	102.06	114.83
	Interest coverage ratio	4.86	3.11
Profitability	Return on assets (%)	3.09	2.05
	Return on equity (%)	6.02	3.43
	Net income before tax to paid-up capital ratio (%)	40.63	22.47
	Net margin (%)	3.04	1.66
	Earnings per share (dollar) / average weighted number of outstanding shares	3.56	2.10

#### (IV) Research and Development Status

##### 1. Energy Saving Products :

Reflecting on 2024, in response to the market demand for ultra-thin, narrow bezel, high-resolution, high-contrast, and energy-saving displays, we've continued to advance our core technologies in light guide plates, display technology, and system integration technology to enhance product competency. For injection-molded light guide plates, we introduced new IML and special precision-processed designs. By integrating these with specialized optical components, we achieved efficiency improvements of at least 50% to 70% compared to traditional backlight units. In our hot embossing process, we further refined and optimized both the process and microstructure design to develop a new PC/PMMA RS-IML. This solution offers high efficiency, low internal stress, resistance to material adhesion, and high productivity without the need for molds. It also delivers optical performance comparable to injection-molded types, with a reduced thickness of up to 0.3T—ideal for ultra-narrow bezel thin displays. Anticipating the energy-saving requirements of Energy Star 9.0 for monitor displays, we have also successfully developed mass production capabilities for displays up to 30.9 inches, achieving 15% to 25% higher efficiency than existing products.

In the HDR development, we have initiated mass production of Mini-LED area dimming and scanning backlight modules designed for narrow-bezel gaming NBs and FPDs. Alongside our specially developed optical alignment splicing light board, special diffusion plate/film and printing technologies have significantly enhanced optical performance, picture quality, and production stability. In response to emerging ESG requirements for future display technology, we have developed small- and medium-sized "front-light" products that are now entering trial production. These products meet the high transparency and high contrast demands of reflective LCDs. Their unique microstructure design further improves luminous efficiency, contributing to energy saving and carbon reduction efforts.

Furthermore, leveraging our core technologies in light guide plate, backlight modules, and special LCD cell and film processing, we have developed the sixth-generation switchable NB privacy module. This module is lighter, thinner, and offers enhanced privacy. It has already gained recognition from many customers, and further integration plans are underway. In addition, to address the privacy needs of next-generation OLED displays, we are currently testing working samples and discussing requirements with potential customers. By extending these related concepts to automotive and industrial applications, such as the development of one-way and two-way privacy protection technologies for automotive center information displays (CID) and passenger displays. These solutions allow drivers to dynamically switch the viewing angle in various scenarios, thereby reducing light interference that could compromise driving safety. The first-generation product has already entered mass production. In response to the improvement of vehicle anti-peeping performance, we have

completed several new designs and trials, which are now being promoted with multiple customers (ex. Partial privacy...).

In response to the trend towards large-size, high-brightness, and high-contrast automotive displays, we have successfully developed a 2D dynamic dimming LCD display. This display features an advanced optics structure, diffusion layer, LED design, and a 2.0~4 mm OD with low Halo effect while providing dynamic dimming functionality. Its outline can be traditional rectangle or even as a free form shape (ex. circle outline). Collaborative development with customers has also begun. In semi-system integration, it smoothly won orders from global customers with the integrated technology covering open cell, LGP, touch module, and assembly and production integration business model. Based on these advantages, the Company also integrated the open cell in privacy display technology to in-house splitting and polarizer to form an integrated process from front-end to LCM.

## 2. Visual Solutions Products :

In the field of imaging products, adopting a complete product portfolio of blue laser, dual color laser (MCLA™), and three-color pure laser (RGB laser) as a solid-state light source technology development strategy, along with a high-efficiency cooling system, continues to maintain the No. 1 position in the DLP projection market. In the year 2024, the industry-leading 5,000-lumen theater-grade dual color laser projector was launched, supporting Dolby Vision and HDR10+ image calibration, achieving the ultimate performance and experience in audio-visual effects. In the future, more theater-grade products with higher brightness and better cost-performance ratio will be launched.

In response to the AI trend and continuous technological evolution, imaging products actively deploy AI smart projection applications and integrate advanced AI smart technologies, including voice control, intelligent image geometry calibration, personalized light sculpture projection, and personal smart desktops, providing intelligent and convenient user experiences. At the same time, efforts are made to combine smart projection capabilities with smart home devices to achieve seamless interconnection within the home smart ecosystem, meeting consumers' expectations for smart living. Additionally, algorithms developed through AI are used to simulate the optimal fan control mode, aiming for quiet, small, lightweight, low-noise, and energy-saving standards to achieve optimal system cooling management, enhance system light-to-heat conversion efficiency, improve design precision, shorten projector development time, and extend projector lifespan and product stability.

Under the global environment sustainability and company energy-saving carbon reduction policies, ESG thinking is integrated into the organizational and product levels, deeply rooted in the core objectives of imaging products, and further implemented at the supply chain, manufacturing, and green projector whole-machine inspection planning levels. Moreover, by using recycled materials in cartons, adopting PCR in appearance casings, continuously optimizing the energy consumption design of projectors, and effectively

improving the carbon emission efficiency of factory assembly through modular design, three product models have currently obtained ISO 14067:2018 certification for the complete life cycle (raw material acquisition, manufacturing, distribution and sales, consumer use, waste disposal) of product carbon footprints. Through these execution projects and practical audits, the company's commitment to ESG initiatives is demonstrated, and corporate social responsibility is fulfilled through concrete actions.

### III. Summary of Business Plan in 2025

- (I) Looking forward to 2025, the Company's operations will be directed towards the following management principles and policy.
  1. Continue with the transformation of business profit model and product competitiveness, and promote lean and smart manufacturing to enhance efficiency, improve product quality, and create profit.
  2. Build a sustainable supply chain, cultivating localization while expanding globally to secure competitiveness and enhance global market share.
  3. Cultivating core technologies and key components to provide innovative display systems and total solutions through integration and application of optical/ mechanical/ electrical/ thermal/ software/ material solutions and system design.
  4. Focus on high value-added products and multiple visual solutions, cultivate and develop intelligent service platforms for AI, big data, cloud technology, and intelligent interaction to expand growth momentum as well as lead future growth trends.
- (II) Furnish a sales volume forecast and the basis thereof.

According to the supply and demand situation, business strategy, and the Company's production capacity, market share, etc., it is projected that the sales volume for both Energy Saving products and Visual Solutions products under the Display Business Group will each grow by 10% to 15% in 2025 compared to the previous year.

### IV. Future Development Strategies

Moving forward, we will remain committed to the mission of being a leader in digital display system technology, continue to drive innovation in display technologies and solutions while focusing on comprehensive solutions for cloud services, AI, and various smart environments. Our specific development strategies are as follows:

- (I) Intensely develop optical core technology to extend the cross-sector application of optical components, system products and semi-system products to increase product add value and price competitiveness and secure global competitiveness in the display and visual technology fields.
- (II) In BLM technology, the existing lithography technology will be deeply integrated with ultra-secret processing technology, and we will continue to develop various new edge-type LGP, direct type LGPs, special optical control films, and Mini-LED BLMs and its related optical diffusion film/plate and printing technology; we will continue to reduce the thickness, bezel width, optical films and LEDs and enhance the optical efficiency of BLMs to develop slim, small, lightweight, energy-efficient, HDR, and high-value added displays with privacy protection, for game consoles, tablets, notebooks, industrial monitors, automotive HUDs and touch screens, advanced

monitors for medical and gaming, AIO monitors, slim and smart high-end TVs and smart home display modules. In terms of front light module technology, in response to the needs of different products, combined with our experience in optical design and light guide plate manufacturing, several size models have been developed and have entered the trial production stage.

- (III) In response to the changes in market business models and customer demands, product development has turned from BLMs to semi-system and integrated system products designed and manufactured in combination with tablets/notebooks/automotive HUDs and displays, and TV outer parts. This move aims to provide the best possible design, production, and global after-sales services for Brand Name/SI, and panel customers through a highly flexible business model.
- (IV) Mainstream products will focus on three strategic directions: (1) Focus on Technology: Deeply rooted in the strategy of developing Laser light source technology as the core, becoming the best solution product that aligns with ESG principles, and actively promoting the transformation of traditional light bulbs; (2) Pursuit of Excellence: Utilize the assistance of AI/intelligent applications to strengthen the close connection between intelligent applications and fields, and adopt a bottom-up design approach, pursuing cost optimization through modularization and simplification; (3) Integration and Expansion: Enhance the connection with the industrial ecosystem through strategic alliances with strategic suppliers and the integration of Taiwanese brand clients, expanding the application of niche markets and achieving a more intelligent, convenient, and product-advantaged experience.
- (V) For Pro-AV segment, continuously building and ensuring dual growth momentum for projectors : (1) Extend and secure the core advantages of 1-DLP technology by advancing HEP (High Brightness Extension) and fully deploying 4K/2K platforms. To explore the opportunities to expand applications in CEDIA and Simulation, broadening the scope simultaneously. (2) Build up the 3-DLP technology and product platform to drive the co-development and EMS/OEM manufacturing to achieve mass production and business expansion in 2025. At the same time, explore opportunities for contract manufacturing of 3LCD/LCoS technologies, to ensure the EMS cooperation business happen in 2026.
- (VI) Extending projection technology and applications, keep looking for the opportunities in automotive projection application, and planning for the next growth momentum : (1) Expand the projection applications for both interior and exterior automotive, ensuring the first product is mass-produced by 2026 and exploring opportunities to other OEM automakers. (2) Keep monitoring the opportunities in rear seat entertainment and AR HUD applications, building related product technologies. Collaborate with Tier 1 customers on both POC and mass production projects, to ensure successful implementation and securing new growth drivers for future operations.
- (VII) We will mass produce brand-new 2K and 8K smart laser ultra-short-throw projection TVs and provide customized pico projection module design and manufacturing services for the growing smart device market. We will also continue to refine our R&D and manufacturing capabilities of AR optical engine to meet the POC and mass production needs of international brands.
- (VIII) Plan and implement group resources allocation and ensure the information security with Digital optimization technology to enhance overall organizational performance; define information processes and system resource utilization required for business operations and quickly provide integrated information management platforms; design, plan, and implement cloud computing architecture, digital platforms and

IoT environments and applications to promote the new business development within the group.

- (IX) In response to the group's operations and growth, raise low-cost funding to support organizational development and develop strength for long-term development.

## V. Influences of External Competitions, Regulatory Environment and Macro Environment

### (I) Influences of External Competitions :

According to market research data, the estimated global shipment of large-sized LCD panels in 2024 is approximately 688 million units. The company's overall shipment of Energy Saving products in 2024 reached 29.9 million units, accounting for around 4.35% of the global market share. Looking ahead to 2025, the TV market is expected to reach 197 million units in shipments, representing a 1% YoY increase. However, the industry will continue to face multiple risks, including economic uncertainty, trade tensions, supply chain challenges, inflationary pressures, and intense market competition. Meanwhile, the NB market is expected to see a wave of replacements driven by the end of Windows 10 support and the widespread adoption of OLED and AI-related applications. The global NB shipments in 2025 are projected to reach 183 million units, reflecting a 4.9% YoY growth. In recent years, escalating trade tensions between China and the United States, coupled with increasing geopolitical risks, have prompted brand company and panel makers to relocate their production sites outside of China. Destinations such as Taiwan, Southeast Asia, and Mexico have become favored locations for this strategic shift, aimed at both production site diversification and supply chain optimization. Over the long term, this restructuring results in a shorter and potentially more resilient supply chain. Compared to other competitors, in addition to investing in China, Coretronic began providing production lines in Vietnam to customers through a rental factory model in 2021. Furthermore, in 2022, the company acquired land and built its second Vietnam plant, which commenced production in early 2024. This strategic expansion has made Coretronic one of the fastest-growing backlight module manufacturers among Taiwan's major players in the southward direction. In response to the dynamic competitive landscape and prevailing economic conditions, the Company not only expanded its product business in original application fields and introduced intelligent manufacturing to enhance efficiency and cost competitiveness, it also focused on products with growing market demand, such as automotive integration privacy products and PID, large automotive displays, ATMs, and products with a small volume, diverse, and high customization. In terms of technology development, we will continue the direction set in 2024 while proactively expanding new business opportunities, such as the anticipated growth in AI-driven NB upgrades and the increasing adoption of intelligent integrated automotive displays. At the same time, we will remain committed to ESG principles by incorporating more green design technologies into our products, including low-power consumption and front-light solutions. Overall, our operations will benefit from economic recovery and the effects of tariff and trade policies, driving a rebound in demand for TVs, PIDs, and NBs, as well as encouraging early stockpiling. Additionally, the positive impact of new OLED

tablet business orders will continue to materialize, contributing to an upward trend in overall shipments throughout 2025. The second Vietnam plant officially commencing mass production in early 2024. Given the urgent demand from panel manufacturers for a "China+1" production strategy, Energy Saving products from our Vietnam facility are expected to experience significant growth in 2025.

In the post-pandemic era of 2024, although restrictions have been lifted worldwide, the global economy remains sluggish due to heightened political and economic instability across various regions. As a result, both enterprises and consumers have been tightening their spending. According to market research estimates, global projector shipments are expected to reach approximately 4.8 million units, reflecting a decline of about 20%. In 2024, the Company's Visual Solutions products shipments totaled 862K units, with a global market share of 18%. Looking ahead to 2025, global political and economic instability including war, inflation, U.S. tariffs, exchange rate fluctuations, and conservative GDP growth forecasts across regions continues to dampen economic momentum, making demand in the first half of the year highly uncertain. Overall, market research estimates that while inventory reduction and supply chain stability will persist in 2025, the absence of major sporting events to drive consumer demand suggests that home entertainment projector sales will remain flat, continuing to observe. Meanwhile, commercial and education projectors are expected to see a slight recovery and growth, as post-pandemic healthcare budgets gradually shift back to educational subsidies. Additionally, the Pro-AV projection market is expected to stabilize, driven by the development of the cultural and tourism industry and the deployment of large public display spaces. Due to the abundance of competitors in the projector market and the slowing annual growth rate of the industry, some manufacturers have exited the market due to failure to achieve economies of scale. Smaller companies are also reducing the proportion of in-house production and increasing competitiveness through outsourcing. Currently, the industry exhibits a trend of "the big get bigger" in competition. The Company will continue to focus on market demand and solving pain points. We will persist in utilizing and integrating core technologies such as Optics, Mechanics, Electronics, Thermal Management, Cloud Service, and materials. Our goal is to provide comprehensive visual solutions for large screen splicing, interactive touch, digital signage, large public space displays, and smart connectivity, expanding our customer base and applications in various fields. Guided by the global trend of environmental sustainability and our company's energy-saving and carbon-reduction policies, we will embed ESG principles at both the organizational and product levels. These principles will be integrated into the core strategy of our imaging products and further implemented throughout the supply chain, manufacturing processes, and the design and planning of green projectors. At the same time, in order to meet the needs and habits of users, it integrates advanced AI/smart technology, strengthens the close connection between smart applications and fields, and continues to provide users with more stunning visual life experience. The overall operations are aimed at pursuing high profits, high value and steady growth.

(II) Regulatory Environment :

We will integrate and implement related measures based on IFRSs, Securities and Exchange Act, and other relevant corporate governance regulations to achieve the ultimate goal of compliance.

(III) Macro Environment :

The IMF estimates in its latest "World Economic Outlook" report that the global economic growth rate will be 2.8% in 2025 and 3.0% in 2026, representing a decrease of 0.5% and 0.3%, respectively, compared to the forecast for fiscal year 2024 . The IMF noted that the global growth outlook still faces risks, with overall prospects trending downward, and expects the global growth rate to be about 3% five years from now. At the same time, the IMF predicts that the overall global inflation rate will moderate to 4.2% in 2025 and further decline to 3.5% in 2026, which would allow central banks to further normalize monetary policies.

With "Brighten the Future" as the visual & goal of the Company for sustainable development, based on glorious performance, we light up the society and green the environment, so as to wish everyone a sustainable and bright future. Through continuous and proactive engagement in long-term sustainability projects, we have not only been ranked among the top 5% of listed companies in the Corporate Governance Evaluation by TWSE for ten consecutive years but have also received numerous prestigious awards. These include the CommonWealth Magazine Corporate Social Responsibility Award for 13 consecutive years, the "Corporate Health Responsibility (CHR)" Silver Award three times, selection for the CommonWealth Talent Sustainability Award, the Taiwan Corporate Sustainability Awards for eight consecutive years, and the "National Enterprise Environmental Protection Award" Silver Award for seven consecutive years. On the international sustainability stage, we have successfully passed the Science Based Targets initiative (SBTi) carbon reduction target review, received an MSCI ESG rating of A, and won both the Gold and Silver Awards at the Asia Pacific Sustainability Action Awards (APSAA). Additionally, we have been recognized for the first time as one of the Top 100 Global Innovators™ by Clarivate. Looking ahead, we will continue to support global sustainability initiatives, collaborate with stakeholders to achieve the United Nations Sustainable Development Goals (SDGs), create a positive impact, and strive towards becoming a benchmark enterprise in sustainability.

Looking ahead to 2025, the management team at Coretronic will continue to drive transformation and innovation, deeply cultivating key components and cutting-edge technologies, while fostering a unified consensus among all employees to implement our medium- to long-term development strategy. Leveraging professional management and outstanding execution, we remain committed to our mission of "Developing Technology-oriented and Sustainable Business Operations" and actively expanding our global presence. Through continuous innovation and optimization, we aim to enhance our competitiveness and overall value, while diligently working to maximize the benefits for both shareholders and employees. Thank you for your trust over the years, and we are looking forward to your continual support and kind feedbacks.

I wish you all the best.

Sincerely yours,

Chairman: Wade Chang

## Two. Corporate Governance Report

### I. Background information of directors, president, vice presidents, associate vice presidents, and heads of departments and branch offices

#### (I) Directors

##### 1. Directors' profile

April 20, 2025

Title	Nationality or place of registration	Name	Gender Age	Date elected /appointed	Service term	Date first elected	Shareholding when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies (Note 1)	Spouse or relatives of second degree or closer acting as directors, supervisors, or department heads			Remarks (Note 8)
							No. of shares	Shareholding percentage No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	Shareholding percentage			No. of shares	Title	Name	
Chairman	R.O.C.	Wade Chang	Male 71~80	2022.06.10	3 years	1998.06.12	9,345,953	2.39%	9,345,953	2.39%	0	0.00%	0	0.00%	Master of NTU-Fudan EMBA , National Taiwan University; Chairman, Coretronic Corporation	None	None	None	None	None
Director	R.O.C.	Hsun Chieh Investment Ltd.	N/A	2022.06.10	3 years	2001.06.18	15,495,551	3.96%	15,495,551	3.96%	0	0.00%	0	0.00%	N/A	Note 2	None	None	None	None
		Representative: Tai-Shung Ho	Male 61~70			2007.06.15	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Electrical Engineering, National Tsing Hua University; Chairman, Novatek Microelectronics Corporation	Note 3	None	None
Director	R.O.C.	Hanns Prosper Investment Corporation	N/A	2022.06.10	3 years	2022.06.10	4,920,000	1.26%	4,920,000	1.26%	0	0.00%	0	0.00%	N/A	None	None	None	None	None
		Representative: Yu-Chi Chiao	Male 61~70				0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Doctor of Business Administration, City University of Hong Kong Doctor of Business Administration, Fudan University, Chairman and President, HannStar Display Corp.	Note 4	None	None

Title	Nationality or place of registration	Name	Gender Age	Date elected /appointed	Service term	Date first elected	Shareholding when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies (Note 1)	Spouse or relatives of second degree or closer acting as directors, supervisors, or department heads			Remarks (Note 8)
							No. of shares	Shareholding percentage No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	Shareholding percentage			No. of shares	Title	Name	
Director	R.O.C.	Han-Ping D. Shieh	Male 71~80	2022.06.10	3 years	2022.06.10	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D. in Electrical and Computer Engineering, Carnegie Mellon Univ. Life Chair Professor, National Yang Ming Chiao Tung Univ.(NYCU)	Note 5	None	None	None	None
Independent Director	R.O.C.	Hsing-Yi Chow	Male 61~70	2022.06.10	3 years	2019.06.13	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D. in Business, Indiana University-Bloomington, US Emeritus Professor, Department of Finance, National Chengchi University	Note 6	None	None	None	None
Independent Director	R.O.C.	Audrey Tseng	Female 61~70	2022.06.10	3 years	2022.06.10	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Business Administration, Executive MBA of National Taiwan University and Fudan University Advisory member, Bio Taiwan Committee	Note 7	None	None	None	None
Independent Director	R.O.C.	Hung-Pin Ku	Male 41~50	2022.06.10	3 years	2022.06.10	0	0.00%	0	0.00%	0	0.00%	0	0.00%	BS in Law, National Taipei University Lawyer, KU, HUNG PIN Law Firm	None	None	None	None	None

Note 1: Office(s) concurrently held in the Company and other companies as of December 31, 2024.

Note 2: Concurrently served as director of Harvatek, UMC, PixArt Imaging, and Unimicron.

Note 3: Concurrently served as chairman of Novatek Microelectronics, NTK International, Novatek Japan Kabushiki-Kaisha, Novatek International (BVI), Novatek International (Samoa) and Cheertek International.

Note 4: Concurrently serving as chairman and president of HannStar Display Corporation; chairman (corporate representative) of Hua Li Investment Corporation, Hannshine Investment Corporation, Yuema No.1 Investment Corp. ; director (corporate representative) of HannsTouch Holdings Company, Bradford, HannSpirit (BVI) Holding, Brightpro Resources Limited, and Hannspree International Holdings ; director of Walsin Lihwa Corporation ; supervisor of Torch Investment Co., Ltd..

Note 5: Concurrently served as director of Silicon Motion, Inc. ; legal Person Director and Representative of FocalTech Systems Co., Ltd., and Independent Director of Dynapack International Technology Corp. and Key Ware Electronics Co., Ltd..

Note 6: Concurrently served as independent director of Yuanta Financial Holding Co., Ltd., Yuanta Securities Co., Ltd. and Lien Hwa Industrial Holdings ; director of ESG World Citizens & Digital Governance Foundation., Taipei City Vision and World Cultural Education Foundation, Koo Foundation, Sun Yat-Sen Cancer Center and Andrew T. Huang Medical Education Promotion Fund ; Chairman of Taiwan Institute of Directors.

Note 7: Concurrently served as a director of BRIM Biotechnology, Inc., St.Shine Optical Co., Ltd., T-E Pharma Holding (Cayman) ; representative of corporate director of AP Biosciences , Bonraybio Co., Ltd. and H2U Corporation; independent director of Onward Therapeutics SA (Switzerland), ASUSTeK Computer Inc., Delta Electronics, Inc., Bionime Corporation; and supervisor of Taiwan Bio-Manufacturing Corporation.

Note 8: In the event that the company's chairperson and president (CEO) or role of equivalent duties (highest-level officer) are the same person, spouses of each other, or relatives within the first degree of kinship, state the reasons, fairness, necessity, and counteractions: None.

2. Major shareholders of corporate shareholders

Name of corporate shareholder	Major shareholders of corporate shareholders (shareholding percentage)
Hsun Chieh Investment Co., Ltd.	United Microelectronics Corporation (36.49%) Hsie Yung Investment Co., Ltd. (63.51%)
Hanns Prosper Investment Corporation	Hannstar Display Corp. (100.00%)

3. Major shareholders that are corporate shareholders of the company's corporate shareholders

Major shareholders of corporate shareholders	Major shareholders of corporate shareholders (shareholding percentage)
United Microelectronics Corporation (Shareholding record date April 1, 2024)	JPMorgan Chase Bank, N.A. acting in its capacity as depositary and representative to the holders of ADRs (4.85%) Hsun Chieh Investment Co., Ltd. (3.52%) Capital TIP Customized Taiwan Select High Dividend Exchange Traded Fund (2.48%) Silicon Integrated Systems Corp. (2.13%) Taiwan Life Insurance Co, Ltd. (1.76%) Yann Yuan Investment Co., Ltd. (1.54%) China Life Insurance Co, Ltd. (1.54%) New Labor Pension Fund (1.47%) Citibank Taiwan in custody for Government of Singapore (1.21%) Yuanta/P-shares Taiwan Dividend Plus ETF (1.15%)
Hsie Yung Investment Co., Ltd. (Shareholding record date December 31, 2024) (Note)	Unimicron Corporation (16.67%) Novatek Microelectronics Corp. (15.15%) Faraday Technology Corporation (12.12%) King Yuan Electronics Co., Ltd. (7.58%) Yan Yuan Investment Co., Ltd. (28.86%)
Hannstar Display Corp. (Shareholding record date December 31, 2024)	Chin-Xin Investment Co., Ltd. (10.54%) Walsin Lihwa Corporation (10.19%) Winbond Electronics Corporation (5.10%) Yu-Chi Chiao (2.44%) Hanns Touch Holdings Company (1.92%) Vanguard Total International Stock Index Fund, A Series Of Vanguard Star Funds (0.96%) Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds (0.93%) iShares Core MSCI Emerging Markets ETF investment account held in trust by the Taipei Branch of Deutsche Bank (0.53%) Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II (0.50%) Wei-Shin Ma (0.48%)

Note: The company in question is not listed on TWSE or TPEX; no further shareholder information was available other than those presented above.

4. Disclosure of information on the professional qualifications of directors and the independence of independent directors

Name	Criteria	Professional qualifications and experience (Note 1)	Status of independence	Number of positions as independent director in other public companies
Wade Chang		Since taking up office in June 1998, now serving as the Chairman of the Company. Has extensive professional experience in the Company's operations and development, such as board leadership, operating & management, leading decisions and industry trend forecasting.	Not a spouse or relative within the second degree of kinship to any other directors.	0
Hsun Chieh Investment Co., Ltd. Representative: Tai-Shung Ho		Currently serving as chairman of Novatek Microelectronics. Specialize in IC design, operation and management of the semiconductor industry, leading decision, and industry knowledge.		0
Hanns Prosper Investment Corporation Representative: Yu-Chi Chiao		Currently serving as chairman and President of Hannstar Display Corporation. With rich experience in board leadership, operating & management, leading decision, and industrial knowledge.		0
Han-Ping D. Shieh		Currently serving as Lifetime Chair Professor of National Yang Ming Chiao Tung University specializing in display technology and micro optoelectronic systems and engaging with board operation and decision-making, functional committees, and semiconductor industry-academia collaboration.		2
Hsing-Yi Chow		Currently serving as Emeritus Professor, Department of Finance, National Cheng Chi University; formerly president of National Cheng Chi University, dean of College of Commerce, National Cheng Chi University, and faculty of the Department of Finance, National Cheng Chi University; supervisor of TPEX, and member of the Financial Restructuring Fund Administration Committee. Currently convener to the Audit Committee, Remuneration Committee, and Nomination Committee. With rich experience in the industry, government, and academia and expertise in operations and management, leading decision, risk management, international finance, investment and venture financial management to help improve the Company's corporate governance and the plan of future business strategies. Professional financial capability that meets the qualifications for committee members.	All independent directors comply with Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Please refer to Note 2 for details.	2
Audrey Tseng		Currently serving as advisory member of Bio Taiwan Committee. Formerly deputy chairperson of PwC Taiwan and PwC Greater China Synergies Leader. Also a certified public accountant. Currently a member of the Audit Committee, Remuneration Committee, and Nomination Committee. With professional experience in financial accounting, international finance, financial planning, industry development, and business strategy planning. Her professional financial and accounting capabilities meet the qualifications for committee members.		3
Hung-Pin Ku		Currently attorney-at-law of Ku Hung-Bin & Law Firm and formerly an independent director of IDEAL BIKE CORPORATION. Currently a member of the Audit Committee, Remuneration Committee, and Nomination Committee. With special experience in legal affairs.		0

Note 1: The Company has seven directors, and none of them is in the conditions as stated in Article 30 of the Company Act.

Note 2: Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

(1) Not an employee of the company or any of its affiliates.

(2) Not a director, supervisor of the company or any of its affiliates.

- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under any other's name, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranking in the top ten in shareholding..
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of an officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks in the top five in shareholding, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act..
- (6) Not a director, supervisor, or employee of the other company holding the majority of the company's directorial seats or voting shares and those of any other company are controlled by the same person.
- (7) Not a director, supervisor, or employee of the other company or institution that the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses.
- (8) Not a director, supervisor, officer, or shareholder holding over five percent of the shares of a specific company or institution having financial or business transactions with the company.
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the most recent two years has received cumulative compensation exceeding NT\$500,000, or a spouse of them; except for members of the remuneration committee, public tender offer evaluation committee, or special committee for merger and acquisition, who exercises their powers under the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange or to the Business Mergers and Acquisitions Act or the relevant laws or regulations.

## 5. Diversity and independence of the Board of Directors

### (1) Board of Directors diversity:

According to the Company's "Corporate Governance Code of Conduct," the President must not assume directorship and board members should be diversified in a manner that supports the Company's operations, business activities and growth. The diversification should be based on, but is not limited to, the following two principles:

- I. Background and value: Gender, age, nationality, culture etc.
- II. Knowledge and skills: Career background (e.g. law, accounting, industry, finance, marketing or technology), professional skill and industry experience.

Diversity, including gender, age, expertise, and experience, is emphasized for the 11th Board. All seven directors are ROC nationals, and one of the four new directors is female, accounting 14%. Independent directors account for 43% of all directors. Two independent directors have a seniority under three years, and one between 3-9 years. In terms of age, one director is aged 41-50 years, four aged 61-70 years, and two aged 71-80 years.

The members of the board of directors have diversified professional backgrounds in academic and industrial experience. The experience of the board members includes the president of the National Chengchi University and the tenured professor of the National Yangming Chiao Tung University; the professional background includes experts in the fields of financial accounting and legal affairs, as well as IC design, semiconductor, Professionals in the operation and management of electronics-related industries and financial industries.

Specific management objectives and accomplishments of the Company's diversified policies:

Management Objective	Accomplishment
It is advisable that directors concurrently serving as company's officers should not exceed one third of the total number of directorial seats.	Accomplished.
Addition of one female director.	Accomplished.
The maximum term of office of independent directors should not exceed nine years.	Accomplished.

The accomplishments of board diversity in 2024 are tabulated below:

Core Diversity Item  Name of director	Basic Composition					Status of Diversity								
	Gender	Age			Independent Director Seniority		Operations judgment	Financial and accounting analysis	Operating & Management	Crisis management	Industrial knowledge	International market view	Leading decision	Legal
		41~50	61~70	71~80	Under 3 years	3-9 years								
Wade Chang	Male			V			V		V	V	V	V	V	
Hsun Chieh Investment Co., Ltd. Representative: Tai-Shung Ho	Male		V				V		V	V	V	V	V	
Hanns Prosper Investment Corporation Representative: Yu-Chi Chiao	Male		V				V		V	V	V	V	V	
Han-Ping D. Shieh	Male			V			V		V	V	V	V	V	
Hsing-Yi Chow	Male		V			V	V	V		V		V		
Audrey Tseng	Female		V		V		V	V		V		V		
Hung-Pin Ku	Male	V			V		V			V		V		V

If the number of directors of any gender on the board of directors does not account for one third, state the reasons and plan measures to improve the gender diversity of directors: The company's board of directors currently has one female director. Given the industry's specific requirements and the professional experience needed, it has been challenging to identify suitable female candidates. As a result, the number of female directors does not yet account for one third of the board. However, in future director re-elections, the company plans to evaluate increasing the number of female directors in order to improve gender diversity on the board.

(2) Independence of the Board of Directors:

This company has a total of 3 independent directors, accounting for 43% of the board. Upon examination of the basic information of each director, out of 7 seats, 6 are held by external directors, representing 86% of the board. Additionally, among the 7 directors, there are no instances of spouses or relatives within the second degree of kinship, meeting the requirements of Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

## (II)Background information of president, vice presidents, associate vice presidents, and heads of departments and branches

April 20, 2025

Title	Nationality	Name	Gender	Date elected/ appointed	Shareholding		Spouse and minor children Shareholding		Shares held in the names of others		Main career (academic) achievements	Concurrent positions in other companies (Note 1)	Spouse or relatives of the second degree or closer acting as managers			Remarks (Note 9)
					No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage			Title	Name	Relationship	
President	R.O.C.	Sarah Lin	Female	2010.12.06	1,014,311	0.26%	0	0.00%	0	0.00%	Bachelor in International Business of National Chengchi University President, Young Lighting Technology, Inc.	Note 2	None	None	None	None
CFO	R.O.C.	Franck Ho	Male	2010.10.21	267,674	0.07%	5,000	0.00%	0	0.00%	MBA of Baruch College/City University of New York Vice President, Coretronic Corporation	Note 3	None	None	None	None
CTO	R.O.C.	Robert Hsueh	Male	2017.09.01	70,406	0.02%	0	0.00%	0	0.00%	Master in Electronic Engineering of Chung Yuan Christian University Vice President, Coretronic Corporation	Note 4	None	None	None	None
CSO	R.O.C.	Wilson Hsu	Male	2016.11.01	264,134	0.07%	0	0.00%	0	0.00%	EMBA of National Cheng Chi University Vice President, Coretronic Corporation	Note 5	None	None	None	None
Executive Vice President	R.O.C.	Sara Lin	Female	2016.04.01	150,000	0.04%	800	0.00%	0	0.00%	MBA of Johnson & Wales University Associate Vice President, Young Lighting Technology, Inc.	Note 6	None	None	None	None
Vice President	R.O.C.	Ken Wang	Male	2022.05.11	510,000	0.13%	0	0.00%	0	0.00%	Master in Electronic and Computer Engineering of National Taiwan University of Science and Technology Chairman, Nano Precision Taiwan Limited	Note 7	None	None	None	None
Vice President	R.O.C.	Miranda Wang	Female	2023.01.01	884	0.00%	0	0.00%	0	0.00%	Bachelor in Business Administration Department of National Cheng Kung University Vice President, Optoma Corporation	Note 8	None	None	None	None
Vice President	R.O.C.	Mark Yang	Male	2019.11.01	2	0.00%	0	0.00%	0	0.00%	Master in Industrial Design of Tatung University Associate Vice President, Coretronic Corporation	None	None	None	None	None
Vice President	R.O.C.	Willy Tsai	Male	2021.06.01	0	0.00%	0	0.00%	0	0.00%	Bachelor in Power Mechanical Engineering Department of National Tsing Hua University Associate Vice President, Coretronic Corporation	None	None	None	None	None
Associate Vice President	R.O.C.	Evan Ye	Female	2021.11.08	30,064	0.01%	0	0.00%	0	0.00%	Master in Management of Technology of NYCU University, Associate Vice President, Coretronic Corporation	None	None	None	None	None

Note 1: Office(s) concurrently held in the Company and in other companies as of December 31, 2024.

Note 2: Concurrently served as the chairman of Young Optics Inc., CHAMP VISION DISPLAY INC. and uCare Medical Electronics Co., Ltd.; the director in affiliated enterprises including Bigshine International, Bigshine International Hong Kong, Lead Bright International, Lead Bright Hong Kong, Elite View, Elite View Hong Kong, Young Lighting, Masterview Enterprises, Best Alpha, Grace China, Great Pride, Great Pride Hong Kong, Visicorp, Tecpoint, Wisdom Success, Wisdom Success Hong Kong, Coretronic (BVI), Greendale Investments, Sinolink Global, Mat Limited and Tsen Ming Investment Corp.; person-in-charge of Coretronic Nanke Branch, Hukou Branch, Korea Office and Germany Office.

Note 3: Concurrently serving as the supervisor to affiliates, including Nano Precision (Suzhou) Co., Ltd., Coretronic (Shanghai) Co., Ltd., Coretronic(Suzhou)Co., Ltd., Coretronic (Guangzhou) Co., Ltd., Optoma Display (Kunshan) Co., Ltd., Coretronic Projection (Kunshan) Co., Ltd., Coretronic Optics (Kunshan) Corporation, Vimax (Kunshan) Co., Ltd., Boom Power Electronics (Suzhou) Co., Ltd., Coretronic System Engineering (Kunshan) Co., Ltd., Tsen Ming Investment Corp., Coretronic Optics(Suzhou) Co.,Ltd, Coretronic Robotek (Kunshan) Corporation; director to affiliates including Optoma Holding, Champ Vision Display Inc, Coretronic Intelligent Cloud Service Corp., Coretronic Intelligent Robotics Corp., InnoSpectra Corporation, Venture Orient, Dynamic Time Investments Ltd., Coretronic Reality Inc., Coretronic Intelligent Logistics Solutions Corporation, Young Green Energy Co., Ltd., Chung Tsen Investment Corporation, Coretronic Venture Capital Co., Ltd., Coretronic Investment Limited, Coretronic Intelligent Cloud Service Corporation(JP). The director to Yann Yuan Investment Co., Ltd.

- Note 4: Concurrently serving as the chairman to Coretronic Reality Incorporation; the director to Coretronic MEMS Corporation, Chung Tsen Investment Corporation, Tsen Ming Investment Corporation, Coretronic Venture Capital Co., Ltd., and Coretronic Intelligent Cloud Service, Young Green Energy Co., Ltd.; the president to Coretronic Reality Incorporation.
- Note 5: Concurrently serving as the chairman of Chung Tsen Investment Corporation, Tsen Ming Investment Corporation, Coretronic Venture Capital Co., Ltd., InnoSpectra Corporation, Young Green Energy Co., Ltd., and Coretronic MEMS Corporation ; the director of BoomPower ; the president of Chung Tsen Investment Corporation, Tsen Ming Investment Corporation, Coretronic Venture Capital Co., Ltd., Young Green Energy Co., Ltd..
- Note 6: Concurrently served as the director and president of Coretronic (Shanghai) Co., Ltd..
- Note 7: Concurrently serving as the director of Young Optics Inc.
- Note 8: Concurrently serving as the director of Nano Precision (Suzhou) Co., Ltd. and Young Optics Inc. ; the president of Nano Precision (Suzhou) Co., Ltd..
- Note 9: In situations where the Company's President or Chairman of the highest equivalent grade is the same person as or a spouse or first-degree relative of the Chairman, please explain the reasons, rationality and necessity of such an arrangement and any response measures taken; furthermore, disclose whether more than half of directors are involved in concurrent duty as employees or managers:None.

## II. Remuneration to directors, supervisors, president and vice presidents in the most recent year (2024)

### (1) Remuneration to non-independent and independent directors

Unit: NTD thousands/thousand shares

Title	Name	Remuneration to Directors								Sum of A, B, C, and D as a percentage of income after tax		Remuneration received by directors as employee								Sum of A, B, C, D, E, F and G as a percentage of income after tax		Remuneration received from investors other than subsidiaries or the Parent.					
		Compensation (A)		Pension (B)		Director remuneration (C)		Fees for services rendered (D)		The Company	All Consolidated Entities	Salaries, bonuses, special allowances etc (E)		Pension (F)		Employee compensation(G)(Note 1)				The Company	All Consolidated Entities						
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities			The Company	All Consolidated Entities	The Company	All Consolidated Entities	Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares								
Director	Chairman and Manager	Wade Chang	0	0	0	0	0	2,421	0	0	0	2,421	0.00%	0.30%	14,125	16,975	0	0	0	0	0	0	14,125	19,396	1.72%	2.36%	None
	Director	Hsun Chieh Investment Co., Ltd. Representative: Tai-Shung Ho (Note 2)	720	720	0	0	0	0	0	0	720	720	0.09%	0.09%	0	0	0	0	0	0	0	0	720	720	0.09%	0.09%	None
	Director	Hanns Prosper Investment Corporation Representative: Yu-Chi Chiao (Note 2)	720	720	0	0	0	0	0	0	720	720	0.09%	0.09%	0	0	0	0	0	0	0	0	720	720	0.09%	0.09%	None
	Director	Han-Ping D. Shieh	720	720	0	0	0	0	0	0	720	720	0.09%	0.09%	0	0	0	0	0	0	0	0	720	720	0.09%	0.09%	None
Independent Director	Independent Director	Hsing-Yi Chow	840	840	0	0	0	0	60	60	900	900	0.11%	0.11%	0	0	0	0	0	0	0	0	900	900	0.11%	0.11%	None
		Audrey Tseng	840	840	0	0	0	0	0	0	840	840	0.10%	0.10%	0	0	0	0	0	0	0	0	840	840	0.10%	0.10%	None
		Hung-Pin Ku	840	840	0	0	0	0	0	0	840	840	0.10%	0.10%	0	0	0	0	0	0	0	0	840	840	0.10%	0.10%	None
<p>1. Please explain the policy, system, standards and structure by which independent director remuneration is paid, and association between the amount paid and independent directors' responsibilities, risks and time committed: According to the Company's Articles of Incorporation, independent directors are not entitled to director remuneration and are only paid fixed amounts of meeting attendance fee. The amount of compensation is determined based on attendance rate and contribution of individual independent directors and the peer level.</p> <p>2. Other than the content revealed in the table above, remuneration received by directors of the Company for their services in the most recent year (such as serving as an external consultant to the parent company, to any company listed in the financial statements, or to a reinvested company): None.</p>																											

Note 1: Allocation of employee remuneration was approved during the board of directors meeting held in February 2025; this amount has yet to be paid as of the publication date of the annual report. Hence, the figure shown in the above chart represents the proposed amount.

Note 2: Remuneration for director was only paid to the corporate representatives of Hsun Chieh Investment Co., Ltd. and Hanns Prosper Investment Corporation.

Note 3: Directors and employees provide small passenger vehicles were provided for business-related use.

(II) Remuneration to presidents and vice presidents

Unit: NTD thousands/thousand shares

Title	Name	Salary (A)		Pension (B)(Note 1)		Bonuses and allowances (C)		Employee remuneration (D) (Note 2)				Sum of A, B, C, and D as a percentage of income after tax (%)		Remuneration received from parent company or invested businesses other than subsidiaries
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
President	Sarah Lin (Note 3)	42,356	46,681	954	954	13,821	13,821	25,460	0	25,460	0	82,591 10.07%	86,916 10.60%	None
President	Ann Wu (Note 3) (Note 4)													
CFO	Franck Ho													
CTO	Robert Hsueh													
CSO	Wilson Hsu													
Executive Vice President	Sara Lin													
Vice President	Ken Wang													
Vice President	Miranda Wang													
Vice President	Mark Yang													
Vice President	Willy Tsai													

Remuneration range for the Company's Presidents and Vice Presidents.	Names of the President and Vice Presidents	
	The Company	All consolidated entities
Below NT\$ 1,000,000	-	-
NT\$ 1,000,000 (inclusive) ~ NT\$ 2,000,000 (non-inclusive)	-	-
NT\$ 2,000,000 (inclusive) ~ NT\$ 3,500,000 (non-inclusive)	-	-
NT\$ 3,500,000 (inclusive) ~ NT\$ 5,000,000 (non-inclusive)	-	-
NT\$ 5,000,000 (inclusive) ~ NT\$ 10,000,000 (non-inclusive)	Ann Wu, Franck Ho, Robert Hsueh, Wilson Hsu ,Sara Lin, Ken Wang, Miranda Wang, Mark Yang, Willy Tsai	Ann Wu, Franck Ho, Robert Hsueh, Wilson Hsu ,Sara Lin, Ken Wang, Miranda Wang, Mark Yang, Willy Tsai
NT\$ 10,000,000 (inclusive) ~ NT\$ 15,000,000 (non-inclusive)	-	-
NT\$ 15,000,000 (inclusive) ~ NT\$ 30,000,000 (non-inclusive)	Sarah Lin	Sarah Lin
NT\$ 30,000,000 (inclusive) ~ NT\$ 50,000,000 (non-inclusive)	-	-
NT\$ 50,000,000 (inclusive) ~ NT\$ 100,000,000 (non-inclusive)	-	-
NT\$ 100,000,000 and above	-	-
Total	10	10

Note 1: In 2024, the amount of pension contributed by the Company and the amount of pension contributed by all companies in the consolidated companies was NT\$954,000 in total.

Note 2: The Board passed the proposal for the distribution of rewards for employees in February 2025, and no reward has been distributed by the date of the annual report publication. Hence, the figures in the above table are the proposed amount for distribution.

Note 3: Small passenger vehicles were provided for business-related use.

Note 4: Ms. Ann had resign the President of the company on Nov. 1, 2024, based on job relocation.

(III) Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

December 31, 2024  
Unit: NTD thousands

	Title	Name	Amount paid in shares	Amount paid in cash (Note 1)	Total	Ratio of total amount to the net income after taxes (%)
Manager	Chairman and Manager	Wade Chang	0	25,460	25,460	3.10%
	President	Sarah Lin				
	CFO	Franck Ho				
	CTO	Robert Hsueh				
	CSO	Wilson Hsu				
	Executive Vice President	Sara Lin				
	Vice President	Ken Wang				
	Vice President	Miranda Wang				
	Vice President	Mark Yang				
	Vice President	Willy Tsai				
	Associate Vice President	Evan Ye				
Senior Director	Daniel Hsiao (Note 2)					

Note 1: The Board passed the proposal for distribution of reward for employees was in February 2025, and no reward has been distributed by the date of annual report publication. Hence, figures in the above table are the proposed amount for distribution.

Note 2 : Dismissal on February 3, 2025.

(IV) Ratios of remuneration paid to directors, supervisors, the President and vice presidents of the Company, and all companies in the consolidated financial statements to net profit after tax in the company only or individual financial statements in the last two years. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance are also illustrated in this section.

- The analysis of the ratio of the total amount of remuneration paid to the directors, president, and vice president of this company and its consolidated subsidiaries in the most recent two years to the after- tax net income:

Item  Title	Total Remuneration to Net Income after Tax			
	2023		2024	
	The Company	All consolidated entities	The Company	All consolidated entities
Director	1.90%	2.10%	2.30%	2.94%
President and Vice Presidents	8.85%	9.14%	10.07%	10.60%

- Correlation between the policies, standards and combinations of payment, procedures for determination of remuneration, business performance and future risks:

According to the Company's Articles of Incorporation, directors are not entitled to director remuneration and are only paid fixed amounts of meeting attendance fees. The amount of compensation is determined based on attendance rate and contribution of individual directors and the peer level.

The policy for remunerating the president, vice presidents, and officers is

determined in accordance with the Company’s “Regulations for Salary, Remuneration, and Performance Evaluation of Directors and Managers” and with reference to the pay standard of companies in the industry, the responsibility and authority their posts in the company, and their contribution to the company’s business targets. The aforementioned remuneration includes salaries and bonuses. Bonuses are highly linked to key performance indicators, including medium- and long-term goals covering financial indicators (such as the achievement in revenue and net profit before tax), non-financial indicators (such as product development and patent layout, legal compliance, risk assessment and prevention, etc.), and actions addressing climate change (such as reducing carbon emissions and increasing the ratio of green electricity use). They are evaluated and reviewed by the Remuneration Committee and the Board regularly. Additionally, the remuneration system is reviewed at any time with respect to the actual operating conditions and the relevant laws and regulations in order to balance the Company’s sustainable operations and risk control. The actual amount of remunerations for directors and officers in 2024 was reviewed by the Remuneration Committee and reported to Board for deliberation.

### III. Corporate Governance

- (I) Board performance: A total of five (A) board meetings were held in 2024, and the attendance of directors is as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) [B/A]	Remarks
Chairman	Wade Chang	5	0	100%	The Company held a total of 5 meetings in 2024, and all three independent directors attended each meeting.
Director	Hsun Chieh Investment Co., Ltd. Representative: Tai-Shung Ho	5	0	100%	
Director	Hanns Prosper Investment Corporation Representative: Yu-Chi Chiao	4	1	80%	
Director	Han-Ping D. Shieh	5	0	100%	
Independent Director	Hsing-Yi Chow	5	0	100%	
Independent Director	Audrey Tseng	5	0	100%	
Independent Director	Hung-Pin Ku	5	0	100%	

Attendance of independent directors at each Board meeting in 2024: ◎Attendance in person; ☆Attendance by proxy; △Absence.

Fiscal Year 2024	1st	2nd	3rd	4th	5th
Hsing-Yi Chow	◎	◎	◎	◎	◎
Audrey Tseng	◎	◎	◎	◎	◎
Hung-Pin Ku	◎	◎	◎	◎	◎

Other mandatory disclosures:

- I. When any one of the following conditions occurs in a Board meeting, the date and session of the meeting, the content of the proposal, the opinion of independent directors, and the Company’s response to the opinion of independent directors:
  - (I) Matters as stated in Article 14-3 of the Securities and Exchange Act: Not applicable. The Company has established the Audit Committee, and Article 14-5 of the Securities and Exchange Act does apply.
  - (II) In addition to the aforementioned matters, other Board resolutions objected by or with qualified opinions from independent directors with records or a written statement: There was neither objection nor qualified opinion from independent directors in 2024.
  
- II. If there were any proposals related to avoiding conflicts of interests for Directors, state the name of the Director(s), the content of the proposal, the reasons for avoiding the conflict of interest, and the Director’s participation in the voting:
  1. During the resolution of the proposal on the compensation Director Hsun Chieh Investment Co., Ltd., Hanns Prosper Investment, Han-Ping D. Shieh and Independent Director Audrey Tseng in 2024 discussed at the 11<sup>th</sup> meeting of the 11<sup>th</sup> Board, Director Hsun Chieh Investment Co., Ltd. and its representative Tai-Shung Ho, Hanns Prosper Investment and its representative Yu-Chi Chiao(attendance by Wade Chang proxy), Han-Ping D. Shieh and Independent Director Audrey Tseng voided themselves from the voting due to the involvement with his/her own interest, Director Wade Chang did not exercise the voting rights on behalf of Hanns Prosper Investment Co., Ltd. in this case.
  2. During the resolution of the proposal on the compensation for independent Directors Hsing-Yi Chow and Hung-Pin Ku in 2024 discussed at the 11<sup>th</sup> meeting of the 11<sup>th</sup> Board, Independent Directors Hsing-Yi Chow and Hung-Pin Ku avoided voting due to his involvement with his own interest.
  3. During the resolution of the proposal on the remuneration for officers in 2024 discussed at the 11<sup>th</sup> meeting of the 11<sup>th</sup> Board, Director Wade Chang abstained from voting due to his involvement with a personal interest.
  4. During the resolution of the proposal regarding employee rewards for 2023 at the 12<sup>th</sup> meeting of the 11<sup>th</sup> Board, Director Wade Chang abstained from voting due to his involvement with a personal interest.

III. Board performance evaluation

Assessment cycle	Assessment interval	Scope of assessment:	Assessment method	Details of assessment
One board performance evaluation is implemented	2024/1/1-2024/12/31	The evaluation includes the performance	The evaluation items include the internal	(I)The items of the Board performance evaluation cover the following five aspects: Participation in the corporate operations; improvement of the Board’s

Assessment cycle	Assessment interval	Scope of assessment:	Assessment method	Details of assessment
each year.		assessment of the Board, individual directors, Audit Committee, Remuneration Committee, and Nomination Committee.	self-assessment of the Board, director self-assessment, and the internal self-assessment of the Audit Committee, Remuneration Committee, and Nomination Committee.	<p>decision-making quality; composition and structure of the Board; election and continuing education of directors; and internal control.</p> <p>(II) The items of performance evaluation of individual directors cover the following six aspects: Alignment with the corporate goals and missions; awareness of the directorial duties; participation in corporate operations; management of internal relationship and communication; the expertise and continuing education of directors; and internal control.</p> <p>(III) The self-assessment items of the audit committee cover the following five aspects: Participation in the corporate operations; awareness of the committee's duties, improvement of the committee's decision-making quality; committee composition and member selection; and internal control.</p> <p>(IV) The self-assessment items of the remuneration committee cover the following five aspects: Participation in the corporate operations; awareness of the committee's duties, improvement of the committee's decision-making quality; committee composition and member selection; and internal control.</p> <p>(V) The self-assessment items of the Nominating committee cover the following four aspects: Participation in the corporate operations; awareness of the committee's duties, improvement of the committee's decision-making quality; and committee composition and member selection.</p>

- IV. Targets of and performance in Board competence improvement in the year and the most recent year:
1. The Company has an Audit Committee, Remuneration Committee, and Nomination Committee in place to assist the Board of Directors in its duties. The aforementioned functional committees each comprises three independent directors, and may engage outside experts for opinions if necessary.
  2. The Company has established a board performance evaluation mechanism, where

the board conducts internal self-assessment annually and external performance assessment every three years. On October 2023, the Company engaged Ernst & Young Corporate Advisory Services (Taiwan) to conduct an external performance evaluation of the board. The evaluation period was from January 1, 2023 to December 31, 2023, and the assessment criteria included three main aspects: board structure, members and processes, and information. The evaluation process involved reviewing relevant documents, assessing director communications and interactions, and analyzing board performance evaluation questionnaires. The comprehensive performance of the Company in these three aspects was rated as 'Advanced' based on the evaluation results. The findings of the external evaluation have been reported in the February board meeting report for the year 2024.

3. The Company has a Corporate Governance Officer responsible for governance-related matters to enhance the effectiveness of the board and provide the necessary support for directors in carrying out their duties. Each year, the Company organizes diverse training courses for board members to enhance the quality of their decision-making.
4. In order to strengthen corporate governance and improve the company's risk control, the company has actively promoted the implementation of the risk management mechanism since 2017, and reported its operation status to the Board of Directors on a regular basis once a year since 2020. Since July 2023, it has changed to reporting its operation status to the Audit Committee and the Board of Directors on a regular basis once a year. At the same time, internal audit will be responsible for submitting risk assessment to the annual audit plan and reporting the company's risk management operations to the audit committee and the board of directors.

(II) Performance of Audit Committee:

1. Annual focus of the Audit Committee:

The Company assembled its Audit Committee in 2010 as a means to enhance corporate governance. The Audit Committee comprises three independent directors, and Independent Director Hsing-Yi Chow has been appointed as convener for the current board. The Audit Committee convenes meetings at least once every quarter, and may do so at any time deemed necessary. Responsibilities of the Audit Committee include: reviewing the fairness of financial statement presentation, reviewing the effectiveness of the internal control system, assessing appointment/dismissal/independence of financial statement auditor, supervising compliance and monitoring existing or potential risks. The committee exercises authority over the following matters:

- Establishment or amendment to the internal control system.
- Evaluation over the effectiveness of internal control system.
- Establishment of procedures for major financial and business conducts.
- Matters concerning directors' personal interests.

- Major transaction of assets or derivatives.
- Major lending, endorsement or guarantee to an external party.
- Offering, issuance, or private placement of securities with equity characteristics.
- Appointment, dismissal, or compensation of financial statement auditors.
- Independence of CPA.
- Appointment or discharge of financial, accounting, or internal auditing officers.
- Financial reports that are duly signed or sealed by the chairperson, managerial officer, and accounting officer.
- Other material matters determined by the Company or competent authorities.

2. Performance of Audit Committee in 2024

A total of five (A) Audit Committee meetings were held in 2024, and the attendance of independent directors is as follows:

Title	Name	No. of actual attendance Times (B)	Attendance by proxy	Actual attendance rate (%) [B/A]	Remarks
Independent Director	Hsing-Yi Chow	5	0	100%	None
	Audrey Tseng	5	0	100%	
	Hung-Pin Ku	5	0	100%	

Other mandatory disclosures:

- I. If any of the following circumstances arises in the operation of the Audit Committee, the meeting date, period, motion content, and any objections of independent directors should be stated, as well as contents of reserved opinions or major recommendations, the results of the audit committee's resolutions, and the Company's handling of the Audit Committee's opinions.

(I) Conditions described in Article 14-5 of the Securities and Exchange Act

Date	Session	Motion	Audit Committee resolution	Company's response to Audit Committee's opinions
2024.02.26	8rd meeting of the 5th Committee	<ol style="list-style-type: none"> <li>1. Assess the independence and suitability of CPAs.</li> <li>2. Ernst &amp; Young Certified Public Accountants and its affiliated entities providing Non-Assurance services.</li> <li>3. Individual and consolidated financial statements of 2023.</li> <li>4. Business Report of 2023.</li> <li>5. Declaration of Internal Control System 2023.</li> <li>6. Change of the CPA.</li> <li>7. Major Topics of the Company's 2023</li> </ol>		

Date	Session	Motion	Audit Committee resolution	Company's response to Audit Committee's opinions
		Sustainability Report. 8. Establish the "Tax Policy and Management Measures".		
2024.03.18	9th meeting of the 5th Committee	1. Proposal of earnings distribution for 2023.	Passed as proposed without objection from independent directors	Proposed by the board of directors and approved unanimously by all attending directors
2024.04.29	10th meeting of the 5th Committee	1. Consolidated financial statement of 2024Q1.		
2024.07.29	11th meeting of the 5th Committee	1. Consolidated financial statement of 2024Q2. 2. 2023 Sustainability Report.		
2024.10.28	12th meeting of the 5th Committee	1. Consolidated financial statement of 2024Q3. 2. The subsidiary, Coretronic Intelligent Robotics Corporation will increase cash capital. 3. Revise the company's "Audit Committee Organizational Rules", "Corporate Governance Practice Code", "Sustainable Development Practice Code" and "Sustainability Report Preparation and Verification Procedures". 4. Revise the company's "Internal Control System" and "Internal Audit Implementation Rules". 5. Establishment of the Company's 2025 Audit Plan.		

(II) In addition to the above matters, any resolutions unapproved by the Audit Committee but passed by more than two thirds of all directors: None. No objection or qualified opinion was expressed by independent directors this year.

- II. Avoidance of involvements in interest-conflicting discussions by independent directors; state the names of concerned independent directors, the discussions, the nature of conflicting interests, and the voting process: None.
- III. Communication between independent directors and internal/external auditors (e.g.

discussions concerning the Company's financial and business affairs, the method of communication used, and the outcome):

1. The chief internal auditor communicates with independent directors through conferences and Audit Committee meetings. The chief internal auditor reports to independent directors at least once a quarter regarding progress of internal audits performed, and prepares monthly reports for review by independent directors. Meetings can be convened at any time deemed necessary in the occurrence of major event.
2. Independent directors communicate with CPAs through conference. The CPAs report to independent directors twice a year on the following matters: financial statement audit, accounting estimates and material issues, changes in Statements of Financial Accounting Standards and securities or tax laws etc., and may contact independent directors at any time deemed necessary.
3. Independent directors communicate with the chief internal auditor and CPAs regularly. Please visit Investor Relations/Corporate Governance/Internal Audit/Independent Directors of our corporate website for details.

(III) Deviation and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Has the Company prepared and disclosed Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies?	✓		The Company has established a set of “Corporate Governance Code of Conduct” with board of directors’ approval based on “Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies” to serve as guidelines toward developing sound corporate governance practice. This code of conduct is disclosed over the Company’s website and at Market Observation Post System.	Conforms with the Corporate Governance Best-Practice Principles and no deviation is found
II. Shareholding structure and shareholders’ equity				
(I) Has the company implemented a set of internal procedures to handle shareholders’ suggestions, queries, disputes and litigations?	✓		(I) The Company has implemented “Shareholder Suggestion, Query, Dispute and Litigation Handling Procedures” and appointed spokesperson and acting spokesperson to ensure that material information is disclosed in a timely and fair manner to the best of shareholders’ interest. The Shareholder Affairs Office and Corporate Relations Office are responsible for engaging shareholders on the above issues. The Company has dedicated mailbox (ir@coretronic.com) and hotlines available to gather shareholders’ suggestions, queries and disputes, whereas shareholders’ litigations against the Company are handled by the Legal Affairs Department.	Conforms with the Corporate Governance Best-Practice Principles and no deviation is found
(II) Is the company constantly informed of the identities of its major shareholders and the ultimate controller?	✓		(II) Based on the list of shareholders provided by the stock transfer agent on the Company’s date for suspension of share transfer, and the information regarding shareholders holding over five percent of the shares provided by Taiwan Depository & Clearing Corporation after settlement, each year the Company captures a list of the major shareholders actually controlling the Company and the list of major shareholders with ultimate control and discloses the relevant information regularly.	
(III) Has the company established and implemented risk	✓		(III) The Company has a “Subsidiary Supervision Policy,” internal	

Evaluation item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
<p>management practices and firewalls for companies it is affiliated with?</p> <p>(IV) Has the company established internal policies that prevent insiders from trading securities against non-public information?</p>	✓		<p>control and internal audit policies in place to outline boundaries of management duty and authority with affiliated enterprises. All business dealings or transactions with subsidiaries are subject to compliance with laws and procedures for risk management purposes.</p> <p>(IV) The Company has established the “Insider Trading Prevention Policy” to prevent insiders from exploiting information not readily available on the market for inappropriate gains, whether for themselves or others. The Company promotes internal awareness on a yearly basis and discloses information on its website that managers and employees may access at any time. Insiders are constantly reminded of issues concerning material information. On October 11, 2024, the Company has conducted education and promotion for officers and employees through digital education and training courses. The course contents included topics covering the matters constituting insider trading, the exact time of material information, method and time of disclosure, the penalty of committing insider trading, the prevention of unintended insider training, and enforce the awareness education of preventing insider training. Additionally, provide insider trading laws and regulations to insiders on a monthly basis. In 2024, a total of 1,583 officers and employees took the course.</p>	
<p>III. Assembly and obligations of the board of directors</p> <p>(I) Has the Board of Directors formulated a diversity policy and specific management objectives, and implemented them?</p>	✓		<p>(I) For the diversity policy of the Board of Directors, specific management objectives, and implementation status, please refer to the annual report for details under “I. Background information of directors, president, vice presidents, associate vice presidents, and heads of departments and branch offices” /</p>	<p>Conforms with the Corporate Governance Best-Practice Principles and no deviation is found</p>

Evaluation item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(II) Apart from the Remuneration Committee and Audit Committee, has the company assembled other functional committees at its own discretion?	✓		“(I) Directors” / “5. Diversity and independence of the Board of Directors.” (II) On October 26, 2020, the Company voluntarily established the “Nomination Committee” with three independent directors. Its duties and functions are subject to the “Charter of Nomination Committee”. Please refer to (IV) if the company has established a remuneration committee or nomination committee, disclose its composition, responsibility and authority, and operations/II. Information on members of the Nomination Committee and operations.	
(III) Has the company established a set of policies and assessment tools for evaluating board performance, and conducted performance evaluation on a yearly basis? Are performance evaluation results reported to the board of directors and used as reference for compensation, remuneration and nomination decisions?	✓		(III) The Board established the Company’s “Board Performance Assessment Policy” in April 2018 and amended it in October 2019. Each year the Company evaluates the performance of the Board, directors, and functional committees once and reports the results to the Nomination Committee and Board. Additionally, an external evaluation of Board performance is implemented by an independent, professional institution at least once every three years. The evaluation involved reviewing relevant documents, assessing director communications and interactions, and analyzing the director board performance assessment questionnaire. After a comprehensive evaluation, the Company demonstrated an "Advanced" performance across the three dimensions. Ernst & Young provided improvement recommendations for our board of directors. We will use the assessment results as a reference to continually enhance the board's functions. The Company also reported the results to the Nomination Committee and the Board and disclosed them on the corporate website in February 2024.	

Evaluation item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>The Board conducts performance self-assessment once a year using a questionnaire. These assessments are arranged by the meeting organizer, and the most recent assessment covered the period January 1 to December 31, 2024. For more details on performance evaluation of the board, board members and functional committees, please refer to section 3. Corporate governance/Board performance evaluation.</p> <p>Outcome and implication of 2024 internal Board performance self-assessment:</p> <ol style="list-style-type: none"> <li>1. The overall performance of the Board of Directors on a five-point scale was "4.6", which adequately demonstrate the company's achievements in strengthening the effectiveness of the Board of Directors.</li> <li>2. Directors' (self) performance assessment outcome: The overall performance of the Directors' on a five-point scale was "4.7".</li> <li>3. The performance of the Remuneration Committee on a five-point scale was "4.9", which adequately demonstrate the company's achievements in strengthening the effectiveness of the Remuneration Committee.</li> <li>4. The performance of the Audit Committee on a five-point scale was "4.9", which adequately demonstrate the company's achievements in strengthening the effectiveness of the Audit Committee.</li> <li>5. The performance of the Nomination Committee on a five-point scale was "4.9", which adequately demonstrate the company's achievements in strengthening the effectiveness of the Nomination Committee.</li> </ol>	

Evaluation item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(IV) Are external auditors' independence assessed on a regular basis?	✓		<p>The Company presented the evaluation results to the Nomination Committee and Board during their meetings in March 2025 using these results as a basis for improving the competence of the Board and its functional committees, as well as for determining the salary, remuneration, and nomination of individual directors.</p> <p>(IV) The Audit Committee duly evaluates the independence and competence of the financial statement auditor once a year, and presents assessment results to the board of directors. The financial statement auditor's independence is assessed using the following criteria: After referring to the Audit Quality Indicators (AQIs) announced by the Financial Supervisory Commission (FSC), the Audit Committee and the Board evaluated CPA's Independence in February 2025 with procedures covering the 13 indicators in five aspects: expertise, quality control, independence, supervision, and innovation capability. The Company also obtained the statement of independence issued by CPAs.</p> <p>Except for certifying the Company's finance and tax matters, CPAs have no conflict of interest or business transaction with the Company. Through education and training, internal quality review, periodic e-news and digital audit promotion, CPAs strengthen their innovation capability and improve audit quality. Hence, both CPAs Shao-Pin Kuo and Ming-Ju Huang comply with the independence and suitability criteria. Additionally, the Company also observes the relevant regulations for CPA rotation.</p>	

Evaluation item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
IV. Is the Company equipped with qualified and appropriate number of corporate governance personnel, and appoint a corporate governance director responsible for corporate governance related matters (including but not limited to providing the information needed by directors to carry out business, assisting directors and complying with laws and regulations, handling matters related to meetings of the Board of Directors and shareholders' meeting in accordance with the law, and producing minutes of board meetings and shareholders' meetings)?	✓		<p>The board of directors appointed the CFO to assume the role of Corporate Governance Officer during the meeting held in April 2019. Backed by more than 10 years of accounting, finance, shareholder service and meeting arrangement experience in a public company, the CFO works with the CFO's Office to oversee corporate governance-related matters, and their main duties are to arrange board meetings and shareholder meeting affairs, provide directors with the information needed to perform duties, and gather the latest regulatory changes that are relevant to the Company to assist directors with compliance, duties and ongoing education. The education status of the Corporate Governance Officer in 2024 has been disclosed on the Company's website.</p> <p>The performance in corporate governance in 2024 is as follows:</p> <ol style="list-style-type: none"> <li>Assist directors in carrying out their duties, provide the required data, and arrange continuing education courses. <ul style="list-style-type: none"> <li>Informed board members about the latest regulations concerning the Company's operations and corporate governance.</li> <li>Provided directors with the requested information and maintained communication between directors and senior manager.</li> <li>Independent directors regularly communicated with the chief internal auditor or financial statement auditor to stay updated the Company's financial and business performance.</li> <li>Training courses were arranged for directors based on their highest level of education, significant rules and updates to relevant regulations.</li> <li>Evaluated and took out appropriate director and manager</li> </ul> </li> </ol>	Conforms with the Corporate Governance Best Practice Principles and no deviation is found

Evaluation item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>liability insurance.</p> <p>2. Assisted functional committees, board of directors and shareholders with meeting procedures and compliance issues</p> <ul style="list-style-type: none"> <li>● Prepared meeting agenda and notified directors at least 7 days prior to meetings, providing relevant materials related to the issues discussed. Reminders were sent in advance for motions that involved conflict of interest, and minutes were produced within 20 days after each meeting. In 2024, 5 board meetings, 5 audit committee meetings, 3 remuneration committee meetings, and 1 nominating committee were held.</li> <li>● Assisted and reminded directors of the regulations they must comply with when performing duties or forming resolutions board meetings.</li> <li>● Report to the Board of Directors the results of its review of whether the qualifications of independent directors, at the time of nomination, election, and during their term of office, comply with relevant laws and regulations.</li> <li>● Completed processes such as registration of shareholder meeting date, preparing of meeting notices, conference manual, minutes, annual report, etc., and ensured these were made available to investors within the required timeframe.</li> <li>● Performed the 2024 performance evaluation for the internal Board, directors, and all functional committees, and reported the evaluation results to the Nomination Committee and the Board meetings held in March 2025.</li> </ul> <p>3. Maintenance of investor relations Through quarterly investor seminars, annual general meetings, and regular website updates, the Company provides investors</p>	

Evaluation item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			with insights into its financial performance, business operations and corporate governance, thereby safeguarding shareholders' interests.	
V. Has the company provided proper communication channels and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	✓		The Company has an employee mailbox, employee service hotline, spokesperson mailbox and general inquiry hotline available to communicate with customers, suppliers and the general public. Stakeholders may contact specific departments within the Company at any time deemed necessary. The Company has created a dedicated section on its website to disclose information that is relevant to stakeholders. The Company uses a broad range of channels to maintain communication with stakeholders and learn their expectations; these findings provide a useful reference to the Company's corporate social responsibility policies and plans in the future.	Conforms with the Corporate Governance Best Practice Principles and no deviation is found
VI. Does the Company engage a share administration agency to handle shareholder meeting affairs?	✓		The Company has engaged the Shareholder Service Department of Taishin Securities Co., Limited to handle matters relating to shareholder meetings.	Conforms with the Corporate Governance Best Practice Principles and no deviation is found
VII. Information disclosure				
(I) Has the company established a website that discloses financial, business, and corporate governance-related information?	✓		(I) The Company maintains a website for disclosing information. Financial/business performance and corporate governance-related information can also be found on Market Observation Post System.	Conforms with the Corporate Governance Best-Practice Principles and no deviation is found
(II) Has the company adopted other means to disclose information (e.g. English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via	✓		(II) The Company has set up an English website and assigned dedicated personnel to gather and disclose information about the Company, enforced the spokesperson system, posted the links of live broadcasts and replays of the investor conferences over the corporate website, and carried out the duty and	

Evaluation item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
<p>the company website)?</p> <p>(III) Does the Company publish and make official filing of annual financial report within two months after the end of an accounting period, and publish/file Q1, Q2 and Q3 financial reports along with monthly business performance before the required due dates?</p>	✓		<p>obligation for information disclosure by law in accordance with the laws and regulations of the competent authorities. The dates and venues of investor conferences can be found on the corporate website: Investor Relations/Investor Conferences, Investor Relations/Events” or News/Events section.</p> <p>(III) The company has announced its financial reports for the fourth quarter of 2024 and the first quarter of 2025 after the Investor Conference held on February 18, 2025, and April 29, 2025, respectively. It is anticipated that the financial reports for the second and third quarters of 2025 will be submitted in July and October, respectively. The disclosure of operational status for each month will be completed and announced by the 10<sup>th</sup> of the following month.</p>	
<p>VIII. Does the company have other information that enables a better understanding of the company’s corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders’ interests, continuing education of directors, implementation of risk management policies and risk measurements, implementation of customer policy, and insuring against liabilities of company directors)?</p>	✓		<p>(I) Employee rights and care The Company strives to maintain harmonic employment relationship and caters for employees’ interest by taking a mutually beneficial approach. All management practices and systems are carried out according to labor regulations. The Company has an Employee Welfare Committee to plan welfare measures and recreation activities including golden week vacations, employee sport meetings, health seminars, and festive events, thereby promoting interaction among colleagues and family members. In order to enhance the artistic atmosphere within the company, in addition to designing art appreciation displays in the company environment, we also arrange art performances from time to time, inviting colleagues and their families to participate in order to enrich their lives and enhance their humanistic and artistic qualities. The</p>	<p>Conforms with the Corporate Governance Best Practice Principles and no deviation is found</p>

Evaluation item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>Company continue to promote employee assistance programs and provide free professional consulting services such as psychology, legal affairs, medical care and financial management to our colleagues and their families, so that our colleagues can work with peace of mind. The company attaches great importance to the physical and mental health of its employees. It arranges regular health checks for employees every year (which is superior to the law). It also holds irregular health promotion activities to create a satisfying and healthy workplace.</p> <p>(II) Investor relations The Company has spokesperson and acting spokesperson in place to maintain investor relations. The Company also hosts domestic investor seminars regularly and participates in global investor seminars from time to time.</p> <p>(III) Supplier relations and stakeholders' interests The Company adheres strictly to commercial ethics for all business dealings with suppliers and customers. Key suppliers are regularly evaluated for price, quality, technology, delivery and service, and all suppliers are required to sign a letter of commitment to integrity. The Company fully understands customers' needs, helps them resolve problems and strives to deliver more satisfactory products and services. Financial and business dealings with affiliated enterprises are carried out according to rules such as "Lending, Guarantee and Endorsement Procedures," "Asset Acquisition and Disposal Procedures" and "Subsidiary Supervision Policy."</p> <p>(IV) Director' education</p>	

Evaluation item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>The Company actively encourages directors to participate in courses organized by the authority. Please refer to the chart titled Directors' and Managers' Education for details on corporate governance-related training undertaken by directors and managers.</p> <p>(V) Risk management policies and risk assessment standards With respect to the "Risk Management Policy" passed by the Board in 2020, the Company continuously engages with the detection, analysis, and identification of risks within the scope of risk management to strengthen the capability to handle risk prevention and crisis resolution and implement quick recovery for effective risk control. For risk management information, please visit the "Sustainability/Risk Management" section on the Company's website.</p> <p>(VI) Implementation of customer policy The Company has implemented appropriate customer policy given the nature of its business activities. To ensure customers' satisfaction, the Company not only directs attention to the quality, safety and innovation of products delivered, but also addresses complaints in a timely manner and provides customers with complete product information.</p> <p>(VII) Insurance against directors' liabilities The Company has purchased liability insurance to insure itself against liabilities of its directors; insurance policies are reported to the board of directors on a yearly basis.</p>	
<p>IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified: The Company has been ranked in the top 5% of the Corporate Governance Evaluation for ten consecutive years and has been listed five times among the top 10%</p>				

Evaluation item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
<p>of "publicly listed electronics companies with a market value of over NT\$ 10 billion" in the Corporate Governance Evaluation. Additionally, the Company has received the "TPEX -Listed Pilot Governance Award" for the first time. The Company will continue to align with the corporate governance policies promoted by competent authorities to enhance corporate governance. The Company has actively contributed to the three major aspects of sustainability: economic/governance, environmental, and social/human rights. It has received two international ESG awards - the Gold Award for "SDG 3 Good Health and Well-being" and the Silver Award for "SDG 13 Climate Action" at the 2024 Asia-Pacific Sustainability Action Awards (APSAA). Additionally, the Company was awarded the Bronze Award for "Sustainability Reporting" at the Global Corporate Sustainability Awards (GCSA) for the first time. The Company has also been recognized for thirteen consecutive years with the "Excellence in Corporate Social Responsibility" and has received multiple Taiwan Corporate Sustainability Awards (TCSA), including the Platinum Award for "Sustainability Reporting" for the first time, recognition as one of the "Top 100 Sustainability Exemplary in Taiwan" for six consecutive years, the "Transparency and Integrity Leadership Award" for seven consecutive years, the "Social Inclusion Award" five times, the "Talent Development Leadership Award" for two consecutive years, the Silver Award for "Corporate Health Responsibility Award" three times, and the "CommonWealth Talent Sustainability Award" for the first time. Furthermore, the Company has been honored with the Silver Award at the Executive Yuan, Ministry of Environment's "National Enterprise Environmental Protection Award" for seven consecutive years. The Company will continue to uphold its core values of integrity and responsibility, bearing the long-term sustainability commitment to all stakeholders and society.</p>				

Continuing Education/Training of Directors in 2024						
Title	Name	Course date		Organizer	Course name	Training Hours
		Start	End			
Chairman	Wade Chang	2024.10.28	2024.10.28	Taiwan Corporate Governance Association	Global Economic Outlook 2025. How to deal with global geopolitical tensions.	6
Representative of corporate director	Tai-Shung Ho	2024.10.28	2024.10.28	Taiwan Corporate Governance Association	Global Economic Outlook 2025. How to deal with global geopolitical tensions.	6
		2024.10.31	2024.10.31	Taiwan Corporate Governance Association	Ways to strengthen corporate sustainability: create positive corporate value through diversified controls. How the board of directors reviews the ESG report.	6
		2024.01.26	2024.01.26	Taiwan Corporate Governance Association	Analysis of Taiwan's Economic Trend in 2024.	3
Representative of corporate director	Yu-Chi Chiao	2024.03.05	2024.03.05	Taiwan Corporate Governance Association	Succession plan launched-employee reward plan and equity inheritance.	3
		2024.03.29	2024.03.29	Taiwan Corporate Governance Association	Production technology and market development of high-value steel products.	2
		2024.09.06	2024.09.06	Financial Supervisory Commission	113th Annual Insider Trading Prevention Promotion Conference.	3
		2024.10.28	2024.10.28	Taiwan Corporate Governance Association	Global Economic Outlook 2025. How to deal with global geopolitical tensions.	6
		2024.11.08	2024.11.08	Taiwan Corporate Governance Association	The development and prospects of Taiwan's cable industry and creating a friendly workplace (including sexual harassment prevention).	3
Director	Han-Ping D. Shieh	2024.05.17	2024.05.17	Taiwan Corporate Governance Association	Board of Directors Information Security Governance Oversight Strategy.	3
		2024.08.16	2024.08.16	Taiwan Corporate Governance Association	Re-evolution of data centers: development trends of silicon photonics and artificial intelligence servers.	3

Continuing Education/Training of Directors in 2024						
Title	Name	Course date		Organizer	Course name	Training Hours
		Start	End			
Independent Director	Hsing-Yi Chow	2024.03.20	2024.03.20	Taiwan Institute of Directors	How to go global: Taking competition and cooperation among Korean companies as an example to discuss Asia's growth.	3
		2024.04.17	2024.04.17	Taiwan Institute of Directors	Benchmark learning how to break through and grow from core technologies.	3
		2024.04.18	2024.04.18	Institute of Financial Law and Crime Prevention	Money laundering prevention and counter-terrorism financing practices and insider trading prevention publicity.	3
		2024.05.02	2024.05.02	Taiwan Institute of Directors	How to achieve corporate growth through strategic mergers and acquisitions.	3
		2024.05.16	2024.05.16	Taiwan Securities Association	Financial Consumer Protection Law and the Principle of Fair Hospitality (Course content includes "Financial Friendliness and the Convention on the Rights of Persons with Disabilities").	3
		2024.06.07	2024.06.07	Taiwan Institute of Directors	New Energy Era.	3
		2024.09.05	2024.09.05	Taiwan Securities Association	Information security threat trends and crisis management.	3
		2024.10.28	2024.10.28	Taiwan Corporate Governance Association	Global Economic Outlook 2025. How to deal with global geopolitical tensions.	6
Independent Director	Audrey Tseng	2024.04.30	2024.04.30	Taiwan Corporate Governance Association	Company Strategic Development Direction	3
		2024.07.16	2024.07.16	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
		2024.07.17	2024.07.17	Taiwan Corporate Governance Association	Operational decentralization strategy under geopolitical risks	3
		2024.08.07	2024.08.07	Taiwan Corporate Governance Association	New trends in the AI industry and ecosystem competition	3
		2024.09.06	2024.09.06	Securities and Futures Institute	113th Annual Insider Trading Prevention Promotion Conference	3
		2024.09.10	2024.09.10	Taipei Exchange	Publicity and briefing session on insider equity of listed companies	3
		2024.10.28	2024.10.28	Taiwan Corporate Governance Association	Global Economic Outlook 2025, How to deal with global geopolitical tensions	6
Independent Director	Hung-Pin Ku	2024.10.28	2024.10.28	Taiwan Corporate Governance Association	Global Economic Outlook 2025, How to deal with global geopolitical tensions	6
		2024.12.17	2024.12.17	Taipei Bar Association	2024 Corporate Governance Forum: New Challenges for Corporate Governance Managers	3
CFO/ CAO/ Corporate Governance Officer	Franck Ho	2024.01.12	2024.01.12	Taiwan Corporate Governance Association	Corporate carbon management thinking after the passage of the Climate Change Response Act	3
		2024.01.19	2024.01.19	Taiwan Corporate Governance Association	Senior managers' compensation and ESG performance system design	3
		2024.10.28	2024.10.28	Taiwan Corporate Governance Association	Global Economic Outlook 2025. How to deal with global geopolitical tensions	6
		2024.11.28	2024.11.29	ACCOUNTING RESEARCH AND DEVELOPMENT FOUNDATION	Continuing Education Program for Accounting Managers of Issuers, Securities Firms, and Securities Exchanges	12

(IV) Disclose the composition, duties and functions, and operations of the Remuneration Committee or Nomination Committee, if available.

I. Information on members of the Remuneration Committee and information on its operations

1. Information of Remuneration Committee Members:

December 31, 2024

Conditions		Professional qualifications and experience	Independence analysis	Number of positions as Remuneration Committee member in other public companies
Identity	Name			
Independent Director (Convener)	Hsing-Yi Chow	<p>(1) Please refer to “I. Information on directors, president, vice presidents, associate vice president, and heads of departments and branches” / “4. Disclosure of information on the professional qualifications of directors and the independence of independent directors” in the annual report for information regarding professional qualifications and experience and independence.</p> <p>(2) Compliance with Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies of members two years before the election and during their office.</p> <p>(3) The Company has three independent directors, and none of them is in the conditions as stated in Article 30 of the Company Act.</p>	3	
Independent Director	Audrey Tseng		2	
Independent Director	Hung-Pin Ku		0	

2. Annual focus of the Remuneration Committee: To professionally and objectively evaluate the policies and systems for compensating the Company’s directors and officers, the Remuneration Committee convenes meetings at least twice a year and may convene additional meetings as needed to provide the Board with useful suggestions for decision-making. The committee exercises authority including (1) Periodically reviewing the “Charter of Remuneration Committee” and recommending amendments. (2) Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure of the compensations for the Company’s directors and officers. (3) Periodically evaluating the performance of the Company’s directors and officers in meeting goals, and determining the types and amounts of compensation for individual directors and officers.
3. Functionality of Remuneration Committee: The Company’s Remuneration Committee comprises 3 members; service of the current board begins June 10, 2022 and ends June 9, 2025. In 2024, the Remuneration Committee held three

(A) committee meetings, and the qualifications and attendance of committee members are as follows:

Title	Name	No. of actual attendance Times (B)	Attendance by proxy	Actual attendance rate (%) [B/A]	Remarks
Convener	Hsing-Yi Chow	3	0	100%	None
Committee member	Audrey Tseng	3	0	100%	
Committee member	Hung-Pin Ku	3	0	100%	

4. Other matters to be recorded:

- (I) If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date and period of the Board of Directors, the content of the proposal, the resolution of the Board of Directors, and the Company's handling of the opinions of the Remuneration Committee should be stated. (If the remuneration approved by the Board of Directors exceeds the recommendation of the Remuneration Committee, the differences and reasons should be stated): None.
- (II) Should any committee member object or express qualified opinions to the resolution made by the Remuneration Committee, whether on-record or in writing, please describe the date and session of the meeting, details of the motion, the entire members' opinions, and how their opinions were addressed: None.
- (III) Discussions and resolutions of the Remuneration Committee, and the Company's response to committee members' opinions

Date	Session	Motion	Resolution of the Remuneration Committee	Company's response to Remuneration Committee's opinions
2024.4.29	4th meeting of the 5th Committee	<p>1. Proposal on the remuneration of directors Hsun Chieh Investment Co., Ltd., Hanns Prosper Investment Corporation, Han-Ping D. Shieh and independent director Audrey Tseng for 2024.</p> <p>2. Proposal on the remuneration of independent directors Hsing-Yi Chow, Hung-Pin Ku for 2024.</p> <p>3. Proposal on the remuneration of managers for 2024.</p>	<p>1. Independent director Audrey Tseng abstained from participating in the resolution due to personal compensation concerns. The resolution was passed as agreed by independent directors Hsing-Yi Chow and Hung-Pin Ku.</p> <p>2. Independent director Hsing-Yi Chow and Hung-Pin Ku abstained from</p>	<p>Reported to the Board meeting and approved by the all directors attending the meeting, except for directors avoided themselves from the voting for conflicts of interest.</p>

Date	Session	Motion	Resolution of the Remuneration Committee	Company's response to Remuneration Committee's opinions
			participating in the resolution due to personal compensation concerns. The resolution was passed as agreed by independent directors Audrey Tseng. 3. Passed as proposed without objection from independent directors.	
2024.7.29	5st meeting of the 5th Committee	Proposal of manager employee reward for 2023.	Passed as proposed without objection from independent directors.	
2024.10.28	6st meeting of the 5th Committee	1. Amendment to the Company's "Organizational Rules of the Remuneration Committee". 2. Revision of the Company's "Regulations for Salary, Remuneration, and Performance Evaluation of Directors and Managers".	Passed as proposed without objection from independent directors.	

## II. Information on members of the Nomination Committee and operations

### 1. Qualifications for appointment and responsibilities of members of the Nomination Committee :

The Company established a Nomination Committee in October 2020. The Committee consists of three independent directors. Committee member Hsing-Yi Chow, an independent director, specializes in finance and corporate governance, meeting professional competencies required by the committee.

The Nomination Committee has been established for the purpose of enhancing the effectiveness of the Company's Board of Directors. Its duties and functions include (1)Set the diversified backgrounds covering professional knowledge, skills, experience, and gender and standard of independence for directors and senior officers as the reference for sourcing, reviewing, and nominating candidates for directors and senior officers. (2)Evaluate the performance of the Board, functional committees, and individual directors and

the independence of independent directors. (3)Appointment and dismissal review of senior officers. (4)Handle other matters assigned by Board resolutions.

2. Professional qualifications and experience of members and operations of the Nomination Committee:

The Nomination Committee is formed with three members with a term commencing on June 10, 2022 and ending on June 9, 2025. In 2024, the Nominating Committee held one (A) meeting, and the professional qualifications, experience, and attendance of members are as follows:

Title	Name	Professional qualifications and experience	No. of actual attendance Times (B)	Attendance by proxy	Actual attendance rate (%) [B/A]	Remarks
Convener	Hsing-Yi Chow	Please refer to “I. Information on directors, the president, vice presidents, associate vice president, and heads of departments and branches” / “4. Disclosure of information on the professional qualifications of directors and the independence of independent directors” in the annual report.	1	0	100%	None
Committee member	Audrey Tseng		1	0	100%	
Committee member	Hung-Pin Ku		1	0	100%	

3. Other matters to be recorded:

Discussions and resolutions of the Nomination Committee, and the Company’s response to Nomination Committee members’ opinions

Date	Session	Motion	Content of recommendations or objections of Nomination Committee members	Nomination Committee Resolution	Company’s response to Nomination Committee’s opinions
2024.2.26	2st meeting of the 2nd Committee	1. Report on the Company’s 2023 interal performance evaluation of the Board and functional committees. 2. The Company implements the 2023 external performance evaluation report of the Board of Directors .	None	Acknowledged, no other suggestion.	Report at the Board meeting.

(V) Implementation of sustainable development promotions and the deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
I. Does the company establish a governance structure and set up a full-time (or part-time) unit to promote sustainable development? Does the Board of Directors authorize senior management to handle relevant matters and supervise the implementation by itself?	✓		<p>1. Governance structure for sustainable development: The “Corporate Social Responsibility Committee” (CSR Committee) set up in 2008 was renamed “ESG Committee” in 2020. The Company’s Chairman serves as the “chairperson,” with the President and CFO being the “members” and the spokesperson being the “management representative”. The Committee also delegates its powers to the “executive representatives” of departments relating to economy/governance, society, and environment to assist in promoting sustainable development.</p> <p>2. Implementation status of each organization: The Board of Directors approved the “Sustainable Development Best Practice Principles” and agreed to authorize the ESG Committee to promote ESG-related issues. Executive representatives subordinate to the President and CFO have been designated, whose responsibilities are to oversee the promotion of major issues and projects. Its mode of operations is as follows: (1) Committee members and executive representatives review the status and results of sustainability implementation with quarterly briefings and hold quarterly meetings with the ESG team. Such meets are attended by executive representatives and ESG team members to discuss the ESG Report published in the current year and major sustainability awards so as to formulate sustainability plans and goals for the following year. (2) The management representative reports the implementation of the annual plan to the chairperson, committee members, and executive representatives on a quarterly basis; and further reports the annual sustainable performance and the key sustainability policy and plan for the following year at the annual group meeting. (3) A committee member and an executive representative - the CFO makes a report to the Board once each year. The report</p>	No material deviation is found.

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>includes the implementation results of sustainability projects, climate change risk management framework and response strategies (TCFD), various environmental indicators, net-zero pathway, renewable energy strategies, and future sustainable development. In addition, the CFO also reports the implementation of greenhouse gas (GHG) inventory to the Board on a quarterly basis.</p> <p>(4) The members of the ESG team has formulated a sustainability policy in accordance with international and government regulations, and strengthened the implementation of sustainability strategies through internal and external training courses.</p> <p>(5) The ESG team identifies annual material topics once every two years according to the material topic identification process, and submits the annual material topics to the Board for approval.</p> <p>(6) The ESG Report is compiled by the ESG team from information provided by departments, submitted to the management representative, executive representatives, and committee members in sequence for revision, presented to the Board of Directors for approval, and then finalized and released.</p> <p>3. Supervision of sustainable development by the Board of Directors:  The Company's Board of Directors has approved the "Sustainable Development Best Practice Principles," "Material Topics Disclosed in the Annual ESG Report," "Operating Procedure for ESG Report Preparation and Verification," "Regulations for Salary, Remuneration, and Performance Evaluation of Directors and Managers", and "Tax Policy and Management Measures". The management team makes regular reports (on the implementation of ESG) to the Board of Directors every year, makes plans and set goals for ESG, and regularly reviews their implementation. The Board of Directors also regularly reviews and supervises the implementation of sustainable development, and urges the management team to</p>	

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof						
	Yes	No	Summary description							
			make adjustments when it is necessary.							
II. Does the company follow the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to company operations, and formulate relevant risk management policies or strategies?	✓		<p>The Company conducts a material topic identification process once every two years. The “level of impact” is used as the principle for assessing the materiality of a topic. The Company also identifies the level, scope, and possibility of the positive and negative impact of each issue. Finally the annual ESG Report discloses the Company's identification, prevention, mitigation, and handling of its actual and potential negative impacts on the economy, the environment, and people (including their human rights).</p> <p>The Company divides material topics into three major categories: environmental, economic, and people (human rights). The boundaries of the aforementioned risk assessment cover Coretronic, Coretronic Intelligent Cloud Service, and Coretronic Intelligent Robotics. The risk assessment items and risk management policies for the aforementioned material topics are as follows:</p> <table border="1"> <thead> <tr> <th>Aspect</th> <th>Risk assessment</th> <th>Risk management policy or strategy</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Climate change</td> <td> <p>Support and introduce TCFD, and investigate the financial risks of climate change through the climate change risk questionnaire, and then set and plan annual targets, budgets and plans by the environmental safety and plant management units. After submitting to the Environmental Protection Committee for review, the corresponding plan will be implemented in accordance with ISO 14001 environmental management system, ISO 14064-1 GHG inventory standard, and ISO 50001 energy management system.</p> <p>For net zero transformation, in addition to joining the Taiwan Climate Partnership and the Taiwan Alliance for Net Zero Emission, publicly announcing the Company's net zero targets and voluntarily responding to the CDP (Carbon Disclosure Questionnaire), we have even submitted a carbon reduction commitment to the SBTi, and set and present our science-based</p> </td> </tr> </tbody> </table>	Aspect	Risk assessment	Risk management policy or strategy	Environment	Climate change	<p>Support and introduce TCFD, and investigate the financial risks of climate change through the climate change risk questionnaire, and then set and plan annual targets, budgets and plans by the environmental safety and plant management units. After submitting to the Environmental Protection Committee for review, the corresponding plan will be implemented in accordance with ISO 14001 environmental management system, ISO 14064-1 GHG inventory standard, and ISO 50001 energy management system.</p> <p>For net zero transformation, in addition to joining the Taiwan Climate Partnership and the Taiwan Alliance for Net Zero Emission, publicly announcing the Company's net zero targets and voluntarily responding to the CDP (Carbon Disclosure Questionnaire), we have even submitted a carbon reduction commitment to the SBTi, and set and present our science-based</p>	No material deviation is found.
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Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>carbon reduction targets of “50.4% absolute reduction in GHG (Scope 1 and Scope 2) emissions and 30% absolute reduction in Scope 3 emissions by 2032 from the 2021 base year” under the SBT 1.5°C scenario to the SBTi for review, which passed the review in 2024.</p> <p>Green process and product management</p> <p>The “Eco-friendly Projector Development Team” and “Green Product R&amp;D Team” plan and formulate annual goals, budgets, and plans, submit them for approval, carry out research and development, periodically review the effectiveness of implementation, and promote relevant plans. We have also introduced the inventory of the carbon footprint of products in ISO 14067, passed the certification, and used this standard as a basis for developing green products and setting up a product carbon footprint inventory platform in the future.</p> <p>Friendly workplace</p> <p>The Company has created multiple and unfettered two-way communication channels (quarterly labor-management meetings, annual business officer communication meetings) and labor/human rights grievance channels dedicated to building a friendly workplace.</p> <p>Information security</p> <p>The Company has established an Information Security Committee and introduced ISO 27001 to formulate information security policies according to the actual management needs of the Company. In response to actual needs and development trends, we draw up corresponding information security strategies and visions to improve the information security protection system. A safe and trustworthy information security environment is thus established through a risk-oriented security protection mechanism, supplemented by continuous training and the enhancement of employees’ information security awareness. We have also obtained an ISO 27001 certificate.</p> <p>Occupational health and safety</p> <p>For occupational safety, the Safety and Environmental Protection Unit has developed the annual objectives, budgets, and plans, and submitted them to the Occupational Health and Safety Committee for review and approval to verify the implementation of related strategies for</p>	

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof									
	Yes	No	Summary description										
			<table border="1"> <tr> <td></td> <td></td> <td>the occupational health and safety system based according to ISO 45001 and CNS 45001. For occupational health, the Health Management Department analyzes employees' health problems based on regular physical examination results and plan appropriate health promotion activities.</td> </tr> <tr> <td></td> <td>Labor relations</td> <td>The Company notifies employees four weeks in advance of significant changes to operations that may cause serious impacts on their rights.</td> </tr> <tr> <td>Economy</td> <td>Socioeconomic and legal compliance</td> <td>By building the governance organization and implementing internal control mechanisms, the legal compliance of all personnel and operations can be ensured.</td> </tr> </table> <p>For the risk assessment of our environmental, economic, and people (human rights) issues and related risk management policies, please refer to the Company website for details under "ESG/Risk Management."</p>			the occupational health and safety system based according to ISO 45001 and CNS 45001. For occupational health, the Health Management Department analyzes employees' health problems based on regular physical examination results and plan appropriate health promotion activities.		Labor relations	The Company notifies employees four weeks in advance of significant changes to operations that may cause serious impacts on their rights.	Economy	Socioeconomic and legal compliance	By building the governance organization and implementing internal control mechanisms, the legal compliance of all personnel and operations can be ensured.	
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Economy	Socioeconomic and legal compliance	By building the governance organization and implementing internal control mechanisms, the legal compliance of all personnel and operations can be ensured.											
<p>III. Environmental issues</p> <p>(I) Has the Company developed an appropriate environmental management system, given the characteristics of its industry?</p>	✓		<p>Coretronic has developed an environmental safety and energy management manual to systematically manage energy, environment, and work safety procedures to ensure that management and execution operations meet system requirements. It also takes stock of projects that have environmental impacts from the company's R&amp;D, production, and service operations, sets environmental performance indicators such as GHG emissions, electricity consumption, Water consumption, and waste reduction, and increases in the proportion of renewable energy use. It also reviews the results of target implementation on a quarterly and annual basis to reduce environmental impacts. Please refer to the detailed description of each environmental issue for the implementation status of the last year.</p> <p>The Company's plants in Taiwan and four subsidiaries in Mainland China have followed ISO 14001 in establishing their environmental management systems, and they continue to pass third-party verifications. The valid period for ISO14001:2015 certificate cover to December 31, 2025. Please refer to the Company website for details under "ESG/ESG Report &amp;</p>	No material deviation is found.									

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>Certificate to download.”</p> <p>The Company’s plants in Taiwan include the Headquarters, Zhunan Plant, Tainan Plant 1, and Tainan Plant 2, covering Coretronic, Young Green Energy, uCare Medical Electronics, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, InnoSpectra, Coretronic MEMS, Coretronic Reality, and Coretronic Intelligent Logistics Solutions; the Company’s subsidiaries in Mainland China include Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), and Coretronic Optics (Kunshan).</p>	
(II) Has the Company committed itself to improving energy efficiency and using recycled materials with low impact on the environment?	✓		<p>(1)Energy management</p> <p>Electricity accounts for the bulk of Coretronic’s energy consumption, which represents more than 94% of the overall energy consumption. To effectively enhance energy efficiency, the plants in Taiwan, Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), and Coretronic Projection (Kunshan) have implemented the ISO 50001 EnMS and passed the certification. The valid period for ISO 50001 Certificates cover to December 31, 2025. Please refer to the Company website for details unde“ESG/ESG Report &amp; Certificate to download.”</p> <p>On the premise of maintaining the environment and enhancing the market competitiveness of products, the Company adopts energy-saving designs and 3R (Reduce, Recycle and Reuse) ideas at the product development stage. We have also actively promoted green design and production technologies throughout design and production stages, including: 1. design for environment, 2. green supply chain management, 3. RoHS testing for components/semi-finished goods/finished goods, 4. adoption of green process technology, 5. education and training, and 6. voluntary product carbon footprint inventory to reduce environmental impact.</p> <p>In green manufacturing, to reduce unnecessary resource waste and seek waste reduction and recycling channels, we actively</p>	No material deviation is found.

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>implement measures for hazardous substance control and build the GMPS platform for supplier management. We also request all new suppliers to conform to the hazardous substance free (HSF) safety standard, answer the environmental-hazardous substance questionnaire, sign a green product commitment, provide a safety data sheet (SDS), and engage in the collaborative recycling and reuse of packaging materials to reduce waste production and production costs so as to achieve economy and environmental protection at the same time.</p> <p><u>Energy conservation targets</u> The electricity intensity of the Company's plants in Taiwan and Mainland China: A 7% decrease from the 2021 base year in the short term (2023~2025), a 10% decrease from the 2021 base year in the medium term (2026~2028), and a 13% decrease from the 2021 base year in the long term (2029~2031).</p> <p><u>Energy conservation measures and achievement status</u> Energy conservation and carbon reduction measures include A/C systems, electric lighting, and three other power consumption aspects. We have been actively implementing various energy conservation measures, including using the high energy-efficient active magnetic bearing chiller/compressor, to reduce the energy consumption of both the Company and its products. We have also expanded the use of renewables to optimize energy efficiency. The power saving amount in 2023 and 2024 was approximately 2,066kWh and 1,721kWh, which was equivalent to reducing emissions of approximately 1,123 tonCO<sub>2</sub>e and 868 tonCO<sub>2</sub>e. The main contribution of power saving came from the use of high energy-efficient active magnetic bearing chiller/compressor, and the introduction of LED lamps. We introduced energy-saving equipment to carry out power consumption adjustments through the smart flow control system and the addition of inverters to achieve energy conservation. The electricity intensity of plants in Taiwan and Mainland China in 2024 was reduced by 15% from the base year, achieving the short-term target.</p>	

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			<table border="1"> <thead> <tr> <th>Region</th> <th colspan="2">Taiwan</th> <th colspan="2">Mainland China</th> </tr> <tr> <th>Item/Year</th> <th>2023</th> <th>2024</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Electricity consumption (MWh)</td> <td>13,726</td> <td>12,832</td> <td>35,510</td> <td>33,864</td> </tr> <tr> <td>Electricity savings (MWh)</td> <td>741</td> <td>1,288</td> <td>1,325</td> <td>433</td> </tr> <tr> <td>Carbon reduction (tonCO<sub>2</sub>e) (Note)</td> <td>367</td> <td>636</td> <td>756</td> <td>232</td> </tr> <tr> <td>Electricity intensity (MWh/NTD million)</td> <td>0.51</td> <td>0.45</td> <td>1.10</td> <td>1.19</td> </tr> <tr> <td>Reduction achievement compared to 2021 (base year)</td> <td>14%</td> <td>24%</td> <td>11%</td> <td>3%</td> </tr> </tbody> </table>		Region	Taiwan		Mainland China		Item/Year	2023	2024	2023	2024	Electricity consumption (MWh)	13,726	12,832	35,510	33,864	Electricity savings (MWh)	741	1,288	1,325	433	Carbon reduction (tonCO <sub>2</sub> e) (Note)	367	636	756	232	Electricity intensity (MWh/NTD million)	0.51	0.45	1.10	1.19	Reduction achievement compared to 2021 (base year)	14%	24%	11%	3%	
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			<p>Note: Carbon emissions per kWh of electricity are calculated based on the carbon emission coefficients announced by Taiwan's Energy Administration and from Mainland China's GHG inventory checks.</p> <p>(2)Renewable energy use Coretronic actively promote various energy reduction measures to optimize energy efficiency and reduce the energy consumption of the Company and products. In the mean time, we expand the use of renewable energy. Since 2021, each of their plants has installed solar PV equipment for its own use to replace the electricity with renewables. This has caused the demand for electricity to slow down and decreased the overall energy consumption.</p> <p><u>Renewable energy usage targets</u> Proportion of renewable energy usage in annual electricity consumption of the Company's plants in Taiwan and Mainland China: 15% in the short term (2023-2025), 21% in the medium term (2026-2028), and 27% in the long term (2029 - 2031).</p> <p><u>Achievements for renewable energy use</u> The source of renewable energy of the Company is self-generated PV for self-use, green power supply, and renewable energy</p>																																					

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			<p>certificates (RECs). In 2024, all plants completed the installation of solar power generation equipment. Meanwhile, we support the development of the green energy market and improve the ratio of renewable energy consumption step by step. Zhunan Plant and Tainan Plant 1 obtain renewable energy through green power supply, and Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), and Coretronic Projection (Kunshan) obtain renewable energy through green power transaction certificates. In 2024, the renewable energy consumption of plants in Taiwan and Mainland China account for 15% of the annual total electricity consumption, achieving the short-term target.</p> <table border="1"> <thead> <tr> <th>Region</th> <th colspan="2">Taiwan</th> <th colspan="2">Mainland China</th> </tr> <tr> <th>Item/Year</th> <th>2023</th> <th>2024</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Renewable energy usage (MWh)</td> <td>950</td> <td>1,117</td> <td>5,809</td> <td>5,738</td> </tr> <tr> <td>Proportion of renewable energy usage in annual electricity consumption</td> <td>7%</td> <td>9%</td> <td>16%</td> <td>17%</td> </tr> </tbody> </table>		Region	Taiwan		Mainland China		Item/Year	2023	2024	2023	2024	Renewable energy usage (MWh)	950	1,117	5,809	5,738	Proportion of renewable energy usage in annual electricity consumption	7%	9%	16%	17%	
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(III) Does the company assess the potential risks and opportunities of climate change for the company now and in the future, and has it taken relevant countermeasures?	✓		<p>To effectively mitigate the impact of extreme climate change on the economy, society, and environment, the Company adopted the TCFD framework for the first time in 2021 to identify climate change risks and opportunities and analyze potential financial impacts. In 2023, the Company re-identified and updated the risks and opportunities concerned. In 2023, a total of 6 transition risks, 1 physical risk, and 7 opportunities were identified. We conduct a quantitative assessment for each risk and opportunity to assess potential impact types, potential impact intensity, and the possibility of occurrence, classify and rank the risks and opportunities according to the assessment results, and formulate response strategies accordingly to reduce negative impacts and enhance the organization's climate resilience, creating future business opportunities. In addition to the identification of climate change risks and opportunities, the potential financial impact of each project is analyzed to facilitate the development of relevant programs and strategies. Please refer to the Company website for</p>		No material deviation is found.																				

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			<p>the TCFD Report under “ESG/ESG Report &amp; Certificate to download.”</p> <p>In addition, in line with the Paris Agreement, we have set absolute science-based carbon reduction targets (SBTs) based on the “1.5°C warming” scenario. In 2022, the Company made a net zero declaration publicly to be committed to achieving net zero emissions by 2050,” and we also submitted a carbon reduction commitment to the SBTi. In 2023, we presented our own science-based carbon reduction targets of “50.4% absolute reduction in GHG (Scope 1 and 2) emissions and 30% absolute reduction in Scope 3 emissions by 2032 from the 2021 base year” to the SBTi for review, which passed the review in 2024. To achieve the reduction target, we will actively reduce the use of fossil fuels, increase the use of renewable energy, and transform innovative low-carbon technologies. At the same time, we will consider the environmental cost of corporate carbon emissions and formulate internal carbon pricing and other multiple measures to achieve the vision of net zero emissions.</p> <p>SBT carbon reduction target ( the base year is 2021 )</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2025</th> <th>2030</th> <th>2032</th> </tr> </thead> <tbody> <tr> <td>Reduction ratio</td> <td>GHG (Scope 1 and 2) 18.3%</td> <td>GHG (Scope 1 and 2) 41.2%</td> <td>GHG (Scope 1 and 2) 50.4%</td> </tr> </tbody> </table>	Year	2025	2030	2032	Reduction ratio	GHG (Scope 1 and 2) 18.3%	GHG (Scope 1 and 2) 41.2%	GHG (Scope 1 and 2) 50.4%	
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(IV) Does the company count GHG emissions, water consumption, and total waste volume in the past two years, and formulate policies for GHG reduction, water reduction, or other waste management?	✓		<p>The measures, performance, and data disclosed regarding the management of GHGs, water consumption, and waste in 2023 and 2024 have been verified by a third party (SGS).</p> <p>(1) GHG management</p> <p>Since 2022, the Company’s plants in Taiwan and Mainland China have completed inventory and third-party verification (SGS) for Scope 1 to 3 according to the ISO 14064-1:2018 standard to ensure the control and management of GHG emissions.</p> <p><u>GHG reduction targets</u></p> <p>GHG (Scope 1 and 2) emission intensity of the Company’s plants in Taiwan and Mainland China: 6% reduction from the 2021 base year in the short term (2023 - 2025), 10% reduction from the</p>	No material deviation is found.								

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			<p>2021 base year in the medium term (2026 - 2028), and 13% reduction from the 2021 base year in the long term (2029 - 2031).</p> <p><u>GHG reduction promotion measures</u></p> <p>Coretronic set GHG reduction targets in stages and review them every year for continuous improvement. In the mean time, by checking energy consumption, improving equipment efficiency, managing energy consumption, and installing renewable energy equipment, we maximize energy utilization and manage data as scientifically as possible to move towards low-carbon goals.</p> <p>1. The GHG (Scope 1 and 2) emissions of the Company's plants in Taiwan in 2024 decreased by 10% compared to 2023 and by 28% compared to 2021, thanks to each plant's implementation of multiple energy-saving measures, such as installing solar PV systems, introducing active magnetic bearing chillers, monitoring equipment power consumption, reducing energy consumption, managing nighttime energy use, and improving lighting efficiency to save energy. At the same time, renewable energy is used to reduce the use of purchased electricity and achieve GHG reduction benefits.</p> <p>2. The GHG (Scope 1 and 2) emissions of the Company's plants in Mainland China in 2024 decreased by 7% compared to 2023 and by 56% compared to 2021, thanks to each plant's setting of carbon reduction targets to cope with climate change, development of renewable energy, and implementation of energy conservation measures to enhance energy consumption control. The plants have also installed solar PV systems to reduce the amount of purchased electricity to achieve GHG reduction benefits.</p> <p><u>Achievements for GHG reduction</u></p> <p>As analyzed, electricity is the main source of our GHG emissions. To mitigate the impact of climate change and move towards the net zero goal, each of our plants actively promotes</p>	

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			<p>and implements energy conservation and carbon reduction measures to strengthen the control of energy consumption. The GHG (Scope 1 and 2) emission intensity of plants in Taiwan and Mainland China was reduced by 5% from 2023, and 43% from the base year, achieving the short-term target of emission intensity reduction. The absolute reduction of GHG (Scope 1 and 2) of plants in Taiwan and Mainland China was reduced by 8% from 2023, and 51% from the base year, achieving the short-term target of absolute reduction.</p> <p><u>Statistics on GHG emissions in the most recent two years</u></p> <table border="1"> <thead> <tr> <th>Region</th> <th colspan="2">Taiwan</th> </tr> <tr> <th>Year</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Scope 1 (tons)</td> <td>238.3</td> <td>144.3</td> </tr> <tr> <td>Scope 2 (tons)</td> <td>6,324.3</td> <td>5,787.4</td> </tr> <tr> <td>Scope 3 (tons)</td> <td>13,508.0</td> <td>9,411.4</td> </tr> <tr> <td>Total (tons)</td> <td>20,070.6</td> <td>15,343.1</td> </tr> <tr> <td>GHG (Scope 1 and 2) emission intensity (tonCO<sub>2</sub>e /NTD million)</td> <td>0.24</td> <td>0.21</td> </tr> <tr> <td>Reduction achievement compared to 2021 (base year)</td> <td>23%</td> <td>32%</td> </tr> <tr> <td>GHG (Scope 1~3) emission intensity (tonCO<sub>2</sub>e /NTD million)</td> <td>0.74</td> <td>0.54</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Region</th> <th colspan="2">Mainland China</th> </tr> <tr> <th>Year</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Scope 1 (tons)</td> <td>1,824.7</td> <td>1,844.0</td> </tr> <tr> <td>Scope 2 (tons)</td> <td>16,938.6</td> <td>15,629.0</td> </tr> <tr> <td>Scope 3 (tons)</td> <td>1,676,712.0</td> <td>503,088.8</td> </tr> <tr> <td>Total (tons)</td> <td>1,695,475.3</td> <td>520,561.8</td> </tr> <tr> <td>GHG (Scope 1 and 2) emission intensity (tonCO<sub>2</sub>e /NTD million)</td> <td>0.58</td> <td>0.62</td> </tr> </tbody> </table>	Region	Taiwan		Year	2023	2024	Scope 1 (tons)	238.3	144.3	Scope 2 (tons)	6,324.3	5,787.4	Scope 3 (tons)	13,508.0	9,411.4	Total (tons)	20,070.6	15,343.1	GHG (Scope 1 and 2) emission intensity (tonCO <sub>2</sub> e /NTD million)	0.24	0.21	Reduction achievement compared to 2021 (base year)	23%	32%	GHG (Scope 1~3) emission intensity (tonCO <sub>2</sub> e /NTD million)	0.74	0.54	Region	Mainland China		Year	2023	2024	Scope 1 (tons)	1,824.7	1,844.0	Scope 2 (tons)	16,938.6	15,629.0	Scope 3 (tons)	1,676,712.0	503,088.8	Total (tons)	1,695,475.3	520,561.8	GHG (Scope 1 and 2) emission intensity (tonCO <sub>2</sub> e /NTD million)	0.58	0.62	
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			<p><u>Promote the internal carbon pricing system</u></p> <p>Even if Coretronic has not reached the level for carbon fees imposed by the Ministry of Environment, it introduced carbon pricing to serve as the tool of reference for internal decision-making based on the operating risks brought by climate change. Based on the scenario analysis of the carbon emission risks of each plant, the Company established the internal carbon pricing of NT\$942 per ton to simulate the effects of future carbon</p>																																						

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			<p>costs on corporate operations and investment decisions.</p> <p>In 2022, the Company established carbon pricing to carry out the investment efficiency evaluation of the ESCO energy conservation project and the installation of solar power to help optimize the internal allocation of resources, promote the updates of energy conservation equipment and increase the consumption ratio of renewable energy. In 2024, the Company actively introduced and implemented a total of 30 energy conservation programs, which saved over 1,721 MWh of power, equivalent to reducing carbon emissions by 868 tons. The total GHG (Scope 1 and 2) emissions of plants in Taiwan and Mainland China was 23,404.7 tonCO<sub>2</sub>e, representing a reduction in an absolute reduction of 8% from 2023, and 51% from 2021 (base year). The achievement of absolute reduction significantly improved and exceeded the short term target, representing the achievement of the carbon pricing-assisted decision.</p> <p>In the future, the Company will continue to adjust the carbon price and relevant scenarios analysis based on the policy trends and market dynamics, further optimize the carbon reduction strategy, improve the internal sensitivity to climate risks, and promote more forward-looking carbon reduction actions to achieve the dual-win situation in both carbon reduction targets and operating results.</p> <p>(2) Water consumption management Coretronic's water resource management strategies: 1. Maximize water efficiency. 2. Raise awareness of and promote water conservation to the top-down value chain. 3. Set and periodically review water conservation targets to ensure their accomplishment. 4. Continuously promote various water conservation programs to ensure effective water conservation. 5. Discover feasible water conservation measures through routine management and patrol. 6. Promote water resource education to boost the water consumption awareness of stakeholders.</p>	

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			<p><u>Water conservation targets</u> Water consumption of the Company's plants in Taiwan and Mainland China: A 6% decrease from the 2021 base year in the short term (2023~2025), a 9% decrease from the 2021 base year in the medium term (2026~2028) , and a 10.5% decrease from the 2021 base year in the long term (2029~2031).</p> <p><u>Water conservation measures and achievement status</u> To conserve water, we have progressively implemented various water management measures. All the Company's plants are equipped with a water reclamation system to mainly reclaim surface runoff, aircon condensate, rainwater, and raft foundation water for irrigating landscaping plants and secondary domestic water consumption. Additionally, water conservation was achieved by regulating aircon water exchange concentration, adding tap water-efficient devices, monitoring the water consumption of catering service, and reducing cleaning water consumption. The water conservation in 2023 and 2024 was approximately 47,877 tons and 42,551 tons, equivalent to the emission reduction of approximately 7.9 tonCO<sub>2</sub>e and 6.9 tonCO<sub>2</sub>e. The water consumption of plants in Taiwan and Mainland China in 2024 was reduced by 40% from 2021, achieving the short-term target.</p> <table border="1"> <thead> <tr> <th>Region</th> <th colspan="2">Taiwan</th> <th colspan="2">Mainland China</th> </tr> <tr> <th>Item/Year</th> <th>2023</th> <th>2024</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Water consumption (tons)</td> <td>69,405</td> <td>67,366</td> <td>347,083</td> <td>283,947</td> </tr> <tr> <td>Recycled and saved water (tons)</td> <td>27,799</td> <td>22,592</td> <td>20,078</td> <td>19,959</td> </tr> <tr> <td>Carbon reduction (tonCO<sub>2</sub>e) (Note)</td> <td>4.3</td> <td>3.5</td> <td>3.6</td> <td>3.4</td> </tr> <tr> <td>Reduction achievement compared to 2021 (base year)</td> <td>6%</td> <td>9%</td> <td>33%</td> <td>45%</td> </tr> </tbody> </table>	Region	Taiwan		Mainland China		Item/Year	2023	2024	2023	2024	Water consumption (tons)	69,405	67,366	347,083	283,947	Recycled and saved water (tons)	27,799	22,592	20,078	19,959	Carbon reduction (tonCO <sub>2</sub> e) (Note)	4.3	3.5	3.6	3.4	Reduction achievement compared to 2021 (base year)	6%	9%	33%	45%	
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			<p>Note: Carbon emissions per m3 of water are calculated based on the carbon emission coefficients announced by Taiwan Water Corporation and from Mainland China's GHG inventory checks.</p> <p>(3) Waste management (plants in Taiwan do not include Coretronic Intelligent Robotics)</p> <p>Coretronic has formulated and implemented waste management strategies to reduce environmental impact. Coretronic classifies waste into five categories based on its environmental impact: domestic waste, recyclable and reusable waste, general waste, hazardous waste, and electronic industrial waste for management.</p> <p><u>Waste reduction targets</u></p> <p>Waste generation intensity of the Company's plants in Taiwan and Mainland China: A 5% decrease from the 2021 base year in the short term (2023~2025), a 8% decrease from the 2021 base year in the medium term (2026~2028), and a 11% decrease from the 2021 base year in the long term (2029~2031).</p> <p><u>Waste reduction measures and achievement status</u></p> <p>Waste clearing is based on the three major principles of reduction, reuse, and recycling. We improve waste reduction from the source and pollution prevention measures by introducing the circular economy into product manufacturing and continue to optimize waste management performance. We implemented process waste reduction during 2015-2024. The measures included scrap management, process waste reduction enhancement, packaging materials reuse, joining the Taiwan Circular Economy 100, and reduction of office paper consumption. In 2022, plants in mainland China implemented the waste sorting management and reduction program to focus on waste sorting and recycling through systematic statistics so as to actively implement waste reduction measures. The waste generation intensity of plants in Taiwan and Mainland China in 2024 was reduced by 52% from the base year, achieving the short-term target.</p>	

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			Region	Taiwan		Mainland China		
			Year	2023	2024	2023	2024	
			Non-hazardous waste (tons)	376.3	371.3	4,060.3	2,047.0	
			Hazardous waste (tons)	4.3	6.3	39.5	45.6	
			Total waste generated (tons)	380.6	377.6	4,099.8	2,092.6	
			Waste generation intensity (Total waste generated (tonCO <sub>2</sub> e)/NTD million)	0.015	0.013	0.127	0.074	
			Reduction achievement compared to 2021 (base year)	12%	24%	9%	47%	
IV. Social issues (I) Has the Company developed its policies and procedures in accordance with laws and the International Bill of Human Rights?	✓		As a corporate citizen in the electronics industry, our company complies with the RBA Code of Conduct and the SA8000 international standard. We recognize and adhere to various international human rights agreements, including the "Universal Declaration of Human Rights," the "UN Global Compact," the "UN Guiding Principles on Business and Human Rights," and the "International Labour Organization" conventions. We are committed to eliminating any actions that infringe upon or violate human rights, and we clearly demonstrate fair and just treatment and respect for workers, while complying with relevant government laws and regulations. In 2024, the Company organized an online awareness education course on human rights policies and asked employees to answer a code of human rights questionnaire after the class. A total of 1,583 people took the course. For human rights policy please refer to the Company website for details under "Career/Human Rights Policy."				No material deviation is found.	
(II) Has the Company developed and implemented reasonable employee welfare measures (including compensation, leave of absence and other benefits), and appropriately reflected business performance or outcome in employees'?	✓		<u>Employee remuneration</u> Employee remuneration includes the monthly salary, bonuses for three major folk festivals, operational performance bonuses, and employee rewards. Bonuses are calculated based on Company's				No material deviation is found.	

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compensations?			<p>operational performance and personal performance evaluation, and employees who reach their KPIs will receive a minimum of 14 months of their monthly salary each year.</p> <p><u>Employee welfare measures</u> Employee benefits include special leave, golden week travel leave, and various allowances. The total length of leave each year is superior to that stipulated by the Labor Standards Act. The Company is dedicated to creating an inspirational, fair and satisfying work environment where talents may thrive.</p> <p><u>Workplace diversity and equality</u> The policy promotes systematic management throughout the organization and raises employees' awareness toward rules and discipline. The Company also attaches great importance to workplace diversity and equality. We strive to eliminate all forms of forced labor and employment discrimination, ban harassment, and respect privacy rights in order to build a workplace environment with equal opportunity, dignity, safety, equality, and freedom from discrimination and harassment. In 2024, the overall proportion of female employees and female senior management in the Company's plants in Taiwan and Mainland China (Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), Coretronic Optics (Kunshan)) was 42% and 28%, respectively.</p> <p><u>Business performance reflected in employee remuneration</u> According to Article 25 of the Company's Articles of Incorporation, profits concluded by the Company in a given year shall be subject to employee remuneration of 10%~20%. Amounts are allocated to individual employees based on personal performance and outcome of the performance management system. The Company ensures the competitiveness of its salary and compensation policy by taking into consideration its business performance, peer levels, and fairness within the organization. In 2023, we gave employees a raise averaging 3-5%.</p>	

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
(III) Has the Company provided a safe and healthy work environment for the employees, and related education on occupational safety and health at regular intervals?	✓		<p><u>Goals and Measures for Establishing a Safe and Healthy Working Environment</u></p> <p>To ensure workplace safety for employees, the Company has established the "Environmental Sustainability and Occupational Safety and Health Policy", set up a dedicated occupational safety management unit and an Occupational Safety and Health Committee. Each plant implements the ISO 45001 and CNS 45001 management systems and obtains third-party certification. Through the management cycle, the Company aims to effectively execute various work plans, achieve continuous improvement, and reduce occupational hazards. The Occupational Safety and Health Work Rules clearly define the rights and obligations of employees regarding safety, hygiene, and health.</p> <p><u>Occupational hazard prevention target</u></p> <p>Work-related injury target of the Company's plants in Taiwan and Mainland China: short term (2023~2025) less than 15 cases per year, medium term (2026~2028) less than 14 cases per year, long term (2029~2031) less than 13 cases per year.</p> <p><u>Management and Achievement of a Safe and Healthy Working Environment</u></p> <p>1. Regular and occasional occupational safety, health, and environmental training sessions are conducted for new and existing employees, special operations, fire safety, and emergency response. In 2024, a total of 58 disaster response and fire drills were held, including contractors with a total of 10,347 participants and 10,980 training hours.</p> <p>2. To improve occupational safety and health management performance, each plant continues to promote the Occupational Safety and Health Management System. In 2024, all four plants in Taiwan successfully passed third-party ISO 45001 and CNS 45001 certification and obtained the certificates. The valid period for ISO 45001:2018 and CNS 45001:2018 certificates cover to December 31, 2025. Please refer to the Company website for details under "ESG/ESG Report &amp;</p>	No material deviation is found.

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>Certificate to download.”</p> <p>3. In 2024, there were 10 occupational injury incidents involving 10 employees, accounting for 0.25% of the total number of employees. According to the accident investigation and analysis, 5 incidents were caused by employees tripping due to carelessness while walking, 1 fall, 1 sprain, 2 cuts, and 1 incident was caused by improper posture during material handling, resulting in a strain. Corrective and preventive measures have been implemented, including training on stair climbing, evacuation drills, working environment improvements, posting hazard warning signs, job inspections, and safety training for material handling operations, all aimed at raising individual safety awareness and reducing the occurrence of accidents.</p> <p>4. In 2024, there were no fire incidents, and the number of casualties was 0, accounting for 0% of the total number of employees.</p> <p>The aforementioned boundary: plants in Taiwan (excluding subsidiaries) and Mainland China.</p> <p>For details on other workplace and employee safety protection measures, please refer to chapter Four. Operational Overview - “V. Labor-management relations/(IV) Work environment, employee safety and protection measures.”</p>	
(IV) Has the Company implemented an effective training program that helps employees develop skills over their careers?	✓		<p>Based on the Company’s vision and operational goals, we have formulated training policies and established comprehensive training programs to help enhance the competitiveness of employees in personal career development. Relevant education and training courses include (1) corporate culture building, (2) professional talent training, (3) international talent development training courses, and (4) new employee orientation.</p> <p>The Company organized training courses in 2024 with a total of 31,525 participants. The total number of training hours was 46,653, costing over NTD 6.74 million in total.</p>	No material deviation is found.

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
(V) Regarding issues such as customer health and safety, customer privacy, and marketing and labeling of products and services, does the company comply with relevant regulations and international standards, and formulate relevant consumer and customer protection policies and complaint procedures?	✓		All specifications and labeling applied to product exteriors are compliant with laws and international standards, and are backed by valid test reports. The Company values customers' opinions and has "product return/repair procedures," "customer complaint procedures," "External Stakeholder Engagement Suggestions and Report procedures," relevant policies and report process in place to protect customers' interests. Through customer service mailbox ( <a href="mailto:ser@coretronic.com">ser@coretronic.com</a> ), complaint channels, visits, phone interviews, customer service units and satisfaction surveys, the Company accepts customer complaints, makes disposals, and assists front-line sales to deal with customer complaint cases so as to duly perform the work to maintain customers' rights and interests. In addition, the Company regularly implements the annual satisfaction survey not only to raise satisfaction but also to learn their expectations in regard to innovative R&D, product procurement, production quality and operating environment, so that effective responses can be taken immediately. For details, please refer to <u>1.5 Customer Service</u> of the Company's 2024 ESG Report.	No material deviation is found.
(VI) Has the Company implemented a supplier management policy that regulates suppliers' conducts with respect to environmental protection, occupational safety and health or work rights/human rights issues, and tracked suppliers' performance on a regular basis?	✓		The Company has established a comprehensive sustainable supply chain management framework to pursue mutual growth and sustainable operations with suppliers. This includes adherence to guidelines (signing a Sustainability Commitment Statement, following RBA, Green Product Warranty, Conflict Minerals Policy, Conflict Minerals Declaration, Integrity Commitment, Environmental Sustainability and Occupational Safety and Health Policy, Human Rights and Social Responsibilities Policy), risk assessment (Supplier RBA Self-assessment Questionnaires, Supplier Financial Risk Assessment), audit system (RBA online/on-site audits, annual audits, quarterly reviews), training and guidance (conduct sustainability training through the GPMS platform and Annual Supplier Meeting with sustainability-themed seminars,	No material deviation is found.

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			presenting the Best Sustainability Supplier of the Year Award and the Energy Saving and Carbon Reduction Contribution Award), and green alliances (collaborating with suppliers to implement circular economy initiatives). In addition, we have formulated the "RBA Code of Conduct Management Handbook" in accordance with the RBA Code of Conduct to manage suppliers and strive to urge suppliers to pay attention to issues such as ethical regulations, labor rights, environmental protection, health and safety, and thoroughly implement risk management and business continuity plan in order to become a green supply chain with sustainable value. Under the corporate social responsibility commitment of fulfilling the global supply chain, if the Company's existing suppliers have major negative impacts on the environment, labor and human rights, ethics and morals, etc., the Company will immediately remove them from the list of qualified suppliers. If the materials and parts supplied by the suppliers are irreplaceable to a considerable extent. The Company will assist in eliminating the aforementioned major negative impacts to maintain the effective operation of the supply chain. For details, please refer to the Company website "ESG/Supply Chain Management" for the relevant implementation status.	
V. Does the Company refer to the internationally-prepared reporting standards or guidelines, preparation of ESG reports and other reports that disclose the Company's non-financial information? Are the abovementioned reports supported by assurance or opinion of a third-party certifier?	✓		The Company has regularly issued an ESG Report every year since 2008. The content and structure of the 2024 ESG Report follow the GRI Standards 2021 of the Global Reporting Initiative (GRI) and adopt the sustainability indicators of the Sustainability Accounting Standards Board (SASB). We provide an index table at the end of the report comparing the report content with GRI and SASB standards. In 2016, the Company began to voluntarily engage SGS, a third-party certification body, to verify and assure the reports with respect to the GRI and SASB standards. The reports for 2016 and 2017 passed the AA1000AS Type 1 Moderate Level	No material deviation is found.

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			Assurance, and the reports for 2018-2024 passed the AA1000AS Type 2 High Level Assurance, which have successfully improved the reliability of the Company's ESG Report.	
<p>VI. If the Company has its own sustainable development code in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the differences between its operation and the Principles:  The Company has established the "Sustainable Development Best Practice Principles", which have been approved by the Board of Directors. Each year, the Company prepares an "ESG Report" and publishes it on the Company website and the Market Observation Post System (MOPS). As both the report contents and the relevant operation have followed the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," there have been no significant deviations.</p>				
<p>VII. Other important information helpful to understand the implementation of the promotion of sustainable development:  (I) Sustainability awards:</p> <ol style="list-style-type: none"> <li>1. Ranked among the top 5% TPEX listed companies in Corporate Governance Evaluation for ten consecutive years (2015-2024).</li> <li>2. Ranked among the top 10% TPEX listed companies with a market capitalization of over NT\$10 billion in the electronics sector in Corporate Governance Evaluation five times.</li> <li>3. First time honored with the TPEX-Listed Pilot Governance Award.</li> <li>4. Included in the "TPEX 50 Index" for 15 consecutive years (2010-2024).</li> <li>5. Included in the "TPEX High Dividend Yield Index" and "TPEX Labor Employment 88 Index" for 11 consecutive years (2014-2024).</li> <li>6. Included in the "TPEX Compensation Index" for 10 consecutive years (2015-2024).</li> <li>7. Included in the "TPEX 200 Index" for six consecutive years (2019-2024).</li> <li>8. Included in the "TIP Customized TPEX ESG High Dividend Total Return Index" and "TIP Customized TPEX ESG 30 Index" for three consecutive years (2022-2024).</li> <li>9. Included in the "TPEX FactSet Climate Resilience Index" and "TIP TPEX ESG ML Total Return Index" for two consecutive years.</li> <li>10. Received an MSCI ESG Rating of A.</li> <li>11. Recognized by Sustainalytics ESG Risk Rating as "Low Risk".</li> <li>12. Achieved top scores in multiple CDP assessments: "Climate Change: A (Leadership Level)", "Water Security: A (Leadership Level)".</li> <li>13. First inclusion in Clarivate's "Top 100 Global Innovators™".</li> <li>14. Awarded the "Innovative Product Award" from the Hsinchu Science Park in 2024.</li> <li>15. Awarded the Asia-Pacific Sustainability Action Award (APSAA) for "SDG 3: Good Health and Well-being" (Gold) and "SDG 13: Climate Action" (Silver).</li> <li>16. Awarded the "Excellence in Corporate Social Responsibility" for 13 consecutive years (2012-2024), and selected among the Top 35 in the "2024 Excellence in Corporate Social Responsibility Evaluation".</li> <li>17. First time honored with "CommonWealth Talent Sustainability Award."</li> <li>18. Multiple-time winner of the Taiwan Corporate Sustainability Awards (TCSA): First-time winner of the "Sustainability Report" Platinum Award, six-time recipient of the "Taiwan 100 Sustainable Exemplary in Taiwan" (2019-2024), seven-time recipient of the "Transparency and Integrity Leadership Award" (2018-2024), five-time winner of the "Social Inclusion Award," and two-time recipient of the "Talent Development Leadership Award (2023-2024)".</li> <li>19. First time honored with the GCSA Global Corporate Sustainability Award for "Sustainability Report Award" (Bronze).</li> <li>20. Awarded the "National Enterprise Environmental Protection Award" (Silver) from the Ministry of Environment for seven consecutive years (2018-2024) and received the "Honorary Environmental Protection Enterprise Award" twice.</li> <li>21. Awarded the Taiwan Institute for Sustainable Energy's "Silver Level" Net Zero Label.</li> </ol>				

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
<p>22. Chunan Plant was awarded the U.S. Green Building Council "LEED Gold Certification," and Vietnam Plant was awarded the "LEED Green Certification."</p> <p>23. Headquarters, Chunan Office, and the Tainan Plant 1 and 2 received the "Outstanding Green Procurement Enterprise" award.</p> <p>24. Awarded the "Buying Power - Social Innovation Products and Service Procurement Incentive Mechanism" by the Small and Medium Enterprise and Startup Administration, Ministry of Economic Affairs for two consecutive years.</p> <p>25. Awarded the "Corporate Health Responsibility" Silver Award three times.</p> <p>26. Headquarters awarded the "No Smoking and Health Promotion Workplace" designation by the Hsinchu City Government.</p> <p>27. Headquarters, Chunan Plant, and Tainan Plants 1 and 2 obtained the Ministry of Health and Welfare's "Healthy Workplace Certification - Health Promotion Label" and "AED Safe Workplace Certification".</p> <p>28. Awarded the "Authorized Tader for Physically and Mentally Disabled" by the Hsinchu City Government for five consecutive years (2020-2024).</p> <p>29. Received the "Best Attractiveness Award" from 104 Job Bank's Employer Brand Awards.</p> <p>(II) Social engagement:</p> <p>1. In 2024, we contributed about NT\$ 18.12 million to social welfare with the engagement of 507 volunteers for a total of 7,917 hours to help 60,161 vulnerable persons, 42 schools in remote townships, and 153 social welfare groups.</p> <p>2. Two "Future Light Camp": We invited 98 teachers and students from 2 elementary schools in remote townships of Miaoli to visit the Company to explore high-tech products and thereby eliminate the urban-rural digital divide.</p> <p>3. Two "Future Light Camp 1.0": Co-hosted a one-day technology camp with the Information Volunteer Team from National United University. 47 students from two rural elementary schools in Miaoli participated in courses on autonomous vehicle programming, DIY Rainbow Gun, and Green Classroom.</p> <p>4. Six "Future Light Camp 2.0": In collaboration with students from the Department of Electrical Engineering at National Yang Ming Chiao Tung University, six programming education sessions were conducted for fourth to sixth-grade students from two non-mountainous, non-urban elementary schools in Miaoli. Utilizing the educational board games "Coding Ocean " and "CO·DECODE," along with Scratch and various creative teaching plans, the program aimed to spark students' interest in programming while enhancing their logical thinking and reasoning abilities. The sessions culminated in a problem-based, hands-on coding course, where students worked together to develop two game programs, enabling them to complete the equivalent of first- to mid-second-year junior high school programming coursework ahead of schedule. A total of 128 participants took part.</p> <p>5. "Future Light Camp 2.0" 11-hour training courses for volunteers: Training was provided to students from the Department of Electrical Engineering at National Yang Ming Chiao Tung University on the educational board games "Coding Ocean " and "CO·DECODE," as well as Scratch. This preparation enabled them to serve as instructors during the camp, assisting students with operations and comprehension. A total of 60 participants underwent training.</p> <p>6. "Technology Warmth": Donated two high-end projectors and one interactive electronic whiteboard to National Taiwan University Hospital Hsinchu Branch, three high-end projectors to the Taipei Philharmonic Foundation for Culture and Education, and one high-end projector to the Chiang Hsun Cultural and Educational Foundation in Taitung County.</p> <p>7. "Fulfill Kids' Dreams on Children's Day": Donated popcorn and stationery to 438 underprivileged students in rural Miaoli.</p> <p>8. "Exchange Love and Warm on X'mas": For eleven consecutive years, employees have voluntarily donated to purchase practical backpacks, blankets, and popcorn for 14 rural elementary schools in Hsinchu, Miaoli, Hualien, Yilan, and Nantou. Additionally, they sponsored the World Peace Organization's "Rescue Hungry Children" breakfast program and the Homeless Taiwan Foundation's "Warm Meal for the Needy 30" New Year red envelope fundraising program, benefiting a total of 841 underprivileged children and homeless individuals.</p> <p>9. "Warm Delivery": For six consecutive years, sponsorship has been provided for the Huashan Foundation's "Love for the Elderly, Reunion for All" meal donation program for disadvantaged seniors. 13 volunteers personally delivered customized care packages, festive meals, and warm blankets to 43 elderly individuals living alone in Hengshan Township, Beipu Township, and Qionglin Township in Hsinchu County. Additionally, funds were raised through charity sales to provide red envelopes for the most vulnerable elderly individuals.</p> <p>10. "Warm Telehealth": In collaboration with the social enterprise Digital Humanitarian Association, sponsorship was provided for 129 health promotion sessions and telemedicine</p>				

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<p>consultation services at six cultural health centers in Miaoli County, 18 online public health promotion courses, and 96 care attendant training courses, benefiting 31,334 individuals.</p> <p>11. "Warm Restaraunt": In collaboration with the social enterprises Silver Gate, Buy Nearby, and Fish Bar, 16,322 meal boxes were distributed to disadvantaged elderly living alone. Additionally, 15 unemployed individuals were trained and employed as meal delivery ambassadors. Further donations included 1,800 kilograms of white and brown rice, 19.8 kilograms of sustainably sourced fish, and 574 senior-friendly food packages to 19 community elderly dining halls in Hsinchu and Miaoli.</p> <p>12. "Volunteers' Day": For five consecutive years, in collaboration with the social enterprise GC Giving Network, the "Share Love•Save Earth" initiative was held. Donating 24 boxes (1,129 items) of pre-owned goods, benefiting 585 individuals across 11 small to medium-sized nonprofit organizations and schools, reducing carbon emissions by 686 kilograms.</p> <p>13. "The 5<sup>th</sup> Run for Love": A total of 421 current and retired employees and their family members participated in the event, where four nonprofit organizations - Huashan Social Welfare Foundation, World Peace Council, Yuan Nurturing Institution, and Hsinchu City Association for the Welfare of the Disabled - were invited to set up booths for charity sales. Additionally, the Hsinchu County Welfare Association, Vision Inaction Massage Studio was hired to provide massage services. After the event, all registration fees were donated to the Huashan Social Welfare Foundation to support the 22nd "Love for Seniors and Food for Reunion" New Year's meal program.</p> <p>14. "Earn Your Future": For six consecutive years, The Company has collaborated with Cheng Shiu University and, for the first time, with Feng Chia University. In 2024, five third- and fourth-year students were provided with scholarships, living expenses, and internship opportunities (including salary and free accommodation).</p> <p>15. "Dream Walkers •Aboriginal Sound Legend ": Sponsored 25 students from the Jinping Elementary School Choir in Jianshi Township, Hsinchu County.</p> <p>16. "Farm the Hopes": Purchased over 20 tons of organic vegetables from social enterprises "Buy Nearby" and "Earth Friend" for employee meals, supporting organic agriculture in Miaoli and Tainan; bought 837 kilograms of fair trade coffee beans from the social enterprise "Ecogreen" to establish a fair trade tea room.</p> <p>17. Every year, the Company makes donations to the Coretronic Culture and Arts Foundation to organize various cultural and art activities. Achievements in 2024:</p>					
Culture and art events	Event contents			Fee (NTD)	Event participants
"The Taiwan Environment Lighting Award" Project	<p>With the concept of building a "light and cultural art platform," the Coretronic Culture and Arts Foundation is committed to exploring the humanistic connotation and depth of "light". Over the years, the foundation has collaborated with professionals from all walks of life to shine a light on the unique history and culture of each region with the participation of people ranging from the general public to community residents as well as the involvement of parties ranging from school teachers and students to civil society organizations. The project fully reflects that the public has been looking forward to seeing the improvement of Taiwan's public environment.</p> <p>This project hopes to encourage the government and private units to create an excellent lighting environment. We look forward to diversified and meaningful lighting and lighting designs, so that the public can live in a comfortable and healthy environment. By promoting a balanced expression of technology and art, the public can understand the importance of a lighting environment, thereby driving the improvement and advance of the macro environment.</p> <p>The lighting environment works are open to the public, which is in line with the public spirit and the public interest. This project covers all public places for the public to visit, appreciate, communicate, learn, experience, interact, and participate in, including: museums, libraries, art galleries, concert halls, theaters, playhouses, performance centers, arts and cultural centers, cultural venues, and other public</p>			\$ 4,365,672	300 persons

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	Yes	No	Summary description		
			facilities operated by government departments or private units or groups.		
"Light up the NTU Medical Humanities Museum" Project			<p>The "Lighting Project" is a long-term vision initiative promoted by the foundation, with demonstration bases spread across Taiwan. By integrating hardware lighting with curatorial thinking, the project contextualizes the surrounding light and shadow as well as the cultural atmosphere, focusing on people and enhancing the public's perception of light within the environment.</p> <p>The "Lighting of the National Taiwan University Medical Humanities Museum" is a collaborative effort between the Zhongqiang Optoelectronics Cultural and Arts Foundation and the Zongzong Cultural and Arts Foundation to illuminate the National Taiwan University Medical Humanities Museum.</p> <p>This building was originally the campus of the Medical Department of Taipei Imperial University during the Japanese colonial period. Designed by architect Kondo Juro in 1907 and completed in 1913, the building is in the late Renaissance style and has a history of over 100 years. The two-story structure is made of red bricks, with numerous arcades in the lobby and corridors. The main hall, walls, and beams are adorned with elegant lines and carvings, presenting a refined, ancient, and exquisite appearance. Although it has undergone several restorations, it still retains the original architectural style and serves as a testament to the development of medical education in Taiwan over the past century, carrying significant historical meaning.</p> <p>The lighting ceremony will take place during the Lantern Festival in 2024, where the lights will be relit in the presence of the Vice President of National Taiwan University, the Dean of the College of Medicine, and faculty and students. The illuminated Medical Humanities Museum will be bathed in warm light, highlighting the elegance and grace of this historical building, symbolizing the ongoing illumination and inheritance of the humanistic spirit in medicine.</p>	\$581,700	100 persons
"Light Environment Travel" Project			<p>In 2024, a short trip will be organized to invite colleagues from the Forestry Research Institute to visit the award-winning lighting installation "The Dark Line: Temporal Darkness." The designer, Wu Zhongxun, will provide a guided tour on-site to explain the design concept and share how delicate lighting design can guide visitors along the path while maintaining the darkness of the environment, ensuring that the habitat of the bats is not disturbed. Through this exchange with the Forestry Research Institute, we hope to inspire more thoughts and discussions about creating ecologically friendly lighting environments.</p>	\$37,497	30 persons

(III) Consumer interests: All of the Company's products have conformed with international restrictions on hazardous substances and environmental protection requirements. By adopting green design, production, procurement and management practices, the Company strives to prevent and minimize the negative effects its business activities have on the environment and reduce the environmental impact of electronic products.

(IV) Human rights: 1. The Company holds labor-management meetings in accordance with the "Labor-management Conference Policy." 2. The Company has implemented

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
workplace sexual harassment prevention, grievance and disciplinary measures to protect the rights and privacy of parties involved. 3. The Company has employee opinion mailbox, employee care hotline and discussion forums in place, and assigns accountable units to respond to queries and offer solutions. 4. We have organized online awareness-raising courses and asked employees to fill out a code of human rights questionnaire after the class.				
(V) Safety and health: 1. To effectively improve employees' awareness of the environment, safety, and health, four major courses have been planned: "Pre-employment Training", "On-the-job Training", "General Training", and "Environmental Safety and Health Management System Training." 2. We have an e-learning website in place, through which employees can access the system to inquire about and sign up to complete environmental safety and health e-training courses. 3. Environmental safety and health policies are summarized, printed on small cards and distributed to employees to promote and enforce the environmental safety and health management system. 4. We implement regular automated inspections, patrol inspections, accident correction reviews, and preventive measures.				
(VI) Environmental protection 1. A responsible unit with goals set and systematic management has been established to periodically check and follow up on the effectiveness of environmental protection promotion. (1) The Environmental Protection Committee was established in 2015. Apart from supporting the Company's philosophies for sustainable operations, it also plans strategies for sustainable environmental development, sets short-, medium-, and long-term goals, and periodically reviews their effectiveness. (2) In 2018, we announced an "Environmental Sustainability and Occupational Safety and Health Policy." In 2020, we implemented the TCFD Recommendations to analyze and make preparations for climate-related risks. In 2021, we drew up a carbon reduction management strategy. In 2022, we committed ourselves to achieving net-zero emissions by 2050. (3) All our plants in Taiwan have passed the ISO 14064-1 GHG inventory, ISO 14001 environmental management system (EMS), ISO 45001 occupational health and safety (OH&S) management system, CNS 45001 Taiwan Occupational Safety and Health Management System (TOSHMS), and ISO 50001 energy management system (EnMS) certifications. (4) We have installed air quality monitoring equipment, implemented improvement measures, and regularly monitored the results to create a friendly work environment. (5) Headquarters, Zhunan Plant, and Tainan Plant 1 have maintained a record of no major environmental violations for thirteen consecutive years, while Plant 2 has maintained this record for four years since its establishment. 2. In support of the government's advocacy of green, low-carbon energy development, the Company's plants in Taiwan invested a total of NTD 2.24 million in reducing 118 tonCO <sub>2</sub> e of carbon emissions in 2024. (1) Investment in energy-saving equipment : The Tainan Plant 1 invested NT\$1.09 million to install a variable frequency air compressor, which is expected to reduce electricity consumption by 70,000 kWh and decrease CO <sub>2</sub> e emissions by 35 tons annually. (2) Investment in energy-saving lighting :The Headquarters, Zhunan Plant, and Tainan Plant 1 invested NT\$570,000 to replace energy-efficient lighting equipment, which is expected to reduce electricity consumption by 68,675 kWh and decrease CO <sub>2</sub> e emissions by 34 tons annually. (3) Investment in green energy: Zhunan Plant and Tainan Plant 1 invested NT\$580,000 to obtain renewable energy through green power supply. It is estimated that 99,000kWh of power consumption and 49 tonCO <sub>2</sub> e can be reduced each year. 3. The Company's plants in Taiwan are committed to environmental education and expanding the influence of green practices (1) Volunteers were gathered to provide guided tours of the energy-saving measures at the plant and conduct green classroom courses for the teachers and students participating in the "High-tech Adventure" and "Future Light Camps". In 2024, a total of 4 sessions were completed, with 145 participants and 866 hours of education. (2)The environmental green collection activity was implemented to reward employees for practicing green actions. By earning one point for each action, employees worked together to build a green enterprise. In 2024, a total of 3,770 green points (actions) were accumulated. (3)An E-learning environmental education course was established to promote green education. In 2024, a total of 8,517 participants and 10,755 hours of education. (4)Organized a one-hour lights-out event on World Earth Day, a prize-based environmental education video viewing activity, an eco-friendly product exchange, an eco-friendly				

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
<p>magic brush DIY, pure landscape activities, and visits to environmental education sites at Flying Cow Ranch and Tsou Ma Lai Ecological Farm. In 2024, a total of 22 environmental and green education events were held, with a total investment of NT\$375,000, 27,321 participants, and 32,052 hours of environmental education.</p> <p>4. Contribution to local communities and support for environmental protection units to implement sustainable development projects</p> <p>(1) For four consecutive years, Headquarters has provided straw decomposition bacteria to farmers in Hsinchu County through sponsorship from the Department of Environmental Protection. In 2024, it spent NT\$470,000 to supply 2,000 bottles of straw decomposition bacteria to 200 hectares of paddy fields (accounting for 5% of Hsinchu County's paddy field area), reducing a total of 1,800 tonCO<sub>2</sub>e emissions.</p> <p>(2) For five consecutive years, Zhunan Plant and Tainan Plant 1 have responded to the government's public restroom adoption program by adopting a total of five public restrooms from the local government offices in the plant area. In 2024, approximately NT\$60,000 was spent to provide water-soluble toilet paper with waste reduction benefits. A total of 430,000 people benefited and waste-related carbon emissions were reduced by 3.7 tonCO<sub>2</sub>e.</p> <p>(3) For eight consecutive years, the Zhunan Plant has adopted the coast of Longfeng Fishing Harbor through the Miaoli County Environmental Protection Department. In 2024, three beach cleanup events were held, NT\$40,000 was donated to the Society of Wilderness, 480 kilograms of waste were collected, and 1 tonCO<sub>2</sub>e emissions were reduced.</p> <p>(4) Headquarters, Zhunan Plant, Tainan Plant 1 and 2 have implemented the green accounting system and prioritized green product procurement. In 2024, NT\$33.26 million was spent on purchasing products with lower environmental impact to encourage green product production and boost the trend of green product consumption to achieve environmental protection.</p> <p>(VII) Happy workplace: 1. In 2024, we gave employees a raise averaging 3-5%. 2. Provided 57 internship and industry-academia collaboration opportunities to employees' children and students from Yuan Ze University, National Tsing Hua University, National Central University, National Taiwan Normal University, National Yunlin University of Science and Technology, China Medical University, Providence University, Feng Chia University, Cheng Shiu University, and Dong Wu Senior Industrial Home Economics Vocational High School, enabling students to understand their future career directions better. We also continue the internship program for students from low-income families.</p> <p>(VIII) Other social responsibility events: The Company has developed a system for online reporting of public information and assigned dedicated personnel to gather and disclose information relating to the Company to ensure the timely and fairly disclosure of any information that can affect the decision of shareholders and stakeholders.</p>				

(VI) Climate-related information of TWSE/TPEX-listed companies

Climate-related information and implementation

Item	Implementation
1. Supervision and governance of climate-related risks and opportunities by the Board of Directors and management	<ul style="list-style-type: none"> <li>• <u>The ESG Committee</u> is led by the Chairman. A committee member and an executive representative - the CFO makes a report to the Board once each year. The report includes the implementation results of sustainability projects, climate change risk management framework and response strategies (TCFD), various environmental indicators, net-zero pathway, renewable energy strategies, and future sustainable development. In addition, the CFO also reports the implementation of GHG inventory to the Board on a quarterly basis.</li> <li>• The head of the Business Resource Center serves as the convener of the <u>Environmental Protection Committee</u>, which together with its <u>Sustainable Energy Committee</u> and <u>EPC Promotion Team</u> is responsible for setting short-, medium- and long-term environmental goals and reinforcing strategy implementation.</li> <li>• The head of the Business Resource Center serves as the convener of the <u>TCFD team</u>. The team identifies</li> </ul>

Item	Implementation																																									
	climate-related risks and opportunities every two years, and formulates response strategies and solutions based on the risk and opportunity identification results in order to reduce negative impacts and enhance organizational climate resilience.																																									
2. How the identified climate-related risks and opportunities affect the Company's business, strategy, and finance (in the short, medium, and long-term)	<ul style="list-style-type: none"> <li>• In 2023, we identified 6 transition risks, 1 physical risk, and 7 opportunities. We conduct a quantitative assessment for each risk and opportunity to assess potential impact types, potential impact intensity, and the possibility of occurrence, classify and rank the risks and opportunities according to the assessment results, and formulate response strategies accordingly to reduce negative impacts and enhance the organization's climate resilience, creating future business opportunities. For details, please refer to <a href="#">4.1 Climate Change Management</a> of the Company's 2024 ESG Report.</li> <li>• Short-term, medium-term, and long-term climate change risks and opportunities were identified through cross-departmental discussions.</li> <li>• We have assessed the potential operational and financial impacts of significant climate-related risks and opportunities on the Company.</li> <li>• We have performed scenario analysis and assessed science-based emissions reduction targets.</li> </ul> <table border="1" data-bbox="600 715 2101 1236"> <thead> <tr> <th colspan="2" data-bbox="600 715 896 770">Types of risks and opportunities</th> <th data-bbox="896 715 1294 770">Short-term</th> <th data-bbox="1294 715 1697 770">Mid-term</th> <th data-bbox="1697 715 2101 770">Long-term</th> </tr> </thead> <tbody> <tr> <td data-bbox="600 770 741 1034" rowspan="4">Risks</td> <td data-bbox="741 770 896 1034" rowspan="3">Transformation risk</td> <td data-bbox="896 770 1294 826">Climate change, carbon taxes, carbon fees, and other relevant regulations</td> <td data-bbox="1294 770 1697 826">Innovative low-carbon technology or service transformation</td> <td data-bbox="1697 770 2101 826" style="text-align: center;">-</td> </tr> <tr> <td data-bbox="896 826 1294 882">Renewable energy regulations</td> <td data-bbox="1294 826 1697 882">Total volume control/emission transaction</td> <td data-bbox="1697 826 2101 882" style="text-align: center;">-</td> </tr> <tr> <td data-bbox="896 882 1294 938" style="text-align: center;">-</td> <td data-bbox="1294 882 1697 938">Requirements for low-carbon products and services</td> <td data-bbox="1697 882 2101 938" style="text-align: center;">-</td> </tr> <tr> <td data-bbox="896 938 1294 1034" style="text-align: center;">-</td> <td data-bbox="1294 938 1697 1034">Increase in the acquisition costs of raw materials</td> <td data-bbox="1697 938 2101 1034" style="text-align: center;">-</td> </tr> <tr> <td data-bbox="600 1034 741 1236"></td> <td data-bbox="741 1034 896 1236">Physical risks</td> <td data-bbox="896 1034 1294 1236" style="text-align: center;">-</td> <td data-bbox="1294 1034 1697 1236" style="text-align: center;">-</td> <td data-bbox="1697 1034 2101 1236">Uncertainties of society/geopolitics</td> </tr> <tr> <td data-bbox="600 1236 741 1385" rowspan="4">Opportunities</td> <td data-bbox="741 1236 896 1385" rowspan="4">Opportunities</td> <td data-bbox="896 1236 1294 1276">Promote low-carbon green production</td> <td data-bbox="1294 1236 1697 1276">Improve corporate reputation</td> <td data-bbox="1697 1236 2101 1276" style="text-align: center;">-</td> </tr> <tr> <td data-bbox="896 1276 1294 1316">Transportation and delivery procedures with better efficiency</td> <td data-bbox="1294 1276 1697 1316">Seek new business opportunities</td> <td data-bbox="1697 1276 2101 1316" style="text-align: center;">-</td> </tr> <tr> <td data-bbox="896 1316 1294 1356">Use recycled materials/recycle and reuse</td> <td data-bbox="1294 1316 1697 1356">Use renewable energy/low-carbon energy</td> <td data-bbox="1697 1316 2101 1356" style="text-align: center;">-</td> </tr> <tr> <td data-bbox="896 1356 1294 1385">Supply chain stability</td> <td data-bbox="1294 1356 1697 1385" style="text-align: center;">-</td> <td data-bbox="1697 1356 2101 1385" style="text-align: center;">-</td> </tr> </tbody> </table>				Types of risks and opportunities		Short-term	Mid-term	Long-term	Risks	Transformation risk	Climate change, carbon taxes, carbon fees, and other relevant regulations	Innovative low-carbon technology or service transformation	-	Renewable energy regulations	Total volume control/emission transaction	-	-	Requirements for low-carbon products and services	-	-	Increase in the acquisition costs of raw materials	-		Physical risks	-	-	Uncertainties of society/geopolitics	Opportunities	Opportunities	Promote low-carbon green production	Improve corporate reputation	-	Transportation and delivery procedures with better efficiency	Seek new business opportunities	-	Use recycled materials/recycle and reuse	Use renewable energy/low-carbon energy	-	Supply chain stability	-	-
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Item	Implementation					
	Transformation risks/climate opportunities					
	Risk (R)/ Opportunity (O)	Types of risks and opportunities	Potential financial impacts			Countermeasure
			Cost expenditure	Capital expenditure	Sales revenue	
	Risk (R)	Climate change, carbon taxes, carbon fees, and other relevant regulations	Increase			<ul style="list-style-type: none"> <li>•Based on a science-based reduction target approved by SBTi and formulate carbon reduction pathway and energy conservation and carbon reduction plans</li> <li>• Promote net zero actions and energy conservation and carbon reduction plans to reduce GHG emissions step by step</li> <li>• Continue to expand solar power generation equipment</li> <li>• Purchase RECs and green power</li> <li>• Continue to R&amp;D in energy-saving design for products</li> <li>• Carry out voluntary carbon footprint inventory of products and propose carbon reduction measures for carbon emission hot spots</li> <li>• Introduce recycled materials and the volume and material reduction of products</li> <li>• Prioritize the use of packaging materials that can be used repeatedly or can be easily recycled and classified</li> <li>• Improve transportation efficiency and select transformation models with lower carbon emissions</li> <li>• Implement sustainable management of the supply chain and maintain the stability of the supply chain through screening, assessment, audit and supplier grading</li> <li>• Satisfy the customers' requirements for green product and exhibit green corporate prospects to improve corporate reputation</li> </ul>
	Risk (R)	Renewable energy regulations	Increase	Increase		
	Risk (R)	Total volume control/emission transaction	Increase		Decrease	
	Opportunity (O)	Use renewable energy/low-carbon energy	Decrease	Increase		
	Risk (R)	Requirements for low-carbon products and services			Decrease	
	Risk (R)	Innovative low-carbon technology or service transformation	Increase	Increase	Decrease	
	Opportunity (O)	Promote low-carbon green production	Decrease		Increase	
	Opportunity (O)	Use recycled materials/recycle and reuse	Decrease		Increase	
	Opportunity (O)	Transportation and delivery procedures with better efficiency	Decrease		Increase	
	Opportunity (O)	Seek new business opportunities			Increase	
	Risk (R)	Increase in the acquisition costs of raw materials	Increase		Decrease	
Opportunity (O)	Supply chain stability			Increase		
Opportunity (O)	Improve corporate reputation			Increase		

Item	Implementation					
	Physical risks/climate opportunities					
	Risk (R)/ Opportunity (O)	Types of risks and opportunities	Potential financial impacts			Countermeasure
			Cost expenditure	Capital expenditure	Sales revenue	
	Risk (R)	Uncertainties of society/geopolitics		Increase	Decrease	<ul style="list-style-type: none"> <li>• Adopt material stocking, local procurement, dispersion of production locations, and other diverse production and marketing models to mitigate the impacts derived from risks and enhance the risk response resilience</li> </ul>
3. Financial impacts of extreme climate events and transitional actions	After discussing with each unit, the Environmental Protection Committee set short-, medium- and long-term environmental sustainability goals and identified short-, medium- and long-term climate-related risks and opportunities. Finally, based on the identification results, the committee presented the potential impacts of climate change on the Company's operations and finance. For details, please refer to <u>4.1 Climate Change Management</u> of the Company's 2024 ESG Report.					
4. How climate-related risk identification, assessment, and management processes are integrated into the overall risk management system	<ul style="list-style-type: none"> <li>• We use the TCFD framework to identify the Company's climate risk identification process.</li> <li>• We plan counteractions based on climate-related risk identification and prioritization results.</li> <li>• We have included climate-related risk identification and assessment in the business risk management process.</li> </ul>					
5. If scenario analysis is used to assess resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and major financial impacts used	<ul style="list-style-type: none"> <li>• Transition scenario: Committed to 2050 net-zero emissions.</li> <li>• Physical climate scenario: RCP2.6 emission scenario.</li> <li>• The Company conducted the scenario analysis assuming that the globe can implement carbon reduction actions under the Paris Agreement by 2050. The reference materials include the 6th IPCC Report, Coretronic's targets set based on the SBT principle, and the climate transition scenario analysis based on a scenario where the temperature rise is controlled at 1.5°C.</li> <li>• To achieve the SBT carbon reduction target of the Company - "50.4% absolute reduction in GHG (Scope 1 and 2) emissions and 30% absolute reduction in Scope 3 emissions by 2032 from the 2021 base year" and the net zero declaration by 2050, the scope of consideration for the scenario analysis also includes 2032 and 2050. We considered all sales departments and conducted qualitative analysis for costs, sales revenue, and capital expenditure based on climate-related scenarios.</li> </ul>					
6. If there is a transition plan for managing climate-related risks, describe the plan, and the metrics and targets used to	<ul style="list-style-type: none"> <li>• We have set climate change management metrics.</li> <li>• We conduct regular GHG emissions inventory according to ISO 14064-1.</li> <li>• We regularly review and manage energy performance according to ISO 50001.</li> <li>• The Company sets climate change management targets and regularly reviews their progress and actual performance</li> </ul>					

Item	Implementation
identify and manage physical and transition risks	<ul style="list-style-type: none"> <li>• For details, please refer to <u>4.1 Climate Change Management</u> of the Company's 2024 ESG Report.</li> </ul>
7. If internal carbon pricing is used as a planning tool, describe the basis for setting the price	<ul style="list-style-type: none"> <li>• Based on the results of the risk scenario analysis of each plant, we transform possible carbon emissions into potential decarbonization costs to promote internal carbon pricing (internal carbon fees). We adjust the carbon price based on the accounting profit or loss every three years to reflect the decarbonization costs of the Company so as to improve the acknowledgment of internal departments regarding the effects of climate change on the Company's operations and, in turn, propose or commence a more active carbon reduction plan.</li> <li>• The internal carbon price from 2021 to 2026 was NT\$942/tonCO<sub>2e</sub>.</li> </ul>
8. If climate-related targets are set, explain the activities covered, the scope of GHG emissions, the planned schedule, and the progress each year. If carbon offset credits or renewable energy certificates (RECs) are used to achieve relevant targets, explain the source and number of the carbon credits offset or the quantity of RECs.	<ul style="list-style-type: none"> <li>• The Company has set absolute reduction targets for GHG emissions and intensity, electricity intensity, waste production intensity, water consumption, and renewable energy usage, and other climate-related environmental performance targets, and reviewed the status of target accomplishment annually and quarterly to lower environmental impact.</li> <li>• Since 2016, we have passed GHG inventory verification continuously. In 2020, we expanded the scope of GHG inventory to include Scope 3 emissions in accordance with ISO 14064-1:2018 and adopted carbon reduction measures based on inventory results.</li> <li>• The Company's plants in Taiwan, Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), and Coretronic Projection (Kunshan) have implemented the ISO 50001 EnMS and effectively lowered the absolute emissions of GHG with energy-efficient equipment replacement projects and various energy conservation measures.</li> <li>• The SBT carbon reduction target — "50.4% absolute reduction in GHG (Scope 1 and 2) emissions and 30% absolute reduction in Scope 3 emissions by 2032 from the 2021 base year" was approved by SBTi in April 2024. By installing solar power generation systems, improving process energy efficiency, increasing the use of renewable energy, upgrading energy-saving equipment, and producing low-carbon products, we progressively achieve the SBT carbon reduction and net-zero emission targets.</li> <li>• The total installed capacity of the solar power generation systems of Zhunan Plant, Tainan Plant 1, and Tainan Plant 2 was 817.31 kilowatts, and the power generated in 2024 was 1.018 million kWh; together with the green power supply and renewable energy, we consumed a total of 1.117 million kWh of power. The total installed capacity of the solar power generation systems of plants in Mainland China was 6,549 kilowatts, and the power generated in 2024 was 4.738 million kWh; the green power transaction certificate of 1 million kWh was added. The total renewable energy consumption and trading volume of plants in Taiwan and Mainland China was 6.855 million kWh, accounting for 15% of the annual power consumption, surpassing the short-term target. Headquarters completed the installation of the solar power generation system with an installed capacity of 98.4 kilowatts in December 2024. It is expected to generate 120,000 kWh each year. In the future, the renewable energy utilization</li> </ul>

Item	Implementation
	rate target will be gradually achieved.

9. GHG inventory and assurance, reduction targets, strategies, and specific action plans

1. The Company's GHG inventory and assurance in the most recent two years

1.1 GHG inventory information (GHG emissions (tonCO<sub>2</sub>e), intensity (tonCO<sub>2</sub>e/NTD million), and data coverage in the most recent two years)

Region	Taiwan		Mainland China	
Year	2023	2024	2023	2024
Scope 1 (tons)	238.3	144.3	1,824.7	1,844.0
Scope 2 (tons)	6,324.3	5,787.4	16,938.6	15,629.0
Scope 3 (tons)	13,508.0	9,411.4	1,676,712.0	503,088.8
Total (tons)	20,070.6	15,343.1	1,695,475.3	520,561.8
GHG (Scope 1 and 2) emission intensity (tonCO <sub>2</sub> e/NTD million)	0.24	0.21	0.58	0.62
GHG (Scope 1 - 3) emission intensity (tonCO <sub>2</sub> e/NTD million)	0.74	0.54	52.37	18.33

1.2 GHG assurance information (Assurance in the most recent two years and up to the publication date of the annual report)

Coretronic's Taiwan and Mainland China plants, along with five subsidiary companies, conduct annual greenhouse gas inventories and third-party verification in accordance with ISO 14064-1 standards. The disclosed greenhouse gas emissions information accounts for 100% of the total emissions. The verified greenhouse gas data for the past two years are as follows:

Item	Year	2023		2024	
	Plant	The verifying organization	The verification status	The verifying organization	The verification status
Scope 1	Taiwan	SGS Taiwan Ltd.	GHG emissions amount to 238.3 tonCO <sub>2</sub> e, representing 1.2% of the total emissions. It has been verified by a verifying organization following the ISO 14064-1:2018 standard, and the verification opinion is reasonable assurance.	SGS Taiwan Ltd.	The GHG emissions were 144.3 tonCO <sub>2</sub> e, accounting for 1.0% of the total emissions. Based on the assurance made by the assurance institution based on the standards of ISO14064-1:2018, the assurance opinion was a reasonable guarantee.
	Mainland China	SGS-CSTC Standards Technical Services Co., Ltd.	GHG emissions amount to 1,824.7 tonCO <sub>2</sub> e, representing 0.1% of the total emissions. Assurance has been provided by an assurance institution following the ISO 14064-1:2018 standard, and their opinion is reasonably assured.	SGS-CSTC Standards Technical Services Co., Ltd.	The GHG emissions were 1,844.0 tonCO <sub>2</sub> e, accounting for 0.4% of the total emissions. Based on the assurance made by the assurance institution based on the standards of ISO14064-1:2018, the assurance

Item		Implementation			
Scope 2	Taiwan	SGS Taiwan Ltd.	GHG emissions amount to 6,324.3 tonCO <sub>2</sub> e, accounting for 31.5% of the total emissions. It has been verified by a verifying organization following the ISO 14064-1:2018 standard, and the verification opinion is reasonable assurance.	SGS Taiwan Ltd.	opinion was a reasonable guarantee. The GHG emissions were 5,787.4 tonCO <sub>2</sub> e, accounting for 37.7% of the total emissions. Based on the assurance made by the assurance institution based on the standards of ISO14064-1:2018, the assurance opinion was a reasonable guarantee.
	Mainland China	SGS-CSTC Standards Technical Services Co., Ltd.	GHG emissions amount to 16,938.6 tonCO <sub>2</sub> e, representing 1.0% of the total emissions. Assurance has been provided by an assurance institution following the ISO 14064-1:2018 standard, and their opinion is reasonably assured.	SGS-CSTC Standards Technical Services Co., Ltd.	The GHG emissions were 15,629.0 tonCO <sub>2</sub> e, accounting for 3.0% of the total emissions. Based on the assurance made by the assurance institution based on the standards of ISO14064-1:2018, the assurance opinion was a reasonable guarantee
Scope 3	Taiwan	SGS Taiwan Ltd.	GHG emissions amount to 13,508.0 tonCO <sub>2</sub> e, representing 67.3% of the total emissions. It has been verified by a verifying organization following the ISO 14064-1:2018 standard, and the verification opinion is limited assurance.	SGS Taiwan Ltd.	The GHG emissions were 9,411.4 tonCO <sub>2</sub> e, accounting for 61.3% of the total emissions. Based on the assurance made by the assurance institution based on the standards of ISO14064-1:2018, the assurance opinion was a limited guarantee.
	Mainland China	SGS-CSTC Standards Technical Services Co., Ltd.	GHG emissions amount to 1,676,712.0 tonCO <sub>2</sub> e, accounting for 98.9% of the total emissions. Assurance has been provided by an assurance institution following the ISO 14064-1:2018 standard, and their opinion is reasonably assured.	SGS-CSTC Standards Technical Services Co., Ltd.	The GHG emissions were 503,088.8 tonCO <sub>2</sub> e emissions. Based on the assurance made by the assurance institution based on the standards of ISO14064-1:2018, the assurance opinion was a reasonable guarantee.

2.GHG reduction targets, strategies, and specific action plans(Base year and data for GHG reduction, reduction targets, strategies, and specific action plans, and the achievement of the reduction targets)

According to Article 10, Paragraph 2 of the “Regulations Governing Information to be Published in Annual Reports of Public Companies,” companies with capital less than NTD 5 billion shall complete inventory for their consolidated financial statements for 2026 by 2027 (with 2026 as the base year). However, this is not applicable since we have not completed inventory for the boundary of our consolidated financial statements.

(VII) Performance in ethical corporate management and deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies

Evaluation item	Implementation status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
<p>I. Establishment of integrity policies and solutions</p> <p>(I) Has the company established ethical corporate management policies approved by the board and stated the policies and practices of ethical corporate management in the regulations and external documents? Are the board of directors and senior management committed to fulfilling the commitment of ethical corporate management?</p> <p>(II) Has the company developed systematic practices for assessing integrity risks? Does the company perform regular analyses and assessments on business activities that are prone to higher risk of dishonesty, and implement preventions against dishonest conducts that include at least the measures mentioned in Paragraph 2, Article 7 of “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?”</p> <p>(III) Has the Company defined and enforced operating procedures, behavioral guidelines, penalties and grievance systems as part of its preventive measures against dishonest conduct, and are the above measures reviewed and revised on a regular basis?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company has implemented the “Business Integrity Code of Conduct” and “Business Integrity Procedures and Behavioral Guidelines” with the board of directors’ approval. These policies require all directors, managers and employees to adhere to integrity principles and standards in all business interactions, and develop sound corporate governance as well as robust risk control measures based on which. The Company has disclosed in its annual report and website the various steps that the board of directors and the management have taken toward enforcing the business integrity policy, which are reported at board meetings on a yearly basis.</p> <p>(II) The Company has a set of “Business Integrity Procedures and Behavioral Guidelines” that prohibits directors, managers and employees from offering, committing, requesting or accepting any illegitimate benefits, or involving in any conduct that would be construed as dishonest, illegal or in breach of trust, whether directly or indirectly, while carrying out their duties. The policy also outlines disciplinary and grievance measures. All related policies have been published on the Company’s Intranet and made available for inquiry by employees at any time.</p> <p>(III) The Company engages in commercial activities out of the utmost fairness, honesty, faithfulness and transparency. It has “Business Integrity Procedures and Behavioral Guidelines” in place to fully enforce integrity management, prevent unethical conducts, and outline areas that require employees’ attention when performing duties. For example: The Company specifically prohibits</p>	<p>No material deviation is found.</p>

Evaluation item	Implementation status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			insiders from offering or accepting bribes and other illegitimate gains, requires all business transactions to be completed in the utmost transparency and correctly reflected in ledgers and records, and enforces monitoring and enhancement procedures to ensure that integrity requirements are fulfilled.	
<p>II. Enforcing ethical management</p> <p>(I) Does the company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?</p> <p>(II) Does the company have a unit that enforces business integrity directly under the board of directors? Does this unit report its progress (regarding implementation of business integrity policy and prevention against dishonest conducts) to the board of directors on a regular basis?</p>	<p>✓</p> <p>✓</p>		<p>(I) Prior to commencing business relationship, the Company would check its counterparty for history of dishonest conduct, and demand suppliers to sign letter of commitment to integrity in order to ensure fairness and transparency of business dealings between two parties. Suppliers that violate anti-bribery or anti-corruption rules and cause losses to the Company will be subjected to damage claims according to the letter of commitment, and legal actions where necessary.</p> <p>(II) According to board-approved “Business Integrity Code of Conduct” and “Business Integrity Procedures and Behavioral Guidelines,” the human resource unit is responsible for the establishment and execution of business integrity policy as well as preventive measures. The Company reports to the Board on the performance in ethical corporate management once each year. The performance in 2024 is as follows:</p> <ul style="list-style-type: none"> <li>• Digital training courses were introduced to help promote business integrity within the Company. Besides new recruits, indirect employees were given an online course on “Corporate Integrity and Integrity Principles.” In 2024, a total of 1,583 persons took the courses and signed the “Ethical Corporate Management Best Practice Principle” statement.</li> <li>• Communication channel: Employees are able to express</li> </ul>	No material deviation is found.

Evaluation item	Implementation status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(III) Does the company have any policy that prevents conflict of interest, and channels that facilitate the report of conflicting interests?	✓		<p>opinions to the management and human resource department through a multitude of channels. The Company has announced its Business Integrity Policy and disclosed integrity progress over its website, annual report and external documents.</p> <ul style="list-style-type: none"> <li>• Regular examination: All operations management units of all sales locations conduct a self-assessment of the internal control system and performance in legal compliance to manage and prevent unethical behavior. Through regular internal audit tasks, internal audit units prevent and detect potential fraud or inappropriate conduct. In 2024, the Company's factories in Taiwan and China each handled one complaint case. Investigation shows that there was no non-compliance with the Company's regulations. In the future, the Company will continue to implement the anti-corruption policy to create a corporate culture featuring ethical corporate management.</li> </ul> <p>(III) The Company's "Board of Directors Conference Policy" contains a conflicting interest clause that requires directors to disassociate from all discussion and voting of any motion that poses a conflict of interest between the Company and themselves or the entities they represent. The Company has a set of "Supplier Conflicting Interest Management Policy" and "RBA Code of Conduct Handbook" in place, and has misconduct reporting hotline (ext.: 8215) and mailbox (<a href="mailto:8215@coretronic.com">8215@coretronic.com</a>) set up to receive misconduct reports from employees and the public. Apart from making note cards publicizing ethical corporate management to employees, the Company has also produced e-learning courses to enhance the publicity and implementation of ethical corporate management.</p>	

Evaluation item	Implementation status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(IV) Has the company implemented effective accounting policy and internal control system to maintain business integrity? Has an internal or external audit unit been assigned to devise audit plans based on the outcome of integrity risk assessment, and to audit employees' compliance with various preventions against dishonest conduct?	✓		(IV) The Company has developed its accounting system and internal control system based on the authority's rules, and prepares financial reports using International Accounting Standards. These systems do not allow secret accounts other than those reported in the financial statements, and their effectiveness is constantly reviewed. Internal audit of the Company Units adhere to the "Internal Control System" to regularly assess risks and develop audit plans, regularly checking compliance with the system in the preceding paragraph while also performing ad hoc audits as needed. Furthermore, an audit report is to be prepared and submitted to the Audit Committee and the Board of Directors. The CPAs, too, review the execution of the Company's accounting system and internal control system on a yearly basis.	
(V) Does the Company organize internal or external training on a regular basis to maintain business integrity?	✓		(V) The Company promoted business integrity among its employees. All employees were given an online course on "Corporate Integrity and Integrity Principles." and signs the "honest management code statement" at the same time. In 2024, a total of 1,583 persons participated in the above courses. Speakers from external institutions are invited to share insight on integrity developments locally and abroad during regular manager training courses organized by the Company. Their contributions help build a corporate culture of integrity and support business growth as well as sound commercial practice.	
III. Whistleblowing system (I) Does the company provide incentives and means for employees to report misconducts? Does the company assign dedicated personnel to investigate the reported misconducts?	✓		(I) The Company has implemented channels that employees and outsiders may use to report any improper conduct in violation of integrity standards. A misconduct reporting hotline (ext. 8215) and mailbox (8215@coretronic.com)	No material deviation is found.

Evaluation item	Implementation status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(II) Has the company implemented any standard procedures for handling reported misconducts, and subsequent actions and confidentiality measures to be undertaken upon completion of an investigation?	✓		have been set up while dedicated personnel have been assigned to accept and process reports. (II)The Company have established the “Procedures for Ethical Management and Guidelines for Conduct” to specify the standard operating procedures (SOP) for investigating a reported case and the relevant confidentiality protection mechanisms. After receiving a report of unethical behavior, the Company will investigate the report according to the said SOP and Procedures and keep all information confidential.	
(III) Has the company provided proper whistleblower protection?	✓		(III) The Company keeps confidential the identity of informants and the content of the report to protect informants against unfair treatment due to reporting.	
IV. Enhanced information disclosure Has the company disclosed its integrity principles and progress onto its website and MOP?	✓		(I) Details and implementation progress of the Company’s “Business Integrity Code of Conduct” and “Business Integrity Procedures and Behavioral Guidelines” have been disclosed on website and Market Observation Post System. The Company enforces integrity principles as part of its corporate governance, and in doing so protects shareholders’ interest while fulfilling its goal of becoming a sustainable business.	No material deviation is found.
<p>V. If the company has established business integrity policies in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies,” please describe its current practices and any deviations from the Best Practice Principles: The Company has “Business Integrity Code of Conduct” and “Business Integrity Procedures and Behavioral Guidelines” in place, and uses “Integrity Cards” and digital training courses to help employees comply. The Company have also established and implemented the “ Sustainable Development Best Practice Principles”, “Corporate Governance Best Practice Principles”, and “Codes of Ethical Conduct” that are related to ethical corporate management. Please refer to the Company’s annual report and (VII) Performance in ethical corporate management and deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies of the corporate governance report for the details regarding our performance in ethical corporate management.</p>				
<p>VI. Other information relevant to understanding the company’s business integrity (e.g. review of business integrity principles) The Company has been introducing new policies such as “Business Integrity Code of Conduct,” “Ethical Behavior Guidelines” and “Business Integrity Procedures and Behavioral Guidelines” since 2014 that specifically require all employees to uphold high level of integrity when conducting business-related activities, and to refrain from</p>				

Evaluation item	Implementation status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
<p>exploiting company assets or their vested authority for personal gains or engaging in any conduct that competes with the Company or undermines interests of the Company or its customers. In order to establish the integrity spirit deep within employees, all new recruits are required to undergo training courses on ethical conducts, during which they are taught the best practices to be expected in the given industry.</p> <p>To promote the Company's integrity management philosophy among colleagues, we have set up a "Code of Conduct Zone" on the internal website. The content of this zone includes relevant regulations on integrity, reporting channels, and case studies. Additionally, to assist all colleagues in the Taiwan factory to access the company's integrity management philosophy at any time, we distribute "Integrity Cards," have them sign a "Declaration of Integrity Management Code," and include integrity digital courses as a mandatory training for all employees annually. Through these various means, we advocate the spirit of integrity management within the Company.</p>				

(VIII) Other important information material to the understanding of corporate governance within the company:

1. The Company continues to enhance corporate governance practices. Policies on corporate governance and major resolutions of the board of directors have been disclosed in the Investor Relations section of the Company's website.
2. The Company ranks in the top 5% among TWSE and TPEX listed companies in corporate governance evaluation for 10 consecutive years, which strongly recognizes the progress the Company has made.
3. The Company actively informs directors of training programs that are relevant to improving corporate governance. All 7 directors of the Company have completed training courses in accordance with "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies."

- (IX) Disclosures relating to the execution of internal control system
1. Declaration of Internal Control System: Please refer to the announcements published on Market Observation Post System under the sections: Single company, Corporate Governance, Company regulations, and Internal Control Statement Announcement (<https://mops.twse.com.tw/mops/#/web/t06sg20>).
  2. If the internal control system was reviewed by an external CPA at the request of the Securities and Futures Bureau, the result of such review must be disclosed: None.
- (X) Major resolutions passed in shareholder meetings and board of directors meetings held in the most recent year up till the publication date of annual report: Please refer to announcements and material information published on Market Observation Post System and disclosures made over the Company's website.
- (XI) Documented opinions or declarations made by directors against board resolutions in the most recent year and by the date of report publication: None.
- (XII) Internal procedures for handling significant information: To establish an insider trading prevention mechanism within the company, prevent improper information leakage, and ensure the consistency and accuracy of information disclosed to the public, the company has formulated the "Insider Trading Prevention Management Measures" and "Procedures for Handling Material Inside Information." These measures have been approved by the board of directors and announced on the company's website to ensure compliance by managers and employees. Additionally, the company conducts regular internal training and notifies company insiders of important information precautions from time to time. On October 11, 2024, Company conducted digital training courses for managers and employees, covering topics such as the elements constituting insider trading, the timing of significant news, methods and timing of disclosure, penalties for insider trading violations, how to avoid accidental insider trading, and specific implementation of insider trading prevention. Furthermore, provide insider trading laws and regulations to insiders on a monthly basis.

#### IV. Information about CPA professional fees

1. The amount of audit fees and non-audit fees paid to CPAs and their affiliated firms and affiliates and the content of non-audit services:

Monetary unit: NT\$ thousand

Name of accounting firm	Name of CPA	Audit period	Audit fees	Non-audit fee	Total	Remarks
Ernst & Young Global Limited	Shao-Pin Kuo	2024.1.1-2024.12.31	3,795	955	4,750	Non-audit fees included NT\$835,000 for tax certification, NT\$60,000 for stock take of impaired inventory, NT\$40,000 for bonded inventory, and NT\$20,000 for auditing of business tax
	Ming-Ju Huang	2024.1.1-2024.12.31				

2. Change of accounting firm that resulted in the reduction of audit remuneration from the previous year; disclose audit remuneration before and after the change and the cause of such change: None.

3. Any reduction in audit remuneration by more than 10% compared to the previous year; state the amount, the percentage and reason of such variation: None.

V. Change of CPA:

(I) On the predecessor CPAs

Date of replacement	2024.01.10		
Reasons and description of replacement	Internal job rotation of Ernst & Young		
The commissioner or CPA terminates or declines the commission	Participants Situation	Auditors	Appointed person
	Terminate the appointment	—	—
	No further acceptance (continuation) of appointment	The Company originally retained CPA Shao-Pin Kuo and Chih-Chung Chen of Ernst & Young Global Limited to audit the Company's financial reports. In response to the internal job rotation of the accounting firm, the CPAs will be changed to Shao-Pin Kuo and Ming-Ju Huang to audit (review) the Company's financial report starting from Q1 2024.	—
Opinions and reasons for audit reports issued during the most recent two years, excluding those issued without reservations	None		
Is there any disagreement with the issuer	Yes		Accounting principle or practice
			Financial statement disclosures
			Audit scope or step
			Other
	None	✓	
Explanation	None		
Other matters for disclosure (Matters covered in items 1-4 to 1-7, subparagraph 6, Article 10 of the regulations should be disclosed)	None		

(II) Information of succeeding CPAs

Name of accounting firm	Ernst & Young Global Limited
Name of CPA	Ming-Ju Huang
Date of commissioning	2024.01.10
Matters regarding which the successor CPAs were consulted, and which were related to the accounting treatment or accounting principles of specific transactions; matters regarding which the successor CPAs were consulted, and which were related to the opinions that might be issued on financial reports; results of these matters.	None
Written opinions of CPA in succession different from the opinions of previous CPA	None

(III) Reply letter from the predecessor CPAs regarding item 1, and 2-3, subparagraph 6, article 10 of the "Regulations Governing Information to be Published in Annual Reports of

Public Companies”: Not applicable

VI. The company’s Chairman, President, or any managers involved in financial or accounting affairs being employed by the accounting firm or any of its affiliated company in the most recent year; including their names, job titles, and the periods during which they were employed by the auditor’s firm or any of its affiliated company. An affiliated company refers to one that the auditor’s accounting firm holds more than 50% ownership or more than 50% directorship, or any company or institution that the accounting firm has publicly referred to as being affiliated: Not applicable.

VII. Details of shares transferred or pledged by directors, managers and shareholders with more than 10% ownership interest in the most recent year, up till the publication date of annual report

(I) Changes in shareholding of directors, managers and major shareholders

Unit: shares

Title	Name	2024		by April 20 in 2025	
		Increase (decrease) of shares held	Increase (decrease) of shares pledged	Increase (decrease) of shares held	Increase (decrease) of shares pledged
Chairman	Wade Chang	0	0	0	0
Director	Hsun Chieh Investment Co., Ltd.	0	0	0	0
	Representative: Tai-Shung Ho	0	0	0	0
Director	Hanns Prosper Investment Corporation	0	0	0	0
	Representative: Yu-Chi Chiao	0	0	0	0
Director	Han-Ping D. Shieh	0	0	0	0
Independent Director	Hsing-Yi Chow	0	0	0	0
Independent Director	Audrey Tseng	0	0	0	0
Independent Director	Hung-Pin Ku	0	0	0	0
President	Sarah Lin	(300,000)	(300,000)	0	0
CFO	Franck Ho	0	267,000	0	0
CTO	Robert Hsueh	(30,000)	0	0	0
CSO	Wilson Hsu	0	0	0	0
Executive Vice President	Sara Lin	(50,000)	(70,000)	0	20,000
Vice President	Ken Wang	(90,000)	(90,000)	50,000	0
Vice President	Miranda Wang	0	0	0	0
Vice President	Mark Yang	5,000	0	(5,000)	0
Vice President	Willy Tsai	0	0	0	0
Associate Vice President	Evan Ye	30,000	0	0	0
Senior Director	Daniel Hsiao	0	0	Note	Note
Major Shareholders	Taiwei Advanced Technology Corporation	(1,830,000)	0	0	0

Note : Dismissal on February 3, 2025.

(II) Shares transferred to related parties: None.

(III) Shares pledged to related parties: None.

VIII. Top ten shareholders by shareholding who are related parties or spouses, relatives within the second degree of kinship

April 20, 2025

Name	Self Shareholding		Shares held by spouse and underage children		Shares held in the names of others		Relationship Characterized As Spouse or Relative of Second Degree or Closer Among the Top-10 Shareholders.		Remarks
	shares	Shareholding percentage	shares	Shareholding percentage	shares	Shareholding percentage	Name	Relationship	
Taiwei Advanced Technology Co., Ltd.	40,579,196	10.38%	0	0.00%	0	0.00%	None	None	None
Taiwei Advanced Technology Co., Ltd. Representative: Tai-Wei Chang	0	0.00%	0	0.00%	0	0.00%	Wade Chang	Father and son	None
Yann Yuan Investment Co., Ltd	36,748,000	9.40%	0	0.00%	0	0.00%	None	None	None
Yann Yuan Investment Co., Ltd Representative: Chun Kuan	0	0.00%	0	0.00%	0	0.00%	Hsun Chieh Investment Co., Ltd. Representative: Chun Kuan	Representative the same	None
Hsun Chieh Investment Co., Ltd.	15,495,551	3.96%	0	0.00%	0	0.00%	Yann Yuan Investment Co., Ltd	Hsun Chieh Investment Co., Ltd. is the Director of the Yann Yuan Investment Co., Ltd	None
Hsun Chieh Investment Co., Ltd. Representative: Chun Kuan	0	0.00%	0	0.00%	0	0.00%	Yann Yuan Investment Co., Ltd Representative: Chun Kuan	Representative the same	None
HannStar Display Corporation	10,576,000	2.70%	0	0.00%	0	0.00%	Hannshine Investment Corporation	Hannshine Investment Corporation is subsidiaries of HannStar Display Corporation	None
HannStar Display Corporation Representative: Yu-Chi Chiao	0	0.00%	0	0.00%	0	0.00%	Hannshine Investment Corporation Representative: Yu-Chi Chiao	Representative the same	None
Chunghwa Post Co., Ltd.	9,818,800	2.51%	0	0.00%	0	0.00%	None	None	None
Chunghwa Post Co., Ltd. Representative: Guo-Cai Wang	Note	Note	Note	Note	Note	Note	Note	Note	None

Name	Self Shareholding		Shares held by spouse and underage children		Shares held in the names of others		Relationship Characterized As Spouse or Relative of Second Degree or Closer Among the Top-10 Shareholders.		Remarks
	shares	Shareholding percentage	shares	Shareholding percentage	shares	Shareholding percentage	Name	Relationship	
Wade Chang	9,345,953	2.39%	0	0.00%	0	0.00%	Taiwei Advanced Technology Co., Ltd. Representative: Tai-Wei Chang	Father and son	None
Coretronic Corp. trust property account for employees' equity entrusted to CBTC Bank	7,892,000	2.02%	0	0.00%	0	0.00%	None	None	None
Coretronic Corp. trust property account for employees' equity entrusted to CBTC Bank	7,604,710	1.95%	0	0.00%	0	0.00%	None	None	None
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	5,201,212	1.33%	0	0.00%	0	0.00%	None	None	None
Hannshine Investment Corporation	5,050,000	1.29%	0	0.00%	0	0.00%	HannStar Display Corporation	Subsidiaries of HannStar Display Corporation	None
Hannshine Investment Corporation Representative: Yu-Chi Chiao	0	0.00%	0	0.00%	0	0.00%	HannStar Display Corporation Representative: Yu-Chi Chiao	Representative the same	None

Note: As of the publication date of this annual report, relevant information has not been obtained.

IX. The number of shares and the consolidated shareholding of the same investee invested by the company, directors and/or officers of the company, and the businesses directly or indirectly controlled by the company : None.

### Three. Capital Overview

#### I. Source of capital

Unit: NTD; shares

Year / month	Issued price	Authorized capital		Paid-up capital		Remarks		
		No. of shares	Amount	No. of shares	Amount	Sources of share capital	Paid in properties other than cash	Others
2004.11	10	650,000,000	6,500,000,000	437,796,953	4,377,969,530	Conversion of convertible bonds into common shares - \$28,840,460	None	Note 1
2005.08	10	810,000,000	8,100,000,000	520,205,466	5,202,054,660	Capitalization of earnings \$ 700,475,130, and capitalization of employee profit sharing \$ 123,610,000.	None	Note 2
2005.12	10	810,000,000	8,100,000,000	520,895,389	5,208,953,890	Conversion of convertible bonds into common shares - \$6,899,230	None	Note 3
2006.03	10	810,000,000	8,100,000,000	547,830,363	5,478,303,630	Conversion of convertible bonds into common shares - \$269,349,740	None	Note 4
2006.04	10	810,000,000	8,100,000,000	564,348,375	5,643,483,750	Conversion of convertible bonds into common shares - \$165,180,120	None	Note 5
2006.08	10	1,000,000,000	10,000,000,000	667,375,738	6,673,757,380	Capitalization of earnings \$ 829,915,470; conversion of convertible bonds into common shares \$ 200,358,160	None	Note 6
2007.08	10	1,000,000,000	10,000,000,000	694,463,253	6,944,632,530	Capitalization of earnings at NT\$133,475,150, and capitalization of employee profit sharing at NT\$ 137,400,000	None	Note 7
2008.08	10	1,000,000,000	10,000,000,000	724,038,518	7,240,385,180	Capitalization of earnings \$ 138,892,650, and capitalization of employee profit sharing \$ 156,860,000	None	Note 8
2014.07	10	1,000,000,000	10,000,000,000	543,028,888	5,430,288,880	Capital reduction for cash \$ 1,810,096,300	None	Note 9
2016.07	10	1,000,000,000	10,000,000,000	434,423,110	4,344,231,100	Capital reduction for cash \$ 1,086,057,780	None	Note 10
2021.03	10	1,000,000,000	10,000,000,000	390,981,110	3,909,811,100	Retirement of treasury stock NT\$434,420,000	None	Note 11

Note 1: Letter Yuan-Shang-Zi No. 0930031524 issued by Science Park Administration on November 10, 2004.

Note 2: Letter Yuan-Shang-Zi No. 0940022936 issued by Science Park Administration on August 26 2005.

Note 3: Letter Yuan-Shang-Zi No. 0940033054 issued by Science Park Administration on December 2, 2005.

Note 4: Letter Yuan-Shang-Zi No. 0950006079 issued by Science Park Administration on March 10, 2006.

Note 5: Letter Yuan-Shang-Zi No. 0950010529 issued by Science Park Administration on April 28 2006.

Note 6: Letter Yuan-Shang-Zi No. 0950021383 issued by Science Park Administration on August 11 2006.

Note 7: Letter Yuan-Shang-Zi No. 0960022923 issued by Science Park Administration on August 29 2007.

Note 8: Letter Yuan-Shang-Zi No. 0970024243 issued by Science Park Administration on August 29 2008.

Note 9: Letter Yuan-Shang-Zi No. 1030020264 issued by Science Park Administration on July 11, 2014.

Note 10: Letter Yuan-Shang-Zi No. 1050019331 issued by Science Park Administration on July 14, 2016.

Note 11: Letter Yuan-Shang-Zi No. 1100007190 issued by Science Park Administration on March 17, 2021.

April 20, 2025

Class of shares	Authorized capital			Remarks
	Outstanding shares (Note)	Unissued shares	Total	
Common share (shares)	390,981,110	609,018,890	1,000,000,000	None

Note: The Company's shares are listed for trading on TPEX.

## II. Major shareholders

If less than ten shareholders holding over 5% of ownership interest, disclose the names, the number of shares held, and shareholding percentage of the top ten shareholders

April 20, 2025

Name of major shareholder	Shares	Shareholding percentage
Taiwei Advanced Technology Co., Ltd.	40,579,196	10.38%
Yann Yuan Investment Co., Ltd	36,748,000	9.40%
Hsun Chieh Investment Co., Ltd.	15,495,551	3.96%
HannStar Display Corporation	10,576,000	2.70%
Chunghwa Post Co., Ltd.	9,818,800	2.51%
Wade Chang	9,345,953	2.39%
Coretronic Corp. trust property account for employees' equity entrusted to CBTC Bank	7,892,000	2.02%
Coretronic Corp. trust property account for employees' equity entrusted to CBTC Bank	7,604,710	1.95%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	5,201,212	1.33%
Hannshine Investment Corporation	5,050,000	1.29%

## III. Dividend policy and implementation

### (I) The Company's dividend policy

The Company has developed its dividend policy based on a number of factors including capital structure, financial position, business performance, earnings, industry nature and business cycle. Dividends can be paid in shares or in cash, but given the growth stage the industry is currently in, the Company may determine its dividends by taking into consideration financial, business and operational factors and the amount of dividends paid in previous years. As a principle, the Company shall distribute no less than 30% of net income reported in a financial year, with no less than 50% of total dividends being paid in cash.

The Company may distribute dividends wholly or partially from reserves in years when there is no earning available for distribution, or out of financial, business and operational concerns, or in situations permitted by the authority.

(II) Implementation: At the 2025 AGM, the Board reported that the cash dividend for 2024 was NT\$1.5 in total. The sum included the earnings distribution for 2024 at NT\$390,981,110, or NT\$1.0 per share, plus the additional paid-in capital (APIC) amounting to NT\$195,490,555, or NT\$0.5 per share, from issuing the Company's common shares at premium. Hence, the cash distributed to shareholders was NT\$586,471,665 in total.

(III) Expected change in dividend policy: None.

IV. Impacts of proposed stock dividends on the Company's business performance and earnings per share: Not applicable.

V. Employee and director remuneration

(I) Percentage or scope of remuneration for employees and directors as stated in the articles of incorporation:

Profits concluded from a financial year are subject to employee remuneration of 10% to 20%. However, profits must first be taken to offset against cumulative losses if any. Remunerations intended for the Company's employees, including employees of affiliates meeting the relevant requirements, can be made in stock or in cash.

Annual surpluses concluded by the Company are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for statutory reserve. However, no further provision is needed when statutory reserve has accumulated to an amount equal to the Company's paid-up capital. Any surpluses remaining shall then be subject to provision or reversal of special reserve, as laws or the authority may require. The residual balance is then added to undistributed earnings carried from previous years and distributed at board of directors' proposal subject to resolution at a shareholder meeting.

The Company has authorized the board of directors to distribute dividends and profit-sharing wholly or partially in cash at its discretion and seek acknowledgment from shareholders afterwards, provided that such decision is made in a board of directors meeting where more than two-thirds of the board is present, and voted in favor by more than half of all directors present at the meeting.

The Company has authorized the board of directors to distribute statutory reserve and capital reserve wholly or partially in cash at its discretion and seek acknowledgment from shareholders afterwards, provided that such decision is made in a board of directors meeting where more than two-thirds of the board is present, and voted in favor by more than half of all directors present at the meeting.

(II) Basis for calculation of employee/director remunerations and share-based compensations; and accounting treatments for any discrepancies between the amounts estimated and the amounts paid:

During the Board of Directors meeting held on February 17, 2025, a resolution was passed on distributing the 2024 employee remuneration at NT\$121,524,615. This amount is the same as the amount in expenses previously recognized in the 2024 financial statements.

(III) Remuneration distribution approved by the Board of Directors

Unit: NTD

Item	Amount
Employee remuneration - in cash	121,524,615
Employee remuneration - in shares	0
Percentage of employee remuneration paid in shares, relative to current net income and total employee remuneration	0.00%
Director remuneration	0

(IV) Actual payment of previous year's (2023) employee and director remuneration

Unit: NTD

Item	Amount
Employee remuneration - in cash	201,440,394
Employee remuneration - in shares	0
Director remuneration	0
The amount of 2023 earnings distribution resolved and proposed by the Board of Directors was identical to the amount approved during the shareholders' meeting	

VI. Buyback of company shares: None.

VII. Disclosure relating to corporate bonds: None.

VIII. Preferred shares, global depository receipts, employee warrants, restricted employee shares, or merger/acquisition/divestment through the exchange of shares: None.

IX. Progress on planned uses of capital: None.

## Four. Overview of operation

### I. Business Activities

#### (I) Business scope

##### 1. Principal business activities

- (1) CC01110 Computer and Peripheral Equipment Manufacturing.
- (2) CC01080 Electronics Components Manufacturing.
- (3) CD01060 Aircraft and Parts Manufacturing
- (4) CE01030 Optical Instruments Manufacturing.
- (5) CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing.
- (6) F401021 Restrained Telecom Radio Frequency Equipments and Materials Import .
- (7) CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing. (can only be manufactured outside Hsinchu Science Park).
- (8) Research, develop, produce, manufacture, and market the following products:
  - A. Various LCDs/TVs, projections and the backlight modules.
  - B. Multimedia presentation system equipments and software.
  - C. LCD internet personal computer, LCD Windows base terminal, digital transmission, LCD monitors.
  - D. LED displays and their modules.
  - E. Projection systems for wearable devices.
  - F. Commercial Unmanned Aircraft Systems.
  - G. All kinds of consigned design and develop and examination and consulting services regarding above products.
  - H. Import and export trading business related to the above businesses (except the businesses requiring permit).
- (9) Design, manufacturing and sales of Acrylic Sheet and relating consigned design, develop, consulting and import and export trading business of the products (can only be conducted outside Hsinchu Science Park)
- (10) Design, manufacturing and sales of the power supply, and its Components (can only be manufactured outside Hsinchu Science Park)

##### 2. Revenue distribution

Unit: NT\$ thousand

Item \ Year	2023		2024	
	Amount	%	Amount	%
Energy Saving products	17,514,344	44.35%	18,837,220	47.49%
Visual Solutions products	13,563,646	34.35%	12,713,033	32.05%
Others	8,413,718	21.30%	8,118,690	20.46%
Total	39,491,708	100.00%	39,668,943	100.00%

### 3. Current product (service) items

#### (1) Energy Saving products:

Backlight modules for automotive displays, tablets, NBs, LCD displays, and LCD TVs; and assembly of panel modules, electronic white board modules, customized NBs, LCD displays, and LCD TV semi-system; system solutions for medical, educational, ATM, POS and public digital splicing displays. In response to the market trend, green design concepts have been implemented in product parts and components in recent years to provide customers with energy-efficient and low-emission products. In addition to LCD technology manufacturing services, we also provide manufacturing services for new display technologies such as OLED, including products like tablets and NBs.

#### (2) Visual Solutions products:

Including various digital projectors, Laser TV, pico projectors, and various application projectors that project large screens via various video signals, and interactive modules, smart connectors, edge blending and image warping processors, and image signal processing boxes; the system is integrated with software to provide user-friendly complete visual solutions via smart service platform for diverse applications.

### 4. New products (services) planned for development:

#### (1) Energy Saving products:

We've continuously developed various new light guide plates and Mini-LED technologies without light guide plates. We also want to decrease the thickness of the backlight module, reduce the bezel width, increase the optical efficiency, and reduce the usage of optical as well as LED to develop slim, high-contrast, and high-value application displays for video consoles, tablets, notebooks, industrial monitors, medical monitors, AiO monitors, and high-end smart TVs. In addition to the improved functionality and specifications of traditional panel modules, we actively conduct the differentiation design of a wide variety of displays to enter the high value-added markets of commercial displays, NBs, automotive displays, and gaming displays by applying switchable privacy LCD and reflective LCD will front light design. Product recovery service based on the circular economy has been initiated synchronously on BLM products to practice the ESG spirit emphasizing energy conservation and carbon reduction.

#### (2) Visual Solutions products:

Through the core technologies in the fields of optics, machinery, electricity, thermal, and software integration provided by our Visual Solutions Business Group, we are committed to the large tiled screen wall, interactive touch, digital signage, large public space displays and smart link solutions; in order to meet the demand and satisfy the needs and habits of users, integrate AI and intelligent display technologies are adopted to strengthen the close connection between intelligent applications and fields, thereby continuously providing more amazing

image lifestyle experience for users.

## (II) Industry Overview

### 1. Current industry situation and development

We position ourselves as the innovative display solution provider, and our product lineup includes two main product categories under the Display Business Group: Energy Saving products and Visual Solutions products. The following shows the current status and development of each main product category:

#### (1) Energy Saving products

In 2024, the global NB market is expected to experience slow recovery in demand due to high interest rates and geopolitical factors, with the peak season not being as strong. It is estimated that the total shipment volume for the year will reach 174 million units, reflecting a 3.9% annual growth. Looking ahead to 2025, the conclusion of the U.S. presidential election will reduce political uncertainties, and the Federal Reserve's decision to lower interest rates in September 2024 will help facilitate capital flow. Additionally, the end of Windows 10 support and the demand for business NB replacements are expected to stimulate the market. As a result, NB shipments are expected to reach 183 million units, reflecting a 4.9% annual growth. Currently, the core positioning of NBs remains as productivity tools, with growth primarily driven by accumulated deferred replacement demand. The contribution of AI NBs is still limited. As AI-added features become a trend in specification upgrades, it is expected that the penetration rate of AI NBs will naturally increase during the process of brands integrating AI functionality. Commercial NBs in 2024 are constrained by the global wave of layoffs and the turmoil in political and economic environments, leading to conservative demand and order releases falling short of expectations. In 2025, as negative factors subside and liquidity increases following interest rate cuts, the commercial market is expected to recover, with anticipated shipments experiencing an annual growth of over 7%. In contrast, in 2024, NB brands are actively promoting to stimulate demand, with entry-level models becoming the main sales drivers, particularly performing strongly in the North American region. In 2025, the consumer market is expected to stabilize further, with brands planning to refocus on high-value and high-profit models. The growth rate of consumer models is anticipated to slow to 3%, but the product mix will be optimized.

In 2024, the global demand for large-size TVs in the first three quarters was below expectations, influenced by macroeconomic factors. The main reason for this was oversupply. Panel manufacturers, aiming to maintain profitability, continued adjusting their production capacity. In terms of overall demand, while the U.S. market remained stable, demand

in the Chinese market was sluggish in the first three quarters. It wasn't until Q4, when the Chinese government actively introduced economic recovery strategies, such as encouraging the use of energy-efficient home appliances and offering trade-in stimulus programs, that demand began to pick up. This marked the end of five consecutive years of shipment decline, with signs of a recovery in TV demand. According to statistics and projections from TrendForce, global TV shipments in 2024 are expected to reach 196.7 million units, with an annual growth rate of 0.6%. The main reasons are as follows: I. China's energy-saving subsidy policy provides a 15% to 20% subsidy for high-efficiency TV products. This measure has stimulated consumer demand for replacements, especially for Mini-LED TVs. II. Global sports events, such as the 2024 UEFA European Championship and the Paris Olympics, have injected vitality into the market, boosting the demand for mid-to-high-end and large-sized TVs. Among the leading TV brands, Samsung remains the market leader, although its market share has slightly declined. The competition between Hisense and TCL has intensified, allowing TCL to reclaim the second position. Korean brands Samsung and LG still dominate the high-end segment's shipments and development direction. However, the rise of Chinese brands in the high-end market has posed a challenge to traditional leaders, particularly as the shipment of Mini-LED LCD TVs has surged by 69% annually, surpassing OLED shipments for the first time. This growth is primarily driven by Chinese manufacturers shifting from OLED to Mini-LED technology. Although OLED TV shipments grew by 21% annually, indicating signs of a market recovery, its overall market share remains limited. Looking ahead to 2025, global TV market demand remains uncertain. There is a lack of major sporting events to drive growth, and the economic recovery is slow, with the market still adjusting at a low point. Under such circumstance, panel manufacturers are taking a relatively cautious approach to their market plans for 2025.

Facing the changing trend of industry development and the unfavorable macroeconomic condition, apart from expanding the scale of operations of the current product ranges and introducing smart manufacturing to boost performance and enhance cost competitiveness, the Energy Saving Business Group also focuses on integrated automotive privacy display products with ongoing demands and low-volume high-mix products with high customization, such as digital signage for public displays, large automotive panels, and ATMs. The technology development focuses on the market trend for ultra-slim, narrow-bezel, touchscreen, high-resolution, high-contrast, and energy-saving displays, to provide a flexible business mode in response to the market changes and customer needs. For our product development, in addition to shipping backlight modules, designing tablet/NB, and TV products, and

manufacturing system/semi-system product, we not only provide key components and parts for ultra-fine display technologies such as HDR, LCD module, transfective front-lit LCD module, free-shape backlight module, spliced video wall, and privacy display applications, but also offer an integrated platform combining touch module, mechanical design, and electronic solutions. This enables us to deliver comprehensive, diverse, and customized display solution. The strategy direction of 2025 will continue from 2024, with a more proactive approach to promoting new business opportunities, such as expectations for the NB AI laptop and replacement wave, as well as growth in automotive smart integration display applications. At the same time, there will be continued focus on implementing the spirit of ESG by introducing more green design technologies, such as low-power products and front-light products. The Company will disperse the risk of single-range LCD operations with the EMS model of emerging panel technologies such as OLED, Mini-LED, and QLED to increase revenue with more higher value-added products in the ODM business, as well as apply core technologies more extensively. For instance, customizing and applying the privacy display technology to the passenger information display system (PID) to develop the ODM business for privacy display products, as well as the automotive back light products with curved and round surfaces to increase revenue, and provide customers with value-added services.

## (2) Visual Solutions products

The main application market of the projectors is divided into corporate and governmental agencies, educational, personal, home entertainment, large venue displays, industrial applications, and digital signage. With the rapid advancement of technology and increasing demand for high quality and brightness, projection equipment has expanded beyond its traditional use in business meetings and presentations to applications in educational settings. Schools have transitioned from simple multimedia and electronic blackboards to digital classrooms with diverse experience equipment. The use of projectors in large public spaces, exhibition halls, and various digital signage has become increasingly common, driving the rapid growth of high-brightness projection products suitable for large venues. Additionally, immersive audio-visual projection equipment has become a trend as the second TV in households, with large screens, high resolution, and high contrast images meeting the demand for home entertainment projection.

Currently, the projector technologies are mainly divided into LCD and DLP. The advantage of LCD is its softer and more vibrant colors, while DLP not only maintains advantages such as a smaller size, better projection brightness, clear contrast, and long-lasting projection chips,

but also introduces new technologies such as variable refresh rates and low latency in home products, along with its strengths in 4K/1080P high resolution.

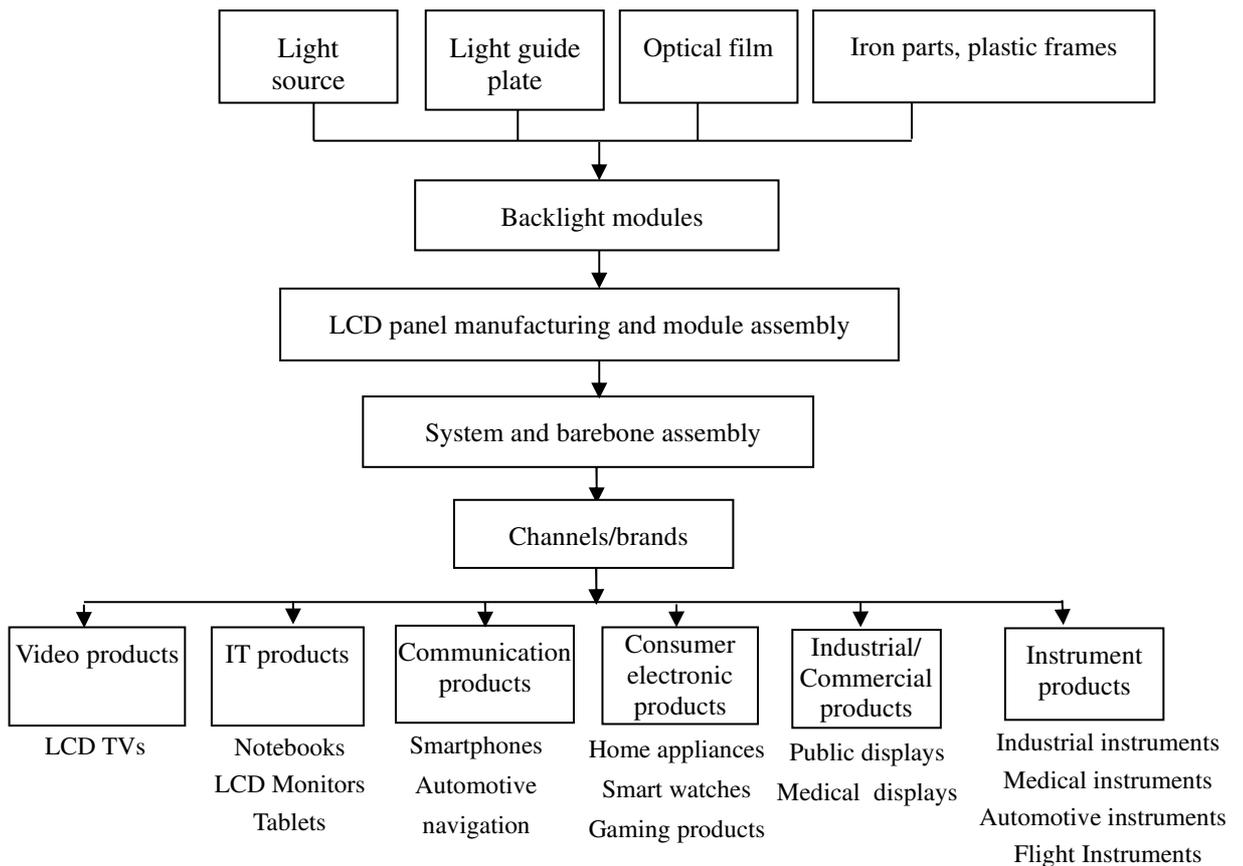
The Company is a leading manufacturer of DLP projectors. We have established a strategic alliance with US-based Texas Instruments, and taken the lead in developing and applying the solid state light source and 4K/1080P high resolution and portable projectors.

2. Relevance between the upstream, middle stream, and downstream industries

(1) Energy Saving products:

The backlight module is part of the LCD industry. Figure 1 shows the relevance between the upstream, middle stream, and downstream industries. The upstream industries involve products such as the light source, light guide plate, optical film, iron pieces, and rubber frame; the downstream industries involves manufacturing and assembly of LCD panels, and their applications in numerous electronic products.

Figure 1: Relevance between the upstream, middle stream, and downstream of the backlight module

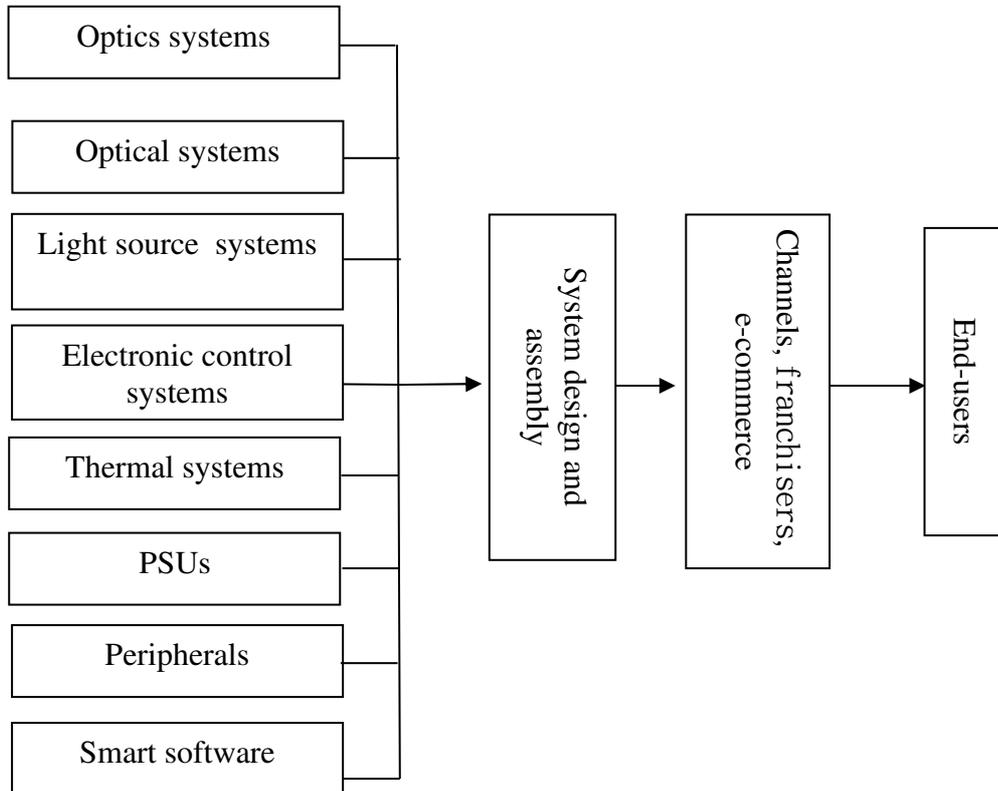


(2) Visual Solutions products:

The upstream components and parts of projectors include the optical system, lighting system, electronic control system, and thermal system. Refer to Figure 2. We mainly rely on the import of the components and parts such as the LCD panel or DMD chip and light source. After the

overall optical, mechanism, electronic control design as well as thermal conductivity tweak, and assembly, testing, as well as packaging, they are distributed to various users via PC vendors, professional A/V equipment shops, 3C Stores, and PC shops. These sale channels have expanded to e-commerce ones, such as online shops, TV shopping channels, etc. and system integrators.

Figure 2. Relevance between the upstream, middle stream, and downstream of the projector



### 3. Various development trends of products and their industry trends

#### (1) Energy Saving products:

As the Internet applications are expanding and the Internet infrastructure as well as display applications are developing, it is foreseeable that “One Cloud to Multi-Screens” will be the future, i.e., by connecting to the cloud, you can acquire necessary information on multi-purpose displays in different forms, and different applications and services will be derived. As China's panel ecosystem rises, the two main manufacturers dominate, we will optimize our business model to meet the transformation of the business model in the market as well as consumer demand, and customized solutions that integrate panels, systems, applications and software will bring the flat-panel display industry to a new era.

For application-specific demands, we will focus on the demand for panels such as TVs, game consoles, IT devices, and automotive display. In addition to the LCD TV, we will focus on the development trend of the high-end OLED, Mini-LED, and automotive products. We will also

work with customers to improve product gross margin for development and production. In the commercial and educational application fields of the PC market, educational machines have been declining for some time due to the pandemic. The demand for this part will recover as the economy rebounds. The demand for commercial and emerging applications is led by brands and panel manufacturers to higher-tech products. With the development of specifications, we hope that the overall market demand will be able to resume normal momentum in the second half of 2024 due to the demand for AI PC commercial-related applications, and will be able to achieve full normal growth in 2025. The gaming consoles and IT devices benefit from the development of 5G and the rise of metaverse applications integrating virtual and real. The demand for display interactive interfaces in smart and electric vehicles (EVs) has increased, and semiconductor product technology has bolstered the innovative and thriving development of the AI industry, thereby endowing smaller products with higher performance. It is expected that the product applications will continue to exhibit a high growth over the next decade.

(2) Visual Solutions products:

Business and education applications have always been the mainstream for projectors. In response to the demand for large screens and high resolution in the home market, 1080P/4K home projectors have also gradually become an important product line. With the gradual maturation of LED, laser light sources, and self-developed new projection component technologies, the development of unique multi-color mixing technologies in the industry has significantly enhanced color saturation. At the same time, the industry trend of integrating AI intelligence and internet functions expands the application scope of projectors. Whether in mobile portability, screenless TVs, digital signage, large-scale exhibitions, or the cultural and tourism industry, these advancements add limitless possibilities to the product.

The Company's projection products have consistently won international awards over the years. In 2024, the RGB three-color laser home projector launched by the Company won the 2024 iF Design Award and the CEDIA Expo Best of Show Award. Additionally, the laser short-throw projector released in the same year was honored with the 2024 Infocomm Best of Show Award. Moreover, vigorously responding to the issue of climate change and incorporating eco-friendly projector products has become an important goal of the Company.

#### 4. Competition

##### (1) Energy Saving products

Due to the rising geopolitical risk as a result of the US-China trade conflicts in recent years, branded manufacturers and panel manufacturers began to move their production lines out of China for risk considerations. Production line transfer and supply chain restructuring from long to short chain took place in Taiwan, Southeast Asia, and Mexico. The backlight industry is a labor-intensive one that provides services to nearby manufacturers. Compared to other competitors, apart from investment and deployment in mainland China, we began to supply backlight to production lines in Vietnam through plant rental in 2021. We also purchased land and built our Vietnam plant 2 in 2022. The plant started mass production in Q1 2024 to become a faster mover in southbound deployment among Taiwan's leading backlight suppliers. In energy-efficient product design and ESG practice, we are also ahead of competitors in BLM green design technology to help customers implement specific product carbon reduction plans. With quick response capability and the efficiency from the scale of economics, we maintain competitiveness. The main manufacturers in Taiwan include Coretronic, Radiant Opto-Electronics Corp. and Darwin Precisions Corp. In addition to the service and technological competition, the scale and integrity of the Group's supply chain integration are important factors affecting the operation. As a whole, the flat panel display backlight industry has gradually evolved into a "winner takes it all" situation.

##### (2) Visual Solutions products

Due to the slowdown in the growth rate of competitors in the projector market as well as the industry scale, some manufacturers have withdrawn from the market because they have not reached the economies of scale. Smaller manufacturers have also reduced the ratio of self-made products and increased competitiveness through outsourcing. The current industry is a "winner takes it all" situation. In terms of branded projector manufacturers, there is Epson, Sharp/NEC, Sony, Panasonic, Ricoh, and JVC of Japan; InFocus and Viewsonic of the USA and Europe; LG and Samsung of Korea; XGIMI, JmGO, Hisense, Appotronics, Xiaomi, and Formovie of China; Optoma, BenQ, Acer, and Vivitek of Taiwan. In addition, Chinese manufacturers have gradually emerged in the projection market due to expansion in the application market and the introduction of new light sources, such as Efun, Appotronics, and Anhua. Taiwan's main projector makers include Coretronic, Delta Electronics Corporation and Qisda Corporation.

(III) Technology and R&D Overview

1. R&D expenses invested in the most recent year and by March 31, 2025

Unit: NT\$ thousand

Item \ Year	2024	As of March 31 <sup>st</sup> , 2025
Research and development expenses	2,856,039	710,347
Operating revenue	39,668,943	8,473,903
Ratio of R&D expenses to revenue (%)	7.20%	8.38

2. Technologies or products successfully developed in the most recent year and as of March 31<sup>st</sup>, 2025

Backlight plate	<p>(1) Successful mass production of the barebone for ultra-thin notebooks (Hinge Up, H/U).</p> <p>(2) Successful assembly of mass produced panel modules for 7"-12" tablet models.</p> <p>(3) Successful one-stop assembly of mass produced panel modules for 11"-17" tablet models.</p> <p>(4) Successful assembly of mass produced panel modules for 24"-79" LCD TVs.</p> <p>(5) Successful mass production of curved MT and TV backlight plates.</p> <p>(6) Successful mass production of the bezel-free MT LCM module.</p> <p>(7) Successful mass production of the wide color gamut PAD, NB, MT, and TV backlight plate.</p> <p>(8) Development of a special precision machining process for ultra-thin flat light guide plates for NB backlight plates.</p> <p>(9) Successful mass production of microstructured high brightness light guide plates (IML).</p> <p>(10) Successful mass production of glass light guide plates for ultra-thin TVs.</p> <p>(11) Successful development of ultra-thin direct-lit backlight module (OD=2.5mm).</p> <p>(12) Successful development of backlight plates for ultra-thin TVs (3.7mm in thickness).</p> <p>(13) Continue to develop high-gain optical parts and put them into mass production.</p> <p>(14) Successful development and mass production of automotive head-up display PGU modules.</p> <p>(15) Successful development of the LCM module for automotive and NB privacy displays.</p> <p>(16) Successful development of the LCM module for the ultra-narrow-bezel HDR display of NB.</p> <p>(17) Successful development of the automotive BKL direct-lit type module.</p> <p>(18) Successful development of the Local Dimming integrated system module.</p> <p>(19) Successful developed small and medium-sized frontlight transfective LCM modules.</p>
Projector	<p>New technologies:</p> <p>(1) Equip the mainstreamed laser and the ultra-short throw educational and business models with the new-generation laser module and gamut RGB laser combiner technology to enhance system efficiency and color performance to achieve low-cost but high-performance product competitiveness.</p> <p>(2) Develop dual-color laser mainstream projectors based on the Multi-Color Light Architecture (MCLA™) to achieve optimal balance between brightness, color and cost, providing consumers with more cost-effective</p>

	<p>projector selections</p> <p>(3) Continuously optimize the image quality technology of projectors and develop intelligent applications by integrating multiple AI functions, including natural voice control, personalized light sculpture projection, and smart desktop. The Company has also independently developed an AI automatic adjustment installation feature for projectors, providing users with a smart and convenient interactive experience.</p> <p>(4) Continue to engage in R&amp;D of intelligent technologies, optimize various automatic adjustment technologies to assist users in installing projectors, and integrate AI functions such as voice control, personalized projection mapping, and personal smart desktops in a bid to provide an intelligent and convenient product interactive experience.</p> <p>(5) Continuously pursue smaller and quieter projector designs, improve the efficiency of thermal modules, water-cooling modules and cooling fans, and optimize the vibration and noise reduction designs.</p> <p>(6) Develop new generation AR HUD solutions.</p> <p>(7) Successfully develop the new passive 3D laser projection solutions for large venue applications.</p> <p>(8) Successfully developed camera imaging, multi-camera automatic sphere stitching software and black-level automatic correction algorithm.</p> <p>New products:</p> <p>(1) Unveiled an RGB three-color laser portable projector to offer users an exceptional color and brightness experience. The product is very portable and can be used in various fields anytime, anywhere.</p> <p>(2) Develop business and educational projectors with high cost-performance ratios using the new-generation blue laser diode modules to provide users with smaller, more energy efficient products, as well as green projectors with PCR materials.</p> <p>(3) Launch the dual-color laser projector with Multi-Color Light Architecture (MCLA™) framework, achieving the optimal balance between brightness and color performance.</p> <p>(4) Develop RGB three-color laser 8K home projection TV to provide users with an immersive visual experience that with large screens, high resolution and exquisite colors.</p> <p>(5) Mass produce 20,000-lumen high-brightness 4K large-scale laser projectors to provide users with a high-quality and immersive experience, thereby opening up opportunities for ultra-bright and outdoor projection application products in the future.</p> <p>(6) The first-generation in-vehicle micro projector was successfully delivered in small quantities and installed in British luxury brand cars, laying the foundation for subsequent large-scale delivery of products designed for general car models.</p>
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(IV) Long-term and Short-term Business Development Plans

1. Short-term Business Development Plans

- (1) Marketing: The Company will increase product market share, expand product portfolio and flexible production planning to provide existing customers with comprehensive product lines and more flexible and efficient services to continuously expand new markets. The Company will also provide customized product design options to customers and create value-added services for high-end and niche products as well as providing one-stop solution from design to production.
- (2) Research and development: Establish and develop a "R&D Collaboration Platform" to design key component modules for cross-strait R&D personnel to share, standardize the components, enhance product price competitiveness, and reduce production costs, in response to the demand for small-batch and diverse product combinations.

(3) Operational management: Continuously improving the ERP system and supply chain management. Apart from optimizing the domestic-overseas collaborative production model and enhancing the flexibility in component procurement and manufacturing, we also integrate group resources to engage with the smart factory practice, as production line assembly automation, automation adjustment and test, and intelligent inspection to reduce labor demand and production costs and enhance competitiveness to pursue better operational performance. The start of operations of our Vietnam plant 1 in 2021, coupled with the first factory building of Vietnam plant 2 officially mass-producing TV LCM-related products in early 2024, has diverted the supply chain risks from the US-China trade war. With respect to the framework of the medium- and long-term capital demand plans, the Company will make financial planning based on the principles of safety and stability, establish trust and reciprocity with the trading banks, grasp the trend of the financial market, and improve the performance of financial operations.

## 2. Long-term Business Development Plans

- (1) Marketing: Cultivating customer relations and establishing a long-term cooperative marketing model for proprietary technologies. The Company works with internationally renowned brand customers and regional leading brands as strategic alliance partners to provide a full range of display product solutions, collect the latest market and technology trends, provide customers with the best product solutions and after-sales service, continue to strengthen the global after-sales service capabilities and quality.
- (2) Research and development: Focusing on research and development of high-profit and forward-looking products, integrating resource investment to develop new technologies and new products, continuously integrating upstream and downstream supply chains to develop key components to enhance the value of proprietary products and reduce costs, as well as improving production autonomy. Actively cooperating with procurement, quality assurance, engineering, manufacturing and other departments to develop new product platforms, continuing to introduce modular design, production and production automation, and developing smart manufacturing to reduce production and service costs and increasing competitiveness. The demand for energy conservation will become more important to cope with the industrial development driven by AI PC, and in the future, more emphasis will be placed on the introduction of green design technology.
- (3) Operational management: Integrating the Group's resource allocation and application efficiency, promoting the performance of joint venture businesses, structuring an international operation plan system, strengthening the functions and preparation of overseas organizations,

improving overall performance, and taking advantage of capital market and money market instruments to raise low-cost working capital to build long-term strength.

- (4) Strategic alliance: With the rapid development of technology and the promotion of high-tech and complex industries and markets, the Group actively develops strategic alliances or mergers and acquisitions of potential startups to reduce the development costs and achieve the consolidation of internal and external resources, while achieving economies of scale in the short term. The Company aims to accelerate R&D capabilities, expand the business landscape, and create synergy for different corporate cultures to enhance long-term competitiveness.

## II. Market and Production Overview

### (I) Market Analysis

#### 1. Major regions for product (service) sales (provision)

Unit: NT\$ thousand

Year/Amount Item		2023		2024	
		Amount	%	Amount	%
Domestic Sales		11,518,138	29.17%	13,147,628	33.14%
Overseas sales	America	3,201,316	8.11%	2,687,911	6.78%
	Europe	5,168,258	13.09%	4,488,082	11.31%
	Asia	19,294,161	48.85%	19,336,103	48.75%
	Other	309,835	0.78%	9,219	0.02%
	Subtotal	27,973,570	70.83%	26,521,315	66.86%
Total		39,491,708	100.00%	39,668,943	100.00%

#### 2. Market Share

The main products of the Company are Energy Saving and Visual Solutions products. According to market survey statistics, although the overall volume in 2024 remains similar to 2023, the heightened instability in the political and economic situation continues to cause global economic sluggishness. Both businesses and individual consumers are tightening their spending, resulting in a reduction in the replacement cycle. The demand for consumer products such as NBs and TVs has declined, and the demand for the Company's core NB products has also been significantly impacted. Based on the estimated shipment volume of 688 million large-size LCD panels (NB, TV, PID, etc.) globally in 2024, the Company's total shipment volume for Energy Saving products in 2024 is expected to be 29.9 million units, with a global market share of approximately 4.35%.

In the post-pandemic era of 2024, although lockdowns have been lifted in various regions, the high instability of political and economic conditions

continues to suppress the global economy. Businesses and consumers are cutting back on spending, leading to a global projector market shipment volume of approximately 4.8 million units, representing a decline of about 20%. The Company's Visual Solutions products shipments in 2024 were 862K units, equivalent to a global market share of about 18%.

### 3. Future supply and demand of the market and its growth

#### (1) Energy Saving products

Looking at the NB market, which constitutes a significant portion of Coretronic's business, the market in 2025 to 2026 is expected to remain on a growth trajectory, driven by the end of Windows 10 support and the widespread adoption of OLED and AI-related applications, which are likely to stimulate NB replacement demand.

According to research report, the global personal computer market is expected to grow by 7% in 2024 and 5% in 2025, with shipment volumes reaching 173 million units and 180 million units, respectively.

In terms of TV, Q4 2024 shipments are expected to grow to 53.63 million units, driven by the continuation of China's subsidy policies and holiday promotions in Europe and the U.S., reflecting a 2.5% quarterly increase and a 0.5% annual increase. Global TV shipments for the entire year are projected to reach 195 million units. In 2025, shipments are expected to grow by 1% to 197 million units, with growth primarily driven by large-sized TVs produced on 8.5G fab, which have become more cost-competitive as supply chain amortization is completed. However, overall shipment growth is expected to remain flat due to reduced consumer interest in high-priced products.

Looking at the strategies of several major brands, Samsung Electronics' has diversified its products, and it is expected to adopt a multi-pronged strategy. High-end LCD TVs will continue to be equipped with Mini-LED backlight, while the OLED product lineup will be expanded gradually. LG Electronics, which specializes in OLED TVs, has been impacted by weakening global consumption and diminishing demand in the European market, thus the demand for OLED TVs has declined. LG Electronics' OLED TV shipment is expected to return to over three million units in 2024 to maintain its No. 1 position in the world. Also affected by the weak purchasing power, Sony has adjusted its high-end product lines. No new OLED products have been unveiled, and its high-end product line will shift to Mini-LED back lighting. Hisense's products are sold under the Hisense and Toshiba brands in the Chinese and overseas market, respectively. The manufacturer has demonstrated growth this year thanks to its flexible product and pricing strategy. TCL focuses on Mini-LED backlight technology and large-sized product lines.

As Korean and Japanese panel manufacturers gradually exit the LCD market, Chinese panel manufacturers such as BOE and TCL CSOT will further increase their market share. In 2025, China's market share of LCD TV panels is expected to surpass 70% once again. This concentration will further strengthen Chinese companies' dominance in the global panel market. As China holds a significant position in the production of television display panels and related materials, global television manufacturers will become increasingly reliant on Chinese suppliers. If countries such as the United States impose higher tariffs on panels from China, this could lead to increased costs, which would ultimately be passed on to consumers. Brand manufacturers will need to reassess their supply chain strategies to address potential trade barriers.

In summary, the TV market in 2025 will face multiple risks, including economic uncertainty, trade friction, supply chain issues, inflationary pressure, and intense market competition. Brands need to adapt flexibly to these challenges to maintain their market position and profitability.

In the automotive application segment, according to DIGITIMES' forecast, the shipment volume of automotive displays 9 inches and above is expected to reach 91.47 million units in 2024, accounting for 40.7% of the total automotive display shipments. This trend reflects the growing demand for larger central control and dashboard displays, with consumer preference for bigger screens increasing. In the coming years, the market share of large-sized displays is expected to continue rising. With the advancement of integrated smart cockpit technology, the application range of automotive displays will further expand. It is expected that by 2029, the shipment volume of automotive displays larger than 9 inches will reach 152 million units, accounting for 54.3% of the total shipment volume. This indicates that automakers will increasingly adopt high-tech display solutions to enhance the driving experience.

With the growth in automotive display shipments, particularly the rising demand for large displays, automakers will be more inclined to adopt integrated smart cockpit designs. This means that the center console, dashboard, and passenger-side panels will be integrated into a single module, enhancing both the aesthetic appeal and functionality of the interior space. As consumer demands for high resolution and high contrast increase, automakers will place greater emphasis on high-end technologies such as AMOLED and TFT LCD when selecting display technologies. This not only improves the driving experience but also enhances the readability of information, especially in bright light conditions. As the number of automotive displays increases, automakers will need to design more intelligent interactive interfaces so that drivers and passengers can easily operate various functions. This may include

automotive display applications that integrate multiple interactive methods such as touch, voice control, and AI fatigue monitoring, which enhance the demand for automotive displays in the future. Energy Saving products and automotive layouts have long been in development and will see significant growth by 2025.

In 2024, demand weakness, slow inventory clearance, and inflation adversely affected Energy Saving products, resulting in an overall shipment decline of approximately 2% compared to the previous year. The 2025 operations will benefit from the economic recovery and the initiation of tariff trade wars, which will drive the stabilization of demand for TV, PID, and NB, as well as the effects of early inventory stocking. Additionally, the benefits from the new OLED tablet business will continue to ferment, and the annual shipment volume will show a growth trend. The second Vietnam plant commenced mass production in early 2024 and is expected to contribute throughout the year. Due to the urgent demand from panel manufacturers for a “China+1” strategy, Energy Saving products from the Vietnam factory will experience significant growth in 2025.

#### (2) Visual Solutions products

The instability of the international political and economic situation in 2025, including war, inflation, U.S. tariffs, exchange rate fluctuations, and conservative expectations for regional GDP growth, will slow down economic growth momentum, making the demand in the first half of 2025 highly uncertain.

Generally speaking, market research report forecasts that in 2025, apart from the continued inventory reduction and supply chain stability, there will be no major consumer stimulation from large sports events. It is expected that the sales of home entertainment projectors will remain flat but continue to be observed. Commercial and educational projectors are expected to recover and grow slightly due to the return of medical funding to education subsidies in the post-pandemic era. The engineering projector market is also expected to gradually stabilize due to the development of the cultural and tourism industries and large venue displays.

### 4. Competitive Niches

#### (1) Solid R&D capabilities

The Company is committed to the research and development of technology. In addition to designing and developing products that meet customer needs, the Company will also continuously develop key components for vertical integration to enhance competitiveness in the industry. As of late March 2025, the Company has a total of 964

pending patents at home and abroad. The Company has over 600 R&D personnel, demonstrating its emphasis on R&D.

(2) Close supply chain management and high-efficiency production

Mutual growth with the display panel industry and the projector industry is the Company’s main operational strategy. Hence, the new product development schedule, the implementation of flexible production planning strategies, and the production scheduling for emergency orders are the focus of our production strategy. Strengthening the operation mechanism of the supply chain platform and establishing the standardization of procedures maximize production efficiency and reduce production costs.

(3) Flexible marketing methods

The Company mainly adopts the ODM and EMS dual-development strategy to obtain orders by participating in customer design. In addition to collecting the latest market and technology trends, the Company can respond to market and technology trends in a timely manner, and understanding the local market as well as customer needs to provide the best products and after-sales services around the world.

5. Favorable and unfavorable factors for future development and counteractions

Item	Favorable Factors	Unfavorable Factors and Countermeasures
Industry Development and Outlook	<p>1. The applications of LCD products continue to develop such as notebook computers, tablets, flat panel displays, mobile phones, LCD TVs, etc., driving the industry to grow and creating a huge demand for key component LCD backlight modules.</p> <p>2. The production capacity of various panel manufacturers has been gradually expanded, and Taiwan's downstream products such as notebook computers and LCD monitors have a global market share of more than 60%, which gives Taiwanese manufacturers an advantage in panels. This also makes the industrial prospect of the upstream backlight module promising.</p> <p>3. In response to the popularity of the mobile phone market, consumers now demand high-quality display. All product applications (including NB/MNT/TV) are moving towards higher resolution. After working on backlight modules for years, the Company has a good grasp of the core technologies include high brightness, high efficiency and high resolution. Therefore, the prospects for subsequent market demand are promising.</p> <p>4. As the 4K resolution becomes more popular, the wide color gamut technology has been widely used, and the refresh rate increases to 120fps or even higher. Only the model with the high contrast “HDR” specifications can provide the true high definition experience for the user. Therefore, the market demand for displays with new specifications shows a positive outlook.</p>	<p>1. The addition of new flat-panel display manufacturers will lead to increased competition and lower profits.</p> <p><u>Corresponding countermeasures:</u></p> <ul style="list-style-type: none"> <li>•Utilize the proprietary backlight plate design to maintain technical leadership.</li> <li>•Expand the customer base and upgrade from a panel plant to a system integrator (SI) and Brand Name to acquire orders by participation in the design.</li> <li>•Expand the customer base and application market. Become a leading manufacturer of comprehensive Visual Solutions products. In addition to providing professional design advice and stable high-quality product development, and production to Brand Names, the Company offers a high degree of customization to accommodate user needs more closely in order to quickly enter the market and acquire market share. In the dynamic process of discovering demand and meeting the needs, we are able to grow together with our business partners and expand the application market.</li> <li>•Continue to improve the enterprise resource system and supply chain management, expand production capacity and disperse deployment in Vietnam, as well as integrate the Group's resources to build smart factories. The aim is to decrease labor demand and production costs, and enhance the Company’s competitiveness.</li> </ul> <p>2. Projectors are facing stronger competitions from large LCD displays and LED video walls.</p> <p><u>Corresponding countermeasures:</u></p>

Item	Favorable Factors	Unfavorable Factors and Countermeasures
	<p>5. With the advancement of LED/Laser solid-state light source technology, improvements in performance and brightness are driving the widespread adoption of solid-state light sources, while also serving as an alternative to mercury lamps in response to the EU's 2027 ban on mercury lamps.</p> <p>6. With the active development of new applications such as laser TV, digital signage and large-size signage solutions, the prospects are promising.</p> <p>7. With rapid developments in AI/intelligent application technology, the Company will strive to integrate advanced smart technologies and reinforce the connection between smart applications and fields to create more competitive smart projectors.</p> <p>8. With the gradual implementation of China's national strategic emerging industry planning, the extensive development of information technology, high-end manufacturing, digital creativity, tourism and the cultural tourism industry take form. Hence, the demand for display or projection equipment will increase significantly, bringing new business opportunities to the professional audiovisual industry.</p>	<ul style="list-style-type: none"> <li>• The use of technology leadership continues to bring value to customers. Advantages can be continuously created by integrating R&amp;D capabilities and experience in light, mechanical, electricity, thermal, and software, thereby continue to increase the proportion of solid state light sources and 4K/1080P high-resolution products, as well as enhance the product cost performance ratio to generate advantages.</li> <li>• Continue to develop user-friendly and easy-to-use intelligent software complemented by the cloud and AI value-added services to increase customer satisfaction and adhesion.</li> <li>• Establish a strategic procurement platform and promote strategic procurement plans to achieve optimal costs and increase product competitiveness.</li> <li>• Vigorously introduce innovative technologies such as multi-screen splicing and immersive curved surface splicing to resolve the problems of large space display, uneven and arbitrary surface projection, and transportation, providing holistic solutions to enhance customer satisfaction and loyalty, as well as expanding market applications.</li> <li>• Develop a cloud-based smart public broadcasting system to provide a digital content management platform with AI image recognition and interactive features to endow Visual Solutions products with diverse applications.</li> </ul>
Operating Environment	<p>1. The Company entered the market ahead of the industry, has therefore accumulated enough technologies and experience to understand important customers and the market.</p> <p>2. The Company has a stable source of supply and support from key component suppliers.</p>	<p>1. The high proportion of outsourcing and export makes the Company more vulnerable to the impact of exchange rates. <u>Corresponding countermeasures:</u></p> <ul style="list-style-type: none"> <li>• Collect relevant information on exchange rate fluctuations at all times to effectively minimize its impact on revenue and profit.</li> <li>• Judge exchange rate fluctuations based on the Company's capital needs and information provided by banks and financial institutions in order to decide on the timing for forex hedge and avoid exchange risks.</li> </ul> <p>2. Continuous increase in China's manufacturing costs. <u>Corresponding countermeasures:</u></p> <ul style="list-style-type: none"> <li>• Introduce production automation as soon as possible to effectively reduce manufacturing and labor costs.</li> </ul> <p>3. The increase in the proportion of overseas investment has gradually disqualified the Company for domestic tax incentives, and the overall tax advantage has gradually decreased. <u>Corresponding countermeasures:</u></p> <ul style="list-style-type: none"> <li>• The focus of R&amp;D remains in Taiwan to take advantage of various R&amp;D tax incentives.</li> <li>• Consider the Group's overall tax planning to achieve the lowest overall tax burden.</li> </ul> <p>4. The scale of operations of Chinese investment companies is increasing, and the financial planning of daily operations is vulnerable to the effect of tightening local monetary policies. <u>Corresponding countermeasures:</u></p> <ul style="list-style-type: none"> <li>• Increase the number of financial institutions and lines of credit outside China.</li> <li>• Adjust the transaction model to reduce the capital movement needs of Chinese reinvestment companies.</li> </ul> <p>5. The US-China trade war has led to an increase in the risk of operational costs.</p>

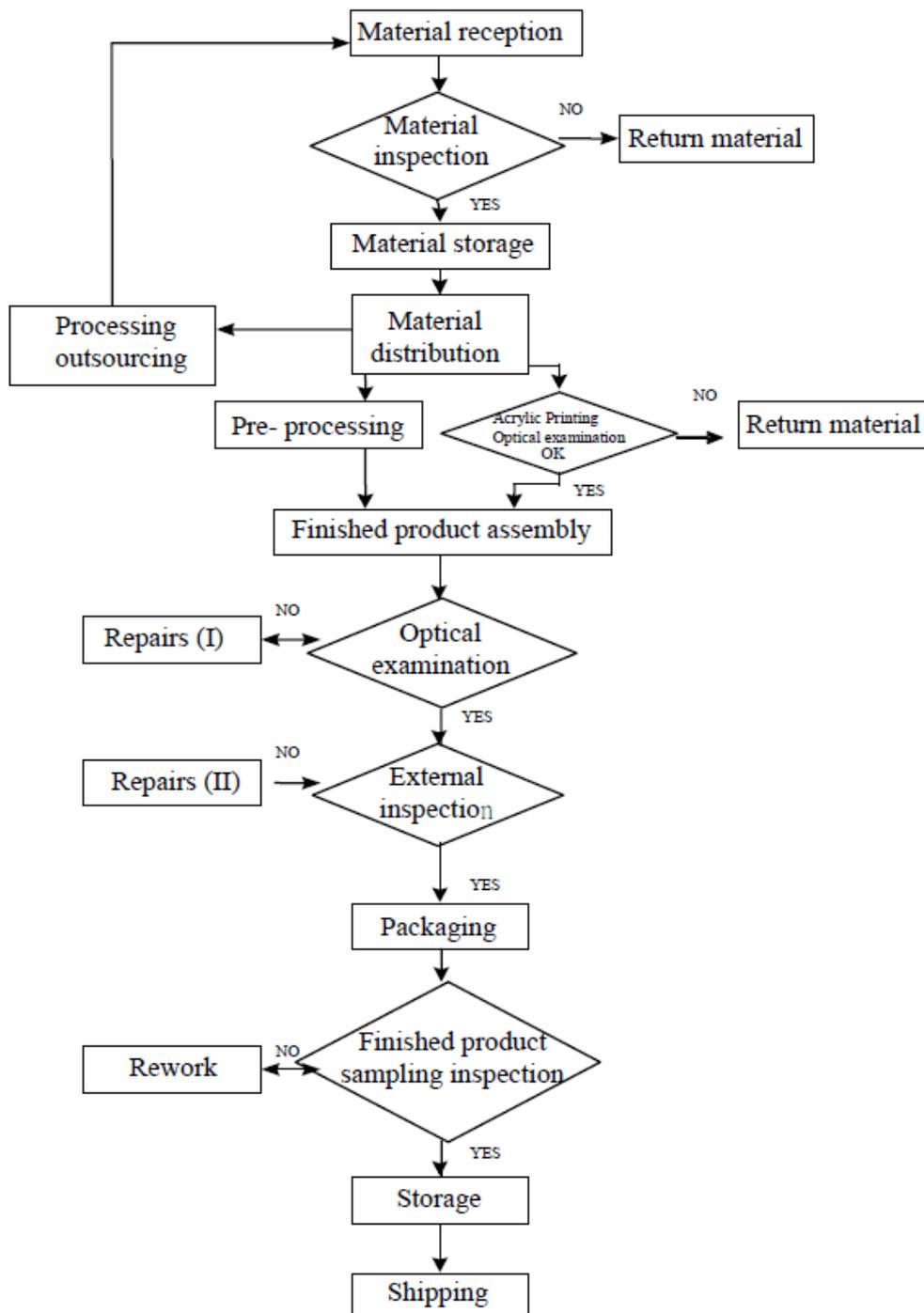
Item	Favorable Factors	Unfavorable Factors and Countermeasures
		<p><u>Corresponding countermeasures:</u></p> <ul style="list-style-type: none"> <li>• Gradual migration of high-value products exported to the USA back to Taiwan or other overseas production bases to build a non-Chinese supply chain.</li> </ul>
Internal Conditions of the Company	<ol style="list-style-type: none"> <li>1. Technical advantages and mass production scale.</li> <li>2. The Company shortens the production cycle and changes the process time with lean management, and continuously introduces the automation process, which can meet the customers' small-amount demands as well as fulfilling the multi-line production at the same time to meet a large number of orders.</li> <li>3. The Company possesses technological advantages, a comprehensive patent layout and economies of scale for mass production.</li> </ol>	<p>The scale of operation of the company has grown rapidly and the logistics integration capability needs to be further strengthened.</p> <p><u>Corresponding countermeasures:</u></p> <ul style="list-style-type: none"> <li>• Recruit seasoned professionals to participate in the Company's operational planning.</li> <li>• Establish a comprehensive talent training and incentive system.</li> <li>• Engage in cooperative education with schools to attract outstanding talents.</li> <li>• Automation and smart operation of internal operations with well-established digital systems.</li> </ul>
Product and Technology Development	<ol style="list-style-type: none"> <li>1. The product line is complete and competitive on the market.</li> <li>2. The R&amp;D team is strong enough to master key technologies as well as critical components, and makes the Company a market leader.</li> <li>3. The Company has the technology to design and manufacture large-size LCD backlight modules.</li> <li>4. The Company has the advanced technology and products based on the integration of light, mechanical, electricity, and software.</li> <li>5. The Company has the advanced technology and products with ultra-short throw machine and solid state light source.</li> <li>6. The R&amp;D team continues to innovate and provides customers with comprehensive projection solutions.</li> </ol>	<p>Industry sales change rapidly, and customer cost control has become increasingly stringent.</p> <p><u>Corresponding countermeasures:</u></p> <ul style="list-style-type: none"> <li>• Maintain close relationships with key parts suppliers to understand their production capacity and load, as well as flexibly adjust procurement lead times accordingly.</li> <li>• Optimize the performance of products by developing innovation technology, enhancing self-manufacturing capability of parts, and collaborate with suppliers.</li> <li>• Proactively engage in technical collaborations or strategic alliances with major manufacturers in the country or abroad to facilitate new product launches or acquire new technologies.</li> </ul>
Sales Overview and Market Capabilities	<ol style="list-style-type: none"> <li>1. The strategy is to focus on ODM complemented by EMS, and continual innovation is our advantage.</li> <li>2. Committed to the improvement of production technology and quality assurance system. The products have been recognized by domestic and foreign customers, and maintaining good customer relationships will help to improve market stability.</li> </ol>	<p>Science and technology are advancing rapidly, and some markets may be replaced by big screens or other new technologies. Traditional business models are also affected by e-commerce platforms.</p> <p><u>Corresponding countermeasures:</u></p> <ul style="list-style-type: none"> <li>• Collaborate with key parts and brand customers to acquire early market information and monitor market trends. Investing in the research and development of technologies that can compete with alternative technologies, as well as incorporating technologies into the Company's research and development.</li> <li>• Utilize existing overseas subsidiaries to monitor market trends. The Group will also develop potential, and may replace the existing product market in the current product market, and incorporate the technology of the Company in the R&amp;D projects, such as laser/LED source and the ultra-short-throw interactive technology, multi-screen blending technology, and the immersive curve blending interaction technology.</li> <li>• Utilize technologies and customer channels to grasp the latest retail trends and expand market applications.</li> </ul>

(II) Usage and production process of the primary products

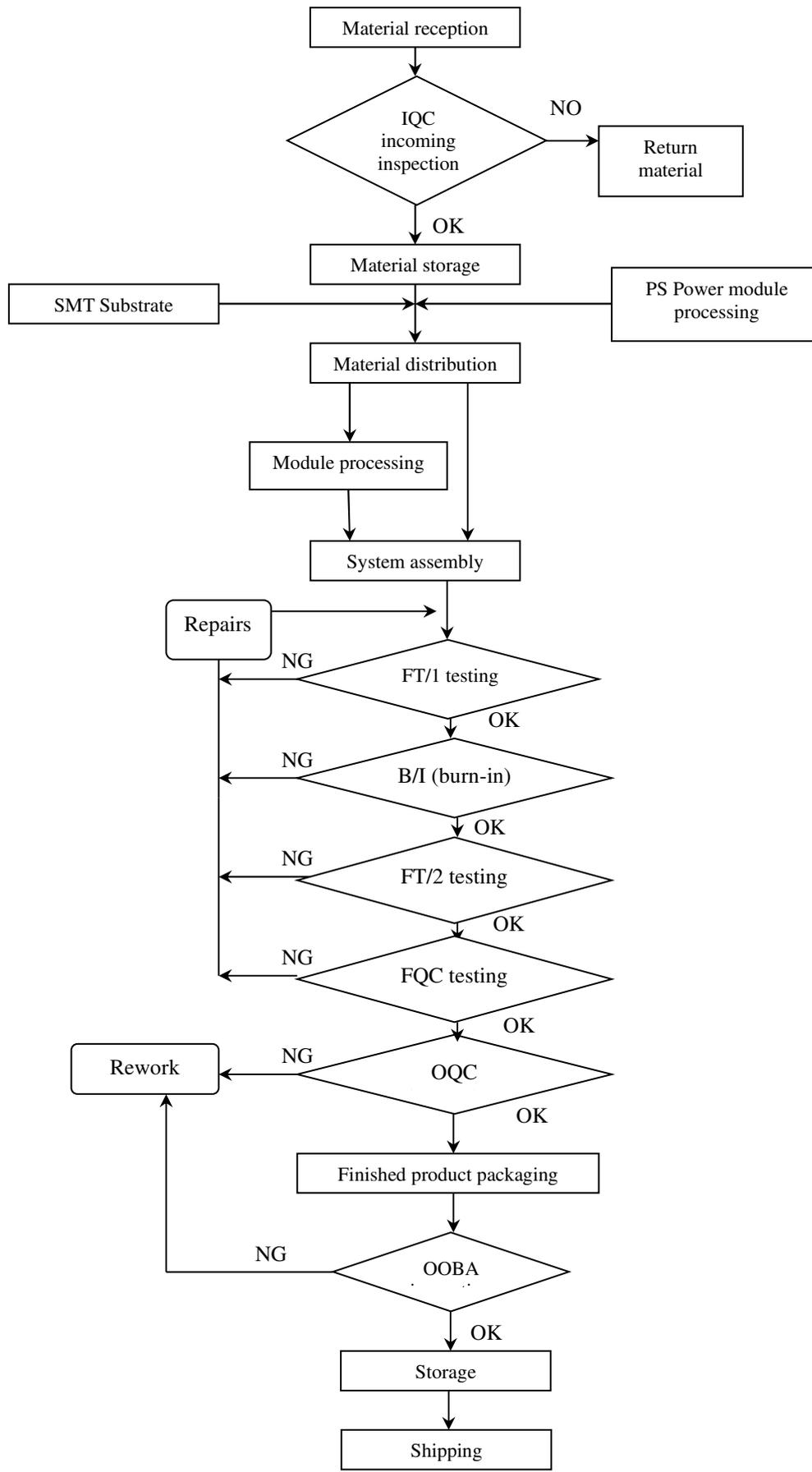
1. Important uses of the primary products: The main uses of Energy Saving products are tablets, NBs, LCD TVs, other large-size LCD flat-panel displays, and automotive head-up display modules. Projectors and Visual Solutions products are mainly used for computer data and large-screen projection of video signals, digital signage, multi-screen splicing, interactive experience, and smart connections.

2. Production processes of the primary products

(1) Backlight plate production process



(2) Projector production process



(III) Supply status of primary raw materials: The Company maintains good relations with raw material suppliers to effectively control the supply and shortens the delivery period, achieving cost reduction and autonomy. In addition, the Company diffuses risks by purchasing raw materials from manufacturers in Taiwan, Korea, Japan and China.

(IV) Name and purchase (sales) amount and proportion of suppliers (customers) accounting for over 10% of the total purchase (sales) amount in the most recent two years:

1. Information on major suppliers in the most recent 2 years:

Unit: NT\$ thousand

Year Item	2023				2024				As of March 31 <sup>st</sup> , 2025			
	Name (note)	Amount	Annual Net purchase ratio (%)	Relationship with the issuer	Name (note)	Amount	Annual Net purchase ratio (%)	Relationship with the issuer	Name (note)	Amount	Net purchase ratio of Q1 of 2025 (%)	Relationship with the issuer
1	Others	32,123,406	100.00	-	Supplier A	2,443,304	10.05	-	Supplier A	580,985	13.32	-
2	-	-	-	-	Others	21,867,302	89.95	-	Others	3,779,566	86.68	-
3	Total net purchase	32,123,406	100.00	-	Total net purchase	24,310,606	100.00	-	Total net purchase	4,360,551	100.00	-

Note: The name, amount and ratio of suppliers who took up more than 10% of total purchases for the last two years shall be stated. However, if the contract stipulates that the name of the supplier shall not be disclosed and the transaction counterpart is a non-related individual, it can be replaced by a code.

Reasons for changes: In 2023, the purchase ratios from all suppliers were below 10%. Due to a product portfolio adjustment, the purchase ratio from supplier A exceeded 10% in 2024, and no other supplier has a purchase ratio higher than 10%.

2. Information on major customers in the most recent 2 years:

Unit: NT\$ thousand

Year Item	2023				2024				As of March 31 <sup>st</sup> , 2025			
	Name	Amount	Annual Net sales ratio (%)	Relationship with the issuer	Name (note)	Amount	Annual Net sales ratio (%)	Relationship with the issuer	Name (note)	Amount	Net sales ratio of Q1 of 2025 (%)	Relationship with the issuer
1	Customer A	4,689,182	11.87	-	Customer A	6,606,817	16.65	-	Others	8,473,903	100.00	-
2	Others	34,802,526	88.13	-	Others	33,062,126	83.35	-	-	-	-	-
3	Total net sales	39,491,708	100.00	-	Total net sales	39,668,943	100.00	-	Total net sales	8,473,903	100.00	-

Note: The name, amount and ratio of customers who took up more than 10% of total sales for the last two years shall be stated. However, if the contract stipulates that the name of the customer shall not be disclosed and the transaction counterpart is a non-related individual, it can be replaced by a code.

Reason for changes: It is mainly due to the changing in market trends and evolving customer demands.

### III. Employees

Year		2023	2024	As of March 31 <sup>st</sup> , 2025
Number of employees	Technical personnel	2,420	2,266	2,373
	Management personnel	1,920	1,914	2,014
	Operating personnel	6,372	6,228	5,082
	Total	10,712	10,408	9,469
Average age		40.62	39.65	41.46
Average Years of Service		9.43	9.10	9.70
Education distribution ratio (%)	PhD	0.71	0.73	0.80
	Graduate School	13.19	13.75	14.20
	University/College	38.41	39.41	40.60
	High school (and below)	47.69	46.10	44.40

### IV. Environmental protection expenditure

- (I) Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.
- (II) Future countermeasures (including improvement measures) and possible expenditures: The Company has a dedicated unit to promote the ISO 14001 environmental management system, ISO 45001 occupational safety and health management system, CNS 15506 Taiwan occupational safety and health management system, ISO14064-1 greenhouse gas inventory certificate, ISO50001 energy management system at Chunan Plant, and implement the environmental protection and operation safety. There has been no loss or penalties due to environmental pollution or work safety incidents by the competent authorities.
- (III) In order to conform to the trend of green consumption in the 21st century, the Executive Yuan promulgated the “Organization Green Procurement Plan” in July 2001. In line with government policies, the Company has added priority procurement items for eco-friendly products in non-production procurement management. In 2024, the total purchase amount was NT\$33.26 million.

### V. Labor relations

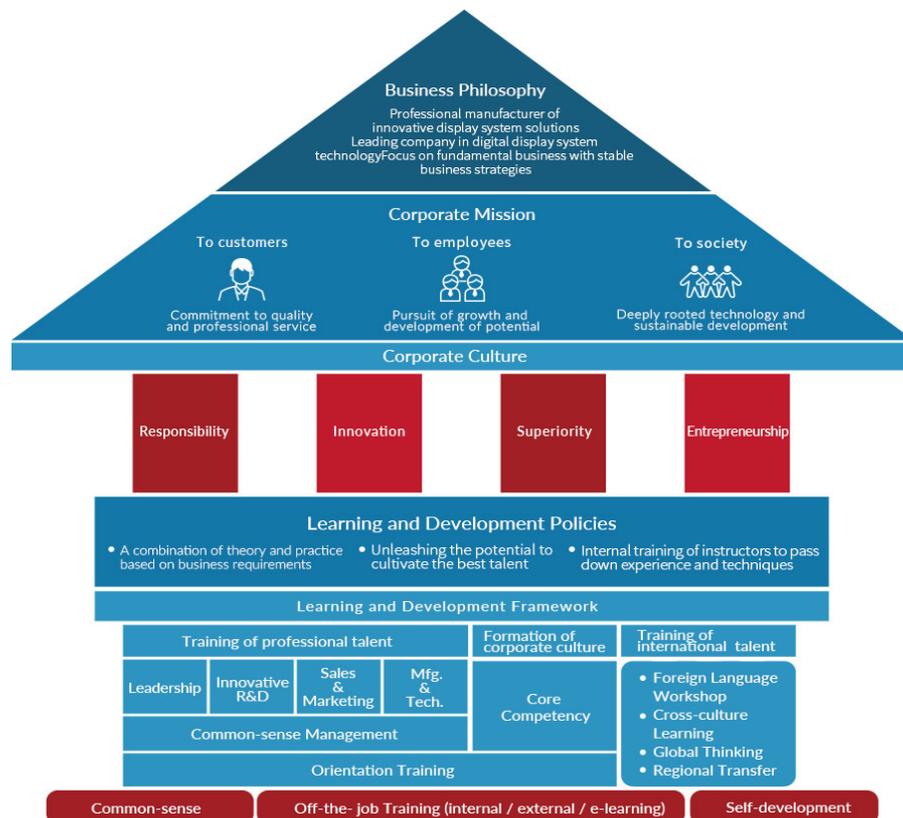
- (I) Employee welfare measures, continuing education, training, retirement system and implementation status: The Company’s treatment is comparable to that of its peers, and the labor-management relationship is harmonious. The welfare, training and retirement measures are all well-established, as explained below:
1. The Company has an Employee Welfare Committee to which funds are granted according to regulations to give out benefit subsidies and to plan various welfare measures, including: Gift certificates for the three festivals, money gifts for birthdays, subsidies for weddings, funerals or religious parades, subsidies for recreational travels, employee tours, sports competitions and festive

activities. This is to promote the interaction among employees and within families. The Company continues to promote employee assistance programs, provide free professional consulting services such as psychological, legal, medical and management services. The Company values the physical and mental health of its employees. It has established a health management unit and delegated health managers, and arranged in-plant health consultations with doctors. It has also provided health management for specified operations, health care, health promotion and employee assistance. Moreover, the Company has also introduced the Occupational Health and Safety Standards to ensure the compliance of various operations with standard procedures to prevent occupational injuries. The company has also promoted various health protection plans according to the "Occupational Safety and Health Act." Details of employee benefits and welfare measures are as follows:

Employee welfare measures (Taiwan Area)	
Operating profit sharing (Applicable to full-time employees)	<ul style="list-style-type: none"> <li>• Employee bonus (depending on the annual operational and individual performance)</li> <li>• Production performance bonus, operating performance bonus, and R&amp;D patent bonus</li> <li>• Award ceremony for excellent R&amp;D personnel, senior employees and outstanding employees</li> <li>• Employee shares (when possible)</li> </ul>
Comprehensive Employee Care	<ul style="list-style-type: none"> <li>• Employees enjoy free group insurance, expatriate and family accident insurance, travel insurance for overseas travel, consulting services are offered by group insurance personnel regularly stationed in the plant.</li> <li>• Annual health checkups (better than the statutory requirements), employee health management, comfortable leisure space, and professional medical consultation</li> <li>• Provide free "painless gastroenteroscopy" screening for middle-aged and elderly people at high risk of colorectal cancer to ensure early detection and treatment</li> <li>• Comprehensive retirement system, working conditions with gender equality</li> <li>• Flexible working hours and shuttle buses</li> <li>• Friendly parking spaces for injured and ill employees</li> </ul>
Diverse and thoughtful Welfare measures	<ul style="list-style-type: none"> <li>• Gift vouchers for Labor Day, Mid-Autumn Festival, Dragon Boat Festival and birthdays</li> <li>• Wedding gift, childbirth gift, hospitalization subsidies, condolences money, travel subsidies, funding for employee clubs, condolence allowance for female colleagues who experience a miscarriage</li> <li>• Family day, club activities, year-end parties</li> <li>• Restaurant, smart cafe, convenience store, employee leisure center, multi-functional employee fitness center, and yoga classroom</li> <li>• All meals served in the staff restaurant use organic vegetables, monthly raw vegetable salads, and monthly afternoon snacks</li> <li>• Two movie tickets are provided per person</li> </ul>

Employee welfare measures (Taiwan Area)	
Women's Care	<ul style="list-style-type: none"> <li>• Parental leave, family care leave, maternity leave, paternity leave, menstrual leave, and prenatal checkup leave</li> <li>• Breastfeeding room</li> <li>• Pregnant women's indoor parking spaces</li> <li>• Contracted nursery and kindergarten</li> <li>• Priority meal collection for pregnant women</li> </ul>
Leave better than legal requirements	<ul style="list-style-type: none"> <li>• Golden Week: Five-day paid leave</li> <li>• Volunteering leave: Employees participating in volunteer events organized by the Company may apply for the volunteering leave equivalent to the event length. There is no limit for volunteering leave each year.</li> </ul>

2. Upholding the belief that “human resources are the company’s most important asset”, we offer multifaceted and flexible learning environments to enrich the professional skills and literacy of employees and achieve the mutual support of work and learning to lay a foundation for the self-development. We offer systematic training courses to employees based on their career planning and learning roadmap to develop their expertise in management or other professions. Based on the course category, internal and external instructors are hired to share knowledge, experience, and skills to improve the competencies and career development of employees. The Company organized training courses in 2024 with a total of 31,525 participants. The total number of training hours was 46,653 hours, costing over NT\$6.74 million. We also support innovation learning and devote to creating a sustainable learning workplace environment. Through a job-oriented learning development system, e-learning, and vivid practical training, as well as combining regional job rotation and foreign language learning, we help employees wishing to experience the world to realize their dreams.



3. The company's retirement system is handled in accordance with the Labor Standards Act. Since July 1, 2005, the Company has complied with the regulations to implement a new system of labor pensions. For employees choosing the new pension system, each month we contribute 6% of their salary by law as their pension, and employees may contribute 0-6% of their salary and deposit the sum to their personal account at the Bureau of Labor Insurance. Those who choose the old pension system or the new one but started working before the new system came into force will allocate 2% of the retirement reserve to the Company account of the Bank of Taiwan on a monthly basis. The Company has a sound retirement system to ensure that employees' pension funds and benefits are not being compromised. The pension funds will be paid within 30 days after the date of employee's retirement. In 2024, two employees applied for retirement, and all applications were completed in accordance with regulations. After senior employees with excellent work performance apply for retirement, we will invite them to serve as consultants to share their rich experience with other employees. Apart from providing professional consulting services for the Company, this policy also creates another stage for retired employees to continue their contribution to the Company.
- (II) Labor-management agreement and employee rights maintenance measures: The Company hosts labor-management meetings regularly with senior managers present at the meeting to listen to the voices of employees and represent the management to interact and communicate with the employees. In order to protect the rights of employees, the Company has set up physical and digital employee suggestion boxes (8585 mailbox), and a delegated hotline (ext. 8585), serving as a private and safe channel for receiving suggestions from employees. The suggestions from employees are handled by designated personnel.
- (III) Any losses suffered by the company in the most recent years and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.
- (IV) Work environment and employee personal safety protection measures
- The Company adheres to the philosophy of "pursuing excellence and valuing customers." In order to protect employee health, maintain the work environment as well as protecting the environment, the Company promotes ISO14001 - Environmental Management Systems / ISO45001 Occupational Health and Safety / CNS 45001 - Taiwan Occupational Safety and Health Management System and obtained certification. In order to "implement risk management, prevent disasters and unhealthy occurrences, enhance employees' safety and hygiene awareness, create a safe and comfortable working environment, prevent pollution, reduce waste and recycle, and improve resource use efficiency, and becoming a green enterprise," we are committed to the continuous improvement of environmental and safety management performance, to preventing occupational disasters, to improving the working environment, to maintaining peer safety and reducing accident losses, and to regularly implementing regular inspections. In the process of regular inspection and improvement, all departments pay more attention to the safety of the work environment, gradually improve the safety awareness of personnel and reduce the

risk of environmental hazards. The guards patrol 24 hours a day, and a surveillance system has been set up. In order to promote disaster prevention and enhance the crisis awareness and emergency response capability of the emergency response team members, the Company regularly reviews emergency contingency plans.

The Company adheres to the core principle “disaster prevention,” utilizes the proper management tools and available resources, identifies occupational safety and health issues within the factories, puts forth effective measures, and promotes the occupational safety culture. In addition, we also improve the protection management for operators and invest resources in the prevention of occupational illness to create a zero-disaster environment. To decrease the occurrence of occupational incidents and systematically manage the occupational disaster risks, in addition to the establishment of the Occupational Injuries and Accident Management Regulations, the “Accident Report/Staff Occupational Injuries/EHS Incident Handling Record” platform has been established to record and track the possible reasons of the accidents and corrective actions. When any work-related injury accident occurs, we will review the hazard factors and assess the risks to strengthen disaster prevention. At the same time, we will conduct regular internal inspections, overhaul fire and evacuation facilities, conduct electrical equipment safety and public hazardous materials fire prevention management, implement fire response training and personnel evacuation drills, follow accident management regulations and report system investigation mechanisms, implement accident analysis and improvements, and ensure a safe working environment.

To take good care of the physical, mental, and spiritual health of employees and endeavor to inculcate the health management concept into employees, we have established the health management unit in each plant to promote total health management and have been consecutively awarded the Badge of Accredited Healthy Workplace for many years. By assessing health risk based on the results of the annual health checkup and integrating the four implementation plans of the Occupational Safety and Health Act, we have identified and assessed high-risk groups, and hired medical specialists to provide onsite consultation and health instruction services, as well as to arrange necessary referrals. With the support of senior executives, the Company actively promotes various health promotion activities, organizes Golden Tourism Week and Sports Family Day, and promotes the digital gym – “i Health Plan”. Through customized personal exercise routines, we encourage colleagues to develop good exercise habits, establish a good lifestyle, and create a healthy workplace.

(V) Has Company established a code of employees conduct or ethics

To maintain our commitment of business ethics and integrity, we have set up the “Code of Conduct” section on the employee portal to ensure that employees engaging with the Company’s business activities comply with the requirements of the ethics, customers and stakeholders. The “Code of Conduct” section includes the Code of Ethical Conduct/Ethical Corporate Management Best Practice Principles/Procedures for Ethical Management and Guidelines for Conduct/RBA Code of Conduct/Instructions for Management of Avoidance of Conflicts of Interest with Suppliers/Occupational Safety and Health Best Practice Principles. The above-mentioned regulations regulate the behavior of all employees. The main content is as follows:

Based on the relevant requirements of the Responsible Business Alliance, the Company clearly defines ethical behavior, business integrity, conflicts of interests and work safety, with reference to the Universal Declaration of Human Rights, international social responsibility, trade ethics, and ecological management. This requirement is included in the supply chain audit system. In line with international

trends, the Electronic Industry Code of Conduct Management Manual is being revised to the Responsible Business Alliance Code of Conduct Management Manual (RBA) to ensure a safe supply chain for the electronics industry, practitioners with dignity, and environmental protection as well as moral responsibility in manufacturing processes. The Company hopes to create a sustainable environment and provides customers with satisfactory products and services through the incorporation of the Responsible Business Alliance Code of Conduct Management Manual and the continuous introduction of relevant requirements.

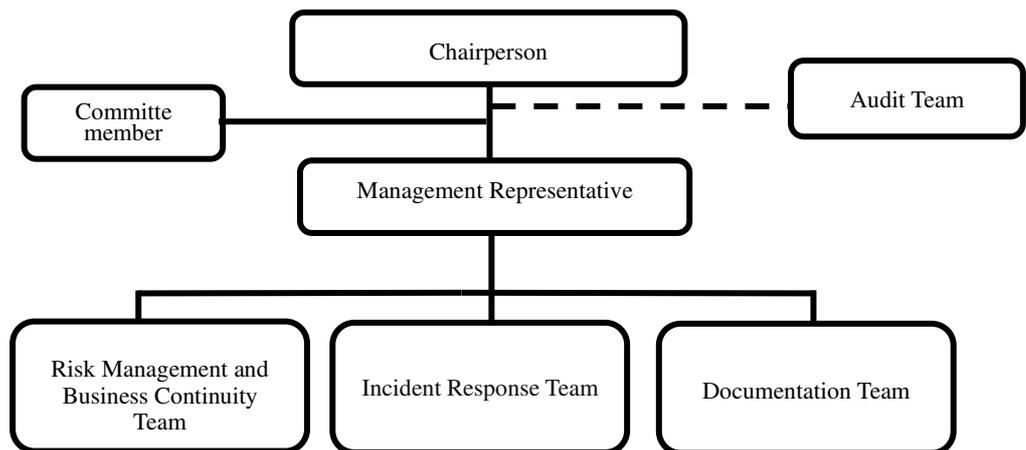
VI. Information, communication, and security management

(I) Information, communication, and risk management framework

In December 2012, the Company established the “Information Security Committee,” which is responsible for reviewing the information security governance policies, monitoring the information security management, building the comprehensive information protection mechanisms, raising colleagues’ awareness about information security, and evaluating the information security risks on a regular basis. Since 2020, it has reported the implementation status to the Board of Directors.

The Committee is led by a director, appointed by the Company's President or the Company 's Vice President (hereinafter referred to as the Chairperson). The members are composed of first-level supervisors from each department to assist the Chairperson in management and operation. The management representatives of each department supervise and manage the colleagues of each department and matters related to the affairs of the Committee. The Risk Management and Business Continuity Team, Incident Response Team and Documentation Team are set up under its jurisdiction. Please refer to the figure below for the organizational structure chart.

Organizational chart of the Information Security Committee



(II) Cybersecurity Policy

The Company has obtained verification of ISO27001:2022. We will use it as the reference standard and formulate our information security policy based on the actual management needs. The valid period for ISO 27001:2022 certificates is up to December 31, 2025. For details, please refer to the company website "ESG/ESG Report & Certificate to download".

To achieve this policy, we have established the Information Security Committee, and formulated relevant information security regulations to enhance the effectiveness of information security management operations.

- Each unit in the Information Management Center establishes a list of relevant information assets and identifies the owners. Risk assessment is performed according to the difference in the level of information assets, and risk management is conducted for risks above acceptable levels to effectively reduce risks and continuously implement various control measures.
- Relevant personnel shall be hired with the necessary assessment and sign relevant operation regulations, and their information assets shall be returned when they change or leave their jobs. Both new and current colleagues must participate in information security education and training to enhance the awareness of information security protection.
- The Company shall implement the regulations on access control and carrying in and out of Coretronic's buildings and information security control area.
- Employees are strictly prohibited from setting up network equipment to connect external networks with the company's internal network. Firewalls, DMZs, and necessary security facilities are set up to protect the internal and external networks, and appropriate backup or monitoring mechanisms should be set up to maintain the availability of important equipment. Anti-virus software should be installed on personal computers and virus codes should be updated regularly, and the use of unauthorized software is prohibited.
- Personal accounts, passwords, and privileges held by employees should be properly stored and used, and the management should regularly check and review them. Important system data should be backed up regularly and the restoration test should be performed.
- System development should consider the establishment of security control mechanism at the initial stage, and the outsourced development part should strengthen the control and contract information security requirements, and evaluate the control requirements of the system to take the necessary control.
- When there is an information security incident, staff shall immediately report the incident and act according to the ISO procedures to prevent the incident from escalation, and cooperate with the responsible department to solve the problem.
- Daily operations of the Company shall implement a confirmation review mechanism to maintain the accuracy of information, and supervisors shall supervise the implementation of the information security compliance system to strengthen the awareness and legal concepts of information security among employees.
- The Company regularly reviews its information security policy to reflect the latest developments in government regulations, technology and business to ensure the effectiveness of information security practices. Coretronic's information security objectives are established by the Information Security Committee based on the information security policies and subject to changes if necessary.

(III) Specific management plans and resources invested in the information and communication security management

All information security matters within the Group are planned, managed, and supervised by the Information Security Committee. Dedicated information security engineers are appointed to take charge of information security.

- Annual information security targets: All performance indicators in 2023 were

achieved and the annual information security targets were completed.

Information Security Objectives	CIAL	KPI	Control measures
Undisrupted network service of the server room	A	4 times	The cybersecurity incident automatic alarm system is established to send real-time warnings for specific cybersecurity incidents to facilitate taking effective preventive measures so as to reduce cybersecurity incidents.
Undisrupted service of key business systems	A	2 times	Abnormal incident logs are retrieved to ensure undisrupted service of key business systems.
Annual review of the cybersecurity policy	L	1 times	The cybersecurity policy should be reviewed each year to ensure compliance with the Group's policy goals, ISMS standard, and legal compliance.
Annual review management meeting of information security	L	1 times	A review management meeting of information security should be held each year to ensure all information security measures are unfailingly implemented and continual improvement is achieved.
Accomplishment rate of cybersecurity education and training for employees	CIA	100%	A minimum of three hours of general education and training on information security or personal data should be arranged for employees.
Annual review of system access privileges	C	1 times	OTP management of privileged accounts.
Annual vulnerability scan of important systems	CIA	1 times	Vulnerability scan is implemented periodically on important systems each year to ensure the timely fixing of high-risk loopholes.
Backup copies of important system data are made periodically each year to ensure compliance with the RPO	IA	2 times	Backup and restoration drills of important system data are conducted each year, and records are maintained.

Information Security Objectives	CIAL	KPI	Control measures
requirements.			
Signing of the non-disclosure agreement (NDA) of all personnel of information service contractors.	C	2 contracts	To ensure contractor supervision and management, personnel of contractors providing information service are requested to sign the NDA.
Spot check of drilling on the service continuity of important systems each year	A	1 times	To ensure the service continuity of important systems, business continuity drills should be scheduled each year.
Success rate of social engineering in drills	CIA	10%	Do not open emails of unknown origins and click the links and open the attachments contained. After receiving emails of unknown origins, immediately delete or notify the IT unit.
Number of installed illegal or unlicensed software found in annual random check	L	None	To ensure all software used within the Group is legally licensed to avoid copyright infringement and malware attacks.

C: Confidentiality

I: Availability

A: Integrity

L: Legal

- Review and continuous improvements

Education, training and promotion	• Regularly implement the email social engineering exercises to help employees be vigilant about phishing emails
	• Continue to implement information security education and training, and promotion to enhance colleagues' awareness about information security

- Results by investing resources

Enhance the information security system	• Build external application system firewalls to strengthen external threat defense mechanisms
	• Build a server firewall to effectively control access data flow and spread risks
Information security	• 2 email social engineering exercise

inspection services	<ul style="list-style-type: none"> <li>Establish a host vulnerability scanning system, regularly scan and track detected vulnerabilities, and 100% patching is completed</li> </ul>
Education, training, and promotion	<ul style="list-style-type: none"> <li>Information Security training: " Information Security for new hired employees, " Email social and Engineering attacks ", "Phishing and face-changing scams" , "Essentials of network security identification and protection", "Network Information Security and Computer Usage Standards" ,and "Cybersecurity Education Training" 11 cybersecurity related courses were also offered, with a total of 2,754 participants</li> </ul>
	<ul style="list-style-type: none"> <li>8 information security lectures, information security rules, and notes</li> </ul>

(IV) Damage, potential impacts, and counteractions caused by significant cybersecurity incidents in the most recent years and by the date of report publication. State the reasons for failure of reasonable estimation, if any: None.

#### VII. Important contracts

Nature of Contract	Parties	Contract Start/End Date	Main Content	Restrictive Provisions
Land lease	Hsinchu Science Park Administration Office	2017.07.01~2036.12.31	Science Section of Hsinchu Science Park 9,047.95 square meters of land	Sublease and sublease conditions should be approved by the Science Park Bureau
Land lease	Hsinchu Science Park Administration Office	2021.01.01~ 2040.12.31	12,236.13 square meters of land in Nanke Section, Miaoli County	Sublease and sublease conditions should be approved by the Science Park Bureau
Land lease	Southern Taiwan Science Park Administration Office	2023.01.01~2043.12.31	The land in the Southern Taiwan Science Park occupies a total area of 24,940m <sup>2</sup> .	Sublease and sublease conditions should be approved by the Science Park Bureau
Land lease	Southern Taiwan Science Park Administration Office	2019.06.20~2039.06.19	The land in the Southern Taiwan Science Park occupies a total area of 20,000m <sup>2</sup> .	Sublease and sublease conditions should be approved by the Science Park Bureau
Trademark Licensing	HDBaseT Alliance	January 20th, 2015 till the end of the	The Alliance has granted its	Not transferrable

Nature of Contract	Parties	Contract Start/End Date	Main Content	Restrictive Provisions
		Company's membership in the technology alliance	trademark licensing to the Company	
Technology licensing	Dolby Laboratories Licensing Corporation	December 19th, 2002 ~ the termination of the patent	The Company's technology licensing is authorized and the royalty is paid by the Company	None
Supply Contract	A major Japanese company	April 1st, 2004 ~ March 31 <sup>st</sup> , 2005 with automatic renewal	Projector Purchase/Sales Contract	Confidentiality agreement
Supply Contract	A Japanese household appliance and consumer electronic product brand	2005.1.06~2006.01.05 with automatic renewal upon expiration; 2005.05.25~2006.05.24 with automatic renewal upon expiration	Projector Purchase/Sales Contract	Confidentiality agreement
Supply Contract	A U.S. company	November 1st, 2006 till any party terminates	Projector Supply Contract	Confidentiality agreement
Supply Contract	A Japanese company	One year from August 26th, 2009 with automatic renewal	Projector Supply Contract	Confidentiality agreement/ Non-transferrable
Supply Contract	A Canadian company	Signed in 2010 but effective from October 21, 2008 until termination by any party of the contract	Projector Supply Contract	Confidentiality agreement
Supply Contract	A U.S. company	March 8th, 2010 until any party terminates	Optical Product Supply Contract	Confidentiality agreement
Supply Contract	A Japanese company	2010.06.01~2011.05.31 (automatic renewal upon expiration)	Backlight Module Supply Contract	Confidentiality agreement
Supply Contract	A Indian company	September 25th, 2014 until any party terminates	Backlight Module Supply Contract	Confidentiality agreement
Supply Contract	A Korean company	One year from 2015.06.01 with automatic renewal upon expiration	LCD Module Supply Contract	Confidentiality agreement/ Non-transferrable
Supply Contract	A U.S. company	Effective from April 25th, 2022 until the contractual date of expiration.	Lithography Supply Contract	Confidentiality agreement/ Non-transferrable
Supply Contract	A U.S. company	Effective from October 1st, 2019 until the	Lithography Supply Contract	Confidentiality agreement

Nature of Contract	Parties	Contract Start/End Date	Main Content	Restrictive Provisions
		contractual date of expiration.		
Land lease	An industrial park in Vietnam	2022.02.11-2077.12.21	1.13 hectares in Phu My town, Ba Rịa-Vung Tau Province, Vietnam	Confidentiality agreement
Construction Contract	A Vietnamese company	2022.04.01~2024.04.20	A construction project in Phu My town, Ba Rịa-Vung Tau Province, Vietnam.	Confidentiality agreement
Construction Contract	A Vietnamese company	Establishment takes effect from 2023~2024.12.31	A construction project in Phu My town, Ba Rịa-Vung Tau Province, Vietnam.	Confidentiality agreement
Supply Contract	A Japanese company	2011.08.1~2012.07.31 with automatic renewal upon expiration	Projector Supply Contract	Confidentiality agreement
Supply Contract	A Korean company	One year from 2023.11.15 With automatic renewal upon expiration	LCM module supply contract	Confidentiality agreement
Supply Contract	A Taiwanese company	2023.10.12~2023.10.11, with automatic renewal upon expiration	Backlight Module Supply Contract	Confidentiality agreement
Supply Contract	A U.S. company	Five years from 2023.01.30	Drone supply contract	Confidentiality agreement
Supply Contract	Government agencies	Establishment takes effect from 2023	AR equipment supply contract	Confidentiality agreement
Distribution contract	A U.S. company	Effective from 2023.10.28	Obtain specific distribution qualifications	Confidentiality agreement
Supply Contract	Energy firm in some country	Establishment takes effect from 2022	Software execution service contract	Confidentiality agreement
Distribution contract	A Chinese company	Valid for two year from the contract signing date in 2023, with automatic renewal upon expiration	Grant distribution rights	Confidentiality agreement
Supply Contract	Government agencies	Establishment takes effect from 2023	Drone supply contract	Confidentiality agreement
Supply Contract	Government agencies	Establishment takes effect from 2023	Drone supply contract	Confidentiality agreement
Supply Contract	A U.S. company	2023.05.22~2027.09.30	Chip evaluation module supply contract	Confidentiality agreement

Nature of Contract	Parties	Contract Start/End Date	Main Content	Restrictive Provisions
Supply Contract	Government agencies	Establishment takes effect from 2023	Spectrometer supply contract	Confidentiality agreement
Supply Contract	A Taiwanese company	Effective from 2023.09.12	Automotive light guide plate supply contract	Confidentiality agreement
Supply Contract	A Korean company	November 15th, 2023 until any party terminates	LCM module supply contract	Confidentiality agreement
Supply Contract	A Japanese company	January 30th, 2025 until any party terminates	Medical display customized panel module	Confidentiality agreement

## Five. Review and Analysis of Financial Position and Financial Performance, and Risk Management Issues

### I. Financial position

Unit: NT\$ thousand

Item \ Year	2024	2023	Variation	
			Amount	%
Current assets	38,278,742	38,766,684	(487,942)	(1.26)
Property, plant and equipment	10,108,052	8,431,972	1,676,080	19.88
Long-term investments (Note)	5,246,290	5,349,021	(102,731)	(1.92)
Intangible assets	290,678	310,952	(20,274)	(6.52)
Other assets	2,954,223	2,745,275	208,948	7.61
Total assets	56,877,985	55,603,904	1,274,081	2.29
Current liabilities	25,920,919	28,666,856	(2,745,937)	(9.58)
Long-term liabilities	3,340,419	114,838	3,225,581	2,808.81
Other liabilities	1,216,293	1,174,807	41,486	3.53
Total liabilities	30,477,631	29,956,501	521,130	1.74
Capital stock	3,909,811	3,909,811	—	—
Capital surplus	2,234,717	2,507,703	(272,986)	(10.89)
Retained earnings	17,429,799	17,442,672	(12,873)	(0.07)
Others equity	822,542	(375,897)	1,198,439	318.82
Non-controlling interests	2,003,485	2,163,114	(159,629)	(7.38)
Total equity	26,400,354	25,647,403	752,951	2.94
Explanation of major variations: (unnecessary if the variation was less than 20%)				
1.The increase in long-term liabilities is primarily due to the increase of bank syndicated loans.				
2.The increase in other equity is primarily due to the increase in exchange rate gains from the translation of financial statements of foreign operating entities.				

Note: Long-term investments include financial assets at fair value through profit or loss - non-current ,financial assets at fair value through other comprehensive income - non-current and equity-accounted investments.

### II. Financial performance

#### (I) Comparative analysis of operating performance

Unit: NT\$ thousand

Item \ Year	2024	2023	Variation	Variation (%)
Operating costs	32,618,778	31,620,007	998,771	3.16
Gross profit	7,050,165	7,871,701	(821,536)	(10.44)
Operating expenses	6,861,913	6,941,031	(79,118)	(1.14)
Operating income	188,252	930,670	(742,418)	(79.77)
Non-operating income and expenses	690,169	657,708	32,461	4.94
Income before income tax	878,421	1,588,378	(709,957)	(44.70)
Income tax expenses	(220,575)	(386,349)	165,774	42.91
Net income	657,846	1,202,029	(544,183)	(45.27)
Explanation of major variations: (unnecessary if the variation was less than 20%)				
1.The decrease in operating income, income before income tax, and net income for the period is primarily due to agross profit margin of competitive products decreases.				
2.The decrease in income tax expenses is primarily due to the decrease in income before income tax.				

(II) Expected sales volume and its basis:

Please refer to the "III.Summary of Business Plan in 2025"and "V. Influences of External Competitions, Regulatory Environment and Macro Environment" for details.

III. Cash flow

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

Item \ Year	2024	2023	Variation (%)
Cash flow ratio	2.54	15.52	(83.63)
Cash flow adequacy ratio	61.05	85.24	(28.38)
Cash flow reinvestment ratio	2.03	9.26	(78.08)

Explanation of major variations:

1. The decrease in the cash flow ratio is primarily due to a reduction in net cash inflows from operating activities.
2. The decrease in the cash flow adequacy ratio is primarily due to a reduction in net cash inflows from operating activities.
3. The decrease in the cash reinvestment ratio is primarily due to a reduction in net cash inflows from operating activities.

(II) Improvements for lack of liquidity: Not applicable.

(III) Liquidity analysis for the next year

Unit: NT\$ thousand

Beginning cash balance①	Projected net cash flow from operating activities for the year②	Expected cash outflow for the year③	Expected cash surplus (deficit) ① + ② - ③	Financing of expected cash deficits	
				Investment plans	Financing plans
428,452	2,228,192	729,034	1,927,610	-	-

Analysis of cash flow variation in the next year :

Net cash inflow from operating activities will arise mainly due to the profits generated from operations. The expected annual cash outflow mainly comprises cash dividends and long-term investments, which the Company can support with the proprietary capital.

IV. Material capital expenditures in the most recent year and impacts on financial/business performance: None.

V. The causes of profit or loss from the recent year's investment policy, long with improvement plan or investment strategies for the upcoming year:

All of the Company's investments are long-term in nature. The Company realized NT\$950,589 thousand of gains from investment in 2024, which was attributed to the strong profitability of its invested businesses. The Company will continue to carefully assess investment projects in the future.

VI. Risk management

(I) future counteractions

1. Impact on the Company's earnings

- (1) Interest rate: Interest expenses accounted for 1.23% of net sales in 2024, hence interest rate changes do not have significant impact on the Company. However, if the interest rate were to change by 1%, the Company would incur additional interest expenses of NT\$122,196 thousand.
- (2) Exchange rate: Gain on exchange and net gain on the valuation of financial assets totaled NT\$318,273 thousand in 2024, which accounted for 1.24% of net sales. If the NTD strengthens against USD by 1%, the Company's gross profit margin will be affected by approximately 0.09%.
- (3) Inflation: A 1% rise in the inflation rate would result in an approximate NT\$28,719 thousand in the Company's expenses.

2. Future response measures:

- (1) Interest rate: The Company maintains banking relationships with numerous financial institutions and has been able to secure borrowings at advantageous rates. The Company also has dedicated personnel assigned to interact closely with financial institutions.
- (2) Exchange rate: The Company has dedicated personnel assigned to monitor exchange rate changes and assess how these changes affect the Company.
- (3) Inflation: The Company constantly monitors market price changes and maintains sound interaction with suppliers and customers.

(II) Policies on high-risk and highly leveraged investments, loans to external parties, endorsements / guarantees, and trading of derivatives; describe the main causes of profit or loss incurred and future response measures

1. The Company did not engage in any transaction in 2024 that was characterized as high risk, high leverage or external party lending. The Company did, however, trade derivatives for hedging purpose, and assigned dedicated personnel and implemented systems to monitor, manage and assess risks on a regular basis.
2. The Company offered endorsements and guarantees mainly for its subsidiaries in 2024, with all transactions conducted in accordance with the "Lending, Endorsement, and Guarantee Procedures." The Company may offer endorsements/guarantees up to a maximum of NT\$24,479,831 thousand, with the outstanding balance at the end of 2024 amounted to NT\$3,068,602 thousand.
3. For details on external party lending, endorsement, guarantee and derivative transactions conducted in 2024, please refer to the 2024 audited financial statements and footnote disclosures.

(III) Future R&D plans and estimated R&D expenses

1. Future R&D plans

- (1) With respect to energy-saving solutions, the Company will focus on products that offer distinctive features and continue investing in the development of specialized LCD displays to capitalize on their expanding range applications. Furthermore, the Company will be researching new technologies closely in line with market demands to enable more advanced solutions and broader display applications such as: non-standardized display array, the world's thinnest bezel display array, interactive conference display, curved gaming display, peep-proof display, in-car display modules, transfective LCD display module, special-shaped

backlight modules and energy-efficient display. Furthermore, the Company will enhance its software development capabilities and integrating creative software and applications into hardware design for an optimal user experience and provide customers with the ultimate one-stop service, and add software development capabilities to integrate software and hardware design for innovative applications, optimize product experience; provide customers with green design products that are more in line with ESG trends.

(2) Based on market demands and addressing pain points, with core technology as the foundation, the Company continues to develop and strengthen a comprehensive product line platform. This platform includes solid-state light sources (including RGB three-color lasers, MCLA dual-color lasers, blue lasers, and LED), short throw capabilities, 4K ultra-high definition, and smooth dynamic imaging technology. In addition, the Company enhance multimedia applications, touchscreen functionality, and internet connectivity, while integrating image recognition, artificial intelligence, cloud value-added services, intelligent software development, and system integration capabilities. The Company's goal is to create a convenient user environment and interactive experiences, providing complete projection solutions for various applications including enterprise, residential, education, commercial displays, digital signage, large-scale public space displays, smart retail, and healthcare.

2. Estimated R&D expenses: The Company incurred approximately NT\$1.40 billion of R&D expense in 2024, representing 5.56% of net sales. R&D expenses for 2025 are estimated to be NT\$1.43 billion, up about 2.14% compared to the previous year..

(IV) Financial impacts and response measures in the event of changes in local and foreign regulations: None.

(V) Financial impacts and response measures in the event of technological or industrial changes (including information security risks)

The demand for LCD panels is growing not only in volume but also in terms of technology and application. Since 2017, new technologies such as AMOLED and Mini /Micro LED have emerged, which will form direct competition to LCD in the future. In addition to maintaining stable operations relationships with panel manufacturers and brands, and targeting application markets such as NBs, TV, healthcare, and automotive sectors, the Company will also invest in the development of new markets and products to respond to the changing competitive landscape. Examples of these high-value, high-barrier products include irregularly combined video wall systems, the world's thinnest bezel video wall, commercial peep-proof display, curved gaming monitor, in-car head-up display modules, special-shaped backlight modules, energy-saving blue light display, HDR (Local Dimming) display and LCM module. These products aim to offer differentiated product combinations to customers and expand into new applications, ensuring the Company remains competitive in the fiercely competitive display market.

The rapid development of LCD and LED technology has allowed the size of LCD panels to extend upward and penetrate into certain market segmented for home use, education and enterprises. Meanwhile, the Company is actively

expanding its projection technology by exploring various light sources, 4K display technology, and smart projection systems. This allows the overall imaging solution to offer long lifespan, stability, ease of installation and adjustment, smart features, streaming capabilities, and environmentally-friendly green products for applications with screen sizes above 80 inches. In addition to providing high convenience for users, these products deliver high resolution, high brightness, and vibrant color performance, ensuring exceptional color and brightness in both personal and commercial applications.

Setting information security as one the long-term development foci, the Company's Information Security Committee has defined targets for continuous information security development. In response to the actual needs and development trends, the Committee has established the corresponding information security strategies and visions as follows:

1. A secure and trusted information environment: Strengthen information security protection capabilities through corporate digital transformation and the introduction of new technologies such as AI.
2. Robust information security protection system: Make continual improvement of information infrastructure to optimize the integrity of information security protection.
3. Risk-based security protection: Adopt and renew protection measures for critical information facilities in response to new security threats.
4. Development of information security awareness in employees: Publicize the importance of information security and safety risks to employees and raise their awareness of information security.

The company attaches great importance to information security. Faced with the ever-changing network security attack methods, web Trojans, computer viruses and other increasing security threats, in addition to regularly reviewing and improving the security protection mechanism and strengthening the protection architecture, the company continue to implement full-time security threat monitoring and defense systems, security detection vulnerability repairs, social engineering drills, and information security education and training, in order to continuously improve security protection capabilities and protect the company's information security.

- (VI) Impacts on corporate crisis management of market presence change and counteractions: None.
- (VII) Expected benefits and potential risks of mergers and acquisitions: None.
- (VIII) Expected benefits and risks and associated with plant expansions

The Company's second plant in Vietnam officially started mass production in early 2024, and the operating results are in line with the company's expectations. The Company will continue to pay attention to changes in the industry and customer demand, assess risks related to business orders and operational activities, and formulate relevant response measures to mitigate any adverse impact on it's operations.

- (IX) Risks associated with concentrated sales or purchases

Purchases from the largest supplier accounted for 10.05% of total purchases for the Company and subsidiaries in 2024. In 2024, the Company maintained a

strong, long-term relationship with its key suppliers, mitigating the risk of concentrated purchasing. The largest seller of the Company and its subsidiaries accounted for 16.65% of the total sales in 2024. The change in sales proportion from major customers in 2024 was due to the increased production capacity at the second plant in Vietnam and a higher proportion of medium and large-sized shipments. With the growth in net sales and improved utilization rate, there is no risk of sales concentration.

(X) Impacts and risks associated with a major transfer of shareholding by directors or shareholders with more than 10% ownership interest: None.

(XI) Impacts and risks associated with a change of management: None.

(XII) Litigation and non-litigation activities

The Company did not encounter any litigation or non-contentious case in 2024, or up until the publication date of the annual report, that were material to shareholders' equity or security price, whether concluded or pending judgment.

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

VII. Other important disclosures: None.

## Six.Special Disclosure

### I. Information of affiliated companies

(I) Consolidated business report : Please refer to MOPS "Single company/Electronic files download / Three Books and Tables for Related Enterprises ".

([https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10))

(II) Consolidated financial statements of affiliated companies: Please refer to declaration concerning consolidated financial statements.( Please refer to MOPS "Single company/Electronic files download / Three Books and Tables for Related Enterprises ".)

([https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10))

(III) Relationship report: Not applicable.

### II. Private placement of securities in the most recent year up till the publication date of annual report: None.

### III. Other supplementary information:

(I) Execution of 2024 shareholder meeting resolution:

1. Passed 2023 business report and financial statements.

2. Passed 2023 earnings appropriation proposal.

Progress: July 19, 2024 was set as the dividend baseline date, whereas August 2, 2024 was set as the payment date.

3. Passed the Amending the Company's Procedures of Loaning of Funds and Making of Endorsements /Guarantees.

Progress: It has been announced on the Public Information Observation Station and the Company's website on June 14, 2024, and has been handled in accordance with the revised procedures.

(II) Unfulfilled TPEX commitments as of the publication of annual report: None.

Seven.Occurrences Significant to Shareholders' Equity or Securities Price, as Defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, in the Most Recent Year Up Till the Publication Date of Annual Report : None.