

Sensortek Technology Corporation

2024 Annual Report

Printed on April 25, 2025

Taiwan Stock Exchange Market Observation Post System: <https://mops.twse.com.tw>

Sensortek annual report is available at <https://www.sensortek.com.tw>

I. Spokesperson:

Name : Liang-Kuang Wei

Title : Director of Quality Assurance Department

Tel : 03-5601000

Email: spokesperson@sensortek.com.tw

Deputy Spokesperson:

Name : Szu-Yu Lin

Title : Accounting Department Manager

Tel : 03-5601000

Email: spokesperson@sensortek.com.tw

II. Headquarter and Office:

Headquarter : 11F., No. 6, Taiyuan 2nd St. Zhubei City Hsinchu County, Taiwan, R.O.C

Tel : 03-5601000

III. Transfer Agent:

Company : Stock-Affairs Agency Department of Taishin Securities Co., Ltd.

Address : B1, No.96, Sec.1, Jianguo N. Rd., Taipei City, Taiwan, R.O.C

Tel : 02-25048125

Website : <https://www.tssco.com.tw>

IV. Auditor:

Company : Deloitte & Touche

Auditors : Ya Yun Chang, Ming Hui Chen

Address : 6F, No.2, Prosperity Rd. I, Hsinchu Science Park, Taiwan, R.O.C

Tel : 03-5780899

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

V. Name of overseas securities dealers and methods to inquire into overseas securities:

Not Applicable

VI. Company website: <http://www.sensortek.com.tw>

Table of Contents

Chapter 1.	Letter to Shareholders	1
Chapter 2.	Corporate Governance Report	
	I. Information on Directors, Supervisors, General Manager, Deputy General Managers, Assistant Vice Presidents, and Heads of Departments and Branch Offices	4
	II. Remuneration Paid to Directors, Supervisors, General Manager, and Deputy General Managers in the Most Recent Fiscal Year	16
	III. Implementation of Corporate Governance	22
	IV. Information on Certified Public Accountant (CPA) Fees	104
	V. Information on Change of CPAs	104
	VI. Employment of the Company's Chairman, General Manager, and Managers Responsible for Financial or Accounting Matters at the Certified Public Accountants' Firm or Its Affiliates in the Past Year	106
	VII. Changes in Share Transfers and Share Pledges of Directors, Supervisors, Managers, and Shareholders Holding More Than 10% of Shares During the Most Recent Fiscal Year and up to the Date of the Annual Report's Publication	106
	VIII. Relationships Among the Top 10 Shareholders, Including Related Parties, Spouses, or Relatives within the Second Degree of Kinship	106
	IX. Shares Held by the Company, Its Directors, Supervisors, Managers, and Entities Directly or Indirectly Controlled by the Company in the Same Reinvested Business, and the Consolidated Shareholding Percentage	107
Chapter 3.	Capital Raising Overview	
	I. Capital and Shares	108
	II. Corporate Bonds	112
	III. Preferred Stocks	112
	IV. Overseas Depositary Receipts	112
	V. Employee Stock Options	112
	VI. Restricted Stock Awards for Employees	112
	VII. Status of New Shares Issuance in Connection with Mergers and Acquisitions	112
	VIII. Financing Plans and Implementation	112
Chapter 4.	Operations Overview	
	I. Business Activities	113

	II. Overview of Market, Production, and Sales	123
	III. Employees	131
	IV. Environmental Protection Expenditures	131
	V. Labor Relations	131
	VI. Information Security Management	135
	VII. Important Contracts	137
Chapter 5.	Review of Financial Status, Financial Performance, and Risk Management	
	I. Review of Financial Status	138
	II. Review of Financial Performance	139
	III. Review of Cash Flow	140
	IV. Impact of Major Capital Expenditures on the Company's Finance and Business in the Most Recent Fiscal Year	141
	V. Recent Equity Investment Policies, Main Reasons for Profit or Loss, Improvement Plans, and Investment Plans for the Coming Year	141
	VI. Risk Analysis and Assessment	141
	VII. Other Important Matters	141
Chapter 6.	Special Disclosures	
	I. Information on Affiliated Companies	148
	II. Private Placement of Securities in the Most Recent Fiscal Year and up to the Date of the Annual Report's Publication	148
	III. Other Necessary Supplements	148
	IV. Matters Affecting Shareholders' Equity or Securities Prices With Significant Impact, as Defined in Article 36, Paragraph 3, Item 2 of the Securities and Exchange Act, in the Most Recent Fiscal Year and up to the Date of the Annual Report's Publication	148

Chapter 1 Letter to Shareholders

To all shareholders:

I 2024 Operational Results

(I) Business plan implementation results

With the onset of the interest rate reduction cycle and surging demand for AI, the consumer electronics sector is experiencing a new wave of device upgrades. Following two years of decline, the global smartphone market has finally entered a phase of recovery. According to a report released by IDC, the market saw a strong rebound, recording an annual growth rate of 6.4% and reaching a total shipment volume of 1.24 billion units. Sensortek Technology benefited from the rebound in mobile phone shipments, generating revenue of NT\$4.9 billion in 2024—an 8.76% increase year-over-year. However, intensified price competition in the mainland Chinese market led to a decline in product pricing. Despite efforts to optimize the product mix and improve cost structures, the gross profit margin fell by 5.19%, resulting in a gross operating profit of NT\$1.17 billion—a 10.75% decrease from the previous year. Operating expenses were effectively managed, reducing the expense ratio to 13.48%. Operating profit came in at NT\$507 million, representing a 22.88% year-over-year decline. Net profit after tax totaled NT\$540 million, down 20% from the prior year, translating to earnings per share of NT\$11.05.

Sensortek Technology has leveraged its high-sensitivity under-display application solutions, combined with multi-channel ambient light and flicker sensing technologies, to ensure continued adoption by its customers in flagship smartphone models. The Company has deepened its expertise in OLED under-display sensing technology and launched a variety of under-display sensing solutions to maintain product differentiation and consolidate market share in the mid-to-high-end smartphone segment. In addition, the Company has expanded into various applications, including smart watch displays and TV screens, where performance continues to improve. Sensortek Technology has also ventured into skin sensing and successfully integrated its technology into wearable devices, contributing to revenue growth. The penetration rate of micro-electro-mechanical systems (MEMS) sensing technology in various handset brands has increased. In addition, new sensing applications such as specialized electromagnetic wave absorption rate sensing and barometric pressure sensing were successfully promoted to clients, resulting in improved sales performance and an overall increase in product shipments.

In addition, Sensortek Technology actively promotes corporate governance and environmental sustainability, while enhancing information security and intellectual property management through third-party verification. The Company has set clear carbon reduction targets and continues to increase its use of renewable energy each year, underscoring its commitment to sustainable practices. Furthermore, the Company is progressively

conducting carbon inventory assessments across its upstream and downstream value chain to implement green operations and strengthen overall operational resilience.

(II) Budget performance

Sensortek did not provide the financial forecast for 2024; thus it is unnecessary to disclose the budget performance.

(III) Profitability Analysis

Item		2024	2023
Return on assets		9.28%	11.50%
Return on equity		12.16%	15.08%
Paid-in capital ratio (%)	Operating income	103.73%	134.49%
	Net profit before tax	127.92%	159.60%
Net profit margin		10.93%	14.86%
Earnings per share (NTD) (Note)		11.05	13.81

Note: This calculation is based on the weighted average number of shares outstanding in the year.

(IV) Status of Research and Development

Sensortek Technology continues to invest in research and development across a range of sensor chip technologies and in the enhancement of existing product quality, as part of its strategy to achieve technological leadership and expand into new application markets. In 2024, research and development expenses totaled NT\$469 million, a slight increase from NT\$464 million in the previous year, accounting for 10% of total revenue. As the penetration rate of OLED panels in mobile phones increases, Sensortek Technology has long been dedicated to the development of under-screen solutions. In response to increasing screen resolution and decreasing transmittance, the Company is continuously improving sensing performance and increasing the demand for screen color temperature adjustment. It has introduced differentiated products to increase added value. Enhance the detection of light source flicker frequency to optimize black line imaging, while leveraging opportunities in optical sensing technology for auxiliary applications in mobile phone rear cameras to drive revenue growth. The micro-electromechanical sensing technology has led to the development of a new generation of miniaturized pressure sensing chips, designed for use in mobile phones and drones to support altitude positioning and navigation. At the same time, efforts are underway to optimize existing acceleration sensing technology and enhance the performance of ASIC chips, while reducing costs to improve price competitiveness and further expand market penetration among branded mobile phone manufacturers.

II 2025 Business Plan Overview

As generative AI capabilities become increasingly integrated into smartphones, various brands have begun launching AI-enabled devices. According to Counterpoint Research, the penetration rate of AI smartphones is expected to reach 11% in 2024, with adoption accelerating in the mid-to-high-end market segment and driving a new wave of device upgrades. Sensortek Technology will continue to advance the specifications of its OLED under-display sensing products by enhancing circuit signal-to-noise ratios and optimizing RGB coatings to improve color temperature accuracy. These improvements aim to deliver industry-leading performance while reducing costs and increasing product cost-effectiveness, thereby sustaining market share in the mid-to-high-end smartphone segment. The Company is also developing the next generation of skin detection technology, aiming to optimize circuit design, enhance detection accuracy, stabilize production yields, and contribute to both revenue and profitability.

The development of micro-electromechanical systems (MEMS) sensing technology integrates gyroscope and accelerometer chips to deliver more competitive inertial sensing solutions, with applications in consumer toys, robotic vacuum cleaners, and a wide range of other products. We have also launched a new Monolithic accelerometer sensor chip—a compact, highly integrated solution that combines MEMS and ASIC technologies. This innovation is designed to lower costs and strengthen our competitive edge. Additionally, we are actively expanding into emerging sensing applications, such as specialized electromagnetic wave absorption rate sensing and barometric sensing, to further grow our market presence. Fully expand product lines beyond mobile phone applications, with a strategic focus on diverse sectors including automotive, industrial control, and artificial intelligence.

III Future Corporate Development Strategy, Effect of External Competition, Legal Environment, and Overall Business Environment

Donald Trump's return to the White House is expected to influence the global economic outlook by reinforcing protectionist policies and heightening tensions between the U.S. and China. The increase in tariffs on foreign goods, along with domestic tax cuts, will impact international trade, inflation expectations, and interest rate adjustments, further accelerating the restructuring of global supply chains. Looking ahead, in response to global market fluctuations and emerging opportunities, Sensortek Technology will continue driving product innovation and expanding its portfolio. The Company aims to diversify its presence in the global market to mitigate regional risks, deliver optimal sensing technology solutions to customers, strengthen customer trust, and foster deeper partnerships within the supply chain—ultimately enhancing shareholder value.

Sensortek Technology Corporation

Chairman: Sheng-Su Lee

Chapter 2 Corporate Governance Report

I Information on Directors, Supervisors, General Manager, Deputy General Managers, Assistant Vice Presidents, and Heads of Departments and Branch Offices

(I) Directors

April 19, 2025; Unit: shares; %

Title	Nationality or Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse and Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Current Position at Sensortek and Other Companies	Executives, Directors, or Supervisors Who Are Spouses or Within Second Degree of Kinship			Note
							Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relation	
Chairman	R.O.C.	Sitronix Technology Corp.	-	2022.06.21	3	2009.11.10	22,529,596	46.06	22,584,596	46.17	-	-	-	-	-	-	-	-	-	Note 9
	R.O.C.	Rep.: Sheng-Su Lee	Male 61-70	2022.06.21	3	2009.11.10	474,150 (Note 1)	0.97	474,150 (Note 1)	0.97	-	-	-	-	Master of Electrical Engineering, National Taiwan University General Manager of Sitronix Technology Corp.	Note 3	-	-	-	
Director	R.O.C.	Sitronix Technology Corp.	-	2022.06.21	3	2009.11.10	22,529,596	46.06	22,584,596	46.17	-	-	-	-	-	-	-	-	-	
	R.O.C.	Rep.: Vincent Mao	Male 61-70	2022.06.21	3	2009.11.10	327,492	0.67	327,492	0.67	433,209	0.89	-	-	Executive MBA, National Taiwan University Master of Electrical Engineering, National Cheng Kung University General Manager of Sitronix Technology Corp. Market Planner at United Microelectronics Corp.	Note 4	-	-	-	

Title	Nationality or Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse and Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Current Position at Sensortek and Other Companies	Executives, Directors, or Supervisors Who Are Spouses or Within Second Degree of Kinship			Note
							Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relation	
	R.O.C.	Rep.: Chu-Yuan Yang	Male 41-50	2022.06.21	3	2019.05.21	126,519 (Note 2)	0.26	50,519	0.10	-	-	-	-	Master of Electrical Engineering, National Taiwan University Deputy General Manager of Sensortek Technology Corp.	Note 5	-	-	-	
Independent Director	R.O.C.	Chun-Yi Hsu	Male 61-70	2022.06.21	3	2019.05.21	-	-	-	-	-	-	-	-	Master of Business Administration, University of Texas, USA Assistant Manager at CDIB Executive Director at United Management Consulting Co., Ltd.	Note 6	-	-	-	
Independent Director	R.O.C.	Shu-Chun Huang	Female 51-60	2022.06.21	3	2019.05.21	-	-	-	-	-	-	-	-	Executive MBA, Business Administration, National Taiwan University Master of Management of Technology, National Chiao Tung University Special Assistant to the General Manager/Consultant at ITE Tech. Inc. Manager, Strategic Marketing Department, Vanguard International Semiconductor Corporation	Note 7	-	-	-	
Independent Director	R.O.C.	Jen-Chi Lu	Male 41-50	2022.06.21	3	2019.05.21	-	-	-	-	-	-	-	-	Master of Accounting, Chung Yuan Christian University Assistant Manager at Deloitte Taiwan	Note 8	-	-	-	

Note 1: At the time of appointment, Chairman Sheng-Su Lee held 300,000 shares, including trust shares, and he currently maintains the same number of shares.

- Note 2: At the time of appointment, Director Chu-Yuan Yang held a total of 126,015 shares, including trust shares.
- Note 3: Currently serves as CEO of Sensortek Technology Corp., Vice Chairman and Deputy CEO of Silicon Power Computer & Communications Inc., a director of Silicon Power Investment Co., Ltd., and a director of Sitronix Technology Corp.
- Note 4: Currently serves as Chairman and CEO of Sitronix Technology Corp., Chairman of Sitronix Holding International Limited, a director of mCore Technology Corp., Chairman and CEO of Forcelead Technology Corp., a director of INFSitronix Technology Corp., Chairman of Sitronix Investment Corp., a director of Silicon Power Computer & Communications Inc., a director of Sync-Tech System Corp., an independent director of Compal Broadband Networks Inc., a director of ezGlobal Network Service Inc., Chairman and CEO of Seer Microelectronics Inc., and a director of Fong Huang Innovation Investment Co., Ltd., Fong Huang II Innovation Investment Co., Ltd., Fong Huang III Innovation Investment Co., Ltd., Fong Huang IV Innovation Investment Co., Ltd., and Fong Huang VI Innovation Investment Co., Ltd.
- Note 5: Currently serves as General Manager of Sensortek Technology Corp.
- Note 6: Currently serves as Chairman of Bo Rui International Asset Management Co., Ltd., Chairman of Kun Yi Capital Co. Ltd., a director of Kurochaya Restaurant Business Co., Ltd., and a director of Shenzhen China-Europe Rabbit Fund Management Co., Ltd.
- Note 7: Currently serves as Chairman of Choice Delights Inc., a director of AURAS Technology Co., Ltd., an independent director of Qisda Corp., an independent director of Zero One Technology Co., Ltd., and an independent director of Sunplus Technology Co., Ltd.
- Note 8: Currently serves as a practicing CPA at Lian Wei CPAs and a director of Hon-Tsai Technology Co., Ltd.
- Note 9: Responsible for formulating the company's operational strategies, this role is essential and justified in terms of business management and internal control. Additionally, the company has three independent directors, and the majority of the board members do not concurrently serve as employees or managers, making the adopted measures appropriate.

(II) Major shareholders of the institutional shareholders

March 31, 2025

Name of Institutional Shareholder	Major Shareholders (Top 10 by Shareholding %)	Shareholding Percentage
Sitronix Technology Corp.	Taipei Fubon Commercial Bank Co., Ltd., Custodian for Fuh Hwa Taiwan Technology Dividend Highlight ETF Securities Investment Trust Fund Account	3.59
	Gu Ming Investment Co., Ltd.	2.80
	Silicon Power Computer & Communications Inc.	2.62
	Citibank (Taiwan) Ltd., Custodian for Pacific Capital UCITS Funds Plc – Pacific North of South EM All Capital Equity Investment Account	2.38
	Wen-Bin Lin	1.83
	New Labor Pension Fund	1.62
	Vincent Mao	1.47
	HSBC Bank (Taiwan) Ltd., Custodian for Acadian Emerging Markets Small-Capital Equity Fund Ltd. Investment Account	1.37
	I-Hsi Cheng	1.34
	Standard Chartered Bank, Commercial Banking Division, Custodian for Advanced Star Fund Company – A Series of Advanced Total International Equity Index Funds Investment Account	1.15

(III) Where the major shareholders are legal entities, their principal shareholders

April 25, 2025

Name of Legal Entity	Major Shareholders (Top 10 by Shareholding %)	Shareholding Percentage
Gu Ming Investment Co., Ltd.	Icon Peak Sdn. Bhd. (Malaysia) BHD	100.00

Source: Department of Commerce, Ministry of Economic Affairs – Company Registration Public Information Inquiry System.

April 25, 2025

Name of Legal Entity	Major Shareholders (Top 10 by Shareholding %)	Shareholding Percentage
Silicon Power Computer & Communications Inc.	Sitronix Technology Corp.	6.42
	Netcom Investment Co., Ltd.	4.42
	Qsan Co., Ltd.	3.69
	Pei-Jung Yuan	1.46
	Mega International Commercial Bank, Custodian for the Hui-Min Chen Trust Property Account	1.45
	HSBC Bank (Taiwan) Ltd., Custodian for Acadian Emerging Markets Small-Capital Equity Fund Ltd. Investment Account	1.14
	Hui-Min Chen	1.12

Name of Legal Entity	Major Shareholders (Top 10 by Shareholding %)	Shareholding Percentage
	H&Z Technology Ltd.	1.11
	Chao-Ming Hsieh	1.03
	Mega International Commercial Bank, Custodian for the Pei-Jung Yuan Trust Property Account	0.93

(IV) Professional Qualifications of Directors and Independence Analysis of Independent Directors:

Criteria Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies Where the Individual is Serving as an Independent Director
Director Sheng-Su Lee	<p>Sheng-Su Lee has an electrical engineering and science background, with operational management experience in the semiconductor industry (IC design and memory modules). He previously served as General Manager of Sitronix Technology Corp. He is currently CEO of Sensortek, Vice Chairman and Deputy CEO of Silicon Power Computer & Communications Inc., and a director of Sitronix Technology Corp.</p> <p>Sheng-Su Lee has professional expertise and experience in decision-making, business management, industrial technology, commerce, and operations.</p> <p>There are no circumstances as outlined in Article 30 of the Company Act.</p>	<p>1. Sheng-Su Lee is the representative of the company's legal director, Sitronix Technology Corp. He also serves as the company's CEO and a director of the parent company. He is classified as a manager.</p> <p>2. The remaining circumstances comply with the independence requirements outlined in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."</p>	None

Criteria Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies Where the Individual is Serving as an Independent Director
Director Vincent Mao	Vincent Mao has an electrical engineering and science background, with operational management experience in the semiconductor industry (IC design and foundry). He currently serves as Chairman and CEO of Sitronix Technology Corp., a director of several companies within the Sitronix Group, a director of Silicon Power Computer & Communications Inc., and an independent director of Compal Broadband Networks Inc. Vincent Mao has professional expertise and experience in decision-making, business management, industrial technology, commerce, and operations. There are no circumstances as outlined in Article 30 of the Company Act.	<ol style="list-style-type: none"> 1. Vincent Mao is the representative of the company's legal director, Sitronix Technology Corp. He also serves as the Chairman and CEO of the parent company, as well as a director of affiliated companies. 2. Vincent Mao and his spouse hold more than 1% of the total issued shares of the company and are among the top ten individual shareholders. 3. The remaining circumstances comply with the independence requirements outlined in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." 	1
Director Chu-Yuan Yang	Chu-Yuan Yang has an electrical engineering and science background, with operational management experience in the semiconductor industry (IC design). He has previously served as the company's deputy general manager and currently serves as the general manager. Chu-Yuan Yang has professional expertise and experience in decision-making, business management, industrial technology, commerce, and operations. There are no circumstances as outlined in Article 30 of the Company Act.	<ol style="list-style-type: none"> 1. Chu-Yuan Yang is the representative of the company's legal entity as a director, Sitronix Technology Corp. He also serves as the company's general manager. He is classified as a manager. 2. The remaining circumstances comply with the independence requirements outlined in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." 	None

Criteria Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies Where the Individual is Serving as an Independent Director
Independent Director Chun-Yi Hsu	Chun-Yi Hsu has a background in investment and experience in venture capital and asset management company operations. He previously served as Executive Director of United Management Consultants Co., Ltd. He serves as Chairman of Kun Yi Capital Co., Ltd. and Bo Rui International Asset Management Co., Ltd. He is also a director of Kurochaya Restaurant Business Co., Ltd. and Shenzhen China-Europe Rabbit Fund Management Co., Ltd. Chun-Yi Hsu has professional qualifications and experience in decision-making, business management, finance, and business operations. There are no circumstances as outlined in Article 30 of the Company Act.	The company's three independent directors met the qualification requirements stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act for the two years prior to their appointment and during their tenure. They have also been granted full decision-making and opinion-expressing powers in accordance with Article 14-3 of the Securities and Exchange Act, allowing them to perform their duties independently.	None
Independent Director (Convener of the Remuneration Committee and the Sustainability and Risk Management Committee) Shu-Chun Huang	Shu-Chun Huang has a background in semiconductor marketing and business, as well as operational management experience in the semiconductor industry (foundry and IC design). She previously served as Special Assistant to the General Manager/Consultant at ITE Tech. Inc., Manager of the Strategic Marketing Department at World Advanced, and Chairperson of Semiconductor International Capacity Statistics (SICAS). She currently serves as Chairperson of Choice Delights Inc., a director of AURAS Technology Co., Ltd., an independent director of Qisda Corp., an independent director of Zero One Technology Co., Ltd., and an independent director of Sunplus Technology Co., Ltd. Shu-Chun Huang has professional expertise and experience in decision-making, business management, commerce, and operations. There are no circumstances as outlined in Article 30 of the Company Act.		3

Criteria Name	Professional Qualifications and Experience	Independence Status	Number of Other Public Companies Where the Individual is Serving as an Independent Director
Independent Director (Convener of the Audit Committee) Jen-Chi Lu	Jen-Chi Lu has a background in accounting, holding a master's degree in accounting and a CPA license in Taiwan. He currently serves as a practicing CPA at Lian Wei CPAs and a director of Hon-Tsai Technology Co., Ltd. Jen-Chi Lu has professional qualifications and experience in decision-making, business management, finance, accounting, and auditing. There are no circumstances as outlined in Article 30 of the Company Act.		None

(V) Board Diversity and Independence

1. Board Diversity:

(1) Policy

According to Article 20 of the company's "Corporate Governance Best Practice Principles" and Article 3 of the "Board of Directors Election Procedures," the election of directors should consider the overall composition of the board. Board members should generally possess the knowledge, skills, and qualities necessary to perform their duties. The required competencies are as follows: A. Operational judgment ability, B. Accounting and financial analysis ability, C. Management skills, D. Crisis management ability, E. Industry knowledge, F. International market perspective, G. Leadership skills, H. Decision-making ability. More than half of the board seats should be held by individuals who do not have familial relationships, such as spouses or close relatives within the second degree of kinship.

(2) Specific goals of the company

To implement board member diversity, the company has formulated the following goals and guidelines, considering the company's operations, business model, and development needs: A. Strive for diversity in the professional backgrounds of directors (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience. B. Ensure an appropriate allocation of seats between internal and external directors as well as independent directors.

The specific management goals of the company's diversity policy are as follows: A. The Board of Directors shall include at least one female director. B. The composition of the board should encompass diverse industry experience and

professional backgrounds. C. The number of directors with employee status in the company, parent company, subsidiary, or affiliated companies shall be less than or equal to 1/3 of the total number of director seats. D. The number of independent directors shall make up more than 1/3 of the total number of director seats. Currently, there is one female director and three independent directors (accounting for 42.8%). Each director has different industry experience and professional backgrounds, and the three have met the established goals.

(3) Achievement status

- A. The current Board of Directors has seven seats, with six directors serving. There are five male directors (accounting for 71.4%), one female director (accounting for 14.3%), two directors who are employees of the company (accounting for 28.6%), one director who is an employee of a group company (accounting for 14.3%), and three independent directors (accounting for 42.8%). The terms of the independent directors range from three to six years.
- B. Three directors are over 60 years old (accounting for 42.8%), one is between 51 and 60 years old (accounting for 14.3%), and two are under 50 years old (accounting for 28.6%).
- C. Four directors have practical management experience in domestic listed companies and multinational corporations, having held important management positions such as chairperson or CEO of listed companies. They demonstrate strong capabilities in leadership decision-making, operational judgment, crisis management, and international market perspectives. The company's industry is in the semiconductor field (including IC design, foundry, and memory modules). Two independent directors are a practicing accountant from an accounting firm and the chairman of an international asset management company, both possessing expertise in accounting and financial analysis.

(4) If the Board of Directors does not have at least one-third representation from either gender, the company should provide an explanation and outline the measures it plans to take to improve gender diversity in its board composition

The current Board of Directors of the company consists of seven seats, of which six are occupied. There are five male directors (accounting for 71.4%) and one female director (accounting for 14.3%). Because of the predominance of male directors with experience in semiconductor industry management, the board composition does not meet the one-third gender representation requirement.

The current term of the Board of Directors will expire in June 2025. The goal for the next term is to increase the number of female directors to two (accounting for

28.6%). The company will actively seek female director candidates to enhance gender diversity on the board.

Title	Director			Independent Director		
Name	Sheng-Su Lee	Vincent Mao	Chu-Yuan Yang	Chun-Yi Hsu	Shu-Chun Huang	Jen-Chi Lu
Gender	Male	Male	Male	Male	Female	Male
Age	61-70	61-70	41-50	61-70	51-60	41-50
Nationality	R.O.C.					
Concurrent Employee of the Company	✓		✓			
Concurrent Employee of the Group		✓				
Term of Office for Independent Directors (Years)				3-6		
Professional Background/Industry Experience						
Technology Expertise	✓	✓	✓			
Marketing and Sales					✓	
Finance and Accounting				✓		✓
Industry Experience	IC Design Memory Module	IC Design Foundry	IC Design	Investment and Asset Management	IC Design Foundry	Accounting, Taxation, and Auditing

2. Board Independence:

The current Board of Directors of the company consists of seven seats, of which six are occupied. There are no spousal or family relationships within the second degree of kinship among the directors, in compliance with Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

Among them, three are independent directors, accounting for more than one-third of the board seats. Each independent director meets the independence criteria outlined in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

(VI) Information on General Manager, Deputy General Managers, Assistant Vice Presidents, and Heads of Departments and Branch Offices

April 19, 2025; Unit: shares; %

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse and Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Current Position at Sensortek and Other Companies	Managers Who Are Spouses or Within Second Degree of Kinship			Note
					Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relation	
Chief Executive Officer (CEO)	R.O.C.	Sheng-Su Lee	Male	2014.08.19	474,150 (Note 1)	0.97	-	-	-	-	Master of Electrical Engineering, National Taiwan University General Manager of Sitronix Technology Corp.	Deputy Chairman & Deputy CEO of Silicon Power Computer & Communications Inc. Director of Silicon Power Investment Co., Ltd. A director of Sitronix Technology Corp.	-	-	-	Note 2
General Manager	R.O.C.	Chu-Yuan Yang	Male	2018.09.01	50,519	0.10	-	-	-	-	Master of Electrical Engineering, National Taiwan University System Design Engineer at Realtek Semiconductor Corp. Deputy General Manager of Sensortek Technology Corp.	-	-	-	-	
Deputy General Manager	R.O.C.	Chao-Shiun Wang	Male	2022.07.01	60,275	0.12	-	-	-	-	Ph.D. in Electronic Engineering, National Taiwan University Manager at Richtek Technology Corp.	-	-	-	-	
Deputy General Manager	R.O.C.	Yuan-Ching Hsu	Male	2017.03.01	590,023	1.21	-	-	-	-	Master of Electrical Engineering, National Chung Hsing University Senior Manager at Sitronix Technology Corp.	-	-	-	-	
Financial Supervisor	R.O.C.	Lung Lee	Female	2020.07.16	-	-	-	-	-	-	Master of Finance, National Chengchi University Assistant Project Manager, Office of the Chief Strategy Officer, SinoPac Financial Holdings Co., Ltd. Manager at Sitronix Technology Corp.	-	-	-	-	

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse and Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Current Position at Sensortek and Other Companies	Managers Who Are Spouses or Within Second Degree of Kinship			Note
					Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relation	
Accounting Supervisor	R.O.C.	Szu-Yu Lin	Female	2016.11.15	37,792	0.08	-	-	-	-	Bachelor of Economics, National Tsing Hua University Auditor at Deloitte & Touche Taiwan Professional Assistant Manager at Mega Securities Capital Markets Department	-	-	-	-	
Corporate Governance Officer	R.O.C.	Vivian Mao	Female	2023.10.31	5,335	0.01	-	-	-	-	Master of Business Administration, College of Management, National Taiwan University Double major in Economics and International Relations, University of Southern California. Assistant Project Manager at Sitronix Technology Corp. Assistant Project Manager at Sensortek Technology Corp.	Corporate Governance Officer of Sitronix Technology Corp. Corporate Governance Officer of Forcelead Technology Corp.	-	-	-	

Note 1: CEO Sheng-Su Lee holds a total of 300,000 shares, including trust shares.

Note 2: Responsible for formulating the company's operational strategies, this role is essential and justified in terms of business management and internal control. Additionally, the company has three independent directors, and the majority of the board members do not concurrently serve as employees or managers, making the adopted measures appropriate.

II Remuneration Paid to Directors, Supervisors, General Manager, and Deputy General Managers in the Most Recent Fiscal Year

(I) Remuneration for Directors and Independent Directors

December 31, 2024; Unit: NT\$ (thousands); %

Title		Name	Remuneration								Total Remuneration and Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Total Remuneration and Ratio of Total Remuneration (A+B+C+D+E+ F+G) to Net Income (%)		Parent Company and All Reinvested Businesses	
			Base Compensation (A)		Severance and Retirement Pay (B)		Director Compensation (C) (Note 1)		Allowance (D)				Salaries, Bonuses, and Special Allowances (E)		Severance and Retirement Pay (B)		Employee Compensation (G) (Note 2)							
			The Company	Companies in the Financial Report	The Company	Companies in the Financial Report	The Company	Companies in the Financial Report	The Company	Companies in the Financial Report	The Company	Companies in the Financial Report	The Company	Companies in the Financial Report	The Company	Companies in the Financial Report	The Company	Companies in the Financial Report	The Company		Companies in the Financial Report			The Company
Cash	Stock	Cash																	Stock					
Director	Chairman and CEO	Sitronix Technology Corp. Rep.: Sheng-Su Lee		-	-	-	-	2,804	2,804	22	22	0.52	0.52	12,224	12,224	108	108	2,215	-	2,215	-	3.21	3.21	17,161
	Director	Sitronix Technology Corp. Rep.: Vincent Mao																						
	Director and General Manager	Sitronix Technology Corp. Rep.: Chu-Yuan Yang																						
Independent Director	Independent Director	Chun-Yi Hsu		1,200	1,200	-	-	1,260	1,260	18	18	0.46	0.46	-	-	-	-	-	-	-	-	0.46	0.46	-
	Independent Director	Shu-Chun Huang																						
	Independent Director	Jen-Chi Lu																						
1. Describe the independent director remuneration policy, system, standards, and structure, and explain the relationship between the remuneration amount and the responsibilities, risks, and time commitment involved: The company's independent directors serve on the Audit, Remuneration, and Sustainability and Risk Management Committees. In addition to receiving a fixed annual compensation, additional compensation is allocated to directors based on the company's operating performance, with appropriate compensation given according to the time invested and risks undertaken.																								
2. In addition to the disclosures in the above table, no remuneration was received by any company director for providing services (such as consulting for the parent company, any company included in the financial reports, or any reinvested businesses, as a non-employee) in the most recent fiscal year.																								

Note 1: The director compensation in this table was approved by the Board on March 4, 2025.

Note 2: The employee compensation in this table was approved by the Board on March 4, 2025. The proposed allocation amount was calculated based on the actual allocation ratio of the previous year.

Note 3: Sheng-Su Lee, Vincent Mao, and Chu-Yuan Yang are representatives of the legal entity as a director, Sitronix Technology Corp. The director compensation is paid to the legal entity as a director, while the allowance is paid to them individually.

Remuneration Range Table

Remuneration Ranges for the Company's Directors	Director's Name			
	Total Remuneration (A+B+C+D)		Total Remuneration (A+B+C+D+E+F+G)	
	The Company	Companies in the Financial Report H	The Company	Companies in the Financial Report I
Less than NT\$1,000,000	Sitronix Technology Corp. (Corporate Representatives: Vincent Mao, Sheng-Su Lee, Chu-Yuan Yang), Chun-Yi Hsu, Shu-Chun Huang, Jen-Chi Lu	Sitronix Technology Corp. (Corporate Representatives: Vincent Mao, Sheng-Su Lee, Chu-Yuan Yang), Chun-Yi Hsu, Shu-Chun Huang, Jen-Chi Lu	Sitronix Technology Corp. (Corporate Representatives: Vincent Mao), Chun-Yi Hsu, Shu-Chun Huang, Jen-Chi Lu	Chun-Yi Hsu, Shu-Chun Huang, Jen-Chi Lu
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	-	-	-	-
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	Sitronix Technology Corp.	Sitronix Technology Corp.	Sitronix Technology Corp.	Sitronix Technology Corp.
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	-	-	Sitronix Technology Corp. (Corporate Representatives: Sheng-Su Lee, Chu-Yuan Yang)	Sitronix Technology Corp. (Corporate Representatives: Sheng-Su Lee, Chu-Yuan Yang)
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	-	-	-	Sitronix Technology Corp. (Corporate Representatives: Vincent Mao)
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	-	-	-	-
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	-	-	-	-
Over NT\$100,000,000	-	-	-	-
Total	7 people	7 people	7 people	7 people

(II) Remuneration for General Manager and Deputy General Managers

December 31, 2024; Unit: NT\$ (thousands); %

December 31, 2024, Unit: NTD (thousands), %														
Title	Name	Salary (A)		Severance and Retirement Pay (B)		Bonuses and Special Allowances (C)		Employee Compensation (D) (Note)				Total Remuneration and Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Parent Company and All Reinvested Businesses
		The Company	Companies in the Financial Report	The Company	Companies in the Financial Report	The Company		Companies in the Financial Report		The Company	Companies in the Financial Report			
						Cash	Stock	Cash	Stock					
CEO	Sheng-Su Lee	11,281	11,281	324	324	12,418	12,418	4,207	-	4,207	-	5.22	5.22	3,004
General Manager	Chu-Yuan Yang													
Deputy General Manager	Chao-Shiun Wang													
Deputy General Manager	Yuan-Ching Hsu													

Note: The employee compensation in this table was approved by the Board on March 4, 2025. The proposed allocation amount was calculated based on the actual allocation ratio of the previous year.

Remuneration Range Table

Remuneration Ranges for the Company's General Manager and Deputy General Managers	Name of General Manager and Deputy General Managers	
	The Company	Companies in the Financial Report E
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	-	-
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	-	-
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Sheng-Su Lee, Chu-Yuan Yang, Chao-Shiun Wang, Yuan-Ching Hsu	Sheng-Su Lee, Chu-Yuan Yang, Chao-Shiun Wang, Yuan-Ching Hsu
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	-	-
Over NT\$100,000,000	-	-
Total	4 people	4 people

(III) Names of the Managers Receiving Employee Compensation and Allocation Details

December 31, 2024; Unit: NT\$ (thousands); %

Title		Name	Stock	Cash	Total	Ratio of Total Amount to Net Income (%)
Manager	CEO	Sheng-Su Lee	-	4,644	4,644	0.86
	General Manager	Chu-Yuan Yang				
	Deputy General Manager	Chao-Shiun Wang				
	Deputy General Manager	Yuan-Ching Hsu				
	Financial Supervisor	Lung Lee				
	Accounting Supervisor	Szu-Yu Lin				
	CGO	Vivian Mao				

Note: The employee compensation in this table was approved by the Board on March 4, 2025. The proposed allocation amount was calculated based on the actual allocation ratio of the previous year.

(IV) Comparison and Explanation of the Total Remuneration Paid to the Company's Directors, Supervisors, General Manager, and Deputy General Manager by the Company and All Entities Included in the Consolidated Financial Statements Over the Past Two Years, as a Percentage of Net Income in the Separate or Individual Financial Reports; Including a Description of the Remuneration Policy, Standards, and Structure, the Determination Process, and Its Correlation with Business Performance and Future Risks

1. Analysis of the total remuneration paid to directors, supervisors, general manager, and deputy general managers of the company in the last two years as a percentage of net income in the financial report

Unit: NT\$ (thousands)

Item	2023		2024	
	Total	Ratio of Total Amount to Net Income (%)	Total	Ratio of Total Amount to Net Income (%)
Director Remuneration	7,322	1.08	5,304	0.98
Remuneration for General Manager and Deputy General Managers	47,676	7.06	28,230	5.22
Net Income	675,516		540,477	

The total remuneration for directors, the general manager, and deputy general managers in 2024 decreased compared to 2023 due to the decrease in net income for 2024.

2. Remuneration Policy, Standards, and Structure, the Determination Process, and Its Correlation with Business Performance and Future Risks
 - (1) The company's director remuneration includes base compensation, allowance, and director compensation. Independent directors, who serve on the Remuneration Committee, Audit Committee, and Sustainability and Risk Management Committee, are granted a fixed annual compensation based on industry standards. The compensation for independent directors during the current term is reviewed by the Remuneration Committee and submitted to the Board for approval.

Allowance refers to transportation allowances, which are paid based on the number of board meetings each director attends.

Director compensation is determined in accordance with Article 18-1 of the company's Articles of Incorporation, which stipulates that if the company is profitable in a given year, up to 1% shall be allocated as director compensation. However, if the company has accumulated losses, the amount needed to cover such losses shall first be reserved before allocating compensation based on the aforementioned percentage. In addition to the "Board Member Performance Self-Assessment Questionnaire," the results of the board performance evaluation, board meeting attendance, and board member training are also considered when determining the allocation of remuneration. The proposed allocation is reviewed by the Remuneration Committee and submitted to the Board for approval.

- (2) The remuneration of the company's managers, including the CEO, general manager, and deputy general managers, comprises a fixed salary, operational bonus, and employee compensation. The fixed salary is determined based on the manager's position, responsibilities, and contributions to the company, with reference to industry standards. It is reviewed and adjusted annually in accordance with the "Manager Performance Evaluation Method."

The operational bonus is tied to the company's overall operational performance and is allocated based on a fixed percentage of profits. Employee compensation is determined in accordance with Article 18-1 of the company's Articles of Incorporation, which stipulates that if the company is profitable in a given year, no more than 25% and no less than 1% of the profit shall be allocated as employee compensation. However, if the company has accumulated losses, the amount needed to cover such losses shall first be reserved before allocating compensation based on the aforementioned percentage. Appropriate compensation is granted based on the results of evaluations conducted under the "Manager Performance Evaluation Method," which include criteria such as goal achievement and behavioral performance. The proposed amount is reviewed by the Remuneration Committee and submitted to the Board for approval. In April 2024, the company revised its "Manager Performance Evaluation Method" to include ESG management performance (accounting for 10%) as part of the evaluation indicators for senior managers. The ESG sustainability performance evaluation indicators are based on the achievement of targets set for high-impact issues identified through the annual sustainability impact assessment, thereby strengthening the implementation of the company's sustainability policy. The 2024 ESG sustainability performance evaluation is based on nine topics: human capital development, innovation management, economic impact, climate strategy,

energy management, talent attraction and retention, product responsibility, sustainable supply chain, and information security.

Furthermore, the company seeks to minimize potential operational risks and will review its remuneration system based on actual operating conditions and relevant regulations to ensure a balance between sustainable operations and risk management.

III Implementation of Corporate Governance

(I) Board of Directors

The Board of Directors held four meetings in the most recent fiscal year [A]. The director attendance was as follows:

Title	Name	Attendance in Person [B]	By Proxy	Attendance Rate (%) [B/A]	Note
Chairman	Sitronix Technology Corp. (Rep.: Sheng-Su Lee)	4	0	100	
Director	Sitronix Technology Corp. (Rep.: Vincent Mao)	4	0	100	
Director	Sitronix Technology Corp. (Rep.: Chu-Yuan Yang)	4	0	100	
Independent Director	Chun-Yi Hsu	3	1	75	
Independent Director	Shu-Chun Huang	4	0	100	
Independent Director	Jen-Chi Lu	4	0	100	

Other matters to be included:

I. If any of the following circumstances occur in the operation of the Board, the date of the meeting, session, proposal, opinions of all independent directors, and the company's response to those opinions shall be specified:

- (I) Matters specified in Article 14-3 of the Securities and Exchange Act: The company has established an Audit Committee; therefore, the provisions of Article 14-3 of the Securities and Exchange Act do not apply.
- (II) Other board resolutions with independent directors' objections or reservations, as recorded or stated in written declarations: None.

II. If there are directors' recusal from matters involving conflicts of interest, the directors' names, proposal, reasons for recusal due to conflicts of interest, and voting participation shall be specified:

Board Meeting Date	March 5th, 2024
Director's Name	Vincent Mao, Shu-Chun Huang
Proposal	Lifting the non-compete restrictions on directors (including independent directors) and their representatives
Reasons for Recusal	Conflict of interest with the director
Voting Participation	Director Vincent Mao and Independent Director Shu-Chun Huang abstained from discussion and voting because of a conflict of interest. The remaining attending directors unanimously approved the proposal.

Board Meeting Date	March 5th, 2024
Director's Name	Sheng-Su Lee, Chu-Yuan Yang
Proposal	2023 operational bonus allocation plan for managers, reviewed by the Remuneration Committee
Reasons for Recusal	Directors concurrently serve as managers and have a conflict of interest
Voting Participation	Chairman Sheng-Su Lee and Director Chu-Yuan Yang abstained from discussion and voting because of a conflict of interest. The remaining attending directors unanimously approved the proposal.

Board Meeting Date	March 5th, 2024
Director's Name	Sheng-Su Lee, Chu-Yuan Yang
Proposal	2024 salary adjustment plan for managers, reviewed by the Remuneration Committee
Reasons for Recusal	Directors concurrently serve as managers and have a conflict of interest
Voting Participation	Chairman Sheng-Su Lee and Director Chu-Yuan Yang abstained from discussion and voting because of a conflict of interest. The remaining attending directors unanimously approved the proposal.

Board Meeting Date	March 5th, 2024
Director's Name	Sheng-Su Lee, Vincent Mao, Chu-Yuan Yang, Chun-Yi Hsu, Shu-Chun Huang, Jen-Chi Lu
Proposal	2023 compensation allocation plan for individual directors, reviewed by the Remuneration Committee
Reasons for Recusal	The compensation allocation for individual directors involves a conflict of interest with the legal entity the director represents and the directors themselves
Voting Participation	During the discussion and voting of this proposal, the directors with a conflict of interest were requested to recuse themselves in turn. The remaining attending directors unanimously approved the proposal.

Board Meeting Date	April 30, 2024
Director's Name	Sheng-Su Lee, Chu-Yuan Yang
Proposal	2023 cash distribution of employee compensation for managers, reviewed by the Remuneration Committee
Reasons for Recusal	Directors concurrently serve as managers and have a conflict of interest
Voting Participation	Chairman Sheng-Su Lee and Director Chu-Yuan Yang abstained from discussion and voting because of a conflict of interest. The remaining attending directors unanimously approved the proposal.

Board Meeting Date	April 30, 2024
Director's Name	Sheng-Su Lee, Chu-Yuan Yang
Proposal	Amendment of the "Manager Performance Evaluation Method," reviewed by the Remuneration Committee
Reasons for Recusal	Directors concurrently serve as managers and have a conflict of interest
Voting Participation	Chairman Sheng-Su Lee and Director Chu-Yuan Yang abstained from discussion and voting because of a conflict of interest. The remaining attending directors unanimously approved the proposal.

- III. Listed companies shall disclose information regarding the Board of Directors' self-evaluation (or peer evaluation), including the evaluation cycle and period, scope, method, and content, and shall specify the implementation status of the board evaluation: please refer to the appendix titled "Implementation Status of Board Evaluation."
- IV. Assessment of goals and implementation status for enhancing board functions in the current and most recent fiscal years:

Measures for Strengthening Board Functions	Implementation
Enhance board quality	Provide board members with information on training courses organized by external institutions from time to time. Arrange six hours of training annually to help them acquire new knowledge, stay up to date, and become familiar with their roles, functions, responsibilities, and obligations within the board. These efforts aim to strengthen board functions and enhance the board's operational and decision-making capabilities.
Strengthen the board structure	In 2023, the Sustainability and Risk Management Committee was established to assist the board in making decisions related to sustainability initiatives, enabling the board to fulfill its responsibilities in safeguarding the company's sustainable operations and the rights and interests of employees, shareholders, and stakeholders.
Board performance evaluation	Once a year, the board members and functional committee members, along with the board's secretariat, complete a self-assessment performance evaluation, and the evaluation results are submitted to the board.

Note: Implementation of the board performance evaluation.

The company's Board of Directors approved the "Board Performance Evaluation Method" on August 4, 2020. An internal performance evaluation of the Board of Directors, functional committees, and individual board members is conducted annually, with the evaluation results reported to the board in the first quarter. The company completed the performance evaluation of the Board of Directors, individual board members, and functional committees for 2024 in January 2025, and reported the results to the board on March 4, 2025.

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Items
Once a year	January 1, 2024, to December 31, 2024	Board of directors	Board of directors internal self-assessment	The level of participation in company operations, improvement of board decision-making quality, board composition and structure, director election and continuing education, internal controls, etc.

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Items
		Individual board members	Board members self-assessment.	Understanding of the company's goals and missions, awareness of director responsibilities, level of participation in company operations, management and communication of internal relationships, director expertise and continuing education, internal controls, etc.
		Functional committees 1. Audit Committee 2. Remuneration Committee 3. Sustainability and Risk Management Committee	Functional committees self-assessment.	The level of participation in company operations, understanding of the responsibilities of functional committees, improving the decision-making quality of functional committees, the composition and selection of committee members, internal controls, etc.

1. Board of directors performance self-assessment results:

The responsible unit for meeting affairs collected relevant information on board activities and completed the "Board of Directors Performance Self-Assessment Questionnaire." The performance evaluation indicators include five areas and 45 indicators. The evaluation score is 4.73 points (out of 5 points). The evaluation results indicate that the board has effectively carried out its responsibility in guiding and supervising the company's strategy, major operations, and risk management, and has established an appropriate internal control system. The overall operation is sound and meets the requirements of corporate governance.

Self-Assessment in Five Areas	Assessment Items
A. Level of participation in company operations	12
B. Improvement of board decision-making quality	12
C. Board composition and structure	7
D. Director election and continuing education	7
E. Internal controls	7

2. Board members performance self-assessment results:

The directors filled out the "Board Member Performance Self-Assessment Questionnaire." The performance evaluation indicators include six areas, with 23 indicators. The evaluation score is 4.72 points (out of 5 points), indicating that the

directors have given positive feedback on the efficiency and effectiveness of the operation of each indicator.

Self-Assessment in Six Areas	Assessment Items
A. Understanding of the company's goals and missions	3
B. Awareness of director responsibilities	3
C. Level of participation in company operations	8
D. Management and communication of internal relationships	3
E. Director expertise and continuing education	3
F. Internal controls	3

3. Audit Committee performance self-assessment results:

Each committee member completed the "Functional Committee Performance Self-Assessment Questionnaire." The performance evaluation indicators include five areas and 22 indicators. The evaluation score is 4.91 points (out of 5 points), indicating that the Audit Committee's operations are sound, meet corporate governance requirements, and effectively enhance board functions.

Self-Assessment in Five Areas	Assessment Items
A. Level of participation in company operations	4
B. Understanding of the responsibilities of functional committees	5
C. Improving the decision-making quality of functional committees	7
D. Composition and selection of committee members	3
E. Internal controls	3

4. 4. Remuneration Committee performance self-assessment results:

Each committee member completed the "Functional Committee Performance Self-Assessment Questionnaire." The performance evaluation indicators include four areas and 19 indicators. The evaluation score is 4.92 points (out of 5 points), indicating that the Remuneration Committee's operations are sound, meet corporate governance requirements, and effectively enhance board functions.

Self-Assessment in Four Areas	Assessment Items
A. Level of participation in company operations	4
B. Understanding of the responsibilities of functional committees	5
C. Improving the decision-making quality of functional committees	7
D. Composition and selection of committee members	3

5. Sustainability and Risk Management Committee performance self-assessment result
- Each committee member completed the "Functional Committee Performance Self-Assessment Questionnaire." The performance evaluation indicators include four areas and 17 indicators. The evaluation score is 4.91 points (out of 5 points), indicating that the Sustainability and Risk Management Committee's operations are sound, meet corporate governance requirements, and effectively enhance board functions.

Self-Assessment in Four Areas	Assessment Items
A. Level of participation in company operations	4
B. Understanding of the responsibilities of functional committees	3
C. Improving the decision-making quality of functional committees	7
D. Composition and selection of committee members	3

(II) Implementation of Audit Committee

1. Audit committee annual work priorities

The company's Audit Committee is composed of three independent directors, assisting the board in overseeing the proper presentation of the company's financial statements, the appointment and independence evaluation of CPAs, the effective implementation of the internal control system, compliance with relevant laws and regulations, and the management of current and potential company risks. It operates in accordance with the company's "Audit Committee Organizational Regulations," holding at least one meeting per quarter and convening additional meetings as necessary. The main duties and powers are as follows:

- (1) Establishment or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- (2) Assessment of the effectiveness of the internal control system.
- (3) Establishment or amendment of procedures for handling significant financial and business activities such as acquisition or disposal of assets, engagement in derivatives trading, lending of funds to others, and endorsements or guarantees for others, in accordance with Article 36-1 of the Securities and Exchange Act.
- (4) Matters involving directors' own interests.
- (5) Significant transactions of assets or derivatives.
- (6) Significant loans of funds, endorsements, or guarantees.
- (7) Fundraising, issuance, or private placement of equity-type securities.
- (8) Appointment, dismissal, or compensation of CPAs.
- (9) Appointment or dismissal of financial, accounting, or internal audit supervisors.

(10) Annual financial reports are signed or sealed by the chairman, managers, and accounting supervisor, and second-quarter financial reports must be audited and attested by the CPAs.

(11) Other significant matters as stipulated by the company or competent authorities.

A. Review of the annual financial report

The Board of Directors prepared the company's 2024 business report, financial report, and earnings distribution proposal. The financial report was audited by Deloitte Taiwan, and an audit report was issued. The above business report, financial report, and earnings distribution proposal were reviewed and determined to be accurate by the Audit Committee.

B. Assessment of the effectiveness of the internal control system

The Audit Committee assesses the effectiveness of the company's internal control system policies and procedures (including internal control measures for sales, procurement, production, human resources, finance, and legal compliance), monitors the implementation of audit operations by the internal audit unit, reviews the self-assessment results of the internal control system. The Audit Committee determines that the company's internal control system is effective.

C. Appointment of a CPA

To ensure the independence of the CPA firm, the Audit Committee has formulated an independence evaluation form based on Article 47 of the Certified Public Accountant Act and the "Independence of Audits and Reviews" in the National Federation of CPA Associations of ROC's "Ethics for Professional Accountants No. 10." In accordance with the "Audit Committee Interpretation of Audit Quality Indicators (AQI) Guidelines" issued by the competent authority, the committee evaluated the independence, professionalism, and competence of the accountants using five aspects and thirteen indicators. After review, the Audit Committee approved that the CPAs from Deloitte Taiwan, Ya-Yun Chang and Ming-Hui Chen, meet the independence evaluation standards.

2. Implementation of Audit Committee

The Audit Committee held four meetings in the most recent fiscal year [A]. The independent director attendance was as follows:

Title	Name	Attendance in Person [B]	By Proxy	Attendance Rate (%) [B/A]	Note
Independent Director	Chun-Yi Hsu	3	1	75	
Independent Director	Shu-Chun Huang	4	0	100	
Independent Director	Jen-Chi Lu	4	0	100	

Other matters to be included:

- I. If any of the following circumstances occur in the operations of the Audit Committee, the date of the meeting, session, proposals, opinions of independent directors (including opposing views, reservations, or significant recommendations), the Audit Committee's resolution, and the company's response to the Audit Committee's opinions shall be specified.

(I) Matters listed in Article 14-5 of the Securities and Exchange Act:

Audit Committee Meeting Date and Session	Proposal	Audit Committee's Resolution	Company's Response
2024.03.05 7th Meeting of the 2nd Term	1. Financial report and business report for 2023. 2. Internal control system statement for 2023. 3. Competency assessment of the CPAs. 4. Lifting the non-compete restrictions on directors (including independent directors) and their representatives.	Unanimously approved by attending committee members.	Unanimously approved by attending directors.
2024.04.30 8th Meeting of the 2nd Term	1. Financial report for Q1 2024. 2. Amendment of certain provisions of the company's internal control system and internal audit implementation rules.		
2024.07.30 9th Meeting of the 2nd Term	Financial report for Q2 2024.		
2024.10.29 10th Meeting of the 2nd Term	1. Financial report for Q3 2024. 2. Addition and amendment of certain provisions of the internal control system and internal audit implementation rules related to sustainability information management. 3. Amendment of certain provisions of the company's internal control system and internal audit implementation rules. 4. Pre-approval of the 2025 list of non-assurance services.		

- (II) Other than the abovementioned matters, there were no resolutions that were not approved by the Audit Committee but were passed with the consent of at least two-thirds of the Board of Directors.

- II. Recusal by independent directors on matters involving conflicts of interest should specify the independent director's name, proposal, reasons for recusal, and their participation in voting.

Board Meeting Date	March 5th, 2024
Independent Director's Name	Shu-Chun Huang
Proposal	Lifting the non-compete restrictions on directors (including independent directors) and their representatives
Reasons for Recusal	Conflict of interest with the independent director
Voting Participation	Independent Director Shu-Chun Huang abstained from discussion and voting because of a conflict of interest. The remaining attending committee members unanimously approved the proposal.

III. Communication between independent directors and the internal audit supervisor and the CPAs (should include major financial and business matters, the methods of communication, and the outcomes):

(I) Communication between independent directors and the internal audit supervisor

1. The internal audit supervisor sends the previous month's audit report to each independent director via email for review. Independent directors can directly communicate with the audit supervisor regarding the report's content. Additionally, the audit supervisor must attend at least two meetings annually with the CPAs and independent directors and separately report on the execution of audit activities.
2. Report by the internal audit supervisor at the Audit Committee meeting
 - (1) Annual risk assessment results and internal audit plan
 - (2) Effectiveness of the design and implementation of the internal control system
 - (3) Quarterly internal audit execution and follow-up on audit findings and improvements
3. Other: In the event of significant exceptional matters or issues that the independent directors, audit supervisor, and accountants deem necessary for independent communication, meetings can be convened on an ad hoc basis.

Date	Communication Methods	Communication Matters	Opinions of Independent Directors and Subsequent Actions
2024.03.05	Independent Directors and Accountant Seminar	Internal audit report for Q4 2023.	None
2024.03.05	Audit Committee	1. Internal audit implementation for Q4 2023. 2. Internal control self-assessment results and internal control system statement for 2023.	Independent directors expressed agreement with the content of the report
2024.04.30	Audit Committee	Internal audit implementation and audit findings for Q1 2024.	Independent directors expressed agreement with the content of the report
2024.07.30	Independent Directors and Accountant Seminar	Internal audit report for Q2 2024.	None
2024.07.30	Audit Committee	Internal audit implementation and audit findings for Q2 2024.	Independent directors expressed agreement with the content of the report
2024.10.29	Audit Committee	1. Internal audit implementation for Q3 2024. 2. Annual risk assessment results and internal audit plan for 2025.	Independent directors expressed agreement with the content of the report

(II) Communication between independent directors and the CPAs

The CPAs hold meetings with the independent directors at least twice a year to report on the results of financial statement audits/reviews, major issues such as accounting policies and estimates, upcoming or newly applicable standards and regulations, and to discuss any questions

raised by the independent directors.

Date	Communication Methods	Communication Matters	Opinions of Independent Directors and Subsequent Actions
2024.03.05	Independent Directors and Accountant Seminar	1. Audit results and key audit matters of the 2023 financial reports. 2. Upcoming or newly applicable standards and regulations.	None
2024.07.30	Independent Directors and Accountant Seminar	1. Review results of the 2024 Q2 financial reports. 2. Upcoming or newly applicable standards and regulations.	None

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

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Summary	
I. Has the company established and disclosed its Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The company has established its own Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and has disclosed them on the Market Observation Post System and the company's website.	None.
II. Shareholding structure and shareholders' rights				
(I) Has the company established internal procedures to handle shareholders' suggestions, concerns, disputes, and litigation matters, and is the procedure implemented accordingly?	✓		(I) To ensure shareholders' rights, the company has designated a spokesperson and a deputy spokesperson. Additionally, shareholder contact information is provided in the stakeholder section of the company website, with dedicated personnel responsible for handling shareholder suggestions, concerns, and disputes.	None.
(II) Does the company maintain a list of the major shareholders who control the company and their ultimate controllers?	✓		(II) The company reports monthly, in accordance with regulations, the shareholdings of directors, managers, and shareholders holding more than 10% of the company's shares. The company obtains a list of shareholders holding more than 5% of shares on a quarterly basis to identify the major shareholders who control the company and their ultimate owners.	

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Summary	
(III) Has the company established and implemented risk management and firewall mechanisms between related parties?	✓		(III) On March 14, 2023, the company's Board of Directors established the "Operating Procedures for Financial and Business Transactions Between Related Parties," which includes management procedures for purchase and sale transactions, and the acquisition or disposal of assets. The procedures stipulate that such significant transactions must be approved by the Board of Directors before proceeding and must be reported at the most recent shareholder meeting at the end of the fiscal year. This is to clearly define the management objectives and responsibilities for personnel, assets, and finances between the company and its related parties, ensuring effective risk assessment and establishment of appropriate firewall mechanisms.	
(IV) Has the company established internal regulations to prohibit insider trading?	✓		(IV) To maintain fairness in the securities trading market, the company has established the "Operating Procedures for Internal Material Information Processing and Insider Trading Prevention" in accordance with the relevant regulations of the competent authorities. The company has also promoted the relevant regulations prohibiting insider trading, ensuring insiders are clearly informed and strictly adhere to measures preventing insider trading. It is also stipulated that directors are prohibited from trading their shares during the blackout period, which is the thirty days prior to the annual financial report announcement and the fifteen days prior to the quarterly financial report announcement.	

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Summary	
			In the fourth quarter of each year, the company schedules the dates for board meetings for the following year. After the fourth-quarter board meeting, directors are informed of the blackout periods prior to the announcement of each quarterly financial report. Additionally, insiders are notified by email each quarter to help prevent inadvertent violations of the trading restrictions.	
III. Board composition and responsibilities				None.
(I) Has the board formulated and implemented a diversity policy with clear objectives?	✓		(I) The company has specified a board diversity policy in its "Board Member Election Procedures." Current board members have professional expertise in finance, accounting, and areas related to the company's business. For details regarding board diversity, management objectives, and implementation status, please refer to the company's annual report, Chapter 2. Corporate Governance Report, I. Information on Directors, (V) Board Diversity and 'Independence.	
(II) Apart from establishing a Remuneration Committee and an Audit Committee as required by law, has the company voluntarily established other functional committees?	✓		(II) In addition to the Audit Committee and Remuneration Committee, the company established the Sustainability and Risk Management Committee on October 31, 2023. The committee primarily assists the Board of Directors in promoting sustainability and risk management efforts. Its scope covers environmental (E), social (S), and governance (G), including formulating risk management policies, identifying risks, assessing impacts, and developing	

Evaluation Item	Implementation Status			Deviations and Reasons																
	Yes	No	Summary																	
			<p>corresponding strategies and action plans related to sustainability issues affecting the company's operations.</p> <p>The current committee is composed of three independent directors (term: October 31, 2023 to June 20, 2025) and began operations in 2024. Four meetings were held in 2024, with the following agenda items:</p> <ol style="list-style-type: none">1. Sustainability-related risk assessments and risk management policies, principles, and objectives.2. Review and monitoring of the implementation and effectiveness of sustainability and risk management.3. Sustainable information management. <table><tr><th>Title</th><th>Name</th><th>Main Expertise</th><th>Number of Attendances</th></tr><tr><td>Independent Director</td><td>Shu-Chun Huang (convener)</td><td>Shu-Chun Huang has professional qualifications and experience in promotion of corporate sustainability, decision-making, business management, commerce, and business operations.</td><td>4</td></tr><tr><td>Independent Director</td><td>Chun-Yi Hsu</td><td>Chun-Yi Hsu has professional qualifications and experience in decision-making, business management, finance, and business operations.</td><td>4</td></tr><tr><td>Independent Director</td><td>Jen-Chi Lu</td><td>Jen-Chi Lu has professional qualifications and experience in decision-making, business management, finance, accounting, and auditing.</td><td>4</td></tr></table>	Title	Name	Main Expertise	Number of Attendances	Independent Director	Shu-Chun Huang (convener)	Shu-Chun Huang has professional qualifications and experience in promotion of corporate sustainability, decision-making, business management, commerce, and business operations.	4	Independent Director	Chun-Yi Hsu	Chun-Yi Hsu has professional qualifications and experience in decision-making, business management, finance, and business operations.	4	Independent Director	Jen-Chi Lu	Jen-Chi Lu has professional qualifications and experience in decision-making, business management, finance, accounting, and auditing.	4	
Title	Name	Main Expertise	Number of Attendances																	
Independent Director	Shu-Chun Huang (convener)	Shu-Chun Huang has professional qualifications and experience in promotion of corporate sustainability, decision-making, business management, commerce, and business operations.	4																	
Independent Director	Chun-Yi Hsu	Chun-Yi Hsu has professional qualifications and experience in decision-making, business management, finance, and business operations.	4																	
Independent Director	Jen-Chi Lu	Jen-Chi Lu has professional qualifications and experience in decision-making, business management, finance, accounting, and auditing.	4																	

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Summary	
(III) Has the company established a performance evaluation method for the Board of Directors and its evaluation approach, conducted regular performance evaluations annually, submitted the evaluation results to the board, and used the results as a reference for individual directors' compensation and nomination for re-election?	✓		(III) The company approved the "Board Performance Evaluation Method" at the board meeting on August 4, 2020 and disclosed it on the company's website. The company conducts an internal performance evaluation of the Board of Directors, functional committees, and individual board members once a year, and submits the results to the board in the first quarter. The company completed the performance evaluation for the Board of Directors, individual board members, and functional committees (including the Audit Committee, Remuneration Committee, and Sustainability and Risk Management Committee) for 2024 in January 2025, and submitted the results to the board on March 4, 2025. Please refer to the company's annual report, Chapter 2. Corporate Governance Report, III. Implementation of Corporate Governance, (I) Board of Directors.	
(IV) Does the company regularly assess the independence of its CPAs?	✓		<p>(IV) The company's Audit Committee regularly assesses the independence and competence of the CPAs once a year and reports the results to the board.</p> <p>1. Independence assessment The company has established the following evaluation items, referencing Article 47 of the Certified Public Accountant Act and the "Independence of Audits and Reviews" in the National Federation of CPA Associations of ROC's "Ethics for Professional Accountants No. 10." The CPAs also issue an</p>	

Evaluation Item	Implementation Status			Deviations and Reasons																		
	Yes	No	Summary																			
			<p>independence declaration for auditing the company's financial statements. The most recent assessment was approved by the Audit Committee on March 4, 2025, and was subsequently presented to and approved by the board on the same date.</p> <table><tr><th>Evaluation Item</th><th>Evaluation Results</th></tr><tr><td>1. The CPAs do not have a direct or significant indirect financial interest in the company.</td><td>Yes</td></tr><tr><td>2. The CPAs do not have a close business relationship with the company.</td><td>Yes</td></tr><tr><td>3. The CPAs do not have a potential employment relationship with the company.</td><td>Yes</td></tr><tr><td>4. The CPAs and their audit team have not served as directors, managers, or in any position with significant influence over the audit matters of the company during the audit period or in the past two years.</td><td>Yes</td></tr><tr><td>5. The CPAs do not have a financial lending relationship with the company.</td><td>Yes</td></tr><tr><td>6. The CPAs have not provided non-audit services to the company that could directly affect the audit work.</td><td>Yes</td></tr><tr><td>7. Do the CPAs comply with the independence requirements outlined in the Ethics for Professional Accountants No. 10, and has the company obtained an "independence declaration" from the CPAs?</td><td>Yes</td></tr><tr><td>8. The CPAs have not provided audit services to the company for seven consecutive years.</td><td>Yes</td></tr></table> <p>2. Competency assessment</p> <p>The company has obtained audit quality indicators (AQIs) information provided by the accounting firm. In</p>	Evaluation Item	Evaluation Results	1. The CPAs do not have a direct or significant indirect financial interest in the company.	Yes	2. The CPAs do not have a close business relationship with the company.	Yes	3. The CPAs do not have a potential employment relationship with the company.	Yes	4. The CPAs and their audit team have not served as directors, managers, or in any position with significant influence over the audit matters of the company during the audit period or in the past two years.	Yes	5. The CPAs do not have a financial lending relationship with the company.	Yes	6. The CPAs have not provided non-audit services to the company that could directly affect the audit work.	Yes	7. Do the CPAs comply with the independence requirements outlined in the Ethics for Professional Accountants No. 10, and has the company obtained an "independence declaration" from the CPAs?	Yes	8. The CPAs have not provided audit services to the company for seven consecutive years.	Yes	
Evaluation Item	Evaluation Results																					
1. The CPAs do not have a direct or significant indirect financial interest in the company.	Yes																					
2. The CPAs do not have a close business relationship with the company.	Yes																					
3. The CPAs do not have a potential employment relationship with the company.	Yes																					
4. The CPAs and their audit team have not served as directors, managers, or in any position with significant influence over the audit matters of the company during the audit period or in the past two years.	Yes																					
5. The CPAs do not have a financial lending relationship with the company.	Yes																					
6. The CPAs have not provided non-audit services to the company that could directly affect the audit work.	Yes																					
7. Do the CPAs comply with the independence requirements outlined in the Ethics for Professional Accountants No. 10, and has the company obtained an "independence declaration" from the CPAs?	Yes																					
8. The CPAs have not provided audit services to the company for seven consecutive years.	Yes																					

Evaluation Item	Implementation Status			Deviations and Reasons																														
	Yes	No	Summary																															
			<p>accordance with the "Audit Committee Interpretation of Audit Quality Indicators (AQI) Guidelines" issued by the competent authority, the company confirmed the CPAs' and firm's AQI data based on five aspects and thirteen indicators (as shown in the table below). The company assessed the audit quality of the firm and its audit team by comparing these indicators with those of industry peers and the company's past performance. The most recent assessment was approved by the Audit Committee on March 4, 2025, and was subsequently presented to and approved by the board on the same date.</p> <table><tr><th>Aspect</th><th colspan="2">Indicator</th><th>Evaluation Results</th></tr><tr><td rowspan="4">Professionalism</td><td>1-1</td><td>Audit experience</td><td rowspan="4">All indicators, except for "training hours" and "professional support," exceed the industry average.</td></tr><tr><td>1-2</td><td>Training hours</td></tr><tr><td>1-3</td><td>Attrition rate</td></tr><tr><td>1-4</td><td>Professional support</td></tr><tr><td rowspan="4">Quality Control</td><td>2-1</td><td>Auditor workload</td><td rowspan="4">All quality control indicators exceed the industry standards.</td></tr><tr><td>2-2</td><td>Audit effort</td></tr><tr><td>2-3</td><td>Engagement quality control review</td></tr><tr><td>2-4</td><td>Quality control support capability</td></tr><tr><td rowspan="2">Independence</td><td>3-1</td><td>Non-audit service fees</td><td rowspan="2">The proportion of non-audit service fees and the accumulated years of engagement both demonstrate independence.</td></tr><tr><td>3-2</td><td>Customer familiarity</td></tr></table>	Aspect	Indicator		Evaluation Results	Professionalism	1-1	Audit experience	All indicators, except for "training hours" and "professional support," exceed the industry average.	1-2	Training hours	1-3	Attrition rate	1-4	Professional support	Quality Control	2-1	Auditor workload	All quality control indicators exceed the industry standards.	2-2	Audit effort	2-3	Engagement quality control review	2-4	Quality control support capability	Independence	3-1	Non-audit service fees	The proportion of non-audit service fees and the accumulated years of engagement both demonstrate independence.	3-2	Customer familiarity	
Aspect	Indicator		Evaluation Results																															
Professionalism	1-1	Audit experience	All indicators, except for "training hours" and "professional support," exceed the industry average.																															
	1-2	Training hours																																
	1-3	Attrition rate																																
	1-4	Professional support																																
Quality Control	2-1	Auditor workload	All quality control indicators exceed the industry standards.																															
	2-2	Audit effort																																
	2-3	Engagement quality control review																																
	2-4	Quality control support capability																																
Independence	3-1	Non-audit service fees	The proportion of non-audit service fees and the accumulated years of engagement both demonstrate independence.																															
	3-2	Customer familiarity																																

Evaluation Item	Implementation Status				Deviations and Reasons										
	Yes	No	Summary												
			<table><tr><td rowspan="2">Supervision</td><td>4-1</td><td>External inspection deficiencies and penalties</td><td rowspan="2">All supervisory indicators are at the median value within industry standards.</td></tr><tr><td>4-2</td><td>Competent authority's letter for improvement</td></tr><tr><td>Innovative Capability</td><td>5-1</td><td>Innovative planning or Initiatives</td><td>Four measures, including the introduction of audit innovation tools in the past three years, have been implemented to enhance audit quality.</td></tr></table>		Supervision	4-1	External inspection deficiencies and penalties	All supervisory indicators are at the median value within industry standards.	4-2	Competent authority's letter for improvement	Innovative Capability	5-1	Innovative planning or Initiatives	Four measures, including the introduction of audit innovation tools in the past three years, have been implemented to enhance audit quality.	
Supervision	4-1	External inspection deficiencies and penalties	All supervisory indicators are at the median value within industry standards.												
	4-2	Competent authority's letter for improvement													
Innovative Capability	5-1	Innovative planning or Initiatives	Four measures, including the introduction of audit innovation tools in the past three years, have been implemented to enhance audit quality.												
IV. Does the listed company have an appropriate number of qualified corporate governance personnel, and has a corporate governance officer been designated for corporate governance matters (including but not limited to providing directors and supervisors with necessary information for business execution, assisting directors and supervisors in complying with laws and regulations, handling board and shareholder meeting matters according to legal requirements, and preparing board and shareholder meeting minutes)?	✓		<p>A dedicated corporate governance officer has been appointed to coordinate the corporate governance culture and policies of the group. On October 31, 2023, the company's Board of Directors passed the resolution to appoint Vivian Mao, the group's dedicated corporate governance officer, to also serve as the corporate governance officer for the company. She has over three years of experience in managing corporate governance matters, such as shareholder services or board and shareholder meetings in publicly listed companies. Vivian Mao works with the accounting department to handle corporate governance-related matters. Her primary responsibilities include handling matters related to board and shareholder meetings in accordance with the law, preparing minutes of board and shareholder meetings, providing directors with the information necessary to perform their duties, assisting directors with taking office and continuing education, and supporting directors in complying with legal requirements.</p> <p>The continuing education from 2023 to 2024 is as follows:</p>		None.										

Evaluation Item	Implementation Status			Deviations and Reasons																								
	Yes	No	Summary																									
			<table><tr><th>Date</th><th>Host</th><th>Course</th><th>Hours</th></tr><tr><td>2023.11.08</td><td>The Greater Chinese Financial Development Association</td><td>Overview and Trend Analysis of Common Global Supply Chain Conditions for Taiwanese Businesses Amid Geopolitical Tensions</td><td>3</td></tr><tr><td>2023.11.22</td><td>Securities and Futures Institute</td><td>2023 Legal Compliance Briefing on Insider Equity Trading</td><td>3</td></tr><tr><td>2023.12.13</td><td>The Greater Chinese Financial Development Association</td><td>Corporate Circular Economy and Sustainable Development</td><td>3</td></tr><tr><td>2024.07.03</td><td>Taiwan Stock Exchange</td><td>2024 Cathay Sustainable Finance and Climate Change Summit</td><td>6</td></tr><tr><td>2024.07.30</td><td>Taiwan Investor Relations Institute</td><td>Key Strategies for Enhancing Corporate ESG Performance</td><td>3</td></tr></table> <p>The implementation of governance for 2024 is as follows:</p> <ol style="list-style-type: none">Purchased directors' liability insurance and reported to the Board of Directors.Conducted performance evaluations for the Board of Directors and functional committees.Compiled information on director training programs offered by external organizations and assisted directors in arranging their continuing education.Provided board members with agendas, meeting materials, and minutes in accordance with the Board	Date	Host	Course	Hours	2023.11.08	The Greater Chinese Financial Development Association	Overview and Trend Analysis of Common Global Supply Chain Conditions for Taiwanese Businesses Amid Geopolitical Tensions	3	2023.11.22	Securities and Futures Institute	2023 Legal Compliance Briefing on Insider Equity Trading	3	2023.12.13	The Greater Chinese Financial Development Association	Corporate Circular Economy and Sustainable Development	3	2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	2024.07.30	Taiwan Investor Relations Institute	Key Strategies for Enhancing Corporate ESG Performance	3	
Date	Host	Course	Hours																									
2023.11.08	The Greater Chinese Financial Development Association	Overview and Trend Analysis of Common Global Supply Chain Conditions for Taiwanese Businesses Amid Geopolitical Tensions	3																									
2023.11.22	Securities and Futures Institute	2023 Legal Compliance Briefing on Insider Equity Trading	3																									
2023.12.13	The Greater Chinese Financial Development Association	Corporate Circular Economy and Sustainable Development	3																									
2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6																									
2024.07.30	Taiwan Investor Relations Institute	Key Strategies for Enhancing Corporate ESG Performance	3																									

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Summary	
			<p>Meeting Rules; prepared shareholder meeting notices, handbooks, and minutes in compliance with statutory deadlines.</p> <p>5. Assisted the chief auditor and CPAs in communicating regularly with independent directors.</p> <p>6. Provided information necessary for directors to perform their duties.</p> <p>7. Assisted directors in complying with laws and regulations.</p>	
V. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on its website, and properly responded to key corporate social responsibility issues of concern to stakeholders?	✓		The company has established an employee complaint mailbox and designated a spokesperson and deputy spokesperson as external communication channels. A stakeholder section is also available on the company website, covering customers, suppliers, investors, employees, and other stakeholders. This section provides email addresses and contacts to allow stakeholders to raise inquiries and receive prompt responses to issues of concern.	None.
VI. Has the company appointed a professional shareholder services agency to handle shareholder meeting affairs?	✓		The company has appointed a professional shareholder services agency, Taishin Securities Co., Ltd. Transfer Agency Department, to handle the company's shareholder meetings and various shareholder-related matters.	None.
VII. Information disclosure				
(I) Does the company have a website that discloses financial, business, and corporate governance information?	✓		(I) The company has established a website and set up an investor relations section to disclose financial, business, and corporate governance information. Shareholders and investors can also access the company's financial, business,	Except for (III), which will be assessed based on legal regulations and the company's practical operations, there are no significant deviations.

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Summary	
<p>(II) Does the company adopt other methods of information disclosure, such as setting up an English website, designating personnel responsible for collecting and disclosing company information, implementing a spokesperson system, or posting the proceedings of corporate briefings on the company website?</p> <p>(III) Does the company announce and file its annual financial report within two months after the end of the fiscal year, and does it announce and file the first, second, and third quarter financial reports and monthly operating results ahead of the prescribed deadlines?</p>	✓		<p>and corporate governance information through the Market Observation Post System.</p> <p>(II) The company's website contains information in both Chinese and English. A dedicated unit, according to its responsibilities, is responsible for collecting and disclosing information on the company website and the Market Observation Post System. Additionally, a spokesperson system has been established to handle external communication of the company's information. Presentations and video recordings from corporate briefings are also available on the company website.</p> <p>(III) The company did not announce and file its annual financial report within two months after the end of the fiscal year; however, the quarterly financial reports and monthly operating results were announced and filed ahead of the prescribed deadlines.</p>	
VIII. Does the company have any other important information that facilitates an understanding of its corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relationships, stakeholder rights, continuing education for directors and supervisors, implementation of risk management policies and metrics,	✓		<p>(I) Employee rights and care:</p> <p>In addition to providing various statutory insurance plans, implementing a pension system, and establishing an employee welfare committee, the company also holds regular labor-management meetings for communication between labor and management. The protection of employee rights and implementation of the welfare system are based</p>	None.

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Summary	
implementation of customer policies, and the purchase of liability insurance for directors and supervisors)?	✓		<p>on legal regulations. Please refer to the company's annual report, Chapter 4. Operations Overview, V. Labor Relations.</p> <p>(II) Investor relations:</p> <p>To protect shareholders' rights and make it easier for the investing public to understand the company's operations, the company has designated a spokesperson and deputy spokesperson responsible for corporate communication. They participate in corporate briefings occasionally and disclose relevant information in accordance with regulations on the Market Observation Post System and the company's website.</p> <p>(III) Supplier relations:</p> <p>The company's business strategy is based on integrity, honoring commitments made to suppliers and stakeholders, and maintaining positive and cooperative relationships with its suppliers.</p> <p>(IV) Stakeholders' rights:</p> <p>The company maintains effective communication channels with stakeholders, including employees, customers, and suppliers, and respects and safeguards their legitimate rights and interests.</p> <p>(V) Status of continuing education for board members:</p> <p>To implement corporate governance, all company directors</p>	

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Summary	
	✓		<p>have professional expertise and practical management experience. All six directors (including independent directors) have completed more than six hours of learning. Please refer to the Market Observation Post System for the continuing education status of the company's directors.</p> <p>(VI) Implementation of risk management policies and risk assessment standards:</p> <ol style="list-style-type: none"> 1. The company has established an "internal control system" and relevant management regulations in accordance with legal requirements to prevent risks. The internal audit unit evaluates the effectiveness of the internal control system based on an audit plan developed through risk assessment. 2. On October 31, 2023, the company established the Sustainability and Risk Management Committee, which convenes at least twice a year and reports to the Board of Directors at least once annually. Under the committee, the Risk Management Task Force of the Sustainability Promotion Team, composed of heads of various operating units, serves as the executing body for the company's risk management. It is responsible for planning, implementing, and overseeing risk management-related matters, and regularly submitting risk management reports to the Sustainability and Risk Management Committee. It has also established a 	

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Summary	
	✓		dynamic risk management and reporting mechanism to ensure effective oversight and execution. (VII) Implementation of customer policies: The company conducts all collaborations with customers in accordance with internal regulations and the terms of contracts signed by both parties to safeguard mutual interests. A dedicated contact is assigned to communicate with customers and handle related matters.	
	✓		(VIII) Purchase of liability insurance for directors: The company has purchased liability insurance for directors and managers, and conducts regular assessments of the coverage amount each year. The insurance status is reported to the Board of Directors.	
<p>IX. Explain the improvements made based on the corporate governance evaluation results published by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and identify priority areas for further strengthening and the corresponding measures for areas that have not yet been improved.</p> <p>(I) To strengthen corporate governance, the company has made improvements based on the results of the corporate governance evaluation. The following actions were completed in 2024:</p> <ol style="list-style-type: none"> 1. Strengthening board structure and operations: The Sustainability and Risk Management Committee began operations in 2024 and held four meetings. 2. Enhancing information transparency: Published the annual financial report in English. 3. Promoting sustainable development: <ol style="list-style-type: none"> (1) The sustainability report was submitted to the board for discussion and approval. (2) The ISO 27001 Information Security Management System received third-party certification in February 2024. (3) In August 2024, the company applied for the Taiwan Intellectual Property Management System (TIPS) A-level certification for the first time. The 				

Evaluation Item	Implementation Status			Deviations and Reasons
	Yes	No	Summary	
certification was officially granted and announced by the Institute for Information Industry on December 31, 2024, and is valid through December 31, 2025.				
(II) Planned improvements for 2025 include:				
1. Publishing the English version of the annual report.				
2. Increasing the number of independent directors to more than half of the total board seats.				
3. Establishing a Nomination Committee.				

(IV) If the company has established a Remuneration Committee or Nomination Committee, the composition and operation of the committee must be disclosed.

1. Information on the members of the Remuneration Committee

April 25, 2025

<div>Criteria</div> <div>Title</div> <div>Name</div>		Professional Qualifications and Experience	Independence Status	Number of Other Public Companies Where the Individual is Serving as a Remuneration Committee Member
Independent Director (convener)	Shu-Chun Huang	Please refer to the company's annual report, Chapter 2. Corporate Governance Report, I. Information on Directors, (IV) Professional Qualifications of Directors and Independent Analysis of Independent Directors.	<p>1. The company's three independent directors met the qualification requirements stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act for the two years prior to their appointment and during their tenure. They have also been granted full decision-making and opinion-expressing powers in accordance with Article 14-3 of the Securities and Exchange Act, allowing them to perform their duties independently.</p> <p>2. In the two years prior to their appointment and during their tenure, there has been no violation of the independence requirements stipulated in Article 6 of 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."</p>	3
Independent Director	Chun-Yi Hsu			None
Independent Director	Jen-Chi Lu			1

2. Responsibilities of the Remuneration Committee

The Remuneration Committee performs its duties in good faith and with the care of a prudent manager. Its responsibilities include the following, with recommendations submitted to the board for discussion: 1. Regularly review the company's "Remuneration Committee Organizational Regulations" and propose amendments. 2. Establish and periodically review the policies, systems, standards, and structure for the remuneration of directors and managers. 3. Regularly evaluate the remuneration packages and amounts for directors and managers.

3. Remuneration Committee operations

(1) The company's Remuneration Committee consists of 3 members.

(2) Current term of the committee members: July 5, 2022 to June 20, 2025. The Remuneration Committee held three meetings in the most recent fiscal year [A].

The qualifications and attendance of the members are as follows:

Title	Name	Attendance in Person [B]	By Proxy	Attendance Rate (%) [B/A]	Note
Convener	Shu-Chun Huang	3	0	100	
Committee Member	Chun-Yi Hsu	2	1	66.7	
Committee Member	Jen-Chi Lu	3	0	100	

Other matters to be included:

I. If the Board of Directors does not adopt or modifies the recommendations of the Remuneration Committee, the company shall specify the date of the board meeting, session, proposal, the resolution of the board, and the company's response to the committee's opinions (if the board-approved remuneration is more favorable than that recommended by the committee, the differences and reasons shall be specified): Not applicable.

II. If any member of the Remuneration Committee expresses an objection or reservation regarding a resolution, and such opinion is recorded or stated in writing, the company shall specify the date of the committee meeting, session, proposal, all members' opinions, and the committee's response to those opinions: Not applicable.

III. Discussion topics and resolutions of the Remuneration Committee in the most recent fiscal year:

Meeting Date and Session	Proposal	Resolution	Company's Response
2024.03.05 6th Meeting of the 2nd Term	1. Approval of the 2024 salary adjustment plan for managers. 2. Approval of the 2023 compensation allocation plan for employees and directors. 3. Approval of the 2023 compensation allocation plan for individual directors	Unanimously approved by attending committee members.	None
2024.04.30 7th Meeting of the 2nd Term	1. Approval of the 2023 cash distribution of employee compensation for managers. 2. Approval of the revised version of the company's Manager Performance Evaluation		

	Method.		
2024.12.25 8th Meeting of the 2nd Term	Approval of the 2024 operational bonus allocation plan for managers.		

(V) Implementation of sustainable development initiatives and deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
I. Has the company established a governance structure for promoting sustainable development, designated a dedicated (or concurrent) unit responsible for its implementation, delegated authority to senior management by the Board of Directors, and ensured board oversight of these efforts?	✓		On October 31, 2023, the Board of Directors approved the "Risk Management Policy and Procedures" and established the "Sustainability and Risk Management Committee" under the board. The majority of the committee members are independent directors, with an independent director serving as chairperson. The "Sustainability Promotion Team" under the committee is convened by the general manager. This team consists of the Corporate Governance, Environmental Sustainability, Partnerships, and Employee and Social Impact task forces formed by representatives designated by heads of operating units. Each task force is responsible for managing sustainability issues according to its unit's area of authority, and serves as the execution body for the company's sustainability matters, consolidating the concerns and expectations of key stakeholders on various sustainability issues. A Risk Management Task Force is established under the Sustainability Promotion Team. It is composed of heads of operating units and is responsible for promoting and executing the company's risk management efforts. The task force evaluates the potential negative and positive impacts (including opportunities) that sustainability issues may pose and formulates short-, medium-, and long-term management policies and objectives. It is responsible for planning, implementing, and overseeing risk management-related matters. The company monitors implementation effectiveness through occasional meetings and issue-specific task	None.

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			<p>forces to ensure that sustainability strategies are fully integrated into daily operations. The company also manages various risks that may affect the achievement of sustainability goals by embedding risk management into business activities and day-to-day management processes.</p> <p>The Sustainability and Risk Management Committee convenes at least twice annually and reports to the board at least once a year on the execution of sustainability initiatives and future work plans. The board reviews the progress of each strategy to encourage the management team to make necessary adjustments. Four meetings were held in 2024, with the following agenda items:</p> <ol style="list-style-type: none"> 1. Assessment of sustainability-related risks and risk management policies, guidelines, and objectives: <ol style="list-style-type: none"> (1) Baseline year for greenhouse gas reduction, formulation of carbon reduction targets, strategies, and action plans. (2) Communication status with various stakeholders. (3) Sustainability promotion progress. (4) Corporate governance and implementation of ethical business practices. 2. Review and monitoring of the implementation and effectiveness of sustainability and risk management. 3. Sustainable information management. <ol style="list-style-type: none"> (1) Competency assessment of the assurance provider for sustainability information. (2) Preparation and Assurance Procedures for the Sustainability Report. (3) Sustainability report. 	

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			(4) Greenhouse gas inventory and assurance status.	
II. Has the company conducted risk assessments of ESG issues related to its operations based on the materiality principle, and established corresponding risk management policies or strategies?	✓		<p>The company bases its materiality assessment on the "GRI 3: Material Topics 2021" of GRI Standards 2021 and references the double materiality principle of the IFRS Sustainability Disclosure Standards and European Sustainability Reporting Standards (ESRS). Sustainability impacts are evaluated from the perspective of impact materiality and financial materiality. The materiality analysis method is structured around five key steps to determine the company's material sustainability topics: (1) Understanding the organizational context, (2) Identifying external impacts, (3) Identifying internal impacts, (4) Ranking the significance of each topic's impact, (5) Determining the material sustainability topics. In 2024, the scope of the sustainability risk assessment focused on evaluating the impacts of the company's operational activities on various sustainability aspects—specifically, their effects on society, the environment, people, and human rights (external impacts), as well as the resulting financial impacts on the company from the need to manage those external impacts (internal impacts). The company produced a sustainability impact analysis by weighing internal and external impacts. Following a comprehensive review and evaluation by the "Risk Management Task Force" under the Sustainability Promotion Team, the issues were identified as material topics. The company continues to develop corresponding sustainability goals and implement necessary measures to reduce the impact of related sustainability risks. Please refer to "VII. Other important information that facilitates an understanding of</p>	None.

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			sustainable development implementation" for additional details.	
<p>III. Environmental issues</p> <p>(I) Has the company established an appropriate environmental management system based on the characteristics of its industry?</p>	✓		<p>As a professional IC design company focused on IC research and development, the company outsources all manufacturing processes and is not directly engaged in production. In accordance with environmental regulations set by the Ministry of Environment, the company has established an "Environmental Control Procedure" to ensure proper waste disposal in workplaces and laboratories, implement recycling, maintain a clean environment, prevent pollution, safeguard employee health and safety, reduce waste, and enhance resource reuse. The company also conducts an annual greenhouse gas inventory in accordance with ISO 14064-1:2018 to track the effectiveness of emission reduction efforts.</p> <p>Additionally, under the ISO 9001 framework, the company has established an Environmental Substance Management System and implemented green supply chain management. This includes sourcing products that comply with EU environmental regulations (such as the RoHS Directive and REACH) and other relevant international environmental standards (HSF policy). The company verifies supplier-provided material inspection certificates to ensure that the delivered raw materials do not contain environmentally hazardous restricted substances.</p> <p>The company has established a Green Product Management System based on regulatory requirements across different countries and customer demands, focusing on environmentally restricted substances that may pose risks to ecosystems, the environment, and human health. The company has formulated the "Environmentally</p>	None.

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			Restricted Substances Management Procedure," which clearly outlines compliance requirements for suppliers and provides for ongoing audits and oversight to ensure the effective operation of the Green Product Management System. The company is recognized as a long-term partner under the SAMSUNG ECO Partner program and is certified as a green partner by SONY GP.	
(II) Is the company committed to improving energy efficiency and using environmentally friendly renewable materials?	✓		<p>The company actively promotes various energy reduction measures by selecting office equipment with high energy efficiency and energy-saving designs to reduce overall energy consumption. Since 2023, the company has been evaluating renewable energy usage plans and has expanded renewable energy use each year to optimize energy efficiency. The short-term goal is to have renewable energy account for 15% of total energy consumption by 2025, and the mid-term goal is to reach 50% by 2030. In 2024, 88.25% of the energy used was non-renewable electricity purchased from Taipower, while 11.75% was solar power supplied through Taipower's grid. A total of 94 renewable energy certificates were obtained.</p> <p>Considering the potential environmental impact of IC manufacturing processes, the company uses low-hazard chemical materials that comply with current regulatory requirements from the early stages of product design and development. During initial material selection, environmentally restricted substance requirements are included in the review criteria. An "Environmental Substance Management Team" has been established to promote environmental substance management. The company has also formulated the "Environmentally Restricted Substances Management Procedure,"</p>	None.

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			which strictly regulates substances with high environmental impact. In accordance with the procedure, all product material bills of materials (BOM) and environmental testing reports are reviewed to ensure that all raw materials and packaging materials are hazardous-substance free (HSF) and comply with the latest international environmental regulations and customer environmental requirements.	
(III) Has the company assessed the potential risks and opportunities that climate change may pose to its current and future operations, and adopted corresponding response measures?	✓		According to the Global Risks Report published annually by the World Economic Forum (WEF), climate change-related issues have long been identified as one of the most significant risks. The company recognizes the impact of climate change on its operations and the potential related challenges. Based on an assessment of its business operations and industry characteristics, the company operates in a low-energy-consumption and low-emission industry. However, considering climate change is a global issue affecting the entire supply chain, it is essential to proactively understand and address its impact. The company follows the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to build its governance and management capabilities for climate change, laying the foundation for adaptation and mitigation, while addressing climate-related issues along with stakeholders. For information regarding the company's identification and assessment of climate-related risks and opportunities, as well as the corresponding results and response measures, please refer to 1. Implementation of climate-related information under Company's climate-related disclosures.	None.

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			Category	Management Strategies and Actions
			Governance	The Board of Directors is the company's highest decision-making body on climate change-related matters. It is responsible for guiding and overseeing the response to climate-related risks and opportunities. To strengthen sustainability and climate-related risk management, the company established the Sustainability and Risk Management Committee, which is responsible for matters related to sustainability and climate change risk management. Meetings are held at least twice a year, and reports are submitted to the Board of Directors.
			Strategy	<ol style="list-style-type: none"> 1. In 2023, the company conducted a climate risk and opportunity assessment, identifying 12 short-, medium-, and long-term risk factors with potential impacts and four possible opportunities. The company plans to re-identify and reassess the risks and opportunities every three years. 2. Through scenario analysis, the company evaluates the potential operational and financial impacts of major climate risks and opportunities. 3. For each identified potential risk and corresponding opportunity, relevant departments develop response plans in alignment with the company's existing

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			<div>business strategies. These plans are subsequently reviewed and executed in accordance with the company's Risk Management Policies and Procedures, with regular meetings held to monitor the implementation of the response measures.</div> <div>Risk ManagementThe TCFD framework was adopted to establish a climate risk identification process, and response measures were developed based on the identified climate risks.</div> <div>Indicators and ObjectivesClimate-related management indicators have been established, and the progress toward these targets is reviewed regularly.</div>	
(IV) Has the company compiled statistics on its greenhouse gas emissions, water consumption, and total waste volume over the past two years, and established policies for reducing greenhouse gas emissions, conserving water, or other waste management?	✓		<p>The company is a professional IC design firm engaged in product design, research and development, and sales. Manufacturing processes such as wafer fabrication, packaging, and testing are outsourced to specialized foundries; therefore, the company does not generate manufacturing-related waste or wastewater.</p> <p>1. Greenhouse gas emissions</p> <p>The company completed the ISO 14064-1:2018 greenhouse gas inventory and third-party verification for the year 2024. The main source of emissions is purchased electricity, while the remainder comes from fugitive emissions. The company has no stationary or mobile emission sources and no process-related emissions due to the absence of manufacturing operations. For information on the company's greenhouse gas emissions, assurance status, and reduction policies over the</p>	None.

Promotion Item	Implementation			Deviations and Reasons									
	Yes	No	Summary										
			<p>past two years, please refer to 1-1 Company greenhouse gas inventory and assurance status for the past two years under Company's climate-related disclosures.</p> <p>2. Water consumption (data coverage: Sensortek Headquarters) Water usage primarily comes from general domestic use and the cooling towers of the air conditioning system.</p> <table><tr><th>Year</th><th>Water Consumption (million liters)</th><th>Water Intensity (million liters/m²)</th></tr><tr><td>2023</td><td>2.96</td><td>0.00061</td></tr><tr><td>2024</td><td>3.25</td><td>0.00067</td></tr></table> <p>Note: Water intensity = water consumption (million liters)/floor area (m²)</p> <p>3. Total waste volume (data coverage: Sensortek Headquarters) Waste comes from household garbage, which is divided into general waste, kitchen waste, and recyclable materials. Employees gather the waste in a temporary storage area. Then, the cleaning company confirms the recycling classification and transports it to the designated recycling area in the Tai Yuen Hi-Tech Industrial Park. The waste is then handled by a qualified waste disposal company, which takes it to the incineration plant for treatment. Additionally, defective ICs produced through outsourcing are recycled in-house, as well as a small amount of business waste from product development and testing, including general business waste and electronic waste (such as wafers, plastics/coils/films, discarded ICs, gold-plated boards, etc.). The company entrusts the handling to qualified disposal companies.</p>	Year	Water Consumption (million liters)	Water Intensity (million liters/m ²)	2023	2.96	0.00061	2024	3.25	0.00067	
Year	Water Consumption (million liters)	Water Intensity (million liters/m ²)											
2023	2.96	0.00061											
2024	3.25	0.00067											

Promotion Item	Implementation				Deviations and Reasons																
	Yes	No	Summary																		
			<table><tr><th rowspan="2">Year</th><th>Household Waste</th><th>Hazardous Waste</th><th rowspan="2">Total Weight (metric tons)</th><th rowspan="2">Density</th></tr><tr><th>Direct Disposal</th><th>Recycling and Reuse</th></tr><tr><td>2023</td><td>8.24</td><td>1.64</td><td>9.88</td><td>0.00217</td></tr><tr><td>2024</td><td>7.14</td><td>1.87</td><td>9.01</td><td>0.00182</td></tr></table>	Year	Household Waste	Hazardous Waste	Total Weight (metric tons)	Density	Direct Disposal	Recycling and Reuse	2023	8.24	1.64	9.88	0.00217	2024	7.14	1.87	9.01	0.00182	
Year	Household Waste	Hazardous Waste	Total Weight (metric tons)		Density																
	Direct Disposal	Recycling and Reuse																			
2023	8.24	1.64	9.88	0.00217																	
2024	7.14	1.87	9.01	0.00182																	
<p>Note 1: The statistics for household waste are based on the total waste generation per phase in the Tai Yuen Hi-Tech Industrial Park, where our office is located, divided by the total number of people at the park, then multiplied by our company's estimated number of employees.</p> <p>Note 2: Density = total weight (metric tons)/revenue (NT\$ million)</p> <p>Our company reduces business waste generation through three measures: source reduction, reducing product scrap, and circular economy. We manage waste at the source by improving process technologies in the outsourced production supply chain and reducing raw material usage. By improving product yield and reducing product return rates, we decrease scrap caused by products not meeting shipment standards and those that cannot be reworked due to sales returns, achieving the target of reducing business waste by 1% annually. Business waste is handled by professional waste disposal companies for metal recovery and recycling, reducing environmental impact and further achieving a circular economy. In 2024, the total weight of hazardous business waste increased because of revenue growth.</p> <p>4. The building where the company is located has obtained the silver-level green building certification. It meets green</p>																					

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			<p>building standards in terms of daily energy saving, carbon dioxide reduction in buildings, water resources (household water saving), and ventilation. The office area is designed with energy-saving and carbon-reduction considerations: (1) LED lighting is used throughout, (2) the air conditioning system has been upgraded with forced return air equipment to enhance cooling efficiency; automatic on/off scheduling is set and integrated with the security system to ensure air conditioning is turned off during non-working hours, reducing energy consumption, (3) a high-efficiency green data center is established with a hot and cold aisle separation mechanism and intelligent load control to reduce air conditioning load and improve efficiency. The data center management system builds a green data center using hyper-converged infrastructure (HCI), pre-integrating computing, storage, and networking components to reduce electricity usage and increase overall power usage effectiveness (PUE). The building has a rainwater harvesting system that recycles rainwater. Faucets, toilets, and urinals with water conservation labels are installed, and faucet water flow is adjusted to an appropriate level to prevent water wastage. The company continues to promote energy-saving, carbon-reduction, and water conservation concepts to employees, and strictly implements waste sorting to reduce waste and increase recycling.</p>	

Promotion Item	Implementation			Deviations and Reasons						
	Yes	No	Summary							
IV. Social issues (I) Does the company have relevant management policies and procedures in place in accordance with applicable regulations and international human rights conventions?	✓		<div>1. The company strictly adheres to domestic labor and related regulations, supports and follows the principles and spirit outlined in international human rights conventions such as the Universal Declaration of Human Rights, the Guiding Principles on Business and Human Rights, the United Nations Global Compact, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. The company has established its human rights policy, and promotes and recognizes human rights protection among employees, partners, and customers. We expect that all stakeholders, including but not limited to employees, partners, and customers, are treated fairly and with dignity.</div> <div>2. The company’s main human rights concerns and specific practices are as follows:</div> <table><tr><th>Concerns</th><th>Specific Plans</th><th>Improvement Measures</th></tr><tr><td>Equal Opportunities and Anti-Discrimination</td><td>The "Personnel Selection and Employment Guidelines" and "Promotion and Ranking Management Guidelines" are established to implement the above commitment to equality.</td><td><div>1. In accordance with government regulations and changes in the social environment, the work environment and associated regulations are continuously reviewed.</div><div>2. If any violations of human rights policies are found, the company will take necessary corrective actions and restore employees' rightful rights.</div></td></tr></table>	Concerns	Specific Plans	Improvement Measures	Equal Opportunities and Anti-Discrimination	The "Personnel Selection and Employment Guidelines" and "Promotion and Ranking Management Guidelines" are established to implement the above commitment to equality.	<div>1. In accordance with government regulations and changes in the social environment, the work environment and associated regulations are continuously reviewed.</div> <div>2. If any violations of human rights policies are found, the company will take necessary corrective actions and restore employees' rightful rights.</div>	None.
Concerns	Specific Plans	Improvement Measures								
Equal Opportunities and Anti-Discrimination	The "Personnel Selection and Employment Guidelines" and "Promotion and Ranking Management Guidelines" are established to implement the above commitment to equality.	<div>1. In accordance with government regulations and changes in the social environment, the work environment and associated regulations are continuously reviewed.</div> <div>2. If any violations of human rights policies are found, the company will take necessary corrective actions and restore employees' rightful rights.</div>								

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			<div>Reasonable Working Hours</div> <div>A time and attendance management system is in place, and for employees with abnormal working hours, the system will issue reminders.</div> <div>The system's reminder function is actively set and regularly reviewed and controlled.</div>	
			<div>Prohibition of Child Labor</div> <div> 1. Recruitment forms provide age-related information, and candidates under the age of sixteen are not allowed to be interviewed. 2. Newly hired employees must submit relevant identity documents on the day of their onboarding to confirm they are at least sixteen years old before being employed. </div> <div>Regular audits of government regulations are conducted to ensure compliance with corporate social responsibility and ethical standards.</div>	
			<div>Healthy and Safe Workplace</div> <div> The company has established the "Labor Health Management Procedures," "Fire Protection Plan," "Employee Complaint Handling Procedures," and the employee handbook, which includes measures related to the prevention of sexual harassment, complaints, and disciplinary actions. These are managed by the relevant responsible units through project management. </div> <div>In compliance with government regulations, employee education and training, workplace inspections, and internal/external audits are conducted to review the company's environment, safety, and hygiene practices, ensuring a safe working environment.</div>	
			<div>Freedom of Association</div> <div> 1. Regular meetings of the welfare committee are held, and the committee members plan employee welfare </div> <div>The responsible units review the establishment of the associations and regularly supervise the organization of</div>	

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			<p>activities.</p> <p>2. In accordance with the "Association Management Guidelines," activities are regularly organized, and funding is provided to ensure the smooth operation of the associations.</p>	<p>their activities and the reimbursement of expenses.</p> <p>If there are any violations of employee rights or other legal issues, corrective actions are also taken.</p>
			<p>Forced Labor</p> <p>1. The company complies with the "Labor Standards Act" and values the freedom of individuals to choose their occupation. Labor must not be forced through violence, threats, detention, or any other illegal methods.</p> <p>2. The employee handbook includes measures for complaints and disciplinary actions, which are managed through project management by the relevant responsible units.</p>	<p>Regular audits of regular working hours and overtime records are conducted.</p>
			<p>3. The company recognizes human rights protection issues and conducts human rights-related education and training for employees to raise awareness of human rights protection. In October 2024, an online course on "Workplace Illegal Infringements, Anti-Discrimination, and Anti-Sexual Harassment" was held, with a total of 201 employees participating, achieving a 100% completion rate.</p>	

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
(II) Has the company established and implemented reasonable employee welfare measures (including compensation, leave, and other benefits), and appropriately reflect business performance or results in employee compensation?	✓		<p>1. Employee compensation</p> <p>The company's compensation policy includes a fixed monthly salary, year-end bonuses, and a fixed percentage of operational bonuses based on company profits. In accordance with Article 18-1 of the company's Articles of Incorporation, if the company is profitable in a given year, no more than 25% and no less than 1% of the profits shall be allocated for employee compensation, and no more than 1% for director compensation. However, if the company has accumulated losses, the amount needed to cover such losses shall first be reserved before allocating employee and director compensation based on the aforementioned percentage. In compliance with the amendment of Article 14, Paragraph 6 of the Securities and Exchange Act and the Order No. 1130385442 issued by the Financial Supervisory Commission on November 8, 2024, publicly listed companies must specify in their articles of incorporation a certain percentage of annual profits to be allocated for adjusting salaries or distributing compensation to grassroots employees. The company's Articles of Incorporation were amended in March 2025 by the Board of Directors, stipulating that no less than 50% of the aforementioned employee compensation amount shall be allocated to grassroots employees.</p> <p>Business performance or results are reflected in employee compensation, and annual performance evaluations are conducted to measure employees' contributions to achieving organizational goals. These evaluations are a reference for</p>	None.

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			<p>reward and compensation decisions.</p> <p>2. Employee welfare measures In addition to providing a comfortable working environment, the company offers a flexible leave system and vacation calculations that are better than those required by the Labor Standards Act. Employees also receive an annual free health checkup, travel subsidies, and various other welfare measures. Please refer to the company's annual report, Chapter 4. Operations Overview, V. Labor Relations.</p> <p>3. Workplace diversity and equality The company's human resources policies do not discriminate based on gender, race, socio-economic status, age, marital or family status, ensuring equality and fairness in employment, hiring conditions, compensation, benefits, training, performance evaluations, and promotion opportunities. The company is an IC design company in the semiconductor industry, with research and development capabilities as its core competitive strength. In 2024, R&D and engineering personnel accounted for 72.91% of the total workforce, primarily from the electronics and electrical fields. Female employees make up 28.08%, while female managers account for 16.22%. Although the R&D and management are composed of mostly male employees, the company continues to seek and recruit female employees, and strives to create a gender-equal work environment to increase the proportion of female managers. Additionally, the company respects the rights of persons with disabilities and complies with relevant legal regulations. In</p>	

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			accordance with Article 38 of the People with Disabilities Rights Protection Act, the company has hired two persons with disabilities, fulfilling the required quota, and provides fair and diverse employment opportunities.	
(III) Does the company provide a safe and healthy work environment for employees and regularly conduct safety and health education for them?	✓		<p>1. The company provides a safe and healthy work environment, with various office facilities prioritized to protect employee safety. We comply with occupational safety and health regulations to reduce hazards in the workplace, prevent occupational accidents, and ensure the safety and health of employees. The Human Resources and Administration Department is the responsible unit for occupational safety and health. In accordance with the requirements of the Regulations Governing Occupational Safety and Health, a Class A occupational safety and health supervisor is appointed. The department is dedicated to providing a safe, hygienic, and healthy office environment. It is responsible for formulating, planning, and promoting safety and health management matters, continuously advancing a safe working environment and the prevention of occupational accidents.</p> <p>(1) The company is located within the Tai Yuen Hi-Tech Industrial Park. The building has security management on the first floor, and the elevator enforces floor access control, requiring a key card to reach the company's floor. All external entrances to the company are equipped with access control and surveillance cameras to prevent unauthorized entry and protect employees from potential threats. An internal "Legal Infringement and Sexual</p>	None.

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			<p>Harassment Complaint Mailbox" is provided as a channel for complaints. Additionally, an "Illegal Infringement Survey" is distributed annually to ensure that no employees are subjected to inappropriate behavior or treatment.</p> <p>(2) Fire safety personnel are designated to conduct daily checks on electrical usage and fire sources. Monthly inspections of fire escape facilities and fire safety equipment are carried out. Annually, a professional fire safety organization is commissioned to perform dynamic tests on office smoke dampers, smoke detectors, and fire alarms to ensure that all fire safety equipment functions properly. Fire drills are conducted twice a year in coordination with the building management unit to enhance emergency response capabilities during disasters. Additionally, employees are assigned to attend fire safety training annually to further improve their ability to respond to emergencies.</p> <p>(3) Professional cleaning staff are hired to clean the office environment daily, manage kitchen waste recycling, and sort trash. Recycling bins that comply with environmental regulations and are clearly labeled are also provided. Occasionally, environmental protection and waste sorting regulations are promoted to all employees.</p> <p>(4) Every six months, a professional organization is commissioned to conduct carbon dioxide concentration</p>	

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			<p>testing in the office environment. Additionally, the company has purchased carbon dioxide monitors to continuously track changes in the office's CO2 levels. Fresh air fans are also used to maintain air quality within the office. Annual tests are conducted for noise levels, lighting, temperature, and humidity, along with risk assessments of the office environment.</p> <p>2. The company values employee health and invests resources in strengthening occupational disease prevention, providing employees with comprehensive workplace healthcare.</p> <p>(1) An annual health checkup is conducted for all employees, followed by a consultation with a doctor. Employees can discuss the results of their health checkup with the doctor and receive health guidance.</p> <p>(2) The company provides on-site health services, including a designated doctor visit four times a year and a nurse visit four times a month, each session lasting two hours. In addition to routine health care and guidance, maternity health protection, and managing excessive workload, employees can also schedule consultations if they have any physical or mental health concerns.</p> <p>(3) On-site nurses use employee health questionnaires to analyze potential personal health risks and assist employees with health management and promotion, preventing occupational injuries and the development of chronic diseases. Health risks are classified based on employee health checkup reports, with health interviews</p>	

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			<p>conducted according to the different risk levels.</p> <p>(4) Employee health promotion activities are organized occasionally, and rewards are provided to encourage employees to improve their physical health.</p> <p>(5) The Employee Assistance Program (EAP) provides a platform for employee well-being, reminding employees to prioritize health management and relieve stress when needed. The company continues to promote the establishment of a supportive work environment, focusing on the physical and mental well-being of employees.</p> <p>3. The company provides various workplace safety training to address the situations employees may encounter, including fire safety training, first aid training, general safety and health education, and occupational safety and health supervisor training. The company has established a dedicated health promotion section on the internal website, occasionally providing health-related information.</p> <p>4. In 2024, there were no employee occupational accidents.</p> <p>5. In 2024, there were no fire incidents.</p>	
(IV) Does the company have an effective career development training program for employees?	✓		<p>1. The company places great importance on talent training and development. We have established an "Education and Training Management Procedure" to encourage employees to participate in various educational training courses and technical seminars. An annual budget is allocated for both internal and external training programs to enhance employees' career skills. Through experience sharing and knowledge transfer, we aim to</p>	None.

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			<p>achieve mutual improvement and growth. Please refer to the company's annual report, Chapter 4. Operations Overview, V. Labor Relations.</p> <p>2. The company focuses on meeting operational needs by maintaining a comprehensive talent pool. Considering the development objectives from different perspectives, we offer complete training plans to ensure a strong overall talent base. Additionally, we strengthen the leadership and management capabilities of all levels of management, including senior executive development, leadership development for supervisors, and professional skill cultivation. By establishing individual development plans, we help supervisors and employees continuously enhance their career sustainability through a diverse and comprehensive education and training system.</p>	
(V) Does the company comply with relevant regulations and international standards regarding customer health and safety for products and services, customer privacy, marketing, and labeling? Has the company established policies and complaint procedures to protect consumer or customer rights?	✓		<p>1. The company's products comply with international regulations on hazardous substance restrictions. Both the production process and final products prioritize customer health and safety, and the use of materials harmful to human health and the biological environment is strictly prohibited. For distance sensing products that use laser light, the company conducts the IEC60825 Eye Safety Test to ensure they meet Class-1 safety standards and do not cause harm to the human eye. Before shipment, the company's products are inspected according to quality control standards and comply with relevant domestic and international environmental regulations. The product labeling meets RoHS and halogen-free product certification</p>	None.

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			<p>requirements to ensure product quality meets customer needs.</p> <p>2. The company adheres to a customer-oriented service strategy. In addition to continuously innovating and developing sensor technologies to maintain product quality stability, we provide real-time technical support services to foster long-term collaborative development relationships with customers, enhancing customer loyalty. To gain a deeper understanding of customer product needs, the product planning team holds online meetings occasionally or visits customers on-site for communication. For key customers, dedicated personnel are stationed locally to provide ongoing technical support services, helping customers resolve technical issues promptly. An annual customer satisfaction survey is conducted based on the "Customer Satisfaction Process," with results collected through questionnaires. Specific improvement measures are proposed based on the feedback to continuously enhance customer service quality. The top ten end customers' "Customer Satisfaction Survey" response rate for 2024 was 100%, with an average customer satisfaction score of 94.9%, exceeding the annual target of 90%. Analysis and discussions have been conducted, and improvement measures have been implemented. The customer satisfaction target for 2025 is 92%, aiming to maintain high customer satisfaction. The company maintains close communication with customers, values their feedback, and continuously monitors customer needs. We have established a "Customer Service and Complaint Handling Procedure," and integrated customer</p>	

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			<p>technical support requests and complaint handling information through the "Customer Service Management System." The initial technical service team responds promptly to customer needs. If the issue cannot be resolved immediately, the defective product is transferred to the quality assurance team for clarification. Once an effective sample that can be analyzed and relevant circuit information are received, responsibility is assigned for general cases within three to seven business days. Root cause analysis is conducted, and corresponding improvement measures are proposed. The process is documented in the "Customer Service Handling Form" for performance tracking, with the goal of meeting customer technical support needs and preventing further complaints through proactive service and actions. The quality assurance team has a dedicated customer complaint service contact, responsible for monthly statistics on complaints and returns. Through weekly quality meetings, effective solutions for product issues and improvement measures are identified. Simultaneously, a review and tracking of various issues are conducted to prevent recurrence.</p>	
(VI) Has the company established a supplier management policy that requires suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights, and how is the implementation of these requirements monitored?	✓		<p>The company is committed to establishing a robust and sustainable supply chain. Through the "Supplier Management Procedure," we ensure that suppliers meet standards for quality, environmental protection, occupational safety, and labor rights. To further strengthen supply chain management and social responsibility, the company has established the "Supplier Sustainability Management Guidelines." Based on the importance of suppliers to the company's</p>	None.

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			<p>sustainable development in the economic, environmental, and social aspects, different risk weights are assigned. The evaluation results are categorized into low, medium, and high risk levels, with corresponding management actions taken to build a sustainable supply chain.</p> <p>1. Supplier management includes the evaluation of new suppliers, regular evaluations of qualified suppliers, and annual audits to ensure that suppliers' operations comply with the company's standards, thereby maintaining the quality and sustainable development of the supply chain.</p> <p>(1) New suppliers The evaluation covers multiple indicators, including quality, process capability, environmental management, and occupational safety and health, to ensure the quality and technical capabilities of our partners. Suppliers that initially meet the standards must still undergo on-site audits to verify their actual production capabilities and compliance before being officially added to the qualified supplier list. The evaluation standards integrate the three major aspects of economy, environment, and society, adding multiple criteria that align with ESG certification standards to assess the sustainable risks of suppliers.</p> <p>(2) Qualified suppliers A regular management and monitoring mechanism is established, including semi-annual evaluations and annual audits, to ensure that suppliers continue to meet the required standards. The evaluation includes quality,</p>	

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			<p>delivery time, environmental standards, occupational safety, and social responsibility. For suppliers whose evaluation results do not meet the standards, a re-audit will be arranged by the evaluation team, with improvement requirements set, and progress will be regularly monitored. In 2024, following the "Supplier Sustainability Management Guidelines," the company conducted a supplier sustainability risk assessment based on economy, environment, and social aspects. For key suppliers, the company incorporated the Sensortek Supplier Code of Conduct self-assessment and set a 2% annual carbon intensity reduction target to evaluate supplier sustainability risks, ensuring that the supply chain aligns with global carbon reduction trends.</p> <p>2. Management mechanisms for wafer and outsourced processing suppliers</p> <p>The company focuses on sensor chip design and entrusts professional wafer foundries for wafer manufacturing, which is then handed over to specialized packaging and testing companies for cutting, packaging, and IC testing. To ensure the quality and sustainable development of the supply chain, the following management mechanisms are established for wafer and outsourced processing suppliers:</p> <p>(1) Economic aspect</p> <p>Work with suppliers to pursue high-quality standards, continuously improving and developing innovative technologies. Suppliers must pass ISO9001 or other</p>	

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			<p>international standard quality management system certifications to ensure product quality stability and compliance with international standards.</p> <p>(2) Environmental aspect</p> <p>Ensure that suppliers do not use harmful substances, adopting green products alongside green procurement to reduce environmental impact and collaboratively create a sustainable ecosystem. Suppliers must comply with the ISO14001 Environmental Management System or establish an environmental substance management procedure. If certification has not yet been obtained, they must provide a plan and commit to a timeline for completion. In accordance with international environmental regulations such as RoHS, REACH, and halogen-free directives, suppliers must sign the "Supplier Non-Use of Hazardous Environmental Substances Declaration" and provide third-party testing reports to ensure compliance with the standards.</p> <p>(3) Social aspect</p> <p>Ensure that suppliers fulfill their social responsibilities, comply with international labor rights, and provide a healthy and safe working environment. Suppliers must pass the ISO45001 Occupational Health and Safety Management System certification or have measures in place that comply with labor safety and occupational health regulations. The company follows the Responsible Minerals Initiative (RMI) and requires suppliers to</p>	

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			<p>complete the Conflict Minerals Reporting Template (CMRT) to ensure that the supply chain does not involve conflict minerals from the Democratic Republic of Congo and surrounding countries. We also regularly monitor procurement sources to avoid using controversial metal materials.</p> <p>3. In 2024, 100% of the newly added wafer and outsourced processing suppliers (7 companies) signed the "Supplier Code of Conduct." An annual sustainability risk assessment was conducted for 100% of the qualified suppliers (22 companies). For key suppliers (16 companies), the "Supplier Code of Conduct Self-Assessment Survey" was issued for sustainability risk self-assessment, with a response rate of 62.5%. A conflict minerals policy has been established, and ongoing efforts are made to promote its implementation among all supply chain partners. As a result, 100% of the supply chain has signed the "Supplier Non-Use of Conflict Minerals Declaration."</p>	
V. Does the company refer to internationally recognized reporting standards or guidelines when preparing sustainability reports or other non-financial information disclosures? Has the aforementioned report obtained verification or assurance from a third-party verification body?	✓		<p>The company follows the GRI Standards issued by the Global Reporting Initiative (GRI) and also adopts the Sustainability Accounting Standards Board (SASB) standards for the semiconductor industry within the Technology and Communications sector. The 2023 sustainability report was prepared in accordance with these standards and underwent verification by a third-party organization (SGS Taiwan Ltd.). The verification process confirmed that the report meets the AA1000 AS v3 Type 1 moderate assurance level and adheres to the GRI Standards 2021. The report is publicly</p>	None.

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			available on the company's website.	
<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 how it operates and the deviations from the established code.</p> <p>The company's "Corporate Social Responsibility Best Practice Principles" was approved by the Board of Directors in April 2019. In March 2022, the board approved the revision of the principles' name to the "Sustainability Development Best Practice Principles." The company operates in accordance with the principles, and there are no significant deviations. For additional information, please visit our official website at www.sensortek.com.tw.</p>				
<p>VII. Other important information that facilitates an understanding of sustainable development implementation:</p> <p>(I) Risk assessment of environmental, social, and corporate governance issues related to company operations, and the development of relevant risk management policies or strategies</p>				
Key Issues	Risk Assessment Item	Risk Management Policies or Strategies	2024 Execution Results	
Environment	Climate Strategy	<p>In response to climate change initiatives, the company is committed to reducing energy consumption and increasing the use of renewable energy. We work with suppliers to reduce the negative environmental impacts of operations, products, and services. Through its own greenhouse gas inventory, the company has developed greenhouse gas reduction and renewable energy plans. We work with the supply chain to implement green operations, reducing energy consumption and carbon emissions during the product manufacturing process.</p> <ol style="list-style-type: none"> Procure green electricity and increase the proportion of renewable energy used each year. Conduct an annual greenhouse gas inventory and external verification, and continuously expand the scope and items of the inventory to assess progress toward greenhouse gas reduction targets. Develop a carbon management improvement plan in accordance with the IFRS Sustainability Disclosure Standards S2 "Climate-related Disclosures," and by referencing the benchmark practices in the CDP disclosure questionnaire, 	<ol style="list-style-type: none"> The proportion of renewable energy used reached 11.75%. Completed the customer CDP Supply Chain questionnaire. Inventory of categories of Scope 3 GHG emissions <ol style="list-style-type: none"> Employee commuting Fuel- and energy-related activities Disposal of waste generated from operations Upstream transportation and distribution 	
	Product Responsibility	Under the ISO9001 Quality Management System framework, the company has established an "Environmental Substance Management System," which includes the creation of an Environmental Manual	1. The "Green Product Management System" was launched and promoted across the entire supply	

Promotion Item			Implementation			Deviations and Reasons
			Yes	No	Summary	
			<p>and Environmental Restricted Substance Management Guidelines to ensure that products supplied by outsourcing companies comply with international environmental regulations and customer green product certification requirements. The company implements green design for products and their raw materials in the production process, strengthening green product management to ensure that both products and outsourcing suppliers align with international green trends, fulfilling the commitment to environmental sustainability.</p> <ol style="list-style-type: none"> Promote the Green Product Management System across the entire supply chain, enabling system platform interactions to achieve integrated information system management. Regularly monitor international environmental regulations and continuously update valid green product certifications. Regularly evaluate new and qualified suppliers. 			<p>chain for system platform interaction.</p> <ol style="list-style-type: none"> Through the "Green Product Management System," 100% of product environmental surveys were completed and in compliance. The latest CMRT and EMRT conflict minerals surveys were completed, and 100% of the minerals used were qualified.
	Social	Sustainable Supply Chain	<p>In accordance with the "Responsible Business Alliance Code of Conduct," the company ensures that the working conditions of laborers in the supply chain are safe, respected, and that business operations comply with environmental regulations and ethical business practices, thereby building a sustainable business model. Through supplier sustainability management, ESG performance is integrated into the procurement decision-making process and supplier evaluation management. By leveraging responsible procurement influence, the company collaborates with suppliers to reduce potential social and environmental risks, shaping a sustainable supply chain.</p> <ol style="list-style-type: none"> Through the supplier sustainability management system, conduct sustainability risk assessments for new and qualified suppliers based on ESG aspects. Have suppliers sign the Sensortek "Supplier Code of Conduct." Have key suppliers conduct self-assessments of sustainability risks and implement greenhouse gas reduction measures with a goal of reducing carbon intensity by more than 2% annually. 			<ol style="list-style-type: none"> 100% of new suppliers (7 companies) signed the "Supplier Code of Conduct" and underwent sustainability risk assessments. 100% of qualified suppliers (22 companies) underwent an annual sustainability risk assessment. For key suppliers (16 companies), the "Supplier Code of Conduct Self-Assessment Survey" was issued for sustainability risk self-assessment, with a response rate of 62.5%.
		Human Capital Development	<p>The talent development strategy is aligned with the company's goals, vision, and core values. It focuses on planning the competency development roadmap for employees at all levels, in line with the company's operational strategy. This approach helps to continuously build momentum for sustainable talent development while achieving the company's vision. A comprehensive talent training framework is</p>			<ol style="list-style-type: none"> The TTQS passed the inspection by the Workforce Development Agency and was certified (valid from June 5, 2024 to June 4, 2025). Passed the Ministry of Labor's Workforce

Promotion Item			Implementation			Deviations and Reasons
			Yes	No	Summary	
			established, ensuring that employees at all levels have appropriate self-development goals. Corresponding training and learning resources are provided to support their job functions and career sustainability. 1. Establish training plans for employees at all levels and diverse learning channels. 2. Conduct post-training satisfaction surveys and learning effectiveness assessments. 3. Implement the Talent Quality-management System (TTQS) to improve the quality of education and training.			Development Agency's Enterprise Human Resource Upgrade Program.
		Talent Attraction and Retention	In accordance with international human rights conventions and labor regulations such as the Labor Standards Act and Act of Gender Equality in Employment, the company hires talent with an inclusive, equal, and respectful approach. A fair, reasonable, and high-quality compensation system is established to build a positive employer image. "Discover your true self with Sensortek, shaping a brighter future through IoT. Your uniqueness begins here." This encourages employees to discover their self-worth and fulfill their career development. By creating a healthy and vibrant work environment and offering high-quality compensation and benefits, we attract and retain key talents. 1. Establish diverse recruitment channels to attract top talents. 2. Regularly review the compensation and benefits system to ensure competitiveness within the industry. 3. Provide care for employees' physical and mental health and create a healthy workplace environment. 4. Conduct employee activities and service satisfaction survey.			1. The ratio of new employees was 9.90%, and the turnover rate was 8.91%. 2. In 2024, the Taiwan Stock Exchange published the 2023 average salary and median salary for full-time employees not holding managerial positions at listed companies, which were NT\$2,204,000 and NT\$2,066,000, respectively, 1.83 times higher than the industry average.
		Corporate Governance	Information Security	In accordance with the ISO 27001 Information Security Management System standards, the company has established the Information Security Policy to ensure the confidentiality, integrity, and availability of information assets, protecting them from intentional or accidental threats, both internal and external. A comprehensive information security management system and preventive mechanisms have been established to ensure that no security incidents lead to the leakage of company or customer operational secrets. Continuous improvements are made both internally and externally to strengthen information security protection capabilities. 1. ISO 27001/IEC 27001:2022 Information Security Management System Certification 2. Strengthen employee information security awareness.		

Promotion Item			Implementation			Deviations and Reasons
			Yes	No	Summary	
			3. Conduct information security incident drills. 4. Conduct disaster recovery drills.			vulnerabilities. 5. Established an Information Security Operations Center.
	Economic Influence	The company strives for continuous technological innovations to create the greatest value for customers and ensure long-term, sustainable, and steady revenue growth. We are committed to pursuing sustainable operations and long-term stable profitability, creating lasting economic value and giving back to shareholders, employees, customers, suppliers, and all other stakeholders. 1. Expand the product line and develop various sensor technologies for applications in consumer products, wearable devices, IoT, smart automotive, and other fields, thereby optimizing the product portfolio. 2. Innovate and optimize production processes to improve efficiency and resource utilization, thereby reducing costs, enhancing competitiveness, and expanding market share.				1. Annual revenue increased by 8.76%, with operating profit reaching NT\$540 million. 2. R&D expenses totaled NT\$469 million, accounting for 10% of revenue. We collaborated with brand customers, positioning ourselves in leading technologies, and the R&D efforts resulted in substantial outcomes.
	Innovative Management	We continue to explore advanced technologies, gain deep insights into user needs, and create optimized user scenarios, making sensor chips an essential component connecting the external environment with electronic products. We create limitless possibilities in everyday life through sensor technologies, allowing users to experience a better life because of our innovations. In response to the impacts of climate change, sustainable thinking is integrated into the chip design phase. We focus on low-power, high-performance products and technological innovations to reduce the environmental impact of product applications. 1. Invest in R&D spending to expand the application of sensor technologies. 2. Promote the Taiwan Intellectual Property Management System (TIPS) to create advantages and value through intellectual property. 3. Facilitate technology exchanges and recruit outstanding R&D talents through industry-academia collaboration.				1. Launched a new sensor application—skin sensor technology for wearable devices. 2. Executed three industry-academia collaboration projects and worked with business partners on an IC design top-up subsidy plan. 3. Submitted 12 innovative invention proposals and obtained 15 domestic and international patents. 4. Passed the TIPS Level A certification for the first time (valid until December 31, 2025).
(II) The company focuses on developing innovative technologies and pursuing profits to create shareholder value, while also paying attention to social needs and environmental issues. Through supporting vulnerable groups and environmental protection, we encourage employees to contribute their efforts, collectively fulfilling corporate social responsibility and obligations, and sharing in the well-being of society.						

Promotion Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
1. Charitable donations				
In 2024, the company and the Good Coffee Fund (proceeds from the employee-operated, coin-operated coffee machine) donated NT\$1.09 million.				
(1) The company makes monthly donations to three organizations: the Sunshine Social Welfare Foundation, the Miaoli County Private You'an Care Institute, and the Taiwan Fund for Children and Families.				
(2) The company also initiated a Christmas salary donation plan, spreading love to Qingshui Elementary School, located in Hsinchu County, to provide more resources for the students' development. A total of 40 employees participated in the initiative.				
2. Environmental protection				
(1) In response to the government's plastic reduction policy, the company no longer provides disposable tableware or plastic straws for daily meals and afternoon tea. Instead, we distribute eco-friendly tableware and straws to employees, implementing plastic reduction.				
(2) We also make occasional donations of old computers to the ASUS Foundation. We participated in ASUS's Reverse Logistics Recycling and Recycled Computer Donation - Love the Earth Project. Through this initiative, discarded information products are refurbished into recycled computers and donated to disadvantaged groups, helping to bridge the digital divide and reduce pollution, contributing to environmental protection. By the end of 2024, a total of 3.073 metric tons of CO2 emissions have been reduced through donations, equivalent to saving approximately 256.032 trees from being cut down (Source: ASUS Foundation).				
3. Technology talent development				
The company aims to integrate academic and industry resources to enhance the level of sensor technology in Taiwan and improve its international competitiveness. Over the years, we have collaborated with academic institutions such as National Taiwan University, National Central University, National Tsing Hua University, National Yang Ming Chiao Tung University, and National Formosa University. We have also established partnerships with the NTU System-on-Chip Center and National Tsing Hua University's "Micro Sensors and Actuators Technology Consortium." Additionally, through campus lectures and the recruitment of R&D substitute military service candidates, we develop talents in related industries, nurturing outstanding professionals in Taiwan's sensor field. In 2024, we executed three industry-academia collaboration projects.				
4. Promoting community development				
To support local education and provide students with practical work experience, Sensortek partnered with nearby universities in Hsinchu County, and the students received hands-on training. The collaboration details for 2024 are as follows:				

Promotion Item	Implementation			Deviations and Reasons	
	Yes	No	Summary		
	Category		Educational Institution	Number Of Students	Period
	Off-Campus Internship		Minghsin University of Science and Technology	1	June 2023 to June 2024
				1	June 2024 to June 2025
	Industry-Academia Collaboration - Mode Matching Gyroscope Design Research Project		National Taiwan University	1	September 2023 to April 2024
	Note: The collaboration with National Taiwan University aligns with the company’s R&D plans.				

Company's climate-related disclosures

1. Implementation of climate-related information

Item	Implementation								
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	<p>The Board of Directors is the company's highest decision-making body on climate change-related matters. It is responsible for guiding and overseeing the response to climate-related risks and opportunities. To strengthen sustainability and climate-related risk management, the company has established the Sustainability and Risk Management Committee under the Board of Directors. It is responsible for sustainability and climate change risk management issues.</p> <p>In addition, the company has established a Sustainability Promotion Team, with the general manager as the convener and department heads as the team leaders. The team is responsible for identifying climate change risks and opportunities and promoting corresponding response plans. The climate change risk management process will be integrated with the existing risk management process and operated regularly.</p> <table border="1"> <tr> <th>Governing Body</th><th>Authority and Responsibility</th></tr> <tr> <td>Board of Directors</td><td>Oversee the effectiveness of climate change risk management.</td></tr> <tr> <td>Sustainability and Risk Management Committee</td><td>Independent directors with a background in sustainability and risk management serve as committee members, responsible for formulating policies to promote sustainability and risk management. They also review the policies, management guidelines, and specific promotion plans related to sustainability issues proposed by the Sustainability Promotion Team, and regularly review and monitor their implementation and effectiveness. Meetings are held at least twice a year, and reports are submitted to the Board of Directors.</td></tr> <tr> <td>Sustainability Promotion Team</td><td>The team promotes the management of climate change risks and opportunities, and is convened by the general manager, with department heads as team leaders. It is responsible for identifying risks and opportunities, as well as planning and executing response strategies. The Sustainability and Risk Management Committee reports the execution results of climate management to the board at least once a year.</td></tr> </table>	Governing Body	Authority and Responsibility	Board of Directors	Oversee the effectiveness of climate change risk management.	Sustainability and Risk Management Committee	Independent directors with a background in sustainability and risk management serve as committee members, responsible for formulating policies to promote sustainability and risk management. They also review the policies, management guidelines, and specific promotion plans related to sustainability issues proposed by the Sustainability Promotion Team, and regularly review and monitor their implementation and effectiveness. Meetings are held at least twice a year, and reports are submitted to the Board of Directors.	Sustainability Promotion Team	The team promotes the management of climate change risks and opportunities, and is convened by the general manager, with department heads as team leaders. It is responsible for identifying risks and opportunities, as well as planning and executing response strategies. The Sustainability and Risk Management Committee reports the execution results of climate management to the board at least once a year.
Governing Body	Authority and Responsibility								
Board of Directors	Oversee the effectiveness of climate change risk management.								
Sustainability and Risk Management Committee	Independent directors with a background in sustainability and risk management serve as committee members, responsible for formulating policies to promote sustainability and risk management. They also review the policies, management guidelines, and specific promotion plans related to sustainability issues proposed by the Sustainability Promotion Team, and regularly review and monitor their implementation and effectiveness. Meetings are held at least twice a year, and reports are submitted to the Board of Directors.								
Sustainability Promotion Team	The team promotes the management of climate change risks and opportunities, and is convened by the general manager, with department heads as team leaders. It is responsible for identifying risks and opportunities, as well as planning and executing response strategies. The Sustainability and Risk Management Committee reports the execution results of climate management to the board at least once a year.								
2. Describe how the identified climate risks and opportunities impact the	In 2023, the company invited relevant departments to conduct a climate risk and opportunity assessment, identifying 12 risk factors and 4 potential opportunities that could have an impact in the short, medium, and long								

Item	Implementation					
	Risk		Period	Impact Area	Potential Financial Impact	Response Measures
	Transformation Risk	Carbon-related regulatory requirements	Medium-term (1 to 3 years)	Direct operations, upstream suppliers	Increase in indirect costs	<p>(1) Increase corporate resilience: Continuously promote carbon inventory, expand the scope and items of the inventory, monitor the company's operational emissions, and implement carbon footprint assessments to establish a comprehensive carbon emission information network. In 2024, the company promoted the establishment of a systematized data collection mechanism for Scope 3 activities and a digital carbon management information platform.</p> <p>(2) Strengthen supply chain sustainability management: Incorporate greenhouse gas-related standards into supplier sustainability risk assessments, encourage suppliers to build partnerships, and collaboratively reduce emissions across the industry value chain. In 2024, the company conducted a sustainability supplier risk assessment based on the economic, environmental, and social aspects, and implemented corresponding management actions to build a sustainable supply chain. The existing new supplier evaluation was integrated, and new sustainability-related certifications, aligned with international sustainability trends, were added as evaluation standards. After identifying new suppliers with professional engineering capabilities and meeting production requirements, the Manufacturing Engineering Unit collaborated with the Sustainability Promotion Team to form an evaluation team for capacity audits. The evaluation results were classified into low-risk and high-risk categories based on the assessment criteria.</p>

Item	Implementation														
		Stakeholders and negative feedback from international assessments	Medium-term (1 to 3 years)	Direct operations	Revenue decline	(1) Increase corporate resilience: Continuously monitor international assessment requirements, annually evaluate and revise the carbon reduction plan, and actively address carbon management issues. Set 2023 as the baseline year and disclose the progress toward reduction targets starting from 2024. In 2024, Sensortek (headquarters) Scope 1 and Scope 2 emissions were 415.872 metric tons of CO ₂ e, a 5% reduction compared to the baseline year (2023), which was 438.892 metric tons of CO ₂ e. (2) Strengthen supply chain sustainability management: Increase the proportion of long-term sustainable supplier partnerships and collaboratively reduce emissions across the industry value chain.									
3. Describe the impact of extreme climate events and transformation actions on finances.	<table><tr><th>Item</th><th>Potential Financial Impact</th><th>Explanation</th></tr><tr><td>Extreme Climate Events</td><td>Increase in direct costs</td><td>The increasing severity of extreme climate events may impact company operations and production costs.</td></tr><tr><td>Transformation Actions: Low-Carbon Manufacturing</td><td>(1) Reduce direct costs and indirect costs (2) Increase revenue</td><td>In response to downstream customers' growing emphasis on carbon footprint management within their supply chains, the company continues to invest resources and communicate and coordinate with key suppliers to ensure the implementation of carbon reduction and resilience targets. By strengthening supply chain sustainability management, climate risks' impact on company operations can be mitigated. As customers increasingly prioritize carbon footprint information for products, low-carbon products improve the appeal of the company's offerings, while also solidifying partnerships with international brands, leading to increased order revenue. (1) Supplier engagement: Understand the supplier's use of low-carbon energy and encourage suppliers to increase the proportion of green electricity. Evaluate the feasibility of digital information</td></tr></table>						Item	Potential Financial Impact	Explanation	Extreme Climate Events	Increase in direct costs	The increasing severity of extreme climate events may impact company operations and production costs.	Transformation Actions: Low-Carbon Manufacturing	(1) Reduce direct costs and indirect costs (2) Increase revenue	In response to downstream customers' growing emphasis on carbon footprint management within their supply chains, the company continues to invest resources and communicate and coordinate with key suppliers to ensure the implementation of carbon reduction and resilience targets. By strengthening supply chain sustainability management, climate risks' impact on company operations can be mitigated. As customers increasingly prioritize carbon footprint information for products, low-carbon products improve the appeal of the company's offerings, while also solidifying partnerships with international brands, leading to increased order revenue. (1) Supplier engagement: Understand the supplier's use of low-carbon energy and encourage suppliers to increase the proportion of green electricity. Evaluate the feasibility of digital information
Item	Potential Financial Impact	Explanation													
Extreme Climate Events	Increase in direct costs	The increasing severity of extreme climate events may impact company operations and production costs.													
Transformation Actions: Low-Carbon Manufacturing	(1) Reduce direct costs and indirect costs (2) Increase revenue	In response to downstream customers' growing emphasis on carbon footprint management within their supply chains, the company continues to invest resources and communicate and coordinate with key suppliers to ensure the implementation of carbon reduction and resilience targets. By strengthening supply chain sustainability management, climate risks' impact on company operations can be mitigated. As customers increasingly prioritize carbon footprint information for products, low-carbon products improve the appeal of the company's offerings, while also solidifying partnerships with international brands, leading to increased order revenue. (1) Supplier engagement: Understand the supplier's use of low-carbon energy and encourage suppliers to increase the proportion of green electricity. Evaluate the feasibility of digital information													

Item	Implementation										
			<p>exchange to enhance supplier interaction and cooperation, improve production efficiency, reduce costs, and decrease the industry's carbon footprint.</p> <p>(2) Promote low-carbon manufacturing solutions in line with the existing product lifecycle management strategy. Actively understand customer needs, plan production schedules, and improve transportation efficiency.</p>								
4. Describe how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.	<p>2023 marked the company's first year of systematically promoting the identification and assessment of climate risks and opportunities to address the potential impacts of policies, technologies, and customers under climate change. Additionally, the company plans to re-identify and reassess the risks and opportunities every three years. The company follows the "Risk Management Policy and Procedures" to integrate the climate change risk assessment process into the existing risk management system, executing it in accordance with the overall risk management guidelines.</p> <table><tr><td>Risk and Opportunity Identification</td><td><p>(1) Referencing TCFD recommendations, industry-related information, and internal and external discussions, potential risk and opportunity factors relevant to the company are selected.</p><p>(2) Referencing domestic policy directions, net-zero commitments, and international assessment reports, climate risk and opportunity assessment scenarios are set. Transformation risks focus on the 2050 net-zero emission scenario, while physical risks focus on the SSP-8.5 scenario.</p></td></tr><tr><td>Risk and Opportunity Assessment</td><td><p>Invite relevant departments to conduct a risk and opportunity assessment. The results are then confirmed and discussed internally and externally to understand the impact of risk factors on the company, potential timeframes, and possible financial impacts.</p></td></tr><tr><td>Response Planning</td><td><p>For the identified potential risks and derived opportunities, relevant departments plan response strategies, considering the company's existing operational development strategy. The subsequent review and execution are carried out in accordance with the "Risk Management Policy and Procedures."</p></td></tr><tr><td>Supervision and Reporting</td><td><p>Regular meetings are held to supervise the implementation of response strategies.</p></td></tr></table>			Risk and Opportunity Identification	<p>(1) Referencing TCFD recommendations, industry-related information, and internal and external discussions, potential risk and opportunity factors relevant to the company are selected.</p> <p>(2) Referencing domestic policy directions, net-zero commitments, and international assessment reports, climate risk and opportunity assessment scenarios are set. Transformation risks focus on the 2050 net-zero emission scenario, while physical risks focus on the SSP-8.5 scenario.</p>	Risk and Opportunity Assessment	<p>Invite relevant departments to conduct a risk and opportunity assessment. The results are then confirmed and discussed internally and externally to understand the impact of risk factors on the company, potential timeframes, and possible financial impacts.</p>	Response Planning	<p>For the identified potential risks and derived opportunities, relevant departments plan response strategies, considering the company's existing operational development strategy. The subsequent review and execution are carried out in accordance with the "Risk Management Policy and Procedures."</p>	Supervision and Reporting	<p>Regular meetings are held to supervise the implementation of response strategies.</p>
Risk and Opportunity Identification	<p>(1) Referencing TCFD recommendations, industry-related information, and internal and external discussions, potential risk and opportunity factors relevant to the company are selected.</p> <p>(2) Referencing domestic policy directions, net-zero commitments, and international assessment reports, climate risk and opportunity assessment scenarios are set. Transformation risks focus on the 2050 net-zero emission scenario, while physical risks focus on the SSP-8.5 scenario.</p>										
Risk and Opportunity Assessment	<p>Invite relevant departments to conduct a risk and opportunity assessment. The results are then confirmed and discussed internally and externally to understand the impact of risk factors on the company, potential timeframes, and possible financial impacts.</p>										
Response Planning	<p>For the identified potential risks and derived opportunities, relevant departments plan response strategies, considering the company's existing operational development strategy. The subsequent review and execution are carried out in accordance with the "Risk Management Policy and Procedures."</p>										
Supervision and Reporting	<p>Regular meetings are held to supervise the implementation of response strategies.</p>										
5. When using scenario analysis to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and	<p>The company plans to reference domestic policy directions, net-zero commitments, and international assessment reports to set climate risk and opportunity assessment scenarios. Transformation risks focus on the 2050 net-zero emission scenario, while physical risks focus on the SSP-8.5 scenario.</p>										

Item	Implementation												
key financial impacts used should be explained.													
6. If there is a transformation plan to manage climate-related risks, explain the content of the plan and the indicators and targets used to identify and manage physical and transformation risks.	The company’s operational strategy references the identification of climate risks and opportunities, integrating low-carbon awareness into existing business plans. By deepening customer relationships and continuously strengthening technological capabilities, the company aims to expand the benefits of low-carbon manufacturing to create a win-win outcome. On the other hand, regarding supplier sustainability management, the company strengthens awareness and engagement on carbon-related issues, seeking more opportunities to reduce the carbon footprint within the low-carbon industry. The company will continue to set climate-related indicators based on the results of climate change risk identification and discussions with the governing body, and will regularly review progress toward the targets.												
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.	The company plans to reference Taiwan's future carbon price for internal carbon pricing and internal procurement decision-making assessments.												
8. If climate-related targets are set, the activities covered, greenhouse gas emission scopes, timeline, and annual progress should be explained. If carbon offsets or renewable energy certificates (RECs) are used to achieve these targets, the sources and quantity of the offset emissions or the number of RECs should be disclosed.	<p>Considering the Surface Mount Technology (SMT) production line and cleanroom constructed in 2023, the company has set 2023 as the baseline year for emissions reduction.</p> <table><tr><th>Climate Target</th><th>Scope</th><th>Timeline</th><th>2024 Performance</th></tr><tr><td>Greenhouse Gas Reduction</td><td>Sensortek (headquarters) Scope 1 and Scope 2 emissions</td><td>Baseline Year: 2023 <u>Short-term target:</u> 30% reduction by 2030 <u>Long-term target:</u> Net-zero by 2050</td><td>In 2024, Sensortek (headquarters) Scope 1 and Scope 2 emissions were 415.872 metric tons of CO₂e, a 5% reduction compared to the baseline year (2023), which was 438.892 metric tons of CO₂e.</td></tr><tr><td>Renewable Energy Usage</td><td>Sensortek (headquarters)</td><td><u>Short-term target:</u> 15% usage by 2025 <u>Medium-term target:</u> 50% usage by 2030 <u>Long-term target:</u> 100% usage by 2050</td><td>(1) In 2024, 88.25% of the energy used was non-renewable electricity purchased from Taipower, while 11.75% was solar power supplied through Taipower's grid. A total of 94 renewable energy certificates were obtained, equivalent to a reduction of 46 metric tons of carbon emissions. (2) The short-term target achievement rate is approximately 78%.</td></tr></table> <p>Note: Sensortek (headquarters) is the main operational base, thus the target is set for the headquarters.</p>	Climate Target	Scope	Timeline	2024 Performance	Greenhouse Gas Reduction	Sensortek (headquarters) Scope 1 and Scope 2 emissions	Baseline Year: 2023 <u>Short-term target:</u> 30% reduction by 2030 <u>Long-term target:</u> Net-zero by 2050	In 2024, Sensortek (headquarters) Scope 1 and Scope 2 emissions were 415.872 metric tons of CO ₂ e, a 5% reduction compared to the baseline year (2023), which was 438.892 metric tons of CO ₂ e.	Renewable Energy Usage	Sensortek (headquarters)	<u>Short-term target:</u> 15% usage by 2025 <u>Medium-term target:</u> 50% usage by 2030 <u>Long-term target:</u> 100% usage by 2050	(1) In 2024, 88.25% of the energy used was non-renewable electricity purchased from Taipower, while 11.75% was solar power supplied through Taipower's grid. A total of 94 renewable energy certificates were obtained, equivalent to a reduction of 46 metric tons of carbon emissions. (2) The short-term target achievement rate is approximately 78%.
Climate Target	Scope	Timeline	2024 Performance										
Greenhouse Gas Reduction	Sensortek (headquarters) Scope 1 and Scope 2 emissions	Baseline Year: 2023 <u>Short-term target:</u> 30% reduction by 2030 <u>Long-term target:</u> Net-zero by 2050	In 2024, Sensortek (headquarters) Scope 1 and Scope 2 emissions were 415.872 metric tons of CO ₂ e, a 5% reduction compared to the baseline year (2023), which was 438.892 metric tons of CO ₂ e.										
Renewable Energy Usage	Sensortek (headquarters)	<u>Short-term target:</u> 15% usage by 2025 <u>Medium-term target:</u> 50% usage by 2030 <u>Long-term target:</u> 100% usage by 2050	(1) In 2024, 88.25% of the energy used was non-renewable electricity purchased from Taipower, while 11.75% was solar power supplied through Taipower's grid. A total of 94 renewable energy certificates were obtained, equivalent to a reduction of 46 metric tons of carbon emissions. (2) The short-term target achievement rate is approximately 78%.										

Item	Implementation
9. Greenhouse gas inventory and assurance status, reduction targets, strategies, and action plans.	Please refer to 1-1 Company greenhouse gas inventory and assurance status for the past two years, and 1-2 Greenhouse gas reduction targets, strategies, and action plans.

1-1 Company greenhouse gas inventory and assurance status for the past two years

1-1-1 Greenhouse gas inventory information

Describe the greenhouse gas emissions (MtCO₂e), intensity (MtCO₂e/million), and data coverage for the past two years.

The company is classified as a company with a capital of less than NT\$5 billion and has no subsidiaries. According to the "Sustainable Development Roadmap for Listed Companies," the company is required to complete the 2025 greenhouse gas inventory by 2026. The company has established a greenhouse gas inventory mechanism based on the ISO 14064-1:2018 greenhouse gas inventory standard. Since 2023, the company has conducted an annual greenhouse gas inventory to fully monitor its emissions and usage. The company's greenhouse gas emissions for the past two years are as follows:

1. Organizational boundaries

The company's operational sites include 1. Headquarters and 2. Taipei Office.

2. Greenhouse gas emissions

Greenhouse gas emissions						
Site	Scope		2023		2024	
			Emissions (tCO ₂ e)	Density (MtCO ₂ e/NT\$ million in revenue)	Emissions (tCO ₂ e)	Density (MtCO ₂ e/NT\$ million in revenue)
Headquarters	Scope 1 Direct GHG emissions		62.6589		55.5119	
	Scope 2 Indirect GHG emissions	Regional Benchmark	396.6481		408.3299	
		Market Benchmark	376.2333		360.3600	
	Subtotal	Regional Benchmark	459.3070	0.1011	463.8418	0.0939
		Market Benchmark	438.8922	0.0966	415.8719	0.0842
Taipei Office	Scope 1 Direct GHG emissions		-		-	
	Scope 2 Indirect GHG emissions	Regional Benchmark	15.7719		15.3062	
		Market Benchmark	15.7719		15.3062	
	Subtotal	Regional Benchmark	15.7719	0.0035	15.3062	0.0031
		Market Benchmark	15.7719	0.0035	15.3062	0.0031
Total		Regional Benchmark	475.0789	0.1046	479.1480	0.0970
		Market Benchmark	454.6641	0.1001	431.1781	0.0873

Note: Scope 1: Direct emissions, which come directly from sources owned or controlled by the company; Scope 2: Indirect emissions from energy, which result from the purchase of electricity, heat, or steam that cause indirect greenhouse gas emissions.

1-1-2 Greenhouse gas assurance information

Describe the assurance status for the past two years as of the date of the annual report's publication, including the assurance scope, assurance body, assurance standards, and assurance opinion.

The company is classified as a company with a capital of less than NT\$5 billion and has no subsidiaries. According to the "Sustainable Development Roadmap for Listed Companies," the company is required to conduct assurance for the 2027 greenhouse gas inventory by 2028. The assurance status for the company's greenhouse gas inventory for the past two years is as follows:

Scope			2023 Emissions (tCO ₂ e)	2024 Emissions (tCO ₂ e)
Sensortek (headquarters)	Scope 1 Direct GHG emissions		62.6589	55.5119
	Scope 2 Indirect GHG emissions	Regional Benchmark	396.6481	408.3299
		Market Benchmark	376.2333	360.3600
	Subtotal	Regional Benchmark	459.3070	463.8418
		Market Benchmark	438.8922	415.8719
	The percentage of the data disclosed in 1-1-1 mentioned above.		96.68%	96.81%
	Assurance Body			BSI Group Singapore Pte. Ltd. Taiwan Branch
Explanation of Assurance Status			ISO 14064-3:2019 Reasonable Assurance	ISO 14064-3:2019 Reasonable Assurance
Assurance Opinion/Conclusion			Unqualified opinion	Unqualified opinion

1-2 Greenhouse gas reduction targets, strategies, and action plans.

Describe the greenhouse gas reduction baseline year and its data, reduction targets, strategies, action plans, and the progress toward the targets.

1. According to the "Sustainable Development Action Plan for Listed Companies," listed companies must disclose their carbon reduction targets, strategies, and action plans no later than the year in which they disclose the inventory data in their consolidated financial report. The baseline year should be the earliest year in which the inventory data in the consolidated financial report are completed.
2. The company completed the 2022 greenhouse gas inventory and verification in April 2023. Considering the Surface Mount Technology (SMT) production line and cleanroom constructed in 2023, the company has set 2023 as the baseline year for emissions reduction.

Baseline Year	Scope	Reduction Target	Strategy and Action Plan	Achievement of Reduction Targets
2023	Sensortek (headquarters) Scope 1 and Scope 2 emissions	<u>Short-term target:</u> 30% reduction by 2030 <u>Long-term target:</u> Net-zero by 2050	1. Renewable energy use <u>Short-term target:</u> 15% usage by 2025 <u>Medium-term target:</u> 50% usage by 2030 <u>Long-term target:</u> 100% usage by 2050 2. In 2024, 88.25% of the energy used was non-renewable electricity purchased from Taipower, while 11.75% was solar power supplied through Taipower's grid. A total of 94 renewable energy certificates were obtained, equivalent to a reduction of 46 metric tons of carbon emissions.	In 2024, Sensortek (headquarters) Scope 1 and Scope 2 emissions were 415.872 metric tons of CO ₂ e, a 5% reduction compared to the baseline year (2023), which was 438.892 metric tons of CO ₂ e.

(VI) Integrity in business practices and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such deviations

Evaluation Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
I. Establishment of integrity management policies and programs				None.
(I) Has the company established an integrity management policy approved by the Board of Directors, and clearly stated the integrity management policy, practices, and the board and senior management's commitment to implement the policy in its regulations and external documents?	✓		(I) The company has established the "Integrity Management Code," "Code of Ethical Conduct," and "Integrity Management Procedures and Guidelines" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies." These documents show the company's commitment to an integrity-driven corporate culture. They require all employees to act with integrity and fairness, while adhering to government laws and regulations in their business activities. Board members and senior management also uphold integrity in managing the company and report the implementation of integrity management to the board annually.	
(II) Has the company established a risk assessment mechanism for dishonest behavior, regularly analyzing and evaluating business activities within its scope that carry a higher risk of dishonest behavior? Based on this assessment, has the company stipulated measures to prevent dishonest behavior, which at a minimum, cover the preventive measures outlined in Article 7, Paragraph 2 of the Ethical Corporate	✓		(II) The company has established the "Integrity Management Procedures and Guidelines" based on the "Integrity Management Code," which specifically defines business activities within its scope that carry a higher risk of dishonest behavior. For high-risk dishonest behaviors such as providing or accepting improper benefits, inappropriate charitable donations, or sponsorships, the company has stipulated preventive measures and reporting procedures.	

Evaluation Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
<p>Management Best Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(III) Has the company specified the operating procedures, behavioral guidelines, penalties for violations, and appeal system in the preventive measures against dishonest behavior, and implemented them effectively? Additionally, does the company regularly review and revise the aforementioned measures?</p>	✓		<p>(III) The company has established the "Integrity Management Procedures and Guidelines," "Code of Ethical Conduct," and "Whistleblowing System," which clearly define the operating procedures, behavioral guidelines, penalties for violations, and appeal system, and ensures their effective implementation.</p>	
<p>II. Implementation of integrity management</p> <p>(I) Has the company evaluated the integrity record of its business partners and included integrity-related clauses in the contracts signed with these partners?</p>	✓		<p>(I) The company conducts background checks or evaluations on its suppliers and customers in accordance with internal control systems and various management regulations. If any dishonest behavior is found in business transactions or partnerships, the company will immediately cease all commercial dealings with them and classify them as a rejected business partner, enforcing the company's integrity management policy.</p>	None.
<p>(II) Has the company established a dedicated unit under the Board of Directors to promote corporate integrity management, and does it report to the board at least once a year on its integrity management policies, measures to prevent dishonest behavior, and the monitoring of their implementation?</p>	✓		<p>(II) The promotion and implementation of corporate integrity management are overseen by the Human Resources and Administration Department. The department reports annually to the Board of Directors on the integrity management policies, measures to prevent dishonest behavior, and the monitoring of their implementation. On October 29, 2024, the department</p>	

Evaluation Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			<p>presented a summary of the 2024 integrity management policy implementation to the board, as follows:</p> <ol style="list-style-type: none"> 1. In October 2024, the online course "Integrity Management Behavior Promotion" was conducted, with all full-time employees participating in the training, achieving a 100% completion rate. 2. An "integrity promotion section" is set up on the company's internal website, where electronic newsletters about integrity policies are occasionally distributed. 3. Referencing the Responsible Business Alliance (RBA) Code of Conduct, the company has established the "Supplier Code of Conduct," which includes ethical standards that suppliers must adhere to. For new suppliers, a written commitment to follow Sensortek's Supplier Code of Conduct is required. Additionally, the company communicates its business ethics through the annual supplier sustainability risk assessment, 4. A whistleblowing channel for violations of integrity management is set up in the "stakeholder section" of the company's internal website and official website. The company's Audit Department is the responsible unit for handling such reports. In 2024, there were no reports of integrity violations. 	

Evaluation Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
(III) Has the company established a conflict of interest prevention policy, provided appropriate channels for disclosure, and implemented them effectively?	✓		<p>5. The company's integrity management regulations are disclosed on the company's website and the Market Observation Post System. Internal promotions are conducted annually to ensure that internal and external personnel are fully aware of the company's integrity management policies. In 2024, no incidents of policy violations occurred.</p> <p>(III) The company's "Board Meeting Rules" include a conflict of interest avoidance system. If a director has a personal or corporate interest in a matter being discussed that may harm the company's interests, they are prohibited from participating in the discussion or voting. They must recuse themselves during the discussion and voting process and cannot delegate their voting rights to another director. The company has established a conflict of interest prevention policy in the "Integrity Management Code," "Code of Ethical Conduct," and "Integrity Management Procedures and Guidelines." An electronic whistleblowing channel (report@sensortek.com.tw) is provided, and the policy is effectively implemented.</p>	
(IV) Has the company established effective accounting and internal control systems to implement integrity management? Are audit plans developed by the internal audit unit based on the results of the	✓		<p>(IV) To ensure the implementation of integrity management, the company has established effective accounting and internal control systems, which are regularly reviewed and revised. The company's audit unit develops an annual audit plan based on the</p>	

Evaluation Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
<p>dishonest behavior risk assessment, and are these plans used to audit compliance with the measures to prevent dishonest behavior? Alternatively, has the company entrusted external auditors to perform the audit?</p> <p>(V) Does the company regularly conduct internal and external training on integrity management?</p>	✓		<p>risk assessment results and then conducts the audit. Additionally, through self-assessment of operations, the company ensures that the design and execution of internal control systems remain effective. This serves as the basis for the internal control system statement, which is submitted to the board for approval.</p> <p>(V) The company conducts new employee training and online courses on integrity management-related topics, such as the "Integrity Management Procedures and Guidelines," "Internal Major Information Handling Procedures," and "Insider Trading Regulations." These courses help employees understand the company's integrity management principles and regulations, including the prohibition of insider trading or disclosing non-public information to others so as to prevent others from engaging in insider trading. In October 2024, the online course "Integrity Management Behavior Promotion" was conducted, covering the company's integrity code, integrity management policies, internal major information handling procedures and regulations, insider trading prevention, trade secret and intellectual property protection, and whistleblowing channels. The course presentation was uploaded to the internal training system. A total of 201 employees participated, with 37 hours of training and a 100% completion rate.</p>	

Evaluation Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
III. Operation of the company's whistleblowing system				None.
(I) Has the company established a clear whistleblowing and rewards system, provided convenient reporting channels, and assigned appropriate personnel to handle the reported cases?	✓		(I) To protect the company's reputation, safeguard its assets, and prevent unethical and dishonest behavior that may harm the interests of shareholders, employees, and partners, the company has established a "Whistleblowing System" based on the "Integrity Management Procedures and Guidelines." This system provides reporting channels for internal employees and external parties. A whistleblowing email address is shown on the company's internal and external websites, allowing individuals to report and address issues such as criminal activity, fraud, or violations. The company's Audit Department is the dedicated unit responsible for managing and handling related incidents. Report email: report@sensortek.com.tw	
(II) Has the company established standard operating procedures for investigating reported issues, including the follow-up actions after the investigation and related confidentiality mechanisms?	✓		(II) The company's "Whistleblowing System" has established procedures for handling reports, follow-up actions after the investigation, and related confidentiality mechanisms. 1. Acceptance principle: Reports should be made with real names. Anonymous reports must provide details or evidence of the violation, and will only be accepted after verification of the facts. 2. Handling of reports: Reports should be documented in writing, including the whistleblower's information, the information of the person being reported, and specific facts and evidence that can be investigated. After the dedicated	

Evaluation Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			<p>unit accepts the case, an investigation into the relevant facts will be conducted. If necessary, legal and other relevant departments will provide assistance. If the personnel of the dedicated unit have a conflict of interest with the whistleblower or the person being reported, they should disclose it and recuse themselves, allowing other personnel to conduct the investigation.</p> <p>3. Confidentiality mechanism: Personnel handling whistleblowing cases must sign a confidentiality agreement to ensure the protection of the whistleblower's information. If any leakage occurs, legal action will be taken if necessary.</p> <p>4. Corrective measures: If the reported issue is verified to be true, the relevant units should review the internal control systems and operating procedures, propose corrective measures, and report the reported issue, handling process, and subsequent corrective actions to the board.</p> <p>5. Reporting level: If the reported issue involves regular employees, it should be reported to the general manager. If the issue involves directors or senior management, it should be reported to the independent directors.</p>	

Evaluation Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
(III) Has the company implemented measures to protect whistleblowers from retaliation as a result of their report?	✓		<p>(III) Whistleblower protection</p> <ol style="list-style-type: none"> 1. The safety of the whistleblower should be protected. Any threats, intimidation, or other unlawful actions against the whistleblower should be reported to the relevant authorities for handling. 2. The company handles whistleblowing cases confidentially, keeping the identity of the whistleblower and the details of the report confidential, and taking appropriate protective measures in accordance with the law. When verifying the facts with the whistleblower, this should be done without disclosing their identity. 3. The whistleblower shall not be dismissed, demoted, have their salary cut, or have their legally, contractually, or customarily entitled rights or benefits harmed, nor shall they face any other adverse actions as a result of their whistleblowing. This does not apply if the whistleblower engages in illegal or improper conduct. <p>In 2024, there were no whistleblowing reports.</p>	
IV. Enhancement of information disclosure Has the company disclosed its Integrity Management Code and the implementation results on its website and the Market Observation Post System?	✓		The company has established the "Integrity Management Code," "Code of Ethical Conduct," and "Integrity Management Procedures and Guidelines," which are disclosed on the Market Observation Post System. Additionally, a corporate governance section has been set up	None.

Evaluation Item	Implementation			Deviations and Reasons
	Yes	No	Summary	
			on the company's website, where the Integrity Management Code and its implementation results are disclosed.	
<p>V. If the company has established its own Integrity Management Code based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please explain any deviations from the principles.</p> <p>The company has established the "Integrity Management Code," "Code of Ethical Conduct," and "Integrity Management Procedures and Guidelines" based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. Board members and senior management uphold the principles of integrity management, and all employees are required to follow the code and related regulations. There are no significant deviations between the company's integrity management operations and the established principles.</p>				
<p>VI. Other important information that facilitates an understanding of the company's integrity management operations (e.g., the company reviewing and revising its established Integrity Management Code):</p> <p>The company adheres to relevant regulations and internal control systems, strictly prohibiting dishonest behavior or violations of the law. For more details, please visit the company's website at www.sensortek.com.tw.</p>				

(VII) Other important information that can further enhance the understanding of the company's governance operations may also be disclosed:

The company has set up a corporate governance section on its website, disclosing its governance operations, and promptly announcing significant information while occasionally participating in corporate briefings.

(VIII) Implementation of the internal control system

1. Internal control statement

Please visit the Market Observation Post System > Single Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcement.

Website: <https://mops.twse.com.tw/mops/#/web/t06sg20>

2. If the company has entrusted an accountant to review the internal control system, the accountant's review report should be disclosed: Not applicable.

(IX) Key resolutions of the shareholders' meeting and Board of Directors for the most recent fiscal year and up to the date of the annual report's publication.

1. Key resolutions of the shareholders' meeting and their implementation

Key Resolutions of the 2024 Shareholders' Annual Meeting.	Implementation
1. Approval of the 2023 financial statements and business report.	
2. Approval of the 2023 profit distribution plan.	1. The cash dividend, as authorized by the company's Articles of Incorporation, is subject to a special resolution by the Board of Directors to distribute a cash dividend of NT\$12.5 per share to shareholders. 2. The Board of Directors authorized the chairman to determine the dividend record date as April 24, 2024, and the cash dividend was fully distributed on May 23, 2024.
3. Approval of lifting the non-compete restrictions on directors (including independent directors) and their representatives	

2. Key resolutions of the Board of Directors.

Meeting Date	Key Resolutions
2024.03.05 9th Meeting of the 6th Term	1. 2023 compensation allocation plan for employees and directors.
	2. Financial report and business report for 2023.
	3. 2023 profit distribution plan.
	4. Distribution of cash dividends for 2023.
	5. Internal control system statement for 2023.
	6. Competency assessment of the CPAs.
	7. Approval of the company's managers to engage in competitive activities.
	8. Amendment of the company's "Board Meeting Rules."
	9. Amendment of the "Audit Committee Organizational Regulations."
	10. Lifting the non-compete restrictions on directors (including independent directors) and their representatives.

Meeting Date	Key Resolutions
	11. Matters related to convening the 2024 annual shareholders' meeting.
	12. 2024 business plan and budget proposal.
	13. 2023 operational bonus allocation plan for managers, reviewed by the Remuneration Committee
	14. 2024 salary adjustment plan for managers, reviewed by the Remuneration Committee
	15. 2023 compensation allocation plan for individual directors, reviewed by the Remuneration Committee
2024.04.30 10th Meeting of the 6th Term	1. Financial report for Q1 2024.
	2. Amendment of certain provisions of the company's internal control system and internal audit implementation rules.
	3. 2023 cash distribution of employee compensation for managers, reviewed by the Remuneration Committee
	4. Amendment of the "Manager Performance Evaluation Method," reviewed by the Remuneration Committee
2024.07.30 11th Meeting of the 6th Term	1. Financial report for Q2 2024.
	2. Establishment of the company's "Preparation and Assurance Procedures for the Sustainability Report."
	3. 2023 Sustainability Report.
2024.10.29 12th meeting of the 6th term	1. Financial report for Q3 2024.
	2. Amendment of the company's "Preparation and Assurance Procedures for the Sustainability Report."
	3. Addition and amendment of certain provisions of the internal control system and internal audit implementation rules related to sustainability information management.
	4. Amendment of certain provisions of the company's internal control system and internal audit implementation rules.
	5. 2025 Audit Plan.
	6. Pre-approval of the 2025 list of non-assurance services.
	7. 2024 competency assessment of the assurance provider for the company's sustainability information.
2025.03.04 13th meeting of the 6th term	1. 2024 compensation allocation plan for employees and directors.
	2. Financial report and business report for 2024.
	3. 2024 profit distribution plan.
	4. Distribution of cash dividends for 2024.
	5. Setting the ex-dividend record date for 2024.
	6. Internal control system statement for 2024.
	7. Competency and independence assessment of the CPAs.
	8. Review of the CPA fees for 2025.
	9. Amendment of certain provisions of the company's internal control system and internal audit implementation rules.
	10. Amendment of the company's "Articles of Incorporation."
	11. Full re-election of directors (including independent directors).
	12. Nomination of directors and review of independent director

Meeting Date	Key Resolutions
	candidates.
	13. Lifting the non-compete restrictions on directors (including independent directors) and their representatives.
	14. Matters related to convening the 2025 annual shareholders' meeting.
	15. 2025 business plan and budget proposal.
	16. 2024 operational bonus allocation plan for managers, reviewed by the Remuneration Committee
	17. 2025 salary adjustment plan for managers, reviewed by the Remuneration Committee
	18. 2024 compensation allocation plan for individual directors, reviewed by the Remuneration Committee

- (X) For the most recent fiscal year and up to the date of the annual report's publication, if any directors or supervisors expressed dissenting opinions on important board resolutions that were recorded or stated in writing, their main content is as follows: Not applicable.

IV Information on Certified Public Accountant (CPA) Fees

- (I) Amounts of audit and non-audit fees paid to the CPAs, their firm, and affiliated enterprises, as well as the details of non-audit services:

Unit: NT\$1,000

Name of CPA Firm	Name of CPAs	Audit Period	Audit Fees	Non-Audit Fees	Total	Note
Deloitte & Touche Taipei, Taiwan Republic of China	Ya-Yun Chang Ming-Hui Chen	2024.01.01~ 2024.12.31	1,970	650	2,620	Non-audit fees include tax certification, transfer pricing reports, and payroll reporting services for non-executive positions.

- (II) If the audit firm was changed and the audit fees paid in the year of the change are lower than those paid in the previous year, the company shall disclose the audit fees before and after the change and the reasons for the difference: Not applicable.
- (III) If audit fees decreased by more than 10% compared to the previous year, the company shall disclose the amount, percentage of the decrease, and the reason: Not applicable.

V Information on Change of CPAs

- (I) Regarding the former CPAs

Date of Change	Approved by the board on October 31, 2023
----------------	---

Reason for Change	Due to internal adjustments at Deloitte & Touche Taipei, Taiwan Republic of China, the CPAs for the financial statement audits from the third quarter of 2023 were changed from Cheng-Chih Lin and Ming-Hui Chen to Ya-Yun Chang and Ming-Hui Chen.		
Indicate Whether the Engagement Was Terminated by the Company or Rejected by the CPAs	<div>Parties</div> <div>Situation</div>	CPA	The Company
	Termination of appointment	Not Applicable	Not Applicable
	Rejected or declined to continue the engagement	Not Applicable	Not Applicable
Audit Opinions Other Than Unqualified Opinions Issued in the Past Two Years and the Reasons	None		
Any Disagreements With the Issuer	Yes		Accounting principles or practices
			Disclosure in financial statements
			Audit scope or procedures
			Other
	No	✓	
	Explanation	None	
Other disclosures (as required under Article 10, Subparagraph 6, Items 1-4 to 1-7 of these Regulations)	None		

(II) Regarding the successor CPAs

Name of CPA Firm	Deloitte & Touche Taipei, Taiwan Republic of China
Name of CPAs	Ya-Yun Chang, Ming-Hui Chen
Date of Engagement	Approved by the board on October 31, 2023
Consultations Prior to Engagement on Accounting Treatment or Principles for Specific Transactions and Possible Audit Opinions to Be Issued on the Financial Reports, and the Results Thereof	None
Written Opinion of the Successor CPAs on Matters of Disagreement with the Former CPAs	None

- (III) Response letter from the former CPAs regarding Article 10, Subparagraph 6, Items 1 and 2-3 of these Regulations: Not applicable.

VI Employment of the Company's Chairman, General Manager, and Managers Responsible for Financial or Accounting Matters at the Certified Public Accountants' Firm or Its Affiliates in the Past Year

None of the company's chairman, general manager, or managers responsible for finance or accounting matters have been employed at the CPAs' firm or its affiliates within the past year.

VII Changes in Share Transfers and Share Pledges of Directors, Supervisors, Managers, and Shareholders Holding More Than 10% of Shares During the Most Recent Fiscal Year and up to the Date of the Annual Report's Publication

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

Please visit the Market Observation Post System > Single Company > Equity Changes/Securities Issuance > Equity Transfer Data Inquiry > Ex-post Filing of Insiders Shareholding Change.

Website: https://mops.twse.com.tw/mops/#/web/query6_1

- (II) Share transfer information (where the counterparty is a related party)

None of the company's directors, managers, or shareholders holding more than 10% of shares were involved in any share transfers where the counterparty was a related party.

- (III) Share pledge information (where the counterparty is a related party)

None of the company's directors, managers, or shareholders holding more than 10% of shares were involved in any share pledges where the counterparty was a related party.

VIII Relationships Among the Top 10 Shareholders, Including Related Parties, Spouses, or Relatives Within the Second Degree of Kinship

April 19, 2025; Unit: shares; %

Name	Shareholding		Spouse And Minor Shareholding		Shareholding By Nominee Arrangement		Names And Relationships Of The Top 10 Shareholders, Including Related Parties, Spouses, Or Relatives Within The Second Degree Of Kinship		Note
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Name	Relationship	
Sitronix Technology Corp.	22,584,596	46.17	-	-	-	-	-	-	-
Rep.: Vincent Mao	327,492	0.67	433,209	0.89	-	-	Shu-Hui Cheng	Spouse	-
Yuan-Ching Hsu	590,023	1.21	-	-	-	-			-

Name	Shareholding		Spouse And Minor Shareholding		Shareholding By Nominee Arrangement		Names And Relationships Of The Top 10 Shareholders, Including Related Parties, Spouses, Or Relatives Within The Second Degree Of Kinship		Note
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Name	Relationship	
Nan Shan Life Insurance Co., Ltd.	584,000	1.19	-	-	-	-	-	-	-
Shu-Hui Cheng	433,209	0.89	327,492	0.67	-	-	Vincent Mao	Spouse	-
Chang Hwa Commercial Bank, Ltd., Custodian for Mega Taiwan ESG High Dividend Equal Weight ETF Securities Investment Trust Fund Account	380,588	0.78	-	-	-	-	-	-	-
Standard Chartered Bank, Commercial Banking Division, Custodian for Advanced Star Fund Company – A Series of Advanced Total International Equity Index Funds Investment Account	348,000	0.71	-	-	-	-	-	-	-
Ming-Hu Jiang	340,000	0.70	-	-	-	-	-	-	-
Standard Chartered Bank, Commercial Banking Division, Custodian for Vanguard Group Inc., Manager of Vanguard Emerging Markets Stock Index Fund Investment Account.	336,000	0.69	-	-	-	-	-	-	-
TransGlobe Life Insurance Inc.	335,000	0.68	-	-	-	-	-	-	-
Vincent Mao	327,492	0.67	433,209	0.89	-	-	Shu-Hui Cheng	Spouse	-

IX Shares Held by the Company, Its Directors, Supervisors, Managers, and Entities Directly or Indirectly Controlled by the Company in the Same Reinvested Business, and the Consolidated Shareholding Percentage: None

Chapter 3 Capital Raising Overview

I Capital and Shares

(I) Source of Share Capital

Unit: Thousands of Shares; NT\$ Thousands

Date	Issuance Price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Share Capital	Non-cash capital contribution	Other
2009/12	10	200	2,000	200	2,000	Initial capital	None	Note 1
2013/02	10	25,000	250,000	13,000	130,000	Increase in cash capital amounting to NT\$128,000 thousand	None	Note 2
2014/04	10	25,000	250,000	14,225	142,250	Increase in cash capital amounting to NT\$12,250 thousand	None	Note 3
2015/04	13	25,000	250,000	14,600	145,995	Capital increase of NT\$3,745 thousand through the exercise of employee stock options	None	Note 4
2015/08	12.80	25,000	250,000	19,247	192,468	Capital increase of NT\$10,946 thousand through employee bonuses	None	Note 5
	10					Capital increase of NT\$35,527 thousand through retained earnings		
2016/05	10.74	25,000	250,000	20,538	205,380	Capital increase of NT\$1,154 thousand through employee compensation	None	Note 6
	10					Capital increase of NT\$4,958 thousand through retained earnings		
	11					Capital increase of NT\$6,800 thousand through the exercise of employee stock options		
2017/08	10.74	25,000	250,000	24,004	240,039	Capital increase of NT\$1,082 thousand through employee compensation	None	Note 7
	10					Capital increase of NT\$4,652 thousand through retained earnings		
	11					Capital increase of NT\$28,925 thousand through the exercise of employee stock options		
2018/06	10.79	25,000	250,000	24,115	241,146	Capital increase of NT\$1,107 thousand through employee compensation	None	Note 8
2019/03	24.12	50,000	500,000	37,781	377,813	Capital increase of NT\$19,229 thousand through employee compensation	None	Note 9
	10					Capital increase of NT\$117,438 thousand through retained earnings		
2019/05	-	80,000	800,000	37,781	377,813	-	-	Note 10
2020/06	498~683	80,000	800,000	41,356	413,563	Increase in cash capital amounting to NT\$35,750 thousand	None	Note 11
2020/07	10	80,000	800,000	48,912	489,126	Capital increase of NT\$75,563 thousand through retained earnings	None	Note 12

Note 1: Jing Shou Zhong Zi Di No. 09835047710 on December 1, 2009

Note 2: Jing Shou Zhong Zi Di No. 10233148070 on February 5, 2013

Note 3: Jing Shou Zhong Zi Di No. 10333273640 on April 22, 2014

Note 4: Jing Shou Zhong Zi Di No. 10433301620 on April 27, 2015

Note 5: Jing Shou Zhong Zi Di No. 10433604890 on August 3, 2015

Note 6: Jing Shou Zhong Zi Di No. 10533677600 on May 23, 2016

Note 7: Jing Shou Zhong Zi Di No. 10633482470 on August 15, 2017

Note 8: Jing Shou Zhong Zi Di No. 10733335000 on June 13, 2018

Note 9: Jing Shou Zhong Zi Di No. 10833142590 on March 8, 2019

Note 10: Jing Shou Zhong Zi Di No. 10833311060 on May 23, 2019

Note 11: Jing Shou Zhong Zi Di No. 10933328160 on June 17, 2020

Note 12: Jing Shou Zhong Zi Di No. 10933411730 on July 27, 2020

April 25, 2025; Unit: Shares

Types of Shares	Authorized Capital			Remarks
	Outstanding Shares	Unissued Shares	Total	
Common Stock	48,912,618	31,087,382	80,000,000	The Company's stock is listed on the over-the-counter (OTC) market.

Shelf registration statement: No related information.

(II) List of Major Shareholders

April 19, 2025; Unit: shares; %

Name of Major Shareholders	Shares	Number of Shares Held	Shareholding Percentage
Sitronix Technology Corporation		22,584,596	46.17
Yuan-Ching Hsu		590,023	1.21
Nan Shan Life Insurance Company, Ltd.		584,000	1.19
Shu-Hui Cheng		433,209	0.89
Chang Hwa Commercial Bank, Ltd. in custody for the Mega Taiwan ESG high dividend and other weighted ETF securities investment trust fund account		380,588	0.78
Standard Chartered Bank International Business Branch in custody for the series of funds of Advanced Star Fund Management, including the Advanced Global International Stock Index Fund Investment account		348,000	0.71
Ming-Hu Chiang		340,000	0.70
Standard Chartered Bank International Business Branch in custody for the manager of Vanguard Group, the Vanguard Emerging Markets Stock Index Fund Investment account		336,000	0.69
TransGlobe Life Insurance Inc.		335,000	0.68
Vincent Mao		327,492	0.67

(III) Company Dividend Policy and Implementation Status

1. Dividend policy as specified in the Article of Incorporation

Should the Company have net income after tax for the current fiscal year, it shall be distributed in the following order.

- (1) To offset accumulated losses.
- (2) Ten percent shall be allocated to the legal reserve; however, if the legal reserve has reached the total paid-in capital of the Company, this requirement shall no longer apply.
- (3) To allocate or reverse special reserves as required by laws or regulatory authorities.

- (4) If there are earnings, together with undistributed earnings from the beginning of the period (including adjustments to the undistributed earnings amount), the Board of Directors shall prepare a proposal for the distribution of earnings, which will be submitted to the shareholders' meeting for approval of the dividend distribution.

The Company allocates a minimum of ten percent of its distributable earnings annually for the distribution of dividends to shareholders. Dividends may be distributed in cash or in stock; however, the proportion of cash dividends distributed shall not be less than ten percent of the total dividends. The policy for dividend distribution must take into account the current and future investment environment, capital requirements, domestic and international competitive conditions, and capital budgeting, while balancing the interests of shareholders with the Company's long-term financial planning. Each year, the Board of Directors shall prepare a dividend distribution proposal in compliance with legal requirements and submit it to the shareholders' meeting.

2. Proposed dividend distribution at the shareholders' meeting

- (1) In accordance with the Company's Articles of Incorporation, the Board of Directors is authorized to resolve, with the attendance of more than two-thirds of the directors and a majority decision of those present, to distribute all or part of the dividends and bonuses in cash, and to report this at the most recent shareholders' meeting.
- (2) On March 4, 2025, the Company's Board of Directors approved the distribution of cash dividends for the fiscal year 2024. The total amount allocated for dividends to shareholders is NT\$489,126,180, resulting in a cash distribution of NT\$10 per share.

3. Expected material changes to the dividend policy: None.

(IV) Impact of the proposed stock dividend distribution on the Company's operating performance and earnings per share: Not applicable.

(V) Remuneration to employees, directors, and supervisors

1. The percentages or ranges of remuneration to employees, directors, and supervisors as stipulated in the Articles of Incorporation

If the Company generates profits in a given fiscal year, no less than 1% and up to 25% of the profit shall be allocated for employee compensation, while an amount not exceeding 1% shall be allocated for director remuneration. However, if the Company has accumulated losses, it shall first offset such losses before allocating employee compensation and director remuneration in accordance with the aforementioned ratios. Employee compensation shall be determined by a resolution of the Board of Directors and may be distributed in the form of stock or cash. Eligible recipients may include employees of the Company's controlled or affiliated subsidiaries who meet specified criteria.

2. The basis for the estimated amounts of remuneration to employees, directors, and supervisors for the period, the calculation basis for the number of shares distributed as employee remuneration, and the accounting treatment if there is any difference between the estimated and actual distributed amounts.

The Company estimates employee and director remuneration based on the percentages stipulated in the Articles of Incorporation. If there is any difference between the estimated and the actual distributed amounts, such difference is accounted for as a change in accounting estimate and adjusted in the year when it is approved by the Board of Directors.

3. Approval of remuneration distribution by the Board of Directors

- (1) Amounts of employees, director and supervisors remuneration distributed in cash or stock. If there is any discrepancy between the estimated amount recognized as expense in the year and the actual amount distributed, the difference, the reasons for the discrepancy, and the treatment thereof shall be disclosed:

On March 4, 2025, the Board of Directors of the Company approved the distribution plan for employee and director remuneration for the fiscal year 2024. The cash distribution for employee compensation was set at NT\$48,642,893, while the total remuneration for directors amounted to NT\$4,064,289, aligning with the estimated expenses for the fiscal year 2024.

- (2) The amount of employee remuneration distributed in stock and its proportion to the net income after tax and the total amount of employee remuneration in the standalone or individual financial statements for the period: Not applicable.

4. The actual distribution of employee, director, and supervisor remuneration in the previous fiscal year (including the number of shares distributed, the amount, and the share price), and, if there is any discrepancy from the amount recognized as remuneration, the difference, the reasons for the discrepancy, and the treatment thereof shall be disclosed:

On March 5, 2024, the Board of Directors of the Company approved employee compensation for the fiscal year 2023 in the amount of NT\$60,796,424 and director remuneration in the amount of NT\$6,079,642, both of which were fully distributed in 2024, with no difference from the amount recognized in the 2023 financial statements.

(VI) Repurchase of the Company's own shares: None.

- II Corporate Bonds: None.**
- III Preferred Stocks: None.**
- IV Overseas Depositary Receipts: None.**
- V Employee Stock Options: None.**
- VI Restricted Stock Awards for Employees: None.**
- VII Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.**
- VIII Financing Plans and Implementation: None.**

Chapter 4 Operations Overview

I Business Activities

(I) Scope of business

1. Main areas of operation:

As registered with the Ministry of Economic Affairs, the Company's main business items are as follows:

- (1) CC01080 Electronics Components Manufacturing
- (2) F113030 Wholesale of Precision Instruments
- (3) F118010 Wholesale of Computer Software
- (4) F119010 Wholesale of Electronic Materials
- (5) F213040 Retail Sale of Precision Instruments
- (6) F218010 Retail Sale of Computer Software
- (7) F219010 Retail Sale of Electronic Materials
- (8) F401010 International Trade
- (9) I301010 Information Software Services
- (10) I599990 Other Designing
- (11) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Main business activities and their percentage of operating revenue

Unit: NT\$ thousand

Main products	2024	
	Amount	Percentage (%)
Sensor chip	4,933,627	99.86
Other	7,056	0.14
Total	4,940,683	100.00

3. Current products and services

- (1) Optical sensor
 - A. Ambient light sensor
 - B. Color sensor
 - C. Flicker detection sensor
 - D. Proximity sensor
 - E. Long-range proximity sensor
 - F. Skin detection sensor
- (2) MEMS sensor
 - A. Accelerometer sensor
 - B. Pressure sensor
- (3) Capacitive sensing sensor
 - A. Specific absorption rate sensor

- B. Capacitive touch sensor
- 4. New products and services under development
 - (1) Optical sensor
 - A. Next-generation skin sensor
 - B. Next-generation ambient light RGB and proximity sensor for full-screen and narrow-bezel
 - C. Ambient light RGB and proximity sensor for new COE OLED under-display
 - (2) MEMS sensor
 - A. Inertial sensor integrating gyroscope and accelerometer for consumer electronics
 - B. New monolithic accelerometer sensor
- (II) Industry overview

1. Current status and development of the industry

The Company specializes in the research, design, development, and sales of sensor chips. Our primary products include optical sensors and accelerometer sensors. The optical sensors mainly consist of ambient light sensors and proximity sensors, while the accelerometer sensors are categorized as inertial measurement units within micro-electromechanical systems (MEMS). The end applications of these products primarily include smartphones, wearable devices, and other consumer electronics.

Sensor chips are essential components that interface with the external environment, capable of receiving physical, chemical, and optoelectronic signals and converting them into electrical signals for processing. The applications of sensor chips span several critical fields, including ambient light detection, orientation, gravity measurement, pressure sensing, temperature monitoring, humidity control, and facial recognition. The application range of sensing components is extensive, typically categorized into sectors such as household, commercial, automotive, military, industrial, and medical applications. Notably, the widespread adoption of mobile devices has fueled significant growth in the demand for sensing components. According to a research report by Verified Market Reports, the global market size for sensor chips is projected to reach uS\$252.7 billion by 2025, with an annual growth rate nearing 8%.

According to November 2024 data from the research institution Research & Markets, the global optical sensor chip market is projected to grow from US\$2.6 billion in 2024 to US\$4.6 billion by 2030, representing a compound annual growth rate (CAGR) of 10.8%. Additionally, the MEMS sensor chip market report by Verified Market Reports estimates that the global MEMS sensor chip market will be approximately US\$12.5 billion in 2024, with expectations to reach around US\$20.4 billion by 2030, reflecting an annual growth rate of approximately 8.5%. This trend presents significant opportunities for the Company's sales market expansion.

(1) Optical sensor

A. Ambient light sensor

Ambient light sensing is performed by detectors, such as photo diodes, which measure the intensity of visible light from incoming ambient light sources. The signals detected by the detectors are amplified through an amplifier, converting the current signals into voltage signals. Subsequently, an analog-to-digital converter transforms the continuous analog signals into digital signals. The downstream circuitry of electronic devices can then execute responsive functions based on the intensity of the light source. Advanced ambient light sensing not only measures the intensity of ambient light but also enables the detectors to detect the three primary colors of light—red (R), green (G), and blue (B)—in the environmental light source. This information can be utilized to adjust the color temperature of the OLED (Organic Light-Emitting Diode) panel or to assist the rear camera's white balance function.

Currently, the Ambient light sensor is widely utilized in smart mobile devices, wearable technology, the Internet of Things (IoT), security monitoring, and the automotive industry. In smart mobile and wearable devices, the Ambient light sensor adjusts screen brightness in response to changes in ambient light, thereby reducing eye strain and promoting energy efficiency. In IoT applications, streetlights equipped with these chips can automatically detect sunlight and adjust their brightness according to ambient light conditions. Furthermore, in solar power plants, these sensors enable solar panels to rotate and align optimally for maximum energy collection efficiency based on the sun's position. In security monitoring applications, surveillance cameras can leverage environmental light sensing chips to assess surrounding light levels, thereby enhancing supplemental lighting and detection capabilities in low-light conditions. In the automotive industry, these chips facilitate automatic headlight activation and the adjustment of dashboard brightness.

B. Proximity sensor

Proximity sensor comprise a light-emitting component (Emitter) and a light-sensitive component. The light-emitting component emits a light signal towards the object being sensed, and a portion of this signal is reflected back. The light-sensitive component captures and processes the reflected light signal, which is then amplified and converted into a digital signal through an amplifier and an analog-to-digital converter. The subsequent circuitry employs algorithms to determine the distance between the object and the sensor, facilitating various applications for proximity sensing. The

light-emitting component primarily utilizes light-emitting diodes (LEDs) that emit infrared light wavelengths above the visible spectrum (below 700 nm), specifically at 850, 940, or 1300 nm, or vertical-cavity surface-emitting lasers (VCSELs) at 850 or 940 nm.

Proximity sensors are now widely utilized in smartphones and wearable devices. When a user initiates a phone call, the smartphone automatically turns off the screen when brought close to the head, thereby preventing accidental touches from the ear or face. Additionally, placing the phone face down on a table during a call helps conserve battery life by automatically deactivating the screen. Furthermore, when users wear true wireless Bluetooth earbuds (TWS), the device automatically activates or deactivates based on the proximity to the ear.

(2) MEMS sensor

A. Accelerometer sensor

The accelerometer sensor is an inertial sensing component found within MEMS. MEMS are sophisticated miniaturized systems that employ semiconductor process technology to produce miniature mechanical, optical, or electronic components. These components are then integrated into a single system and fabricated on silicon wafers. Such systems are primarily utilized for sensing, processing, or actuation functions. The purpose of habitual sensing components is to detect the motion of objects. This includes accelerometer sensing chips and gyroscopes, which primarily measure angular velocity and provide relative angular vector strength. Accelerometer sensors measure acceleration indirectly by detecting the forces applied along one to three dimensions or axes. This measurement is primarily achieved through capacitive, piezoelectric, or other technologies. Accelerometer sensors that measure acceleration in a single dimension or axis are also known as gravity sensors.

Accelerometer sensors were originally utilized primarily in the aerospace and defense industries. However, due to reductions in cost and size, they are now widely employed in the automotive industry and consumer electronics market. In the automotive industry, accelerometer sensors are primarily utilized for collision detection to activate airbags. Additionally, when satellite signal reception is poor, they are used in conjunction with gyroscopes to provide complementary orientation calculations in GPS navigation systems. In the consumer electronics market, accelerometer sensors are employed to facilitate functions such as step counting, speed measurement, automatic screen orientation, and hard drive protection during device falls in smart mobile and wearable devices. Furthermore, in gaming

applications, these sensors offer dynamic sensing capabilities that enable players to control actions within the game.

B. Pressure sensor

The pressure sensor employs a micro-electromechanical pressure sensor and a signal processing chip, utilizing a stacked packaging method to achieve high-precision digital pressure sensing. The pressure-sensitive film produced using micro-electromechanical processing technology is capable of detecting changes in air pressure. When the micro-electromechanical pressure sensing element on the film experiences a change in resistance, the signal processing chip can amplify, filter, digitize, and compensate for temperature drift, thereby achieving high-precision pressure sensing.

Pressure sensors are extensively utilized in smart mobile devices and wearable technology, facilitating a range of functions including altitude measurement, barometric pressure measurement, stair climbing activity tracking, slope rate detection, weather forecasting, water depth measurement, and flight altitude control. Furthermore, the current pressure sensor meets the U.S. FCC E911 Z-axis positioning accuracy regulations, thereby enabling high-precision positioning capabilities.

(3) Capacitive sensing sensor

A. Specific absorption rate sensor

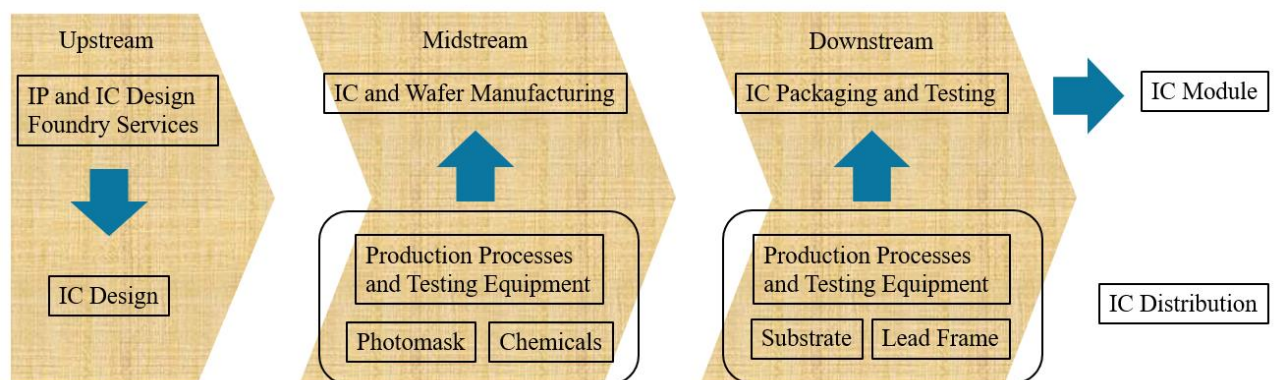
Today, smartphones and tablets have become essential tools for users. As communication technology continues to advance, there is increasing concern about the impact of electromagnetic waves on the human body. Consequently, the Federal Communications Commission (FCC), the Conformité Européenne (CE), and the National Communications Commission (NCC) have established clear testing standards for the magnitude of electromagnetic wave radiation energy, specifically the Specific Absorption Rate (SAR), which quantifies the rate of energy absorption per unit mass of biological tissue. To comply with communication regulations in various countries, modern mobile phones are equipped with a SAR sensor. This sensor can detect inanimate objects as well as those in proximity to the human body. It adjusts the transmission power and radiation field pattern to modify the beam direction, ensuring that electromagnetic wave emissions are directed away from the human body in accordance with regulatory requirements. Currently, regulations in the United States, Europe, and Asian markets, including China and India, require that mobile phones be equipped with SAR sensors. As communication regulations in various countries continue to evolve, the application scope and penetration rate of these sensors are expected to increase gradually. The potential market for

mobile phones and wearable devices equipped with SAR sensors remains significantly expansive in the future.

2. Relationship among upstream, midstream, and downstream of the industry

The Company operates as an upstream integrated circuit (IC) design firm within the semiconductor industry, primarily focusing on the research, design, development, and sales of sensor chips. We specialize in the design and development of IC circuits. Upon completion of the circuit design, the project is transferred to midstream IC manufacturing companies for the conversion of the circuit into chips. Subsequently, downstream IC packaging and testing facilities further package the manufactured IC chips to create the final IC products. These finished products are then distributed through various channels to assembly subcontractors for production into end products. Consequently, each stage of production involves distinct manufacturers, establishing a specialized division of labor system. The relationships among the upstream, midstream, and downstream sectors of the industry of the Company are outlined as follows (refer to Figure 1).

Figure 1. Relationship among upstream, midstream, and downstream of the industry



Source: Website of the Taipei Exchange

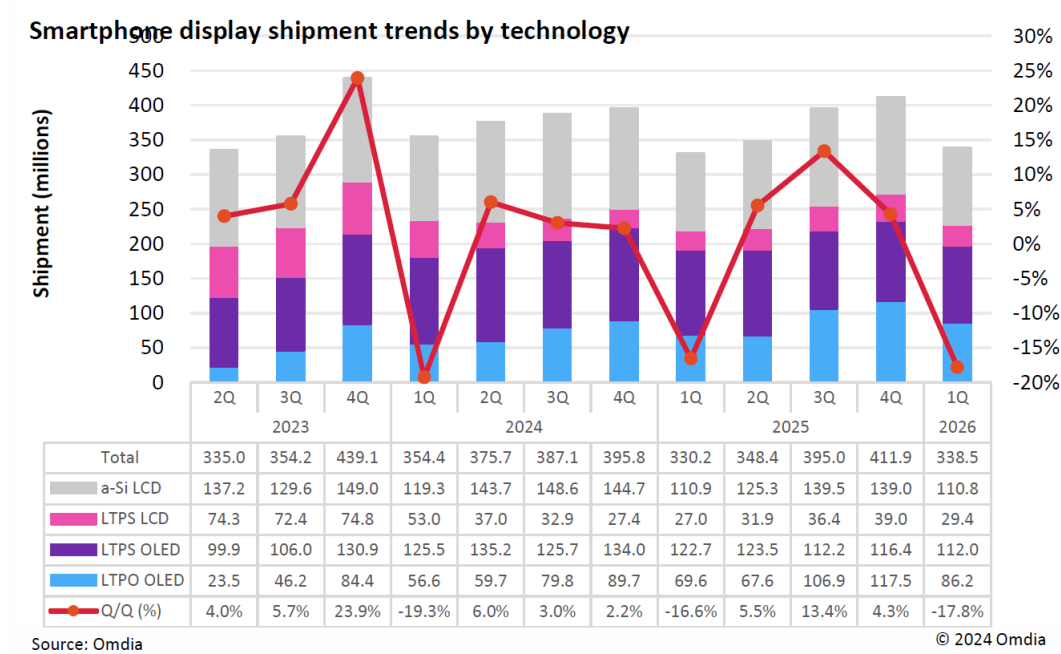
3. Product development trends

(1) Optical sensor

In recent years, brand manufacturers have consistently enhanced the specifications of mobile phone products to effectively increase consumer purchasing intentions. Products have evolved towards larger sizes and higher resolutions. To meet user demand for larger screens, the 18:9 full-screen mobile phone has emerged, offering a larger display area and featuring distinctive exterior designs that effectively capture consumer attention. Consequently, full-screen designs are gradually becoming mainstream in the mobile phone market, driving demand for narrower gaps between LCD or OLED phone panels and casings, as well as for ambient light sensors and proximity sensors located beneath the screen. A study conducted by research institutions based on OMDIA's survey (see Figure 2) indicates that the global shipment volume of OLED smartphone panels is

projected to increase by 10% annually by 2025. Driven by MOLED panel manufacturers and smartphone brands in China, the market share of OLED panels is expected to approach nearly 70%. This indicates that OLED panels have become the standard specification in the smartphone market, emerging as the primary panel technology for flagship, high-end, and mainstream mobile devices.

Figure 2.Demand for technology in smartphone displays



Source: OMDIA (December 2024)

OLED displays can adjust the screen color temperature based on the color information of the surrounding light, thereby enhancing reading comfort. In the application of rear camera lenses, the ability to perceive the environmental color temperature allows for accurate restoration of the lighting conditions in the photographed scene, thereby assisting the lens in achieving improved white balance. This, in turn, increases the demand for high-end RGB sensing chips that detect environmental light. In response to the demand for applications beneath the screen, traditional 850/940nm light sources can negatively impact OLED displays, leading to the appearance of white spots on the screen. To mitigate this interference, we will implement short-wave infrared (SWIR) light sources and receiving devices to eliminate any adverse effects on display quality. Technically, it is imperative to enhance the sensitivity of the receivers to accommodate the progressively lower screen penetration rates. Furthermore, it is essential to integrate display timing to further minimize the interference caused by OLED display emissions with ambient light sensing.

(2) MEMS sensor

MEMS accelerometers provide several advantages, including compact size, low power consumption, and cost-effectiveness, which have contributed to their

extensive application across various fields. Consumer electronics constitute the largest application market for accelerometers. In products such as smartphones, tablets, and wearable devices, accelerometers are employed for various functions, including motion sensing, game control, and screen rotation.

According to a report by Yole Développement, the current global market size for MEMS accelerometers is US\$12.5 billion, and it is projected to reach USD\$20.4 billion by 2030. As MEMS technology continues to advance, the size and cost of accelerometers are steadily decreasing. This trend is expected to facilitate the widespread adoption of accelerometers across various application areas. Significant application demands are anticipated in the fields of automotive electronics, industrial control, and healthcare in the future.

MEMS barometers are compact, energy-efficient, highly accurate, and durable, which makes them widely applicable in the automotive, industrial, healthcare, and consumer electronics sectors. With the ongoing advancements in MEMS manufacturing technology, the accuracy and resolution of barometers are steadily improving. Under the E911 rules, mobile phones are mandated to possess the capability to transmit location information. The use of barometers can enhance the accuracy of location data, thereby assisting rescue personnel in locating individuals in need of assistance more swiftly. Furthermore, the barometer can be utilized in wearable watches to help users monitor their health status and physical activity. In the context of drones, it contributes to stabilizing flight and achieving altitude control, among other functions.

(3) Capacitive sensing sensor

In recent years, the proliferation of products such as smartphones and wearable wireless devices has heightened public concern regarding the effects of electromagnetic waves on human health. This concern has resulted in an increasing demand for Smart Sensing Electromagnetic Wave SAR Sensors. Currently, in many regions, including Europe, the United States, and Asia, portable devices (such as mobile phones and tablets) are progressively required to comply with SAR standards. Non-compliance with these regulations will lead to restrictions on market entry.

4. Competitive landscape of the industry

(1) Optical sensor

The primary competitors include the foreign company ams-OSRAM AG and domestic firms such as LITEON Technology.

(2) MEMS sensor

Currently, the global market MEMS inertial sensors is dominated by large international companies. The foremost manufacturers of accelerometer sensors are Bosch Sensortec GmbH from Germany and STMicroelectronics N.V. from

Switzerland. The Company has been consistently increasing its market share in this sector, with cumulative shipments surpassing 300 million accelerometer sensors to date.

(3) Capacitive sensing sensor

Taiwan has made significant investments in touch ICs and capacitive sensing control ICs in the past. However, there has been limited emphasis on low-noise, high-dynamic-range, low-power SAR sensors. Currently, the primary products available for the next generation of multi-band mobile phones are supplied by the American company Semtech. Recently, Chinese manufacturers have also begun to actively enter this market. As the electromagnetic energy regulation standards mentioned above are further refined, smartphones will be required to incorporate capacitive sensing chips, indicating that the market will have significant growth potential in the future.

(III) Overview of technology and research development

1. Research and development expenses for the most recent fiscal year and up to the date of publication of this annual report

Unit: NT\$ thousand

Year	2023	2024
Research and development expenses	463,925	468,837
Percentage of revenue contribution (%)	10	10

2. Technologies or products successfully developed in the most recent fiscal year and up to the publication date of annual report

Research and development results	Explanation
Launch of a chip that integrates multi-channel ambient light sensing capabilities (UV, ALS, and RGB), as well as the ability to detect flicker from ambient light sources	The integration of a UV sensing channel in the rear camera enables accurate differentiation between indoor and outdoor environments, resulting in a more precise ambient assessment
Launch of the next-generation multi-laser (940nm light-emitting wavelength) ambient light and proximity sensor for under-display OLED applications	Enhance the Signal-to-Noise Ratio (SNR), optimize functionality to reduce power consumption, and mitigate the spot effect
Launch of high-sensitivity EEL long-wavelength (1300nm light-emitting wavelength) ambient light and proximity sensor for under-display OLED applications	Enhance the sensitivity of ambient light and proximity sensors to accommodate the design of OLED displays with reduced transmittance
Launch of the ambient light sensor with external light source flicker detection capability	Applied to the rear camera to enhance sensitivity and enable the detection of flicker from artificial light sources, while simultaneously adjusting the camera to minimize the appearance of black lines
Launch of the waterproof pressure sensor	Developed a compact, low-power, low-noise waterproof pressure sensor for

Research and development results	Explanation
	application in waterproof, high-precision wearable and IoT products
Launch of long-wavelength (1300nm light-emitting wavelength) ambient light RGB and proximity sensor for under-display OLED applications	Enhance the SNR to accommodate display screens with lower penetration rates, while simultaneously improving RGB sensitivity and optimizing under-display calculations
Launch of a compact ambient light RGB sensor with external light source flicker detection capability	Reduction in chip and package size while enabling brightness, color temperature, and flicker measurement
Launch of a skin sensor for wearable devices	Designed to detect whether the proximate object is human skin, enabling automatic activation or deactivation of wearable device functions (e.g., music playback or heart rate measurement), thereby achieving power-saving benefits
Launch of a next generation of miniaturized barometric pressure sensor	Reduced package height to lower circuit noise and power consumption, enabling applications in altitude positioning and navigation for smartphones and drones
Launch of a next-generation acceleration sensor	Optimize and enhance the characteristics of ASIC chips to minimize operational power consumption and noise

(IV) Long-term and short-term business development plans

1. Short-term business development plans

(1) Marketing strategy

- A. Enhance the introduction of various new application products into the existing supply chain of mobile phone brand customers by providing comprehensive mobile-related sensor chip solutions to improve customer penetration.
- B. Continuously enhance technical services for existing clients to maintain long-term collaborative relationships and strengthen client loyalty.

(2) Product strategy

- A. In response to the rapidly evolving smartphone industry, we will leverage the Company's research and development capabilities to continuously design and launch mobile application sensors that set industry standards in specifications while providing high cost-performance ratios.
- B. Continuously expand the product line and develop a range of application-specific sensor chips that are widely utilized in consumer products, wearable devices, the Internet of Things, and the smart automotive sector. Optimize the product portfolio to mitigate the impact of economic cycles on the product line.

- (3) Production strategy
 - A. Enhance collaboration with key wafer foundries, packaging factories, testing facilities, and other outsourcing vendors to ensure adequate production capacity and flexibility.
 - B. Leverage our extensive experience in optical packaging design technology, we collaborate with packaging manufacturers to develop specialized processes that address the rapid changes in mobile phone structural design.
 - C. Mems sensors are engineered to fulfill a wide range of application requirements. The production and testing of these products entail stringent standards and considerable diversity. It is crucial to enhance relationships with current partners, foster technical exchanges to ensure quality management, and sustain supply stability.
2. Long-term business development plans
 - (1) Continuously enhance the breadth and depth of product applications, establish a comprehensive sales channel, and improve the loyalty and market visibility of international brand clients.
 - (2) Strengthen long-term cooperative relationships with customers and the supply chain, while continuing to collaborate on innovative development and process improvement.
 - (3) Thoroughly understand market dynamics and product development trends to sustain a technological advantage over competitors.
 - (4) Foster new product development to enhance the product portfolio.

II Overview of Market, Production, and Sales

(I) Market analysis

1. Major markets for products and services

Unit: NT\$ thousand

Sales region	2023		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Domestic sales	2,255,210	49.64	2,739,734	55.45
Export	2,287,607	50.36	2,200,949	44.55
Total	4,542,817	100.00	4,940,683	100.00

2. Market share

The primary applications of the Company's optical sensors are in smartphones, while the accelerometer sensors are categorized as consumer products. According to industry research reports estimating the actual shipment volumes for global smartphones and Sensortek's optical sensors in 2024, the Company's global market share for optical sensing chips is approximately 40%, whereas the market share for accelerometer sensing chips remains relatively small.

3. Outlook for future supply and demand and market growth

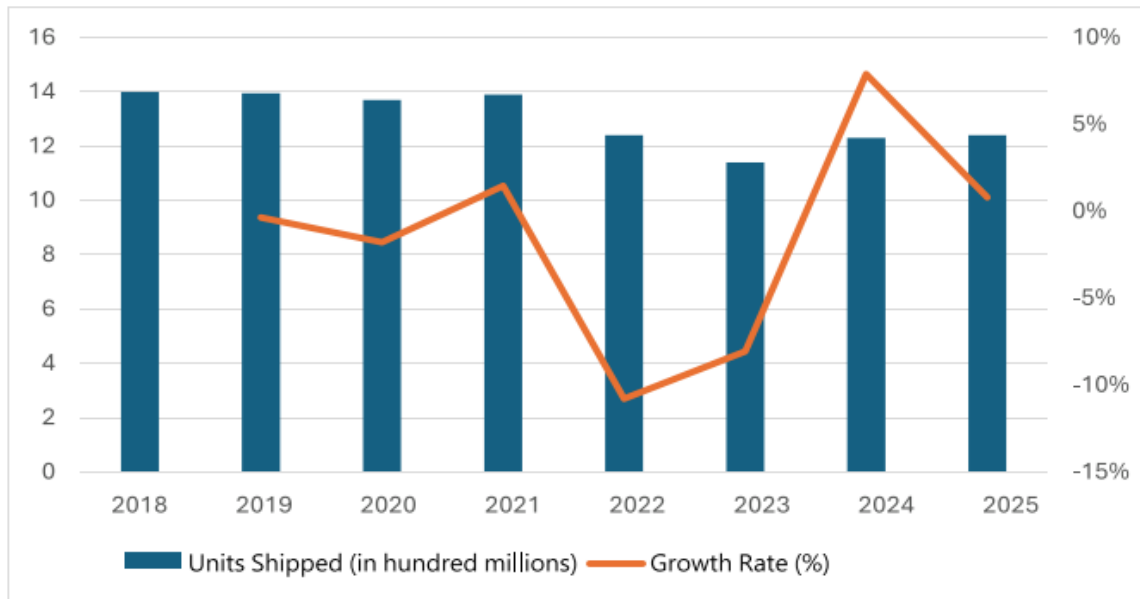
The following is a comprehensive overview of the application markets for the Company's primary products:

(1) Smartphone

In 2024, based on analytical data from various market research institutions, the global smartphone market is witnessing a modest recovery in consumer demand, supported by easing inflationary pressures and a stabilizing economic environment. However, the limited scope of technological innovation and the extended replacement cycle for consumers continue to constrain market growth. A survey conducted by a market research organization projects that global smartphone shipments will reach 1.151 billion units in 2024, reflecting a modest growth of 0.9% compared to 2023. According to the brand ranking (see Figure 4), Apple maintains its leading position in global market share. In contrast, Samsung has experienced a slight decline to second place, attributed to intensified market competition and weak replacement demand. Xiaomi remains stable in third place. Despite indications of market recovery, numerous brands continue to confront the challenge of declining demand. This is particularly evident as consumers' expectations for mobile phone performance and innovative experiences have risen, thereby intensifying market competition. To stimulate demand for device upgrades, major brands are actively developing AI smartphones and foldable screen devices, while also enhancing battery life and camera technology to attract consumers to upgrade their devices.

Looking ahead to 2025, as 5G applications become more prevalent, AI technology continues to integrate into smartphones, and the foldable phone market matures, the market is anticipated to experience further recovery. Forecasts indicate that global smartphone shipments are projected to reach 1.26 billion units by 2025, reflecting an annual growth rate of approximately 2.3% (refer to Figure 3 for details). The high-end market will remain the primary driver of growth, with Apple and Samsung continuing to compete, while Xiaomi and other Chinese brands will enhance their market presence through differentiation strategies. However, the market recovery remains relatively slow due to the extended replacement cycle of consumer devices. Each brand must enhance its innovation and marketing strategies to improve market share and revenue performance.

Figure 3. Overview of the global smartphone market



Source: Compiled from various market research firms' data (February 2025)

Figure 4. Overview of global Smartphone brand shipments and market shares

Brand	Units Shipped (in hundred millions)	Market Share (%)	Annual Growth Rate (%)
Apple	2.30	18.7	(0.9)
Samsung	2.21	18.0	(1.4)
Xiaomi	1.67	13.6	15.4
OPPO and OnePlus	1.35	11.0	2.8
Vivo	1.28	10.4	1.5
Honor	0.80	6.5	7.2
Transsion	0.78	6.3	8.1
Other Brands	2.11	16.5	(2.3)

Source: Compiled from various market research firms' data (February 2025)

(2) Wearable devices

Wearable devices are electronic devices that are worn or attached to the user, capable of connecting to the internet and equipped with sensors for data collection. These devices feature a computing core and a software system that performs various functions, allowing them to automatically collect, transmit, display information, or respond based on different conditions. They are primarily categorized into smartwatches and wristbands.

According to estimates from Canalys in February 2025 (see Figure 5), the global shipment volume of wearable devices is projected to increase by 10% for 2025, marking a significant rise compared to the growth rates observed in the past two years. The global popularity of basic wristwatches continues to rise, with their market share in the wearable wristband sector reaching a historic high of 46% in 2024. Xiaomi and Huawei have launched increasingly powerful entry-level smartwatches to drive shipments among price-sensitive consumers, resulting in

shipment growth. As battery life and cost competitiveness continue to improve in the smartwatch segment, smartwatches are expected to meet more complex use cases. This growth trend reflects the evolving expectations of consumers, indicating an increasing demand not only for basic data tracking but also for detailed and personalized healthcare solutions. Companies such as Huawei, Zepp Health, and Samsung are transitioning towards software services by integrating advanced sensors and wearable devices to incentivize consumers to upgrade. The bundling of basic smartwatches serves not only to drive shipment growth, but also to enhance ecosystem stickiness and strengthen customer retention.

Figure 5. Wearable device shipment forecast

Worldwide wearable band shipment (forecast and annual growth)					
Category	2023	2024	2025	Annual	Annual
	shipments	shipments	shipments	growth	growth
	(million)	(million)	(million)	(2023/2024)	(2024/2025)
Basic band	34.5	32.3	30.8	-6%	-5%
Basic watch	81.8	89.9	100.4	+10%	+12%
Smartwatch	69.2	72.0	82.9	+4%	+15%
Total	185.4	194.3	214.1	+4.8%	+10.2%

Source: Canalys Wearable Band Analysis (sell-in shipments) Feb. 2025

4. Competitive niche

The Company has accumulated solid R&D capabilities in circuit, optical, and packaging design, as well as in MEMS process technology. It has long collaborated with the supply chain on the co-development of MEMS processes and optical packaging technologies with packaging partners, in order to accommodate the rapid structural changes in mobile phone designs. The Company has also built a robust foundation in customized molds and testing equipment during the packaging and testing stages, enabling a flexible backend manufacturing process. Currently, the world's major smartphone brands—including Samsung, Xiaomi, OPPO, VIVO, Huawei, and HONOR—are among the Company's customers, with the exception of Apple. The Company has established long-term collaborative development and design partnerships with leading smartphone manufacturers, enabling it to gain insights into future product development trends and functional requirements, and to provide customized product designs tailored to their needs. We will continue to develop a diverse range of applications for sensors, expanding new product offerings within the supply chains of our existing mobile phone brand customers. We aim to provide

comprehensive sensor chip solutions related to mobile phones and to explore sensor applications for other product lines, such as wearable devices.

5. Favorable and unfavorable factors for future development and corresponding countermeasures

(1) Favorable factors

Mobile devices have become indispensable in people's lives. Consequently, consumers are increasingly discerning about various aspects of smartphone usage, including the comfort of screen color temperature and photographic effects that closely resemble real-life scenes. In addition, with continuous advancements in display panel technology and decreasing costs, high-resolution and high-precision OLED displays are gradually extending from premium models to mid-range devices. However, the transmittance of these screens poses a major challenge to sensing technologies, which in turn drives the ongoing advancement of optical sensing solutions.

MEMS motion sensing technology can be utilized to detect and measure the movement of objects. Currently, it is widely used in mobile phones and wearable devices. In the future, it may also be employed to control the movements of virtual characters and to detect and track user movements and postures, facilitating a full-body sensory experience and creating a more realistic virtual environment in the metaverse. The advancement of pressure sensing technology will further enhance the development of multi-axis motion platform technology, which is essential for virtual sensory technology in the metaverse. Thus, with the advancement of technologies such as smartphones, wearable devices, smart home systems, IoT technologies, and the integration of virtual and physical environments in the metaverse, the market for sports and stress sensing is expected to continue its growth.

(2) Unfavorable factors and corresponding countermeasures

The Company's sensors are primarily used to detect user scenarios and usage conditions, influencing the end-user experience of devices such as smartphones and wearables. Brand manufacturers often adopt a strategy of frequently launching new models to capture consumer attention and stimulate purchase intent. As a result, product generations evolve rapidly, and product life cycles tend to be relatively short. The growth of the real economy has been influenced by inflationary factors, which have subsequently affected terminal demand for consumer electronic products. Consequently, consumers are becoming more conservative in their willingness to upgrade devices, resulting in an extended replacement cycle. Various smartphone brands are actively competing in the high-end flagship market to mitigate the slowdown in demand for mid-range and low-end smartphones caused by economic weakness.

The Company has established a collaborative model for product co-development and design with leading mobile phone manufacturers. We are actively planning

the research and development of next-generation products and launching customized solutions that integrate multiple sensing technologies. Our goal is to leverage our exceptional research and development capabilities and responsiveness to lead the industry in introducing high-performance products at competitive costs, thereby reducing operational risks associated with the rapid turnover of product generations. The Company has maintained a customer-oriented service strategy for many years. In addition to fulfilling customer requirements regarding product quality, delivery time, and yield rates, we consistently enhance our research and development capabilities and optimize circuit design to deliver the highest and most stable product quality to our customers. We have successfully entered flagship and high-end application markets and are continuously expanding our market share.

(II) Significant applications and production processes of key products

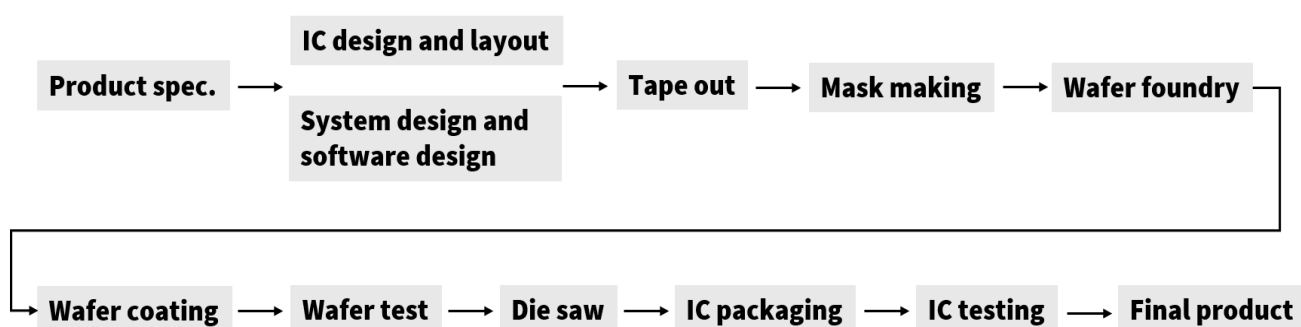
1. Significant applications of key products

Category	Product Name	Primary Applications or Functions
Optical sensor	Ambient light sensor	Applied in consumer electronic products such as smartphones, tablets, and televisions, ambient light sensors are used to adjust display brightness to enhance viewing comfort and improve energy efficiency.
	Color sensor	Applied in smartphones or related electronic devices to simultaneously detect ambient light intensity and color temperature, enabling automatic adjustment of screen or camera brightness and color performance for a more realistic user experience aligned with the actual environment.
	Flicker detection sensor	Applied to the front and rear cameras of smartphones to detect the flicker frequency of ambient light sources or screens of other electronic devices, eliminating flicker artifacts (banding) in photos.
	Proximity sensor	Applied in consumer electronics such as smartphones and tablets for proximity sensing, enabling screen shutdown to prevent accidental touch input.
	Long-range proximity sensor	Applied in consumer electronics such as VR devices, drones, and robots for long-range object proximity sensing.
	Skin detection sensor	Designed to detect whether the proximate object is human skin, enabling automatic activation or deactivation of wearable device functions (e.g., music playback or heart rate measurement), thereby achieving power-saving benefits.
MEMS sensor	Accelerometer sensor (GS)	Applied in consumer electronics such as smartphones, tablets, and wearable devices to enable functions such as screen rotation, motion detection, and step counting.
	Pressure sensor	Applied in smartphones and wearable devices for functions such as altitude measurement, stair

Category	Product Name	Primary Applications or Functions
		climbing activity tracking, slope rate detection, weather forecasting, water depth measurement, and altitude control during flight.
Capacitive sensing sensor	Specific absorption rate sensor	Applied in smartphones to detect human proximity to the antenna, enabling the device to adjust transmission power and control the radiation pattern to steer the beam away from the user's body.
	Capacitive touch sensor	Applied in in-ear detection designs of TWS (True Wireless Stereo) earphones and other wearable electronic devices to automatically activate or deactivate the device when the ear approaches or moves away, achieving power-saving efficiency.

2. Production processes of key products

The Company is responsible for the development of specifications, IC design, and system design. The processes of mask making, wafer foundry, wafer coating, wafer test, die saw, IC packaging, and final testing are outsourced to specialized manufacturers.



Note: Wafer coating is a proprietary process for optical sensing products.

(III) Supply status of major raw materials

The primary raw material for the Company is wafers, with Company A serving as our main supplier. This preference is attributed to their consistent product quality, high capacity for supply-demand alignment, and timely delivery. Additionally, we have fostered a long-standing partnership with them, and there are currently no concerns regarding potential shortages in raw material supply. The Company has also enhanced collaboration with other specialized wafer foundries to actively diversify our sources of supply.

- (IV) Customers whose purchases (or sales) accounted for more than 10% of total purchases (or sales) in either of the most recent two fiscal years, including the amount and percentage, and explanation of any changes

1. The information of major suppliers in the most recent two fiscal years

Unit: NT\$ thousand

Item	2023				2024			
	Name	Amount	Percentage of net purchases for the year (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases for the year (%)	Relationship with the issuer
1	Company A	859,701	61.96	None	Company A	998,869	56.19	None
2	Company B	149,617	10.78	None	Company C	230,950	12.99	None
3	Company C	Remark		None	Company B	Remark		None
	Other	378,190	27.26		Other	547,802	30.82	
	Net purchases	1,387,508	100.00		Net purchases	1,777,621	100.00	

Note: The amounts did not exceed 10% of the net purchases; therefore, disclosure is not required.

Explanation of fluctuations:

The Company is an IC design firm that primarily utilizes wafers as its main raw material, in addition to light-emitting components for optical sensors and printed circuit boards. Due to changes in the sales items and adjustments in the materials used for the products, fluctuations have occurred in the purchase amounts from the primary suppliers.

2. The information of major customers in the most recent two fiscal years

Unit: NT\$ thousand

Item	2023				2024			
	Name	Amount	Percentage of net purchases for the year (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases for the year (%)	Relationship with the issuer
1	Sitronix Technology Corp.	1,733,011	38.15	Parent company	Sitronix Technology Corp.	2,264,188	45.83	Parent company
2	Client A	562,397	12.38	None	Client C	499,130	10.10	None
3	Client B	503,481	11.08	None	Client B	Remark		None
4	Client C	Remark		None	Client A	Remark		None
	Other	1,743,928	38.39		Other	2,177,365	44.07	
	Net sales	4,542,817	100.00		Net sales	4,940,683	100.00	

Note: The amounts did not exceed 10% of the net sales; therefore, disclosure is not required.

Explanation of fluctuations:

Changes in the product sales mix have resulted in fluctuations in sales amounts for major customers.

III Employees

Year		2023	2024	As of March 31, 2025,
Number of employees	Supervisory personnel	42	37	34
	Professional personnel	119	127	131
	Assistant personnel	30	29	30
	Technical personnel	10	10	10
Total		201	203	205
Average age		37.04	37.89	38.05
Average years of service		4.52	5.02	4.97
Educational background distribution	Doctorate (Ph.D.)	3%	4%	4%
	Master's Degree	56%	56%	55%
	Associate/ Bachelor's Degree	37%	37%	38%
	High School and Below	4%	3%	3%

IV Environmental Protection Expenditures

Losses incurred due to environmental pollution in the most recent fiscal year and up to the date of annual report publication, including estimated amounts and response measures for current and potential future events. If reasonable estimation is not possible, an explanation should be provided: None.

V Labor Relations

- (I) The Company's employee welfare measures, including continuing education, training, and retirement systems, along with their implementation status, as well as the agreements between labor and management and the measures for the protection of employee rights

The Company is an IC design firm operating within a highly knowledge-intensive industry. Our operational development is primarily driven by the design capabilities and experience of our research and development personnel. A high-quality and experienced R&D team represents the Company's greatest asset. To effectively attract and retain exceptional talent, the Company provides competitive compensation and comprehensive benefits. Additionally, we facilitate employee participation in both internal and external educational training programs to ensure comprehensive professional development.

1. Employee welfare initiatives

The Company provides a diverse array of benefits to employees, fostering their physical and mental well-being while enabling them to achieve a balance between work and family life.

- (1) In addition to humane management and the provision of a comfortable working environment, we offer a flexible leave system and vacation calculations that surpass the standards established by the Labor Standards Act.
- (2) To promote employee health, we offer complimentary annual health check-ups for our employees. Designated physicians and nurses provide on-site services four times a month, with each session lasting two hours. In addition to routine health care and guidance, we also focus on maternal health protection and the management of work-related stress. Employees facing any physical or mental health challenges are encouraged to schedule consultation services.
- (3) Incorporating social welfare initiatives, we have engaged visually impaired massage therapists to offer massage services to our employees, providing employees with opportunities for stress relief.
- (4) Comprehensive group insurance coverage is provided not only for employees themselves but also for their spouses, parents, and children, ensuring both medical quality and financial security for employees and their families.
- (5) We prioritize employee health by organizing various sports competitions, including ball games and health walks regularly. Rewards are offered to encourage participation in sports and to promote the concept of personal health.
- (6) Organize employee gatherings, annual meetings, and provide subsidies for company clubs on a regular basis to strengthen camaraderie among employees and enhance the organizational atmosphere.
- (7) We periodically organize Family Days and Parent-Child Work Days to help employees achieve a balance between their family life and work commitments.
- (8) In compliance with regulations, an Employee Welfare Committee has been established to allocate welfare funds on a monthly basis. The Committee is responsible for planning and providing employees with a diverse range of benefits, including annual travel subsidies, holiday bonuses, birthday gifts, subsidies for weddings and funerals, holiday bonuses, and electronic discount coupons.
- (9) Provide weekly on-site banking services for employees.

2. Employee continuing education and training programs

The Company has established an "Education and Training Management Procedure" to encourage employees to participate in educational training courses and technical seminars. Each year, a budget is allocated to implement both internal and external training programs aimed at enhancing employees' career skills. Through experience

sharing and knowledge transfer, the Company seeks to achieve mutual improvement and refinement. The supervisor will evaluate individual work skills and organize training tailored to personal differences in order to improve work quality and meet the standards set by the department and the Company. In addition to the comprehensive implementation of various training programs, we highly value the feedback provided by employees during their training period. Moreover, the individual educational training outcomes of employees will be taken into account as a reference for future promotions and transfers. All internal and external educational training is managed through the "Learning Development System" and the digital learning platform (e-Learning), which track and record employees' learning progress. Additionally, training course materials are retained to facilitate the transmission and sharing of knowledge and experience.

To improve the effectiveness of talent cultivation, the Company has developed a talent development framework that delineates various courses tailored to different job levels and categories.

(1) Development and training for senior executives

Regularly coordinate with the Company to ensure that the development of senior management aligns with organizational and business development objectives. These objectives include implementing a coaching mechanism for senior executives, enhancing professional competencies, and establishing personal development plans. In relation to the development planning for key management personnel, emphasis is placed on the organizational and talent capabilities necessary to achieve the Company's future development goals. It is emphasized that senior managers should not only possess exceptional skills in corporate strategy formulation and operational capabilities but also demonstrate a strong commitment to and practice of the core values of commitment, proactivity, innovation, and passion. Regular discussions are held regarding the performance, development direction, and plans of company executives to ensure that the cultivation of senior management aligns with the organization's and business's strategic objectives.

(2) Leadership development for supervisors

Courses are designed to meet the development needs of organizations, facilitating thoughtful discussions among supervisors. Each year, the Human Resources department develops and offers thematic courses aligned with management competency training objectives. Utilizing diverse facilitation methods and discussions of best practices, the goal is to enhance supervisors' critical thinking skills and their ability to address a range of issues.

(3) Development of professional competence

Professional training by function will enhance the transfer of expertise across departments. It will offer individual development plans and work assignments, while encouraging employees to engage in self-directed learning to expedite the advancement of their professional capabilities. For non-supervisory employees, courses on personal effectiveness and various learning resources will be made available to improve work efficiency, including training in presentation and communication skills. Furthermore, training related to professional technical skills will be provided, covering both foundational and advanced technical training.

To sustain the Company's technological advantage in the semiconductor industry, we will modify the learning and development programs for all levels of management and employees to align with the demands of both internal and external environments. For instance, create a dedicated technical course section on the online learning platform, such as an online learning resource section, to allow all employees to continuously acquire new knowledge at any time.

(4) Newcomers competency development

The exclusive learning blueprint, coupled with mentorship to facilitate the development of newcomers' skills, ensures that each newcomer receives a personalized learning plan. Through various learning methods, including orientation camps and mentor assignments, they are guided to quickly grasp the company's core values, systems, and product information. Notably, the core values course includes a one-day experience camp where the General Manager personally shares management philosophies and future prospects with newcomers, fostering a shared understanding.

3. Retirement system and implementation status

The Company has implemented an employee retirement plan in compliance with the Labor Pension Act, classified as a defined contribution plan. The Company contributes 6% of each employee's salary to the retirement fund on a monthly basis, which is deposited into individual accounts established by the Bureau of Labor Insurance for labor pension purposes. Additionally, support will be provided for voluntary contributions based on employee preferences. Employees may voluntarily contribute up to six percent of their monthly salary to their retirement fund. The portion of the contribution made voluntarily by the employee may be fully deducted from their total annual income for that year.

4. Status of agreements between labor and management

The Company conducts labor-management meetings quarterly to address pertinent issues. The relationship between labor and management is harmonious, and to date, no labor disputes have arisen.

5. Measures for protecting employee rights and interests

The Company values the individual opinions of employees and maintains an open leadership style that transcends hierarchical levels. We are dedicated to fostering a

seamless two-way communication environment. Regular communication meetings are conducted, including training for new employees, labor-management meetings (where all employee opinions can be expressed through labor representatives), and biannual performance reviews, ensuring that communication channels, from lower levels to upper management, remain unobstructed. Dedicated emails are provided for employees to express their opinions, allowing them to submit inquiries, suggestions, and complaints. Through two-way communication, these inputs serve as a basis for enhancing and improving management practices. All cases are handled confidentially and tracked by designated personnel to monitor progress and outcomes, ensuring effective and harmonious communication between employees and the Company.

- (II) Losses incurred due to labor disputes in the most recent fiscal year and up to the date of annual report publication, including estimated amounts and response measures for current and potential future events. If reasonable estimation is not possible, an explanation should be provided: None.

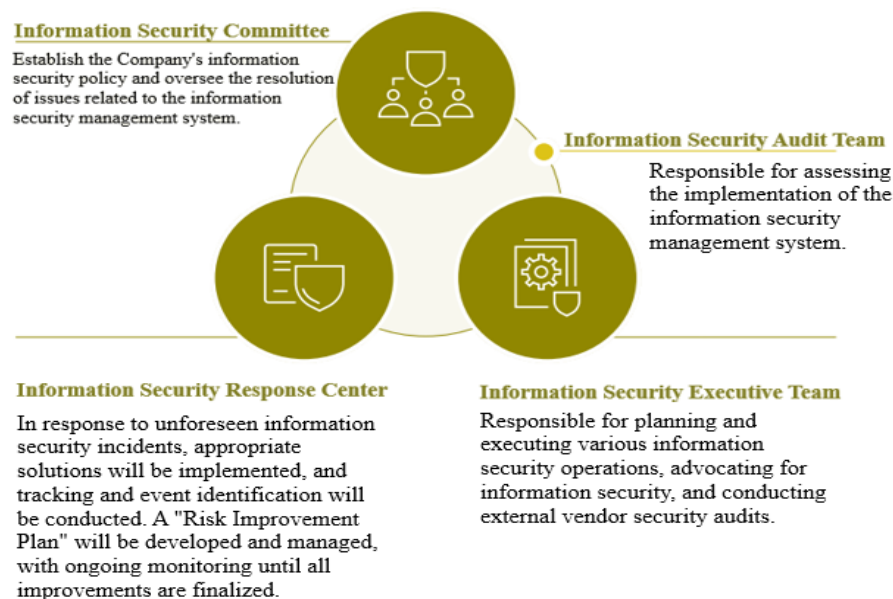
VI Information Security Management

- (I) Information security risk management framework, policies, specific management measures, and resources invested in information security management

1. Information security risk management framework

The Information Security Committee, chaired by the General Manager, comprises the Information Security Response Center, the Information Security Executive Team, and the Information Security Audit Team. An annual meeting is convened to review issues pertaining to the Company's information security management and to evaluate the implementation of the information security policy. Furthermore, a report is submitted to the Board of Directors annually (October 29, 2024 this year).

Organizational structure and responsibilities



2. Information security policy and specific management plan

The Company's information security policy is designed to ensure the confidentiality, integrity, and availability of its information assets in compliance with relevant regulatory requirements. The policy aims to prevent the improper use, leakage, alteration, and destruction of the company's information systems and data, thereby establishing effective information security protection and management mechanisms. To enhance information security and ensure stable operations within the Company, as well as to provide reliable information services, the following specific management measures are proposed:

Information Security Management and Control Items	Countermeasures
Information Security Policy and Training Program	The Information Security Committee submitted the information security policy for approval by the General Manager following their discussion. Enhance employees' awareness of information security through education and training, e-Learning modules, and information security announcements.
Information Classification and Protection	In compliance with data security management regulations, a mechanism for access control has been established to protect sensitive information, including personal data and customer privacy. Control USB write access, self-auditing of external emails, and consolidation of file and directory access, along with the implementation of an audit mechanism in accordance with management regulations.
System and Application Access Control	Utilize two-factor authentication to enhance access Control. In accordance with the access control management regulations, system permissions will be granted upon approval. Audit of critical Information system login history.
Protection of Information Records	In compliance with data security management regulations, consolidate and retain essential information records. Offsite backup: For critical services, backups are stored at the Taipei office to minimize recovery time.
Network Security Management	Establish a firewall to separate internal and external networks, implement controls for connections and data flow in critical information areas, and conduct regular reviews of firewall rules.
Prevention of Malicious Code and Protection Against Computer Viruses	Implement a comprehensive malware protection mechanism that extends from the gateway to the endpoint. Enhance employees' awareness of information through security information security announcements.
Information security incident management	Establish processing procedures in accordance with the information security incident management procedures. Analyze information security incidents within the industry to mitigate the likelihood and impact of such events.
Supply Chain Information Security Management	In accordance with the supplier management regulations, ensure the security of supplier relationship management and facilitate its normal operation through a procedural security control mechanism.

3. Investment in information security management resources

Information Security Report	An ISO 27001 management review meeting is conducted annually, and the outcomes of the meeting are reported to the Board of Directors.
Information Security Certification	Obtained ISO/IEC 27001:2022 Information Security Management System Certification in February 2024
Training	All newcomers receive 100% information security training. All employees receive one information security training.
Information Security Promotion	Monthly information security awareness messages are published, totaling twelve times a year, to strengthen employees' information security awareness.
Off-site Backup	Add a new offsite backup location.
Disaster Recovery Drill	Conduct a disaster recovery drill annually.
Penetration Drill	Conducted one external website penetration test and implemented vulnerability remediation.
Social Engineering Drill	A total of two social engineering drills were performed in 2024 with a employee click rate of 1.79%.
Information Security Audit	Conducted two regular information security audits, including internal and external audits.
Asset and Risk Assessment	A assessment of information assets and risk assessment is conducted annually.
Quarterly updates for the computer.	Computer update rate reached 99%.
Expansion of Two-Factor Authentication Application	Add two-factor verification for critical services.

- (II) Losses, potential impacts, and response measures resulting from major information security incidents in the most recent fiscal year and up to the date of publication of the annual report.
If a reasonable estimate cannot be made, the reason for such inability should be disclosed:
None.

VII Important Contract

Nature of the Contract	The Involved Party	Contract Start and End Dates	Main Content	Restrictive Clauses
Housing Lease Agreement	Chi Cheng Development Company Limited.	2024/2/1 ~ 2029/1/31	Regulations governing the scope of lease usage	None
Technical Support Services Contract	Sitronix Technology Corporation	2018/1/1 ~	Provide technical services to clients in the China region.	None

Chapter 5 Review of Financial Status, Financial Performance, and Risk Management

I Review of Financial Status

Unit: NT\$ thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	4,179,580	4,541,165	(361,585)	(7.96)
Property, Plant and Equipment	550,806	546,723	4,083	0.75
Intangible Assets	44,974	60,047	(15,073)	(25.10)
Other Assets	942,228	913,960	28,268	3.09
Total Assets	5,717,588	6,061,895	(344,307)	(5.68)
Current Liabilities	1,226,092	1,441,003	(214,911)	(14.91)
Non-Current Liabilities	91,735	136,534	(44,799)	(32.81)
Total Liabilities	1,317,827	1,577,537	(259,710)	(16.46)
Share Capital	489,126	489,126	-	-
Capital surplus	2,202,370	2,202,370	-	-
Retained Earnings	1,678,198	1,745,184	(66,986)	(3.84)
Other Rights	30,067	47,678	(17,611)	(36.94)
Total Equity	4,399,761	4,484,358	(84,597)	(1.89)
<p>The following explains changes in the increase or decrease ratio of 20% or more, as well as changes amounting to NT\$10 million or more, along with the primary reasons and their impacts:</p> <ol style="list-style-type: none"> 1. Decrease in intangible assets: This decline is primarily attributed to the amortization of intangible assets. 2. Decrease in non-current liabilities: This is primarily attributed to a reduction in deposited guarantees. 3. Decrease in other equity: This is primarily attributed to a reduction in the fair value of financial instruments measured at fair value through other comprehensive income. 				

II Review of Financial Performance

Unit: NT\$ thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Operating Revenues	4,940,683	4,542,817	397,866	8.76
Operating Costs	3,767,572	3,228,451	539,121	16.70
Gross Profit	1,173,111	1,314,366	(141,255)	(10.75)
Operating Expenses	665,772	656,513	9,259	1.41
Operating Income	507,378	657,874	(150,496)	(22.88)
Non-Operating Income and Expenses	118,328	122,813	(4,485)	(3.65)
Income before income tax	625,706	780,687	(154,981)	(19.85)
Income Tax Expense	85,229	105,171	(19,942)	(18.96)
Net income	540,477	675,516	(135,039)	(19.99)
Other Comprehensive Income (Net of income tax)	(13,666)	72,886	(86,552)	(118.75)
Total Comprehensive Income	526,811	748,402	(221,591)	(29.61)
<p>1. The following explains changes in the increase or decrease ratio of 20% or more, as well as changes amounting to NT\$10 million or more, along with the primary reasons and their impacts:</p> <p>(1) Decrease in operating profit: This is primarily attributed to a decrease in gross operating profit.</p> <p>(2) Decrease in other comprehensive income for the period: This is primarily attributed to an increase in unrealized valuation losses on equity instrument investments measured at fair value through other comprehensive income.</p> <p>(3) Decrease in total comprehensive income for the period: This is primarily attributed to a decrease in gross profit, which led to a decrease in operating income and net income for the period, as well as an increase in other comprehensive losses.</p> <p>2. Expected sales volume, its underlying basis, potential impacts on the Company's future financial operations, and corresponding response plans:</p> <p>The Company establishes its operational objectives based on industry conditions, considering research and development alongside business expansion plans. Future sales volumes are expected to be influenced by industry trends. The Company is actively involved in developing new products, with the aim of aligning its financial status with business growth and profitability, thereby maintaining a stable and favorable position.</p>				

III Review of Cash Flow

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

Unit: NT\$ thousand

Beginning Cash Balance	Net Cash Flow from Operating Activities for the Year	Net Cash Flow from Investing and Financing Activities for the Year	Cash Balance Amount	Remedial Measures for Cash Deficit	
				Investment Plan	Financial Planning
1,340,902	536,939	(1,129,338)	748,503	-	-
Explanation of changes in cash flows for the most recent fiscal year:					
1. Operating activities: The net cash inflow from operating activities was primarily attributable to pre-tax profit recorded for 2024.					
2. Investment and financing activities: This is primarily attributable to capital expenditures for the acquisition of production molds and intangible assets, the purchase of financial assets measured at amortized cost, and the distribution of cash dividends.					

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

(III) Cash flow liquidity analysis for the coming year

Unit: NT\$ thousand

Beginning Cash Balance	Expected Net Cash Flow from Operating Activities for the Year	Expected Net Cash Flow from Investing Activities for the Year	Expected Net Cash Flow from Financing Activities for the Year	Expected Cash Balance Amount	Expected Remedial Measures for Cash Deficit	
					Investment Plan	Financial Planning
748,503	415,993	36,825	(444,970)	756,351	-	-
Analysis explanation:						
1. Cash flow liquidity analysis for the coming year:						
Operating activities: The net cash inflow from operating activities was primarily attributable to expected operating profits.						
Investment activities: The net cash inflow from investing activities was primarily attributable to expected capital expenditures and the redemption of matured financial instruments.						
Financing activities: The net cash outflow from financing activities is primarily expected to result from the planned distribution of cash dividends.						
2. Remedial measures for expected cash shortfall and improvement plan for insufficient liquidity: Not applicable.						

IV Impact of Major Capital Expenditures on the Company's Finance and Business in the Most Recent Fiscal Year

- (I) Funding sources and utilization of major capital expenditures:

Unit: NT\$ thousand

Item	Source of Funds	2024
Property, Plant and Equipment	Self-funded	78,711
Intangible Assets	Self-funded	24,178
Total		102,889

- (II) Expected benefits:

The acquisition of property, plant and equipment primarily relates to the production molds and tools for products. Additionally, the inclusion of intangible assets is essential for the research and development of products, which can improve the efficiency of R&D design.

V Recent Equity Investment Policies, Main Reasons for Profit or Loss, Improvement Plans, and Investment Plans for the Coming Year: None.

VI Risk Analysis and Assessment

- (I) The impact of interest rates, exchange rate fluctuations, and inflation on the Company's profit and loss, and future countermeasures

1. Interest rate fluctuations

(1) Impact on profit and loss

In 2024, the Company recorded interest income of NT\$49,260 thousand, representing 1.00% of net operating revenue. In 2024, interest expenses amounted to NT\$8,210 thousand, accounting for 0.17% of net operating revenue. As of the end of the 2024 financial reporting period, the Company held bank deposits with floating interest rates. A 0.1% increase or decrease in interest rates would have resulted in an increase or decrease of NT\$248 thousand in pre-tax profit for 2024.

(2) Future countermeasures

As the Company expands its operational scale and enhances its profitability, it possesses sufficient operating capital and relies minimally on borrowing from financial institutions. The utilization of idle funds is carried out in accordance with the principles of maintaining liquidity and safety. The Company will continue to monitor trends in interest rate fluctuations to mitigate the impact of these changes on its profits and losses.

2. Foreign exchange rate fluctuations

(1) Impact on profit and loss

The Company conducts its purchase and sales transactions in U.S. dollars. As a result, fluctuations in the U.S. dollar exchange rate represent a key risk to the Company's operating activities. To mitigate the potential adverse effects of

exchange rate volatility, the Company primarily uses foreign currency revenues generated from sales to settle foreign currency payables arising from purchases, and adheres to a prudent and conservative approach in its foreign exchange risk management.

In 2024, the Company recorded a net foreign exchange gain of NT\$24,212 thousand, representing 0.49% of net operating revenue. The gain was primarily attributable to fluctuations in the U.S. dollar exchange rate. The proportion of net foreign exchange gain to net operating revenue was relatively minor. As of the end of the 2024 financial reporting period, the Company conducted a sensitivity analysis of foreign exchange rate risk related to its U.S. dollar exposure. A 5% depreciation/appreciation of the New Taiwan dollar against the U.S. dollar would have resulted in an increase/decrease of NT\$2,927 thousand in pre-tax profit for 2024.

(2) Future countermeasures

The Company consistently gathers exchange rate information to monitor trends in exchange rates. It actively manages the net positions of foreign currency assets and liabilities, converting these positions to New Taiwan Dollars or engaging in foreign exchange hedging transactions as necessary to mitigate potential foreign exchange risks.

3. Inflation

The pricing of the Company's products is dynamically adjusted in response to fluctuations in the market prices of raw materials. Consequently, inflation does not significantly impact the Company's operations. The Company consistently monitors fluctuations in market prices and maintains strong relationships with suppliers and customers. It swiftly respond to changes in the prices of upstream raw materials and adjust our sales prices accordingly to mitigate the risks to the Company's profit and loss resulting from cost variations due to inflation.

- (II) Policies concerning high-risk, high-leverage investments, lending funds to third parties, providing endorsements and guarantees, and trading in derivative products, along with the primary factors contributing to profits or losses and future response strategies.

The Board of Directors of the Company has established the following procedures as the compliance framework: "Procedures for Lending Funds to Others," "Procedures for Endorsement and Guarantee," "Procedures for Engaging in Derivative Transactions," and "Procedures for Acquiring or Disposing of Assets."

The financial policy of the Company is grounded in principles of conservatism and stability. The primary objective of engaging in derivative transactions is to hedge accounts receivable and payable that arise from the company's business operations. The derivative financial products employed for trading are primarily capital-preserving instruments, designed to safeguard the Company's operational profits. In the most recent annual report and as of the

publication date, there have been no activities involving high-risk, high-leverage investments, lending of funds to third parties, or providing endorsements and guarantees.

(III) Future research and development plans and projected investments in research and development

1. Future research and development plans

(1) Optical sensor

A. Next-generation skin sensor

B. B. Next-generation ambient light RGB and proximity sensor for full-screen and narrow-bezel

C. Ambient light RGB and proximity sensor for new COE OLED under-display

(2) MEMS sensor

A. Inertial sensor integrating gyroscope and accelerometer for consumer electronics

B. New monolithic accelerometer sensor

2. Projected investment in research and development

The Company's research and development expenditures are allocated based on the progress of new product and technology development projects. The Company continues to invest in R&D resources to meet market and customer demands and to ensure the maintenance of its competitive advantage. In 2024 and 2023, the Company's research and development expenses amounted to NT\$468,837 thousand and NT\$463,925 thousand, respectively, representing 9.49% and 10.21% of net operating revenue for the respective years. The Company plans to allocate approximately 10.51% of its revenue to research and development personnel and expenditures in 2025.

(IV) Impact of significant domestic and international policy and regulatory changes on the Company's financial and business operations, and countermeasures

As of the publication date of this annual report, the Company has not experienced any significant impacts on its financial operations due to changes in key domestic or international policies and laws. Furthermore, the Company conducts its operations in compliance with applicable domestic and international legal regulations, while continuously monitoring trends in policy developments and regulatory changes both domestically and internationally. The Company periodically assigns relevant personnel to participate in external training courses and consults with professional experts or organizations as necessary to fully understand and respond to changes in the market environment. Thus, material impact in domestic and overseas policies and laws are not expected to have a material impact on the company's financial and business operations.

(V) Impact of technological changes (including information security risks) and industry developments on the company's financial and business operations, and countermeasures

The semiconductor and mobile phone industries are experiencing rapid changes, with technology evolving at an unprecedented pace. The transformations within these industries and advancements in technology will significantly impact all stakeholders in the sector. If the company fails to adapt its strategies or introduce competitive products in response to technological changes or industry shifts, it may adversely affect its financial performance. The Company consistently monitors industry and technological changes, assesses their potential impacts, and proposes effective response strategies accordingly. We also develop products that align with market demands to ensure the timely launch of competitive offerings, thereby maintaining and enhancing the company's competitive strategy.

In compliance with risk management requirements, the Company implements comprehensive control measures for information security. These measures include policies, organizational structures, processes, as well as software and hardware tools to fulfill management requirements. Also, through effective planning, operation, regulation, and continuous improvement measures, the Company ensures the reduction of improper threats to minimize management risks.

To ensure the confidentiality, integrity, and availability of the Company's information have been implemented to prevent the improper use, leakage, alteration, and destruction of the Company's information systems and data. The Company has established information security protection measures related to networks and computers, and through continuous inspections and assessments, it ensures the appropriateness and effectiveness of its information security management procedures. However, as information security threats evolve rapidly, the Company cannot guarantee that it will not face new risks and attacks. Cyberattacks may potentially compromise a company's trade secrets and other confidential information, including data pertaining to customers and other stakeholders, as well as employees' personal information.

Due to business requirements, a company may inadvertently acquire and install equipment that contains malicious software, potentially resulting in a security breach. To prevent and mitigate the damage caused by such attacks, the Company is committed to continuously improving and implementing information security protection and management mechanisms. This includes establishing antivirus measures to prevent machines containing malicious software from entering the organization, enhancing the management and monitoring of network firewalls to inhibit the spread of computer viruses within the Company, regularly conducting training to strengthen employees' awareness of information security, introducing new information technologies to bolster data protection, and engaging external experts to assess and validate our information security protocols. While the Company is committed to

enhancing information security measures, we cannot guarantee immunity against malware and hacker attacks.

If advanced computer monitoring systems or third-party service providers are unable to promptly address malicious attacks or ensure the integrity and availability of data, it may severely undermine the company's commitments to customers and other stakeholders. This could adversely affect the company's performance, prospects, and reputation, potentially leading to significant negative consequences.

(VI) Impact of changes in corporate image on crisis management and countermeasures

As of the publication date of this annual report, the Company has not encountered any incidents impacting its crisis management due to changes in corporate image. Since its inception, the Company has concentrated on its core business operations, adhered to relevant laws and regulations, and committed to upholding its corporate image. There have been no operational crises arising from changes in corporate image. The Company is committed to maintaining a strong corporate image, consistently enhancing product technology and quality to meet customer demands, actively strengthening internal management, and improving management quality and performance. These efforts aim to reduce the occurrence of business risks and their impact on the Company.

(VII) Expected benefits, potential Risks, and mitigation strategies of mergers and acquisitions

The Company has not engaged in any merger or acquisition activities during the recent fiscal year and up to the date of the publication of the annual report.

(VIII) Expected benefits, potential risks, and countermeasures related to plant expansion

The Company is an IC design firm operating in the upstream segment of the semiconductor industry. Both wafer manufacturing and packaging testing are outsourced, and the Company does not own any production facilities or significant machinery. The expansion of the Company's facilities is a response to operational growth, designed to meet both current and short-term projected demand for office space for research and development, sales, management, and production management personnel. The Company possesses sufficient operating capital and does not encounter any risks related to operational capital turnover that may arise from the facility expansion.

(IX) Risk associated with centralized purchase and sales, and countermeasure

1. Purchase

The Company is a professional IC design firm. Upon completion of the IC design, we entrust the manufacturing of the raw material—wafers—to specialized wafer fabrication manufacturers. Subsequently, the wafers are transferred to professional packaging and testing firms for packaging and testing. Due to the characteristics of the industry, IC design companies must collaborate closely with wafer fab companies

regarding capacity, processes, quality, and delivery timelines. The Company has selected globally renowned and exceptional wafer fab companies as our primary suppliers of raw material wafers and has established long-term cooperative relationships with them. This approach ensures that the capacity they provide meets the Company's flexible demands while also enhancing wafer quality and the stability of delivery timelines. Consequently, our procurement strategy is highly focused. However, if wafer foundry partners experience insufficient production capacity, the Company may face risks of supply shortages or delivery delays. To mitigate such risks, the Company has distributed its wafer production across different fabs of existing foundry partners and has also added other professional wafer foundries as alternative sources of supply.

2. Sales

The Company's products are primarily utilized in smartphones, with mobile phone brand manufacturers as the primary sales targets. Sales are predominantly conducted through agents. While the sales targets are somewhat concentrated among a limited number of agents, the end customers are distributed across various mobile phone brands; thus, there is currently no risk of sales concentration. The Company will actively expand into new application markets and target end customers for our products, thereby mitigating the risks associated with a concentrated reliance on a single customer.

- (X) Impact, risks, and countermeasures associated with the significant transfer or alteration of shares by directors, supervisors, or major shareholders holding more than ten percent of the company's shares

As of the most recent annual report and the date of publication, there have been no significant transfers or changes in the shareholdings of directors or major shareholders holding more than ten percent of the shares.

- (XI) Impact, risks, and countermeasures related to changes in corporate control

As of the most recent fiscal year and up to the date of this annual report, there have been no changes in the Company's corporate control.

(XII) In the event of litigation or non-litigation matters, the company and its directors, president, de facto responsible persons, major shareholders holding more than 10% of the shares, and subsidiaries have not been involved in any material litigation, non-litigation, or administrative disputes—either concluded or pending—where the outcome may have a significant impact on shareholders' equity or the market price of the company's securities. The facts of such disputes, the amount involved, the date of commencement, the main parties, and the status as of the date of this annual report should be disclosed if applicable: None.

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

VII Other Important Matters: None.

Chapter 6 Special Disclosures

I Information on Affiliated Companies:

Please refer to the Market Observation Post System > Single Company > Electronic Document Download > Affiliated Enterprises Report Section.

website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10.

II Private Placement of Securities in the Most Recent Fiscal Year and up to the Date of the Annual Report's Publication: None.

III Other Necessary Supplements: None.

IV Matters Affecting Shareholders' Equity or Securities Prices With Significant Impact, as Defined in Article 36, Paragraph 3, Item 2 of the Securities and Exchange Act, in the Most Recent Fiscal Year and up to the Date of the Annual Report's Publication: None.

Sensortek Technology Corporation

Chairman Sheng-Su Lee



11F., No. 6, Taiyuan 2nd St. Zhubei City
Hsinchu County, 302, Taiwan
Tel: 03-5601000
Fax: 03-5601234

www.sensortek.com.tw