

Stock Code: 5371

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2025

Annual Report

Published May 1, 2026

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5. Name of overseas exchange where securities are listed, and method of inquiry: None

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One. Letter to the Shareholders

Dear Shareholders,

I. Introduction

For the fiscal year of 2025, Coretronic reported consolidated sales revenue of NT\$39,577 million, reflecting a 0.23% YoY decrease. The consolidated operating loss totaled NT\$131 million, while pre-tax income reached NT\$473 million. Net income was NT\$358 million, with NT\$372 million attributable to the equity holders of the parent company. EPS for 2025 stood at NT\$0.95.

II. Business Report for 2025

(I) The sales volume of each major product of the Company in FY 2025 is as follows:

Product	2024	2025	Diff.
Energy Saving Products (unit/pc)	29,902,651	30,826,392	+3.09%
Visual Solutions Products (unit)	862,417	623,610	-27.69%

(II) Budget Execution: The Company was not required to publish financial forecasts for FY2025.

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

Item \ Fiscal Year		2024	2025
Financial structure	Liabilities to assets ratio (%)	53.58	55.22
	Long-term capital to property, plant and equipment ratio (%)	286.44	227.82
Solvency	Current ratio (%)	147.68	122.10
	Liquidity ratio (%)	114.83	95.96
	Interest coverage ratio	3.11	1.84
Profitability	Return on assets (%)	2.05	1.42
	Return on equity (%)	3.43	1.52
	Net income before tax to paid-up capital ratio (%)	22.47	12.10
	Net margin (%)	1.66	0.91
	Earnings per share (dollar) / average weighted number of outstanding shares	2.10	0.95

(IV) Research and Development Status

1. Energy Saving Products :

Reflecting on 2025, we've continued to advance our core technologies in light guide

plates, display technology, and system integration technology to enhance product competency. In our hot embossing process, we further refined and optimized both the process and microstructure design to enhance thinner PC/PMMA LGP performance in high-end laptop application. Anticipating the energy-saving requirements of Energy Star 9.0 for monitor displays & high efficiency automotive display, we have also successfully developed mass production capabilities for displays up to 30.9 inches, achieving 15% to 25% higher efficiency than existing products.

In the HDR local dimming mini-LED development, alongside our specially developed in optical diffusion plate/film & LED design have significantly built excellent competitiveness in optical performance, picture quality, and thickness. The development of high-contrast front-light module for reflective-LCD and electronic paper has also entered the mass-production stage and is expected to make a meaningful contribution to energy-saving and carbon-reduction efforts in line with ESG trends.

Furthermore, leveraging our core technologies in light guide plate, backlight modules, and special LCD cell and film processing, several switchable privacy modules for laptops have been successfully mass-produced. In addition, to address the privacy needs of next-generation OLED displays, we are currently testing working samples and discussing requirements with potential customers. By extending these related concepts to automotive and industrial applications, such as the development of one-way and two-way privacy protection technologies for automotive center information displays (CID) and passenger displays. These solutions allow drivers to dynamically switch the viewing angle in various scenarios, thereby reducing light interference that could compromise driving safety. The second-generation product has already entered mass production. In response to the improvement of vehicle anti-peeping performance, several new generation designs and proposals have been promoted with multiple customers (ex. Partial privacy...). In semi-system integration, it smoothly won orders from global customers with the integrated technology covering open cell, LGP, touch module, and assembly and production integration business model. Based on these advantages, the Company also integrated the open cell in privacy display technology to in-house splitting and polarizer to form an integrated process from front-end to LCM.

2. Visual Solutions Products :

In the field of Visual Solutions products, adopting a complete product portfolio of blue laser, dual color laser (MCLA™), and three-color pure laser (RGB laser) as a solid-state light source technology development strategy, along with a high-efficiency cooling system, continues to maintain the No. 1 position in the DLP projection market. In 2025, the Company officially launched a diversified portfolio of laser-based projection products with brightness levels ranging from 3,500 to 5,000 lumens, encompassing blue laser, dual color laser, and three-color pure laser technologies. These products deliver enhanced color gamut performance and superior color accuracy, effectively addressing the demand for premium image quality in high-end home cinema and professional imaging markets. In addition, they support advanced imaging standards such as Dolby Vision, IMAX Enhanced, and

HDR10+, further expanding the Company's strategic footprint in high-end imaging applications.

In response to the rapid advancement of AI technologies and evolving market trends, the Company has proactively and strategically expanded into the AI-enabled smart projection segment through deep integration of artificial intelligence across its imaging products, with mass production commencing in the second half of 2025. The resulting intelligent and user-centric innovations—including intuitive voice control, AI-driven image geometry correction, personalized projection mapping, and simplified smart multi-screen stitching for commercial applications—significantly streamline multi-display deployment and enhance flexibility and operational efficiency in commercial use cases. Additionally, algorithms developed through AI are used to simulate the optimal fan control mode, aiming for quiet, small, lightweight, low-noise, and energy-saving standards to achieve optimal system cooling management, enhance system light-to-heat conversion efficiency, improve design precision, shorten projector development time, and extend projector lifespan and product stability.

Under the global environment sustainability and company energy-saving carbon reduction policies, ESG thinking is integrated into the organizational and product levels, deeply rooted in the core objectives of imaging products, and further implemented at the supply chain, manufacturing, and green projector whole-machine inspection planning levels. Moreover, by using recycled materials in cartons, adopting PCR in appearance casings, continuously optimizing the energy consumption design of projectors, and effectively improving the carbon emission efficiency of factory assembly through modular design, three product models have currently obtained ISO 14067:2018 certification for the complete life cycle (raw material acquisition, manufacturing, distribution and sales, consumer use, waste disposal) of product carbon footprints. Through these execution projects and practical audits, the company's commitment to ESG initiatives is demonstrated, and corporate social responsibility is fulfilled through concrete actions.

III. Summary of Business Plan in 2026

- (I) Looking forward to 2026, the Company's operations will be directed towards the following management principles and policy.
 - 1. Continue with the transformation of business profit model and product competitiveness, and promote lean and smart manufacturing to enhance efficiency, improve product quality, and create profit.
 - 2. Build a sustainable supply chain, cultivating localization while expanding globally to strengthen market competitiveness, and enhance global market share.
 - 3. Cultivating core technologies and key components to provide innovative display systems and total solutions through integration and application of optical/ mechanical/ electrical/ thermal/ software/ material solutions and system design.
 - 4. Focus on high value-added products and multiple visual solutions, cultivate and develop intelligent service platforms for AI, big data, cloud technology, and intelligent interaction to expand growth momentum as well as lead future growth trends.

- (II) Furnish a sales volume forecast and the basis thereof.

Based on supply and demand conditions, business strategy, and the Company's production capacity and market share, sales volumes for both Energy Saving products and Visual Solutions products under the Display Business Group are projected to grow by approximately 10% in 2026 compared to the previous year.

IV. Future Development Strategies

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

- (I) Intensely develop optical core technology to extend the cross-sector application of optical components, system products and semi-system products to increase product add value and price competitiveness and secure global competitiveness in the display and visual technology fields.
- (II) In BLM technology, the existing lithography technology will be deeply integrated with ultra-secret processing technology, and we will continue to develop various new edge-type LGP, special optical control films/ element, and develop slim, small, lightweight, energy-efficient, HDR, and high-value added displays with privacy protection. In terms of high contrast front light module technology, in response to the needs of different products, several size models have been developed and have entered the trial production stage.
- (III) In response to the changes in market business models and customer demands, product development has turned from BLMs to semi-system and integrated system products designed and manufactured in combination with tablets/notebooks/ automotive HUDs and displays, and TV outer parts. This move aims to provide the best possible design, production, and global after-sales services for Brand Name/SI, and panel customers through a highly flexible business model.
- (IV) Mainstream products will focus on three strategic directions: (1) Focus on Technology: Deeply rooted in the strategy of developing Laser light source technology as the core, becoming the best solution product that aligns with ESG principles, and actively promoting the transformation of traditional light bulbs; (2) Pursuit of Excellence: Utilize the assistance of AI/intelligent applications to strengthen the close connection between intelligent applications and fields, and adopt a bottom-up design approach, pursuing cost optimization through modularization and simplification; (3) Integration and Expansion: Enhance the connection with the industrial ecosystem through strategic alliances with strategic suppliers and the integration of Taiwanese brand clients, expanding the application of niche markets and achieving a more intelligent, convenient, and product-advantaged experience.
- (V) For Pro-AV segment, continuously building and ensuring dual growth momentum for projectors : (1) Extend and secure the core advantages of 1-DLP technology by advancing HEP (High Brightness Extension) and fully deploying 4K/2K platforms. To explore the opportunities to expand applications in CEDIA and Simulation, broadening the scope continuously. (2) Build up the 3-DLP capability to drive the

co-development and EMS/OEM manufacturing to achieve mass production and business in 2026.

- (VI) Extending projection technology and applications, keep looking for the opportunities in automotive projection application, and planning for the next growth momentum : (1) Expand the projection applications for both interior and exterior automotive, ensuring the first product is mass-produced by 2026 and exploring opportunities to other OEM automakers. (2) Keep monitoring the opportunities in rear seat entertainment and AR HUD applications, building related product technologies. Collaborate with Tier 1 customers on both POC and mass production projects, to ensure successful implementation and securing new growth drivers for future operations
- (VII) We will mass-produce new projection products for logistics and provide customized pico-projection module design and manufacturing services for the continuously growing smart terminal product market. We will also continue to improve our R&D and manufacturing capabilities for AR optical engines to meet the POC and mass production needs of international brands.
- (VIII) Plan and implement group resources allocation and ensure the information security with Digital optimization technology to enhance overall organizational performance; define information processes and system resource utilization required for business operations and quickly provide integrated information management platforms; design, plan, and implement cloud computing architecture, digital platforms and AI environments and applications to promote the new business development within the group.
- (IX) In response to the group's operations and growth, raise low-cost funding to support organizational development and develop strength for long-term development.

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

(I) Influences of External Competitions :

According to market research data, the estimated global shipment of large-sized LCD panels in 2025 is approximately 705 million units. The company's overall shipment of Energy Saving products in 2025 reached 30.8 million units, accounting for around 4.37% of the global market share. Looking ahead to 2026, benefiting from the FIFA World Cup to be held in North America (the United States, Canada, and Mexico), a strong replacement demand is expected to be unleashed. Global TV shipments are expected to return to the 200 million units mark, with annual growth projected to 2%. Meanwhile, as the large installed base of devices purchased during the pandemic period from 2020 to 2021 will formally enter a five-year replacement cycle. This rigid replacement demand will become the primary driver supporting the market. Notebook shipments are expected to grow moderately to 188 million units, representing a year-on-year growth of 2.7%. In response to supply chain fragmentation and tariff barriers resulting from geopolitical factors, the Energy Saving Business Group, in addition to continuously strengthening manufacturing resilience in Vietnam, is also simultaneously focusing on niche markets with high technological entry barriers. Strategically, the Group will further diversify its EMS/ODM service offerings. In addition to traditional backlight modules, it will actively undertake system assembly projects for emerging technologies such as

OLED and Mini-LED. Technology development efforts will focus on automotive displays and green eye-care technologies, particularly active privacy protection technologies for automotive displays (primary and secondary driver information displays) in response to increasingly stringent regulations in Europe and the United States, as well as high-performance front-light modules applied to e-paper and reflective displays, to meet the needs of outdoor signage and the education market.

In response to the urgency of global supply chain decoupling, the Company's second Vietnam plant has entered a mature mass production stage and possesses comprehensive capabilities from front-end processes to back-end system assembly, precisely meeting the urgent needs of European and U.S. customers in addressing tariff risks. Combining the TV replacement cycle driven by the FIFA World Cup, the ramp up of new business in OLED notebook module assembly, and the high growth potential of automotive privacy protection products, Energy Saving Products segment is expected to demonstrate a growth pattern characterized by increased volume and improved quality in 2026, with revenue and profitability structures further optimized through a higher proportion of system integration business. In 2025, the world continued to face high geopolitical and economic instability, leading to a persistently sluggish global economy. Both businesses and consumers curtailed spending, while falling prices of large-size LCDs eroded part of the projector market. According to market research estimates, global projector shipments were approximately 4.31 million units, representing a decline of around 10%. The Company's total shipments in 2025 reached 620,000 units, capturing an estimated 14.5% of the global market share.

Looking ahead to 2026, due to instability in the international geopolitical and economic situation in 2026, including war, inflation, U.S. tariffs, exchange rate fluctuations, and conservative expectations for regional GDP growth, will slow down economic growth momentum, making the demand in the first half of 2026 highly uncertain. Overall, market research data estimate that in 2026, driven by consumer stimulus from the FIFA World Cup, sales of home projectors are expected to increase slightly. Commercial and education projectors are expected to decline marginally due to partial substitution by large-size LCDs, while the engineering projector market is expected to gradually stabilize as the global economy experiences a modest recovery. As a leading manufacturer of DLP projectors, the Company has maintained a long-standing strategic alliance with US-based Texas Instruments (TI) and holds a leading position in technologies related to solid-state light sources, 4K/8K high-resolution, ultra-high brightness, and portable mini projectors. The Visual Solutions Products segment will continue to focus on market demand and problem-solving as its guiding principle, leveraging and integrating core technologies across Optics, Mechanics, Electronics, Thermal Management, Cloud Service, and materials. Efforts will focus on the development of higher-end engineering projectors and D-Cinema projectors, as well as on intelligent logistics, large-screen video wall splicing, interactive touch, digital signage, large public space displays, and fully integrated smart imaging solutions. At the same time, to meet the needs and habits of users, AI-driven intelligent display technologies will be integrated to strengthen the close connection between smart applications and various usage scenarios, continuously delivering a

more impressive imaging experience. The overall operations will aim for high profitability, high value, and steady growth.

(II) Regulatory Environment :

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

(III) Macro Environment :

In its latest *World Economic Outlook* report, the IMF projects global economic growth of 3.1% in 2026 and warns that energy shocks triggered by conflicts in the Middle East are increasing uncertainty facing the global economy. Meanwhile, global inflation is projected at 4.1% in 2025, 4.4% in 2026, and 3.7% in 2027. In this latest revision, the IMF indicates that the conflict in the Middle East has clearly disrupted the underlying momentum of economic growth. The extent of the damage caused by this shock will ultimately depend on the duration and scale of the conflict, as well as the speed at which energy production and transportation return to normal after hostilities subside.

With "Brighten the Future" as the visual & goal of the Company for sustainable development, based on glorious performance, we light up the society and green the environment, so as to wish everyone a sustainable and bright future. Through continuous and proactive engagement in long-term sustainability projects, we have not only been ranked among the top 5% of listed companies in the Corporate Governance Evaluation by TWSE for 11 consecutive years but have also received numerous prestigious awards. These include the CommonWealth Magazine Corporate Social Responsibility Award for 14 consecutive years, selection for the CommonWealth Talent Sustainability Award, the Taiwan Corporate Sustainability Awards for 9 consecutive years, and the "National Enterprise Environmental Protection Award" Silver Award for 8 consecutive years, and has also been recognized with multiple awards, including the "2025 National Talent Development Award." On the international sustainability stage, the Company has been recognized for multiple achievements: selected three times as one of Clarivate's Top 100 Global Innovators™, included for the first time in the S&P 2025 Global Sustainability Yearbook, awarded the GCSA Global Corporate Sustainability Award for two consecutive years, and won both Gold and Silver Awards at the APSAA Asia-Pacific Sustainability Action Awards. In addition, it achieved an A rating from MSCI ESG and successfully passed the Science Based Targets initiative (SBTi) carbon reduction target verification. Looking ahead, we will continue to support global sustainability initiatives, collaborate with stakeholders to achieve the United Nations Sustainable Development Goals (SDGs), create a positive impact, and strive towards becoming a benchmark enterprise in sustainability.

Looking ahead to 2026, the management team at Coretronic will continue to drive transformation and innovation, deeply cultivating key components and cutting-edge technologies, while fostering a unified consensus among all employees to implement our medium- to long-term development strategies. Leveraging professional governance and exceptional execution capabilities, we remain committed to our mission of "Developing Technology-oriented and Sustainable Business Operations" and actively expanding our global presence. Through continuous innovation and operational optimization, we aim to enhance our

competitiveness and overall value, while diligently working to maximize the benefits for both shareholders and employees. We sincerely invite our shareholders to continue offering guidance and encouragement, building on years of support and trust, and to share your insights generously.

I wish you all the best.

Sincerely yours,

Chairman: Wade Chang

Two. Corporate Governance Report

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

(I) Directors

1. Directors' profile

April 14, 2026

Title	Nationality or place of registration	Name	Gender Age	Date elected /appointed	Service term	Date first elected	Shareholding when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies (Note 1)	Spouse or relatives of second degree or closer acting as directors, supervisors, or department heads			Remarks (Note 9)
							No. of shares	Shareholding percentage No. of shares	Shareholding percentage	No. of shares Shareholding percentage	No. of shares	Shareholding percentage No. of shares	Shareholding percentage	No. of shares Shareholding percentage			Title	Name	Relationship	
Chairman	R.O.C.	Wade Chang	Male 71~80	2025.06.18	3 years	1998.06.12	9,345,953	2.39%	9,576,953	2.45%	0	0.00%	0	0.00%	Master of NTU-Fudan EMBA , National Taiwan University; Chairman, Coretronic Corporation	None	None	None	None	None
Director	R.O.C.	Hsun Chieh Investment Ltd.	N/A	2025.06.18	3 years	2001.06.18	15,495,551	3.96%	9,375,551	2.40%	0	0.00%	0	0.00%	N/A	Note 2	None	None	None	None
		Representative: Hsin-Chieh Hsu	Male 51~60			2025.06.18	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master in Business Administration, Tunghai University Senior Vice President, Hsunchieh Investment Co., Ltd.	Note 3	None	None	None	None
Director	R.O.C.	Hannstar Display Corporation (Note 10)	N/A	2025.06.18	3 years	2022.06.10	4,920,000	1.26%	4,920,000	1.26%	0	0.00%	0	0.00%	N/A	Note 4	None	None	None	None
		Representative: Yu-Chi Chiao	Male 61~70				0	0.00%	0	0.00%	0	0.00%	0	0.00%	Doctor of Business Administration, City University of Hong Kong Doctor of Business Administration, Fudan University, Chairman, HannStar Display Corp.	Note 5	None	None	None	None
Director	R.O.C.	Han-Ping D. Shieh	Male 71~80	2025.06.18	3 years	2022.06.10	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D. in Electrical and Computer Engineering, Carnegie Mellon Univ. Life Chair Professor, National Yang Ming Chiao Tung Univ. (NYCU)	Note 6	None	None	None	None

Title	Nationality or place of registration	Name	Gender Age	Date elected /appointed	Service term	Date first elected	Shareholding when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies (Note 1)	Spouse or relatives of second degree or closer acting as directors, supervisors, or department heads			Remarks (Note 9)
							No. of shares	Shareholding percentage No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares			Title	Name	Relationship	
Independent Director	R.O.C.	Hsing-Yi Chow	Male 61~70	2025.06.18	3 years	2019.06.13	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D. in Business,Indiana University-Bloomington, US Emeritus Professor, Department of Finance, National Chengchi University	Note 7	None	None	None	None
Independent Director	R.O.C.	Audrey Tseng	Female 61~70	2025.06.18	3 years	2022.06.10	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Business Administration, Executive MBA of National Taiwan University and Fudan University Advisory member, Bio Taiwan Committee	Note 8	None	None	None	None
Independent Director	R.O.C.	Hung-Pin Ku	Male 51~60	2025.06.18	3 years	2022.06.10	0	0.00%	0	0.00%	0	0.00%	0	0.00%	BS in Law, National Taipei University Lawer, KU, HUNG PIN Law Firm	None	None	None	None	None

Note 1: Office(s) concurrently held in the Company and other companies as of December 31, 2025.

Note 2: Institutional directors of Harvatek Corporation, UMC Corporation, PixArt Imaging Inc., Unimicron Technology Corp., and EmBestor Technology Inc.

Note 3: Legal Person Director and Representative of EmBestor Technology Inc., legal Person Supervisor and Representative of Wavetek Microelectronics Corporation, person-in-charge of Zhengyao Capital Corporation and Zhengyi Management Consulting Corporation.

Note 4 : Institutional directors of Yuema No. 1 Investment Corp., Kai-Hong Energy Co., Ltd., Hanns Touch Holdings Company, Bradford, Brightpro Resources Limited, HannSpirit (BVI) Holding, Hannspree International Holdings., Institutional supervisor of Theaceae Conservation Corp.

Note 5: Chairman of Hannstar Corp.; Chairman of Yuema No. 1 Investment Corp., Representative of institutional director of Hanns Touch Holdings Company, Bradford, HannSpirit (BVI) Holding, Brightpro Resources Limited, Hannspree International Holdings ,and Walton Advanced Engineering, Inc., Director of Walsin Lihwa Corporation, Supervisor of Huo-Ju Investment Co., Ltd.

Note 6: Director of Silicon Motion,Inc., legal Person Director and Representative of FocalTech Systems Co.,Ltd.,and Independent Director of Dynapack International Technology Corp.and Key Ware Electronics Co.,Ltd..

Note 7: Independent director of Lien Hwa Industrial Holdings, director of ESG World Citizens & Digital Governance Foundation.,Taipei City Vision and World Cultural Education Foundation,Koo Foundation Sun Yat-Sen Cancer Center and Andrew T. Huang Medical Education Promotion Fund, Chairman of Taiwan Institute of Directors and Financial Literacy & Education Association.

Note 8: Director of BRIM Biotechnology, Inc., St.Shine Optical Co.,Ltd., Rock BioMedical,Inc., Onward Therapeutics SA, independent director of ASUSTeK Computer Inc., Delta Electronics, Inc., Bionime Corporation, and supervisor of Taiwan Bio-Manufacturing Corporation.

Note 9: In the event that the company's chairperson and president (CEO) or role of equivalent duties (highest-level officer) are the same person, spouses of each other, or relatives within the first degree of kinship, state the reasons, fairness, necessity, and counteractions: None.

Note 10: The original institutional director, Hanns Prosper Investment Corporation, was eliminated after being merged with Hannstar Display Corporation, and the surviving company, Hannstar Display Corporation, take over institutional director's duty. The effective date of the merger is October 1,2025.

2. Major shareholders of corporate shareholders

Name of corporate shareholder	Major shareholders of corporate shareholders (shareholding percentage)
Hsun Chieh Investment Co., Ltd. (Shareholding record date December 31, 2025)	United Microelectronics Corporation (36.49%) Hsie Yung Investment Co., Ltd. (63.51%)
Hannstar Display Corp. (Shareholding record date December 31, 2025)	Chin-Xin Investment Co., Ltd. (10.84%) Walsin Lihwa Corporation (10.48%) Winbond Electronics Corp. (5.24%) Yu-Chi Chiao (2.59%) Hanns Touch Holdings Company (1.97%) Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds under the custody of Standard Chartered Bank Business Department (0.90%) Vanguard Group's Vanguard Emerging Markets Stock Index Fund Investment Account under the custody of Standard Chartered Bank Business Department (0.90%) iShares MSCI Emerging Markets ETF investment account under the custody of Deutsche Bank Taipei Branch (0.89%) Investment account of Total International Stock Market Index Trust II of Vanguard under the custody of Standard Chartered Bank Business Department (0.52%) Emerging Markets Core Equity 2 Portfolio of DFA Investment Dimensions Group Inc. (0.49%)

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

Major shareholders of corporate shareholders	Major shareholders of corporate shareholders (shareholding percentage)
United Microelectronics Corporation (Shareholding record date March 31, 2025)	Capital TIP Customized Taiwan Select High Dividend Exchange Traded Fund (6.17%) Hsun Chieh Investment Co., Ltd. (3.52%) JPMorgan Chase Bank, N.A. acting in its capacity as depositary and representative to the holders of ADRs (3.45%) Taipei Fubon Commercial Bank, in custody of Fuhua Taiwan Technology Dividend Plus ETF Securities Investment Trust Fund (2.92%) Taishin International Bank, in custody of Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF Securities Investment Trust Fund (2.91%) Yuanta/P-shares Taiwan Dividend Plus ETF (2.42%) Silicon Integrated Systems Corp. (2.12%) Taiwan Life Insurance Co, Ltd. (1.74%) Yann Yuan Investment Co., Ltd. (1.54%) New Labor Pension Fund (1.42%)
Hsie Yung Investment Co., Ltd. (Shareholding record date December 31, 2025) (Note)	Unimicron Corporation (16.67%) Novatek Microelectronics Corp. (15.15%) Faraday Technology Corporation (12.12%) King Yuan Electronics Co., Ltd. (7.58%) Yan Yuan Investment Co., Ltd. (28.86%)
Chin-Xin Investment Co., Ltd. (Shareholding record date December 31, 2025)	Winbond Electronics Corp. (37.69%) Walsin Lihwa Corporation (36.99%) Hannstar Display Corporation (4.43%) Yu-Cheng Chiao (3.14%)

Major shareholders of corporate shareholders	Major shareholders of corporate shareholders (shareholding percentage)
	Yu-Lon Chiao (3.14%) Yu-Heng Chiao (3.14%) Yu-Chi Chiao (3.14%) Walsin Technology Corporation (1.86%) HannStar Board Corp. (1.34%) Prosperity Dielectrics Co., Ltd. (0.72%)
Walsin Lihwa Corporation (Shareholding record date March 18, 2025)	Chin-Xin Investment Co., Ltd. (6.15%) Winbond Electronics Corporation (6.14%) TECO Electric and Machinery Co., Ltd. (5.22%) Rong Jiang Co., Ltd. (4.95%) Investment account of LGT Bank (Singapore) under the custody of Business Department of Standard Chartered Bank (4.54%) Huali Investment Corp. (2.65%) Patricia Chiao (1.74%) Investment account of Norges Bank under the custody of Citibank Taiwan Ltd. (1.67%) Yu-Heng Chiao (1.62%) Chunghwa Post Co., Ltd. (1.49%)
Winbond Electronics Corp. (Shareholding record date March 16, 2025)	Walsin Lihwa Corporation (22.11%) Chin-Xin Investment Co., Ltd (6.31%) LGT Bank (Singapore) Ltd. Investment Fund held by the Standard Chartered Bank (Taiwan), Main Branch (1.72%) Yu-Cheng Chiao (1.53%) New Labor Pension Fund (1.44%) Cathay Life Insurance Co., Ltd. (1.37%) JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (1.00%) Pai-Yung Hong (0.97%) JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Emerging Markets Stock Index Fund Account (0.96%) Yu-Heng Chiao (0.58%)
Hanns Touch Holdings Company (Shareholding record date April 7, 2025)	Hannstar Display Corporation (26.76%) Hua Li Investment Corporation (7.41%) Tengda Investment Corporation (2.24%) Yu-Chi Chiao (1.34%) Wei-Hsin Ma (1.04%) JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (0.91%) Vanguard Emerging Markets Emerging Markets Stock Index Fund Account in the trusteeship of Chase Bank (0.70%) Gao-Lin Huang (0.56%) Ching-Nan Weng (0.49%) JPMorgan Chase Bank Advanced Trust Stock Index II Investment Account in Custody (0.46%)

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

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

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

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

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

- (1) Not an employee of the company or any of its affiliates.
- (2) Not a director, supervisor of the company or any of its affiliates.
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor

children, or held by the person under any other's name, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranking in the top ten in shareholding..

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

5. Diversity and independence of the Board of Directors

(1) Board of Directors diversity:

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

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

Diversity, including gender, age, expertise, and experience, is emphasized for the 12th Board. All seven directors are ROC nationals. One of the seven directors is a new director, including one female independent director, bringing the total female directorship to 14%. Independent directors account for 43% of all directors. Two independent directors have served for less than six years, and one independent director has served for six to nine years. In terms of age, one director is aged 41-50 years, one director is aged 51-60 years, three aged 61-70 years, and two aged 71-80 years.

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

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

Category	Management Objective	Accomplishment
Concurrent positions	Directors concurrently hold managerial positions in the company shall not exceed one third of total directors.	Achieved
Gender	At least one female director.	Achieved
Term	The tenure of independent directors on the Board shall not exceed nine years consecutively.	Achieved
Participation	Each director's attendance rate at board meetings should reach at least 75%.	Achieved

The accomplishments of board diversity in 2025 are tabulated below:

Name	Position	Gender	Age				Independent Director Seniority		Professional knowledge and skills							
			41 ~ 50	51 ~ 60	61 ~ 70	71 ~ 80	less than 6 years	6~9 years	Business Management	Industry knowledge	Risk management	Financial accounting	Financial investment	Law	Corporate governance	
Wade Chang	Chairman	Male				v			v	v	v					
Hsun Chieh Investment Co., Ltd. Representative: Hsin-Chieh Hsu	Director	Male		v					v	v	v	v	v			
Hannstar Display Corporation Representative: Yu-Chi Chiao	Director	Male			v				v	v	v					
Han-Ping D. Shieh	Director	Male				v			v	v						
Hsing-Yi Chow	Independent Director	Male			v			v			v	v	v			v
Audrey Tseng	Independent Director	Female			v		v				v	v				
Hung-Pin Ku	Independent Director	Male	v				v								v	

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

(2) Independence of the Board of Directors:

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

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

April 14, 2026

Title	Nationality	Name	Gender	Date elected/ appointed	Shareholding		Spouse and minor children Shareholding		Shares held in the names of others		Main career (academic) achievements	Concurrent positions in other companies (Note 1)	Spouse or relatives of the second degree or closer acting as managers			Remarks (Note 8)
					No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage			Title	Name	Relationship	
President	R.O.C.	Sarah Lin	Female	2010.12.06	200,311	0.05%	0	0.00%	0	0.00%	Bachelor in International Business of National Chengchi University President, Young Lighting Technology, Inc.	Note 2	None	None	None	None
CFO	R.O.C.	Franck Ho	Male	2015.03.17	377,674	0.10%	5,000	0.00%	0	0.00%	MBA of Baruch College/City University of New York Vice President, Coretronic Corporation	Note 3	None	None	None	None
CTO	R.O.C.	Robert Hsueh	Male	2017.09.01	100,406	0.03%	0	0.00%	0	0.00%	Master in Electronic Engineering of Chung Yuan Christian University Vice President, Coretronic Corporation	Note 4	None	None	None	None
Executive Vice President	R.O.C.	Sara Lin	Female	2020.01.01	150,000	0.04%	800	0.00%	0	0.00%	MBA of Johnson & Wales University Associate Vice President, Young Lighting Technology, Inc.	Note 5	None	None	None	None
Vice President	R.O.C.	Ken Wang	Male	2022.05.11	460,000	0.12%	0	0.00%	0	0.00%	Master in Electronic and Computer Engineering of National Taiwan University of Science and Technology Chairman, Nano Precision Taiwan Limited	Note 6	None	None	None	None
Vice President	R.O.C.	Miranda Wang	Female	2023.01.01	151,339	0.04%	0	0.00%	0	0.00%	Bachelor in Business Administration Department of National Cheng Kung University Vice President, Optoma Corporation	Note 7	None	None	None	None
Vice President	R.O.C.	Willy Tsai	Male	2023.05.01	120,000	0.03%	0	0.00%	0	0.00%	Bachelor in Power Mechanical Engineering Department of National Tsing Hua University Associate Vice President, Coretronic Corporation	None	None	None	None	None
Associate Vice President	R.O.C.	Bob Wang	Male	2026.01.01	0	0.00%	0	0.00%	0	0.00%	Ph.D. in Optics and Photonics of National Central University, Director, Delta Electronics, Inc.	None	None	None	None	None

Note 1: Office(s) concurrently held in the Company and in other companies as of December 31, 2025.

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

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

Note 4: Concurrently serving as the chairman to Coretronic Reality Incorporation, the director to Coretronic MEMS Corporation, Chung Tsen Investment Corporation, Tsen Ming Investment Corporation, Coretronic Venture Capital Co., Ltd., and Coretronic Intelligent Cloud Service, and Young Green Energy Co., Ltd.

Note 5: Concurrently served as the director and president of Coretronic (Shanghai) Co., Ltd.

Note 6: Concurrently serving as the director of Young Optics Inc.

Note 7: Concurrently serving as the director of Nano Precision (Suzhou) Co., Ltd. and Young Optics Inc., the president of Nano Precision (Suzhou) Co., Ltd.

Note 8: In situations where the Company's President or Chairman of the highest equivalent grade is the same person as or a spouse or first-degree relative of the Chairman, please explain the reasons, rationality and necessity of such an arrangement and any response measures taken; furthermore, disclose whether more than half of directors are involved in concurrent duty as employees or managers: None.

II. Remuneration to directors, supervisors, president and vice presidents in the most recent year (2025)

(1) Remuneration to non-independent and independent directors

Unit: NTD thousands/thousand shares

Title		Name	Remuneration to Directors								Sum of A, B, C, and D as a percentage of income after tax		Remuneration received by directors as employee								Sum of A, B, C, D, E, F and G as a percentage of income after tax		Remuneration received from investors other than subsidiaries or the parent	
			Compensation (A)		Pension (B)		Director remuneration (C)		Fees for services rendered (D)				Salaries, bonuses, special allowances etc (E)		Pension (F)		Employee compensation(G)(Note 1)							
			The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company		All Consolidated Entities		The Company	All Consolidated Entities		
																		Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
Director	Chairman and Manager	Wade Chang	0	0	0	0	0	0	0	0	0.00%	0.00%	13,700	16,547	0	0	0	0	0	0	13,700 3.68%	16,547 4.45%	None	
	Director	Hsun Chieh Investment Co., Ltd. (Note 2)	840	840	0	0	0	0	0	0	840 0.23%	840 0.23%	0	0	0	0	0	0	0	0	840 0.23%	840 0.23%	None	
		Representative: Tai-Shung Ho (Note 4)	0	0	0	0	0	0	0	0	0.00%	0.00%	0	0	0	0	0	0	0	0	0 0.00%	0 0.00%	None	
		Representative: Hsin-Chieh Hsu (Note 5)	0	0	0	0	0	0	30	30	30 0.01%	30 0.01%	0	0	0	0	0	0	0	0	30 0.01%	30 0.01%	None	
	Director	Hannstar Display Corporation (Note 2)	840	840	0	0	0	0	0	0	840 0.23%	840 0.23%	0	0	0	0	0	0	0	0	840 0.23%	840 0.23%	None	
		Representative: Yu-Chi Chiao	0	0	0	0	0	0	20	20	20 0.01%	20 0.01%	0	0	0	0	0	0	0	0	20 0.01%	20 0.01%	None	
	Director	Han-Ping D. Shieh	840	840	0	0	0	0	30	30	870 0.23%	870 0.23%	0	0	0	0	0	0	0	0	870 0.23%	870 0.23%	None	
Independent Director	Independent Director	Hsing-Yi Chow	990	990	0	0	0	0	90	90	1,080 0.29%	1,080 0.29%	0	0	0	0	0	0	0	0	1,080 0.29%	1,080 0.29%	None	
		Audrey Tseng	990	990	0	0	0	0	30	30	1,020 0.27%	1,020 0.27%	0	0	0	0	0	0	0	0	1,020 0.27%	1,020 0.27%	None	
		Hung-Pin Ku	990	990	0	0	0	0	30	30	1,020 0.27%	1,020 0.27%	0	0	0	0	0	0	0	0	1,020 0.27%	1,020 0.27%	None	

- Please explain the policy, system, standards and structure by which independent director remuneration is paid, and association between the amount paid and independent directors' responsibilities, risks and time committed:
According to the Company's Articles of Incorporation, independent directors are not entitled to director remuneration and receive only fixed meeting attendance fees. The amount of compensation is determined based on each independent director's attendance rate, level of contribution, and industry standards.
- Other than the content revealed in the table above, remuneration received by directors of the Company for their services in the most recent year (such as serving as an external consultant to the parent company, to any company listed in the financial statements, or to a reinvested company): None.

Note 1: Allocation of employee remuneration was approved during the board of directors meeting held in February 2026, this amount has yet to be paid as of the publication date of the annual report. Hence, the figure shown in the above chart represents the proposed amount.

Note 2: The director's remuneration is paid only to corporate directors. Hanns Prosper Investment Corporation, was eliminated after being merged with Hannstar Display Corporation, and the surviving company, Hannstar Display Corporation, take over institutional director's duty.

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

Note 4: Resigned after the re-election in the shareholders' meeting on June 18, 2025.

Note 5: Elected as a director in the shareholders' meeting on June 18, 2025.

(II) Remuneration to presidents and vice presidents

Unit: NTD thousands/thousand shares

Title	Name	Salary (A)		Pension (B)(Note 1)		Bonuses and allowances (C)		Employee remuneration (D) (Note 2)				Sum of A, B, C, and D as a percentage of income after tax (%)		Remuneration received from parent company or invested businesses other than subsidiaries
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
President	Sarah Lin (Note 3)	37,356	40,042	864	864	7,838	7,838	12,000	0	12,000	0	58,058 15.61%	60,744 16.33%	None
CFO	Franck Ho													
CTO	Robert Hsueh													
CSO	Wilson Hsu													
Executive Vice President	Sara Lin													
Vice President	Ken Wang													
Vice President	Miranda Wang													
Vice President	Mark Yang													
Vice President	Willy Tsai													

Remuneration range for the Company's Presidents and Vice Presidents.	Names of the President and Vice Presidents	
	The Company	All consolidated entities
Below NT\$ 1,000,000	-	-
NT\$ 1,000,000 (inclusive) ~ NT\$ 2,000,000 (non-inclusive)	-	-
NT\$ 2,000,000 (inclusive) ~ NT\$ 3,500,000 (non-inclusive)	-	-
NT\$ 3,500,000 (inclusive) ~ NT\$ 5,000,000 (non-inclusive)	Ken Wang, Miranda Wang, Mark Yang, Willy Tsai	Ken Wang, Miranda Wang, Mark Yang, Willy Tsai
NT\$ 5,000,000 (inclusive) ~ NT\$ 10,000,000 (non-inclusive)	Franck Ho, Robert Hsueh, Wilson Hsu, Sara Lin	Franck Ho, Robert Hsueh, Wilson Hsu, Sara Lin
NT\$ 10,000,000 (inclusive) ~ NT\$ 15,000,000 (non-inclusive)	-	-
NT\$ 15,000,000 (inclusive) ~ NT\$ 30,000,000 (non-inclusive)	Sarah Lin	Sarah Lin
NT\$ 30,000,000 (inclusive) ~ NT\$ 50,000,000 (non-inclusive)	-	-
NT\$ 50,000,000 (inclusive) ~ NT\$ 100,000,000 (non-inclusive)	-	-
NT\$ 100,000,000 and above	-	-
Total	9	9

Note 1: In 2025, the amount of pension contributed by the Company and the amount of pension contributed by all companies in the consolidated companies was NT\$864,000 in total.

Note 2: The Board passed the proposal for the distribution of rewards for employees in February 2026, and no reward has been distributed by the date of the annual report publication. Hence, the figures in the above table are the proposed amount for distribution.

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

(III) Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers
December 31, 2025
Unit: NTD thousands

Title		Name	Amount paid in shares	Amount paid in cash (Note 1)	Total	Ratio of total amount to the net income after taxes (%)
Manager	Chairman and Manager	Wade Chang	0	12,000	12,000	3.23%
	President	Sarah Lin				
	CFO	Franck Ho				
	CTO	Robert Hsueh				
	CSO	Wilson Hsu (Note 2)				
	Executive Vice President	Sara Lin				
	Vice President	Ken Wang				
	Vice President	Miranda Wang				
	Vice President	Mark Yang (Note 3)				
	Vice President	Willy Tsai				

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

Note 2: Dismissal on February 9, 2026.

Note 3: Dismissal on January 1, 2026.

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

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

Item Title	Total Remuneration to Net Income after Tax			
	2024		2025	
	The Company	All consolidated entities	The Company	All consolidated entities
Director	2.30%	2.94%	5.22%	5.99%
President and Vice Presidents	10.07%	10.60%	15.61%	16.33%

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

In accordance with the Company's Articles of Incorporation, directors of the Company do not receive directors' remuneration and are compensated only by fixed salaries and attendance fees. Directors who concurrently serve as managers do not receive additional remuneration in their capacity as directors. Directors' compensation is determined based on their attendance rates, level of contribution, and prevailing industry compensation standards.

The remuneration policy for the Company's managers, including the President

and Vice Presidents, is formulated in accordance with the Company's "Regulations Governing the Remuneration and Performance Evaluation of Directors and Managers," with reference to industry compensation benchmarks, the scope of authority and responsibilities of each positions, and their contributions to the Company's operational objectives. Such remuneration consists of both fixed and variable components. Fixed remuneration includes salaries and allowances, while variable remuneration includes performance-based bonuses and employee profit-sharing. Variable bonuses are closely linked to performance evaluation targets, which encompass both financial indicators (such as achievement rates of company revenue and pre-tax net profit) and sustainability indicators. Sustainability indicators include governance objectives (such as corporate governance evaluations, product research and development and patent deployment, and sustainable supply chain management), environmental objectives (such as green product design and development and the utilization rate of low-carbon materials), and social objectives (such as social inclusion initiatives, talent development achievements, and diversified communication channels). The remuneration system is reviewed and evaluated annually by the Remuneration Committee and the Board of Directors, and is adjusted in a timely manner in response to actual operating conditions and relevant laws and regulations, with the aim of achieving a balance between sustainable business development and risk management. The actual amount of remunerations for directors and officers in 2025 was reviewed by the Remuneration Committee and reported to the Board for deliberation.

III. Corporate Governance

- (I) Board performance: A total of six (A) board meetings were held in 2025, and the attendance of directors is as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) [B/A]	Remarks
Chairman	Wade Chang	6	0	100%	The Company held a total of 6 meetings in 2025, and all three independent directors attended each meeting.
Director	Hsun Chieh Investment Co., Ltd. Representative: Tai-Shung Ho	3	0	100%	
	Hsun Chieh Investment Co., Ltd. Representative: Hsin-Chieh Hsu	3	0	100%	
Director	Hannstar Display Corporation Representative: Yu-Chi Chiao	5	1	83%	
Director	Han-Ping D. Shieh	6	0	100%	
Independent Director	Hsing-Yi Chow	6	0	100%	
Independent Director	Audrey Tseng	6	0	100%	
Independent Director	Hung-Pin Ku	6	0	100%	

Attendance of independent directors at each Board meeting in 2025: ◎Attendance in person; ☆Attendance by proxy; △Absence.

Fiscal Year 2025	1st	2nd	3rd	4th	5th	6th
Hsing-Yi Chow	◎	◎	◎	◎	◎	◎
Audrey Tseng	◎	◎	◎	◎	◎	◎
Hung-Pin Ku	◎	◎	◎	◎	◎	◎

Other mandatory disclosures:

- I. When any one of the following conditions occurs in a Board meeting, the date and session of the meeting, the content of the proposal, the opinion of independent directors, and the Company's response to the opinion of independent directors:
 - (I) Matters as stated in Article 14-3 of the Securities and Exchange Act: Not applicable. The Company has established the Audit Committee, and Article 14-5 of the Securities and Exchange Act does apply.
 - (II) In addition to the aforementioned matters, other Board resolutions objected by or with qualified opinions from independent directors with records or a written statement: There was neither objection nor qualified opinion from independent directors in 2025.
- II. If there were any proposals related to avoiding conflicts of interests for Directors, state the name of the Director(s), the content of the proposal, the reasons for avoiding the conflict of interest, and the Director's participation in the voting:
 1. The resolution of the 15th meeting of the 11th Board of Directors lifted the non-competition restrictions on the newly appointed directors and their representatives. However, the corporate director Hsun Chieh Investment Co., Ltd. and its representative Director Tai-Shung Ho, the representative of Hanns Prosper Investment Co., Ltd. Director Yu-Chi Chiao, Director Han-Ping D. Shieh, Independent Director Hsing-Yi Chow, and Independent Director Audrey Tseng were involved in matters concerning their own interests and therefore recused themselves and did not participate in the voting.
 2. During the resolution of the proposal on the compensation Director Hsun Chieh Investment Co., Ltd., Hanns Prosper Investment Co., Ltd., Han-Ping D. Shieh and Independent Director Audrey Tseng in 2025 discussed at the 16th meeting of the 11th Board, Director Hsun Chieh Investment Co., Ltd. and its representative Tai-Shung Ho, Hanns Prosper Investment and its representative Yu-Chi Chiao, Han-Ping D. Shieh and Independent Director Audrey Tseng voided themselves from the voting due to the involvement with his/her own interest.
 3. During the resolution of the proposal on the compensation for independent Directors Hsing-Yi Chow and Hung-Pin Ku in 2025 discussed at the 16th meeting of the 11th Board, Independent Directors Hsing-Yi Chow and Hung-Pin Ku avoided voting due to his involvement with his own interest.
 4. During the resolution of the proposal on the remuneration for officers in 2025

discussed at the 16th meeting of the 11th Board, Director Wade Chang abstained from voting due to his involvement with a personal interest.

5. During the resolution of the proposal regarding employee rewards for 2024 at the 2th meeting of the 12th Board, Director Wade Chang abstained from voting due to his involvement with a personal interest.

III. Board performance evaluation

Assessment cycle	Assessment interval	Scope of assessment:	Assessment method	Details of assessment
One board performance evaluation is implemented each year.	2025/1/1-2025/12/31	The evaluation includes the performance assessment of the Board, individual directors, Audit Committee, Remuneration Committee, and Nomination Committee.	The evaluation items include the internal self-assessment of the Board, director self-assessment, and the internal self-assessment of the Audit Committee, Remuneration Committee, and Nomination Committee.	(I) The items of the Board performance evaluation cover the following five aspects: Participation in the corporate operations; improvement of the Board's decision-making quality; composition and structure of the Board; election and continuing education of directors; and internal control. (II) The items of performance evaluation of individual directors cover the following six aspects: Alignment with the corporate goals and missions; awareness of the directorial duties; participation in corporate operations; management of internal relationship and communication; the expertise and continuing education of directors; and internal control. (III) The self-assessment items of the audit committee cover the following five aspects: Participation in the corporate operations; awareness of the committee's duties, improvement of the committee's decision-making quality; committee composition and member selection; and internal control. (IV) The self-assessment items of the remuneration committee cover the following five aspects: Participation in the corporate operations; awareness of the committee's duties, improvement of the committee's decision-making quality; committee composition and member selection; and internal control. (V) The self-assessment items of the Nominating committee cover the following four aspects: Participation in the corporate operations; awareness of the committee's duties, improvement of

Assessment cycle	Assessment interval	Scope of assessment:	Assessment method	Details of assessment
				the committee's decision-making quality; and committee composition and member selection.

IV. Targets of and performance in Board competence improvement in the year and the most recent year:

1. The Company has an Audit Committee, Remuneration Committee, and Nomination Committee in place to assist the Board of Directors in its duties. The aforementioned functional committees each comprises three independent directors, and may engage outside experts for opinions if necessary.
2. The Company has established a board performance evaluation mechanism, where the board conducts internal self-assessment annually and external performance assessment every three years. The Company has a Corporate Governance Officer responsible for governance-related matters to enhance the effectiveness of the board and provide the necessary support for directors in carrying out their duties. Each year, the Company organizes diverse training courses for board members to enhance the quality of their decision-making.
3. The Company re-elected its board of directors at the regular shareholders' meeting on June 18, 2025. The board consists of seven directors with diverse professional backgrounds, including three independent directors, one of whom is a female director.
4. To strengthen corporate governance and improve the company's risk control, the Board of Directors approved the revision of the Risk Management Policy in October 2025.

(II) Performance of Audit Committee:

1. Annual focus of the Audit Committee:

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

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

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

2. Performance of Audit Committee in 2025

A total of five (A) Audit Committee meetings were held in 2025, and the attendance of independent directors is as follows:

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

Other mandatory disclosures:

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

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

Date	Session	Motion	Audit Committee resolution	Company's response to Audit Committee's opinions
2025.02.17	13rd meeting of the 5th Committee	1. Assess the independence and suitability of CPAs. 2. Ernst & Young Certified Public Accountants and its affiliated entities providing Non-Assurance services. 3. Individual and consolidated financial statements of 2024. 4. Business Report of 2024. 5. Declaration of Internal Control System 2024. 6. Major Topics of the Company's 2024	Passed as proposed without objection from independent directors	Proposed by the board of directors and approved unanimously by all attending directors

Date	Session	Motion	Audit Committee resolution	Company's response to Audit Committee's opinions
		Sustainability Report.		
2025.03.17	14th meeting of the 5th Committee	1. Proposal of earnings distribution for 2024.	Passed as proposed without objection from independent directors	Proposed by the board of directors and approved unanimously by all attending directors
		2. Proposal to release the newly-elected Directors and their representatives from non-competition restrictions.	Independent Directors Hsing-Yi Chow and Audrey Tseng avoided voting due to his involvement with his own interest	Reported to the Board meeting and approved by all directors attending the meeting, except for directors avoided voting for conflicts of interest
2025.04.28	15th meeting of the 5th Committee	1. Consolidated financial statement of 2025Q1.	Passed as proposed without objection from independent directors	Proposed by the board of directors and approved unanimously by all attending directors
2025.07.28	1th meeting of the 6th Committee	1. Consolidated financial statement of 2025Q2. 2. 2024 Sustainability Report. 3. Revise the company's , "Corporate Governance Practice Code". 4. The subsidiary, Optoma Holding Limited, to suspend the IPO submission on London Stock Exchange.		
2025.10.27	2th meeting of the 6th Committee	1. Consolidated financial statement of 2025Q3. 2. Revise the company's " Risk Management Policy". 3. Revise the company's "Internal Control System" and		

Date	Session	Motion	Audit Committee resolution	Company's response to Audit Committee's opinions
		"Internal Audit Implementation Rules". 4. Establishment of the Company's 2026 Audit Plan.		

- (II) In addition to the above matters, any resolutions unapproved by the Audit Committee but passed by more than two thirds of all directors: None. No objection or qualified opinion was expressed by independent directors this year.
- II. Avoidance of involvements in interest-conflicting discussions by independent directors; state the names of concerned independent directors, the discussions, the nature of conflicting interests, and the voting process: None.
- III. Communication between independent directors and internal/external auditors (e.g. discussions concerning the Company's financial and business affairs, the method of communication used, and the outcome):
- Communication policy between independent directors and chief internal auditor

The chief internal auditor communicates with independent directors through conferences and Audit Committee meetings. The chief internal auditor reports to independent directors at least once a quarter regarding progress of internal audits performed, and prepares monthly reports for review by independent directors. Meetings can be convened at any time deemed necessary in the occurrence of major event.

Date	Matters for Communication	Recommendations of the Independent Directors and the Results
2025.2.17	Audit Operations Execution Report for September to December 2024 Statement on the Internal Control System for 2024	The Independent Directors raised no objections to the foregoing matters for communication
2025.3.17	Audit Operations Execution Report for January 2025	
2025.4.28	Audit Operations Execution Report for February 2025	
2025.7.28	Audit Operations Execution Report for March to May 2025	
2025.10.27	Audit Operations Execution Report for June to August 2025	
	Revision of the Internal Control System and the Internal Audit Implementation Rules	
	Audit Plan for 2026	

- Communication policy between independent directors and CPAs

Independent directors communicate with CPAs through conference. The CPAs report to independent directors twice a year on the following matters: financial statement audit, accounting estimates and material issues, changes in Statements of Financial Accounting Standards and securities or tax laws etc., and may contact independent directors at any time deemed necessary.

Date	Matters for Communication	Recommendations of the Independent Directors and the Results
2025.2.17	1. The CPA presented the financial statements for 2024 and discussed the application of certain accounting principles, significant accounting policies, and key audit matters.	The annual financial statements were approved by the Audit Committee and subsequently submitted to the Board of Directors for approval before being publicly announced and filed with the competent authorities
	2. Discussion was conducted regarding newly amended securities regulations, international accounting standards, and annual report disclosure requirements.	
	3. Communication and discussion were held in response to questions raised by the attendees.	
2025.7.28	1. The CPA presented the financial statements for the first half of 2025 and discussed the application of certain accounting principles, significant accounting policies, and newly added disclosure items in the financial reports.	The semi-annual financial statements were approved by the Audit Committee and subsequently submitted to the Board of Directors for approval before being publicly announced and filed with the competent authorities.
	2. Discussion was conducted regarding matters related to the management of sustainability information.	
	3. Communication and discussion were held in response to questions raised by the attendees.	

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

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

Item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies
	Yes	No	Summary description	
(IV) Has the company established internal policies that prevent insiders from trading securities against non-public information?	✓		subject to compliance with laws and procedures for risk management purposes. (IV) The Company has established the “Insider Trading Prevention Policy” to prevent insiders from exploiting information not readily available on the market for inappropriate gains, whether for themselves or others. The Company promotes internal awareness on a yearly basis and discloses information on its website that managers and employees may access at any time. Insiders are constantly reminded of issues concerning material information. For details on the Company's implementation of measures to prevent insider trading in 2025, please refer to the Company's website under "Investor Relations/Corporate Governance/Important Regulations."	
III. Assembly and obligations of the board of directors (I) Has the Board of Directors formulated a diversity policy and specific management objectives, and implemented them?	✓		(I) For the diversity policy of the Board of Directors, specific management objectives, and implementation status, please refer to the annual report for details under “I. Background information of directors, president, vice presidents, associate vice presidents, and heads of departments and branch offices” / “(I) Directors” / “5. Diversity and independence of the Board of Directors.”	Conforms with the Corporate Governance Best-Practice Principles and no deviation is found
(II) Apart from the Remuneration Committee and Audit Committee, has the company assembled other functional committees at its own discretion?	✓		(II) On October 26, 2020, the Company voluntarily established the “Nomination Committee,” which consists of three independent directors. The duties and responsibilities of the Committee are subject to the “Charter of Nomination Committee”. Please refer to (IV) if the Company has established a Remuneration Committee or nomination committee, disclose its composition, responsibility, authority, and operations/II. Information on members of the Nomination Committee and its operations.	

Item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies
	Yes	No	Summary description	
(III) Has the company established a set of policies and assessment tools for evaluating board performance, and conducted performance evaluation on a yearly basis? Are performance evaluation results reported to the board of directors and used as reference for compensation, remuneration and nomination decisions?	✓		(III) The Board established the Company's "Board Performance Assessment Policy" in April 2018 and amended it in October 2019. The Company conducts annual performance evaluates of the Board, directors, and functional committees, and reports the results to the Nomination Committee and Board. Additionally, an external evaluation of Board performance is implemented by an independent, professional institution at least once every three years. In 2023, Ernst & Young Business Advisory Services Inc. was commissioned to conduct the external board effectiveness assessment. The results were disclosed on the Company's corporate website. The Board conducts a self-assessment annually through questionnaire administered by the meeting organizer. The most recent assessment covered the period from January 1 to December 31, 2025. For more details on performance evaluation of the Board, board members and functional committees, please refer to section 3. Corporate governance/Board performance evaluation. Outcome and implication of 2025 internal Board performance self-assessment: 1.The overall performance rating of the Board of Directors was 4.6 out of 5. This result demonstrate the company's achievements in strengthening the effectiveness of the Board of Directors. 2.Directors' (self) performance assessment outcome: The overall performance of the Directors' was 4.6 out of 5. 3.The performance of the Audit Committee was 4.9 out of 5, which adequately demonstrate the Company's achievements	

Item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies
	Yes	No	Summary description	
(IV) Are external auditors' independence assessed on a regular basis?	✓		in strengthening the effectiveness of the Audit Committee. 4. The performance of the Remuneration Committee received a full score of 5.0 out of 5, which adequately demonstrate the Company's achievements in strengthening the effectiveness of the Remuneration Committee. 5. The performance of the Nomination Committee received a full score of 5.0 out of 5, which adequately demonstrate the company's achievements in strengthening the effectiveness of the Nomination Committee. The Company presented the evaluation results to the Nomination Committee and Board during their meetings on February 9, 2026. The results serve a basis for enhancing the effectiveness of the Board and its functional committees, as well as for determining the compensation, remuneration, and nomination of individual directors. (IV) The Audit Committee conducts an annual evaluation of the independence and competence of the financial statement auditor and presents assessment results to the Board of Directors. The financial statement auditor's independence is assessed using the following criteria: After referring to the Audit Quality Indicators (AQIs) announced by the Financial Supervisory Commission (FSC), the Audit Committee and the Board evaluated CPA's Independence in February 2026 with procedures covering the 13 indicators in five aspects: expertise, quality control, independence, supervision, and innovation capability. The Company also obtained the statement of independence issued by CPAs. Except for certifying the Company's finance and tax matters, CPAs have no conflict of interest or business transaction with	

Item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies
	Yes	No	Summary description	
			the Company. Through education and training, internal quality review, periodic e-news and digital audit promotion, CPAs strengthen their innovation capability and improve audit quality. Hence, both CPAs Ming-Ju Huang and Shao-Pin Kuo comply with the independence and suitability criteria. Additionally, the Company also observes the relevant regulations for CPA rotation.	
IV. Is the Company equipped with qualified and appropriate number of corporate governance personnel, and appoint a corporate governance director responsible for corporate governance related matters (including but not limited to providing the information needed by directors to carry out business, assisting directors and complying with laws and regulations, handling matters related to meetings of the Board of Directors and shareholders' meeting in accordance with the law, and producing minutes of board meetings and shareholders' meetings)?	✓		The Board of Directors appointed the CFO to assume the role of Corporate Governance Officer at a meeting held in April 2019. With more than 10 years of accounting, finance, shareholder service and meeting arrangement experience in a public company, the CFO, supported by with the CFO's Office, oversee matters related to corporate governance. The main duties include organizing Board meetings and shareholders' meetings, provide directors with the information necessary to perform their duties, and gather the latest regulatory changes that are relevant to the Company to assist directors with compliance, duties and ongoing education. The education status of the Corporate Governance Officer in 2025 has been disclosed on the Company's website. The performance in corporate governance in 2025 is as follows: 1. Assist directors in carrying out their duties, provide the required data, and arrange continuing education courses. ● Informed Board members about the latest regulations concerning the Company's operations and corporate governance practices. ● Provided directors with the requested information and maintained communication between directors and senior management.	Conforms with the Corporate Governance Best Practice Principles and no deviation is found

Item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies
	Yes	No	Summary description	
			- Independent directors regularly communicated with the Chief Internal Auditor or financial statement auditor to stay updated the Company's financial and business performance. - Training courses were arranged for directors based on their highest level of education, significant rules and updates to relevant regulations. - Evaluated and took out appropriate director and manager liability insurance. 2. Assisted functional committees, Board of Directors and shareholders with meeting procedures and compliance issues - Prepared meeting agenda and notified directors at least 7 days prior to meetings, providing relevant materials related to the issues discussed. Reminders were sent in advance for motions that involved conflict of interest, and minutes were prepared within 20 days after each meeting. In 2025, 6 Board meetings, 5 Audit Committee meetings, 2 Remuneration Committee meetings, and 1 Nominating Committee were held. - Assisted and reminded directors of the regulations they must comply with when performing duties or forming resolutions Board meetings. - Report to the Board of Directors on the review of the qualifications of independent directors, at the time of nomination, election, and during their term of office, comply with relevant laws and regulations. - Completed processes such as registration of shareholders' meeting date, preparing of meeting notices, conference	

Item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies
	Yes	No	Summary description	
			manual, minutes, annual report, etc., and ensured these were made available to investors within the required timeframe. ● Performed the 2025 performance evaluation for the internal Board, directors, and all functional committees, and reported the evaluation results to the Nomination Committee and the Board meetings held in February 2026. ● Nomination of director candidate list and completion of full re-election of directors by shareholders. 3. Maintenance of investor relations Through quarterly investor conferences, the annual general meeting, and regular website updates, the Company provides investors with timely information regarding its financial performance, business operations, and corporate governance, thereby safeguarding shareholders' rights and interests .	
V. Has the company provided proper communication channels and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	✓		The Company has an employee mailbox, employee service hotline, spokesperson mailbox and general inquiry hotline available to communicate with customers, suppliers and the general public. Stakeholders may contact specific departments within the Company at any time deemed necessary. The Company has created a dedicated section on its website to disclose information that is relevant to stakeholders. The Company uses a broad range of channels to maintain communication with stakeholders and learn their expectations; these findings provide a useful reference to the Company's corporate social responsibility policies and plans in the future.	Conforms with the Corporate Governance Best Practice Principles and no deviation is found
VI. Does the Company engage a share administration agency to handle shareholder meeting affairs?	✓		The Company has engaged the Shareholder Service Department of Taishin Securities Co., Limited to handle matters relating to shareholder meetings.	Conforms with the Corporate Governance Best Practice Principles

Item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies
	Yes	No	Summary description	
				and no deviation is found
VII. Information disclosure				Conforms with the Corporate Governance Best-Practice Principles and no deviation is found
(I) Has the company established a website that discloses financial, business, and corporate governance-related information?	✓		(I) The Company maintains a website for disclosing information. Financial/business performance and corporate governance-related information can also be found on Market Observation Post System.	
(II) Has the company adopted other means to disclose information (e.g. English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the company website)?	✓		(II) The Company has set up an English website and assigned dedicated personnel to gather and disclose information about the Company, enforced the spokesperson system, posted the links of live broadcasts and replays of the investor conferences over the corporate website, and carried out the duty and obligation for information disclosure by law in accordance with the laws and regulations of the competent authorities. The dates and venues of investor conferences can be found on the corporate website: Investor Relations/Investor Conferences, Investor Relations/Events” or News/Events section.	
(III) Does the Company publish and make official filing of annual financial report within two months after the end of an accounting period, and publish/file Q1, Q2 and Q3 financial reports along with monthly business performance before the required due dates?	✓		(III) The Company announced its financial reports for the fourth quarter of 2025 and the first quarter of 2026 following the Investor Conference held on February 10, 2026, and April 28, 2026, respectively. The financial reports for the second and third quarters of 2026 are expected to be submitted in July and October, respectively. Monthly operational results will be finalized and disclosed by the 10 th day of the following month.	
VIII. Does the company have other information that enables a better understanding of the company’s corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders’ interests,	✓		(I) Employee rights and care The Company strives to maintain harmonious employment relationships and safeguard for employees’ interest through a mutually beneficial approach. All management practices and systems are carried out according to labor regulations. A	Conforms with the Corporate Governance Best Practice Principles and no deviation is found

Item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies
	Yes	No	Summary description	
continuing education of directors, implementation of risk management policies and risk measurements, implementation of customer policy, and insuring against liabilities of company directors)?			Employee Welfare Committee is responsible to plan welfare measures and recreation activities, including golden week vacations, employee sport events, health seminars, and festive events, thereby promoting interaction among colleagues and their families. To foster artistic atmosphere within the Company, art appreciation displays are arranged throughout the workplace, and art performances are organized periodically. Colleagues and their families are invited to participate, enrich their lives and enhancing their humanistic and artistic development. The Company continue to promote employee assistance programs and provide free professional consulting services such as psychology, legal affairs and financial management to our colleagues and their families, so that our colleagues can work with peace of mind. The company attaches great importance to the physical and mental health of its employees. It arranges regular health checks for employees every year (which is superior to the law). It also holds irregular health promotion activities to create a satisfying and healthy workplace. (II) Investor relations The Company has spokesperson and acting spokesperson in place to maintain investor relations. (III) Supplier relations and stakeholders' interests The Company adheres strictly to commercial ethics for all business dealings with suppliers and customers. Key suppliers are regularly evaluated for price, quality, technology, delivery and service, and all suppliers are required to sign a letter of commitment to integrity. The Company fully understands	

Item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies
	Yes	No	Summary description	
			customers' needs, helps them resolve problems and strives to deliver more satisfactory products and services. Financial and business dealings with affiliated enterprises are carried out according to rules such as "Lending, Guarantee and Endorsement Procedures," "Asset Acquisition and Disposal Procedures" and "Subsidiary Supervision Policy." (IV) Director' education The Company actively encourages directors to participate in courses organized by the authority. Please refer to the chart titled Directors' and Managers' Education for details on corporate governance-related training undertaken by directors and managers. (V) With respect to the "Risk Management Policy" admended by the Board in October 2025, the Company continuously engages with the detection, analysis, and identification of risks within the scope of risk management to strengthen the capability to handle risk prevention and crisis resolution and implement quick recovery for effective risk control. For risk management information, please visit the "Sustainability/Risk Management" section on the Company's website. (VI) Implementation of customer policy The Company has implemented appropriate customer policy given the nature of its business activities. To ensure customers' satisfaction, the Company not only directs attention to the quality, safety and innovation of products delivered, but also addresses complaints in a timely manner and provides customers with complete product information. (VII) Insurance against directors' liabilities	

Item	Implementation status			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			The Company has purchased liability insurance to insure itself against liabilities of its directors; insurance policies are reported to the board of directors on a yearly basis.	
IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified: Our company has been honored for eleven consecutive years, ranking within the top 5% in corporate governance evaluations. Our efforts in implementing sound corporate governance have been recognized. To further strengthen corporate governance, our company continuously makes improvements based on the evaluation results. On July 28, 2025, the Board of Directors approved the revision of the "Corporate Governance Best Practice Principles," stipulating that directors are prohibited from trading the company's shares during the blackout periods 30 days before the annual financial report announcement and 15 days before the quarterly financial report announcement. Additionally, directors will be notified prior to each quarterly report's trading prohibition period to prevent inadvertent violations during these blackout periods.				

Continuing Education/Training of Directors in 2025						
Title	Name	Course date		Organizer	Course name	Training Hours
		Start	End			
Chairman	Wade Chang	2025.10.27	2025.10.27	Taiwan Corporate Governance Association	Integrity and Responsibility in ESG Investing: Strengthening Market Confidence and Investment Value Sustainability Equals Innovation: Value Management Trends Amidst Net-Zero Challenges	6
Representative of corporate director	Hsin-Chieh Hsu	2025.04.18	2025.04.18	Taipei Financial Research and Development Foundation	Corporate Governance: Corporate and Directors/Supervisors' Duties and Responsibilities under the Securities and Exchange Act	3
		2025.10.27	2025.10.27	Taiwan Corporate Governance Association	Integrity and Responsibility in ESG Investing: Strengthening Market Confidence and Investment Value Sustainability Equals Innovation: Value Management Trends Amidst Net-Zero Challenges	6
Representative of corporate director	Yu-Chi Chiao	2025.02.18	2025.02.18	Taiwan Corporate Governance Association	How the board responded to the 12 ESG risk issues	3
		2025.02.21	2025.02.21	Taiwan Corporate Governance Association	Stainless Steel Business Strategic Planning and Sustainable Development	2
		2025.05.09	2025.05.09	Taiwan Corporate Governance Association	Digital Manufacturing Development Strategy	3
		2025.05.16	2025.05.16	Taiwan Corporate Governance Association	Digital Transformation and Value Creation - Leading Change through Data-Driven Innovation and Opening Development Opportunities for AI Industry Growth	2
		2025.10.27	2025.10.27	Taiwan Corporate Governance Association	Integrity and Responsibility in ESG Investing: Strengthening Market Confidence and Investment Value	6

Continuing Education/Training of Directors in 2025						
Title	Name	Course date		Organizer	Course name	Training Hours
		Start	End			
					Sustainability Equals Innovation: Value Management Trends Amidst Net-Zero Challenges	
Director	Han-Ping D. Shieh	2025.07.25	2025.07.25	Taipei Foundation of Finance	How AI Enhances Operational Efficiency and Service Quality, and AI Transformation Case Studies	3
		2025.08.20	2025.08.20	Securities and Futures Institute	Taiwan PMI manufacturers' operating strategies and outlook for the second half of the year amid Trump's tariff storm	3
Independent Director	Hsing-Yi Chow	2025.06.04	2025.06.04	Taiwan Institute of Directors	Benchmark Actions in the Era of Co-Governance	3
		2025.10.27	2025.10.27	Taiwan Corporate Governance Association	Integrity and Responsibility in ESG Investing: Strengthening Market Confidence and Investment Value Sustainability Equals Innovation: Value Management Trends Amidst Net-Zero Challenges	6
		2025.12.15	2025.12.15	Taiwan Institute of Directors	Advancing Toward 2026: Steering Asia to Shape a Forward-Looking Corporate Blueprint	3
Independent Director	Audrey Tseng	2025.04.29	2025.04.29	Taiwan Corporate Governance Association	Company's Strategic Direction	3
		2025.07.30	2025.07.30	Securities and Futures Institute	Current Global Economic Conditions and Corporate Risk Response	3
		2025.07.31	2025.07.31	Taiwan Stock Exchange	Taiwan's Capital Market Summit	3
		2025.08.07	2025.08.07	Taiwan Corporate Governance Association	Latest Insider Trading Topics Essential for Corporations	3
		2025.10.27	2025.10.27	Taiwan Corporate Governance Association	Integrity and Responsibility in ESG Investing: Strengthening Market Confidence and Investment Value Sustainability Equals Innovation: Value Management Trends Amidst Net-Zero Challenges	6
Independent Director	Hung-Pin Ku	2025.06.09	2025.06.09	Taipei Bar Association	Latest developments in corporate governance and the responsibilities of directors, supervisors, and managerial personnel	3
		2025.10.27	2025.10.27	Taiwan Corporate Governance Association	Integrity and Responsibility in ESG Investing: Strengthening Market Confidence and Investment Value Sustainability Equals Innovation: Value Management Trends Amidst Net-Zero Challenges	6
		2025.12.10	2025.12.10	Taipei Bar Association	2025 Corporate Governance Forum: Corporate Governance in Times of Change	3
CFO/ CAO/ Corporate Governance Officer	Franck Ho	2025.03.18	2025.03.18	Taipei Exchange	Resilient Taiwan: TPEx Sustainable Bonds and ETF Forum	3
		2025.04.18	2025.04.18	Securities and Futures Institute	Duties and Responsibilities of the Corporate Governance Officer	3
		2025.06.10	2025.06.10	BCSD-Taiwan	2025 CDP Taiwan Presentation – Strengthening Climate Information Disclosure to Enhance Corporate Climate Resilience	3
		2025.10.27	2025.10.27	Taiwan Corporate Governance Association	Integrity and Responsibility in ESG Investing: Strengthening Market Confidence and Investment Value Sustainability Equals Innovation: Value Management Trends Amidst Net-Zero Challenges	6
		2025.11.20	2025.11.21	Accounting Research and Development Foundation	Continuing Education Program for Accounting Managers of Issuers, Securities Firms, and Securities Exchanges	12

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

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

1. Information of Remuneration Committee Members:

December 31, 2025

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

2. Annual focus of the Remuneration Committee: To professionally and objectively evaluate the policies and systems for compensating the Company’s directors and officers, the Remuneration Committee convenes meetings at least twice a year and may convene additional meetings as needed to provide the Board with useful suggestions for decision-making. The committee exercises authority including (1) Periodically reviewing the “Charter of Remuneration Committee” and recommending amendments. (2) Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure of the compensations for the Company’s directors and officers. (3) Periodically evaluating the performance of the Company’s directors and officers in meeting goals, and determining the types and amounts of compensation for individual directors and officers.
3. Functionality of Remuneration Committee: The Company’s Remuneration Committee comprises 3 members; service of the current board begins June 18, 2025 and ends June 17, 2028. In 2025, the Remuneration Committee held two

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

Title	Name	No. of actual attendance Times (B)	Attendance by proxy	Actual attendance rate (%) [B/A]	Remarks
Convener	Hsing-Yi Chow	2	0	100%	None
Committee member	Audrey Tseng	2	0	100%	
Committee member	Hung-Pin Ku	2	0	100%	

4. Other matters to be recorded:

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

Date	Session	Motion	Resolution of the Remuneration Committee	Company's response to Remuneration Committee's opinions
2025.4.28	7th meeting of the 5th Committee	1. Proposal to revised the Company's Directors' and Managers' Remuneration and Performance Evaluation Regulations. 2. Proposal on the remuneration of directors Hsun Chieh Investment Co., Ltd., Hanns Prosper Investment Corporation, Han-Ping D. Shieh and independent director Audrey Tseng for 2025. 3. Proposal on the remuneration of independent directors	1. Passed as proposed without objection from independent directors. 2. Independent director Audrey Tseng abstained from participating in the resolution due to personal compensation concerns. The resolution was passed as agreed by independent directors Hsing-Yi Chow and Hung-Pin Ku. 3. Independent	Reported to the Board meeting and approved by the all directors attending the meeting, except for directors avoided themselves from the voting for conflicts of interest.

Date	Session	Motion	Resolution of the Remuneration Committee	Company's response to Remuneration Committee's opinions
		Hsing-Yi Chow, Hung-Pin Ku for 2025. 4. Proposal on the remuneration of managers for 2025.	director Hsing-Yi Chow and Hung-Pin Ku abstained from participating in the resolution due to personal compensation concerns. The resolution was passed as agreed by independent directors Audrey Tseng. 4. Passed as proposed without objection from independent directors.	
2025.7.28	1st meeting of the 6th Committee	Proposal of manager employee reward for 2024.	Passed as proposed without objection from independent directors.	

II. Information on members of the Nomination Committee and operations

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

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

The Nomination Committee has been established for the purpose of enhancing the effectiveness of the Company's Board of Directors. Its duties and functions include (1)Set the diversified backgrounds covering professional knowledge, skills, experience, and gender and standard of independence for directors and senior officers as the reference for sourcing, reviewing, and nominating candidates for directors and senior officers. (2)Evaluate the performance of the Board, functional committees, and individual directors and the independence of independent directors. (3)Appointment and dismissal review of senior officers. (4)Handle other matters assigned by Board resolutions.

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

The Nomination Committee is formed with three members with a term commencing on June 18, 2025 and ending on June 17, 2028. In 2025, the Nominating Committee held one (A) meeting, and the professional qualifications, experience, and attendance of members are as follows:

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

3. Other matters to be recorded:

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

Date	Session	Motion	Content of recommendations or objections of Nomination Committee members	Nomination Committee Resolution	Company’s response to Nomination Committee’s opinions
2025.3.17	3st meeting of the 2nd Committee	1. Proposal to revised the the Company's "Nomination Committee Charter". 2. "Election of the 12th Board of Directors of the Company".	None	Passed as proposed without objection from independent directors.	Proposed by the board of directors and approved unanimously by all attending directors.

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

Item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		1. Governance framework for sustainable development: The Company established the “Corporate Social Responsibility Committee” in 2008, which was renamed the “ESG Committee” in 2020. The Chairman serves as the “Committee Chair”, with the President and CFO as “members”. The “Management Representative” role is assumed by the Spokesperson. The ESG Committee also authorizes “Executive Representatives” from the governance/economic, social, and environmental departments to assist in advancing ESG-related initiatives. 2. Implementation status of organizational departments: The Board of Directors has approved the “Sustainable Development Best Practice Principles” and authorized the ESG Committee to promote ESG-related issues. Executive representatives are appointed under the President and CFO to oversee the promotion of major issues and projects. The operating mechanisms are as follows: (1) The ESG Committee members and executive representatives review the status and results of sustainability implementation through quarterly briefings and hold quarterly meetings with the ESG Team. Executive representatives and ESG Team members attend these meetings to discuss the Sustainability Report published for the year and major sustainability awards, to formulate the sustainability plans and targets for the following year. (2) The management representative reports the progress of the annual sustainability plan execution each quarter to the Committee Chair, committee members, and executive representatives, and presents the annual sustainability performance, along with the key focus areas and plans for the following year, during the annual group meeting. (3) The Chief Financial Officer (CFO), both an ESG Committee member and executive representative, provides an annual report	No material deviation is found.

Item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			to the Board of Directors. The report includes updates on the implementation results of sustainability projects, the climate change risk management framework and response strategies (TCFD: Task Force on Climate-related Financial Disclosures), Taskforce on Nature-related Financial Disclosures (TNFD), various environmental indicators, SBT carbon reduction targets and pathway, renewable energy strategies, and the future direction for sustainable development. In addition, quarterly updates on the execution of greenhouse gas inventory activities are reported to the Board of Directors. (4) ESG Team members establish sustainability policies in accordance with international standards and government regulations and strengthen the execution of sustainability strategies through internal and external training programs. (5) Annual material topics are identified by the ESG Team following the Material Topic Identification Process and are reassessed every two years. The material topics for each year are submitted to the Board of Directors for approval. (6) The Sustainability Report is compiled by the ESG Team based on information collected from each department. It is then reviewed in sequence by the management representative, executive representatives, and Committee members, and finalized for issuance after approval by the Board of Directors. 3. Oversight of sustainable development by the Board of Directors: The Company's Board of Directors has approved the "Material Topics for the 2024 Sustainability Report", "2024 Sustainability Report", "Articles of Incorporation", "Executive Compensation Proposal", "Regulations Governing the Compensation and Performance Evaluation of Directors and Executives Proposal", "Corporate Governance Best Practice Principles", and "Risk Management Policy". The management team prepares annual reports (including ESG implementation) for the Board of	

Item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			Directors, sets sustainability plans and goals, and regularly reviews their implementation. The Board of Directors also regularly reviews and supervises the implementation of sustainable development and urges the management team to make necessary adjustments.	
II. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		1. The disclosed information covers the Company's sustainability performance at its major operating sites from January 2025 to December 2025. The risk assessment scope includes the Taiwan plants (Headquarters, Chunan Plant, Tainan Plant 1, Tainan Plant 2), the China plants (Kunshan Plants: Coretronic Projection (Kunshan) Co., Ltd., Coretronic Optics (Kunshan) Co., Ltd.; Wujiang Plants: Coretronic Optotech (Suzhou) Co., Ltd., Coretronic Optics (Suzhou) Co., Ltd.), and the subsidiaries: Optoma Holding Limited (Optoma Corporation, Optoma Technology, Inc., Optoma China Co., Ltd., Optoma Europe Limited), Coretronic Intelligent Cloud Service Corporation, and Coretronic Intelligent Robotics Corporation. 2. The Company classifies material topics into three major categories: environment, economy, and people (human rights), and conducts the material topic identification process every two years. The Company uses "impact level" as the principle for assessing whether a topic is material, and identifies the positive and negative impact levels, the scope of impact, and the likelihood of occurrence for each issue. Finally, in the annual Sustainability report, the Company discloses how it identifies, prevents, mitigates, and explains the handling of its actual and potential negative impacts on the economy, the environment, and people (including their human rights). In 2025, the Company reviewed and managed the 13 material topics identified in 2024 and produced the "13 Material Topics for 2025", which were incorporated into the Company's biennial risk identification process, including risk identification, potential risk analysis (likelihood of occurrence and level of	No material deviation is found.

Item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			impact), and risk mitigation measures, and the implementation status and results of risk management are reported to the Audit Committee and the Board of Directors annually. Please visit Section 3.2 of the Company's 2025 Sustainability Report for details regarding the risk assessment of the environmental, economic, and people (human rights) issues and related risk management policies.	
III. Environmental issues (I) Has the Company developed an appropriate environmental management system, given the characteristics of its industry?	✓		Coretronic has established an Environmental, Safety, Health, and Energy Management Manual to systematically manage operational procedures related to energy, the environment, and occupational safety, ensuring that management and operational execution comply with system requirements. The Company also reviews operational activities such as research and development, production, and services to identify items that may generate environmental impacts. In 2025, implementation included setting environmental performance indicators such as reductions in GHG emissions, electricity consumption, water usage, and waste, as well as increasing the proportion of renewable energy usage. The achievement of these targets is reviewed quarterly and annually to reduce environmental impacts. The implementation status for the year is detailed in the explanations of each environmental issue. The Taiwan plant and four subsidiaries in the China plants of Coretronic have established environmental management systems in accordance with ISO 14001 and have continuously passed third-party verification. The validity periods of the ISO 14001 certificates are as follows: Taiwan plant from January 18, 2025 to January 18, 2028; Coretronic Optotech (Suzhou) from January 7, 2025 to January 27, 2028; Coretronic Optics (Suzhou) from December 20, 2023 to December 29, 2026; and Coretronic Projection (Kunshan) from August 30, 2025 to August 29, 2028, all in compliance with the latest environmental management system standards.	No material deviation is found.

Item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			The Company's plants in Taiwan include the Headquarters, Zhunan Plant, Tainan Plant 1, and Tainan Plant 2, covering Coretronic, Young Green Energy, uCare Medical Electronics, Coretronic Intelligent Cloud Service, Coretronic Intelligent Robotics, InnoSpectra, Coretronic MEMS, Coretronic Reality, and Coretronic Intelligent Logistics Solutions; the Company's subsidiaries in Mainland China include Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), and Coretronic Optics (Kunshan).	
(II) Has the Company committed itself to improving energy efficiency and using recycled materials with low impact on the environment?	✓		(1) Energy management Coretronic primarily uses electricity as its main energy source, accounting for more than 95% of its total energy consumption. To effectively improve energy efficiency and implement the green operations policy, the Taiwan plant, Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), and Coretronic Projection (Kunshan) have all passed third-party verification of the ISO 50001 energy management system. The validity periods of the ISO 50001 certificates are as follows: Taiwan plant from December 14, 2025 to December 14, 2028; Coretronic Optotech (Suzhou) and Coretronic Optics (Suzhou) from May 18, 2023 to May 17, 2026; and Coretronic Projection (Kunshan) from May 16, 2023 to May 15, 2026. <u>Energy Management Plan</u> The Company is committed to formulating and implementing a comprehensive energy management plan to maximize energy utilization efficiency through three core strategies: goal orientation, technological innovation, and full employee participation. To protect the environment and enhance the market competitiveness of its products, the Company introduces energy-saving and 3R (Reduce, Recycle, Reuse) design concepts during the product development stage, actively promoting green product design and green manufacturing technologies. These initiatives	No material deviation is found.

Item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			include optimizing environmentally friendly product design, promoting green procurement, and independently assessing product carbon footprints. In green manufacturing, the Company promotes waste recycling and reduction, controls hazardous substances, and establishes a GPMS platform to manage suppliers. Through collaboration across the upstream and downstream supply chain, waste generation and production costs are reduced, achieving a win-win outcome of economic efficiency and environmental protection. <u>Energy conservation targets</u> The electricity intensity of the Company's plants in Taiwan and Mainland China: A 10% decrease from the 2021 base year in the short term (2026-2028), a 13% decrease from the 2021 base year in the medium term (2029-2031), and a 16% decrease from the 2021 base year in the long term (2032-2034). <u>Energy conservation measures and achievement status</u> The Company has introduced magnetic bearing chillers, high-efficiency air compressors, and LED lighting fixtures to reduce energy consumption of both the enterprise and its products at the source, and optimizes the overall energy structure by increasing the proportion of renewable energy. At the same time, the Company has implemented intelligent flow control systems and variable frequency equipment, utilizing digital monitoring for real-time power dispatch to achieve precise energy management and control. In addition, employee energy management training courses are conducted regularly to ensure that energy-saving actions are implemented in daily operations. The electricity savings in 2024 and 2025 were approximately 1,721 and 1,123 kWh, respectively, equivalent to reductions of approximately 868 and 565 tonCO₂e emissions. These achievements were mainly driven by measures such as upgrading energy-efficient equipment, implementing intelligent control systems, and replacing cooling tower heat-dissipation materials to	

Item	Implementation status				Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																																				
	Yes	No	Summary description																																						
			enhance heat exchange efficiency. In 2025, the electricity intensity of the Taiwan and China plants decreased by 3% compared with the base year, which did not meet the short-term target. The Company plans to further evaluate increasing the proportion of green energy usage and implement focused control on high energy consumption hotspots in order to accelerate the achievement of quantified energy reduction targets. <table><tr><th>Region</th><th colspan="2">Taiwan</th><th colspan="2">Mainland China</th></tr><tr><th>Item/Year</th><th>2024</th><th>2025</th><th>2024</th><th>2025</th></tr><tr><td>Electricity consumption (MWh)</td><td>12,832</td><td>12,002</td><td>33,864</td><td>38,608</td></tr><tr><td>Electricity savings (MWh)</td><td>1,288</td><td>534</td><td>433</td><td>589</td></tr><tr><td>Carbon reduction (tonCO₂e) (Note)</td><td>636</td><td>253</td><td>232</td><td>312</td></tr><tr><td>Electricity intensity (MWh/ NTD million of turnover)</td><td>0.45</td><td>0.42</td><td>1.19</td><td>1.52</td></tr><tr><td>Reduction achievement compared to 2021 (base year)</td><td>24%</td><td>29%</td><td>3%</td><td>-24%</td></tr></table> Note: Carbon emissions per kWh of electricity are calculated based on the carbon emission coefficients announced by Taiwan’s Energy Administration and from Mainland China’s GHG inventory checks. (2) Renewable Energy Utilization and Development Strategy Coretronic actively promote various energy reduction measures to optimize energy efficiency and reduce the energy consumption of the Company and products. In the mean time, we expand the use of renewable energy. Since 2021, each of the plants has installed solar PV system for its own use to replace the electricity with renewables. This has caused the demand for electricity to slow down and decreased the overall energy consumption. The				Region	Taiwan		Mainland China		Item/Year	2024	2025	2024	2025	Electricity consumption (MWh)	12,832	12,002	33,864	38,608	Electricity savings (MWh)	1,288	534	433	589	Carbon reduction (tonCO ₂ e) (Note)	636	253	232	312	Electricity intensity (MWh/ NTD million of turnover)	0.45	0.42	1.19	1.52	Reduction achievement compared to 2021 (base year)	24%	29%	3%	-24%
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Item	Implementation status				Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons																													
	Yes	No	Summary description																															
			medium- to long-term strategy aims for renewable energy to reach 50% of annual electricity consumption by 2043 and 100% by 2050. <u>Renewable energy usage targets</u> Percentage of renewable energy consumption to total annual electricity consumption: 21% in the short term (2026-2028), 27% in the medium term (2029-2031), and 33% in the long term (2032 - 2034). <u>Achievements for renewable energy use</u> To progressively increase the use of renewable energy, the Company primarily sources renewable energy from self-generated solar power, green electricity procurement, and renewable energy certificates. All sites are equipped with solar power generation systems. To further enhance the utilization rate of renewable energy, Phase II expansion of the solar power system at the Tainan Plant 2 was completed in December 2025, with an installed capacity of 460.35 kW. In 2025, renewable energy usage across the Company’s Taiwan and Mainland China sites accounted for 16% of total annual electricity consumption, achieving the short-term target. <table><tr><th colspan="2">Region</th><th colspan="2">Taiwan</th><th colspan="2">Mainland China</th></tr><tr><th colspan="2">Item/Year</th><th>2024</th><th>2025</th><th>2024</th><th>2025</th></tr><tr><td rowspan="2">Renewable energy (A)</td><td>Renewable energy consumption (MWh)</td><td>1,117</td><td>1,256</td><td>4,738</td><td>4,791</td></tr><tr><td>Purchased electricity – green electricity trading certificates obtained (MWh)</td><td>0</td><td>0</td><td>1,000</td><td>2,093</td></tr><tr><td>Ren</td><td>Purchased</td><td>11,715</td><td>10,746</td><td>28,126</td><td>31,724</td></tr></table>			Region		Taiwan		Mainland China		Item/Year		2024	2025	2024	2025	Renewable energy (A)	Renewable energy consumption (MWh)	1,117	1,256	4,738	4,791	Purchased electricity – green electricity trading certificates obtained (MWh)	0	0	1,000	2,093	Ren	Purchased	11,715	10,746	28,126	31,724
Region		Taiwan		Mainland China																														
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Item	Implementation status						Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons		
	Yes	No	Summary description						
				electricity (MWh)					
				Natural gas (MWh)	176	148	1,656	1,149	
				Diesel (MWh)	40	33	158	89	
				Gasoline (MWh)	65	50	706	949	
				Total energy consumption (MWh) (B)	14,128	12,233	37,992	40,795	
				Percentage of renewable energy (A)/(B)	7%	10%	16%	17%	
(III)Does the company assess the potential risks and opportunities of climate change for the company now and in the future, and has it taken relevant countermeasures?	✓		To effectively reduce the impacts of extreme climate change on the economy, society, and the environment, the Company first conducted identification of climate change risks and opportunities and analysis of potential financial impacts in 2021 with reference to the TCFD framework, and established a mechanism to re-identify them on a biennial basis. The most recent identification process was conducted in 2025, identifying a total of 5 transition risks, 2 physical risks, and 7 opportunities. For each risk and opportunity, the Company conducts quantitative assessments of potential impact types, impact severity, and likelihood of occurrence. Risks and opportunities are then classified and prioritized based on the assessment results, and response strategies are formulated to mitigate negative impacts, strengthen the organization’s climate resilience, and capture future development opportunities. In addition to identifying climate change risks and opportunities, potential financial impact analyses are also conducted for each item to facilitate the formulation of corresponding response strategies. In addition, in response to the "Paris Agreement," carbon reduction targets are set based on the SBT absolute reduction approach under the "1.5°C warming" scenario. In 2022, the Company officially announced its net-zero declaration, committing to achieving net-zero emissions by 2050, and simultaneously submitted a carbon reduction commitment letter to SBTi. In 2023, the Company						No material deviation is found.

Item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons								
	Yes	No	Summary description									
			further submitted science-based emission reduction targets, committing that, using 2021 as the base year, it will achieve an absolute reduction of 50.4% in Scope 1 and Scope 2 GHG emissions and an absolute reduction of 30% in Scope 3 GHG emissions by 2032, and the targets were formally validated by SBTi in 2024. To achieve the implementation of carbon reduction targets, the Company will continue to promote reductions in the use of fossil fuels, increase the proportion of renewable energy usage, and invest in innovative low-carbon technology transformation. At the same time, considering the environmental cost of corporate carbon emissions, the Company will implement diversified management measures such as establishing an internal carbon pricing mechanism, steadily advancing toward the long-term vision of net-zero emissions. SBT carbon reduction target (the base year is 2021) <table><tr><th>Year</th><th>2025</th><th>2030</th><th>2032</th></tr><tr><td>GHG (Scope 1 and 2) Reduction ratio</td><td>18.3%</td><td>41.2%</td><td>50.4%</td></tr></table> <u>Carbon reduction target strategies and action plans for 2030</u> In accordance with the GHG reduction targets, the Company continues to integrate decarbonization actions into operational management and promotes reduction actions across all scopes. Improve process efficiency, promote energy-saving improvement measures, gradually replace high energy-consuming and lower-efficiency equipment, and introduce the ISO 50001 energy management system and a central monitoring system to monitor energy and fuel usage, identify high energy consumption and high emission hotspots, and plan corresponding improvement actions to reduce GHG generated from energy use and fuel combustion. At the same time, the Taiwan and China plants have installed 8 self-generated and self-used solar power generation systems, and procure renewable energy through green electricity wheeling and renewable energy certificate trading. In 2025, the renewable energy usage rate reached 16%. In the future, the Company will continue to expand the use of renewable energy	Year	2025	2030	2032	GHG (Scope 1 and 2) Reduction ratio	18.3%	41.2%	50.4%	
Year	2025	2030	2032									
GHG (Scope 1 and 2) Reduction ratio	18.3%	41.2%	50.4%									

Item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			and other low-carbon energy solutions, strengthen supply chain management and adjust raw material procurement strategies to encourage suppliers to promote decarbonization actions, while introducing low-carbon and environmentally friendly materials, green product design, and technological innovation, and gradually increasing the proportion of recycled materials used to reduce energy consumption during the product use phase and fulfill decarbonization commitments. The Company continues to promote various decarbonization actions and has demonstrated concrete and steady results. By improving energy use efficiency and increasing the proportion of renewable energy use, continuously optimizing process performance, and collaborating with the supply chain to promote circular economy initiatives, GHG emissions have significantly decreased, achieving and exceeding the SBTi decarbonization pathway ahead of schedule, demonstrating the substantive effectiveness of the related strategies and implementation measures. In the future, the Company will continue to track reduction progress and, in response to operational conditions and changes in the industry environment, conduct rolling reviews and optimize decarbonization measures to steadily advance toward the net-zero target.	
(IV) Does the company count GHG emissions, water consumption, and total waste volume in the past two years, and formulate policies for GHG reduction, water reduction, or other waste management?	✓		The measures, performance, and data disclosed regarding the management of GHGs, water consumption, and waste in 2024 and 2025 have been verified by a third party (SGS). (1) GHG management Since 2022, the Company's plants in Taiwan and Mainland China have completed annual audits and third-party verification (SGS) for Scope 1 to 3 according to the ISO 14064-1:2018 standard to ensure the control and management of GHG emissions. <u>GHG reduction targets</u> GHG (Scope 1 and 2) emission intensity of the Company's plants in Taiwan and Mainland China: 32.1% reduction from the 2021 base year in the short term (2026 - 2028), 45.8% reduction from the 2021 base year in the medium term (2029 - 2031), and 59.6%	No material deviation is found.

Item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			reduction from the 2021 base year in the long term (2032 - 2034). <u>GHG reduction promotion measures</u> Coretronic set GHG reduction targets in stages and review them every year for continuous improvement. In the mean time, by checking energy consumption, improving equipment efficiency, managing energy consumption, and installing renewable energy equipment, we maximize energy utilization and manage data as scientifically as possible to move towards low-carbon goals. The Company also adopts a product life cycle concept to implement carbon reduction across aspects such as material design and selection, local procurement strategies for suppliers, energy-saving production, and green transportation. The Company will also continue to negotiate the purchase of renewable energy and invest in the development of energy-saving products to achieve its carbon reduction targets. 1. The GHG (Scope 1 and 2) emissions of the Company's plants in Taiwan in 2025 decreased by 3% compared to 2024 and by 30% compared to 2021. This reduction was achieved through the implementation of various energy-saving measures across all sites, including the installation of solar power systems, improvement of energy efficiency, monitoring of equipment electricity usage, reduction of energy consumption, management of nighttime energy use, and enhancement of lighting efficiency. In addition, the use of renewable energy helped reduce reliance on purchased electricity, thereby contributing to greenhouse gas emission reductions. 2. The GHG (Scope 1 and 2) emissions of the Company's plants in Mainland China in 2025 increased by 17% compared to 2024, but decreased by 48% compared to 2021. The year-on-year increase was mainly attributable to adjustments in production capacity in response to changes in customer demand and overall market supply-demand conditions in 2025. Despite this fluctuation, the long-term trend remains downward,	

Item	Implementation status				Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons																							
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			demonstrating the effectiveness of the Company’s energy management and carbon reduction measures. Going forward, the Company will continue to promote energy-saving optimization initiatives, enhance equipment energy efficiency, and expand the use of renewable energy, steadily advancing toward its carbon reduction targets and net-zero commitment. <u>Achievements for GHG reduction</u> As analyzed, electricity is the main source of our GHG emissions. To mitigate the impact of climate change and move towards the net zero goal, each of our plants actively promotes and implements energy conservation and carbon reduction measures to strengthen the control of energy consumption. The GHG (Scope 1 and 2) emission intensity of plants in Taiwan and Mainland China was increased by 19% from 2024, and was decreased by 32% from the base year, achieving the short-term target of emission intensity reduction. <table><tr><th>Region</th><th colspan="2">Taiwan</th><th colspan="2">Mainland China</th></tr><tr><th>Year</th><th>2024</th><th>2025</th><th>2024</th><th>2025</th></tr><tr><td>Reduction achievement compared to 2021 (base year)</td><td>32%</td><td>35%</td><td>37%</td><td>18%</td></tr></table> Statistics of Greenhouse Gas Emissions for the Two Most Recent Years (refer to Section VI — Climate-Related Disclosures for Listed and OTC Companies). Overview of Scope 3 GHG in 2025 by Scope and by Emissions <table><tr><th>Scope</th><th>Region/item</th><th>Taiwan</th><th>Mainland China</th></tr><tr><td>Category 3: Indirect GHG emissions</td><td>Upstream transportation and delivery</td><td>50.5</td><td>535.1</td></tr></table>		Region	Taiwan		Mainland China		Year	2024	2025	2024	2025	Reduction achievement compared to 2021 (base year)	32%	35%	37%	18%	Scope	Region/item	Taiwan	Mainland China	Category 3: Indirect GHG emissions	Upstream transportation and delivery	50.5	535.1	
Region	Taiwan		Mainland China																									
Year	2024	2025	2024	2025																								
Reduction achievement compared to 2021 (base year)	32%	35%	37%	18%																								
Scope	Region/item	Taiwan	Mainland China																									
Category 3: Indirect GHG emissions	Upstream transportation and delivery	50.5	535.1																									

Item	Implementation status				Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons			
	Yes	No	Summary description					
			generated from transportation	Downstream transportation and delivery	59.3	938.7		
				Employee commuting	1,061.9	336.1		
				Business trip	102.2	233.1		
			Scope 4: Indirect GHG emissions generated from the use of products provided by other organizations	Products and services purchased	19,999.9	407,769.6		
				Activities related to fuel and energy	1,205.1	49.4		
				Capital goods	0	3,705.3		
				Waste generated from operations	89.4	1,188.1		
				Upstream lease assets	31.4	40.4		
			Total emissions of Scope 3 (tonCO ₂ e)		22,599.7	414,795.8		
			(2) Water consumption management					
			<u>Water Resource Management Policy</u>					
			Coretronic recognizes the impacts of climate change on operations and the environment and has integrated water resource management into the Company’s overall environmental sustainability policies and the climate-related financial disclosures (TCFD) framework. The Company has established comprehensive and effective management procedures to implement tracking and management of water sources and flows, and systematically evaluates its operational dependence on water resources and related risks. At the same time, it identifies the trade-offs between water use processes and environmental issues to continuously improve water use efficiency, fulfill its commitment to environmental sustainability, and actively respond to the United Nations Sustainable Development Goals (SDGs).					
			<u>Water Resource Management Commitment</u>					
			Through water resource management mechanisms and systematic					

Item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			risk assessments, the Company strengthens climate adaptation and resilience in corporate operations and the supply chain. Under an operational model primarily involving non-process water use, the Company introduces water resource management concepts and collaborates with upstream and downstream partners to support water resource targets and initiatives. It continues to reduce environmental impacts through recycling and water-saving measures and regularly discloses water resource management performance. <u>Water Management Strategy</u> 1. The Environmental Protection Committee convenes relevant units to establish water resource management objectives and quantitative performance indicators, and regularly reviews management performance and continuous improvement through the Environmental Protection Committee to ensure the achievement of the targets. 2. Introduce water resource recycling systems and actively promote various water conservation programs while establishing water-saving targets to reduce water withdrawal and consumption, enhance water use efficiency, and promote the sustainable development of water resources and freshwater ecosystems. 3. Through water resource initiatives and awareness programs, strengthen stakeholder engagement, enhance the awareness, responsibility, and attention of internal and external stakeholders and the upstream and downstream value chain regarding water resources, and actively promote collective actions to jointly advance sustainable water resource management. 4. Exceed local regulatory discharge standards, conduct regular water quality testing, and disclose relevant data to control, reduce, or eliminate water pollutants and reduce or remove hazardous substances in discharged water.	

Item	Implementation status				Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																				
	Yes	No	Summary description																						
			5. Ensure that the needs for drinking water, sanitation, and hygiene (WASH) at each operating site and in the surrounding communities are adequately safeguarded, preventing operational activities from causing adverse impacts on local water resources and the environment. <u>Water conservation targets</u> Water consumption of the Company’s plants in Taiwan and Mainland China: A 9% decrease from the 2021 base year in the short term (2026-2028), a 10.5% decrease from the 2021 base year in the medium term (2029-2031), and a 12% decrease from the 2021 base year in the long term (2032-2034). <u>Water conservation measures and achievement status</u> To conserve water, we have progressively implemented various water management measures. All the Company’s plants are equipped with a water reclamation system to mainly reclaim surface runoff, aircon condensate, rainwater, and raft foundation water for irrigating landscaping plants and secondary domestic water consumption. Additionally, water conservation was achieved by regulating aircon water exchange concentration, adding tap water-efficient devices, monitoring the water consumption of catering service, and reducing cleaning water consumption. The water conservation in 2024 and 2025 was approximately 42,551 and 58,629 tons, equivalent to the emission reduction of approximately 6.9 and 9.4 tonCO₂e. The water consumption of plants in Taiwan and Mainland China in 2025 was reduced by 39% from 2021, achieving the short-term target. <table><tr><th>Region</th><th colspan="2">Taiwan</th><th colspan="2">Mainland China</th></tr><tr><th>Item/Year</th><th>2024</th><th>2025</th><th>2024</th><th>2025</th></tr><tr><td>Water consumption (tons)</td><td>67,366</td><td>67,108</td><td>283,947</td><td>293,725</td></tr><tr><td>Recycled and saved water (tons)</td><td>22,592</td><td>26,502</td><td>19,959</td><td>32,127</td></tr></table>		Region	Taiwan		Mainland China		Item/Year	2024	2025	2024	2025	Water consumption (tons)	67,366	67,108	283,947	293,725	Recycled and saved water (tons)	22,592	26,502	19,959	32,127	
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	Yes	No	Summary description					
			Carbon reduction (tonCO ₂ e) (Note)	3.5	4.0	3.4	5.4	
			Reduction achievement compared to 2021 (base year)	9%	10%	45%	43%	
			Note: Carbon emissions per m ³ of water are calculated based on the carbon emission coefficients announced by Taiwan Water Corporation and from Mainland China's GHG inventory checks.					
			(3) Waste management (plants in Taiwan do not include Coretronic Intelligent Robotics)					
			Coretronic has formulated and implemented waste management strategies to reduce environmental impact. Coretronic classifies waste into five categories based on its environmental impact: domestic waste, recyclable and reusable waste, general waste, hazardous waste, and electronic industrial waste for management.					
			<u>Waste reduction targets</u>					
			Waste generation intensity of the Company's plants in Taiwan and Mainland China: A 8% decrease from the 2021 base year in the short term (2026-2028), a 11% decrease from the 2021 base year in the medium term (2029-2031), and a 14% decrease from the 2021 base year in the long term (2032-2034).					
			<u>Waste reduction measures and achievement status</u>					
			Waste clearing is based on the three major principles of reduction, reuse, and recycling. We improve waste reduction from the source and pollution prevention measures by introducing the circular economy into product manufacturing and continue to optimize waste management performance. We implemented process waste reduction during 2015-2025. The measures included scrap management, process waste reduction enhancement, packaging materials reuse, joining the Taiwan Circular Economy 100, and reduction of office paper consumption. In 2022, plants in mainland China implemented the waste sorting management and reduction program to focus on waste sorting and recycling through systematic statistics so as to					

Item	Implementation status					Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																																				
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			actively implement waste reduction measures. The waste generation intensity of plants in Taiwan and Mainland China in 2025 was reduced by 56% from the base year, achieving the short-term target. <table><tr><th>Region</th><th colspan="2">Taiwan</th><th colspan="2">Mainland China</th></tr><tr><th>Year</th><th>2024</th><th>2025</th><th>2024</th><th>2025</th></tr><tr><td>Non-hazardous waste (tons)</td><td>371.3</td><td>404.1</td><td>2,047.0</td><td>1,603.5</td></tr><tr><td>Hazardous waste (tons)</td><td>6.3</td><td>7.3</td><td>45.6</td><td>45.0</td></tr><tr><td>Total waste generated (tons)</td><td>377.6</td><td>411.4</td><td>2,092.6</td><td>1,648.5</td></tr><tr><td>Waste generation intensity (Total waste generated (tonCO₂e)/ NTD million of turnover)</td><td>0.013</td><td>0.016</td><td>0.074</td><td>0.065</td></tr><tr><td>Reduction achievement compared to 2021 (base year)</td><td>24%</td><td>6%</td><td>47%</td><td>53%</td></tr></table>				Region	Taiwan		Mainland China		Year	2024	2025	2024	2025	Non-hazardous waste (tons)	371.3	404.1	2,047.0	1,603.5	Hazardous waste (tons)	6.3	7.3	45.6	45.0	Total waste generated (tons)	377.6	411.4	2,092.6	1,648.5	Waste generation intensity (Total waste generated (tonCO ₂ e)/ NTD million of turnover)	0.013	0.016	0.074	0.065	Reduction achievement compared to 2021 (base year)	24%	6%	47%	53%	
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IV. Social issues (I) Has the Company developed its policies and procedures in accordance with laws and the International Bill of Human Rights?	✓		「Human Rights and Social Responsibility Policy」 Purpose and Scope As a corporate citizen in the electronics industry, our company strictly complies with the RBA Code of Conduct and adheres to international human rights standards, including the “The Universal Declaration of Human Rights”, “UN Global Compact,” “United Nations Guiding Principles on Business and Human Rights”, and International Labour Organization Conventions. We prohibit any actions that infringe upon or violate human rights and are committed to treating all employees with fairness, equity, and respect. To effectively implement our human rights commitments, the Company has established a “Human Rights and Social Responsibility Policy,” which all employees are required to acknowledge and sign. In 2025, the Headquarters took the lead in obtaining SA8000 international certification. Through third-party				No material deviation is found.																																			

Item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons				
	Yes	No	Summary description					
			audit mechanisms, we rigorously assess our performance in areas such as human rights, prohibition of forced labor, and occupational health and safety management. In accordance with the “Human Rights and Social Responsibility Policy” signed by the Chairman, the Company complies with labor laws and gender equality regulations in the jurisdictions where it operates. We have established relevant policies and measures to safeguard human rights and labor standards, and we continue to promote awareness of our human rights and social responsibility principles and practices. In addition, we conduct human rights risk identification and due diligence across our operations, value chain, and new investment ventures. This policy applies to Coretronic’s own operations, its affiliated companies, supply chain, and value chain partners. Through systematic management and ongoing communication, we aim to enhance human rights awareness across all stakeholders. The “Human Rights and Social Responsibility Policy” is overseen by the Human Resources unit, which is responsible for promoting, implementing, enforcing, supervising, and improving measures related to human rights protection and labor policies. Goals of the Human Rights and Social Responsibility Policy <table><tr><th>Policy</th><th>Goals</th></tr><tr><td>Prohibition of Child Labor</td><td>No child labor under the age of 16 was used. If child labor is identified, assistance/remediation shall be provided. At the same time, we ensure that workers under the age of 18 (young workers) do not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. We have proper management plans of student workers.</td></tr></table>	Policy	Goals	Prohibition of Child Labor	No child labor under the age of 16 was used. If child labor is identified, assistance/remediation shall be provided. At the same time, we ensure that workers under the age of 18 (young workers) do not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. We have proper management plans of student workers.	
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	Yes	No	Summary description	
			Prohibition of Forced or Compulsory Labor	Forced labor in any form, including but not limited to, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. Meanwhile, unreasonable restrictions on workers' freedom of movement and holding workers' identity or immigration documents are strictly prohibited.
			Occupational Safety Management	We value occupational safety, and strengthen training and propaganda. Establish proper emergency injury handling measures, strengthen worker's protection programs to prevent from work injuries, and maintain employee health. Regularly update and review regulations related to occupational safety and environmental protection, and continuously improve.
			Freedom of Association & Right to Collective Bargaining	Respect the right of all employees to form and join trade unions of their own choosing, to bargain collectively, and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Employees and/or their representatives should be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.

Item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			Non-Discrimination & Humane Treatment	We commit to a workplace free of harassment (including sexual harassment and non-sexual harassment) and unlawful discrimination, and harsh or inhumane treatment of employees are strictly prohibited. We commit to creating a diverse workplace. We do not engage in discrimination or harassment based on ethnicity, class, language, thought, religion, political party, place of origin, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, physical or mental disability, horoscope, blood type, nationality, regional or social origin, family responsibilities, union membership, political opinions, race, color, gender identity or expression, disability, pregnancy, political affiliation, covered veteran status, protected genetic information or past membership in any labor union in hiring and employment practices, and causing unfair situation. Meanwhile, we provide employees with appropriate places to conduct religious activities.
			Disciplinary Practices	We treat all employee with dignity and respect. We do not engage in or tolerate the use of corporal punishment, mental or physical coercion or verbal abuse of employee. No harsh or inhumane treatment is allowed.
			Working Hours	Working hours complies with applicable laws, and overtime hours shall not exceed 12 hours per week except in emergency or unusual situations. All overtime shall be voluntary. Workers shall be allowed at least one day off every seven days.

Item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons						
	Yes	No	Summary description							
			<table><tr><td>Wages & Benefits</td><td>Wages shall meet the living needs and in compliance with all applicable wage laws. All employees should receive equal pay for equal work and qualifications. Deductions from wages as a disciplinary measure are not be permitted.</td></tr><tr><td>Worker/Stakeholder Engagement & Continuous Improvement</td><td>We have established a series of communication channels to receive opinions from stakeholders. At the same time, the Social Performance Team (SPT) is established to conduct regular risk assessment and internal control management to promote continuous improvement of the management system.</td></tr><tr><td>Management of Suppliers and Contractors</td><td>We conduct due diligence on suppliers/subcontractors, private employment agencies and sub-suppliers' compliance with the SA8000 Standard to fulfill the requirement of social responsibility.</td></tr></table>	Wages & Benefits	Wages shall meet the living needs and in compliance with all applicable wage laws. All employees should receive equal pay for equal work and qualifications. Deductions from wages as a disciplinary measure are not be permitted.	Worker/Stakeholder Engagement & Continuous Improvement	We have established a series of communication channels to receive opinions from stakeholders. At the same time, the Social Performance Team (SPT) is established to conduct regular risk assessment and internal control management to promote continuous improvement of the management system.	Management of Suppliers and Contractors	We conduct due diligence on suppliers/subcontractors, private employment agencies and sub-suppliers' compliance with the SA8000 Standard to fulfill the requirement of social responsibility.	
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Management of Suppliers and Contractors	We conduct due diligence on suppliers/subcontractors, private employment agencies and sub-suppliers' compliance with the SA8000 Standard to fulfill the requirement of social responsibility.									
			「 Human Rights Due Diligence 」 In accordance with the" United Nations Guiding Principles on Business and Human Rights" (UNGPs), and based on the EU "Corporate Sustainability Due Diligence Directive" (CSDDD) and the "OECD Due Diligence Guidance for Responsible Business Conduct", the Company conducted its first human rights due diligence across its Taiwan plant in 2025. The Company established human rights due diligence procedures for its own operations, identified material human rights issues through risk identification and assessment, and implemented corresponding risk management, mitigation, and remediation measures. These actions support continuous improvement and tracking, with the aim of reducing the impacts of human rights risks.							

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	Yes	No	Summary description	
			Steps	Employees at the Taiwan plants (The Headquarters, Zhunan Plant, Tainan Plant 1, and Tainan Plant 2)
			Assessment Process	• Establishment of the Human Rights and Social Responsibility Policy: Based on the UN Guiding Principles on Business and Human Rights and aligned with key business operations, the Company has established its Human Rights and Social Responsibility Policy. • Identification of Human Rights Risk Issues: A questionnaire was designed based on the Human Rights and Social Responsibility Policy and distributed to department-level managers to assess potential human rights risks in the Company's operations. • Identification of Material Human Rights Risks: Systematic reviews are conducted on potential issues within our operations, and mechanisms for risk detection and assessment have been established. • Mitigation and Remediation Measures: Appropriate mitigation and remediation actions are taken in response to material human rights risk incidents. • Ongoing Monitoring and Improvement: Improvement progress is continuously tracked, and operational processes are optimized to prevent recurrence.
			Assessment Topics	A total of 10 human rights risk issues have been identified, including "prohibition of child labor," "prohibition of forced labor," "safe and healthy workplace environment," "freedom of

Item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons													
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			<table><tr><td></td><td>association and collective bargaining,” “anti-discrimination and anti-harassment humane treatment,” “respect for employees and prohibition of inappropriate treatment or punishment,” “reasonable and lawful working hours management,” “fair and lawful wages and benefits,” “employee engagement and continuous improvement management system,” and “human rights-respecting suppliers.” These issues have been incorporated into the Company’s human rights risk management framework and serve as key references for the formulation of risk prevention and management measures.</td></tr></table> A total of three material human rights issues were identified across the Company’s Taiwan operations. The mitigation and remediation measures are as follows. <table><tr><th>Target</th><th>Material Human Rights Issues</th><th>Mitigation Measures</th><th>Remediation Measures</th></tr><tr><td rowspan="2">Employees</td><td>Fair and lawful wages and benefits</td><td>Conduct regular surveys and reviews of internal and external compensation conditions</td><td>If any compensation is found to be non-compliant with regulations or internal equity standards, salary adjustments will be made accordingly</td></tr><tr><td>Reasonable and lawful working hours system</td><td>Establish a working hours reminder mechanism</td><td>Investigate the causes of employee overtime and adjust</td></tr></table>		association and collective bargaining,” “anti-discrimination and anti-harassment humane treatment,” “respect for employees and prohibition of inappropriate treatment or punishment,” “reasonable and lawful working hours management,” “fair and lawful wages and benefits,” “employee engagement and continuous improvement management system,” and “human rights-respecting suppliers.” These issues have been incorporated into the Company’s human rights risk management framework and serve as key references for the formulation of risk prevention and management measures.	Target	Material Human Rights Issues	Mitigation Measures	Remediation Measures	Employees	Fair and lawful wages and benefits	Conduct regular surveys and reviews of internal and external compensation conditions	If any compensation is found to be non-compliant with regulations or internal equity standards, salary adjustments will be made accordingly	Reasonable and lawful working hours system	Establish a working hours reminder mechanism	Investigate the causes of employee overtime and adjust	
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	Yes	No	Summary description	
			at least 14 months' salary. <u>Employee welfare measures</u> Employee benefits include special leave, golden week travel leave, and various allowances. The total length of leave each year is superior to that stipulated by the Labor Standards Act. The Company is dedicated to creating an inspirational, fair and satisfying work environment where talents may thrive. <u>Workplace diversity and equality</u> The policy promotes systematic management throughout the organization and raises employees' awareness toward rules and discipline. The Company also attaches great importance to workplace diversity and equality. We strive to eliminate all forms of forced labor and employment discrimination, ban harassment, and respect privacy rights in order to build a workplace environment with equal opportunity, dignity, safety, equality, and freedom from discrimination and harassment. In 2025, the overall proportion of female employees and female senior management in the Company's plants in Taiwan and Mainland China (Coretronic Optotech (Suzhou), Coretronic Optics (Suzhou), Coretronic Projection (Kunshan), Coretronic Optics (Kunshan)) was 41% and 32.6%, respectively. <u>Business performance reflected in employee remuneration</u> Article 25 of the Company's Articles of Incorporation stipulates that if the Company has annual profits, 10% to 20% of such profits shall be appropriated as employee remuneration. Of the aforesaid employee remuneration, no less than 1% shall be allocated for distribution to non-managerial employees. The Board of Directors resolved to distribute employee remuneration for fiscal year 2025 in the amount of NT\$ 60,350,546, all of which will be paid in cash. Of such employee remuneration, 1% was actually allocated for distribution to non-managerial employees, and employee remuneration for non-managerial employees amounted to NT\$ 4,828,000, all of which	

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	Yes	No	Summary description	
			will be paid in cash. The Company conducts performance management procedures on a regular basis each year, whereby comprehensive evaluations are carried out based on both departmental performance and individual performance. Salary adjustments and employee remuneration distributions are determined with reference to the results of such comprehensive performance evaluations, in order to ensure internal equity between overall remuneration and performance outcomes, as well as to maintain the competitiveness of rewards for outstanding talent in the market. In 2025, one salary adjustment was implemented, with an average salary increase ranging from 3% to 5%.	
(III) Has the Company provided a safe and healthy work environment for the employees, and related education on occupational safety and health at regular intervals?	✓		<u>Goals and Measures for Establishing a Safe and Healthy Working Environment</u> To ensure workplace safety for employees, the Company has established the "Environmental Sustainability and Occupational Safety and Health Policy", set up a dedicated occupational safety management unit and an Occupational Safety and Health Committee. Each plant implements the ISO 45001 and CNS 45001 management systems and obtains third-party certification. Through the management cycle, the Company aims to effectively execute various work plans, achieve continuous improvement, and reduce occupational hazards. The Occupational Safety and Health Work Rules clearly define the rights and obligations of employees regarding safety, hygiene, and health. <u>Occupational hazard prevention target</u> The number of major occupational accidents in the Taiwan and China plants was 0. The lost time injury frequency rate (LTIFR) targets are < 1.5 per year in the short term (2026-2028), < 1.2 per year in the mid-term (2029-2031), and < 1.0 per year in the long term (2032-2034). <u>Management and Achievement of a Safe and Healthy Working Environment</u>	No material deviation is found.

Item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			1.The Company has conducted identification of workplace fire risks, identifying electrical equipment and cooking operations as key high-risk sources, and has installed automatic detection systems and fire suppression systems to reduce disaster risks. To implement disaster prevention concepts among employees and enhance the crisis awareness and emergency response capabilities of emergency response personnel, the Company reviews the emergency response plan at least once each year and conducts plant fire drills in coordination with the fire department. Practical drill training is used to strengthen employees' response capabilities. In 2025, a total of 54 disaster response, fire drill, and civil defense training sessions were conducted, training 10,181 participants including contractors with a combined total of 11,227 training hours. 2.To enhance occupational safety and health management performance, each plant continues to promote the occupational safety and health management system. In 2025, all four Taiwan plants passed third-party verification for ISO 45001 and CNS 45001 and maintained valid certification. The ISO 45001 certificate is valid from December 23, 2024 to December 23, 2027, and the CNS 45001 certificate is valid from December 23, 2024 to December 22, 2027. 3.In response to physical and ergonomic hazards in office workplaces, and to reduce visual strain on workers and enhance operational safety, the Company fully implemented an office lighting improvement program in 2025. Lighting fixtures were replaced with high-efficiency LED panel lighting equipment to ensure uniform illumination exceeding regulatory standards, creating a bright and comfortable healthy workplace. In addition, to address psychosocial hazards in the workplace, the Company established the "Workplace Unlawful Infringement Prevention and Complaint Procedures," the "Sexual Harassment Prevention Measures and Complaint and Disciplinary	

Item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			Procedures," and announced a statement adopting a "zero tolerance principle for workplace unlawful infringement." These measures aim to build a workplace culture that is safe, dignified, non-discriminatory, mutually respectful, inclusive, and provides equal opportunities. They are also incorporated into mandatory training courses for all employees, while establishing a zero-tolerance workplace culture and complaint channels to ensure employees are free from physical and psychological harm. In 2025, the Company offered a "Workplace Discrimination and Harassment Prevention" course for supervisors. The course was conducted in a case study discussion format to strengthen management's risk identification and handling capabilities, with 119 participants and a total of 24 training hours. At the same time, lecture courses were provided for employees, with 50 participants and a total of 75 training hours. 4. In 2025, there were 9 occupational injury incidents involving 9 employees, representing 0.22% of the total number of employees. According to accident investigation and analysis, the types of injuries were classified as 2 cuts, 2 strains, 2 crushing injuries, 1 collision injury, and 2 fall injuries. Corrective and preventive measures have been completed, including hazard awareness for walking and operations among personnel of the accident units, safety promotion, education and training, and installation of protective devices on equipment, in order to enhance personal safety awareness and reduce the incidence of accidents. 5. In 2025, there were no fire incidents, and the number of fatalities and injuries accounted for 0% of the total number of employees. No major occupational accidents occurred. The LTIFR for employed employees was 1.11 and the LTIFR for non-employed employees was 0, both meeting the short-term targets.	

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	Yes	No	Summary description	
			For details on other workplace and employee safety protection measures, please refer to chapter Four. Operational Overview - “V. Labor-management relations/(IV) Work environment, employee safety and protection measures.”	
(IV) Has the Company implemented an effective training program that helps employees develop skills over their careers?	✓		Based on the Company’s vision and operational goals, we have formulated training policies and established comprehensive training programs to help enhance the competitiveness of employees in personal career development. Relevant education and training courses include (1) corporate culture building, (2) professional talent training, (3) international talent development training courses, and (4) new employee orientation. The Company organized training courses in 2025 with a total of 67,043 participants. The total number of training hours was 99,708, costing over NTD 5.79 million in total.	No material deviation is found.
(V) Regarding issues such as customer health and safety, customer privacy, and marketing and labeling of products and services, does the company comply with relevant regulations and international standards, and formulate relevant consumer and customer protection policies and complaint procedures?	✓		All specifications and labeling applied to product exteriors are compliant with laws and international standards, and are backed by valid test reports. The Company values customers’ opinions and has “product return/repair procedures”, “Customer Service Management Procedures”, “customer complaint procedures,” “Exrernal Stakeholder Engagement Suggestions and Report procedures,” relevant policies and report process in place to protect customers’ interests. Through customer service mailbox (ser@coretronic.com), complaint channels, visits, phone interviews, customer service units and satisfaction surveys, the Company accepts customer complaints, makes disposals, and assists front-line sales to deal with customer complaint cases so as to duly perform the work to maintain customers’ rights and interests. In addition, the Company regularly implements the annual satisfaction survey not only to raise satisfaction but also to learn their expectations in regard to innovative R&D, product procurement, production quality and operating environment, so that effective responses can be taken immediately. For details, please refer to <u>1.5 Customer Service</u> of the Company's 2025 ESG	No material deviation is found.

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	Yes	No	Summary description	
			Report.	
(VI) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		The Company has established a comprehensive sustainable supply chain management framework to pursue mutual growth and sustainable operations with suppliers. This includes adherence to guidelines (signing a Sustainability Commitment Statement, following RBA, Green Product Warranty, Conflict Minerals Policy, Conflict Minerals Declaration, Integrity Commitment, Environmental Sustainability and Occupational Safety and Health Policy, Human Rights and Social Responsibilities Policy), risk assessment (Supplier RBA Self-assessment Questionnaires, Supplier Financial Risk Assessment, Supplier ESG Risk Assessment, Conflict Minerals Survey), audit system (RBA online/on-site audits, annual audits, quarterly reviews), training and guidance (conduct sustainability training through the GPMS platform and Annual Supplier Conference with sustainability-themed seminars, presenting the Outstanding Supplier Sustainability Award and the Energy Saving and Carbon Reduction Contribution Award), and green alliances (collaborating with suppliers to implement circular economy initiatives). In addition, the Company has formulated the “ RBA Code of Conduct Management Handbook“ in accordance with the RBA Code of Conduct to manage suppliers and strive to urge suppliers to pay attention to issues such as ethical regulations, labor rights, environmental protection, health and safety, and thoroughly implement risk management and business continuity plan in order to become a green supply chain with sustainable value. Under the corporate social responsibility commitment to fulfilling the global supply chain, if the Company’s existing suppliers have significant negative impacts on the environment, labor, human rights, ethics, and morals, the Company will immediately remove them from the list of qualified suppliers. If the materials and parts supplied by the suppliers are irreplaceable to a considerable extent, the Company will assist in eliminating	No material deviation is found.

Item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			the aforementioned major negative impacts to maintain the effective operation of the supply chain. For details, please refer to the Company website “ESG/Products and Value Chain/Supply Chain Management“ for the relevant implementation status.	
V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	✓		The Company has published its Corporate Social Responsibility Report annually since 2008. The content and structure of 2025 Sustainability Report follow the Global Reporting Initiative (GRI) Standards 2021 and incorporate sustainability indicators from the Sustainability Accounting Standards Board (SASB). A GRI and SASB Content Index are provided at the end of the Sustainability report. Since 2016, the Company has voluntarily engaged a third-party verification body, SGS Taiwan Ltd., to provide assurance on the content of its Sustainability Report as well as compliance with the GRI and SASB frameworks. From 2016 to 2017, the Company obtained assurance statements at the AA1000AS Type 1 moderate level, and from 2018 to 2025, it obtained assurance statements at the AA1000AS Type 2 high level, thereby significantly enhancing the credibility of the Company’s Sustainability Report.	No material deviation is found.
VI. If the Company has its own sustainable development code in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the differences between its operation and the Principles: The Company has established the “Sustainable Development Best Practice Principles”, which have been approved by the Board of Directors. Each year, the Company prepares an “ESG Report”, which have been approved by the Board of Directors and publishes it on the Company website and the Market Observation Post System (MOPS). As both the report contents and the relevant operation have followed the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” there have been no significant deviations.				
VII. Other important information to facilitate better understanding of the company’s promotion of sustainable development: (I) Sustainability awards: 1. Ranked in the top 5% among TPEX-listed companies in the “Corporate Governance Evaluation” for 11 consecutive years (2015-2025). 2. Ranked in the top 10~20% among TWSE/TPEX-listed electronics companies with market capitalization over NT\$10 billion in the “Corporate Governance Evaluation”. 3. Included in the “TPEX 50 Index” for 16 consecutive years (2010-2025). 4. Included in the “TPEX High Dividend Yield Index” for 12 consecutive years (2014-2025). 5. Included in the “TPEX Compensation Index” for 11 consecutive years (2015-2025).				

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	Yes	No	Summary description	
6. Included in the “TPEX 200 Index” for 7 consecutive years (2019-2025). 7. Included in the “TPEX FactSet Climate Resilience Index” for 3 consecutive years (2023-2025). 8. First-time included in the <i>S&P Global Sustainability Yearbook 2026</i> and awarded the “Industry Mover”. 9. First-time earned the 2025 EcoVadis Gold Medal, top 2% among all evaluated companies. 10. Received an “A” in the MSCI ESG rating. 11. Marked as “Low Risk” in Corporate ESG Risk Rating by the Sustainalytics. 12. Scored “A” (Leadership Level) by the CDP in “Climate Change”, “B” (Management Level) in “Water Security” and “A” (Leadership Level) in Supplier Engagement Assessment. 13. Awarded the SGS “2025 ESG Awards—Sustainable Environment”. 14. Named among the Clarivate’s “Top 100 Global Innovators™” for 2 consecutive years (2024-2025). 15. Earned the 2025 APSAA (Asia-Pacific Sustainability Action Awards) “Gold—SDG 4 Quality Education”. 16. First-time earned the “2025 National Talent Development Awards” Large Enterprise Award from the Ministry of Labor. 17. Earned the “CommonWealth Excellence in Corporate Social Responsibility Award” for 14 consecutive years (2012-2025). 18. Earned the “CommonWealth Talent Sustainability Award” for 2 consecutive years (2024-2025). 19. Earned multiple TCSA (Taiwan Corporate Sustainability Awards): “Corporate Sustainability Reporting Awards” Platinum Award for 2 consecutive years (2024-2025), “Taiwan’s Top 100 Sustainable Companies Award” for 7 consecutive years (2019-2025), “Transparency and Integrity Leadership Award” for 8 consecutive years. (2018-2025), “ Social Inclusion Leadership Award ” for the 6th time, and “Talent Development Leadership Award” for 3 consecutive years (2023-2025). 20. Earned the GCSA (Global Corporate Sustainability Award) “Sustainability Reporting Award” Bronze Class for 2 consecutive years (2024-2025). 21. First-time earned the “Gold Level” Net Zero Label from the TAISE. 22. Earned the “National Enterprise Environmental Protection Award” Silver Award from the Ministry of Environment for 8 consecutive years (2018-2025). 23. Earned the “2024 National Invention & Creation Award” Silver Invention Award. 24. Earned the “2025 Gold Panel Awards”—Outstanding Product Award: Materials and Components Category. 25. Earned the “Buying Power—Social Innovation Products and Services Procurement” Shared Value Award from the Small and Medium Enterprise and Startup Administration, Ministry of Economic Affairs. 26. The Headquarters received the “Hsinchu City Green Procurement Excellence Award”. 27. Tainan Plant 1 and 2 received the “Tainan City Outstanding Green Procurement Enterprise Award”. 28. The Headquarters, Chunan Plant, Tainan Plant 1, and Tainan Plant 2 received the “Badge of Accredited Healthy Workplace—Health Promotion” and the “AED Safe Place” Certification from the Ministry of Health and Welfare. 29. Earned the “2025 Happy Enterprise”—Silver Award from the 1111 Job Bank. 30. The Headquarters obtained the "Social Accountability 8000 Standard (SA8000)" certification. (II) Social engagement: A. The Company collaborated with stakeholders including the Firefly Volunteer Team, social enterprises, non-profit organizations, local universities/communities, customers, and suppliers to implement six major public welfare programs in 2025: “Light Pioneer”, “Elderly Smile”, “Love Followers”, “Dream Walkers”, “Light Wishes for the Rurals”.				

Item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
and “Farm the Hopes”.				
1. “Light Pioneer”: “High-tech Adventure” 1 session—Invited teachers and students from rural elementary schools in Miaoli to visit the Company, experience technology products, DIY VR smart headsets, and visit the Hsinchu Science Park Exploration Museum. In the second half of 2025, the activity was upgraded to “Future Light Camps 1.0” with a total of 2 sessions, and a new “Net Zero Classroom” course was added, guiding students in learning technology applications and net-zero concepts; “Future Light Camps 2.0” 6 sessions—Jointly organized with students from the Department of Electronics and Electrical Engineering at National Yang Ming Chiao Tung University, using coding education board games “Coding Ocean” and “CO. DECODE”, Scratch, and multiple creative lesson plans to conduct six sessions of programming workshops for fourth to sixth grade students at 2 non-mountain non-urban elementary schools in Miaoli, inspiring children’s interest in programming and strengthening their logical thinking and reasoning abilities. This was followed by problem-based computer programming courses, and students collaboratively completed two game programs, assisting them in completing the 7th-grade to the first semester of 8th-grade programming curriculum ahead of time. In addition, 3 volunteer training sessions were held to teach the Firefly Volunteer Team and students from the Department of Electrical Engineering of National Yang Ming Chiao Tung University about the programming education board games “Coding Ocean” and “CO. DECODE” and Scratch, enabling them to serve as instructors during the camp and assist students in operation and understanding; “Future Light Camps 3.0” 1 session—Jointly organized with the Information Volunteer Team of National United University to teach rural students in Miaoli County the basic theory of Generative AI (GAI) and methods for using GAI tools. Volunteers provided one-on-one guidance for children to complete the “AI Creative Storybook” hands-on project, and 2 volunteer training sessions were held to teach the Firefly Volunteer Team and students from the Information Volunteer Team of National United University the basic theory of GAI and methods for using GAI tools, enabling them to guide students in operation and understanding during the camp. 2. “Elderly Smile”: “Warm Delivery”—For seven consecutive years, the Company has sponsored the Huashan Social Welfare Foundation’s “Reunion with Love” lunar new year meal program for disadvantaged elders. Volunteers from the Firefly Volunteer Team personally delivered customized supply packages, New Year meals, and warm thick quilts to the homes of elders in rural areas of Hsinchu County, and together with the Huashan Social Welfare Foundation checked in on the elderly’s medication use and recent health conditions; “Warm Telehealth”—For four consecutive years, the Company has collaborated with the social enterprise “Digital Humanitarian Association” to sponsor health promotion courses and online medical consultation services at 10 Cultural Health Stations in Miaoli County, as well as 96 caregiver capacity-building courses; “Warm Restaurant”—For four consecutive years, the Company has partnered with the social enterprise “Silver Gate”, hiring single mothers and part-time job seekers as meal delivery ambassadors to provide stable meal delivery services to elders in rural, disadvantaged, and economically marginal communities in Miaoli County. The Company has also collaborated with “Buy Nearby”, “Fish Bar”, “National Taiwan University Hospital Hsinchu Branch”, and “Chi Mei Medical Center” to donate white/brown rice, Sustainably Caught Fish Donations, and senior nutrition products to community senior dining halls in Miaoli, as well as employing new immigrant women to conduct home visits to care for the daily living conditions of elders. 3. “Love Followers”: “Volunteer Day”—For six consecutive years, the Company has collaborated with the social enterprise “GC Give Circle” to organize the “Share Love • Save Earth” event, inviting colleagues to donate practical secondhand items from their homes, brand-new care supplies, and food; “Volunteer Gathering”—Presented the “Special Contribution Award” and the “Service Passion Award” to outstanding volunteers, shared annual achievements and future plans, and led volunteers to visit the “Deng Nan-Guang Memorial Museum” and the “Chiang A-Hsin Mansion”; “6th Run for Love”—Invited current and retired employees, family members, visually impaired runners, and professional guides to participate, and invited five nonprofit organizations, including the Huashan Social Welfare Foundation, World Peace Association, Yuan Nurturing Institute, Hsinchu City Association for the Welfare of the Disabled, and the Genesis Social Welfare Foundation, to set up charity booths, hired the “Vision Inaction Massage Studio” to offer massage services, and after the event donated all registration fees to the Huashan Social Welfare Foundation to sponsor the 23rd “Reunion with Love” lunar new year meal program.				

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	Yes	No	Summary description		
4. “Dream Walkers”: “Earn Your Future”—For seven consecutive years, the Company has collaborated with Cheng Shiu University, and for the first year also collaborated with Feng Chia University, providing scholarships, living allowances, and one-year internship opportunities (salary and free accommodation) for third- and fourth-year students; “Aboriginal Sound Legend”—In collaboration with World Vision Taiwan, the Company has sponsored the Jinping Elementary School Choir in Jianshi Township, Hsinchu County for three consecutive years.					
5. “Light Wishes for the Rurals”: “Fulfill Kids’ Dreams on Children’s Day”—In collaboration with the Interdisciplinary Science Education Center and the Innovation Incubation Center of National Tsing Hua University, the Company organized the “Exploration and Hands-on Practice of Various 3D Imaging Technologies” and the “Solar Smart Optoelectronic Energy Storage Cabin” workshops for 4 rural elementary schools in Jianshi Township and Wufeng Township of Hsinchu County and Tongxiao Township of Miaoli County, and distributed popcorn to rural students; “Exchange Love and Warmth on X’mas”—For twelve consecutive years, employees have voluntarily donated funds to purchase practical backpacks, blankets, and popcorn, which were given to 14 rural elementary schools and affiliated kindergartens in Guangfu Township, Wanrung Township, and Fenglin Township of Hualien County, and the Company also sponsored the World Peace Association’s “Save the Hungry Children” breakfast program, the Zenan Homeless Social Welfare Foundation’s “Satisfying the Hunger 30” year-end red envelope fundraising program, and supported the Elder Welfare Concerned Association’s “Home Repair Project for Disadvantaged Elderly in Remote Areas”, sponsoring home repair expenses for economically disadvantaged elderly individuals in Miaoli County; “Rice Donation”—The Company purchased Yuanli rice from Miaoli from the social enterprise “Buy Nearby” as gifts for the shareholders meeting, supporting small-scale and elderly farmers in Miaoli, and employed individuals with intellectual disabilities from the “New Taipei City Jixian Sheltered Workshop” and the “Tzu Yu Sheltered Workshop” to conduct product packaging to provide employment opportunities, and donated rice to 7 NPOs.					
6. “Farm the Hopes”: Purchased organic vegetables from the social enterprises “Buy Nearby” and “Earth Friend” for use in employee lunch catering to support local organic agriculture, and purchased coffee beans from the social enterprise “River Pine Coffee” to establish a sustainability breakroom.					
B. Every year, the Company makes donations to the Coretronic Culture and Arts Foundation to organize various cultural and art activities. Achievements in 2025:					
Culture and art events	Event contents			Fee (NTD)	Event participants
“The Taiwan Environment Lighting Award” Project	With the concept of building a “light and cultural art platform,” the Coretronic Culture and Arts Foundation is committed to exploring the humanistic connotation and depth of “light”. Over the years, the foundation has collaborated with professionals from all walks of life to shine a light on the unique history and culture of each region with the participation of people ranging from the general public to community residents as well as the involvement of parties ranging from school teachers and students to civil society organizations. The project fully reflects that the public has been looking forward to seeing the improvement of Taiwan’s public environment. This project hopes to encourage the government and private units to create an excellent lighting environment. We look forward to diversified and meaningful lighting and lighting designs, so that the public can live in a comfortable and healthy environment. By promoting a balanced expression of technology and art, the public can understand the importance of a lighting environment, thereby driving the improvement and advance of the macro environment. The lighting environment works are open to the public, which is in line with the public spirit and the			\$ 4,285,354	300 persons

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			public interest. This project covers all public places for the public to visit, appreciate, communicate, learn, experience, interact, and participate in, including: museums, libraries, art galleries, concert halls, theaters, playhouses, performance centers, arts and cultural centers, cultural venues, and other public facilities operated by government departments or private units or groups.	
"Light Environment Travel" Project			In 2025, for the first time, two on-site guided exchange activities were held by integrating the two major topics of "lighting design" and "landscape design". Respectively visited "Daxi Historic Light Corridor," "1895 Yiwei War Memorial Park," "Taipei Botanical Garden," "Longshan Temple in Monga," and "Eslite Spectrum Xindian YES!LIFE," a total of 5 outstanding lighting environment projects. Lighting designers provided on-site explanations, leading participants to explore in depth the logic and refined aesthetics behind lighting design, and to experience how "light" reinterprets the stories and atmosphere of public spaces.	\$ 315,747 61 persons
"Light Light in Hsinchu to Record Light and Shadow - Beipu Tour"			Collaborated with Hsinchu "Citilens" to plan a one-day guided tour experience in Beipu, Hsinchu. "Beipu, Hsinchu" was a base developed by Hakka immigrants in the past. During the Qing rule period, the old street was once the most bustling commercial center in Beipu. Within a short 200-meter old street, there are 7 historic sites, with the highest density of historic sites in Taiwan. The "Recording Light and Shadow - Beipu Tour" activity led a total of 65 colleagues and their family members to visit Beipu Old Street and the Chiang A-Hsin Mansion and to experience cyanotype making, deeply experiencing the local historical culture and the aesthetics of daily life through the old street, historic buildings, creative handicrafts, and Hakka cuisine.	\$107,056 65 persons

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

(IV) Human rights: 1. The Company holds labor-management meetings in accordance with the "Labor-management Conference Policy." 2. The Company has implemented workplace sexual harassment prevention, grievance and disciplinary measures to protect the rights and privacy of parties involved. 3. The Company has established multiple communication channels, including an employee suggestion box, an employee care hotline, an employee discussion forum, and an employee mailbox, through which the relevant responsible units provide responses and propose solutions. 4. We have organized online awareness-raising courses and asked employees to fill out a code of human rights questionnaire after the class. 5. The Company has signed the "Human Rights and Social Responsibility Policy" and established a dedicated Social Responsibility Task Force to regularly monitor and address human rights issues. 6. The Company's headquarters has obtained SA8000 Social Accountability Management System certification, demonstrating its firm commitment to sustainable development.

(V) Safety and health: 1. To effectively improve employees' awareness of the environment, safety, and health, four major courses have been planned: "Pre-employment Training", "On-the-job Training", "General Training", and "Environmental Safety and Health Management System Training."

2. We have an e-learning website in place, through which employees can access the system to inquire about and sign up to complete environmental safety and health e-training courses. 3. Environmental safety and health policies are summarized, printed on small cards and distributed to employees to promote and enforce the environmental safety and

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health management system. 4. We implement regular automated inspections, patrol inspections, accident correction reviews, and preventive measures.				
(VI) Environmental protection				
1. A responsible unit with goals set and systematic management has been established to periodically check and follow up on the effectiveness of environmental protection promotion.				
(1) The Environmental Protection Committee was established in 2015. Apart from addressing the Company’s sustainable operations, it also plans strategies for environmentally sustainable development, sets short-, medium-, and long-term goals, and periodically reviews their effectiveness.				
(2) The "Environmental Sustainability and Occupational Safety and Health Policy" was issued in 2018, TCFD was introduced in 2020 to analyze climate risks and preparedness, carbon reduction management strategies were formulated in 2021, and in 2022, the Company committed to achieving the net-zero carbon emissions target by 2050.				
(3) All plants in Taiwan have passed the certification of ISO 14064-1 GHG inventory, ISO 14001 environmental management system (EMS), ISO 45001 occupational health and safety (OH&S) management systems, CNS 45001 Taiwan Occupational Safety and Health. Management System (TOSHMS), and ISO 50001 energy management system (EnMS).				
(4) Air quality monitoring equipment has been equipped and improvement measures have been implemented to monitor the results periodically so as to build a friendly workplace environment.				
(5) Headquarters, Zhunan Plant, and Tainan Plant 1 have maintained a record of no major environmental violations for fourteen consecutive years, while Plant 2 has maintained this record for five years since its establishment.				
2. In support of the government’s advocacy of green, low-carbon energy development, the Company’s plants in Taiwan invested a total of NT\$6.4 million in reducing 123 tonCO ₂ e of carbon emissions in 2025.				
(1) Investment in energy-saving equipment : The Headquarters invested NT\$320 thousand to install inverters for water pumps and purchase energy-efficient air conditioners, which are expected to reduce electricity consumption by 16,376 kWh and decrease 8 tonCO ₂ e.				
(2) Investment in energy-saving lighting :The Headquarters, Zhunan Plant, and Tainan Plant 1 invested NT\$610 thousand to replace energy-efficient lighting equipment, which is expected to reduce electricity consumption by 57,775 kWh and decrease 27 tonCO ₂ e.				
(3) Investment in green energy: The Headquarters, Zhunan, and Tainan Plant 1 invested NT\$5,470 thousand to obtain renewable electricity through the installation of solar power generation systems and green power transfer mechanisms, which are expected to reduce electricity consumption by 185,878 kWh and decrease 88 tonCO ₂ e.				
3. Engagement with environmental education, expansion of green influence				
(1) Digital online environmental education courses were established. In 2025, a total of 8,288 participants and 4,135 hours were accumulated.				
(2) Plants in Taiwan have assembled environmental protection volunteers to offer guided tours and green classroom services for teachers and students participating in the High-Tech Adventure and Future Light Camp. In 2025, three sessions of these events were held to offer environmental protection activities of 914 hours in total to 130 participants.				
(3) The Taiwan plants organized activities including Earth Hour, environmental education video viewing with prize quizzes, eco-friendly product redemption, eco-friendly handicraft DIY, clean mountain and water activities, Rewood wood vinegar expert activities, and visits to environmental education sites such as the Miaoli BOT Incineration Plant and the Qigu Salt Field. In 2025, a total of 23 environmental sustainability education activities were held, with a total investment of NT\$429 thousand, 22,940 participants.				
4. Contribution to local communities and support for environmental protection units to implement sustainable development projects				
(1) Starting in 2025, the Taiwan plants adopted 0.19 hectares of forest land in the Daan River area managed by the Forestry and Nature Conservation Agency, supporting tree				

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planting and forest tending work. A total of 363 Taiwan zelkova seedlings were planted, with sponsorship expenses of NT\$47 thousand.				
(2) For five consecutive years, the Headquarters has provided straw-decomposing bacteria to farmers in Hsinchu County through sponsorship with the Environmental Protection Bureau. In 2025, sponsorship expenses amounted to NT\$470 thousand, providing 2,000 bottles of straw-decomposing bacteria for use on 200 hectares of rice fields (accounting for 5% of the rice field area in Hsinchu County), resulting in a reduction of 1,800 metric tons of carbon emissions.				
(3) For nine consecutive years, the Zhunan plant has adopted the coast of Longfeng Fishing Harbor through the Miaoli County Environmental Protection Department. In 2025, it jointly organized a beach cleanup activity with CPC Exploration and Production Division, donated NT\$40 thousand to the Society of Wilderness, and collected 410 kilograms of waste.				
(4) Zhunan plant and Tainan Plant 1 have supported the government’s public toilet adoption program for six consecutive years. They adopted five public toilets in the regions where they are located. In 2025, about NT\$13.2 thousand was sponsored on supplying water-soluble toilet paper with waste reduction efficiency, benefiting a total of 490,000 people benefited and waste-related carbon emissions were reduced by 4.2 tonCO ₂ e.				
(5) In 2025, Tainan Plant 2 provided funding to the Wetlands Taiwan to support wetland conservation and biodiversity maintenance, with sponsorship expenses of NT\$50 thousand.				
(6) Headquarters, Zhunan plant, Tainan Plant 1 and 2 have implemented the green accounting system and prioritized green product procurement. In 2025, NT\$41.10 million was spent on purchasing products with lower environmental impact to encourage green product production and boost the trend of green product consumption to achieve environmental protection.				
(VII) Other social responsibility events: The Company has developed a system for online reporting of public information and assigned dedicated personnel to gather and disclose information relating to the Company to ensure the timely and fairly disclosure of any information that can affect the decision of shareholders and stakeholders.				

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

Climate-related information and implementation

Item	Implementation
1. Supervision and governance of climate-related risks and opportunities by the Board of Directors and management	• The ESG Committee is led by the Chairman. A committee member and an executive representative - the CFO makes a report to the Board once each year. The report includes the implementation results of sustainability projects, climate change risk management framework and response strategies (TCFD), various environmental indicators, net-zero pathway, renewable energy strategies, and future sustainable development. In addition, the CFO also reports the implementation of GHG inventory to the Board on a quarterly basis. • The head of the Taiwan Public Administration Center serves as the convener of the Environmental Protection Committee, which together with its Sustainable Energy Committee and EPC Promotion Team is responsible for setting short-, medium- and long-term environmental goals and reinforcing strategy implementation. • The head of the Taiwan Public Administration Center serves as the convener of the TCFD team. The team identifies climate-related risks and opportunities every two years, and formulates response strategies and solutions based on the risk and opportunity identification results in order to reduce negative impacts and enhance organizational climate resilience.
2. How the identified climate-related risks and opportunities affect the	• Through cross-departmental discussions, short-, medium-, and long-term climate change risks and opportunities were identified. In 2024, we identified 5 transition risks, 2 physical risk, and 7 opportunities. We conduct a quantitative assessment for each risk

Item	Implementation					
Company's business, strategy, and finance (in the short, medium, and long-term)	and opportunity to assess potential impact types, potential impact intensity, and the possibility of occurrence, classify and rank the risks and opportunities according to the assessment results, and formulate response strategies accordingly to reduce negative impacts and enhance the organization’s climate resilience, creating future business opportunities. For details, please refer to <u>4.1 Nature and Climate Management</u> of the Company's 2025 ESG Report.					
	•We have assessed the potential operational and financial impacts of significant climate-related risks and opportunities on the Company.					
	•We have performed scenario analysis and assessed science-based emissions reduction targets.					
	Types of risks and opportunities		Short-term	Mid-term	Long-term	
	Risks	Transformation risk	Regulations related to GHG total quantity control, carbon tax, and carbon fees	Increase in raw material procurement costs	–	
			Renewable energy regulations and energy efficiency standards	Low-carbon product standards and labels	–	
			–	GHG reduction requirements for the supply chain	–	
		Physical risks	–	–	Energy and resource pressure	
			–	–	Rising temperatures	
	Opportunities	Opportunities	Low-carbon products and solutions	Recycled materials and circular reuse	Low-carbon green production	
			Diverse raw materials and resource substitution	Sustainable procurement and supply chain decarbonization	Low-carbon energy strategy	
			–	Supply chain stability	–	
	Analysis of the potential financial impacts of climate change risks and opportunities and corresponding response strategies					
	Risk/ Opportunity Category	Risk/Opportunity Items	Potential financial impact			Response strategy
			Cost expenditures	Capital expenditures	Sales revenue	
Transition risks	Regulations related to GHG total quantity control, carbon tax, and carbon fees	Increase	Increase	–	• Formulate decarbonization pathways and reduction plans based on science-based reduction targets approved by SBTi, and gradually reduce GHG emissions. • The Board of Directors reviews the implementation status of GHG inventory on a quarterly basis and reviews the Company’s various environmental indicators and	

Item	Implementation					
						decarbonization progress annually to strengthen climate governance. • Establish a carbon management platform to promote systematic management of carbon information. • Introduce internal carbon pricing as a reference for decarbonization decision-making.
	Transition risks	Renewable energy regulations and energy efficiency standards	Increase	Increase	–	• Install solar power generation systems, and increase the use of renewable energy through green electricity wheeling and renewable energy certificate trading.
	Opportunity	Low-carbon energy strategy	Decrease	–	–	• Introduce the ISO 50001 energy management system, implement energy-saving equipment replacement projects and various energy conservation measures to improve energy efficiency.
	Opportunity	Low-carbon green production	Decrease	–	Increase	• Integrate low-carbon thinking into product design and process development, and continue to invest in product energy-saving R&D and design. • Formulate a green product development strategy and establish a product carbon footprint inventory platform, reducing product environmental impacts through technological innovation, material substitution, and performance optimization. • Conduct independent product carbon footprint inventories, and formulate and implement decarbonization measures targeting carbon emission hotspots.
	Opportunity	Low-carbon products and solutions	–	–	Increase	
	Transition risks	Low-carbon product standards and labels	Increase	Increase	Decrease	
	Transition risks	GHG reduction requirements for the supply chain	Increase	–	Decrease	• Identify suppliers' sustainability risks through the "ESG Risk Assessment System" and implement tiered management to plan corresponding guidance and improvement measures. • Require suppliers to sign and comply with the "Sustainability Commitment Letter," complete the RBA self-assessment questionnaire, and undergo RBA on-site audits to ensure supply
	Opportunity	Sustainable procurement and supply chain decarbonization	Increase	–	–	
	Opportunity	Supply chain stability	Decrease	–	–	

Item	Implementation					
						chain stability.
	Transition risks	Increase in raw material procurement costs	Increase	–	Decrease	- Assess raw material procurement risks to reduce dependence on a single material or supply, and promote the application of diverse raw materials and alternative materials to enhance resource use flexibility. - Set targets for the proportion of recycled materials and environmentally friendly packaging materials used, and continuously increase the usage ratio to strengthen resource circularity and environmental benefits.
	Opportunity	Diverse raw materials and resource substitution	Decrease	–	–	
	Opportunity	Recycled materials and circular reuse	Decrease	–	–	
	Physical risks	Energy and resource pressure	Increase	Increase	Decrease	- Continuously improve energy efficiency and implement various energy conservation measures to reduce energy intensity - Install solar power generation systems, and enhance the flexibility and stability of energy supply through green electricity wheeling and renewable energy certificate trading.
	Physical risks	Rising temperatures	Increase	Increase	–	Introduce climate scenario analysis to assess the impact of rising temperatures on operations, and adopt energy-saving cooling, equipment, and process optimization to enhance climate resilience.
3. Financial impacts of extreme climate events and transitional actions	After discussing with each unit, the Environmental Protection Committee set short-, medium- and long-term environmental sustainability goals and identified short-, medium- and long-term climate-related risks and opportunities. Finally, based on the identification results, the committee presented the potential impacts of climate change on the Company's operations and finance. For details, please refer to <u>4.1 Nature and Climate Management</u> of the Company's 2025 ESG Report.					
4. How climate-related risk identification, assessment, and management processes are integrated into the overall risk management system	- We use the TCFD framework to identify the Company's climate risk identification process. - We plan counteractions based on climate-related risk identification and prioritization results. - We have included climate-related risk identification and assessment in the business risk management process.					
5. If scenario analysis is used to assess resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and major financial impacts used	- Transition scenario: Committed to 2050 net-zero emissions (NDC) 、SSP1-1.9. - Physical climate scenario: RCP8.5 emission scenario. - The Company conducted the scenario analysis assuming that the globe can implement carbon reduction actions under the Paris Agreement by 2050. The reference materials include the 6th IPCC Report, with targets set based on the SBT principle, and the climate transition scenario analysis based on a scenario where the temperature rise is controlled at 1.5°C.					

Item	Implementation
	•To achieve the SBT carbon reduction target of the Company - "50.4% absolute reduction in GHG (Scope 1 and 2) emissions and 30% absolute reduction in Scope 3 emissions by 2032 from the 2021 base year" and the net zero commitment by 2050, the scope of consideration for the scenario analysis also includes 2032 and 2050. We considered all sales departments and conducted qualitative analysis for costs, sales revenue, and capital expenditure based on climate-related scenarios.
6. If there is a transition plan for managing climate-related risks, describe the plan, and the metrics and targets used to identify and manage physical and transition risks	•We have set climate change management metrics. •We conduct regular GHG emissions inventory according to ISO 14064-1. •We regularly review and manage energy performance according to ISO 50001. •The Company sets climate change management targets and regularly reviews their progress and actual performance •For details, please refer to <u>4.1 Nature and Climate Management</u> of the Company's 2025 ESG Report.
7. If internal carbon pricing is used as a planning tool, describe the basis for setting the price	•Based on the results of risk scenario analyses for each plant, the Company converts potential carbon emissions into potential decarbonization costs to promote internal carbon pricing. The carbon price is dynamically adjusted every three years according to accounting profit and loss to reflect the substantive economic costs required for the Company to advance decarbonization, respond to the latest decarbonization technologies and regulatory trends, and thereby enhance internal units' awareness of the operational impacts of climate change, further promoting more proactive decarbonization initiatives. •Although the Company has not reached the carbon fee levy threshold of the Ministry of Environment, it has, in response to operational risks arising from climate change and to implement the SBT 1.5°C decarbonization pathway and net-zero commitment, introduced an internal carbon pricing mechanism since 2021 as a core decision-making tool for climate governance. The Company's internal carbon pricing is established using the "decarbonization investment cost method," internalizing the actual costs invested to achieve decarbonization targets. The pricing basis is calculated by allocating the annual investment costs of renewable energy generation and energy-saving equipment at each plant, divided by GHG (Scope 1 and Scope 2) emissions, and after scientific calculation, an internal carbon price of NT\$942 per metric ton is set, with this shadow price applied to simulate the impact of future carbon costs on corporate operations and investment decisions. • Since 2022, internal carbon pricing has been applied to evaluate the investment benefits of ESCO energy-saving projects and solar power installations, helping optimize internal resource allocation and promoting the upgrading of energy-saving equipment and increasing the proportion of renewable energy use. In 2025, a total of 19 energy-saving projects were implemented, achieving electricity savings of 1,123 thousand kWh, and GHG (Scope 1 and Scope 2) emissions at the Taiwan and China plants were reduced by 45% compared with the baseline year of 2021, significantly exceeding the short-term target and demonstrating the effectiveness of carbon pricing in supporting decision-making. • In the future, the carbon price and related scenario analyses will be dynamically adjusted based on international trends, policies and regulations, market dynamics, and the Company's carbon emission status to further optimize decarbonization strategies, enhance internal sensitivity to climate risks, and promote more forward-looking decarbonization actions to achieve a win-win outcome for decarbonization targets and operations.
8. If climate-related targets are set, explain the activities covered, the scope of GHG emissions, the planned schedule, and the progress each year. If carbon offset credits or	• Set environmental performance indicators such as absolute reduction of GHG (Scope 1-3), electricity intensity, waste generation intensity and recycling rate, water consumption, and renewable energy usage, and review the achievement of targets on a quarterly and annual basis to reduce environmental impacts. • Since 2016, the Company has continuously passed GHG verification, and since 2020 has expanded the inventory scope to Scope 3 in accordance with ISO 14064-1:2018, based on which decarbonization measures are planned and implemented.

Item	Implementation
renewable energy certificates (RECs) are used to achieve relevant targets, explain the source and number of the carbon credits offset or the quantity of RECs.	- All plants in Taiwan, the Wujiang Plant, and Coretronic Projection (Kunshan) have all passed the ISO 50001 EnMS verification, effectively reducing absolute GHG emissions through energy-saving equipment replacement projects and various energy conservation measures. - SBT decarbonization target - "Using 2021 as the base year, achieve an absolute reduction of 50.4% in GHG (Scope 1 and Scope 2) and an absolute reduction of 30% in Scope 3 by 2032," and the target was approved by SBTi in April 2024. Through measures such as installing solar power generation systems, improving energy efficiency in production processes, increasing the use of renewable energy, upgrading energy-saving equipment, and producing low-carbon products, gradually achieve the SBT decarbonization and net-zero targets. - The total installed capacity of solar power generation systems at the Taiwan plants is 1,376.06 kW. In 2025, power generation reached 1.112 million kWh, and together with green electricity wheeling, total renewable energy usage reached 1.256 million kWh; the total installed capacity of solar power generation systems at the China plants is 6,549 kW. In 2025, power generation reached 4.791 million kWh, and 2.093 million kWh of renewable energy certificates were purchased, with total renewable energy usage reaching 6.884 million kWh; the combined renewable energy usage and trading volume of the Taiwan and China plants totaled 8.14 million kWh, accounting for 16% of the annual electricity consumption, exceeding the short-term target. The Phase II project of the solar power generation system at Tainan Plant 2 was completed in December 2025, with an installed capacity of 460.35 kW and expected annual power generation of 0.567 million kWh, and the renewable energy usage target will be gradually achieved in the future.

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

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

1.1 GHG inventory information (GHG emissions intensity, and data coverage in the most recent two years)

Region	Taiwan		Mainland China	
Year	2024	2025	2024	2025
Scope 1 (tonCO ₂ e)	144.3	681.5	1,844.0	2,567.5
Scope 2 (tonCO ₂ e)	5,787.4	5,093.7	15,629.0	17,943.4
Scope 3 (tonCO ₂ e)	9,411.4	22,599.7	503,088.8	414,795.8
Total (tons)	15,343.1	28,374.9	520,561.8	435,306.7
GHG (Scope 1 and 2) emission intensity (tonCO ₂ e/NTD million)	0.21	0.20	0.62	0.81
GHG (Scope 1 - 3) emission intensity (tonCO ₂ e/NTD million)	0.54	0.99	18.33	17.14

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

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

Item		Implementation			
Item	Year	2024		2025	
	Plant	The verifying organization	The verification status	The verifying organization	The verification status
Scope 1	Taiwan	SGS Taiwan Ltd.	The GHG emissions were 144.3 tonCO ₂ e, accounting for 1.0% of the total emissions. Based on the assurance made by the assurance institution based on the standards of ISO14064-1:2018, the assurance opinion was a reasonable guarantee.	SGS Taiwan Ltd.	The GHG emissions were 681.5 tonCO ₂ e, accounting for 2.4% of the total emissions. Based on the assurance made by the assurance institution based on the standards of ISO14064-1:2018, the assurance opinion was a reasonable guarantee.
	Mainland China	SGS-CSTC Standards Technical Services Co., Ltd.	The GHG emissions were 1,844.0 tonCO ₂ e, accounting for 0.4% of the total emissions. Based on the assurance made by the assurance institution based on the standards of ISO14064-1:2018, the assurance opinion was a reasonable guarantee.	SGS-CSTC Standards Technical Services Co., Ltd.	The GHG emissions were 2,567.5 tonCO ₂ e, accounting for 0.6% of the total emissions. Based on the assurance made by the assurance institution based on the standards of ISO14064-1:2018, the assurance opinion was a reasonable guarantee.
Scope 2	Taiwan	SGS Taiwan Ltd.	The GHG emissions were 5,787.4 tonCO ₂ e, accounting for 37.7% of the total emissions. Based on the assurance made by the assurance institution based on the standards of ISO14064-1:2018, the assurance opinion was a reasonable guarantee.	SGS Taiwan Ltd.	The GHG emissions were 5,093.7 tonCO ₂ e, accounting for 18.0% of the total emissions. Based on the assurance made by the assurance institution based on the standards of ISO14064-1:2018, the assurance opinion was a reasonable guarantee.
	Mainland China	SGS-CSTC Standards Technical Services Co., Ltd.	The GHG emissions were 15,629.0 tonCO ₂ e, accounting for 3.0% of the total emissions. Based on the assurance made by the assurance institution based on the standards of ISO14064-1:2018, the assurance opinion was a reasonable guarantee.	SGS-CSTC Standards Technical Services Co., Ltd.	The GHG emissions were 17,943.4 tonCO ₂ e, accounting for 4.1% of the total emissions. Based on the assurance made by the assurance institution based on the standards of ISO14064-1:2018, the assurance opinion was a reasonable guarantee.
Scope 3	Taiwan	SGS Taiwan Ltd.	The GHG emissions were 9,411.4 tonCO ₂ e, accounting for 61.3% of the total emissions. Based on the assurance made by the assurance institution based on the standards of ISO14064-1:2018, the assurance opinion was a limited guarantee.	SGS Taiwan Ltd.	The GHG emissions were 22,599.7 tonCO ₂ e, accounting for 79.6% of the total emissions. Based on the assurance made by the assurance institution based on the standards of ISO14064-1:2018, the assurance opinion was a limited guarantee.

Item			Implementation		
	Mainland China	SGS-CSTC Standards Technical Services Co., Ltd.	The GHG emissions were 503,088.8 tonCO ₂ e, accounting for 96.6% of the total emissions. Based on the assurance made by the assurance institution based on the standards of ISO14064-1:2018, the assurance opinion was a reasonable guarantee.	SGS-CSTC Standards Technical Services Co., Ltd.	The GHG emissions were 414,795.8 tonCO ₂ e accounting for 95.3% of the total emissions. Based on the assurance made by the assurance institution based on the standards of ISO14064-1:2018, the assurance opinion was a reasonable guarantee.

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

- GHG Reduction Target: In 2022, the Company submitted a commitment letter to SBTi and set targets based on the SBT 1.5°C scenario. In 2023, the Company formally submitted science-based reduction targets set in accordance with the SBT 1.5°C scenario - "Using 2021 as the base year, achieve an absolute reduction of 50.4% in GHG (Scope 1 and Scope 2) and an absolute reduction of 30% in Scope 3 by 2032," and the targets were approved by SBTi in 2024.
- Strategies and action plans: In accordance with the GHG reduction targets, the Company continues to integrate decarbonization actions into operational management and promotes reduction actions across all scopes. Improve process efficiency, promote energy-saving improvement measures, gradually replace high energy-consuming and lower-efficiency equipment, and introduce the ISO 50001 energy management system and a central monitoring system to monitor energy and fuel usage, identify high energy consumption and high emission hotspots, and plan corresponding improvement actions to reduce GHG generated from energy use and fuel combustion. At the same time, the Taiwan and China plants have installed 8 self-generated and self-used solar power generation systems, and procure renewable energy through green electricity wheeling and renewable energy certificate trading. In 2025, the renewable energy usage rate reached 16%. In the future, the Company will continue to expand the use of renewable energy and other low-carbon energy solutions, strengthen supply chain management and adjust raw material procurement strategies to encourage suppliers to promote decarbonization actions, while introducing low-carbon and environmentally friendly materials, green product design, and technological innovation, and gradually increasing the proportion of recycled materials used to reduce energy consumption during the product use phase and fulfill decarbonization commitments.
- Achievement of reduction targets: The Company continues to promote various decarbonization actions and has demonstrated concrete and steady decarbonization results. By improving energy use efficiency and increasing the proportion of renewable energy use, continuously optimizing process performance, and collaborating with the supply chain to promote circular economy initiatives, GHG emissions have significantly decreased, achieving and exceeding the SBTi decarbonization pathway ahead of schedule, demonstrating the substantive effectiveness of the related strategies and implementation measures. In the future, the Company will continue to track reduction progress and, in response to operational conditions and changes in the industry environment, conduct rolling reviews and optimize decarbonization measures to steadily advance toward the net-zero target.

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

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

Evaluation item	Implementation status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			insiders from offering or accepting bribes and other illegitimate gains, requires all business transactions to be completed in the utmost transparency and correctly reflected in ledgers and records, and enforces monitoring and enhancement procedures to ensure that integrity requirements are fulfilled.	
II. Enforcing ethical management				
(I) Does the company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	✓		(I) Prior to commencing business relationship, the Company would check its counterparty for history of dishonest conduct, and demand suppliers to sign letter of commitment to integrity in order to ensure fairness and transparency of business dealings between two parties. Suppliers that violate anti-bribery or anti-corruption rules and cause losses to the Company will be subjected to damage claims according to the letter of commitment, and legal actions where necessary.	No material deviation is found.
(II) Does the company have a unit that enforces business integrity directly under the board of directors? Does this unit report its progress (regarding implementation of business integrity policy and prevention against dishonest conducts) to the board of directors on a regular basis?	✓		(II) According to board-approved “Business Integrity Code of Conduct” and “Business Integrity Procedures and Behavioral Guidelines,” the human resource unit is responsible for the establishment and execution of business integrity policy as well as preventive measures. The Company reports to the Board on the performance in ethical corporate management once each year. The performance in 2025 is as follows: Digital training courses : To promote the spirit of ethical management, the Company provides all employees with the “Integrity Management Awareness Course” (covering the Code of Integrity, Employee Conduct, Trade Secret Protection, Insider Trading Regulations, and Case Studies). In 2025, a total of 3,840 employees from the Taiwan, Kunshan, and Wujiang plants participated in the course, completing a	

Evaluation item	Implementation status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(III) Does the company have any policy that prevents conflict of interest, and channels that facilitate the report of conflicting interests?	✓		total of 1,920 training hours, and the signing rate of the “Declaration of Integrity Management” was 100%. • Communication channel: Employees are able to express opinions to the management and human resource department through a multitude of channels. The Company has announced its Business Integrity Policy and disclosed integrity progress over its website, annual report and external documents. • Regular examination: All operations management units of all sales locations conduct a self-assessment of the internal control system and performance in legal compliance to manage and prevent unethical behavior. Through regular internal audit tasks, internal audit units prevent and detect potential fraud or inappropriate conduct. In 2025, the Company's factories in Taiwan and China did not receive any complaint cases. In the future, the Company will continue to implement the anti-corruption policy to create a corporate culture featuring ethical corporate management. (III) The Company’s “Board of Directors Conference Policy” contains a conflicting interest clause that requires directors to disassociate from all discussion and voting of any motion that poses a conflict of interest between the Company and themselves or the entities they represent. The Company has a set of “Supplier Conflicting Interest Management Policy” and “RBA Code of Conduct Handbook” in place, and has Complaint Channel for Stakeholders and Employees' Violations of Professional Ethics, misconduct reporting hotline (ext.: 8215) and mailbox (8215@coretronic.com) set up to receive misconduct reports from employees and the public. Apart from making note cards publicizing ethical corporate	

Evaluation item	Implementation status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(IV) Has the company implemented effective accounting policy and internal control system to maintain business integrity? Has an internal or external audit unit been assigned to devise audit plans based on the outcome of integrity risk assessment, and to audit employees' compliance with various preventions against dishonest conduct?	✓		management to employees, the Company has also produced e-learning courses to enhance the publicity and implementation of ethical corporate management. (IV) The Company has developed its accounting system and internal control system based on the authority's rules, and prepares financial reports using International Accounting Standards. These systems do not allow secret accounts other than those reported in the financial statements, and their effectiveness is constantly reviewed. Internal audit of the Company Units adhere to the "Internal Control System" to regularly assess risks and develop audit plans, regularly checking compliance with the system in the preceding paragraph while also performing ad hoc audits as needed. Furthermore, an audit report is to be prepared and submitted to the Audit Committee and the Board of Directors. The CPAs, too, review the execution of the Company's accounting system and internal control system on a yearly basis.	
(V) Does the Company organize internal or external training on a regular basis to maintain business integrity?	✓		(V) The Company promoted business integrity among its employees. All employees were given an online course on "Corporate Integrity and Integrity Principles." and signs the "honest management code statement" at the same time. Speakers from external institutions are invited to share insight on integrity developments locally and abroad during regular manager training courses organized by the Company. Their contributions help build a corporate culture of integrity and support business growth as well as sound commercial practice. For details on the implementation of education and training in 2025, please refer to the Company website under "Investor Relations/Corporate Governance/Integrity Management".	

Evaluation item	Implementation status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
III. Whistleblowing system (I) Does the company provide incentives and means for employees to report misconducts? Does the company assign dedicated personnel to investigate the reported misconducts? (II) Has the company implemented any standard procedures for handling reported misconducts, and subsequent actions and confidentiality measures to be undertaken upon completion of an investigation? (III) Has the company provided proper whistleblower protection?	✓ ✓ ✓		(I) The Company has implemented channels that employees and outsiders may use to report any improper conduct in violation of integrity standards. A misconduct reporting hotline (ext. 8215) and mailbox (8215@coretronic.com) have been set up while dedicated personnel have been assigned to accept and process reports. (II) The Company have established the “Procedures for Ethical Management and Guidelines for Conduct” to specify the standard operating procedures (SOP) for investigating a reported case and the relevant confidentiality protection mechanisms. After receiving a report of unethical behavior, the Company will investigate the report according to the said SOP and Procedures and keep all information confidential. (III) The Company keeps confidential the identity of informants and the content of the report to protect informants against unfair treatment due to reporting.	No material deviation is found.
IV. Enhanced information disclosure Has the company disclosed its integrity principles and progress onto its website and MOP?	✓		(I) Details and implementation progress of the Company’s “Business Integrity Code of Conduct” and “Business Integrity Procedures and Behavioral Guidelines” have been disclosed on website and Market Observation Post System. The Company enforces integrity principles as part of its corporate governance, and in doing so protects shareholders’ interest while fulfilling its goal of becoming a sustainable business.	No material deviation is found.
V. If the company has established business integrity policies in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies,” please describe its current practices and any deviations from the Best Practice Principles: The Company has “Business Integrity Code of Conduct” and “Business Integrity Procedures and Behavioral Guidelines” in place, and uses “Integrity Cards” and digital training courses to help employees comply. The Company have also established and implemented the “ Sustainable Development Best Practice Principles”, “Corporate Governance Best Practice Principles”, and “Codes of Ethical Conduct” that are related to ethical corporate management. Please refer to the Company’s annual report and (VII) Performance in				

Evaluation item	Implementation status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
ethical corporate management and deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies of the corporate governance report for the details regarding our performance in ethical corporate management.				
VI. Other information relevant to understanding the company’s business integrity (e.g. review of business integrity principles) The Company has been introducing new policies such as “Business Integrity Code of Conduct,” “Ethical Behavior Guidelines” and “Business Integrity Procedures and Behavioral Guidelines” since 2014 that specifically require all employees to uphold high level of integrity when conducting business-related activities, and to refrain from exploiting company assets or their vested authority for personal gains or engaging in any conduct that competes with the Company or undermines interests of the Company or its customers. In order to establish the integrity spirit deep within employees, all new recruits are required to undergo training courses on ethical conducts, during which they are taught the best practices to be expected in the given industry. To promote the Company's integrity management philosophy among colleagues, we have set up a "Code of Conduct Zone" on the internal website. The content of this zone includes relevant regulations on integrity, reporting channels, and case studies. Additionally, to assist all colleagues in the Taiwan factory to access the company's integrity management philosophy at any time, we distribute "Integrity Cards," have them sign a "Declaration of Integrity Management Code," and include integrity digital courses as a mandatory training for all employees annually. Through these various means, we advocate the spirit of integrity management within the Company.				

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

1. The Company continues to enhance corporate governance practices. Policies on corporate governance and major resolutions of the board of directors have been disclosed in the Investor Relations section of the Company's website.
2. The Company ranks in the top 5% among TWSE and TPEX listed companies in corporate governance evaluation for 11 consecutive years, which strongly recognizes the progress the Company has made.
3. The Company actively informs directors of training programs that are relevant to improving corporate governance. All 7 directors of the Company have completed training courses in accordance with "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies."

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

IV. Information about CPA professional fees

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

Monetary unit: NT\$ thousand

Name of accounting firm	Name of CPA	Audit period	Audit fees	Non-audit fee	Total	Remarks
Ernst & Young Global Limited	Ming-Ju Huang	2025.1.1-2025.12.31	4,060	710	4,770	Non-audit fees included NT\$580,000 for tax certification, NT\$70,000 for stock take of impaired inventory, NT\$40,000 for bonded inventory, and NT\$20,000 for auditing of business tax
	Shao-Pin Kuo	2025.1.1-2025.12.31				

2. Change of accounting firm that resulted in the reduction of audit remuneration from the previous year; disclose audit remuneration before and after the change and the cause of such change: None.
3. Any reduction in audit remuneration by more than 10% compared to the previous year; state the amount, the percentage and reason of such variation: None.

V. Change of CPA:

(I) On the predecessor CPAs

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

(II) Information of succeeding CPAs

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

(III) Reply letter from the predecessor CPAs regarding item 1, and 2-3, subparagraph 6, article 10 of the "Regulations Governing Information to be Published in Annual Reports of Public Companies": Not applicable

- VI. The company's Chairman, President, or any managers involved in financial or accounting affairs being employed by the accounting firm or any of its affiliated company in the most recent year; including their names, job titles, and the periods during which they were employed by the auditor's firm or any of its affiliated company. An affiliated company refers to one that the auditor's accounting firm holds more than 50% ownership or more than 50% directorship, or any company or institution that the accounting firm has publicly referred to as being affiliated: Not applicable.
- VII. Details of shares transferred or pledged by directors, managers and shareholders with more than 10% ownership interest in the most recent year, up till the publication date of annual report
- (I) Changes in shareholding of directors, managers and major shareholders :
Please refer to MOPS "Single company/ Equity Change / Securities Issuance / Equity Transfer Information Inquiry / Post-event Report Form for Insider Shareholding Change ".
(https://mops.twse.com.tw/mops/#/web/query6_1)
- (II) Shares transferred to related parties:None.
- (III) Shares pledged to related parties: None.

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

April 14, 2026

Name	Self Shareholding		Shares held by spouse and underage children		Shares held in the names of others		Relationship Characterized As Spouse or Relative of Second Degree or Closer Among the Top-10 Shareholders.		Remarks
	shares	Shareholding percentage	shares	Shareholding percentage	shares	Shareholding percentage	Name	Relationship	
Taiwei Advanced Technology Co., Ltd.	39,159,196	10.02%	0	0.00%	0	0.00%	None	None	None
Taiwei Advanced Technology Co., Ltd. Representative: Tai-Wei Chang	0	0.00%	0	0.00%	0	0.00%	Wade Chang	Father and son	None
Yann Yuan Investment Co., Ltd	36,748,000	9.40%	0	0.00%	0	0.00%	None	None	None
Yann Yuan Investment Co., Ltd Representative: Chun Kuan	0	0.00%	0	0.00%	0	0.00%	Hsun Chieh Investment Co., Ltd. Representative: Chun Kuan	Representative the same	None
Wade Chang	9,576,953	2.45%	0	0.00%	0	0.00%	Taiwei Advanced Technology Co., Ltd. Representative: Tai-Wei Chang	Father and son	None
Hsun Chieh Investment Co., Ltd.	9,375,551	2.40%	0	0.00%	0	0.00%	Yann Yuan Investment Co., Ltd	Hsun Chieh Investment Co., Ltd. is the Director of the Yann Yuan Investment Co., Ltd.	None
Hsun Chieh Investment Co., Ltd. Representative: Chun Kuan	0	0.00%	0	0.00%	0	0.00%	Yann Yuan Investment Co., Ltd Representative: Chun Kuan	Representative the same	None
Chunghwa Post Co., Ltd.	7,693,800	1.97%	0	0.00%	0	0.00%	None	None	None
Chunghwa Post Co., Ltd. Representative: Guo-Cai Wang	Note	Note	Note	Note	Note	Note	Note	Note	None
Coretronic Corp. trust property account for employees' equity entrusted to CBTC Bank	7,604,710	1.95%	0	0.00%	0	0.00%	None	None	None

Name	Self Shareholding		Shares held by spouse and underage children		Shares held in the names of others		Relationship Characterized As Spouse or Relative of Second Degree or Closer Among the Top-10 Shareholders.		Remarks
	shares	Shareholding percentage	shares	Shareholding percentage	shares	Shareholding percentage	Name	Relationship	
Custody Account of Yuanta Taiwan High-Dividend Quality Leading Company Fund by Chang Hwa Commercial Bank, Ltd.	7,483,000	1.91%	0	0.00%	0	0.00%	None	None	None
HannStar Display Corporation	4,920,000	1.26%	0	0.00%	0	0.00%	None	None	None
HannStar Display Corporation Representative: Yu-Chi Chiao	0	0.00%	0	0.00%	0	0.00%	None	None	None
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	2,065,212	0.53%	0	0.00%	0	0.00%	None	None	None
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	1,946,900	0.50%	0	0.00%	0	0.00%	None	None	None
Note: As of the publication date of this annual report, relevant information has not been obtained.									

IX. The number of shares and the consolidated shareholding of the same investee invested by the company, directors and/or officers of the company, and the businesses directly or indirectly controlled by the company:

December 31, 2025 Unit: shares; %

Invested businesses (Note)	Held by the Company		Held by directors, managers, and directly or indirectly controlled enterprises		Aggregate ownership	
	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage	No. of shares	Shareholding percentage
Champ Vision Display Inc.	7,121,000	39.56%	—	—	7,121,000	39.56%

Note: Long-term investment accounted by the Company using the equity method.

Three. Capital Overview

I. Source of capital

Unit: NTD; shares

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

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

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

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

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

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

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

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

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

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

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

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

April 14, 2026

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

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

II. Major shareholders

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

April 14, 2026

Name of major shareholder	Shares	Shareholding percentage
Taiwei Advanced Technology Co., Ltd.	39,159,196	10.02%
Yann Yuan Investment Co., Ltd	36,748,000	9.40%
Wade Chang	9,576,953	2.45%
Hsun Chieh Investment Co., Ltd.	9,375,551	2.40%
Chunghwa Post Co., Ltd.	7,693,800	1.97%
Coretronic Corp. trust property account for employees' equity entrusted to CBTC Bank	7,604,710	1.95%
Custody Account of Yuanta Taiwan High-Dividend Quality Leading Company Fund by Chang Hwa Commercial Bank, Ltd.	7,483,000	1.91%
HannStar Display Corporation	4,920,000	1.26%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	2,065,212	0.53%
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	1,946,900	0.50%

III. Dividend policy and implementation

(I) The Company's dividend policy

The Company has developed its dividend policy based on several factors including capital structure, financial position, business performance, earnings, the nature of industry and the business cycle. Dividends can be paid in shares or in cash. However, given the current growth stage of the industry, the Company may determine dividend payments by considering financial, business and operational factors, as well as the dividend amounts paid in previous years. As a principle, the Company shall distribute no less than 30% of net income reported in a financial year, with at least 50% of the total dividends paid in cash.

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

(II) Implementation: At the 2026 AGM, the Board reported that the cash dividend for 2025 was NT\$0.5 in total. The sum included the earnings distribution for 2025 at NT\$117,294,333, or NT\$0.3 per share, plus the additional paid-in capital (APIC) amounting to NT\$78,196,222, or NT\$0.2 per share, from issuing the Company's common shares at premium. Hence, the cash distributed to shareholders was NT\$195,490,555 in total.

(III) Expected change in dividend policy: None.

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

V. Employee and director remuneration

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

10%~20% of profit of the current year shall be distributed as employees' compensation. If the Company have losses from previous year, the losses shall be compensated in advance.

The employee remuneration ratio referred to in the previous paragraph, no less than 1% shall be allocated to grassroots employees.

Employee compensation distributed shall be made in stocks or cash including employees of the Company and may include employees of the controlled companies. The conditions and method of issuance are authorized to be determined by the Board of Directors.

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

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

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

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

During the Board of Directors meeting held on February 9, 2026, a resolution was passed on distributing the 2025 employee remuneration at NT\$60,350,546. This amount is the same as the amount in expenses previously recognized in the 2025 financial statements.

(III) Remuneration distribution approved by the Board of Directors

Unit: NTD

Item	Amount
Employee remuneration - in cash	60,350,546
Employee remuneration - in shares	0
Percentage of employee remuneration paid in shares, relative to current net income and total employee remuneration	0.00%
Director remuneration	0

(IV) Actual payment of previous year's (2024) employee and director remuneration

Unit: NTD

Item	Amount
Employee remuneration - in cash	121,524,615
Employee remuneration - in shares	0
Director remuneration	0
The amount of 2024 earnings distribution resolved and proposed by the Board of Directors was identical to the amount approved during the shareholders' meeting	

VI. Buyback of company shares: None.

VII. Disclosure relating to corporate bonds: None.

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

IX. Progress on planned uses of capital: None.

Four. Overview of operation

I. Business Activities

(I) Business scope

1. Principal business activities

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

2. Revenue distribution

Unit: NT\$ thousand

Item \ Year	2024		2025	
	Amount	%	Amount	%
Energy Saving products	18,837,220	47.49%	19,266,358	48.68%
Visual Solutions products	12,713,033	32.05%	9,687,407	24.48%
Others	8,118,690	20.46%	10,622,900	26.84%
Total	39,668,943	100.00%	39,576,665	100.00%

3. Current product (service) items

(1) Energy Saving products:

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

(2) Visual Solutions products:

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

4. New products (services) planned for development:

(1) Energy Saving products:

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

(2) Visual Solutions products:

Leveraging the core integrated capabilities of optics, mechanics, electronics, thermal management, and software from the Company's Image Products Business Group, we continue to advance toward higher-end engineering projectors and D-Cinema projectors. We are committed to delivering comprehensive imaging solutions encompassing smart logistics, large-scale display walls, interactive touch applications, digital signage, large public-space displays, and intelligent connectivity. At the

same time, to better meet user needs and usage behaviors, we integrate AI-powered intelligent display technologies to strengthen the close connection between smart applications and usage scenarios, continuously providing users with more immersive and stunning visual experiences.

(II) Industry Overview

1. Current industry situation and development

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

(1) Energy Saving products

In 2025, the global notebook computer market benefited in the first half of the year from a business replacement cycle ahead of the end of Windows 10 support, driving shipment performance in line with expectations. However, in the second half of the year, the impacts of new US tariff policies and rising geopolitical tensions led to cost pressures from supply chain inventory adjustments and production base relocations. Full year shipments are estimated at 183 million units, representing year on year growth of approximately 4.9%. Looking ahead to 2026, although the peak benefits driven by operating system upgrades have passed, the large installed base of devices purchased during the pandemic period from 2020 to 2021 will formally enter a five-year replacement cycle. This rigid replacement demand will become the primary driver supporting the market. Notebook shipments are expected to grow moderately to 188 million units, representing a year-on-year growth of 2.7%.

Currently, the core development of notebook computers has shifted from a pure hardware-specification race to the maturity of the AI application ecosystem. Although 2025 marked the first year of widespread AI PC hardware adoption, software applications have yet to fully catch up. It is expected that in 2026, with the evolution of AI killer applications and features such as Copilot and ChatGPT Gemini, upgrades in user experience related applications will be genuinely driven, thereby boosting sales of higher-priced models. Although business notebook computers are supported by a replacement cycle in 2025, corporate budget approvals remained tight due to macroeconomic uncertainty. In 2026, as supply chain regionalization arrangements (China+1) become more stable and enterprises increase their demand for edge computing driven by digital transformation, the commercial market is expected to maintain steady growth. In contrast, the consumer market in 2025 was polarized due to residual inflationary pressures and tariff expectations. In 2026, the focus will shift toward high-end segments such as gaming and creator-focused notebooks, while demand for standard office models is expected to remain

flat. Overall, the average product selling prices is anticipated to rise, optimizing the industry's profitability structure.

In 2025, the global large-size TV market remained in a consolidation phase due to the lack of major international sporting events and a slow macroeconomic recovery. Panel makers are maintaining price stability through strict control of capacity utilization. Although the China market continues to implement trade in subsidy policies, the marginal effects are diminishing. Global shipments are estimated at approximately 197 million units, remaining flat overall. In terms of technological competition, Mini-LED TVs, supported by cost advantages from the China supply chain, will further expand their penetration in the mid-to-high-end market in 2025, continuing to squeeze the survival space of OLED TVs, particularly in the large size segment of 65 inch and above. Looking ahead to 2026, benefiting from the FIFA World Cup to be held in North America (the United States, Canada, and Mexico), a strong replacement demand for ultra-large TVs over 75 inches with high refresh rate models is expected to be unleashed. In addition, as the host countries located in the world's most affluent consumer market, this event will provide a significant boost to the TV industry. Global shipments are expected to return to the 200million-unit market, with annual growth potentially exceeding 2%. In terms of brand competition, Korean brands continue to defend their positions with advanced AI image processing technologies and Micro-LED deployment, while Chinese brands leverage the cost-performance advantages of Mini-LED to continue aggressively expanding their shipment volumes. In 2026, TVs will no longer serve merely as display terminals, but will further strengthen their role as central hubs for home AIoT control. Models equipped with AI-driven image enhancement functions are expected to become the main battlefield for flagship products across brands.

In response to supply chain fragmentation and tariff barriers resulting from geopolitical factors, the Energy Saving Business Group, in addition to continuously strengthening manufacturing resilience in Vietnam, is also simultaneously focusing on niche markets with high technological entry barriers. Strategically, the Group will further diversify its EMS and ODM contract manufacturing services. In addition to traditional backlight modules, it will actively undertake system assembly businesses for emerging technologies such as OLED and Mini-LED. Technology development efforts will focus on automotive displays and green eye-care technologies, particularly active privacy protection technologies for automotive displays (primary and secondary driver information displays) in response to increasingly stringent regulations in Europe and the United States, as well as high-performance front-light modules applied to e-paper and reflective displays, to meet the needs of outdoor signage and the education market. The Company's product

development continues to shift from pure backlight modules shipments toward system and semi-system products that integrate appearance component design and manufacturing, and in response to demand related to the 2026 World Cup, will strengthen mass-production capabilities for high-dynamic-contrast and ultra-thin-bezel technologies. At the same time, in response to ESG green supply chain trends, AI technologies will be introduced into optical design and process optimization to develop green display products with low power consumption and high recyclability. In 2026, the strategy will continue to emphasize risk diversification and a shift toward higher-value added transformation. Through flexible supply chain deployment and customized technologies, new revenue growth curves will be created in automotive, industrial control, and special application display fields amid a slowdown in enterprise and consumer electronics growth, while providing customers with comprehensive display solutions that offer geopolitical resilience.

(2) Visual Solutions products

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

Currently, the projector technologies are mainly divided into LCD and DLP. Single-chip LCD projectors offer a price advantage but are limited in brightness and size. Three-chip LCD projectors are the long-term primary competitor to DLP technology, mainly led by Epson, and each has advantages in different application fields compared with DLP technology. The Company's core technology primarily adopts DLP technology, with key advantages including a smaller form factor, higher projection brightness, sharper contrast, and long lifespan projection chips, but also introduces new technologies such as variable refresh rates and low latency in home products, along with its strengths in 4K high resolution.

The Company is a leading manufacturer of DLP projectors. We have

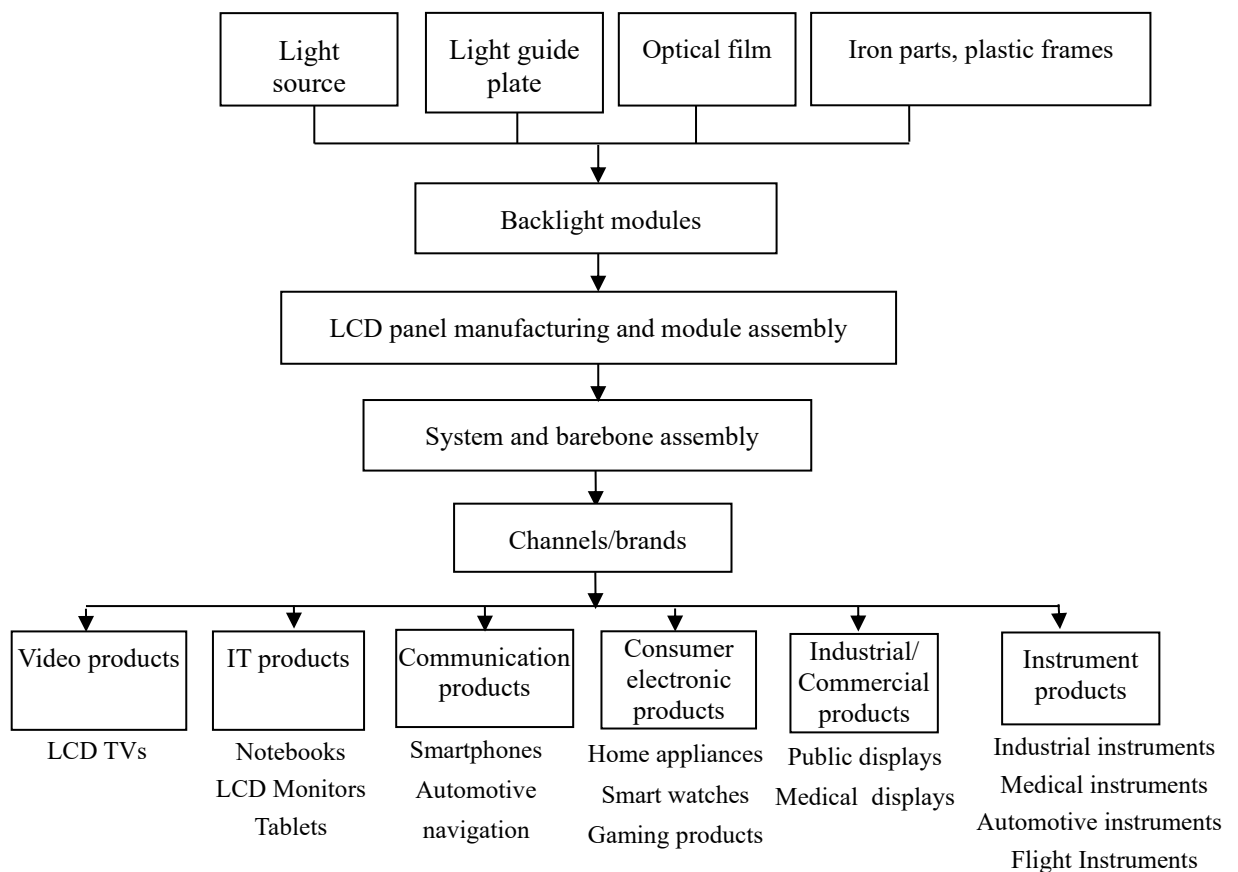
maintained a long-standing strategic alliance with US-based Texas Instruments (TI) and holds a leading position in technologies related to solid-state light sources, 4K and 8K high-resolution, ultra-high brightness, and portable micro projectors.

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

(1) Energy Saving products:

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

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

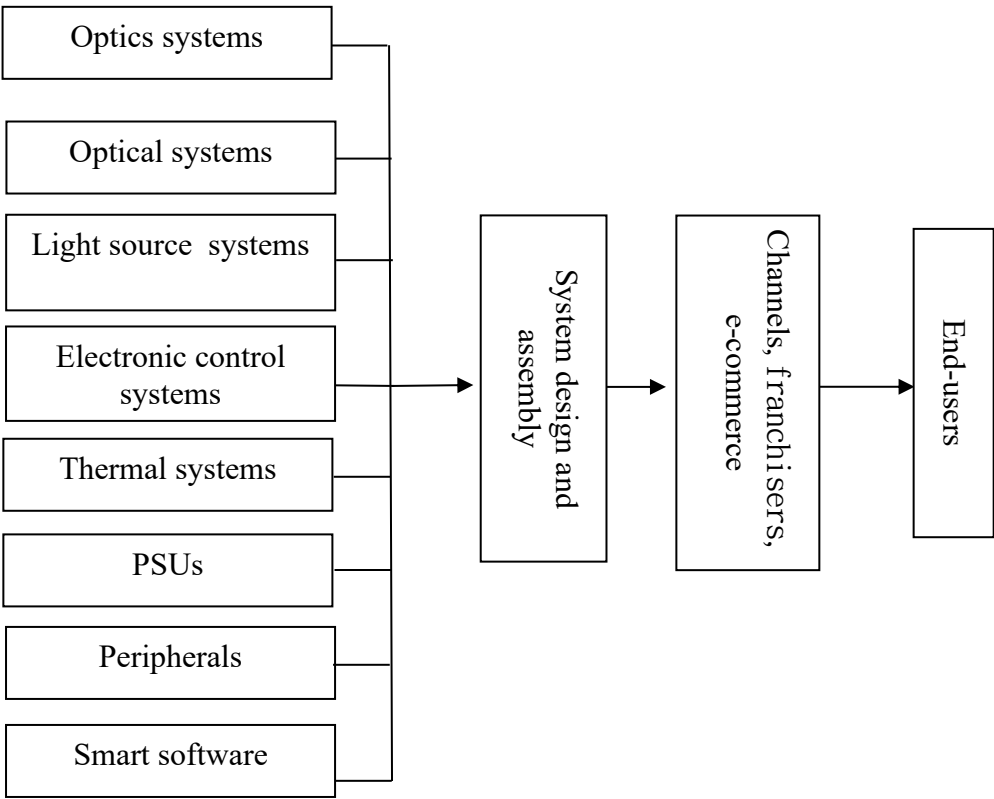


(2) Visual Solutions products:

The upstream components and parts of projectors include the optical system, lighting system, electronic control system, and thermal system. Refer to Figure 2. We mainly rely on the import of the components and parts such as the LCD panel or DMD chip and light source. After the overall optical, mechanism, electronic control design as well as thermal conductivity tweak, and assembly, testing, as well as packaging, they are distributed to various users via PC vendors, professional A/V equipment

shops, 3C Stores, and PC shops. These sale channels have expanded to e-commerce ones, such as online shops, TV shopping channels, etc. and system integrators.

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



3. Various development trends of products and their industry trends

(1) Energy Saving products:

Amid the deep integration of artificial intelligence and the IoT, the display industry is evolving from a “One Cloud to Multi-Screens” model toward an era of AI empowered smart displays. In the face of the dominant position of Chinese panel makers in the LCD sector and the expansion of OLED production capacity, a business model focused solely on supplying components has become increasingly difficult to sustain high profitability. Therefore, our business model is accelerating its transformation, upgrading from a pure backlight module supplier to a customized quasi display system integrator that combines "panels, mechanical components, and electronic software." By providing high value-added semi system or full system solutions, we aim to create differentiated competitive advantages in both the China domestic market and the global market.

In terms of demand by product application, we will place greater focus on the development of high-end IT devices, automotive displays, and public displays:

PC and IT device market: 2025 marks the peak of the commercial replacement cycle driven by the end of Windows 10 support. Together

with AI PC hardware specifications are gradually becoming standard, and demand in the commercial market has returned to a normal growth trajectory. Looking ahead to 2026, as devices purchased during the pandemic period from 2020 to 2021 enter a five -year replacement cycle, combined with the maturation of the AI software ecosystem such as ChatGPT, Gemini, a stronger wave of structural replacement demand is expected to be unleashed, driving comprehensive growth in thin, high brightness, and low power consumption display products. In response to the gradual increase in demand for OLED products, we are also actively assisting customers in establishing OLED module assembly capabilities.

TV and public displays: In addition to continuously optimizing LCD backlight efficiency, the TV product line will strategically focus on high-end Mini-LED models in 2025. Looking ahead to 2026, benefiting from the FIFA World Cup to be held in the United States, Canada, and Mexico, we will target replacement demand for ultra-large televisions of 75 inches and above as well as outdoor high-brightness digital signage, thereby enhancing the gross margin of the product mix.

Automotive and emerging applications: Driven by the development of electric vehicles and autonomous driving technologies, the trend toward multi-screen vehicle cabins has become firmly established, leading to a significant increase in demand for passenger side displays with privacy protection features and irregular shaped cut backlight solutions. In addition, supported by advances in semiconductor technology, AI computing enables displays to process increasingly complex image data in real time. It is estimated that over the next ten years, automotive and industrial control applications will become the key growth drivers for both revenue and profitability.

(2) Visual Solutions products:

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

The Company's projection products have received numerous international awards over the years, and as a member of the global community, the Company also actively address the challenges of climate

change and incorporating eco-friendly projector products has become an important goal of the Company.

4. Competition

(1) Energy Saving products

In recent years, as U.S.-China trade war has become the new normal and geopolitical developments and tariff barriers further evolved in 2025, the supply chain restructuring strategies among brand owners and panel manufacturers have shifted from "risk diversification" to "regionalized production." Although backlight module and display assembly are labor-intensive industries, they must possess the flexibility to align customers in establishing factories and provide localized support under the China+1 strategy.

Compared with other competitors, Coretronic has demonstrated a significant first-mover advantage in overseas expansion. Following the leasing of factory facilities in 2021 and the acquisition of land for self-construction in 2022, the Company's second factory in Vietnam successfully commenced operations in 2024 and entered a peak phase of capacity utilization and yield performance in 2025, with comprehensive process capabilities ranging from front-end SMT to back-end module assembly. Compared with some peers that are still in the process of establishing factories in Southeast Asia or remain in the early stage of ramp-up, Coretronic has become the leader among Taiwan's major backlight manufacturers with the most mature southbound capacity deployment and the fastest pace of scale expansion. This positions the Company with a strong competitive edge in securing new orders from Europe and the United States in 2026.

In terms of technological competitiveness, in addition to maintaining a leading position in green design technologies that enable customers to effectively implement ESG and carbon reduction initiatives, the Company is also actively introducing AI assisted optical design and expanding its business scope from pure backlight modules to LCD module assembly and semi-system integration, leveraging rapid responsiveness and the economies of vertical integration to sustain strong competitiveness.

However, the competitive landscape among domestic players has shifted from a sole focus on technology and pricing to a broader contest of global multi-site operational management capabilities. Only manufacturers with sufficient scale and a high degree of overseas supply chain integration can safeguard profitability amid a volatile macroeconomic environment. Overall, the flat-panel display backlight and assembly industry has established an industry landscape in which the large continue to grow larger and the strong become stronger, and companies with mature non-China production capacity will seize market

leadership in 2026.

(2) Visual Solutions products

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

(III) Technology and R&D Overview

1. R&D expenses invested in the most recent year and by March 31, 2026

Unit: NT\$ thousand

Item \ Year	2025	As of March 31 st , 2026
Research and development expenses	2,914,592	683,827
Operating revenue	39,576,665	9,361,901
Ratio of R&D expenses to revenue (%)	7.36	7.30

2. Technologies or products successfully developed in the most recent year and as of March 31st, 2026

Backlight plate/ LCM module/OLED module	(1) Successful mass production of the barebone for ultra-thin notebooks (Hinge Up, H/U). (2) Successful assembly of mass-produced panel modules for 7"-12" tablet models. (3) Successful one-stop assembly of mass-produced panel modules for 11"-17" tablet models. (4) Successful assembly of mass-produced panel modules for 24"-79" LCD TVs. (5) Successful mass production of curved MT and TV backlight plates. (6) Successful mass production of the bezel-free MT LCM module. (7) Successful mass production of the wide color gamut PAD, NB, MT, and TV backlight plate. (8) Development of a special precision machining process for ultra-thin flat light guide plates for NB backlight plates. (9) Successful mass production of micro-structured high brightness light guide plates (IML). (10) Successful mass production of glass light guide plates for ultra-thin TVs.
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	(11) Successful development of ultra-thin direct-lit backlight module (OD=2.5mm). (12) Successful development of backlight plates for ultra-thin TVs (3.7mm in thickness). (13) Continue to develop high-gain optical parts and put them into mass production. (14) Successful development and mass production of automotive head-up display PGU modules. (15) Successful development of the LCM module for automotive and NB privacy displays. (16) Successful development of the LCM module for the ultra-narrow-bezel HDR display of NB. (17) Successful development of the automotive BKL direct-lit type module. (18) Successfully development high-brightness, ultra-thin backlight modules for notebook computers. (19) Successful development of the Local Dimming integrated system module. (20) Successful developed small and medium-sized frontlight transfective LCM modules. (21) Successful mass production of the full-process MNT LCM module. (22) Successful mass production of the OLED Tablet/NB module. (23) Successful mass production of the OLED QD MNT module.
Projector	(1) Equip the mainstreamed laser and the ultra-short throw educational and business models with the new-generation laser module and gamut RGB laser combiner technology to enhance system efficiency and color performance to achieve low-cost but high-performance product competitiveness. (2) Develop dual-color laser mainstream projectors based on the Multi-Color Light Architecture (MCLA™) to achieve optimal balance between brightness, color and cost, providing consumers with more cost-effective projector selections (3) Continue to engage in R&D of intelligent technologies, optimize various automatic adjustment technologies to assist users in installing projectors, and integrate AI functions such as voice control, personalized projection mapping, and personal smart desktops in a bid to provide an intelligent and convenient product interactive experience. (4) Continuously pursue smaller and quieter projector designs, improve the efficiency of thermal modules, water-cooling modules and cooling fans, and optimize the vibration and noise reduction designs. ° (5) Collaborated with customers to develop automotive AR HUD solutions. (6) Successfully develop the new passive 3D laser projection solutions for large venue applications. (7) Successfully developed camera imaging, multi-camera automatic sphere stitching software and black-level automatic correction algorithm. (8) Collaborated with Korean customers to launch RGB three-color laser ultra-short-throw interactive projector to offer users an exceptional color and brightness performance, while offering easy portability for versatile use across various environments anytime and anywhere. (9) Develop business and educational projectors with high cost-performance ratios using the new-generation blue laser diode modules to provide users with smaller, more energy efficient products, as well as green projectors with PCR materials.

	(10) Launch the dual-color laser projector with Multi-Color Light Architecture (MCLA™) framework, achieving the optimal balance between brightness and color performance. (11) Develop RGB three-color laser 8K flagship projection TV to provide users with an immersive visual experience that with large screens, ultra-high resolution and exquisite colors. (12) Launched a > 20,000-lumen high-brightness 4K large-scale laser projectors to provide users with a high-quality and immersive experience, thereby opening up opportunities for ultra-high-brightness and outdoor projection applications. (13) Collaborated with European customers to develop a next-generation in-vehicle scenario projector.
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(IV) Long-term and Short-term Business Development Plans

1. Short-term Business Development Plans

- (1) Marketing: The Company will increase product market share, expand product portfolio and flexible production planning to provide existing customers with comprehensive product lines and more flexible and efficient services to continuously expand new markets. The Company will also provide customized product design options to customers and create value-added services for high-end and niche products as well as providing one-stop solution from design to production.
- (2) Research and development: Establish and develop a "R&D Collaboration Platform" to design key component modules for cross-strait R&D personnel to share, standardize the components, enhance product price competitiveness, and reduce production costs, in response to the demand for small-batch and diverse product combinations.
- (3) Operational management: Continuously improving the ERP system and supply chain management. Apart from optimizing the domestic-overseas collaborative production model and enhancing the flexibility in component procurement and manufacturing, we also integrate group resources to engage with the smart factory practice, as production line assembly automation, automation adjustment and test, and intelligent inspection to reduce labor demand and production costs and enhance competitiveness to pursue better operational performance. The start of operations of our Vietnam plant 1 in 2021, coupled with the first factory building of Vietnam plant 2 officially mass-producing TV LCM-related products in early 2024, has diverted the supply chain risks from the US-China trade war. With respect to the framework of the medium- and long-term capital demand plans, the Company will make financial planning based on the principles of safety and stability, establish trust and reciprocity with the trading banks, grasp the trend of the financial market, and improve the performance of financial operations.

2. Long-term Business Development Plans

- (1) Marketing: Cultivating customer relations and establishing a long-term cooperative marketing model for proprietary technologies. The Company works with internationally renowned brand customers and

regional leading brands as strategic alliance partners to provide a full range of display product solutions, collect the latest market and technology trends, provide customers with the best product solutions and after-sales service, continue to strengthen the global after-sales service capabilities and quality.

- (2) Research and development: Focusing on research and development of high-profit and forward-looking products, integrating resource investment to develop new technologies and new products, continuously integrating upstream and downstream supply chains to develop key components to enhance the value of proprietary products and reduce costs, as well as improving production autonomy. Actively cooperating with procurement, quality assurance, engineering, manufacturing and other departments to develop new product platforms, continuing to introduce modular design, production and production automation, and developing smart manufacturing to reduce production and service costs and increasing competitiveness. The demand for energy conservation will become more important to cope with the industrial development driven by AI PC, and in the future, more emphasis will be placed on the introduction of green design technology.
- (3) Operational management: Integrating the Group's resource allocation and application efficiency, promoting the performance of joint venture businesses, structuring an international operation plan system, strengthening the functions and preparation of overseas organizations, improving overall performance, and taking advantage of capital market and money market instruments to raise low-cost working capital to build long-term strength.
- (4) Strategic alliance: With the rapid development of technology and the promotion of high-tech and complex industries and markets, the Group actively develops strategic alliances or mergers and acquisitions of potential startups to reduce the development costs and achieve the consolidation of internal and external resources, while achieving economies of scale in the short term. The Company aims to accelerate R&D capabilities, expand the business landscape, and create synergy for different corporate cultures to enhance long-term competitiveness.

II. Market and Production Overview

(I) Market Analysis

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

Unit: NT\$ thousand

Year/Amount Item		2024		2025	
		Amount	%	Amount	%
Domestic Sales		13,147,628	33.14%	13,502,477	34.12%
Overseas sales	America	2,687,911	6.78%	3,474,876	8.78%
	Europe	4,488,082	11.31%	3,348,847	8.46%
	Asia	19,336,103	48.75%	19,087,240	48.23%
	Other	9,219	0.02%	163,225	0.41%
	Subtotal	26,521,315	66.86%	26,074,188	65.88%
Total		39,668,943	100.00%	39,576,665	100.00%

2. Market Share

The main products of the Company are Energy Saving and Visual Solutions products. According to market research, although the global economy in 2025 experienced a modest recovery benefiting from the start of an interest rate cut cycle, expectations regarding supply chain fragmentation and tariff barriers driven by geopolitical factors continued to keep end consumer spending cautious. However, driven by the business replacement cycle following the end of Windows 10 support and the Company's continued deep engagement in high-end privacy protection and automotive display fields, overall shipment performance in 2025 outperformed that of 2024. Based on the estimated rebound in global shipments of large-size LCD panels (including NB, TV, PID, and others) to approximately 705 million units in 2025, the Company's Energy Saving products, due to a strategic reduction of low margin models and a shift toward high-value-added system modules assembly, achieved total shipments of approximately 30.83 million units in 2025, with global market share maintained at around 4.37%. The Company's Energy Saving products continue to deepen technological development and services, while simultaneously making strategic adjustments to the business model by reducing low margin models and shifting toward high-value-added system module assembly.

Following 2025, heightened political and economic instability across regions has led to a prolonged global macroeconomic downturn, prompting both enterprises and consumers to reduce spending. In addition, declines in large-size LCD prices have partially eroded the projector market. According to market research estimates, global projector shipments totaled approximately 4.31 million units, a decline of about 10%. The Company's total shipments in 2025 reached approximately 620 thousand units, representing a global market share of around 14.5%.

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

(1) Energy Saving products

Looking ahead to the future display market, the notebook segment experienced a clear business replacement effect in 2025, driven by the end of Windows 10 support, which helped overall shipments return to a growth trajectory. Looking ahead to 2026, market momentum will shift from being driven solely by operating system upgrades to being propelled by the dual engines of device life cycles and the AI application ecosystem. On one hand, the large number of PCs purchased globally during the pandemic period from 2020 to 2021 will formally enter a five-year peak hardware replacement cycle, creating substantial and rigid replacement demand that provides a solid market foundation for 2026. On the other hand, as AI software applications such as Copilot and ChatGPT Gemini continue to mature, consumer acceptance of AI PCs with high computing power, low power consumption, and advanced display specifications will increase significantly. This trend is likely to drive higher penetration of OLED and high-end energy-efficient modules, benefiting manufacturers with strong module integration capabilities.

In the TV market, although global demand in 2025 remained in a consolidation phase, primarily supported by festive promotions in specific regions. However, 2026 will mark a major turning point for the industry, as the quadrennial FIFA World Cup will be held in North America (the United States, Canada, and Mexico), the region with the strongest consumer purchasing power. Historical experience shows that major sporting events are often catalysts for TV specification upgrades, and are expected to trigger a strong replacement wave for ultra-large TVs of 75 inches and above with high dynamic contrast and high refresh rates. It is worth noting that as U.S.-China geopolitical risks and tariff barriers become more pronounced, brand owners are accelerating the relocation of large-size TV orders destined for North America out of China to mitigate supply chain risks. This trend represents a critical opportunity for companies that have already established mature capacity in Vietnam to take over transferred orders and expand their market share.

Automotive display applications are showing clear trends toward larger sizes and smart cockpit integration. As electric vehicles and autonomous driving technologies become more widespread, automotive displays are evolving from mere information interfaces into the core of human-machine interaction. The mainstream market has rapidly moved toward 9 inches and above, and in order to enhance cabin quality and safety, demand for irregular shaped cutting, curved designs, and integrated passenger information displays is growing rapidly. Especially against the backdrop of increasingly stringent European safety regulations, PID technology equipped with active privacy protection functions has become

a standard feature for automakers. This not only raises the technological threshold of products but also provides high-value-added growth opportunities for manufacturers deeply engaged in this field.

In summary, the Energy Saving Business Group gradually emerged from the shadow of inventory adjustments in 2025 and, benefiting from economic recovery and business replacement demand, achieved a steady operational rebound. Looking ahead to 2026, in response to the urgency of global supply chain de-sinicization, the Company's second factory in Vietnam has reached a mature mass production stage, offering comprehensive capabilities from front-end processes to back-end system assembly, precisely meeting the urgent needs of European and American customers in addressing tariff risks. Combining the TV replacement wave driven by the World Cup, the ramp-up of new business in OLED notebook module assembly, and the high growth potential of automotive privacy protection products, Energy Saving products are expected in 2026 to demonstrate a growth pattern characterized by increased volume and improved quality, with revenue and profitability structures further optimized through a higher proportion of system integration business.

(2) Visual Solutions products

The instability of the international political and economic situation in 2026, including war, inflation, U.S. tariffs, exchange rate fluctuations, and conservative expectations for regional GDP growth, will slow down economic growth momentum, making the demand in the first half of 2026 highly uncertain.

Overall, market research estimates that in 2026, driven by consumer stimulus from the FIFA World Cup, sales of home projectors are expected to increase slightly. Commercial and education projector sales are expected to decline marginally due to partial substitution by large-size LCDs, while the engineering projector segment is expected to gradually stabilize as the global economy experiences a modest recovery.

4. Competitive Niches

(1) Solid R&D capabilities

The Company is committed to the research and development of technology. In addition to designing and developing products that meet customer needs, the Company will also continuously develop key components for vertical integration to enhance competitiveness in the industry. As of March 31st, 2026, the Company has a total of 1,048 pending patents at home and abroad. The Company has over 600 R&D personnel, demonstrating its emphasis on R&D.

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

Mutual growth with the display panel industry and the projector industry is the Company's main operational strategy. Hence, the new

product development schedule, the implementation of flexible production planning strategies, and the production scheduling for emergency orders are the focus of our production strategy. Strengthening the operation mechanism of the supply chain platform and establishing the standardization of procedures maximize production efficiency and reduce production costs.

(3) Flexible marketing methods

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

5. Favorable and unfavorable factors for future development and counteractions

Item	Favorable Factors	Unfavorable Factors and Countermeasures
Industry Development and Outlook	1. The applications of LCD products continue to develop such as notebook computers, tablets, flat panel displays, mobile phones, LCD TVs, etc., driving the industry to grow and creating a huge demand for key component LCD backlight modules. 2. The production capacity of various panel manufacturers has been gradually expanded, and Taiwan's downstream products such as notebook computers and LCD monitors have a global market share of more than 60%, which gives Taiwanese manufacturers an advantage in panels. This also makes the industrial prospect of the upstream backlight module promising. 3. In response to the popularity of the mobile phone market, consumers now demand high-quality display. All product applications (including NB/MNT/TV) are moving towards higher resolution. After working on backlight modules for years, the Company has a good grasp of the core technologies include high brightness, high efficiency and high resolution. Therefore, the prospects for subsequent market demand are promising. 4. As the 4K resolution becomes more popular, the wide color gamut technology has been widely used, and the refresh rate increases to 120fps or even higher. Only the model with the high contrast "HDR" specifications can provide the true high definition experience for the user. Therefore, the market demand for displays with new specifications shows a positive outlook. 5. With the advancement of LED/Laser solid-state light source technology, improvements in performance and brightness are driving the widespread adoption of solid-state light sources, while also serving as an alternative to mercury lamps in response to the EU's 2027 ban on mercury lamps. 6. With the active development of new applications such as laser TV, digital signage and large-size signage solutions, the prospects are promising. 7. With rapid developments in AI/intelligent application	1. The addition of new flat-panel display manufacturers will lead to increased competition and lower profits. <u>Corresponding countermeasures:</u> • Utilize the proprietary backlight plate design to maintain technical leadership. • Expand the customer base and upgrade from a panel plant to a system integrator (SI) and Brand Name to acquire orders by participation in the design. • Expand the customer base and application market. Become a leading manufacturer of comprehensive Visual Solutions products. In addition to providing professional design advice and stable high-quality product development, and production to Brand Names, the Company offers a high degree of customization to accommodate user needs more closely in order to quickly enter the market and acquire market share. In the dynamic process of discovering demand and meeting the needs, we are able to grow together with our business partners and expand the application market. • Continue to improve the enterprise resource system and supply chain management, expand production capacity and disperse deployment in Vietnam, as well as integrate the Group's resources to build smart factories. The aim is to decrease labor demand and production costs, and enhance the Company's competitiveness. 2. Projectors are facing stronger competitions from large LCD displays and LED video walls. <u>Corresponding countermeasures:</u> • Leveraging technological leadership to continuously deliver value to customers, integrating R&D capabilities and experience across optics, mechanics, electronics, thermal management, and software, and continuously enhancing projector brightness to reinforce the >120-inch segment that large-size LCDs cannot address, while competing with large size LCDs in shared markets through solid-state light sources, a higher proportion of 4K and 1080p high-resolution products, improved cost performance, and the advantage of easy portability.

Item	Favorable Factors	Unfavorable Factors and Countermeasures
	technology, the Company will strive to integrate advanced smart technologies and reinforce the connection between smart applications and fields to create more competitive smart projectors. 8. With the gradual implementation of China's national strategic emerging industry planning, the extensive development of information technology, high-end manufacturing, digital creativity, tourism and the cultural tourism industry take form. Hence, the demand for display or projection equipment will increase significantly, bringing new business opportunities to the professional audiovisual industry.	• Continue to develop user-friendly and easy-to-use intelligent software complemented by the cloud and AI value-added services to increase customer satisfaction and adhesion. • Establish a strategic procurement platform and promote strategic procurement plans to achieve optimal costs and increase product competitiveness. • Vigorously introduce innovative technologies such as multi-screen splicing and immersive curved surface splicing to resolve the problems of large space display, uneven and arbitrary surface projection, and transportation, providing holistic solutions to enhance customer satisfaction and loyalty, as well as expanding market applications. • Develop a cloud-based smart public broadcasting system to provide a digital content management platform with AI image recognition and interactive features to endow Visual Solutions products with diverse applications.
Operating Environment	1. The Company entered the market ahead of the industry, has therefore accumulated enough technologies and experience to understand important customers and the market. 2. The Company has a stable source of supply and support from key component suppliers.	1. The high proportion of outsourcing and export makes the Company more vulnerable to the impact of exchange rates. <u>Corresponding countermeasures:</u> • Collect relevant information on exchange rate fluctuations at all times to effectively minimize its impact on revenue and profit. • Judge exchange rate fluctuations based on the Company's capital needs and information provided by banks and financial institutions in order to decide on the timing for forex hedge and avoid exchange risks. 2. Continuous increase in China's manufacturing costs. <u>Corresponding countermeasures:</u> • Introduce production automation as soon as possible to effectively reduce manufacturing and labor costs. 3. The increase in the proportion of overseas investment has gradually disqualified the Company for domestic tax incentives, and the overall tax advantage has gradually decreased. <u>Corresponding countermeasures:</u> • The focus of R&D remains in Taiwan to take advantage of various R&D tax incentives. • Consider the Group's overall tax planning to achieve the lowest overall tax burden. 4. The scale of operations of Chinese investment companies is increasing, and the financial planning of daily operations is vulnerable to the effect of tightening local monetary policies. <u>Corresponding countermeasures:</u> • Increase the number of financial institutions and lines of credit outside China. • Adjust the transaction model to reduce the capital movement needs of Chinese reinvestment companies. 5. The US-China trade war has led to an increase in the risk of operational costs. <u>Corresponding countermeasures:</u> • Gradual migration of high-value products exported to the USA back to Taiwan or other overseas production bases to build a non-Chinese supply chain.
Internal Conditions of the Company	1. Technical advantages and mass production scale. 2. The Company shortens the production cycle and changes the process time with lean management, and continuously	The scale of operation of the company has grown rapidly and the logistics integration capability needs to be further strengthened. <u>Corresponding countermeasures:</u>

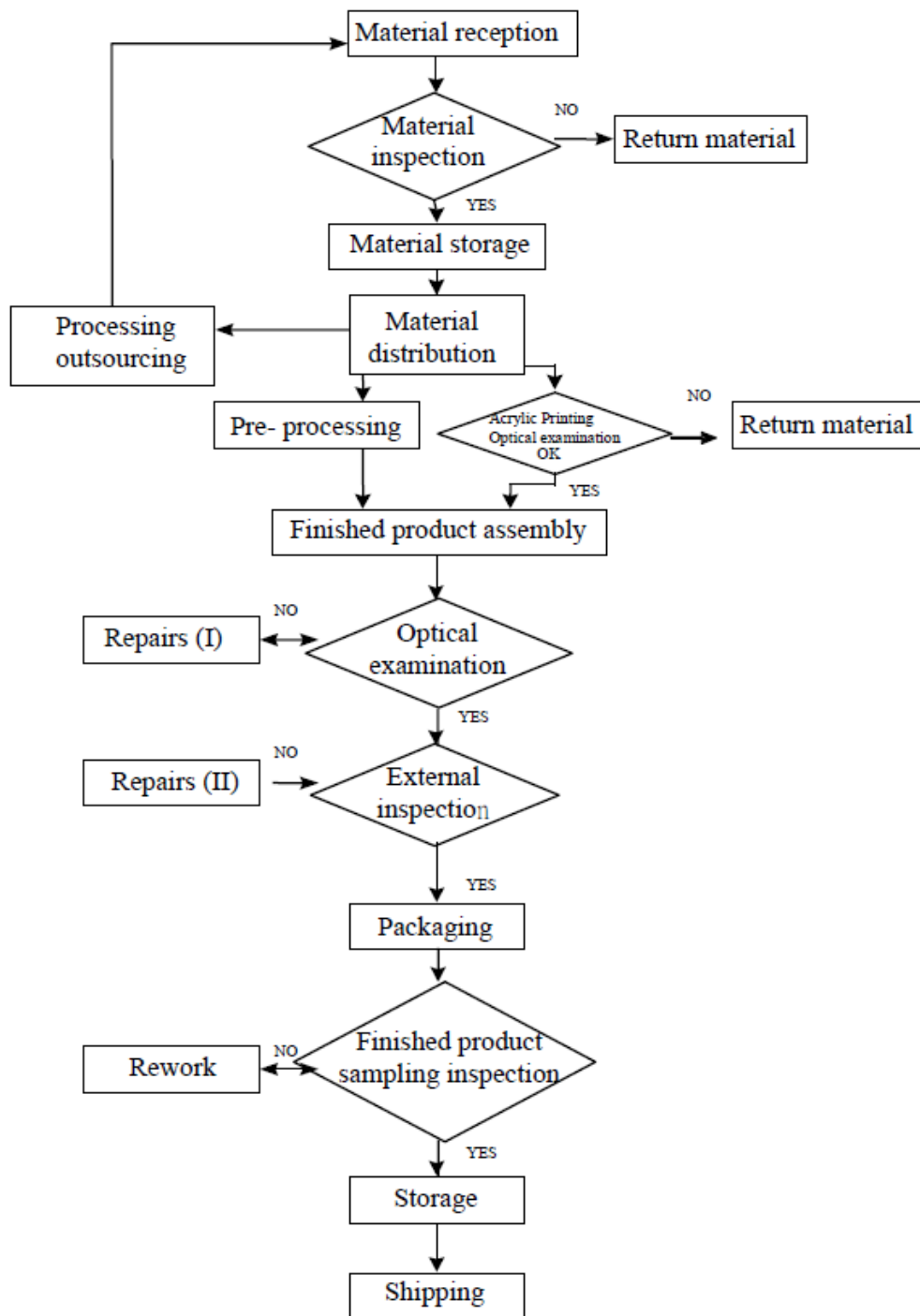
Item	Favorable Factors	Unfavorable Factors and Countermeasures
	introduces the automation process, which can meet the customers' small-amount demands as well as fulfilling the multi-line production at the same time to meet a large number of orders. 3. The Company possesses technological advantages, a comprehensive patent layout and economies of scale for mass production.	• Recruit seasoned professionals to participate in the Company's operational planning. • Establish a comprehensive talent training and incentive system. • Engage in cooperative education with schools to attract outstanding talents. • Automation and smart operation of internal operations with well-established digital systems.
Product and Technology Development	1. The product line is complete and competitive on the market. 2. The R&D team is strong enough to master key technologies as well as critical components, and makes the Company a market leader. 3. The Company has the technology to design and manufacture large-size LCD backlight modules. 4. The Company has the advanced technology and products based on the integration of light, mechanical, electricity, and software. 5. The Company has the advanced technology and products with ultra-short throw machine and solid state light source. 6. The R&D team continues to innovate and provides customers with comprehensive projection solutions.	Industry sales change rapidly, and customer cost control has become increasingly stringent. <u>Corresponding countermeasures:</u> • Maintain close relationships with key parts suppliers to understand their production capacity and load, as well as flexibly adjust procurement lead times accordingly. • Optimize the performance of products by developing innovation technology, enhancing self-manufacturing capability of parts, and collaborate with suppliers. • Proactively engage in technical collaborations or strategic alliances with major manufacturers in the country or abroad to facilitate new product launches or acquire new technologies.
Sales Overview and Market Capabilities	1. The strategy is to focus on ODM complemented by EMS, and continual innovation is our advantage. 2. Committed to the improvement of production technology and quality assurance system. The products have been recognized by domestic and foreign customers, and maintaining good customer relationships will help to improve market stability.	Science and technology are advancing rapidly, and some markets may be replaced by big screens or other new technologies. Traditional business models are also affected by e-commerce platforms. <u>Corresponding countermeasures:</u> • Collaborate with key parts and brand customers to acquire early market information and monitor market trends. Investing in the research and development of technologies that can compete with alternative technologies, as well as incorporating technologies into the Company's research and development. • Utilize existing overseas subsidiaries to monitor market trends. The Group will also develop potential, and may replace the existing product market in the current product market, and incorporate the technology of the Company in the R&D projects, such as laser/LED source and the ultra-short-throw interactive technology, multi-screen blending technology, and the immersive curve blending interaction technology. • Utilize technologies and customer channels to grasp the latest retail trends and expand market applications.

(II) Usage and production process of the primary products

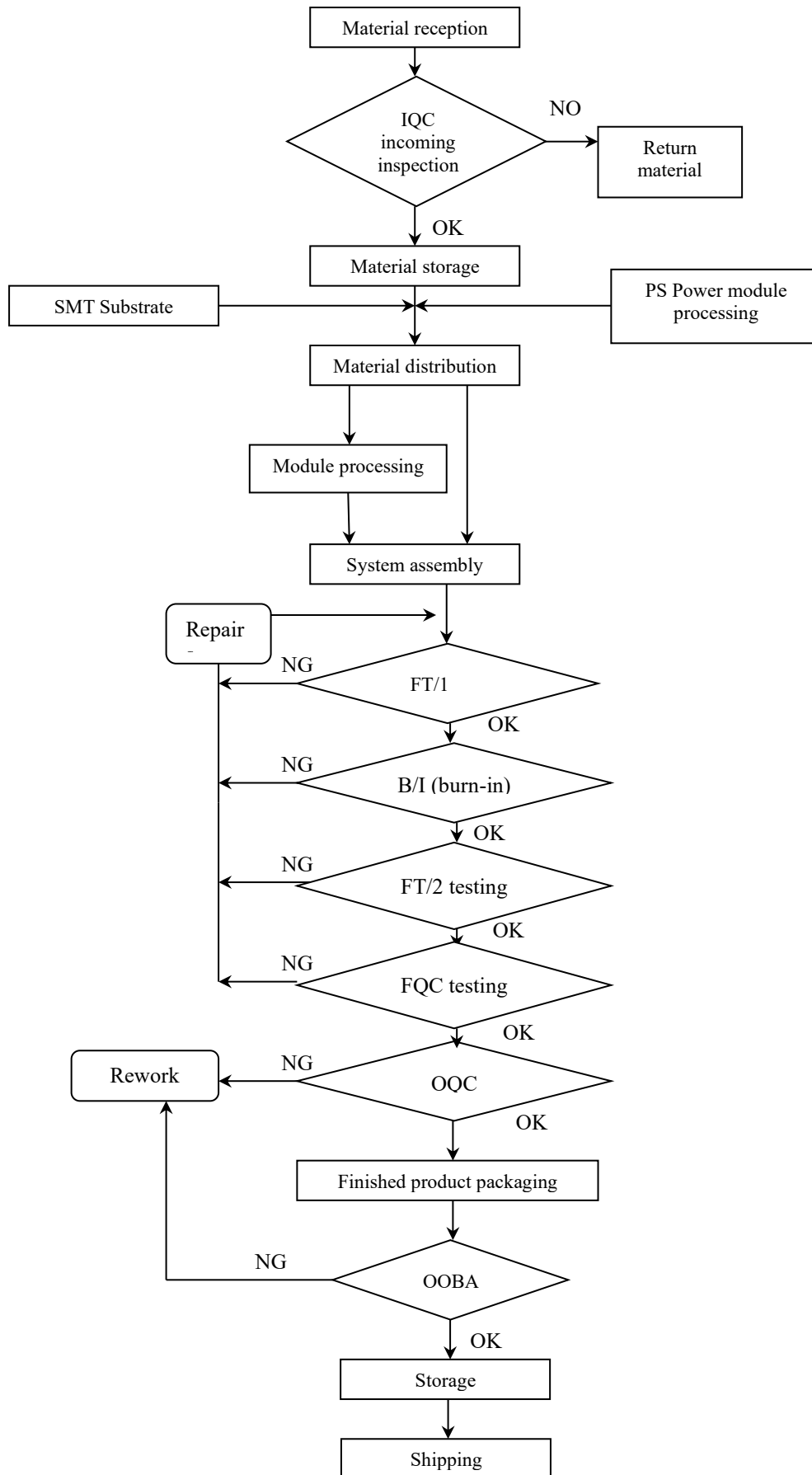
1. Important uses of the primary products: The main uses of Energy Saving products are tablets, NBs, LCD TVs, other large-size LCD flat-panel displays, and automotive head-up display modules. Projectors and Visual Solutions products are mainly used for computer data and large-screen projection of video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

2. Production processes of the primary products

(1) Backlight plate production process



(2) Projector production process



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

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

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

Unit: NT\$ thousand

Year Item	2024				2025				As of March 31 st , 2026			
	Name (note)	Amount	Annual Net purchase ratio (%)	Relationship with the issuer	Name (note)	Amount	Annual Net purchase ratio (%)	Relationship with the issuer	Name (note)	Amount	Net purchase ratio of Q1 of 2026 (%)	Relationship with the issuer
1	Supplier A	2,443,304	10.05	-	Others	24,297,213	100.00	-	Others	5,946,005	100.00	-
2	Others	21,867,302	89.95	-	-	-	-	-	-	-	-	-
3	Total net purchase	24,310,606	100.00	-	Total net purchase	24,297,213	100.00	-	Total net purchase	5,946,005	100.00	-

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

Reasons for changes: Due to a product portfolio adjustment, the purchase ratio from supplier A exceeded 10% in 2024. In 2025, there was no supplier whose purchases accounted for 10% or more of the Company's total procurement.

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

Unit: NT\$ thousand

Year Item	2024				2025				As of March 31 st , 2026			
	Name	Amount	Annual Net sales ratio (%)	Relationship with the issuer	Name (note)	Amount	Annual Net sales ratio (%)	Relationship with the issuer	Name (note)	Amount	Net sales ratio of Q1 of 2026 (%)	Relationship with the issuer
1	Customer A	6,606,817	16.65	-	Customer A	4,631,272	11.70	-	Customer B	1,280,345	13.68	-
2	Others	33,062,126	83.35	-	Others	34,945,393	88.30	-	Others	8,081,556	86.32	-
3	Total net sales	39,668,943	100.00	-	Total net sales	39,576,665	100.00	-	Total net sales	9,361,901	100.00	-

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

Reason for changes: The primary factors were changes in product mix and the relocation of manufacturing facilities.

III. Employees

Year		2024	2025	As of March 31 st , 2026
Number of employees	Technical personnel	2,266	2,357	2,250
	Management personnel	1,914	1,734	1,513
	Operating personnel	6,228	7,414	7,059
	Total	10,408	11,505	10,822
Average age		39.65	37.47	38.28
Average Years of Service		9.10	7.57	8.15
Education distribution ratio (%)	PhD	0.73	0.49	0.49
	Graduate School	13.75	9.06	9.05
	University/College	39.41	31.13	30.99
	High school (and below)	46.10	59.32	59.47

IV. Environmental protection expenditure

- (I) Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.
- (II) Future countermeasures (including improvement measures) and possible expenditures: The Company has a dedicated unit to promote the ISO 14001 environmental management system, ISO 45001 occupational safety and health management system, CNS 15506 Taiwan occupational safety and health management system, ISO14064-1 greenhouse gas inventory certificate, ISO50001 energy management system at Chunan Plant, and implement the environmental protection and operation safety. There has been no loss or penalties due to environmental pollution or work safety incidents by the competent authorities.
- (III) In order to conform to the trend of green consumption in the 21st century, the Executive Yuan promulgated the “Organization Green Procurement Plan” in July 2001. In line with government policies, the Company has added priority procurement items for eco-friendly products in non-production procurement management. In 2025, the total purchase amount was NT\$41.10 million.

V. Labor relations

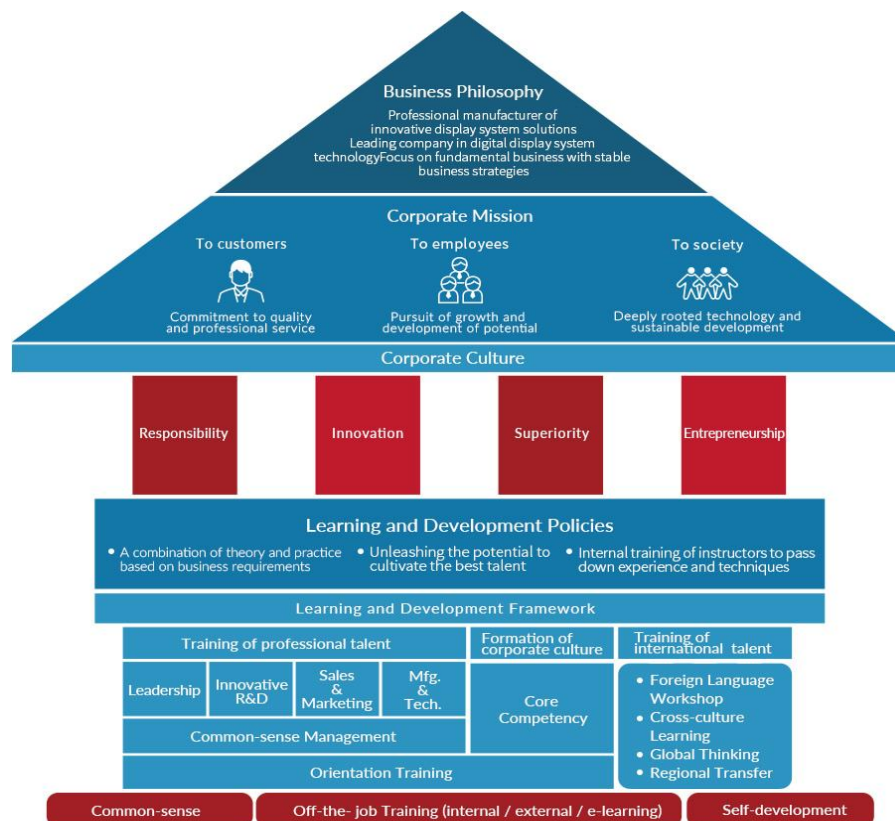
- (I) Employee welfare measures, continuing education, training, retirement system and implementation status: The Company’s treatment is comparable to that of its peers, and the labor-management relationship is harmonious. The welfare, training and retirement measures are all well-established, as explained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

Company continues to promote employee assistance programs, provide free professional consulting services such as psychological, legal and management services. The Company places great importance on employees' physical and mental well-being. A dedicated Health Management Unit has been established, staffed with on-site occupational health nurses and supported by monthly consultations from contracted occupational physicians. The Company provides services including health management for employees engaged in special operations, healthcare services, health promotion programs, and employee assistance programs (EAPs). Moreover, the Company has also introduced the Occupational Health and Safety Standards to ensure the compliance of various operations with standard procedures to prevent occupational injuries. The company has also promoted various health protection plans according to the "Occupational Safety and Health Act." Details of employee benefits and welfare measures are as follows:

Employee welfare measures (Taiwan Area)	
Operating profit sharing (Applicable to full-time employees)	• Employee bonus (depending on the annual operational and individual performance) • Production performance bonus, operating performance bonus, and R&D patent bonus • Award ceremony for excellent R&D personnel, senior employees and outstanding employees • Employee shares (when possible)
Comprehensive Employee Care	• Employees enjoy free group insurance, expatriate and family accident insurance, travel insurance for overseas travel, consulting services are offered by group insurance personnel regularly stationed in the plant. • Annual health checkups (better than the statutory requirements), employee health management, comfortable leisure space, and professional medical consultation • The Company provides diabetes screening for employees and electrocardiogram (ECG) examinations for middle-aged and senior employees. Through a regular testing mechanism, the Company aims to achieve early detection and early intervention treatment • Comprehensive retirement system, working conditions with gender equality • Flexible working hours and shuttle buses • Friendly parking spaces for injured and ill employees
Diverse and thoughtful Welfare measures	• Gift vouchers for Labor Day, Mid-Autumn Festival, Dragon Boat Festival and birthdays • Wedding gift, childbirth gift, hospitalization subsidies, condolences money, travel subsidies, funding for employee clubs, condolence allowance for female colleagues who experience a miscarriage • Family day, club activities, year-end parties • Restaurant, cafe, convenience store, employee leisure center, multi-functional employee fitness center, and yoga classroom • All meals served in the staff restaurant use organic vegetables, monthly raw vegetable salads, and monthly afternoon snacks • Two movie tickets are provided per person

Employee welfare measures (Taiwan Area)	
Women's Care	• Parental leave, family care leave, maternity leave, paternity leave, menstrual leave, and prenatal checkup leave • Breastfeeding room • Pregnant women's indoor parking spaces • Contracted nursery and kindergarten • Priority meal collection for pregnant women
Leave better than legal requirements	• Golden Week: Five-day paid leave • Volunteering leave: Employees participating in volunteer events organized by the Company may apply for the volunteering leave equivalent to the event length. There is no limit for volunteering leave each year.

2. Upholding the belief that “human resources are the company’s most important asset”, we offer multifaceted and flexible learning environments to enrich the professional skills and literacy of employees and achieve the mutual support of work and learning to lay a foundation for the self-development. We offer systematic training courses to employees based on their career planning and learning roadmap to develop their expertise in management or other professions. Based on the course category, internal and external instructors are hired to share knowledge, experience, and skills to improve the competencies and career development of employees. The Company organized training courses in 2025 with a total of 67,043 participants. The total number of training hours was 99,708 hours, costing over NT\$5.79 million. We also support innovation learning and devote to creating a sustainable learning workplace environment. Through a job-oriented learning development system, e-learning, and vivid practical training, as well as combining regional job rotation and foreign language learning, we help employees wishing to experience the world to realize their dreams.



3. The company's retirement system is handled in accordance with the Labor Standards Act. Since July 1, 2005, the Company has complied with the regulations to implement a new system of labor pensions. For employees choosing the new pension system, each month we contribute 6% of their salary by law as their pension, and employees may contribute 0-6% of their salary and deposit the sum to their personal account at the Bureau of Labor Insurance. Those who choose the old pension system or the new one but started working before the new system came into force will allocate 2% of the retirement reserve to the Company account of the Bank of Taiwan on a monthly basis. The balance of this dedicated account is reviewed at the end of each year to ensure it is sufficient to meet future retirement benefit obligations. The pension funds will be paid within 30 days after the date of employee's retirement. In 2025, seven employees applied for retirement, and all applications were completed in accordance with regulations. After senior employees with excellent work performance apply for retirement, we will invite them to serve as consultants to share their rich experience with other employees. Apart from providing professional consulting services for the Company, this policy also creates another stage for retired employees to continue their contribution to the Company.
 4. To promote work-life balance and ensure employees can effectively meet their personal and family needs, the Company provides a comprehensive and employee-friendly leave system. A company-wide "Golden Travel Week" is arranged annually, during which employees are granted five days of paid leave, enabling them to enjoy uninterrupted time traveling with family and friends. If operational requirements prevent participation during the designated period, employees may reschedule the paid leave to another time within the same year. In addition, employees who participate in volunteer activities organized by the Company on holidays are entitled to volunteer leave based on the number of hours served. Such leave may be flexibly used according to individual needs and is not subject to standard leave hour limitations.
- (II) Labor-management agreement and employee rights maintenance measures: The Company hosts labor-management meetings regularly with senior managers present at the meeting to listen to the voices of employees and represent the management to interact and communicate with the employees. In order to protect the rights of employees, the Company has set up physical and digital employee suggestion boxes (8585 mailbox), and a delegated hotline (ext. 8585), serving as a private and safe channel for receiving suggestions from employees. The suggestions from employees are handled by designated personnel.
- (III) Any losses suffered by the company in the most recent years and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.
- (IV) Work environment and employee personal safety protection measures
- The Company adheres to the philosophy of "pursuing excellence and valuing customers." In order to protect employee health, maintain the work environment as well as protecting the environment, the Company promotes ISO14001 - Environmental Management Systems / ISO45001 Occupational Health and Safety / CNS 45001 - Taiwan Occupational Safety and Health Management System and

obtained certification. In order to “implement risk management, prevent disasters and unhealthy occurrences, enhance employees’ safety and hygiene awareness, create a safe and comfortable working environment, prevent pollution, reduce waste and recycle, and improve resource use efficiency, and becoming a green enterprise,” we are committed to the continuous improvement of environmental and safety management performance, to preventing occupational disasters, to improving the working environment, to maintaining peer safety and reducing accident losses, and to regularly implementing regular inspections. In the process of regular inspection and improvement, all departments pay more attention to the safety of the work environment, gradually improve the safety awareness of personnel and reduce the risk of environmental hazards. The guards patrol 24 hours a day, and a surveillance system has been set up. In order to promote disaster prevention and enhance the crisis awareness and emergency response capability of the emergency response team members, the Company regularly reviews emergency contingency plans.

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

To ensure that employees receive comprehensive care for their physical, mental, and spiritual well-being, the Company has established health management units at each plant to promote holistic health management and embed a strong culture of health awareness among all employees. The Company has been awarded the “Health Promotion Workplace Certification” for consecutive years. In addition to assessing health risks through annual health examination results, the Company implements the four major occupational health programs in accordance with the Occupational Safety and Health Act. These programs help identify and evaluate high-risk groups. Professional on-site physicians are engaged to conduct consultations and provide health guidance, along with necessary referrals when appropriate. With strong support from senior management, the Company actively promotes a wide range of health enhancement initiatives, including Golden Travel Week, on-site sports events, the “Bright Vision – Eye Care Campaign,” shingles prevention health seminars, and the “Healthy and Wealthy for the Long Term” key financial strategy seminar. The employee cafeteria offers fruit boxes, healthy light meal boxes, and low-carbon, low-sugar meal options. The company store features designated healthy snack and sugar-free beverage sections to encourage employees to choose low-calorie options and reduce physical burden. The Company remains committed to building an age-friendly, sustainable, and health-oriented workplace environment, fostering a thriving and resilient workforce for the future.

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

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

Based on the relevant requirements of the Responsible Business Alliance, the Company clearly defines ethical behavior, business integrity, conflicts of interests and work safety, with reference to the Universal Declaration of Human Rights, international social responsibility, trade ethics, and ecological management. This requirement is included in the supply chain audit system. In line with international trends, the Electronic Industry Code of Conduct Management Manual is being revised to the Responsible Business Alliance Code of Conduct Management Manual (RBA) to ensure a safe supply chain for the electronics industry, practitioners with dignity, and environmental protection as well as moral responsibility in manufacturing processes. The Company hopes to create a sustainable environment and provides customers with satisfactory products and services through the incorporation of the Responsible Business Alliance Code of Conduct Management Manual and the continuous introduction of relevant requirements.

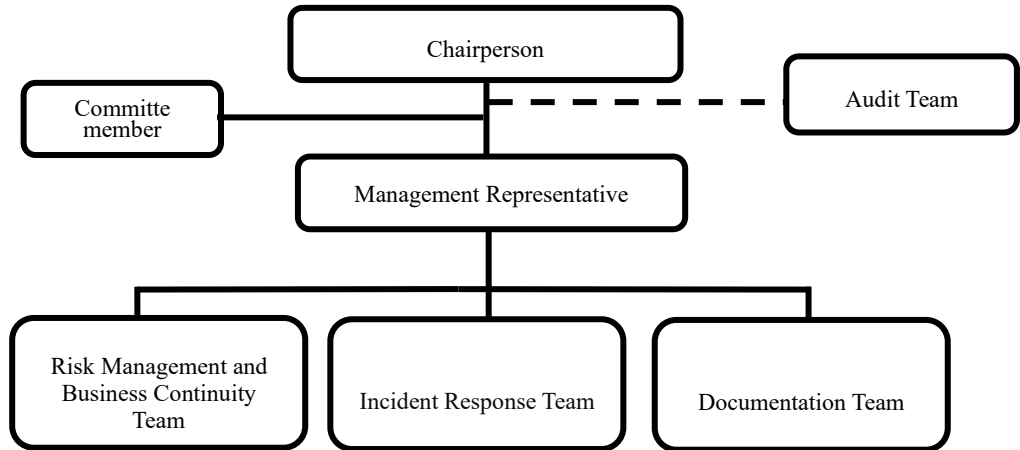
VI. Information, communication, and security management

(I) Information, communication, and risk management framework

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

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

Organizational chart of the Information Security Committee



(II) Cybersecurity Policy

The Company has obtained verification of ISO 27001:2022. We will use it as the reference standard and formulate our information security policy based on the actual management needs. The ISO 27001:2022 certificate is valid from April 17, 2026 to April 17, 2029.

The Company refers to ISO 27001 and NIST standards and formulates the following information security policies based on actual internal management needs.

- Each unit in the Information Management Center establishes a list of relevant information assets and identifies the owners. Risk assessment is performed according to the difference in the level of information assets, and risk management is conducted for risks above acceptable levels to effectively reduce risks and continuously implement various control measures.
- Relevant personnel shall be hired with the necessary assessment and sign relevant operation regulations, and their information assets shall be returned when they change or leave their jobs. Both new and current colleagues must participate in information security education and training to enhance the awareness of information security protection.
- The Company shall implement the regulations on access control and carrying in and out of Coretronic's buildings and information security control area.
- Employees are strictly prohibited from setting up network equipment to connect external networks with the company's internal network. Firewalls, DMZs, and necessary security facilities are set up to protect the internal and external networks, and appropriate backup or monitoring mechanisms should be set up to maintain the availability of important equipment. Anti-virus software should be installed on personal computers and virus codes should be updated regularly, and the use of unauthorized software is prohibited.
- Personal accounts, passwords, and privileges held by employees should be properly stored and used, and the management should regularly check and review them. Important system data should be backed up regularly and the restoration test should be performed.
- System development should consider the establishment of security control mechanism at the initial stage, and the outsourced development part should strengthen the control and contract information security requirements.

- When there is an information security incident, staff shall immediately report the incident and act according to the ISO procedures to prevent the incident from escalation, and cooperate with the responsible department to solve the problem.
- Daily operations of the Company shall implement a confirmation review mechanism to maintain the accuracy of information, and supervisors shall supervise the implementation of the information security compliance system to strengthen the awareness and legal concepts of information security among employees.
- The Company regularly reviews its information security policy to reflect the latest developments in government regulations, technology and business to ensure the effectiveness of information security practices.

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

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

- Annual information security targets:

Information Security Objectives	KPI	Control measures
Number of network service interruptions in the data center	Within 4 times	The cybersecurity incident automatic alarm system is established to send real-time warnings for specific cybersecurity incidents to facilitate taking effective preventive measures so as to reduce cybersecurity incidents.
Number of service interruptions in critical business systems	Within 2 times	Abnormal incident logs are retrieved to ensure uninterrupted service of key business systems.
Number of annual reviews of the information security policy	1 times	The cybersecurity policy should be reviewed each year to ensure compliance with the Group's policy goals, ISMS standard, and legal compliance.
Number of annual information security management review meetings held	1 times	A review management meeting of information security should be held each year to ensure all information security measures are unfailingly implemented and continual improvement is achieved.
Number of periodic system access permission reviews conducted annually	1 times	OTP management of privileged accounts.
Number of periodic vulnerability scans of critical systems conducted annually	1 times	Vulnerability scan is implemented periodically on important systems each year to ensure the timely fixing of high-risk loopholes.
Number of periodic backups of critical	2 times	To ensure compliance with RPO requirements, the Company conducts annual backup and

Information Security Objectives	KPI	Control measures
system data performed annually		restoration drills for critical system data and keeps records of the exercises.
Number of vendor personnel under IT service contracts who have signed confidentiality agreements	2 contracts	To ensure contractor supervision and management, personnel of contractors providing information service are requested to sign the NDA.
Number of annual spot checks on the execution of business continuity drills for critical systems	1 times	To ensure the service continuity of important systems, business continuity drills should be scheduled each year.
Success rate of social engineering in drills	10%	Do not open emails of unknown origins and click the links and open the attachments contained. After receiving emails of unknown origins, immediately delete or notify the IT unit.
Number of installed illegal or unlicensed software found in annual random check	None	To ensure all software used within the Group is legally licensed to avoid copyright infringement and malware attacks.

• Results by investing resources

Information Security Training	A total of 5,641 participants attended information security-related courses, including “New Employee e-Onboarding: Information Security,” “Information Security Awareness, Policies, and Defense Concepts,” “Phishing and Impersonation Fraud,” and “Email Social Engineering Attacks.”
Security Announcements	Information security awareness announcements were issued periodically to remind employees of relevant risks and to prevent incidents that could result in operational losses for the Company. In 2025, a total of 7 announcements were issued.
Social Engineering Drills	Two email-based social engineering simulation drills were conducted for all employees across the group.

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

VII. Intellectual property management

Intellectual Property Management Plan

Each year, based on operational objectives, the Company formulates product and technology development roadmaps. With a balanced approach emphasizing both quality and quantity, and according to different products as well as different types and levels of technologies, the Company dynamically adjusts the countries, quantities, and types of patent applications to implement differentiated patent portfolio strategies accordingly. The Company also reviews the technologies and scopes of pending patent applications, proposes complementary technical designs and innovations, and, in conjunction with the differing patent systems and priority claims of various countries, files patent applications in a timely manner to address gaps in the Company's patent portfolio.

For the Company's key products or technologies, if the number of patents held by the Company is insufficient, the initial approach is to encourage R&D personnel to actively apply for patents across different technology types, such as optics, mechanics, thermal management, materials, software, and electronic control, as well as across different components or modules of the products, thereby establishing comprehensive protection. Once a certain number of patents has been accumulated, the focus then shifts toward enhancing patent quality.

In addition, to ensure that the technologies corresponding to the Company's products have patent protection, patent engineers participate in the product development process based on the requirements of the business units to identify patentable technologies and file corresponding patent applications. For key technologies and components, the Intellectual Property Division prepares relevant patent maps for reference by R&D units to identify technologies for which patents have not yet been filed, thereby further developing related technologies to fill gaps in the Company's patent portfolio.

- (1) Patent protection measures: To safeguard the intellectual property portfolio developed and built through the Company's technology development efforts, Coretronic established the "Patent Rights and Technology Development Incentive Procedures" in 1998, with the Intellectual Property Department responsible for the centralized management of patent applications and maintenance across the Group. To continuously encourage employees to propose innovative technologies and file patent applications, the Company revises the incentive procedures and reward system from time to time to increase incentive amounts. After multiple revisions over the years, the current procedures has seven categories of incentives, including proposal incentives, patent grant incentives, patent implementation incentives, trade secret implementation incentives, competition incentives, recognition incentives, and special significant benefit incentives. In addition, the Intellectual Property Department occasionally provides intellectual property related education and training to employees to enhance their awareness of intellectual property rights.
- (2) Intellectual property acquisition and disposition: In cooperation with the Legal Affairs Department, the Intellectual Property Department formulated the "Operating Guidelines for the Acquisition or Disposition of Intangible Assets and Licensing" in 2011, which set

forth the handling principles for the acquisition and disposition of intangible assets, including intellectual property such as patent rights, trademark rights, copyrights, and trade secrets, by each business group and subsidiary. The Guidelines separately specify the procedures and handling methods to be followed when acquiring intangible assets from third parties or disposing of the Company's intangible assets to third parties.

- (3) Technical trade secret management: In cooperation with the Legal Affairs Department, the Intellectual Property Department formulated the "Technical Trade Secret Document Management Procedures" in 2014, which define the classification levels, way of use, and related management practices for technical trade secrets.

Implementation

The Company regularly submits matters related to intellectual property to the Board of Directors once each year for reporting. The most recent report was submitted on July 28, 2025.

To strengthen the effective management of the Company's intellectual property, as well as automation, digital transformation, and knowledge sharing, the Company has actively implemented related process optimization initiatives since 2008. The main implementation status in recent years is as follows :

- (1) Implementation status from 2013 to 2024 is detailed on the Company website under Sustainability/Risk Management/Intellectual Property Risk.
- (2) In 2025, the Company completed and implemented the optimization of the electronic approval for annual patent maintenance fee evaluations. By linking the "Internal Patent Search System Platform" and the "Approved Patent Evaluation Platform," patent value information is provided to business units from three aspects, namely market, legal, and technical perspectives, serving as a reference for determining whether patents should continue to be maintained.

In addition, the Intellectual Property Department also plans patent related education and training. For example, in October 2025, a course on how to prepare appropriate software patent application evaluation forms was offered, enabling software R&D personnel to understand which software technologies are suitable for patent applications and how to draft patent proposals, thereby further enhancing both the quality and quantity of patent applications.

List and Achievements of Acquisition of Intellectual Property

- (1) Patents: As of December 31, 2025, a total of 2,698 patents granted and still valid in various countries, and a total of 876 patents were pending in various countries.

Status	Invention	Model	Design	Total
Granted and Valid	2,102	595	1	2,698
Pending	858	18	0	876

- (2) Trademarks: As of December 31, 2025, a total of 69 trademarks were granted and still valid in various countries.

VIII. Important contracts

Nature of Contract	Parties	Contract Start/End Date	Main Content	Restrictive Provisions
Land lease	Hsinchu Science Park Administration Office	2017.07.01~2036.12.31	Science Section of Hsinchu Science Park 9,047.95 square meters of land	Sublease and sublease conditions should be approved by the Science Park Bureau
Land lease	Hsinchu Science Park Administration Office	2021.01.01~2040.12.31	12,236.13 square meters of land in Nanke Section, Miaoli County	Sublease and sublease conditions should be approved by the Science Park Bureau
Land lease	Southern Taiwan Science Park Administration Office	2023.01.01~2043.12.31	The land in the Southern Taiwan Science Park occupies a total area of 24,940m ² .	Sublease and sublease conditions should be approved by the Science Park Bureau
Land lease	Southern Taiwan Science Park Administration Office	2019.06.20~2039.06.19	The land in the Southern Taiwan Science Park occupies a total area of 20,000m ² .	Sublease and sublease conditions should be approved by the Science Park Bureau
Trademark Licensing	HDBaseT Alliance	January 20th, 2015 till the end of the Company's membership in the technology alliance	The Alliance has granted its trademark licensing to the Company	Not transferrable
Technology licensing	Dolby Laboratories Licensing Corporation	December 19th, 2002 ~ the termination of the patent	The Company's technology licensing is authorized and the loyalty is paid by the Company	None
Supply Contract	A major Japanese company	April 1st, 2004 ~ March 31 st , 2005 with automatic renewal	Projector Purchase/Sales Contract	Confidentiality agreement
Supply Contract	A Japanese household appliance and consumer electronic product brand	2005.1.06~2006.01.05 with automatic renewal upon expiration; 2005.05.25~2006.05.24 with	Projector Purchase/Sales Contract	Confidentiality agreement

Nature of Contract	Parties	Contract Start/End Date	Main Content	Restrictive Provisions
		automatic renewal upon expiration		
Supply Contract	A U.S. company	November 1st, 2006 till any party terminates	Projector Supply Contract	Confidentiality agreement
Supply Contract	A Japanese company	One year from August 26th, 2009 with automatic renewal	Projector Supply Contract	Confidentiality agreement/ Non-transferrable
Supply Contract	A Canadian company	Signed in 2010 but effective from October 21, 2008 until termination by any party of the contract	Projector Supply Contract	Confidentiality agreement
Supply Contract	A U.S. company	March 8th, 2010 until any party terminates	Optical Product Supply Contract	Confidentiality agreement
Supply Contract	A Japanese company	2010.06.01~2011.05.31 (automatic renewal upon expiration)	Backlight Module Supply Contract	Confidentiality agreement
Supply Contract	A Indian company	September 25th, 2014 until any party terminates	Backlight Module Supply Contract	Confidentiality agreement
Supply Contract	A Korean company	One year from 2015.06.01 with automatic renewal upon expiration	LCD Module Supply Contract	Confidentiality agreement/ Non-transferrable
Supply Contract	A U.S. company	Effective from April 25th, 2022 until the contractual date of expiration.	Lithography Supply Contract	Confidentiality agreement/ Non-transferrable
Supply Contract	A U.S. company	Effective from October 1st, 2019 until the contractual date of expiration.	Lithography Supply Contract	Confidentiality agreement
Land lease	An industrial park in Vietnam	2022.02.11-2077.12.21	1.13 hectares in Phu My town, Ba Rịa-Vung Tau Province, Vietnam	Confidentiality agreement
Supply Contract	A Japanese company	2011.08.1~2012.07.31 with automatic renewal upon expiration	Projector Supply Contract	Confidentiality agreement
Supply Contract	A Korean company	One year from 2023.11.15 With automatic renewal upon expiration	LCM module supply contract	Confidentiality agreement
Supply Contract	A Taiwanese company	2023.10.12~2023.10.11 , with automatic renewal upon expiration	Backlight Module Supply Contract	Confidentiality agreement

Nature of Contract	Parties	Contract Start/End Date	Main Content	Restrictive Provisions
Supply Contract	A U.S. company	Five years from 2023.01.30	Drone supply contract	Confidentiality agreement
Supply Contract	Government agencies	Establishment takes effect from 2023	AR equipment supply contract	Confidentiality agreement
Distribution contract	A U.S. company	Effective from 2023.10.28	Obtain specific distribution qualifications	Confidentiality agreement
Supply Contract	Energy firm in some country	Establishment takes effect from 2022	Software execution service contract	Confidentiality agreement
Distribution contract	A Chinese company	Valid for two year from the contract signing date in 2023, with automatic renewal upon expiration	Grant distribution rights	Confidentiality agreement
Supply Contract	Government agencies	Establishment takes effect from 2023	Drone supply contract	Confidentiality agreement
Supply Contract	Government agencies	Establishment takes effect from 2023	Drone supply contract	Confidentiality agreement
Supply Contract	A U.S. company	2023.05.22~2027.09.30	Chip evaluation module supply contract	Confidentiality agreement
Supply Contract	Government agencies	Establishment takes effect from 2023	Spectrometer supply contract	Confidentiality agreement
Supply Contract	A Taiwanese company	Effective from 2023.09.12	Automotive light guide plate supply contract	Confidentiality agreement
Supply Contract	A Japanese company	January 30th, 2025 until any party terminates	Medical display customized panel module	Confidentiality agreement
Supply Contract	A Chia company	One year from 2025.08.07 With automatic renewal upon expiration	LCM module supply contract	Confidentiality agreement
Agreement for the Sale of Plant	A Shanghai company	The transaction took effect on January 02, 2025, with the transfer of ownership completed in February 2025.	Coretronic (Shanghai) Co., Ltd. sold a Plant.	None
Agreement for the Sale of Plant and Equipment	A Ningbo company	The transaction took effect on July 23, 2025, with the transfer of ownership completed in October 2025.	Coretronic (Ningbo) Co., Ltd. sold a Plant and Equipment.	Confidentiality agreement
Supply Contract	A Taiwanese company	The warranty period commenced on December 12, 2025 and remains in effect through its expiration.	Drone supply contract	Confidentiality Clause / Non-Subcontracting Clause

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

I. Financial position

Unit: NT\$ thousand

Item \ Year	2025	2024	Variation	
			Amount	%
Current assets	38,192,781	38,278,742	(85,961)	(0.22%)
Property, plant and equipment	11,326,674	10,108,052	1,218,622	12.06%
Long-term investments (Note)	6,324,282	5,246,290	1,077,992	20.55%
Intangible assets	258,787	290,678	(31,891)	(10.97%)
Other assets	2,856,301	2,954,223	(97,922)	(3.31%)
Total assets	58,958,825	56,877,985	2,080,840	3.66%
Current liabilities	31,279,181	25,920,919	5,358,262	20.67%
Long-term liabilities	164,000	3,340,419	(3,176,419)	(95.09%)
Other liabilities	1,116,546	1,216,293	(99,747)	(8.20%)
Total liabilities	32,559,727	30,477,631	2,082,096	6.83%
Capital stock	3,909,811	3,909,811	—	—
Capital surplus	2,017,890	2,234,717	(216,827)	(9.70%)
Retained earnings	17,417,342	17,429,799	(12,457)	(0.07%)
Others equity	1,178,652	822,542	356,110	43.29%
Non-controlling interests	1,875,403	2,003,485	(128,082)	(6.39%)
Total equity	26,399,098	26,400,354	(1,256)	0.00%
Explanation of major variations: (unnecessary if the variation was less than 20%)				
1. The increase in long-term investments is primarily due to an increase in the unrealized valuation gain on investments in equity securities of unlisted companies.				
2. The increase in current liabilities is primarily due to an increase in short-term borrowings used for operating purposes.				
3. The decrease in long-term investments is primarily due to the repayment of syndicated bank loans.				
4. The increase in other equity is primarily due to an increase in the unrealized valuation gain on financial assets measured at fair value through other comprehensive income.				

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

II. Financial performance

(I) Comparative analysis of operating performance

Unit: NT\$ thousand

Item \ Year	2025	2024	Variation	
			Variation	Variation (%)
Net revenue	39,576,665	39,668,943	(92,278)	(0.23%)
Operating costs	32,746,991	32,618,778	128,213	0.39%
Gross profit	6,829,674	7,050,165	(220,491)	(3.13%)
Operating expenses	6,960,701	6,861,913	98,788	1.44%
Operating (loss) income	(131,027)	188,252	(319,279)	(169.60%)
Non-operating income and expenses	604,089	690,169	(86,080)	(12.47%)
Income before income tax	473,062	878,421	(405,359)	(46.15%)
Income tax expenses	(115,425)	(220,575)	105,150	47.67%
Net income	357,637	657,846	(300,209)	(45.64%)

Explanation of major variations: (unnecessary if the variation was less than 20%)	
1.	The decrease in operating income, income before income tax, and net income for the period is primarily due to a decline in gross margin resulting from exchange rate fluctuations and an increase in operating expenses.
2.	The decrease in income tax expenses is primarily due to the decrease in income before income tax.

(II) Expected sales volume and its basis:

Please refer to the "III.Summary of Business Plan in 2026"and "V. Influences of External Competitions, Regulatory Environment and Macro Environment" for details.

III. Cash flow

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

Item \ Year	2025	2024	Variation (%)
Cash flow ratio	-	2.54	-
Cash flow adequacy ratio	32.20	61.05	(47.26%)
Cash flow reinvestment ratio	(4.39)	2.03	(316.26%)

Explanation of major variations:

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

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

(III) Liquidity analysis for the next year

Unit: NT\$ thousand

Beginning cash balance①	Projected net cash flow from operating activities for the year②	Expected cash outflow for the year③	Expected cash surplus (deficit) ① + ② - ③	Financing of expected cash deficits	
				Investment plans	Financing plans
905,874	940,571	263,584	1,582,861	—	—

Analysis of cash flow variation in the next year :

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

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

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

All of the Company's investments are long-term in nature. The Company realized NT\$940,966 thousand of gains from investment in 2025, which was attributed to the good profitability of its invested businesses. The Company will continue to carefully assess investment projects in the future.

VI. Risk management

(I) future counteractions

1. Impact on the Company's earnings

- (1) Interest rate: Interest expenses accounted for 1.41% of net sales in 2025, hence interest rate changes do not have significant impact on the Company. However, if the interest rate were to change by 1%, the Company would incur additional interest expenses of NT\$84,001 thousand.
- (2) Exchange rate: Gain on exchange and net gain on the valuation of financial assets totaled NT\$194,817 thousand in 2025, which accounted for 0.84% of net sales. If the NTD strengthens against USD by 1%, the Company's gross profit margin will be affected by approximately 0.09%.
- (3) Inflation: A 1% rise in the inflation rate would result in an approximate NT\$28,481 thousand in the Company's expenses.

2. Future response measures:

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

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

1. The Company did not engage in any transaction in 2025 that was characterized as high risk, high leverage or external party lending. The Company did, however, trade derivatives for hedging purpose, and assigned dedicated personnel and implemented systems to monitor, manage and assess risks on a regular basis.
2. The Company offered endorsements and guarantees mainly for its subsidiaries in 2025, with all transactions conducted in accordance with the "Lending, Endorsement, and Guarantee Procedures." The Company may offer endorsements/guarantees up to a maximum of NT\$22,104,966 thousand, with the outstanding balance at the end of 2025 amounted to NT\$2,641,466 thousand.
3. For details on external party lending, endorsement, guarantee and derivative transactions conducted in 2025, please refer to the 2025 audited financial statements and footnote disclosures.

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

1. Future R&D plans

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

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

- (2) Based on market demands and addressing pain points, with core technology as the foundation, the Company continues to develop and strengthen a comprehensive product line platform. This platform includes solid-state light sources (including RGB three-color lasers, MCLA dual-color lasers, blue lasers, and LED), short throw capabilities, 4K/8K ultra-high definition, and smooth dynamic imaging technology. In addition, the Company enhance multimedia applications, touchscreen functionality, and internet connectivity, while integrating image recognition, artificial intelligence, cloud value-added services, intelligent software development, and system integration capabilities. The Company's goal is to create a convenient user environment and interactive experiences, providing complete projection solutions for various applications including personal use, home entertainment, enterprise, education, commercial displays, digital signage, large-scale public space displays, smart retail, logistics, and healthcare.

2. Estimated R&D expenses: The Company incurred approximately NT\$1.39 billion of R&D expense in 2025, representing 6.02% of net sales. R&D expenses for 2026 are estimated to be NT\$1.33 billion, decrease 4.32% compared to the previous year.

- (IV) Financial impacts and response measures in the event of changes in local and foreign regulations: None.
- (V) Financial impacts and response measures in the event of technological or industrial changes (including information security risks)

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

The rapid development of LCD and LED technology has allowed the size of LCD panels to extend upward and penetrate into certain market segmented for home

use, education and enterprises. Meanwhile, the Company is actively expanding its projection technology by exploring various light sources, 4K/8K display technology, and smart projection systems. This allows the overall imaging solution to offer long lifespan, stability, ease of installation and adjustment, smart features, streaming capabilities, and environmentally-friendly green products for applications with screen sizes above 80 inches. In addition to providing high convenience for users, these products deliver high resolution, high brightness, and vibrant color performance, ensuring exceptional color and brightness in both personal and commercial applications.

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

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

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

(VI) Impacts on corporate crisis management of market presence change and counteractions: None.

(VII) Expected benefits and potential risks of mergers and acquisitions: None.

(VIII) Expected benefits and risks and associated with plant expansions

The Company's capacity planning is in line with expectations. We will continue to monitor industry competition and customer demand, assess order intake and operational utilization, and formulate appropriate production plans to mitigate potential adverse impacts on the Company's operations..

(IX) Risks associated with concentrated sales or purchases

The largest supplier of the Company and its subsidiaries accounted for less than 10% of the total purchases of the Company and its subsidiaries in 2025. The Company and its subsidiaries have maintained long-term business relationships

with their major suppliers and enjoy stable and sound partnerships; therefore, the risk arising from supplier concentration is not significant.

The largest customer of the Company and its subsidiaries accounted for 11.7% of the total sales of the Company and its subsidiaries in 2025. The change in the sales proportion of major customers in 2025 was mainly attributable to differences in product mix and the relocation of manufacturing facilities. There is no significant customer concentration risk.

- (X) Impacts and risks associated with a major transfer of shareholding by directors or shareholders with more than 10% ownership interest: None.
- (XI) Impacts and risks associated with a change of management: None.
- (XII) Litigation and non-litigation activities

The Company did not encounter any litigation or non-contentious case in 2025, or up until the publication date of the annual report, that were material to shareholders' equity or security price, whether concluded or pending judgment.

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

VII. Other important disclosures: None.

Six. Special Disclosure

I. Information of affiliated companies

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

(https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

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

(https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

(III) Relationship report: Not applicable.

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

III. Other supplementary information:

(I) Execution of 2025 shareholder meeting resolution:

1. Passed 2024 business report and financial statements.

2. Passed 2024 earnings appropriation proposal.

Progress: July 19, 2025 was set as the dividend baseline date, whereas August 5, 2025 was set as the payment date.

3. Passed amendments to the Company's "Articles of Incorporation."

Progress: Changes were approved by Hsinchu Science Park Bureau, National Science and Technology Council, on July 1, 2025, and have since been published on the Company's website.

4. Election of the Company's 12th board of directors.

Elected directors: Wade Chang, Hsun Chieh Investment Ltd. Legal Representative Hsin-Chieh Hsu, Hanns Prosper Investment Corporation Legal Representative Yu-Chi Chiao and Han-Ping D.Shieh.

Elected independent directors: Hsing-Yi Chow, Audrey Tseng and Hung-Pin Ku.

Progress: Changes were approved by Hsinchu Science Park Bureau, National Science and Technology Council, on July 1, 2025, and have since been published on the Company's website.

5. Passed removal of restrictions against involvements in competing business activities for newly elected directors and their corporate representatives.

Progress: Announcements were made over Market Observation Post System on June 18, 2025 about the removal of restrictions on competing business involvement for Directors Hsun Chieh Investment Ltd., Hsun Chieh Investment Ltd. Legal Representative Hsin-Chieh Hsu, Hanns Prosper Investment Corporation Legal Representative Yu-Chi Chiao, Han-Ping D.Shieh and Independent Director Hsing-Yi Chow and Audrey Tseng.

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

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