

Caswell, Inc.

2024 Annual Report

Annual Report Website: <https://mops.twse.com.tw>
<https://www.cas-well.com/>

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V. Overseas Securities Exchange Where Securities are Listed and Method of Inquiry: None

VI. The Company website: <http://www.cas-well.com>



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Chapter 1 Letter to Shareholders

Dear Shareholders,

In 2024, the overall economic situation was impacted by negative factors such as global inflation, slower-than-expected interest rate cuts, escalating geopolitical tensions, sluggish economic performance in China, and heightened conflicts in Ukraine and the Middle East. These factors hindered the full recovery of global end market demand, affecting industry growth. Despite these circumstances, with the efforts of all colleagues, the Company still had a positive operating performance. For 2024, the consolidated sales revenue amounted to NT\$4,253,669 thousand, an increase of NT\$171,232 thousand compared to NT\$4,082,437 thousand in 2023, a growth rate of 4%; the net income after tax was NT\$330,082 thousand, an increase of NT\$7,375 thousand from NT\$322,707 thousand in 2023, a growth rate of 2%. Despite the Company facing macroeconomic and political uncertainties throughout 2024, there was still modest growth in revenue and profit. Moving forward, we will continue to develop, expanding our portfolio through new and next-generation products, while also integrating group resources to layout and exploring new business models. We hope that in the future, as the economy returns to normal, we will be able to transform ourselves and make a successful transition, bringing new growth performance to the Company.

With the continuous development of digital technology and 5G/6G networking, innovative applications of cloud and edge computing continue to emerge. With the proliferation of connected devices and the transmission of large amounts of data, cybersecurity issues such as ransomware attacks continue to emerge, posing a serious threat to business operations. Supply chain attacks have also recently become an emerging target, particularly affecting industries with significant capital expenditures, such as industrial infrastructure and technology applications. As a result, information security has become a key focus for governments and businesses worldwide. The rapid development of algorithms in artificial intelligence (AI), combined with the powerful and fast computing capabilities of AI chips, has enhanced training of AI reinforcement learning. This has facilitated the development of a wider variety of AI models, allowing more precise applications of AI reasoning capabilities across various industries, including healthcare, education, and entertainment, further integrating AI into daily life. AI technology has brought new momentum to cybersecurity. AI can help organizations improve their cybersecurity defenses, but it can also be used by attackers to launch more destructive attacks. As a result, major technology companies are actively investing in AI cybersecurity and developing various AI cybersecurity products and services. By integrating AI with cybersecurity technology, they aim to help enterprises strengthen their cybersecurity resilience, improve corporate governance, and reduce operational risks to build a more secure

and reliable network environment and provide robust protection for enterprises and organizations.

In response to market and industry development trends, the operational plan for the Company in 2025 will continue to leverage our long-standing expertise in software, hardware, and flexible development capabilities. We will integrate the creativity and insights of our R&D team with customer needs and industry experience, while considering technological development trends and actively seeking strategic partners. We aim to blend recent innovative designs, technologies, experiences, and the innovative thinking of our strategic partners to continuously design and develop a more diverse range of products. The product line includes network security and management appliances, high-end cloud computing servers, enterprise server switches, virtual/universal customer premises equipment (vCPE/uCPE) for software-defined wide area networks (SD-WAN), industrial internet control systems and intelligent edge computing gateways. In response to the demands of network traffic management, data packet storage and transmission, and data security in various cloud application service fields, as well as the low latency requirements of fog computing/edge computing, edge AI applications, deep learning, and intelligent computing applications, we assist clients with comprehensive and rapid integration of software and hardware. We also provide the necessary certifications for products and services, thereby shortening the development timeline for various application platform systems. By leveraging supply chain and manufacturing resources, we offer a comprehensive product line with high cost-effectiveness to meet clients' diverse needs in IT/OT/CT/DT network and cybersecurity application products and services.

The Company continues to invest in research and development of high-performance multicore processors (Intel/AMD X86 and RISC/ARM architectures), high-bandwidth Ethernet networks (10G/25G/40G/100/200GbE), network switches, data processing units (DPU), and field-programmable gate arrays (FPGA). The Company will also work with customers to develop servers and server Board remote management systems (LOM/BMC) to address and prevent various network and hacker attacks. We will also continue to invest in and promote a new business model of system integration services and solution sales. This will enable the Company to explore new business directions and gradually increase unit sales prices and value, thereby improving profitability. Furthermore, due to specific customer demands for production history, testing and verification, customized specifications, quality certification systems, maintenance services/records, and global distribution management of system products, the Company continues to develop and enhance integrated information platform services and testing and verification software packages. We are increasing the automation of process verification software and procedures, optimizing the logistics management information system of our global distribution centers, and fully integrating with customers'

internal systems. In addition to more comprehensive product testing and verification, we are consistently implementing various quality, environmental, and information security management systems in accordance with International Organization for Standardization (ISO) standards. We are also actively adopting short-, medium-, and long-term goals for corporate sustainability (ESG) policies to provide customers with better supply chain options.

In the face of ever-changing global economic activities, trade tariffs, and geopolitical risks, the Company's management team and all employees continue to uphold the spirit of hard work and dedication. They are actively developing and cultivating related industries such as information security, 5G/6G networking, semiconductors, electric vehicles, artificial intelligence, smart manufacturing and smart cities, as well as robotics applications in line with the Company's sustainable business policy. They are also actively promoting measures related to corporate sustainable development (ESG) in response to the global goal of achieving net-zero carbon emissions. In the second quarter of 2024, the relocation of the Xinzhuang Global Operations Factory was completed, effectively optimizing research, development, production and sales efficiency, enabling the Company to operate sustainably while being considerate of the overall social environment. The Company aims to sustain its operations while treating the entire social environment with kindness and responding prudently to risks caused by geopolitical factors. It will carefully plan global production and sales models, actively develop global customers, and strive to achieve a stable growth rate in sales and profitability so that all shareholders can grow and share in the benefits.

Chairman Steve Chu

President Reaforl Hung

Accounting Supervisor Amber Lee

Chapter 2 Corporate Governance Report

I Information Regarding Directors and the Management Team

(I) Directors and supervisors

March 31, 2025

Position	Nationality/ Place of Registration	Name	Gender Age	Elected (Appointed) Date	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remarks
							Number of Shares	% of Shareholding	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding			Position	Name	Nature of Relationships	
Chairman	R.O.C.	Ennoconn Corporation	—	2023.06.14	Three Years	2014.12.5	20,000,000	33.32%	20,000,000	27.27%	—	—	—	—	Bachelor of Electronic Engineering, St. John's and St. Mary's Institute of Technology Senior Assistant Vice President of Hon Hai Precision Industry Co., Ltd.	Chairman & CEO, Ennoconn Corporation Chairman, CASwell, Inc. Chairman, Goldtek Technology Co., Ltd. Chairman, Dexatek Technology Co., Ltd. Chairman, Ennoconn Investment Holdings Co., Ltd. Chairman, Ennorise Corporation Chairman, Innovative Systems Integration Ltd. Chairman, Poslab Technology Corporation Chairman, AIS Cayman Technology Group Chairman, Ennoconn International Investment Co., Ltd. Chairman and Chief Executive Officer of Nera Telecommunications Ltd. Chairman, Ennoconn Solutions Singapore Chairman, EnnoAI Singapore Chairman, EnnoVision Inc. Director, Marketech International Corp. Director, EnnoMech Precision Co., Ltd. Director, Ennoconn (Suzhou) Technology Co., Ltd. Director, Vecow Co., Ltd. Director, Kontron AG Director, EnnoMech Precision (Cayman) Co., Ltd. Ennoconn Thailand Co., Ltd. Directors Director, Xinpu Star Venture Capital Co., Ltd.	—	—	—	—
		Representative: Steve Chu	Male 61-70				50,000	0.08%	50,000	0.07%	—	—	—	—			—	—	—	

Position	Nationality/ Place of Registration	Name	Gender Age	Elected (Appointed) Date	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remarks
							Number of Shares	% of Shareholding	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding			Position	Name	Nature of Relationships	
Directors	R.O.C.	Ennoconn Corporation	—	2023.06.14	3年	2014.12.5	20,000,000	33.32%	20,000,000	27.27%	—	—	—	—	Department of Business Administration, Feng Chia University Engineering Management, Nan Ya Plastics Corporation Vice President in Operation and Management of Hon Hai Precision Industry Co., Ltd.	Director, CASwell, Inc. President in Mainland Region, Ennoconn Corporation Chairman, Ennoconn (Suzhou) Technology Co., Ltd. Chairman, EnnoMech Precision Co., Ltd. Director, EnnoMech Precision (Cayman) Co., Ltd. Chairman, Foshan Ennoconn Investment Co., Ltd. Chairman, Huan Investment Co., Ltd. Chairman of Chung Sheng Hua Chih New Energy (Suzhou) Co., Ltd. Director, Ennoconn International Investment Co., Ltd. Director, Marketech International Corp. Director, Goldtek Technology Co., Ltd. Director, HighAim Technology Inc. Director of Ennoconn Malaysia Sdn. Bhd.	—	—	—	—
		Representative: Aven Lou	Male 51-60				—	—	—	—	—	—	—	—			—	—	—	
Directors	R.O.C.	Ennoconn Corporation	—	2023.06.14	Three Years	2020.6.16	20,000,000	33.32%	20,000,000	27.27%	—	—	—	—	Master's Degree in Business Administration, West Coast University President, American Industrial Systems Inc.	Director, CASwell, Inc. President, Ennoconn Corporation Chairman, American Industrial Systems Inc. Chairman, Vecow Co., Ltd. Director of AIS Cayman Technology Group Chairman, Ennotech Vietnam Company Limited Director, Ennoconn International Investment Co., Ltd. Director, Poslab Technology Corporation Director, Marketech International Corp. Director, ARBOR Technology Corp. Director, Ennowell Co., Ltd. Chairman, EnnoRise Corporation Director, cacaFly Co., Ltd. Chairman, Ennoconn (Suzhou) Technology Co., Ltd. Director, Ennoconn Philippines Corporation Director, Ennoconn India	—	—	—	—
		Representative: Nelson Tsay	Male 51-60				—	—	—	—	—	—	—	—			—	—		



Position	Nationality/ Place of Registration	Name	Gender Age	Elected (Appointed) Date	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remarks		
							Number of Shares	% of Shareholding	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding			Number of Shares	% of Shareholding	Position		Name	Nature of Relationships
															Corporation Director, Ennoconn Australia Pty Ltd Director, Ennoconn New Zealand Limited							
Directors	R.O.C.	Reaforl Hung	Male 51-60	2023.06.14	Three Years	2010.10.11	115,446	0.16%	115,446	0.16%	-	-	-	-	Master, Department of Innovation and Entrepreneurship Management, Shih Chien University (EMBA) R&D Vice President, Portwell, Inc.	President and Member of the Sustainability Development Committee, CASwell, Inc. Director, CASO, INC. Hawkeye Tech Co., Ltd. Chairman	-	-	-	-		
Independent Director	R.O.C.	Jennifer Shao	Female 51-60	2023.06.14	Three Years	2013.04.09	-	-	-	-	-	-	-	Master's in Business Administration, National Chung Hsing University Vice President, Hanyou Investment Consulting Co., Ltd.	Independent Director and Member of the Remuneration Committee, Audit Committee and Sustainability Committee, CASwell, Inc. Chairman, Caiying Investment Co., Ltd.	-	-	-	-			
Independent Director	R.O.C.	Wen-Chang Fang	Male 61-70	2023.06.14	Three Years	2013.04.09 (Note 1)	-	-	-	-	-	-	-	Ph.D. in Computer Science from Northwestern University, Dean of the College of Business at National Taipei University	Independent Director and Member of the Remuneration Committee, Audit Committee and Sustainability Committee, CASwell, Inc. Independent Director of AcSiP Technology Corp. President of Dayeh University Director of Jingwen High School	-	-	-	-			
Independent Director	R.O.C.	Luke Teng	Male 61-70	2023.06.14	Three Years	2023.06.14	-	-	-	-	-	-	-	Business Administration Program, National Chengchi University Director of Advanced Power Electronics Corp.	Independent Director and Member of the Remuneration Committee, Audit Committee and Sustainability Committee, CASwell, Inc. Chairman, Advanced Power Electronics Corp. Chairman, Future Technology Consulting, Inc. Corporate Representative Director, Tainet Communication System Corp. Corporate Representative Director, Future-Technology	-	-	-	-			

Position	Nationality/ Place of Registration	Name	Gender Age	Elected (Appointed) Date	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remarks
							Number of Shares	% of Shareholding	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding			Position	Name	Nature of Relationships	
															Consulting (B.V.I.), Inc. Corporate Representative Director, Perfect Prime Ltd. (Samoa) Corporate Representative Chairman and President, Green Power Semiconductor Corporation Corporate Director Representative, OPC Independent Director of Tul Corporation Corporate Director Representative, Fuhong Investment Co., Ltd. Corporate Chairman Representative, Xinpū Star Venture Capital Co., Ltd. Director, Zhinan Star Venture Capital Co., Ltd. Director, Taikē Star Venture Capital Co., Ltd. Corporate Director Representative, PerfecPrime Limited (Samoa)					

Note 1: During his initial term, Independent Director Wen-Chang Fang served from 2013.04.09 to 2020.06.15.

(II) Major shareholders of the Company's major corporate shareholders:

1. Major shareholders of corporate shareholders

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Name of Corporate Shareholder	Major shareholders of corporate shareholders
Ennoconn Corporation	Baoxin International Investment Co., Ltd. 24.12% Chunghwa Post Co., Ltd. 3.98% Taipei Fubon Commercial Bank Co., Ltd., entrusted with the custody of the Fuh Hwa Taiwan Technology Dividend Highlight ETF securities investment trust fund account 3.61% Citibank (Taiwan) Limited, entrusted with the custody of the investment account of Google International LLC 3.55% Hua Nan Commercial Bank, Ltd., entrusted with the custody of the Yuanta Taiwan Value High Dividend ETF securities investment trust fund account 3.09% Labor Pension Fund (New Fund) 2.33% Hung Yang Venture Investment Co., Ltd. 1.50% KGI Life Insurance Co., Ltd. 1.34% TransGlobe Life Insurance Inc. 1.27% Citibank (Taiwan) Limited, entrusted with the custody of the investment account of Norges Bank 1.09%

Note 1: For a director or supervisor who acts as a corporate shareholder's representative, please specify the corporate shareholder's name.

Note 2: Please specify names of the major shareholders of the given corporate shareholder (top ten shareholders) and the ratio of shareholding. Where the major shareholder is a corporation, please complete the following Table 2.

Note 3: If the legal person shareholder is not organized as a part the Company, the "names of shareholders" and the "ratio of shareholding" in the preceding paragraph shall be "names of founders or donors" and the "ratio of fund or donation".

2. Major Shareholders of Major Corporate Shareholder

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Name of Corporate Shareholders	Major Shareholders of the Corporate Shareholders
Baoxin International Investment Co., Ltd.	Hon Hai Precision Industry Co., Ltd. 100%
Chunghwa Post Co., Ltd.	Ministry of Transportation 100%
Hung Yang Venture Investment Co., Ltd.	Hon Hai Precision Industry Co., Ltd. 97.95% Baoxin International Investment Co., Ltd. 2.05%
KGI Life Insurance Co., Ltd.	KGI Financial Holding Co., Ltd. 100%
TransGlobe Life Insurance Inc.	Zhongwei Dehui Co., Ltd. 100%

Note 1: The names of the major corporate shareholders referred to in Table 1, if any, shall be specified.

Note 2: Please specify names of the major shareholders of the given shareholder (top ten shareholders) and the ratio of shareholding.

Note 3: If the legal person shareholder is not organized as a part the Company, the "names of shareholders" and the "ratio of shareholding" in the preceding paragraph shall be "names of founders or donors" and the "ratio of fund or donation".

(III) Disclosure of Information on Professional Qualifications of Directors and Independence of Independent Directors:

Name	Qualifications	Independence Criteria	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
	Professional Qualifications and Experience (Note 1)		
Representative of Ennoconn Corporation: Steve Chu	Chairman Steve Chu graduated from Electronic Engineering, St. John's and St. Mary's Institute of Technology. He is the former Senior Assistant Vice President of Hon Hai Precision Industry Co., Ltd., and is currently the Chairman of Ennoconn Corporation. He has solid capabilities of operational judgment, business management, crisis management, industrial knowledge, global market viewpoint, leadership and decision-making.	N/A	0

<p>Qualifications</p> <p>Name</p>	<p>Professional Qualifications and Experience (Note 1)</p>	<p>Independence Criteria</p>	<p>Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director</p>
<p>Representative of Ennoconn Corporation: Aven Lou</p>	<p>Director Aven Lou graduated from Business Administration, Feng Chia University. He is the former Vice President of Hon Hai Precision Industry Co., Ltd., and is currently the Chairman of Ennoconn International Investment Co., Ltd. He has solid capabilities of operational judgment, accounting and financial analysis, business management, crisis management, industrial knowledge, global market viewpoint, leadership and decision-making.</p>	<p>N/A</p>	<p>0</p>
<p>Representative of Ennoconn Corporation: Nelson Tsay</p>	<p>Director Nelson Tsay graduated with a Master's degree in Business Administration from West Coast University, USA. He is the former Chairman of American Industrial Systems Inc., and is currently the President of Ennoconn Corporation. He has solid capabilities of operational judgment, business management, crisis management, industrial knowledge, global market viewpoint, leadership and decision-making.</p>	<p>N/A</p>	<p>0</p>
<p>Reaforl Hung</p>	<p>Director Reaforl Hung graduated from the Innovation Management and Entrepreneurship Program, Shih Chien University. He is former R&D Vice President of Portwell, Inc., and is currently the President of CASwell, Inc. He has solid capabilities of operational judgment, business management, crisis management, industrial knowledge, global market viewpoint, leadership and decision-making.</p>	<p>N/A</p>	<p>0</p>

Name	Qualifications Professional Qualifications and Experience (Note 1)	Independence Criteria	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Jennifer Shao	Independent Director Jennifer Shao graduated from Business Administration Graduate School, National Chung Hsing University. She used to be the Vice President of Hanyou Investment Consulting Co., Ltd., and is currently the Chairperson of Caiying Investment Co., Ltd. She has solid capabilities of accounting and financial analysis, business management, crisis management, industrial knowledge, global market viewpoint, leadership and decision-making.	Neither the Independent Director him/herself, their spouse, nor any relative within the second degree of kinship hold shares of the	0
Wen-Chang Fang	Independent Director Wen-Chang Fang graduated with a Ph.D. from Northwestern University in the United States. He previously served as the Dean of the College of Business at the National Taipei University, he brings academic expertise, crisis management skills, industry knowledge, international market insight, leadership and decision-making skills.	Company (or hold any under others' names) nor act as a director, supervisor or employee of the Company, companies with a specific	0
Luke Teng	Independent Director Luke Teng graduated from the Chairman Business Administration Program at National Chengchi University. He used to be the Chairman for Tainet Communication System Corp., and currently the Vice Chairman and Chief Strategy Officer of Advance Power Electronics Corp., and Chairman of Future Technology Consulting, Inc. He has solid capabilities of operational judgment, business management, crisis management, industrial knowledge, global market viewpoint, leadership and decision-making.	relationship or affiliates, and no one has provided the Company or its affiliates with business, legal, financial, accounting and other services for remuneration in the past 2 years.	1

Note 1: Not under any of the categories stated in Article 30 of the Company Act.

(IV) Diversity and Independence of the Board of Directors:

1. Diversity of the Board of Directors:

The Company's "Corporate Governance Best-Practice Principles" stipulates that the diversity should be considered in the Board of Directors' composition. An appropriate diversification policy should be formulated based on its own operation, business type, and development needs. It should include but not limited to the following two major standards:

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

The members of the Board of Directors shall have the knowledge, skills and accomplishments necessary to perform their duties. To achieve the ideal goals of corporate governance, the overall Board of Directors should have the following capabilities:

- (1) Capability to make sound business judgments.
- (2) Accounting and financial analysis capabilities.
- (3) Business management ability.
- (4) Crisis management capability.
- (5) Industrial knowledge.
- (6) Global market perspective.
- (7) Leadership skills.
- (8) Capability to make decisions.

The current Board of Directors consists of seven members, including three independent directors. Among them, one is a female director, accounting for 14% of the seats. This composition aligns with the Company's current objective of diversity management.

However, starting from 2025, in response to the "Corporate Governance Roadmap for Sustainable Development of TWSE/TPEX Listed Companies," it is recommended that the number of directors of either gender comprise at least one-third of the Board. In the past, the Company's director nomination process prioritized candidates' professional expertise and industry experience, given the specific characteristics of the Company's business. As a result, the current gender composition does not yet meet the aforementioned target ratio.

To enhance gender diversity within the Board of Directors, the Company will continue to optimize the director nomination mechanism. Moving forward, the Company will proactively identify and recommend qualified female candidates with relevant professional backgrounds through various channels, including industry organizations, academic institutions, and the independent director talent database, with the aim of gradually increasing female representation in future Board elections.

Name	Position	Diversity Policy													
		Gender	Age	Concurrently as an employee	Professional knowledge and skills								Capability to make decisions		
					Academic experience	Industry experience	Ability to make sound business judgements	Accounting and financial analysis capabilities	Business management	Crisis management capability	Industrial Knowledge	Global market viewpoint		Leadership skills	
Steve Chu	Chairman	Male	61-70			✓			✓	✓	✓	✓	✓	✓	✓
Aven Lou	Directors	Male	51-60			✓		✓	✓	✓	✓	✓	✓	✓	✓
Nelson Tsay	Directors	Male	51-60			✓			✓	✓	✓	✓	✓	✓	✓
Reaforl Hung	Directors	Male	51-60	✓		✓			✓	✓	✓	✓	✓	✓	✓
Jennifer Shao	Independent Director	Female	51-60					✓	✓	✓	✓	✓	✓	✓	✓
Wen-Chang Fang	Independent Director	Male	61-70		✓					✓	✓	✓	✓	✓	✓
Luke Teng	Independent Director	Male	61-70			✓			✓	✓	✓	✓	✓	✓	✓

2. Independence of the Board of Directors:

The current Board of Directors of the Company is composed of seven directors, including three independent directors (with a ratio of 43%). No situation listed in Article 26-3, Paragraph 3 and Paragraph 4 of the Securities and Exchange Act applies to the three independent directors, including to describe the situations of spouses and relatives within the second degree of kinship between the directors, supervisors, or directors and supervisors.

(V) Information on the President, Vice Presidents, Assistant Vice Managers, and Supervisors of Divisions and Branch Units

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Position	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Remarks
					Number of Shares	Shareholding % of	Number of Shares	Shareholding % of	Number of Shares	Shareholding % of			Position	Name	Nature of Relationships	
President	R.O.C.	Reaforl Hung	Male	2011.9.27	115,446	0.16%	—	—	—	—	Master, Department of Innovation and Entrepreneurship Management, Shih Chien University (EMBA) R&D Vice President, Portwell, Inc.	Director, CASO, INC. Chairman, Hawkeye Tech, Co., Ltd.	—	—	—	—
R&D Department Senior Vice President	R.O.C.	Frank Hsu	Male	2015.1.1	449,840	0.61%	39,438	0.05%	—	—	Master, Department of Communication Engineering, National Taipei University R&D Vice President, Portwell, Inc.	Corporate Director Representative, CASwell International Investment Co., Ltd. Supervisor, Beijing CASwell Ltd.	—	—	—	—
Senior Vice President of Product Development Center	R.O.C.	Stephen Chang	Male	2013.6.1	120,165	0.16%	—	—	—	—	Master, Department of Control Engineering, National Chiao Tung University Assistant Vice Manager, Accusys Technology Co., Ltd.	—	—	—	—	—
Vice President of General Administration Center	R.O.C.	Carrie Huang	Female	2009.7.1	177,272	0.24%	—	—	—	—	Master, Department of Business Management, National Taipei University Senior Financial Manager of Portwell, Inc.	Supervisor of HAWKEYE TECH, CO., LTD	—	—	—	—
Vice President of Sales Center	R.O.C.	Ray Lin	Male	2018.1.3	20,838	0.03%	—	—	—	—	Master, Department of Business Management, Donghua University Senior Business Manager of Portwell, Inc.	Executive Director of Beijing CASwell Ltd.	—	—	—	—

Position	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Remarks
					Number of Shares	Shareholding % of	Number of Shares	Shareholding % of	Number of Shares	Shareholding % of			Position	Name	Nature of Relationships	
Vice President of Product Development Center	R.O.C.	Jack Tsai	Male	2019.1.1	20,000	0.03%	-	-	-	-	Bachelor, Department of Electrical Engineering, Datong University of Technology Assistant Manager of Hardware R&D, Accusys, Inc.	-	-	-	-	-
Vice President of Platform Application Center	R.O.C.	Alan Yu	Male	2019.1.1	8,556	0.01%	-	-	-	-	Master, Department of Electrical Engineering, Ocean University Chief Engineer of software R&D, Accusys, Inc.	-	-	-	-	-
Assistant Vice President, Product Planning Department	R.O.C.	Pomah Yen	Male	2012.8.1	-	-	-	-	-	-	Master, Computer Science & Information Engineering, Taipei University Product Manager of Portwell Technology Co., Ltd.	Director of CASO, INC., President of Americas Inc.	-	-	-	-
Assistant Vice Manager of Information Technology Department	R.O.C.	Simon Chiu	Male	2019.1.1	1,856	0.00%	-	-	-	-	Master, Department of Industrial Management, National Chung Hua University E Senior Manager of Portwell Technology Co., Ltd.	-	-	-	-	-
Assistant Vice Manager of R&D Department	R.O.C.	Eric Chang	Male	2020.1.1	8,000	0.01%	-	-	-	-	Master, Department of Electrical Engineering, Ocean University R&D Manager of Portwell Technology Co., Ltd.	-	-	-	-	-
Assistant Vice President, Product Planning Department	R.O.C.	Hans Chen	Male	2021.4.1	-	-	1,000	0.00%	-	-	Doctor, Department of Electronic Engineering, National Taiwan University of Science and Technology Senior Product Manager, CASwell, Ltd.	Director of HAWKEYE TECH, CO., LTD	-	-	-	-



Position	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Remarks
					Number of Shares	Shareholding % of	Number of Shares	Shareholding % of	Number of Shares	Shareholding % of			Position	Name	Nature of Relationships	
Assistant Vice President, Product Planning Department	R.O.C.	Yannic Chou	Male	2021.4.1	1,000	0.00%	—	—	—	—	Master, Industrial Engineering and Management, National Chiao Tung University. Senior Product Manager, CASwell, Ltd.	—	—	—	—	—
Head of Internal Audit	R.O.C.	Grace Lan	Female	2018.7.23	—	—	—	—	—	—	Bachelor, Department of Accounting, Fu-Jen Catholic University Head of Internal Audit of Sung Gang Asset Management Corp. Limited	—	—	—	—	—
Accounting Manager	R.O.C.	Amber Lee	Female	2022.4.29	—	—	—	—	—	—	Bachelor, Department of Public Finance and Tax Administration, National Taipei University of Business KPMG Assistant Manager	—	—	—	—	—

(VI) Remuneration to the Directors, Supervisors, President, and Vice Presidents

1. Remuneration to directors

December 31, 2024; Unit: NT\$ thousand

Position	Name	Remuneration Paid to Directors								Relevant Remuneration Received by Directors who Are Also Employees								Summation of A, B, C, D, E, F and G as a % of EAIT		Compensation from an Invested Company Other than the Company's Subsidiary		
		Base Compensation (A)		Severance Pay and Pension (B)		Directors (C)		Business Execution Expenses (D)		Salary, Bonus, and Allowance (E)		Severance Pay and Pension (F)		Employee Compensation (G)								
		The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company		All Companies in Consolidated Financial Statements		The Company	All Companies in Consolidated Financial Statements			
		Cash	Stock	Cash	Stock	Cash	Stock	Cash	Stock	Cash	Stock	Cash	Stock	Cash	Stock	Cash	Stock					
Directors	Ennoconn Corporation Representative: Steve Chu	—	—	—	—	3,300	3,300	760	2,108	4,060	5,408	6,654	6,654	108	108	900	—	900	—	11,722	13,070	None
	Ennoconn Corporation Representative: Aven Lou	—	—	—	—	3,300	3,300	760	2,108	4,060	5,408	6,654	6,654	108	108	900	—	900	—	11,722	13,070	
	Ennoconn Corporation Representative: Nelson Tsay	—	—	—	—	3,300	3,300	760	2,108	4,060	5,408	6,654	6,654	108	108	900	—	900	—	11,722	13,070	
Independent Director	Reaforl Hung	—	—	—	—	1,980	1,980	402	402	2,382	2,382	—	—	—	—	—	—	—	—	2,382	2,382	None
	Jennifer Shao	—	—	—	—	1,980	1,980	402	402	2,382	2,382	—	—	—	—	—	—	—	—	2,382	2,382	
	Wen-Chang Fang	—	—	—	—	1,980	1,980	402	402	2,382	2,382	—	—	—	—	—	—	—	—	2,382	2,382	
	Luke Teng	—	—	—	—	1,980	1,980	402	402	2,382	2,382	—	—	—	—	—	—	—	—	2,382	2,382	



Range of Remuneration

Range of Remuneration Paid to Directors	Name of Director			
	Total Amount of Remuneration (A+B+C+D)		Total Amount of Remuneration (A+B+C+D+E+F+G)	
	The Company	All Companies H in Consolidated Financial Statements	The Company	All Companies I in Consolidated Financial Statements
Less than NT\$1,000,000	Ennoconn Corporation (representative: Aven Lou), Ennoconn Corporation representative: Nelson Tsay, Reaforl Hung, Jennifer Shao, Wen-Chang Fang and Luke Teng	Ennoconn Corporation (representative: Aven Lou), Ennoconn Corporation representative: Nelson Tsay, Jennifer Shao, Wen-Chang Fang and Luke Teng	Ennoconn Corporation (representative: Aven Lou), Ennoconn Corporation representative: Nelson Tsay, Jennifer Shao, Wen-Chang Fang and Luke Teng	Ennoconn Corporation (representative: Aven Lou), Ennoconn Corporation representative: Nelson Tsay, Jennifer Shao, Wen-Chang Fang and Luke Teng
NT\$1,000,000 (inclusive)-NT\$2,000,000 (exclusive)	Ennoconn Corporation (Representative: Steve Chu)	Ennoconn Corporation (Representative: Steve Chu), Reaforl Hung	Ennoconn Corporation (Representative: Steve Chu)	Ennoconn Corporation (Representative: Steve Chu)
NT\$2,000,000 (inclusive)-NT\$3,500,000 (exclusive)				
NT\$3,500,000 (inclusive)-NT\$5,000,000 (exclusive)				
NT\$5,000,000 (inclusive)-NT\$10,000,000 (exclusive)			Reaforl Hung	Reaforl Hung
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)				
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)				
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)				
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)				
Over NT\$100,000,000				
Total	7	7	7	7

2. Remuneration to Supervisors: not applicable
3. Remuneration of the President and Vice President

December 31, 2024; Unit: NT\$ thousand

Position	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)		Employee Compensation (D)				Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Compensation from an Invested Company Other than the Company's Subsidiary
		The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company		All Companies in Consolidated Financial Statements		The Company	All Companies in Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
President	Reaforl Hung	10,560	10,560	682	682	12,383	12,383	2,900	-	2,900	-	26,525 8.04%	26,525 8.04%	None
Senior Vice President	Frank Hsu													
Senior Vice President	Stephen Chang													
Vice President	Carrie Huang													
Vice President	Ray Lin													
Vice President	Jack Tsai													
Vice President	Alan Yu													

Range of Remuneration

Range of Remuneration Paid to the President and Vice Presidents	Name of President and Vice President	
	The Company	All Companies in Consolidated Financial Statements
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive)-NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive)-NT\$3,500,000 (exclusive)	Frank Hsu, Carrie Huang, Ray Lin, Jack Tsai, Alan Yu	Frank Hsu, Carrie Huang, Ray Lin, Jack Tsai, Alan Yu
NT\$3,500,000 (inclusive)-NT\$5,000,000 (exclusive)	Stephen Chang	Stephen Chang
NT\$5,000,000 (inclusive)-NT\$10,000,000 (exclusive)	Reaforl Hung	Reaforl Hung
NT\$10,000,000 (inclusive)-NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive)-NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive)-NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive)-NT\$100,000,000 (exclusive)	-	-
Over NT\$100,000,000	-	-
Total	7 people	7 people



4. Name of managers distributing employee compensation and distribution

December 31, 2024; Unit: NT\$ thousand

	Position	Name	Stock	Cash	Total	Proportion to Earnings After Tax
Managerial Officer	President	Reaforl Hung	—	4,280	4,280	1.3%
	Senior Vice President	Frank Hsu				
	Senior Vice President	Stephen Chang				
	Vice President and Head of Finance	Carrie Huang				
	Vice President	Ray Lin				
	Senior Vice President of R&D Department	Jack Tsai				
	Senior Vice President of R&D Department	Alan Yu				
	Assistant Vice President, Product Planning Department	Pomah Yen				
	Assistant Vice President, Product Planning Department	Hans Chen				
	Assistant Vice President, Product Planning Department	Yannic Chou				
	Assistant Vice Manager of Information Technology Department	Simon Chiu				
	Assistant Vice Manager of R&D Department	Eric Chang				
	Accounting supervisor	Amber Lee				

5. The Company's remuneration policy

- (1) Specify and compare the remunerations to Directors, Presidents and Vice Presidents of the Company in proportion to the net income after tax from the Company and companies included in the consolidated financial statements in the most recent 2 years, and specify the policies, standards, combinations, procedure of decision-making of remunerations and their relation to business performance and future risk:

- A. Analysis of the total compensation paid to the Company’s directors, president, and vice presidents by the Company and all entities included in the consolidated financial statements over the past two years, as a percentage of the net income after tax in the parent company only or consolidated financial statements.

Unit: NT\$ thousand

Year Item	2023				2024			
	Remuneration		% net income after tax		Remuneration		% net income after tax	
	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements
Directors	13,170	14,070	4.07%	4.35%	14,104	15,452	4.27%	4.68%
President and Vice President	24,704	24,704	7.66%	7.66%	26,525	26,525	8.04%	8.04%

- B. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance.

The director's remuneration of the Company is determined in accordance with Article 19 of the Company's Articles of Incorporation. The remuneration for directors performing duties for the Company is based on their degree of involvement in the Company's operations and the value of their contributions, taking into account domestic and international industry standards, and is authorized by the Board of Directors. Furthermore, according to Article 23 of the Company's Articles of Incorporation, if the Company makes a profit in the fiscal year, a provision of up to 2% shall be set aside for director's remuneration. The Company regularly evaluates director's remuneration according to the "Rules for Performance Evaluation of Board of Directors." The performance evaluation standards for directors include aspects such as degree of operational involvement, professional development and contribution, board performance, company operations, and governance performance. The assessment of director's performance and the

actual remuneration disbursed are all subject to review by the Remuneration Committee before being submitted for approval by the Board of Directors.

- a. The remuneration structure for the Company's managers mainly consists of base salary, bonuses, and employee remuneration. The base salary is determined based on the position held and the responsibilities undertaken, taking into account industry standards for similar positions. Bonuses are calculated considering future industry trends and risks, as well as the Company's annual operational performance, financial condition, operational status, and individual performance. Employee remuneration is provided in accordance with Article 23 of the Company's Articles of Incorporation, which stipulates that if the Company makes a profit in the fiscal year, a provision of 2-5% should be set aside for employee benefits. The Company bases the issuance of bonuses for each manager on their performance evaluation results. Performance evaluation criteria include financial indicators, which assess the profitability of the Company and the achievement rate of managers' targets. Non-financial indicators: Operational management capabilities, participation in sustainable operations, and timely review of the remuneration system based on actual operational conditions and relevant regulations. The actual remuneration disbursed to managers is all subject to review by the Remuneration Committee before being submitted for approval by the Board of Directors.

- b. The review of the Company's remuneration policy, related payment standards, and system is primarily based on the overall operational status of the Company. It is determined based on the achievement rate of performance and contribution to enhance the overall team effectiveness of the Board of Directors and the organization. Furthermore, we reference industry salary standards to ensure that the remuneration for our management team remains competitive, enabling us to retain and attract excellent management talent. All significant decisions made by the Company's management team are carefully considered after assessing material risks. Managers are also responsible for managing and mitigating risks within their scope of duties. The performance related to these decisions is reflected in the Company's profitability results. To further mitigate operational risks, the Company has purchased liability insurance for directors and managers. As of now,

there have been no litigation cases. Therefore, the likelihood of directors and managers bearing responsibility, obligations, or liabilities in the future is low.

II Status of Corporate Governance

(I) Operation of the Board of Directors:

A total of 5 meetings of the Board of Directors were held in 2024 and 2025. The attendance of the directors is as follows:

Position	Name	Attendance in Person B	Attendance by Proxy	Attendance Rate [(B)/(A)]	Remarks
Chairman	Ennoconn Corporation Representative: Steve Chu	5	0	100%	Reelected
Directors	Ennoconn Corporation Representative: Aven Lou	4	1	80%	Reelected
Directors	Ennoconn Corporation Representative: Nelson Tsay	4	1	80%	Reelected
Directors	Reaforl Hung	5	0	100%	Reelected
Independent Director	Jennifer Shao	5	0	100%	Reelected
Independent Director	Wen-Chang Fang	5	0	100%	Newly Appointed
Independent Director	Luke Teng	5	0	100%	Newly Appointed

Other matters to be recorded:

- With regards to the implementation of the Board of Directors, if any of the following circumstances occurs, the dates, terms of the meetings, contents of motions, all independent directors' opinions and the Company's handling of such opinions should be specified:

- (1) Matters listed in Article 14-3 of the Securities and Exchange Act

A total of 4 Board meetings were held in 2024. The details of the decisions taken can be found on pages 80-81 of the annual report. All independent directors had no objection to the matters listed in Article 14-3 of the Securities and Exchange

Act, and they were approved accordingly.

(2) Other resolutions of the Board of Directors, which the Independent Director(s) voiced objection or reservation that are documented or issued through a written statement in addition to the above: None

2. Regarding recusals of directors from voting due to conflicts of interests, the names of the directors, contents of motions, reasons for recusal, and results of voting should be specified:

Date of Board Meetings	Name of Director	Major Resolutions	Reasons of Avoiding Conflicts of Interest	Voting
2024/03/13	Steve Chu Reaforl Hung	Proposal to assess and establish compensations and remuneration for Directors and managers for 2024.	Has a conflict of interest with themselves or the represented legal entity	Abstained from discussion and voting due to conflict of interest
2024/08/12	Directors	Directors Individual Remuneration Distribution	Has a conflict of interest with themselves or the represented legal entity	Abstained from discussion and voting due to conflict of interest
2024/08/12	Reaforl Hung	Manager Remuneration Distribution	Has a conflict of interest with themselves or the represented legal entity	Abstained from discussion and voting due to conflict of interest
2025/03/05	Reaforl Hung	Proposal to assess and establish compensations and remuneration for Directors and managers for 2025.	Has a conflict of interest with themselves or the represented legal entity	Abstained from discussion and voting due to conflict of interest

3. TWSE/TPEX listed companies shall disclose the information of self-evaluation (or peer evaluation) of the Board of Directors, such as evaluation cycle, period, scope, method, and contents:

Evaluation Frequency	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content	Evaluation Result	Report Submission Date of Board of Directors
Once a year	January 1, 2024, to December 31, 2024	Board of Directors	Chairman self-evaluation	1. Degree of participation in the Company's operations 2. Improvement of the quality of the Board of Directors' decision-making 3. Composition and structure of Board of	Excellent	2025/03/05

				Directors 4. Election and continuing education of the Directors. 5. Internal control		
		Board member	Director self-evaluation	1. Execution of the Company's goals and tasks 2. Understanding of the director's roles and responsibilities 3. Degree of participation in the Company's operations 4. Management and communication of the internal relations 5. Expertise and continuing education of the Directors 6. Internal control	Excellent	
		Audit Committee	Committee member self-evaluation	1. Degree of participation in the Company's operations 2. Awareness of the duties of Functional Committee 3. Improvement of the quality of the Functional Committee's decision-making 4. Composition and member election of Functional Committee 5. Internal control	Excellent	
		Remuneration Committee	Committee member self-evaluation	1. Degree of participation in the Company's operations 2. Awareness of the duties of Functional Committee 3. Improvement of the quality of the Functional Committee's decision-making 4. Composition and member election of Functional Committee 5. Internal control	Excellent	
Once every three years	December 1, 2023, to November 30, 2024	Board of Directors	External Evaluation by the Chinese Corporate Governance Association	1. Board composition and division of responsibilities 2. Board guidance and supervision 3. Board authorization and risk management 4. Board communication and collaboration 5. Board self-discipline and improvement	Note 1	2025/03/05

Note 1: For the assessment report, please refer to https://www.cas-well.com/wp-content/uploads/bod_report.pdf.

4. Measures taken to strengthen the functionality of the Board of Directors in the current and the latest year, and implementation status:
- (1) Enhance the quality of the Board of Directors:
Establish a corporate governance supervisor responsible for corporate governance matters, strengthen the functions of the Board of Directors, adopt a system for nominating candidates for the Board of Directors, and ensure that the Board of Directors is diverse and professionally competent. Each year, directors are provided with training and regular briefings on policies and regulations to enhance the Board of Directors ability to function and make decisions.
 - (2) Strengthening Board Structure:
The Company has established an Audit Committee, consisting of all independent directors in their respective professions, to review significant matters. In addition, a Remuneration Committee is established to annually evaluate and review the compensation system for the Company's directors and executive officers and to make recommendations to the Board for its consideration. On November 6, 2024, the Sustainability Committee was established to provide opinions on matters related to sustainable development.
 - (3) Compliance with Director's Conflict of Interest:
If any director has a conflict of interest, they will voluntarily recuse themselves from the Board meeting.
 - (4) Compliance with Laws and Regulations:
The Board of Directors has indeed complied with the "Board Meeting Operation and Management Regulations" and upheld the spirit of information transparency. The major decisions of the Board of Directors were announced on the Market Observation Post System (MOPS) and the Company's website in accordance with the regulations, and the implementation was satisfactory.
 - (5) Internal Control:
The audit unit monitors the Company's internal controls and risk management, and the head of audit reports on its implementation at Board meetings.

(II) Information on the operation of the Audit Committee:

As of the date of publication of the Annual Report, total of 5 meetings of the Audit Committee were held in 2024 and 2025. The attendance of the committee members is as follows:

Position	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (B/A)	Remarks
Independent Director	Jennifer Shao	5	—	100.00%	Reelected
Independent Director	Wen-Chang Fang	5	—	100.00%	Newly Appointed
Independent Director	Luke Teng	5	—	100.00%	Newly Appointed

Other matters to be recorded:

- The date of the Board meeting, the term, contents of the proposals, contents of motions, contents of independent directors' objections, reservations or material proposals, and the Company's handling of the resolutions of the Audit Committee should be recorded under the following circumstances in the operations of the Audit Committee meeting:

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

Audit Committee Date (Term)	Major Resolutions	Opinions of all Independent Directors and the Company's handling of opinions of Independent Directors
2024/03/13 (1st Board Meeting for 2024)	<ol style="list-style-type: none"> 2023 Annual Operating Report 2023 Annual Financial Statement 2023 Earnings Distribution Plan 2023 Statement of Internal Control System 2024 Business Plan Independence and competency assessment and Appointment and Remuneration of the CPAs for 2024 Amendments to Board Performance Evaluation Method 	Approved by all Independent Directors

	<ol style="list-style-type: none"> 8. Amendment to Board Meeting Procedural Rules 9. Renewal of the short-term credit line with banks and financial products borrowing facilities 	
2024/05/08 (2nd Board Meeting for 2024)	<ol style="list-style-type: none"> 1. Financial statements for the first quarter of 2024 2. Renewal of the short-term credit line with banks and financial products borrowing facilities 	Approved by all Independent Directors
2024/08/12 (3rd Board Meeting for 2024)	<ol style="list-style-type: none"> 1. Financial statements for the second quarter of 2024 2. Renewal of the short-term credit line with banks and financial products borrowing facilities 3. Proposal for lending of funds to subsidiary Apligo GmbH 	Approved by all Independent Directors
2024/11/06 (4th Board Meeting for 2024)	<ol style="list-style-type: none"> 1. Financial statements for the third quarter of 2024 2. Renewal of the short-term credit line with banks and financial products borrowing facilities 3. Proposal for lending of funds to subsidiary Apligo GmbH 4. Amendment of the Audit Committee Charter 5. Establishment of the Management and Related Control Measures for Sustainability Information within the Internal Control System 6. Amendment of the Regulations for Pre-approval of Non-assurance Services Provided by the Company's Auditors 7. Amendment to the Corporate Governance Best Practice Principles 8. Draft of Rules Governing Financial and Business Matters Between this Corporation and its Related Parties 9. Amendment to the Ethical Corporate Management Best Practice Principles 10. Amendment to the Procedures for Ethical Management and Guidelines for Conduct 11. 2025 Audit Plan 	Approved by all Independent Directors
2025/03/05 (1st Board Meeting for 2025)	<ol style="list-style-type: none"> 1. 2024 Annual Operating Report 2. 2024 Annual Financial Statement 3. 2024 Earnings Distribution Plan 4. 2024 Statement of Internal Control 	Approved by all Independent Directors

	<p>System</p> <p>5. 2025 Business Plan</p> <p>6. Change of the Company's CPAs</p> <p>7. Independence & Competency Assessment and Appointment & Remuneration of the CPAs for 2025</p> <p>8. Renewal of the short-term credit line with banks and financial products borrowing facilities</p> <p>9. Proposal of amendment to the Company's Articles of Incorporation</p>	
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(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None

2. If there were independent directors who abstained from voting due to conflict of interest, the independent directors' names, contents of the proposal, causes of avoiding conflicts of interest and participation in voting should be specified: None
3. Communications between the Independent Directors, the Company's chief internal auditor and CPAs (should include the material items, methods and results of audits of corporate finance or operations, etc.).

(1) At least once every two months via email or meetings, the internal audit unit of the Company communicates with, and submits audit reports to, Independent Directors in accordance with the audit plan. When necessary, the audit head will attend the meeting of Audit Committee to report and communicate on matters such as audit business, omission and improvement and make records and report them to the Board of Directors.

Date	Motion	Opinions of Independent Directors and Results
2024.01.18 Internal Audit Report Meeting	Report on the implementation status of audits from December 2023 to January 2024	No objections
2024.03.27 Internal Audit Report Meeting	Report on the implementation status of audits from February to March 2024	No objections
2024.04.30 Internal Audit Report Meeting	Report on the implementation status of audits from March to April 2024	No objections
2024.05.28 Internal Audit Report Meeting	Report on the implementation status of audits from April to May 2024	No objections
2024.07.09 Internal Audit Report Meeting	Report on the implementation status of audits in June 2024	No objections
2024.08.26 Internal Audit	Report on the implementation status of audits from July to August 2024	No objections

Report Meeting		
2024.10.29 Internal Audit Report Meeting	Report on the implementation status of audits from September to October 2024	No objections
2024.11.19 Internal Audit Report Meeting	Report on the implementation status of audits in October 2024	No objections
2024.11.25 Internal Audit Report Meeting	Report on the implementation status of audits in November 2024	No objections

(2) Independent directors of the Company communicate individually with the CPAs at least four times a year through meetings and other means. They discuss matters such as the audit or review results of financial reports, amendments to relevant laws and regulations, and significant investment projects. Additionally, communication with the independent directors is conducted on an as-needed basis.

Date	Motion	Opinions of Independent Directors and Results
2024.03.13 CPA Communication Meeting	CPAs explained the contents, findings and key audit items of the 2023 consolidated financial statements after the audit	The CPA replied to the inquiry of the independent directors, and all the independent directors had no opinion
2024.05.08 CPA Communication Meeting	CPAs explained the content of the 2024 Q1 consolidated financial statements after review	The CPA replied to the inquiry of the independent directors, and all the independent directors had no opinion
2024.08.12 CPA Communication Meeting	<ol style="list-style-type: none"> 1. CPAs explained the content of the 2024 Q2 consolidated financial statements after review 2. Summary of updates to securities laws and regulations 3. Implementation plan for the IFRS Sustainability Disclosure Standards 	The CPA replied to the inquiry of the independent directors, and all the independent directors had no opinion
2024.11.06 CPA Communication Meeting	<ol style="list-style-type: none"> 1. CPAs explained the content of the 2024 Q3 consolidated financial statements after review 2. Annual audit plan 3. Updates to securities laws and regulations 	The CPA replied to the inquiry of the independent directors, and all the independent directors had no opinion

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

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
1. Does the Company establish and disclose its corporate governance best-practice principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for Listed and Over-the-Counter Companies" and published them on the Company's website and on MOPS.	No material difference
2. Shareholding structure & shareholders' rights				No material difference
(1) Does the Company establish and implement internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and litigations?	✓		(1) The Company sets up the spokesperson system to handle relevant issues. The Company deeply understands and coordinates on the handling of the suggestions or concerns of shareholders, and has formulated the "Corporate Governance Best-Practice Principles" to ensure shareholders' rights and interests, which is implemented in accordance with relevant procedures.	
(2) Does the Company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	✓		(2) The Company has appointed a share transfer agency to handle relevant affairs on behalf of the Company, to monitor the shareholding status of directors, executives, and shareholders holding more than ten percent of	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(3) Does the Company establish and execute a risk management and firewall system within its affiliates?	✓		shares, and regularly report the changes in their shareholdings every month according to regulations. (3) The Company formulated the "Procedures for transactions with specified related parties and affiliates", " Policies for supervising subsidiaries " and "Regulations governing financial and business transactions among related parties" to clearly specify the management of personnel and assets with affiliates, and conducts effective risk control through the implementation of internal control and internal audit systems.	
(4) Does the Company establish internal rules against insiders using undisclosed information to trade in securities?	✓		(4) The Company has established the "Processing Procedures for Significant Internal Information" to specify the operating procedures for maintaining the confidentiality of significant internal information, and promotes the concept in which undisclosed information that is not made public may not be used to trade the Company's securities during the monthly internal reporting. Content includes directors being prohibited from trading their stocks during the thirty days prior to the annual financial report announcement and the fifteen days prior to each quarterly financial report announcement.	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
<p>3. Composition and responsibilities of the Board of Directors</p> <p>(1) Does the Board of Directors plan to formulate a diversification policy, specific management goals, and implement them?</p>	✓		<p>(1) According to our Corporate Governance Best Practice Principles, the composition of the Board of Directors should take into account diversity, including basic criteria and values (such as gender and age) as well as professional knowledge and skills (professional background, expertise and industry experience). For information on the Board's diversification policy and its implementation, please refer to the Board's Diversity and Independence Statement on pages 12-13.</p> <p>The specific management goal is to gradually increase the understanding and background of the Board members in corporate governance, environmental sustainability, corporate social responsibility, and legal matters in order to enhance their ability to oversee and guide the Company in response to international development trends. The Company's Board of Directors currently meets diversity requirements. However, in order to meet future development needs, the composition of diversity will continue to be reviewed and the</p>	No material difference

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(2) Does the Company voluntarily establish other functional committees in addition to the legally-required Remuneration Committee and Audit Committee?	✓		goal of diversifying Board members will be strengthened during the election process. (2) In order to enhance the functionality of the Company's Board of Directors, strengthen corporate governance, and promote sustainable development, the Board of Directors approved the establishment of a Sustainability Committee on November 6, 2024.	
(3) Does the Company establish standards and methods to evaluate the performance of the BOD, conduct the evaluation annually and regularly, report the results of evaluations to the BOD, and use them as a reference for individual directors' remuneration and nomination and renewal?	✓		(3) The Company established the "Board Performance Evaluation Method" on March 19, 2020, through a Board of Directors meeting. It stipulates that the Board should conduct performance evaluations at least once a year for the Board of Directors, Board members, and functional committees (Remuneration Committee and Audit Committee). Internal evaluations should be conducted at the end of each fiscal year in accordance with these regulations to evaluate the performance for that year. In the first quarter of each year, evaluations should be conducted based on compliance with relevant laws and regulations, operational participation, and evaluation indicators, which serve as a basis for review, improvement, and the selection or	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(4) Does the Company regularly evaluate the independence of the CPAs?	✓		<p>nomination of directors. The self-assessment results of the Board of Directors, Board members and various functional committees (Remuneration Committee and Audit Committee) for 2024 were excellent and were reported to the Board on March 5, 2025.</p> <p>In 2024, the Company commissioned the Taiwan Corporate Governance Association to evaluate the performance of its Board of Directors. The evaluation results were reported to the Board of Directors on March 5, 2025.</p> <p>(4) The Company's Audit Committee annually evaluates the independence and qualifications of the Company's principal accountants. In addition to following the Company's "Criteria for Evaluating the Independence and Suitability of Auditors (Note 1)"(see pages 43-45) and referring to AQI indicator information for evaluation, we confirm that the auditors and firms have superior audit experience and training hours compared to the industry average. In addition, we have continuously implemented digital audit tools over the past two years to enhance audit quality. The results of the evaluation for the most recent fiscal year were</p>	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			discussed and approved by the Audit Committee on March 5, 2025, and submitted to the Board of Directors for approval on the same date, concerning the evaluation of the independence and suitability of the auditors.	
4. Does the Company appoint adequate persons and a chief governance officer to be in charge of corporate governance matters (including but not limited to providing directors and supervisors required information for business execution, assisting directors and supervisors in following laws and regulations, handling matters in relation to the Board meetings and shareholders' meetings and keeping minutes at the Board meetings and shareholders' meetings according to law)?	✓		On November 9, 2022, the Company's Board of Directors approved the establishment of a Corporate Governance Officer, who is tasked with overseeing corporate governance matters through the General Administration Center. In 2024, the Corporate Governance Officer completed a total of 19 hours of continuing education in compliance with the regulations. The main responsibilities of this role include organizing meetings of the Board of Directors and shareholders in accordance with legal requirements, preparing minutes for these meetings, assisting directors with onboarding and ongoing education, providing necessary information for directors to perform their duties, helping directors adhere to laws by reporting to the Board on the compliance of independent directors' qualifications during nomination, election, and tenure periods, handling changes related to directors, and managing other matters stipulated in the Company's Articles of Incorporation or contracts.	No material difference

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
5. Does the Company establish communication channels and a dedicated section on the company website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	✓		The Company has designated a spokesperson and a deputy spokesperson to serve as the external communication channel of the Company, a spokesperson designated mailbox, and a special area for stakeholders is set up on the website of the Company, where a special person will respond to the important corporate social responsibility issues concerned by the stakeholders. Stakeholder Communication website: https://www.cas-well.com/about/esg/sustainability/stakeholder/identification/	No material difference
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Stock Affairs Agency Department of Grand Fortune Securities Co., Ltd handles the relevant affairs of the shareholders' meeting.	No material difference
7. Information disclosure				No material difference
(1) Does the Company have a website to disclose the financial operations and corporate governance status?	✓		(1) The Company has established a corporate website (website address : https://www.cas-well.com) and discloses financial and corporate governance information on the website. The Company also complies with legal requirements to declare and announce important information, financial transactions and corporate governance on MOPS.	
(2) Does the Company have other information disclosure channels	✓		(2) The Company has an English website and has appointed a special person in charge of	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
<p>(e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and making the process of investor conferences available on the corporate website)?</p> <p>(3) Does the Company publicly announce and file the annual financial reports within two months after the close of the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline?</p>	✓		<p>collecting and disclosing corporate information and disclosing all information on the MOPS and the Company's website in accordance with the law, including corporate briefings, shareholders' meetings and audio files. The spokesperson and deputy spokesperson serve as external communication channels.</p> <p>(3) The Company publishes and reports its annual financial reports and first, second, and third-quarter financial reports within the prescribed period, together with its operations, according to Article 36 of Securities and Exchange Act.</p>	
<p>8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier</p>	✓		<p>(1) Employee's rights and interests and employee's care: Since the Company started its business, it has attached great importance to the growth of employees' career and the maintenance of employees' rights and interests, and has taken humanized employee self-management and spontaneous learning as its main line. The Company has established</p>	No material difference

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
relations, stakeholder rights, Directors' and Supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by Directors and Supervisors)?			<p>employee welfare committee to handle various welfare measures according to law. Besides, to fully take care of employees, the Company not only implements the retirement mechanism and related vacation system according to the Labor Basic Standard Law, but also takes various welfare measures such as group insurance, birthday gift, health check, annual bonus, wedding and funeral allowance, and community activities.</p> <p>(2) Investor relations: the Company convenes shareholders' meetings every year in accordance with the Company Act and the relevant regulations, and provide shareholders with the opportunity to raise questions or submit proposals. Besides, the Company has set up a spokesperson system to deal with matters related to shareholder suggestions, doubts and disputes. The Company also handles matters related to the announcement and declaration of related information in accordance with the regulations set forth by the competent authority to promptly provide information that may affect shareholders' decision-making.</p> <p>(3) Supplier relations: In terms of related matters between the</p>	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>Company and suppliers, the Company maintains smooth communication channels with suppliers to ensure good relationships with them.</p> <p>(4) Stakeholder rights: The Company has designated a spokesperson and a deputy spokesperson to communicate directly with stakeholders, thus respecting and maintaining the legal rights and interests of stakeholders.</p> <p>(5) Continuing education for directors and supervisors: Directors of the Company possess professional background in the relevant industries and practical experience in business management. The Company provides the Directors with courses covering topics such as corporate governance, sustainability issues, and securities regulations; each director is required to complete a minimum of 6 hours of continuing education annually.</p> <p>(6) Implementation of risk management policies and risk evaluation measures: The Company has established relevant operating guidelines and various institutional regulations to supervise the implementation of risk management and assessment by responsible managers.</p> <p>(7) Implementation of customer</p>	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons Thereof									
	Yes	No	Description										
			<p>policies: The Company maintains smooth communication channels with customers to ensure good relationships with them.</p> <p>(8) Purchase of liability insurance for Directors and Supervisors: The Company has purchased liability insurance for Directors and Supervisors to strengthen the protection of shareholders' interests, disclosed related information in accordance with regulations.</p>										
<p>9. Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved.</p> <p>(1) Items improved under the 10th Corporate Governance Evaluation indicators:</p> <table border="1"> <thead> <tr> <th>Number</th> <th>Indicator</th> <th>Improvement measures</th> </tr> </thead> <tbody> <tr> <td>1.2</td> <td>Has the company established written regulations for financial and business operations among related parties? The content should include management procedures for transactions such as purchases and sales, acquisition or disposal of assets, and provisions requiring significant transactions to be approved by the Board of Directors and either reported to or approved by the Shareholders' Meeting.</td> <td>The Company has established the "Regulations governing financial and business transactions among related parties" upon approval by the Board of Directors on November 6, 2024.</td> </tr> <tr> <td>2.14</td> <td>Has the company established functional committees beyond statutory requirements, such as a Nomination Committee, Risk Management Committee, or Sustainability Committee, with a minimum of three members, the majority of whom are independent directors? Additionally, is there at least one member possessing the professional expertise required for the</td> <td>On November 6, 2024, the Company's Board of Directors approved the establishment of a Sustainability Committee, consisting of five members, including one Director, three Independent Directors, and one Corporate Governance Officer</td> </tr> </tbody> </table>					Number	Indicator	Improvement measures	1.2	Has the company established written regulations for financial and business operations among related parties? The content should include management procedures for transactions such as purchases and sales, acquisition or disposal of assets, and provisions requiring significant transactions to be approved by the Board of Directors and either reported to or approved by the Shareholders' Meeting.	The Company has established the "Regulations governing financial and business transactions among related parties" upon approval by the Board of Directors on November 6, 2024.	2.14	Has the company established functional committees beyond statutory requirements, such as a Nomination Committee, Risk Management Committee, or Sustainability Committee, with a minimum of three members, the majority of whom are independent directors? Additionally, is there at least one member possessing the professional expertise required for the	On November 6, 2024, the Company's Board of Directors approved the establishment of a Sustainability Committee, consisting of five members, including one Director, three Independent Directors, and one Corporate Governance Officer
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Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			committee's functions? Furthermore, is there a disclosure regarding the composition, responsibilities, and operational status of these committees?	with expertise in corporate governance. The composition, responsibilities, and operational details of the committee have been disclosed on the Company's website.
2.22			Does the company have its risk management supervised by the Audit Committee or a functional committee at the Board of Directors level (e.g., Risk Management Committee)? Has the company established risk management policies and procedures approved by the Board of Directors, disclosed the organizational structure, processes, and operational status of risk management, and reported to the Board of Directors at least once a year?	The Company, under the supervision of the Audit Committee, has established risk management policies and procedures approved by the Board of Directors. These policies outline the risk management organizational structure, processes, and the outcome of the risk implementation were reported to the Board of Directors on November 6, 2024.
2.23			Has the company's method for evaluating the performance of the Board of Directors been approved by the Board? Does it stipulate that external evaluations must be conducted at least once every three years, and have such evaluations been carried out in the evaluated year or the past two years? Additionally, are the implementation status and evaluation results disclosed on the company's website or in the annual report?	The Company engaged the Taiwan Corporate Governance Association in 2024 to evaluate the performance of its Board of Directors. The implementation and evaluation results have been disclosed on the Company's website.
3.14			Does the company's annual report disclose the link between the performance evaluation of directors and managers and their compensation?	This has been disclosed by the Company in the annual report.

(2) Priority areas for improvement under the 11th Corporate Governance Evaluation indicators

The Company will conduct a detailed review of each item that did not receive a score, establish

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons Thereof	
	Yes	No	Description		
annual improvement targets, and prioritize enhancements that align with the promotion of sustainable development. Note 1:					
Independent Evaluation Item				Evaluation Result	Are independence conditions met?
1. The Company has not changed its CPA for seven consecutive years.				Yes	Yes
2. There is no direct or indirect material financial interest between the members of the audit service team and their family members, other joint professional accountants and their family members, the firm and its affiliated companies and the Company.				Yes	Yes
3. There is no mutual financing or guarantee between the Company or the Company's directors and supervisors, members of the audit service team and their families, other joint professional accountants and their families, firms and firm-related companies. (Commercial activities that are normal lending by financial institutions are not subject to this restriction.)				Yes	Yes
4. There is no commercial relationship affecting independence between the accounting firm or members of the audit service team and the Company or affiliated companies.				Yes	Yes
5. There is currently no potential employment relationship between members of the audit services team and the Company.				Yes	Yes
6. Members of the audit service team have not served as directors or supervisors of the Company or persons who have had a significant influence on audit cases in the past two years.				Yes	Yes
7. The audit fees paid by the Company to the CPAs are fixed amounts, not contingent fees. There are no overdue fees that affect the independence of the audit.				Yes	Yes
8. The non-audit services provided by the CPA firm and its affiliated companies to the Company, including the Company registration, did not directly affect the important				Yes	Yes

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			subjects of the audit case, did not involve the Company's management functions, did not make decisions on behalf of the Company, and did not affect independence either.	
9.	Yes		Members of the audit service team are not entrusted to be the defenders of the Company's positions or opinions or mediate conflicts with third parties on behalf of the Company.	Yes
10.	Yes		Members of the audit service team have no kinship with the Company's directors, supervisors, managers, or personnel who have a significant influence on audit cases.	Yes
11.	Yes		The directors, supervisors, and managers of the Company did not give gifts of great value to the members of the audit service team.	Yes
12.	Yes		The independent directors of the Company did not work in the CPA firm within the two years before and during their tenure. The remuneration committee of the Company has not been a professional providing business, legal, financial, accounting, and other services or consulting within the two years before and during the term of office.	Yes
13.	Yes		The members of the audit service team did not suffer or feel intimidated by the Company, making them unable to maintain objectivity and clarify professional doubts. For example: (1) The management of the Company has improper requirements on the choice of accounting policies or the disclosure of financial statements. (2) The Company did not ask to reduce the inspection work that should be performed on the grounds of reducing fees.	Yes
14.	Yes		Has the CPA complied with the independence standard No. 10 of the Bulletin of Norm of Professional Ethics for Certified Public Accountant and has a "Statement of Independence" issued by the CPA been obtained?	Yes

Evaluation Item	Implementation Status			Description	Deviations from the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies and Reasons Thereof
	Yes	No			
Competency Assessment Items				Evaluation Result	Is the competency requirement met?
1. Do they possess the qualifications of an accountant to carry out the duties of a Certified Public Accountant?				Yes	Yes
2. Have there been no disciplinary actions by the competent authority and the Certified Public Accountants Association, or sanctions imposed pursuant to Article 37, Paragraph 3 of the Securities and Exchange Act in the past five years?				Yes	Yes
3. Do they have relevant industry knowledge of CPA clients?				Yes	Yes
4. Have the workload of the CPAs and adequacy of the audit service team's efforts been reviewed?				Yes	Yes
5. Have the accountants received no external inspection deficiencies, fines or improvement orders from regulatory authorities in recent years?				Yes	Yes
6. Does the CPA firm have innovative capabilities (planning)?				Yes	Yes

(IV) Operation status of the Remuneration Committee:

1. Professional Qualifications and Independence Analysis of the Remuneration Committee Members

December 31, 2024

Title		Qualifications	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Name					
Independent Director Convener:	Wen-Chang Fang	Please refer to pages 12-13 for disclosure of information on professional qualifications of Directors and independence of Independent Directors.			0
Independent Director	Jennifer Shao				0
Independent Director	Luke Teng				0

2. The responsibilities of the Remuneration Committee are to formulate and regularly review the policies, systems, standards and structures of performance evaluation and remuneration of directors and managers, and to regularly evaluate and determine the remuneration of directors and managers.

3. Operation status of the Remuneration Committee:

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

(2) The term of office of the current Remuneration Committee is: From June 14, 2023 to June 13, 2026. A total of 3 meetings of the Remuneration Committee (A) were held in 2024 and 2025, with the qualifications of members and attendance records as follows:

Position	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (B/A)	Remarks
Convener	Wen-Chang Fang	3	—	100%	Reelected
Committee Member	Jennifer Shao	3	—	100%	Newly Appointed
Committee Member	Luke Teng	3	—	100%	Newly Appointed

Other matters to be recorded:

1. If the Board of Directors declines to adopt or modify a recommendation of the

Remuneration Committee, it should specify the date of the meeting, session, content of the motion, resolution by the Board of Directors and the Company's response to the Remuneration Committee's opinion: None

2. If there are resolutions of the Remuneration Committee to which members object or express reservations, and for which there is a record or declaration in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None
3. The contents of proposals and resolutions as of the publication date of the annual reports in 2024 and the current year (2025) are as follows:

Date of Remuneration Committee	Major Resolutions	Opinions of all members of Remuneration Committee and the Company's handling of the opinions
2024/03/13	<ol style="list-style-type: none"> 1. Proposal to assess the policy and composition of remuneration to directors and managers of the Company for 2024 2. The Company's 2023 Employee Remuneration Plan 3. The Company's 2023 Directors Remuneration Plan 	Approved by all committee members
2024/08/12	<ol style="list-style-type: none"> 1. Directors Individual Remuneration Distribution for 2023 2. The Company's 2023 Manager Remuneration Plan 	Approved by all committee members
2025/03/05	<ol style="list-style-type: none"> 1. Amendment to the Company's managerial remuneration policy and system 2. Proposal for the policy and structure of remuneration for Directors and managers of the Company in 2025 3. The Company's 2024 Employee Remuneration Plan 4. The Company's 2024 Directors Remuneration Plan 	Approved by all committee members

(V) Operation status of the Sustainability Committee:

1. Committee composition:

In order to enhance the functionality of the Board of Directors and achieve sustainable development, the Company's Board of Directors approved the establishment of a Sustainability Committee on November 6, 2024. This committee consists of five members: one Director, three Independent Directors, and one Corporate Governance Officer with expertise in corporate governance. Each member

undergoes annual training on sustainability-related topics, ensuring they possess professional knowledge in sustainability. Committee members are as follows:

Position	Name	Professional Qualifications
Convener (Director/President)	Reaforl Hung	Operational judgment, business management, crisis management, industry knowledge, international market perspective, leadership, decision-making, technology development
Committee Member (Independent Director)	Jennifer Shao	Accounting and financial analysis, business management, crisis management, industry knowledge, international market perspective, leadership, decision-making, technology development
Committee Member (Independent Director)	Wen-Chang Fang	Academic experience, crisis management, industry knowledge, international market perspective, leadership, decision-making, technology development
Committee Member (Independent Director)	Luke Teng	Operational judgment, business management, crisis management, industry knowledge, international market perspective, leadership, decision-making
Committee Member (Corporate Governance Officer)	Carrie Huang	Accounting and financial analysis, corporate governance, leadership, decision-making

2. The responsibilities of this committee are as follows:

The committee, under the authority granted by the Board of Directors, shall exercise the duty of care of a good manager, faithfully perform the following responsibilities, and report to the Board of Directors:

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

Dedicated units for sustainable development assist the committee in implementing various plans, the task force comprises the Corporate Governance Group, the Sustainable Environment Group, and the Social Welfare Group, and reports to the committee on the execution status of sustainable development.

Cross-departmental teams execute the tasks of the aforementioned groups, consolidating implementation plans or other sustainability-related matters and

reporting the execution results to the dedicated units for sustainable development or the committee.

3. The first Sustainability Committee was established on November 6, 2024. The term of office of the current Sustainability Committee is: From November 6, 2024 to June 13, 2026. As of March 5, 2025, the Sustainability Committee has held 1 meeting, with the attendance records as follows:

Position	Name	Attendance in Person	Attendance by Proxy	Attendance Rate	Remarks
Convener	Reaforl Hung	1	-	100%	
Committee Member	Jennifer Shao	1		100%	
Committee Member	Wen-Chang Fang	1	-	100%	
Committee Member	Luke Teng	1	-	100%	
Committee Member	Carrie Huang	1	-	100%	

Operational Status:

Sustainability Committee Meeting Date	Major Resolutions	Opinions of all Independent Directors and the Company's handling of opinions of Independent Directors
2025/03/05 (1st Board Meeting for 2025)	<ol style="list-style-type: none"> Report on the achievements of sustainable development implementation in 2024 and future promotion goals Report on the progress and planning of the 2024 sustainability report Report on the progress of greenhouse gas inventory and verification for the Company 	All Independent Directors have no objections.

Note: As this committee was established on November 6, 2024, it was unable to convene a meeting during the 2024 fiscal year.

- (VI) Implementation Status on Promoting Sustainable Development and Deviations Status from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof:

Items to Promote	Implementation Status	Deviations from
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	Yes	No	Description	the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
<p>1. Has the company established a governance framework to promote sustainable development and established a dedicated unit for this purpose? Is this unit authorized by the Board of Directors and subject to their supervision?</p>	✓		<p>In 2022, the Company established the Sustainability Task Force, chaired by the President and with the Head of Corporate Governance serving as Executive Secretary. The Task Force comprises three sub-groups: Corporate Governance, Environmental Sustainability and Social Engagement, which are responsible for planning and promoting medium- and long-term sustainability initiatives. The implementation status and outcomes are reported to the Board of Directors on a quarterly basis.</p> <p>To strengthen the Board’s functions and fulfill the Company’s sustainability commitments, the Sustainability Committee was formally established upon the resolution of the Board of Directors on November 6, 2024. The Committee presented its sustainability progress report to the Board on March 5, 2025. The Board plays a supervisory and guiding role in sustainability governance, providing direction on strategies, policies, objectives, and action plans, and advising the management team to make adjustments when necessary.</p>	<p>No material difference</p>

Items to Promote	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
2. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		To effectively manage and implement operations such as corporate governance, ethical corporate management, and corporate social responsibility (CSR), the Company has continuously formulated management measures that were approved by the Board of Directors, such as “Sustainable Development Best Practice Principles,” “Corporate Governance Best-Practice Principles,” “Ethical Corporate Management Operating Procedures and Behavior Guidelines,” and “Code of Ethical Conduct,” and please refer to the description of the "7. Other Important Information to Facilitate a Better Understanding of Implementation Status on Promoting Sustainable Development" on page 65 -66 for the Company’s material issues and risk management policies.	No material difference
3. Environmental issues (1) Has the Company set an environmental management system designed to industry characteristics?	✓		(1) The Company has actively established an appropriate environmental management system according to industry categories and characteristics, and has obtained international certifications such as ISO 9001, TL 9000, ISO 14001, ISO 28000 and ISO45001. According to ISO14064-1 specification, the establishment of these environmental safety management systems and supply chain safety management has	No material difference

Items to Promote	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			created a favorable environment for sustainable operation, ensuring zero disaster production and manufacturing. Based on them, the Company provides high-quality products and services to improve safety and enhance customer satisfaction. For the Company's international certification information, please refer to "Other Important Information to Facilitate a Better Understanding of Implementation Status on Promoting Sustainable Development" on page 65.	
(2) Does the Company endeavor to utilize energy efficiency and use renewable materials that have low impact on the environment?	✓		(2) The Company strictly abides by the domestic environmental protection regulations and implements green in its design concept which conforms to the RoHS, REACH disable material requirements, and WEEE clause to promote reuse, recycling, and the recovery of other waste items to reduce waste disposal; the Company prioritizes the use of recycled materials or reusable materials as far as possible in the packaging materials to reduce the impact on the environment. The Company advocates energy saving in daily operations, and it promotes green general affairs to reduce the impact of disposable waste on the global environment.	No material difference
(3) Has the Company evaluated the current and future	✓		(3) The Company evaluates the impact of climate change, which may lead to energy supply	No material difference

Items to Promote	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof		
	Yes	No	Description			
potential risks and opportunities of climate change, and adopted countermeasures against relevant issues?			problems, so it first takes coping measures to save energy or replace energy. It also formulates relevant emergency response procedures for the risk of operational interruption caused by natural disasters to improve the response efficiency of incidents and to reduce possible losses. For specific implementation, please refer to the 2024 Annual Sustainability Report-Climate Change Governance Chapter.			
(4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years with polices in place regarding to greenhouse gas emissions reduction, water usage reduction and other waste management?	✓		<p>(4) The Company's greenhouse gas emissions primarily stem from electricity and water usage. Based on the emission coefficients provided by Taiwan Power Company and Taiwan Water Corporation, as well as the Company's total consumption, the annual emissions are summarized in the table below. While the water consumption and total waste generated during operations are not considered significant for the Company and have a relatively low impact on the overall environment, the Company is committed to ensuring transparency in environmental management and implementing Sustainable Development Goals (SDGs) by concretely quantifying such information.</p> <table border="1" data-bbox="699 1944 1134 2020"> <tr> <td>Greenhouse Gas Emissions</td> </tr> <tr> <td>Unit: Metric tons</td> </tr> </table>	Greenhouse Gas Emissions	Unit: Metric tons	No material difference
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Items to Promote	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>implementation measures is as follows:</p> <ul style="list-style-type: none"> a. Carbon emissions (Scope 1 + 2): In 2024, there was a decrease of 19.31% compared to 2023. b. Water consumption: In 2024, there was a decrease of 7.63% compared to 2023. c. Waste: In 2024, there was a reduction of 80.32% compared to 2023. 	
<p>4. Social Issues</p> <p>(1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	✓		<p>(1) In addition to complying with relevant labor laws, our company has established an employee handbook and management regulations. We also support the human rights protection spirit and basic principles outlined in international human rights conventions such as the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Conventions. We are committed to integrating these human rights principles and spirit into the company's values and culture as part of our commitment to human rights protection. In 2024, a total of 39 hours of human rights protection education and training were conducted for new employees. The human rights policy is announced on the official website for the benefit of stakeholder communication.</p>	No material difference

Items to Promote	Implementation Status		Description	Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof								
	Yes	No										
			<p>The Company's human rights policy: https://www.caswell.com/about/esg/sustainability/social/human-rights-policy/ The Company's whistle-blowing system and the processing procedure: https://www.caswell.com/about/esg/sustainability/development/reporting-system/ The relevant human rights protection measures are as follows:</p> <table border="1"> <thead> <tr> <th>Issues of Concern</th> <th>Specific Measures</th> </tr> </thead> <tbody> <tr> <td>Occupational Safety Related</td> <td> <ol style="list-style-type: none"> 1. Regularly monitor the workplace environment (CO2, brightness of the office space) and to maintain facilities and equipment in order to ensure the safety of the workplace 2. Conduct fire training and drills every 6 months. </td> </tr> <tr> <td>Protecting Women</td> <td> <ol style="list-style-type: none"> 1. Adhere to labor laws and gender work equality regulations 2. Set up nursery rooms to take care of the needs of our female colleagues </td> </tr> <tr> <td>Prohibition of Child Labor</td> <td> <ol style="list-style-type: none"> 1. Prohibit employing persons under the age of 16. 2. When recruiting employees, the </td> </tr> </tbody> </table>	Issues of Concern	Specific Measures	Occupational Safety Related	<ol style="list-style-type: none"> 1. Regularly monitor the workplace environment (CO2, brightness of the office space) and to maintain facilities and equipment in order to ensure the safety of the workplace 2. Conduct fire training and drills every 6 months. 	Protecting Women	<ol style="list-style-type: none"> 1. Adhere to labor laws and gender work equality regulations 2. Set up nursery rooms to take care of the needs of our female colleagues 	Prohibition of Child Labor	<ol style="list-style-type: none"> 1. Prohibit employing persons under the age of 16. 2. When recruiting employees, the 	
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Items to Promote	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>Company requires applicants to submit a basic information form that includes their date of birth. Upon reporting for duty, applicants must present their identification card for verification.</p>	
			<p>Personal Data Protection</p> <ol style="list-style-type: none"> 1. Documents are reviewed by Human Resources to ensure the accuracy of the information. All documents submitted are securely protected. 	
			<p>Employee Health Management</p> <ol style="list-style-type: none"> 1. Conduct annual employee health checks. 2. Have contracted medical staff regularly come to the Company to provide health consultation services for our colleagues 3. Establish various clubs to encourage employees' leisure activities and to promote stress relief and exercises 	
			<p>Prohibition of Forced Labor</p> <ol style="list-style-type: none"> 1. Ensure adherence to labor laws and regulations, and clearly stipulate in the work rules and related personnel regulations 2. Adjust the workload of employees in a timely manner, assist in 	

Items to Promote	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>improving work efficiency, and reduce overtime</p> <p>Ending Discrimination and Sexual Harassment</p> <ol style="list-style-type: none"> 1. To clearly prohibit discrimination and sexual harassment in the work rules and personnel regulations, and to provide an equal and safe workplace environment. In addition, sexual harassment prevention education and training, with a total training time of 25 hours were conducted to new employees in 2024. 2. Provide a grievance channel for our employees to express themselves in a timely manner, and special personnel to handle the relevant cases. No cases of complaints were received in 2024. 	
(2) Has the Company formulated and implemented reasonable employee welfare measures (including remuneration, rest and annual leave, and other benefits), and appropriately reflected the	✓		(2) The personnel management rules and regulations of the Company have stipulated relevant norms. The Company has established an employee welfare committee to deal with various employee welfare matters, such as planning car and motorcycle parking spaces for employees, coffee lounges, employee health checks, etc. In addition, regarding the	No material difference

Items to Promote	Implementation Status		Description	Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No		
operating performance or achievements in the employee remuneration?			<p>remuneration policy, The Company allocates 2-15% of profits, if any, as employee compensation according to the Company's Articles of Incorporation, and the individual ability and contribution to the Company shall be appropriately reflected in employee compensation with reference to various comprehensive performances as the distribution of employee compensation.</p> <p>Under the concept of diversity and equality in the workplace, the percentage of female employees at the end of 2024 was 44.96%, and the percentage of female senior executives was 14.29%. The Company also supports important ceremonies of the aboriginal peoples by providing paid festival leave to eligible employees.</p> <p>According to internal statistics, a total of four employees applied for parental leave in 2024, and three employees returned to work upon the expiration of their leave during the same year.</p>	
(3) Does the Company provide a healthy and safe work environment and organize health and safety training for its employees on a regular basis?	✓		(3) The Company has obtained ISO45001 Occupational Health and Safety Management System certification, and has conducted educational activities such as work safety promotion, fire drills, and health checks for both current and new employees. The total number of training hours in 2024	No material difference

Items to Promote	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			was 973.5 hours, and there were no occupational accidents in 2024. Every year, the Company complies with fire safety regulations and conducts inspections and declarations of fire safety equipment to ensure their proper functioning and implement safety management. In 2024, the Company did not experience any fire incidents.	
(4) Does the Company establish effective career development and training plans for its employees?	✓		(4) To enhance employees' job skills, enable employees to quickly adapt to the work environment, improve the quality of products and services, and enhance the overall competitiveness of the organization, the Company has launched the education and training program through a systematic training blueprint so that employees can grow together with the Company. The total number of training hours for 2024 was 4,893 hours.	No material difference
(5) Does the Company's product and service comply with related regulations and international rules regarding to issues such as customers' health and safety, privacy, sales, labeling and set polices to protect consumer or client's	✓		(5) The products of the Company comply with the laws and regulations of the government, and the suppliers are required to provide regular reports in compliance with EU RoHS and REACH specifications while XRH equipment is used to detect the incoming materials to ensure that the purchased materials are free of any hazardous substances. There is a communication channel set up on the Company's	No material difference

Items to Promote	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
rights and complaint procedures?			website to directly face the rights and interests of customers, and the customer service satisfaction survey is conducted every year to strengthen the cooperative relationship between the two parties. Stakeholder Communication website: https://www.cas-well.com/about/esg/sustainability/stakeholder/identification/	
(6) Does the Company formulate and implement supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights?	✓		(6) The Company requires the suppliers to fulfill their corporate social responsibilities and to refrain from incidents that have a negative impact on the environment and society. <ul style="list-style-type: none"> a. All supplier evaluations are conducted in accordance with the regulations of the Company's "Supplier Management Procedures". b. Every year regularly evaluates supplier quality, and since 2024, the content of supplier evaluation has added environmental and social issues. c. The Company regularly tracks whether suppliers have obtained the certification of environmental protection and health, safety and environment and complied with the labor rights issues. d. Regularly interview suppliers quarterly to learn 	No material difference

Items to Promote	Implementation Status		Description	Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No		
			<p>the current status of suppliers, share industry information, and provide single-quarter performance evaluations for review and improvement.</p> <p>e. An annual survey of suppliers is conducted in accordance with the Responsible Business Alliance (RBA) 8.0 Code of Conduct.</p> <p>f. The implementation status for 2024 is as follows.</p> <p>a. The Company's supplier policy was sent to 302 qualified suppliers, along with an explanation of the sustainable risk management evaluation criteria.</p> <p>b. Conducted written questionnaire surveys on sustainable risk management for 26 key suppliers, and received responses from 22, achieving a completion rate of 84.6%.</p> <p>c. Voluntary responses were received from 67 key suppliers for sustainable risk management, with a response rate of 79.1% (49 suppliers).</p> <p>d. Through the Green Product Management System, the latest environmental regulations are periodically distributed to suppliers to</p>	

Items to Promote	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>encourage them to review product compliance. The response of suppliers to the Green Product Management System in 2024 is as follows:</p> <p>(a) REACHSVHC 240 response rate: 71.68%</p> <p>(b) RoHS 2.0 Declaration response rate: 77.38%</p> <p>(c) CMRT/EMRT response rate: 80.14%/84.55 %</p>	
5. Does the Company refer to internationally-used standards or guidelines for the preparation of reports such as sustainability reports to disclose non-financial information? Are the reports certified or assured by a third-party accreditation Board of Directors?	✓		The Company's 2024 Sustainability Report has been prepared in accordance with the Sustainability Reporting Guidelines (GRI Guidelines) of the Global Sustainability Standards Board (GSB), taking into account climate change and investor disclosure requirements. The report includes disclosures on Task Force on Climate-Related Financial Disclosures (TCFD) and Sustainability Accounting Standards (SASB) and has been independently verified. Please refer to the Appendix of the 2024 Sustainability Report for more details.	No material difference
6. If the Company has established its own sustainable development corporate management principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the implementation and any deviations from the Principles: The Company has formulated the "Sustainable Development Best Practice Principles", which were approved by the Board of Directors in March 2023 to enhance implementation of the corporate sustainable development social responsibility. The Company also complies with the content of the principles in actual operation, and there is no material variance.				



Items to Promote	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
7. Other key information relevant to the implementation of sustainability efforts				
(1) The international certification obtained				
International Certification	Certificate Number	Certification Authority	Date of Certification	Certification Validity Period
ISO 9001	AT-314710 Q-31473/0	IQNET Quality Austria	2024/07/05	2027/07/04
TL 9000	K-00025/0	Quality Austria	2024/07/05	2027/07/04
ISO 14001	44 104 22 82 0128	TUV NORD	2023/05/30	2026/05/29
ISO 28000	0068351	Lloyd's Register	2024/04/17	2027/04/16
ISO 45001	44 126 19 82 0147	TUV NORD	2024/08/02	2025/10/27
ISO 27001	IAS-ISMS-23-007	GREAT	2023/07/10	2026/07/09
(2) Material Topics and Risk Management Policies of the Company				
Category of risk	Material Topics	Risk Management Policies		
Environmental	GHG Emissions	The Company has completed 2024 greenhouse gas inventory and will obtain third-party verification in 2025.		
	Supply Chain Sustainability	<ol style="list-style-type: none"> Regular environmental and social audits are conducted for existing suppliers. A supplier evaluation form is implemented for onboarding new suppliers. 		
Social	Employee-Employer Relations	<ol style="list-style-type: none"> Provide a competitive compensation and benefits system. Ensure unobstructed labor-management communication. 		
	Product Safety and Responsibility	<ol style="list-style-type: none"> Commit to ensuring that its products comply with international environmental regulations and customer requirements, in order to prevent environmental pollution and protect human health. Establish a cross-functional hazardous substance management team to oversee processes such as product design, procurement, production, and packaging and labeling. Suppliers and outsourced manufacturers are also required to incorporate raw materials and process additives into green management practices. Implement QC 080000 hazardous substance process management. Commit to rejecting and refraining from the use of metals sourced from conflict-affected regions. 		

Items to Promote	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	

Category of risk	Material Topics	Risk Management Policies
Corporate Governance	Legal Compliance	<ol style="list-style-type: none"> 1. Pay attention to domestic and foreign policies and laws that may affect the Company's finances, business, and environmental safety and health. 2. Formulate corresponding risk management and operating procedures. 3. Propose to formulate environmental safety measures and conduct drills. 4. Strengthen the legal concept and quality of employees.
	Innovation R&D	<ol style="list-style-type: none"> 1. Network information communication security Technology and System Integration Technology. 2. Network efficiency optimization technology and system diagnosis software. 3. Solutions in vertical domain. 4. Improving technologies-continuing to maintain the leading position. 5. Real-time customization-meeting customers' expectation of Time to Market.
	Information Security	<ol style="list-style-type: none"> 1. Formulate information security policies and implementation procedures. 2. Establish an internal information security organization. 3. Strengthen the software and hardware architecture, such as: Fully deploy endpoint detection and response software (EDR), adopt multi-factor authentication (MFA), import encryption software, etc. 3. Conduct asset risk inventory, vulnerability scanning and recovery plan drills regularly 4. Continue to implement the system backup mechanism. 5. Conduct employee education and training to improve information security risk awareness. 6. Network security/authority controls are reviewed regularly.

- (3) Other Implementation Status on Sustainable Development:
- a. Industry-Academia Collaboration:
- To cultivate research and development talent and foster a win-win collaboration between academia and industry, the Company has partnered with Ming Chi University of Technology to jointly develop product technologies and provide off-campus internship opportunities for students.

Items to Promote	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>In the 2024 academic year, three students participated in the Company’s industry-academia collaboration program.</p> <ul style="list-style-type: none"> ● The Company participated in a group-wide industry-academia collaboration and talent development program with National Yang Ming Chiao Tung University and St. John's University. In 2024, the Company donated to the ESG Innovation Research Center and provided approximately NT\$1.8 million in talent development scholarships. ● The Company participated in industry-academia collaboration programs organized by the National Science and Technology Council (NSTC), aiming to realize the vision of “employment upon enrollment and entrepreneurship upon graduation.” These initiatives promote joint development of academic research and industry practices through cooperative education and practical internship programs, with the goal of narrowing the gap between academic learning and industry application. <p>b. Social Welfare:</p> <ul style="list-style-type: none"> ● The Company regularly collaborates with social welfare organizations to fulfill its corporate social responsibility through sustainable public welfare initiatives. In 2024, the Company participated in the “Lunar New Year Meal Donation for the Elderly Living Alone” campaign, contributing NT\$18,000 to support meal enhancement for senior citizens during the holiday season. ● A total of 32 participants contributed 64 service hours through beach clean-up activities and environmental education seminars, collecting approximately 56 kilograms of waste. The Company was also awarded the Green Enterprise Certification. ● The Company participated in the “Step30: Small-Scale Collection Point” charity campaign, raising a total of NT\$6,000 in donations and collecting 316 pieces of second-hand items. ● In line with the Company's relocation and to promote the spirit of sustainability through the meaningful reuse of resources, four water dispensers were donated to the following charitable organizations: the Lo-Fu Cultural and Humanitarian Care Association of Miaoli County, the Buddhist Association of Yan-Zang Fa-Lin, the Hua-Shan Social Welfare Foundation, and the Taiwan I Care Association. 	

(VII) Climate-related information

1. Implementation Status of Climate-related Information

Item	Implementation Status			
<p>1. Description on the Board and Management's oversight and governance on climate-related risks and opportunities.</p>	<p>Climate change is integrated into risk management activities, with the sustainability committee discussing and evaluating risky projects. Relevant decisions are approved by the Board of Directors. The committee has established a working group, coordinated by the sustainability committee, to integrate various working groups. The climate risk management situation for 2024 was reported to the Board of Directors in November for decision-making.</p>			
<p>2. Description on how the identified climate risks and opportunities impact the company's business, strategies, and finance (short, mid, long-term).</p>	NO.	Climate-related risk	Financial impact	Time Frame
	R1	Carbon Fee Implementation	Low	Short/medium/long term
	R8	Increased severity of extreme weather events such as typhoons and floods	Moderate	Short/medium/long term
	R10	Average Temperature Increase	Moderate	Short/medium/long term
	NO.	Climate-related Opportunity	Financial incentives	Time Frame
	O2	Utilization of more efficient equipments for production	Moderate	Short/medium/long term
	O7	Develop low-carbon products and services	High	Short/medium/long term
<p>3. Description on the impact extreme climate events and transitional actions have on finance.</p>	<p>Transition Risk:</p> <ul style="list-style-type: none"> ● <i>Carbon Fee Implementation:</i> Starting in 2026, the Taiwan government will begin levying a carbon fee. Assuming a rate of NT\$300 per metric ton and based on the Company's 2024 emissions of 620 metric tons, this would result in an annual increase of NT\$186,000 in costs. Over the next 5 years, the total increase would reach at least NT\$930,000. The overall impact on the Company is considered low. ● <i>Average Temperature Increase:</i> An increase in average temperatures is expected to lead to higher electricity costs. Over the next five years, electricity expenses are projected to rise by approximately 30%. The financial impact on the Company is assessed as moderate. <p>Physical Risk:</p> <ul style="list-style-type: none"> ● <i>Increased severity of extreme weather events such as typhoons and floods:</i>The rising occurrence of typhoons and heavy rainfall due to extreme climate events may result in large-scale transportation disruptions, potentially affecting the supply chain and customer interests. Based on assessment, such disruptions could lead to financial losses. <p>In response, the Company has developed a multi-sourcing strategy for its suppliers and established emergency response mechanisms</p>			

Item	Implementation Status
	<p>specific to typhoon and heavy rain scenarios to mitigate immediate risks. These risks are managed primarily through timely procurement adjustments, and their overall impact on operations is considered limited.</p> <p>Based on the impact of typhoons and torrential rains over the past three years, the short-term financial impact is preliminarily estimated to be an increase of approximately NT\$1 million in costs. The financial impact is assessed as moderate.</p> <p>Opportunity:</p> <ul style="list-style-type: none"> ● Utilization of more efficient equipments for production ● Develop new low-carbon products and services. <p>In response to potential future customer demand for low-carbon products, the Company has made energy efficiency a core focus of its R&D and design efforts, implementing it through equipment automation and low-carbon product design. The initiative is expected to result in an additional financial cost of approximately NT\$4 million.</p>
<p>4. Description on how the climate risk identification, assessment, and management process is integrated in the overall risk management system.</p>	<p>The Company has established risk management policies and procedures, including climate risk management processes, which are currently in effective operation. The results of risk management implementation for 2024 has been reported to the Board of Directors in November 2024.</p> <ol style="list-style-type: none"> (1) The collection of climate and environmental background information, the climate risk assessment and the operational scope assessment were completed by the members of the Sustainability Committee. (2) Establish a list of climate risks and opportunities, and create an internal operational impact survey. (3) The Sustainable Committee implements climate risk opportunity and operational impact analysis to determine material risk items. (4) Establish execution strategies and goal setting. (5) The effectiveness of the implementation strategies and goals is reviewed annually through the Sustainability Committee meetings.
<p>5. Should scenario analysis is used to assess the company's resilience in face of climate change risks, explanations on the scenario, parameters, hypothesis, analysis factors and major financial impacts should be provided.</p>	<ol style="list-style-type: none"> (1) Analyze and identify the short, medium, and long-term climate risks and opportunities for the Company's operations and assets throughout their lifecycle, based on the benchmark scenario and the 1.5°C scenario. For the transition risk, the reference scenarios are based on the Intergovernmental Panel on Climate Change (IPCC) climate scenarios RCP 8.5 and RCP 2.6 and assess the immediate physical risks and the long-term physical risks. (2) In the physical context, the average temperature continues to rise, leading to an increase in energy consumption and operating costs. In response to a 1-degree increase in the average temperature

Item	Implementation Status
	<p>across Taiwan, there is a 6% increase in electricity consumption. If the price of electricity remains stable, it is estimated that a 1.5 degree increase in temperature will result in at least a 30 percent increase in electricity consumption and related electricity costs in the short term of three years.</p> <p>(3) In terms of regulatory context, in response to the government's carbon fee collection in 2026, if the cost per metric ton of emissions is NT\$300, based on 2024, the Company will incur an additional cost of approximately NT\$186 thousand per year, resulting in a total increase of NT\$930 thousand in expenses over the short term of five years, classified as having a low financial impact.</p>
<p>6. Should there be transitional programs in response to managing climate-related risks, please explain the program's content and metrics and targets used to identify and manage physical and transitional risks.</p>	<p>Carbon Fee Implementation and Average Temperature Increase:</p> <p>(1) Promote the transition to LED lighting.</p> <p>(2) Adopt energy-saving measures such as variable-frequency air conditioning.</p> <p><i>Develop new low-carbon products and services:</i></p> <p>In response to the industry's carbon emissions challenges, the R&D center has focused on energy-efficient product design and the selection of low-carbon raw materials, ensuring that products are certified for their carbon footprints to meet corporate demand for energy-efficient solutions.</p> <p>Key Performance Indicators:</p> <p>(1) ISO 14064 has been implemented in 2024 and underwent third-party verification.</p> <p>(2) The R&D Center plans to conduct a product carbon footprint assessment in response to the ESG trend by 2027.</p> <p>(3) Continually optimize processes and improve efficiency, reduce production energy consumption, and increase product gross margin. Propose at least one project per year.</p>
<p>7. Should the internal carbon pricing is used as the planning tool, the pricing mechanism should be explained.</p>	<p>Internal carbon pricing has not been used as a planning tool.</p>
<p>8. Should climate-related targets are in place, information such as their scope of action, GHG emissions, planned timeline, and yearly achieved progress should be stated; for targets achieved through</p>	<p>Emission Reduction Target compared to the base year of 2022</p> <p>In 2030, reduce greenhouse gas emissions by 25% in Scope 1+ Scope 2</p> <p>In 2040, reduce greenhouse gas emissions by 40% in Scope 1+Scope 2.</p> <p>The Company plans to purchase Renewable Energy Certificates (RECs) starting in 2030, with a purchase quota corresponding to the amount of electricity consumed outside of Category 2.</p>

Item	Implementation Status
carbon offset and RECs, the source of offset amount and number of RECs should be stated.	
9. Inventory and confirmation of greenhouse gas emissions, reduction targets, strategies, and action plans.	Refer to following sections 1-1 and 1-2.

1-1 The Greenhouse Gas Inventory and Verification Status of the Company in the Past Two Years

1-1-1 Greenhouse Gas Inventory Information

1. Greenhouse gas emissions in the past two years in metric tons (CO ₂ e) and intensity (metric tons CO ₂ e /NT\$million)		
Carbon dioxide equivalent	2023	2024
Category 1 (metric ton CO ₂ e)	49.7587	131.2722
Category 2 (metric ton CO ₂ e)	719.8018	489.7228
Total Emissions (metric tons CO ₂ e)	769.5605	620.9950
Intensity - Scope 1 and Scope 2 (metric tons CO ₂ e /NT\$million) <i>(Note)</i>	0.2467	0.1866
<i>Note. Greenhouse gas intensity for 2023 and 2024 is calculated based on revenues of NT\$3,120 million and NT\$3,328 million, respectively. Total Scope 1 and Scope 2 emissions for the base year 2022 amounted to 749.4351 metric tons of CO₂e.</i>		
2. Scope of Information: Operational sites in Taiwan.		

1-1-2 Greenhouse Gas Assurance Information

Explanation of the confirmed situation for the two most recent fiscal years as of the date of printing of the annual report, including the scope of confirmation, confirming institutions, confirmation criteria, and confirmation opinions.
The Company voluntarily discloses the current status of greenhouse gas emissions inventory to understand prevailing trends and proactively respond. Furthermore, in 2023 and 2024, it has undergone verification by an external third-party organization, Great International Certification, within the scope of our operations in Taiwan.

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

Explanation of the base year and data, reduction targets, strategies, specific action plans and achievement of greenhouse gas emission reduction targets.		
Emission Reduction Target	Action plan	Time frame
Compared to the base year of 2022 ● In 2030, reduce greenhouse gas emissions by 25% in Scope 1 and Scope 2 ● In 2040, reduce greenhouse gas emissions by 40% in Scope 1 and Scope 2.	Through the implementation of green procurement, the infrastructure equipment was purchased with environmental labels and the refrigeration and air conditioning system was completely replaced with energy efficient level 1	2023-2030
	Implementation of Facility and Equipment Energy Saving Project	2023-2030
	Green Energy Certificate Purchase	2023-2040
Implementation status of the action plan	Carbon emissions (Scope 1 and Scope 2): In 2024, there was a decrease of 19.31% compared to 2023.	

(VIII) Implementation of ethical corporate management and difference between the implementation and the "Ethical Corporate Management Best Practice Principles for TWSE & TPEx Listed Companies" and reasons thereof.

Evaluation Item	Implementation Status		Description	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No		
1. Establishment of ethical corporate management policies and programs (1) Has the Company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and	✓		(1) The Ethical Corporate Management Best Practice Principles has been established and approved by the Company. Both the Board of Directors and the management of the Company have attached importance to ethical conduct, adhered to the business philosophy of integrity,	No material difference

Evaluation Item	Implementation Status		Description	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No		
<p>practices and the commitment of the Board of Directors and senior management to rigorous and thorough implementation of such policies?</p> <p>(2) Does the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which should at least include those specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?</p> <p>(3) Has the Company provided any solutions to prevent the unethical conducts, stipulate the definite procedures, conduct guidelines, punishment for violation as well as appeals system and put into</p>	<p>✓</p> <p>✓</p>	<p></p>	<p>transparency, and responsibility, and implemented the integrity policy, so as to create a business environment for sustainable development.</p> <p>(2) The Company's "Guidelines for Operating Procedures and Conducts of Ethical Corporate Management" stipulates that the Company's personnel should not, directly or indirectly, provide, promise, demand, or accept any improper benefits or conduct any conduct that violates integrity, legality, or fiduciary duty during the course of business behavior.</p> <p>(3) The Company has formulated the "Guidelines for Operating Procedures and Conducts of Ethical Corporate Management", and set up a special area for interested parties to provide channels for complaints against dishonest behaviors. In 2023,</p>	

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
practice, and review and revise on a regular basis the aforesaid solutions?			there were no complaints related to dishonest behavior.	
2. II. Fulfillment of ethical corporate management				No material difference
(1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		(1) For potential suppliers, the Company will evaluate their legality and ethical management policies and ascertain whether they have a record of involvement in unethical conduct to ensure that they conduct business in a fair and transparent manner and do not request, offer, or take bribes.	
(2) Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?	✓		(2) The General Administration Center is in charge of promoting the ethical corporate management of enterprises, and consolidates the schemes to prevent dishonest behaviors, and has reported to the Board of Directors on November 6, 2024.	
(3) Has the Company established policies to prevent conflicts of interest, provide appropriate communication channels, and implement them	✓		(3) When any Director of the Company has any interest or there is an interest of a juridical Director's entity pending before a Board meeting, the said Director should uphold a high degree of self-discipline and	

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
<p>accordingly?</p> <p>(4) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?</p> <p>(5) Does the Company regularly hold internal and external educational training on operational integrity?</p>	<p>✓</p> <p>✓</p>	<p></p>	<p>abstain from any discussion or voting on a matter that may prejudice the Company's interests.</p> <p>(4) The Company has established effective accounting and internal control systems. Besides, the Company constantly reviews and revises these systems according to regulatory changes and actual needs. These systems are regularly examined by internal auditors to ensure the continuous effectiveness of system design and implementation, thereby realizing corporate governance and risk control, and eventually implementing ethical corporate management.</p> <p>(5)</p> <p>a. The Company regularly promotes the concept of integrity in business during new employee training. As of the end of December 2024, a total of 39 new employee training sessions have been completed</p> <p>b. The Company periodically promotes integrity management policies, preventive measures, and the consequences of dishonest behavior through</p>	

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>departmental meetings, management meetings, and educational training sessions. In 2024, a total of five individuals completed seven hours of training focused on integrity and ethical conduct.</p> <p>c. Annual promotional courses held by Taiwan Stock Exchange, including the "Insider Trading Prevention Seminar" and the "Legal Compliance Seminar for Insider Stock Transactions," are communicated to the Company's Directors, managers, and relevant personnel through online methods. This year, a total of 15 individuals participated, accumulating a total of 45 hours of educational instruction.</p>	
<p>3. Operation of the whistle-blowing system</p> <p>(I) Does the Company establish both a reward/whistle-blowing system and convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party?</p>	✓		<p>(I) The Company provides a report mailbox on its website and, upon receiving a report, informs the President, and sets up a project committee for joint deliberation. After verification, disciplinary actions will be taken in accordance with the personnel</p>	No material difference

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(II) Has the Company established standard operating procedures and confidentiality measures for the investigation of reported incidents?	✓		regulations of the Company, and the identity and contents of the report will be kept confidential to prevent retaliation. (II) When the Company discovers or receives a report regarding an employee's involvement in unethical conduct, the Company will immediately request the employee to stop the relevant conduct if it is confirmed that the employee has violated the relevant laws and regulations or the Company's ethical corporate management policies and regulations, and will appropriately deal with the case. If necessary, the Company seek compensation for damages through legal proceedings to maintain the reputation and interests of the Company.	
(III) Does the Company provide protection for whistle-blowers against receiving improper treatment?	✓		(III) The Company is fully responsible for keeping confidential and protecting the accuser from being improperly treated due to the accusation	
4. Enhanced disclosure of ethical corporate management information Does the Company disclose the ethical corporate management policies and the results of its implementation on the Company website and	✓		The Company discloses ethical corporate management-related information via website, annual report and MOPS, and media in a timely manner.	No material difference

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
MOPS?				
5.			If the Company has established its own ethical corporate management principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe the implementation and any deviations from the Principles: None	
6.			Is there any other important information to facilitate a better understanding of the company's ethical corporate management practices? (I) All 20 Directors and managers of the Company have signed the "Statement of Compliance with Ethical Corporate Management Policies," achieving a signing rate of 100%. The statement specifies that Directors and managers are to fully adhere to the ethical corporate management policies and regulations established by CASwell, including the Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, Codes of Ethical Conduct, and Procedures for the Prevention of Insider Trading. These efforts are rooted in the principles of integrity, transparency, and accountability, aimed at fostering robust corporate governance and risk management mechanisms to create a sustainable business environment. (II) During Board meetings, Directors with conflicts of interest related to the agenda items shall adhere to the relevant avoidance regulations by recusing themselves and abstaining from discussions. (III) The Company conducts monthly internal operations to promote the prevention of insider trading. The content includes: A. According to Article 157-1, Paragraph 1 of the Securities and Exchange Act, individuals subject to insider trading regulations who are aware of information that significantly affects the stock price of the Company are prohibited from buying or selling the Company's listed stocks or other equity-type securities at a securities firm, either on their own behalf or on behalf of others, within eighteen hours after the information has been made public or is clearly defined but not yet disclosed. B. Internal personnel of the Company, upon becoming aware of the Company's financial reports or related performance information, are subject to stock trading control measures. Directors are prohibited from trading their stocks during the closed periods, defined as the thirty days prior to the announcement of the annual financial report and the fifteen days prior to the announcement of each quarterly financial report. Violations of the aforementioned regulations constitute insider trading. Furthermore, it is imperative that Board members are reminded that they	

Evaluation Item	Implementation Status		Description	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No		
			are prohibited from buying or selling stocks within a six-month period to avoid any potential conflicts of interest.	
(IV)			Periodically, the Company informs its internal personnel about the "Common Patterns of Violations of Securities Trading Regulations Related to Changes in Insider Shareholding Reporting" to ensure diligent compliance.	

(IX) Other Information Provides a Better Understanding of the Company's Corporate Governance Status: None.

(X) Implementation Status of the Internal Control System

- Please refer to the Internal Control Statement in chinese version on MOPS: *Single Company* → *Corporate Governance* → *Company Regulations/Internal Control* → *Internal Control Statement Announcement*
<https://mopsplus.twse.com.tw/mops/#/web/t06sg20>
- Please refer to the Independent Auditors' Report on MOPS: *Electronic Books* → *Financial Statements*
<https://emops.twse.com.tw/server-java/t58query>

(XI) Major Resolutions of Shareholders' Meeting and Board Meetings:

1. Major Resolutions of the Board Meetings:

Date	Major Resolutions	Implementation Status
2024.06.13	Ratified the Company's 2023 Business Report and Financial Statements.	The relevant reports and statements have been filed with the competent authority for future reference and declaration
	Ratified the Company's 2023 Earnings Appropriation	The board of shareholders resolved to authorize the Chairman to set the ex-dividend base date of August 4, 2024 and set the cash dividend distribution date of August 27, 2024, and distribute the cash dividend of NT\$205,375,688 according to the shareholding ratio recorded in the shareholder's directory on the ex-dividend base date, with NT\$2.8 distributed to each share.

2. Major Resolutions of the Board Meetings:

Item	Date	Major Board Resolutions
1st Board Meeting for 2024	2024.03.13	<ol style="list-style-type: none"> 1. 2023 Annual Operating Report 2. 2023 Annual Financial Statement 3. 2023 Employee Remuneration Plan 4. 2023 Directors Remuneration Plan 5. 2023 Earnings Distribution Plan 6. 2023 Statement of Internal Control System 7. Proposal to assess and establish compensations and remuneration for Directors and managers for 2024 8. 2024 Business Plan 9. Independence and competency assessment and Appointment and Remuneration of the CPAs for 2024 10. Amendments to Board Performance Evaluation Method 11. Amendment to Board Meeting Procedural Rules 12. Renewal of the short-term credit line with banks and financial products borrowing facilities 13. To convene 2024 Annual General Meeting
2nd Board Meeting for 2024	2024.05.08	<ol style="list-style-type: none"> 1. Financial statements for the first quarter of 2024 2. Renewal of the short-term credit line with banks and financial products borrowing facilities
3rd Board Meeting for 2024	2024.08.12	<ol style="list-style-type: none"> 1. Financial statements for the second quarter of 2024 2. Renewal of the short-term credit line with banks and financial products borrowing facilities 3. Proposal for lending of funds to subsidiary Apligo GmbH 4. Deliberation on the 2023 sustainability report 5. Distribution of the Company's 2023 Directors' remuneration. 6. 2023 remuneration to Directors and employees of the Company
1st Board Meeting for 2024 Board of Directors	2024.11.06	<ol style="list-style-type: none"> 1. Financial statements for third quarter of 2024 2. Renewal of the short-term credit line with banks and financial products borrowing facilities 3. Proposal for lending of funds to subsidiary Apligo GmbH 4. Amendment of the Audit Committee Charter 5. Establishment of the Sustainability Committee Charter 6. Appointment of members to the first Sustainability Committee 7. Establishment of the Internal Control System and Relevant Management Measures for Sustainability Information Management 8. Amendment of the Regulations for Pre-approval of Non-assurance Services Provided by the Company's Auditors 9. Amendment to the Corporate Governance Best Practice Principles

Item	Date	Major Board Resolutions
		10. Draft of Rules Governing Financial and Business Matters Between this Corporation and its Related Parties 11. Amendment to the Ethical Corporate Management Best Practice Principles 12. Amendment to the Procedures for Ethical Management and Guidelines for Conduct 13. 2025 Audit Plan
(1st Board Meeting for 2025) Board of Directors	2025.03.05	1. 2024 Annual Operating Report 2. 2024 Annual Financial Statement 3. 2024 Employee Remuneration Plan 4. 2024 Directors Remuneration Plan 5. 2024 Earnings Distribution Plan 6. 2024 Statement of Internal Control System 7. Amendment to the Company's managerial remuneration policy and system 8. Proposal to assess and establish compensations and remuneration for Directors and managers for 2025 9. 2025 Business Plan 10. Change of the Company's CPAs 11. Independence & Competency Assessment and Appointment & Remuneration of the CPAs for 2025 12. Renewal of the short-term credit line with banks and financial products borrowing facilities 13. Establishment of the Company's definition for "grassroot employee" 14. Amendments to the Articles of Incorporation 15. Proposal to release the Directors of the Company from non-competition restrictions 16. To convene 2025 Annual General Meeting

(XII) Recorded or written statements made by any director or supervisor which specified dissent to important resolutions passed by the Board of Directors during the most recent year and up to the date of publication of this annual report: None.

III Information About CPA Professional Fee

(I) CPA professional fees:

Currency Unit: NTD Thousand

CPA Firm name	CPA name	Service scope	Audit Fees	Non-audit Fees	Total	Remarks
KPMG	Hui-Chih Kou	Financial statements for annual and Q1 ~ Q3 in 2024, profit-seeking enterprise annual income tax return	2,030	220	2,250	Non-audit Fees: Tax Compliance Audit

CPA Firm name	CPA name	Service scope	Audit Fees	Non-audit Fees	Total	Remarks
	Chen Pei-Chi	Financial statements for annual and Q1 ~ Q3 in 2024				

(II) Change of CPA firm and the audit fees for the year of the change less that of the previous year, and the amount of audit fees before and after the change, and reasons for the change: None.

(III) Where audit fees decreased by more than 10% compared to the previous year: None.

IV Information About Replacement of CPA: There is no change in CPAs.

V The Company's Chairman, President, or manager in charge of financial or accounting affairs having worked in the CPA's firm or affiliated enterprise in the last year: None.

VI Changes in Shareholding and Pledge of Shareholding by Directors, Supervisors, Managers and Major Shareholders Holding More Than 10%:

(I) Please refer to the Insider Shareholding Change Post-Report Form on MOPS for the changes in shareholdings of directors, supervisors, managers and major shareholders holding more than 10% under: *Single Company* → *Changes in Equity / Securities Issuance* → *Equity Transfer Information Inquiry* → *Insider Shareholding Change Post-Report Form*.

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

Then refer to Announcement of Insider Pledge and Release of Pledge on MOPS for the pledge of shareholding by directors, supervisors, managers and major shareholders holding more than 10% under: *Single Company* → *Changes in Equity / Securities Issuance* → *Announcement of Insider Pledge and Release of Pledge*.

https://mopsov.twse.com.tw/mops/web/STAMAK03_1

(II) Related-Party Counterparties in Share Transfers by Directors, Supervisors, Managers, and Major Shareholders Over 10%: None

(III) Related-Party Counterparties in Share Pledges by Directors, Supervisors, Managers, and Major Shareholders Over 10%: None

VII Information on the relationships among the TOP 10 shareholders by shareholding percentage

March 24, 2025

NAME	CURRENT SHAREHOLDING		SPOUSE & MINOR SHAREHOLDING		SHAREHOLDING BY NOMINEES		NAME AND RELATIONSHIP AMONG TOP TEN SHAREHOLDERS WITH ANYONE WHO IS A RELATED PARTY OR THE SPOUSE, OR A RELATIVE WITHIN THE SECOND DEGREE OF KINSHIP		REMARKS
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding	Name	Nature of Relationships	
Ennoconn Corporation Co., Ltd.	20,000,000	27.27%	—	—	—	—	Ennoconn International Investment Co., Ltd.	Parent and subsidiary	—
Ennoconn Corporation Representative: Steve Chu	50,000	0.07%	—	—	—	—	—	—	—
Ennoconn International Investment Co., Ltd.	3,250,000	4.43%	—	—	—	—	Ennoconn Corporation.	Parent and subsidiary	—
Ennoconn International Investment Co., Ltd. Representative: Steve Chu	50,000	0.07%	—	—	—	—	—	—	—
Zhang Jin-Wei	1,659,000	2.26%	—	—	—	—	—	—	—
Bentech Systems Corporation	1,000,000	1.36%	—	—	—	—	—	—	—
Bentech Systems Co., Ltd. Representative: Chen Xue-Li	—	—	—	—	—	—	—	—	—
Lin Kun-Min	625,000	0.85%	—	—	—	—	—	—	—

NAME	CURRENT SHAREHOLDING		SPOUSE & MINOR SHAREHOLDING		SHAREHOLDING BY NOMINEES		NAME AND RELATIONSHIP AMONG TOP TEN SHAREHOLDERS WITH ANYONE WHO IS A RELATED PARTY OR THE SPOUSE, OR A RELATIVE WITHIN THE SECOND DEGREE OF KINSHIP		REMARKS
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding	Name	Nature of Relationships	
Standard Chartered Custodian, Standard Chartered Bank (Hong Kong) - Stock Trading	582,000	0.79%							
Li Yan-Yan	578,000	0.79%							
Standard Chartered Bank (Taiwan) Limited, Main Branch, is entrusted with the custody of JP Morgan	566,197	0.77%	—	—	—	—	—	—	—
Chen Chiu-Liang	538,000	0.73%							
Investment account of UBS Europe SE managed by Citibank	528,859	0.72%							

VIII The number of shares held by the Company, its directors, supervisors, managers and enterprises directly or indirectly controlled by the Company in the same reinvested enterprise, and the comprehensive shareholding ratio should be calculated together:

December 31, 2024; Unit: Shares

Investee name	Investment by the Company		Investments on businesses controlled directly or indirectly by the Company and its Directors, Supervisors and managers		Total Ownership	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
CASwell International Investment Co., Ltd.	3,205,760	100%	—	—	3,205,760	100%
CASO, INC.	1,881	99%	—	—	1,881	99%
Beijing CASwell Ltd.	—	—	3.116 million USD (Note 1)	82%	USD 3.116 million (Note 1)	82%
Caswell Americas, Inc.	3,000,000	100%	—	—	3,000,000	100%
APLIGO GmbH	24,000	66.67%	—	—	24,000	66.67%
Hawkeye Tech, Co., Ltd.	9,096,667	60.64%	—	—	9,096,667	60.64%

Note 1: Paid-in capital.

Chapter 3 Capital Overview

I Capital Stock and Shares

(I) Source of Capital

1. Capitalization table

March 31, 2025

Year/ Month	Par Value (NTD)	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares (in Thousands)	Amount (NT\$ thousand)	Number of Shares (in Thousands)	Amount (NT\$ thousand)	Source of Capital	Capital increase by assets other than cash	Remark
2007/04	10	3,000	30,000	1,000	10,000	Capital stock for incorporation of NT\$10,000 thousand	None	Note 1
2008/02	10	30,000	300,000	12,500	125,000	Capital increase by cash NT\$ 115,000 thousand	None	Note 2
2009/05	10	30,000	300,000	24,820	248,200	Capital increase by merger NT\$ 123,200 thousand	Issuance of new shares by accepting shares of other companies	Note 3
2009/09	10.41	30,000	300,000	24,886	248,860	Capital increase by employee bonus NT\$660 thousand.	None	Note 4
2009/11	12	30,000	300,000	26,000	260,000	Capital increase by cash NT\$11,140 thousand	None	Note 5
2010/08	10 12.19	60,000	600,000	30,335	303,350	Capital increase by retained earnings NT\$ 39,000 thousand. Capital increase by employee bonus NT\$ 4,350 thousand.	None	Note 6
2010/12	12.3	60,000	600,000	44,234	442,336	Capital increase by merger NT\$ 138,986 thousand	Issuance of new shares by accepting shares of other companies	Note 7 Note 8
2011/07	10 10 13.88	100,000	1,000,000	60,031	600,307	Capital increase by retained earnings NT\$ 119,431 thousand. Capital increase by capital reserve NT\$ 26,540 thousand Capital increase by employee bonus NT\$ 12,000 thousand	None	Note 9
2018/03	101	100,000	1,000,000	68,036	680,357	Capital increase by cash NT\$ 80,050 thousand	None	Note 10

Year/ Month	Par Value (NTD)	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares (in Thousands)	Amount (NT\$ thousand)	Number of Shares (in Thousands)	Amount (NT\$ thousand)	Source of Capital	Capital increase by assets other than cash	Remark
2020/09	10	100,000	1,000,000	71,295	712,950	Corporate bonds converted into common shares: NT\$ 32,593 thousand	None	Note 11
2020/12	10	100,000	1,000,000	73,068	730,678	Corporate bonds converted into common shares: NT\$ 17,728 thousand	None	Note 12
2021/05	10	100,000	1,000,000	73,127	731,273	Corporate bond conversion into ordinary shares: NT\$ 595 thousand	None	Note 13
2021/08	10	100,000	1,000,000	73,189	731,889	Corporate bond conversion into ordinary shares: NT\$ 616 thousand	None	Note 14
2023/03	10	100,000	1,000,000	73,348	733,485	Corporate bond conversion into ordinary shares: NT\$ 1,596 thousand	None	Note 15

- Note 1: Approval date and document No.: April 19, 2007, FJSZ No. 09683745500.
 Note 2: Approval date and document No.: February 19, 2008, FCYSZ No. 09781283300.
 Note 3: Approval date and document No.: May 19, 2009, JSZZ No. 09832244750.
 Note 4: Approval date and document No.: September 22, 2009, JSZZ No. 09833070830.
 Note 5: Approval date and document No.: November 23, 2009, JSZZ No. 09833483000.
 Note 6: Approval date and document No.: August 3, 2010, BFJDZ No. 0993144823.
 Note 7: Approval date and document No.: November 1, 2010, BFJDZ No. 0993166111.
 Note 8: Approval date and document No.: December 2, 2010, BFJDZ No. 0993173235.
 Note 9: Approval date and document No.: July 7, 2011, JSSZ No. 10001141890.
 Note 10: Approval date and document No.: March 14, 2018, TZSYZ No. 1071801057.
 Note 11: Approval date and document No.: September 7, 2020, JSSZ No. 10901168140.
 Note 12: Approval date and document No.: December 8, 2020, JSSZ No. 10901221100.
 Note 13: Approval date and document No.: May 27, 2021, JSSZ No. 11001093110.
 Note 14: Approval date and document No.: August 26, 2021, JSSZ No. 11001129840.
 Note 15: Approval date and document No.: March 21, 2023, JSSZ No. 11230047770.

2. Share Type

March 31, 2025; Unit: Shares

Share Type	Authorized Capital			Remarks
	Issued Shares	Unissued Shares	Total	
Common Stock	73,348,460	26,651,540	100,000,000	Listed stocks

(II) Major Shareholders

March 31, 2025

Name of Major Shareholder	Shares	Number of Shares Held	Percentage of Ownership %
Ennoconn Corporation		20,000,000	27.27
Ennoconn International Investment Co., Ltd.		3,250,000	4.43

Name of Major Shareholder	Shares	Number of Shares Held	Percentage of Ownership %
Zhang Jin-Wei		1,659,000	2.26
Bentech Systems Corporation		1,000,000	1.36
Lin Kun-Min		625,000	0.85
Standard Chartered Custodian, Standard Chartered Bank (Hong Kong) - Stock Trading		582,000	0.79
Li Yan-Yan		578,000	0.79
Standard Chartered Bank (Taiwan) Limited, Main Branch, is entrusted with the custody of JP Morgan		566,197	0.77
Chen Chiu-Liang		538,000	0.73
Investment account of UBS Europe SE managed by Citibank		528,859	0.72

(III) Dividends policy and Implementation Status:

1. Dividend policy in the Articles of Incorporation

In case there are profits after tax in the final settlement of the current year, the Company should first offset the accumulated loss and retain 10% as legal surplus reserve in accordance with the law; however, when the legal surplus reserve exceeds the paid-in capital of the Company, it is not subject to this limitation. Certain amount should be further allocated as special reserve or the special reserve should be reversed in accordance with applicable laws and regulations or as requested by the competent authority. The balance (if any) together with accumulated unappropriated retained earnings can be distributed after the distribution plan is proposed by the Board of Directors and approved by the shareholders' meeting.

The dividend distribution of the shareholders of the Company can be in cash or shares, in which the proportion of shareholders' cash dividend distribution is not less than 10% of the total dividends of the shareholders and the proportion of shareholders' cash dividend distribution is not less than 10% of the total dividends of shareholders. The Company is in a growing industry. The type and proportion of this retained earnings distribution is based on the Company's future capital demand and long-term operating plan. The Board of Directors may draw up a distribution proposal according to the current operating conditions and taking into account shareholders' equity, balanced dividend policy and capital demand plan, and submit it to the shareholders' meeting for resolution and adjustment.

If there is no loss and the Company has no earnings to be distributed or has financial, business or operational considerations, part or all of the reserve may be distributed according to the law or the competent authority's requirements.

2. Distribution of dividends proposed in the shareholders' meeting

The Company's surplus distribution plan for 2024 was approved by the Board of Directors on March 5, 2025. A cash dividend of NT\$2.90 per share will be paid, representing a payout ratio of 64.44%. The report will be presented at the 2025 annual general shareholders' meeting.

(IV) Effect of allocation of Free-Gratis Dividends proposed at the shareholders' meeting on the operational performance of the Company and the Earnings Per Share:

The Company had no issuance of free allotment of shares in 2024, which did not apply.

(V) Remuneration of Employees and Directors:

1. The percentages or ranges with respect to employee and director remuneration, as set forth in the Company's Articles of Incorporation:

If the Company makes a profit (i.e., net profit before tax after deduction of the portion set aside for employee remuneration) within a fiscal year, 2%-15% of the profit should be reserved as the employee remuneration and no less than 2% should be reserved as the director remuneration. When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration.

The above remuneration to the employees may be allotted in cash or stock. Eligible personnel includes employees at subsidiaries that meet the requirement. The Board of Directors is authorized to formulate the relevant requirement. The above remuneration to the directors shall be in cash.

The preceding two paragraphs shall be determined by the resolution of the Board of Directors and reported to the shareholders' meeting.

2. The basis for estimating the remuneration of employees and directors in current period, the basis for calculating the number of shares of employee remuneration distributed by stocks, and the accounting treatment when differences occur between estimated and actual distributed amount.

(1) The basis for estimating the remuneration of employees and directors in current period: Please refer to (8). 1 above.

(2) The basis for calculating the number of shares to be distributed to employees as the bonus for the current period: None

(3) Accounting treatment for difference between the actual number distributed and the estimated figures: It is considered as a change in accounting estimates and is included in profit or loss in the actual year for distribution.

3. Approval of remuneration distribution by the Board of Directors

The proposal for employee remuneration in 2024 was passed by the resolution of the Board of Directors on March 5, 2025. The distribution approved by the Board of Directors is as follows:

- (1) Employee compensation and director remuneration distributed in cash or stock: Approval was granted for the distribution of employee cash compensation amounting to NT\$13,800,000 and director remuneration totaling NT\$5,280,000, which aligns with the estimated annual expense recognition.
 - (2) Employee bonus distributed in shares and the ratio of the share bonus on the net income after tax and the total amount of employee bonus: Since the Company only distributed employee bonus in cash in 2024, it is not applicable.
4. The actual distribution of employee and director remuneration for the previous year (including the number of shares distributed, amounts, and share prices), as well as any discrepancies with the recognized employee and director compensation, should be clearly stated along with the reasons for the discrepancies and how they were addressed: In 2024, the distribution of cash compensation for employees for 2023 was approved at NT\$12,500,000, and director compensation was set at NT\$4,800,000. The discrepancy of NT\$400,000 with the estimated recognized expense is due to changes in accounting estimates, and the difference has been recorded under the 2024 profit and loss.

(VI) Share repurchases: None.

II Handling of Corporate Bonds: None.

III Issuance of preferred stocks, overseas depository receipts, employee stock option certificates, new restricted employee shares, mergers and acquisitions, or issuance of new shares for the acquisition of other companies: None.

IV Implementation of capital utilization plan: None.

Chapter 4 Operational Overview

I Business Activities

(I) Scope of Business

1. The scope of major business items
 - CC01080 Electronic Parts and Components Manufacturing
 - CC01110 Computers and Computing Peripheral Equipment Manufacturing
 - CC01120 Data Storage Media Manufacturing and Duplicating.
 - E605010 Computing Equipment Installation Construction
 - F113050 Wholesale of Computing and Business Machinery Equipment
 - F118010 Information Software Wholesale Industry
 - F119010 Electronic Materials Wholesale Industry
 - F401010 International trade
 - I501010 Product Design Services
 - I301010 Software Design Services
 - I301020 Data Processing Services
 - I301030 Digital Information Supply Services
 - IG02010 Research Development Service
 - ZZ99999 All business not prohibited or restricted by law, except for those subject to special approval
2. Revenue Proportion

Unit: NT\$ thousand

Item	2023		2024	
	Net sales	%	Net sales	%
Network appliances	3,102,756	76.00%	3,158,869	74.26%
Others	979,681	24.00%	1,094,800	25.74%
Total	4,082,437	100.00%	4,253,669	100.00%

3. Current products and services

In the age of the Internet of Everything, the popularity of Cloud Computing and Edge Computing has led to products and applications needed by the information and communication technology (ICT) industry being divided into the deployment mode of shared computing resource pool (network, computing, storage, application and service). According to the market and application development needs, the Company's online product development is divided as follows:

 - (1) Network security and management (NSM)

With the continuous increase in ICT network devices, the volume of data has grown exponentially, leading to a sustained rise in the demand for

information security protection and management. The scope of application includes firewalls, virtual private networks (VPNs), antivirus application servers, integrated threat management servers, intrusion detection and prevention systems, and wireless gateway servers. The Company focuses on designing hardware platforms required for network security, offering end-to-end services ranging from software and hardware product engineering consulting, development and design, quality planning, to production logistics and warehouse management. Additionally, it enhances product competitiveness through value-added services such as the Hub Management Service Center and customized value-added software services.

(2) Software-defined network (SDN)

The global network architecture is rapidly transforming from traditional models to SDN architectures, driving swift changes in enterprise and telecommunications network environments. With the maturation of network virtualization and 5G technology, the demand for WAN solutions has expanded from traditional MPLS dedicated connections to include internet and hybrid connections (combining wired and wireless). The Company integrates secure connectivity and application acceleration services, actively advancing emerging market products such as uCPE, vCPE, SD-WAN, MEC, and vRAN, while providing the corresponding hardware platforms. Through strategic alliances with system solution and software vendors, the SD-WAN software solution has been implemented and validated, with further promotion extended to telecommunications companies, operators, and the industrial sector.

(3) Industrial control and automation (ICA)

With the rise of Industry 4.0, new concepts of intelligent management and services have been widely integrated into the industrial and commercial value chains. The industrial transformation and smart manufacturing trends across various vertical sectors have become mainstream. As more devices connect to the Industrial Internet of Things (IIoT), the complex network threats originally targeting IT environments are beginning to infiltrate operational technology (OT) environments, such as industrial control systems. Furthermore, the world is accelerating the energy transition, focusing on energy conservation, energy creation, energy storage, and the integration of smart systems. The Company addresses information security issues in the industrial sector and trends in green energy development by offering related products and services. These include solutions for industrial

information security and management equipment, industrial control equipment, and the Smart Grid sector.

(4) Cloud computing server and switch

With the advancement of internet and virtualization technologies, the demand for cloud computing applications continues to grow. In addition to traditional cloud data centers, the rise of 5G networking applications has also driven the demand for edge computing and data center infrastructure products. Responding to this trend, the Company offers product solutions for servers and switches, meeting the evolving market demands.

In terms of services, the Company not only provides self-developed standard equipment but also specializes in the design and manufacturing of network security equipment, tailoring exclusive products to meet customer needs. In addition to OEM contract manufacturing services, the company also offers original design manufacturing (ODM) and joint design manufacturing (JDM) services, which encompass motherboard and system specification design, software development, manufacturing, validation, and after-sales service. The Company boasts a robust engineering research and development team capable of providing highly customized R&D services based on solutions and specifications proposed by clients. This ensures the fulfillment of client expectations and meets the needs of various application fields.

Additionally, the company offers a diverse range of software value-added services, including network performance optimization drivers, system self-diagnostic testing programs, remote management LOM (IPMI/BMC) modules with customized features, BIOS development, maintenance, and management software, among other integrated solutions.

4. Products development

The Company is committed to the market of Network appliances. With the application and business expansion in emerging markets, we are constantly pursuing R&D and innovation. Developing from pure information communication security and management products, we expand the product lines in emerging markets, including high-end network cards, Network security architecture platform, cloud application network server platform and telecom communication products. We also strengthens the cultivation of software strength in specific vertical fields (such as industrial network storage and smart

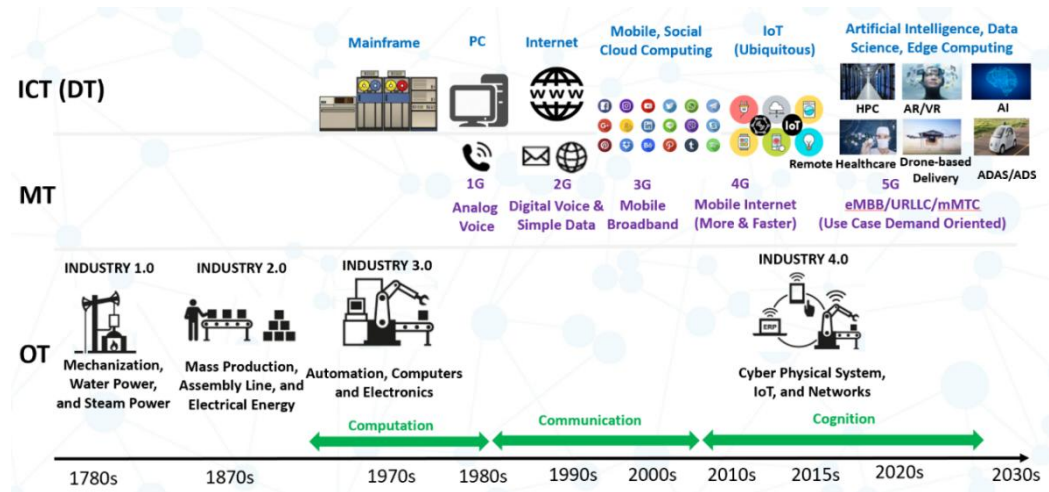
grid), so as to enhance product differentiation and flexibility and increase added value.

(II) Industry overview

1. Current status and development

The network communication industry is booming with the continuous development of broadband networks. As a result, the global network population is increasing rapidly, owing to the increasingly mature cloud computing and edge computing, the economic take-off of emerging countries and the continuous improvement of network infrastructure. At the same time, the proliferation of hardware devices such as smartphones and tablet computers has led to a more widespread use of network services. Global businesses and consumers are increasingly reliant on computer networks and communication services. The emergence of convenience, security, and new business network models has also profoundly transformed daily life. In addition, the method of connectivity has transitioned from the previously passive wired model to a dynamic and proactive wireless and mobile networking approach. Furthermore, the global liberalization of telecommunications has also facilitated the overall development of the network communication industry.

According to market reports, the global cybersecurity market size in 2024 is estimated to be USD 78.2 billion and is projected to reach USD 111 billion by 2029, with a compound annual growth rate (CAGR) of 7.2%. With the widespread adoption of digitalization and cloud services by enterprises, the frequency and complexity of cyberattacks have increased. These include Distributed Denial of Service (DDoS) attacks, Man-in-the-Middle (MitM) attacks, and DNS spoofing, which have expanded the attack surface and exposed businesses to greater risks.



*Development trend of information technology, mobile technology and operation technology.
(Source: sorted by CASwell)*

Furthermore, the explosive growth of Artificial Intelligence (AI) technology has had a profound impact on the fields of internet communication and security. The application of AI in big data analysis, threat detection, automated protection, and predictive maintenance has significantly enhanced the efficiency and accuracy of cybersecurity solutions. Companies utilizing AI technology can promptly detect potential threats and automate response processes, thereby reducing the risk of human operational errors. At the same time, the AI-driven intelligent network management system can dynamically adjust resource allocation, optimize network performance, and further enhance the Company's competitive advantage in digital transformation.

With the development of communication equipment and the influence of network popularization, the application of network communication products has become more diversified. As shown in the following figure, with the popularization of network security management, the vigorous development of cloud computing and edge computing, the demand of the capital communication market in which we are engaged has also gradually increased.

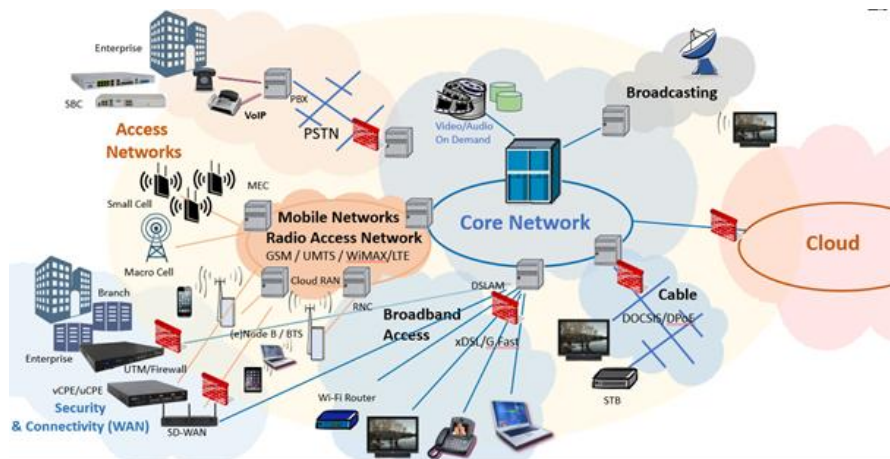


Photo: CASwell's target market of information communication network

The application market of the Company's main products is as follows:

(1) Network Security and Management and Software Defined Application Market

A. Network security and management

(A) Information security has always been a major issue that can't be ignored in the network communication industry. No matter enterprises, governments, academic institutions or individuals, as long as they use network information systems, they must guard against network threats or hacker attacks. The main purpose of network security equipment is to ensure smooth network connection. According to different functions, it can be divided into unified threat management platform (UTM), Firewall, intrusion detection/protection system (IDS/IPS) and virtual private network (VPN). Among them, UTM is an integrated network threat management platform, which can perform complex functions such as Firewall, IDS/IPS and ramp antivirus. It is also the main product of the Company's network security control platform.

Network security features

Category	Description
Unified Threat Management (UTM)	To effectively prevent internal and external attacks and any unauthorized access of enterprises, the platform combined with various security schemes not only provides the main functions of high-speed firewall and IDS/IPS, but also integrates various protection functions such as anti-worm function, anti-virus function, anti-spam function, Web address classification filtering and anti-malware function.
Firewall	Setting up a monitoring and management buffer interface (Gateway)

Category	Description
	between Intranet and Internet to control the ingress and egress of all network packets, and allow or prohibit specific data access behavior on the network. The main task of Firewall is to check all passing IP packets, and control the propagation of network information packets according to IP address, Port and packet transmission direction.
Intrusion Detection System/ Intrusion Protection System (IDS/IPS)	The main function of Intrusion Detection System (IDS) is to monitor the network packets as well as the running status of the network and system according to the preset security policy. It will automatically send an alarm to inform the network management personnel when an abnormality is found, and record various attack attempts, behaviors or results. Intrusion Prevention System (IPS) turns passive into active. When abnormal network packets or behaviors are found, the system not only sends an alarm to inform the network management personnel, but also takes necessary measures immediately, such as blocking the source IP. IDS and IPS are collectively called IDP.
Virtual Private Network (VPN)	It is a point-to-point connection across private or public networks, using encrypted channel protocol to achieve private message security effects such as confidentiality, sender authentication and message accuracy. It can transmit reliable and secure messages over insecure networks.

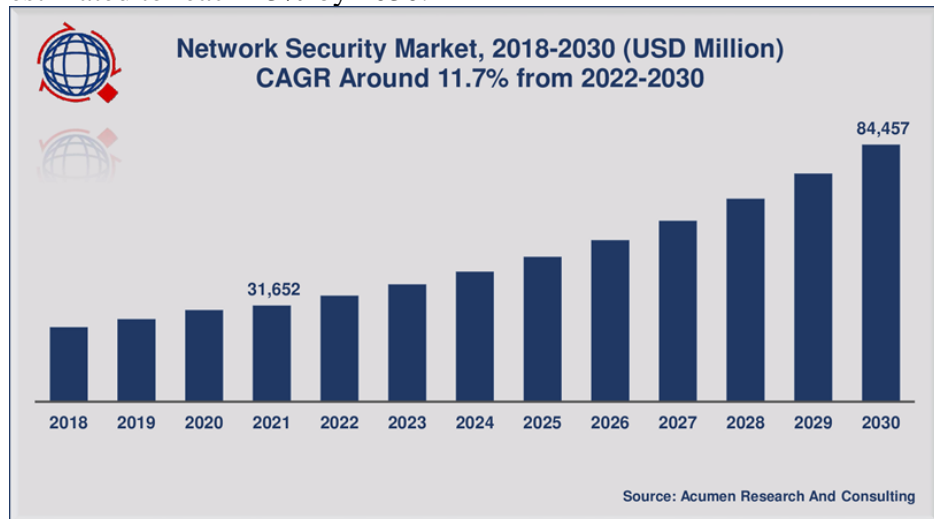
Data source: Summarized by the Company.

- (B) In recent years, the development trend of global information security is mainly divided into two industrial types: traditional information technology security (IT Security) and operational technology security (OT Security). In response to the protection needs of new attack modes, new information security solutions are provided. With automation and intelligence capabilities, they can reduce human intervention as response and judgment, thus improving accuracy and defense efficiency. The overall development continues to move towards three major trends: protection oriented integration (including integration of end, network and cloud and integration of IT and OT), fine evolution of defense function (adaptive active response mechanism and continuous detection and monitoring) and intelligent threat response (visual interface and replacing manual analysis with machine learning).
- B. Software-defined applications
- (A) Software-defined network is a rapidly emerging network architecture in recent years. It is designed to separate the Control Layer and the Data Layer of the network and make the control layer centrally control and manage the network, so as to realize programmable network and greatly improve the control flexibility and use efficiency of network resources to cope with the rapid growth and diversification of the network in the future. With the paradigm shift of software-defined network architecture, WAN infrastructure has been hardware to solve the networking mode for decades. For example, ISDN, T1/E1, Frame Repeater and MPLS service determine the specific hardware interface. Customer premises equipment (CPE), such as routers, firewalls and accelerators, deploy WAN services through these hardware interfaces. Usually, these facilities have their own physical blocks. As a result, traditional WAN services are complex and slow to develop, and are limited by expensive dedicated lines and a large number of Proprietary Box. By means of software definition, the WAN architecture of WAN becomes software and is spiritualized. Therefore, all the traditional technologies can be swept away and replaced by the virtual network function (VNF) run by software services running on general hardware. By using low-cost, high-

speed Internet services and combining these services with intelligent and cloud service infrastructure, corporate headquarters and branches can be linked together more effectively.

C. Market scale

According to Acumen Research And Consulting and related survey statistics, the hardware output value of the global network security market will reach US\$84.45 billion by 2030, with a growth rate of about 11.7%, of which the North American market accounts for the global network security market share nearly 36%. But the Asia-Pacific market scale cannot be ignored, and the compound growth rate is estimated to reach 13% by 2030.



(Source by: <https://www.globenewswire.com/news-release/2022/10/11/2532423/0/en/Network-Security-Market-Size-is-expected-to-reach-at-USD-84-457-Million-by-2030-registering-a-CAGR-of-11-7-Owing-to-Increasing-Level-of-Cybercrime-over-the-Globe.html>)

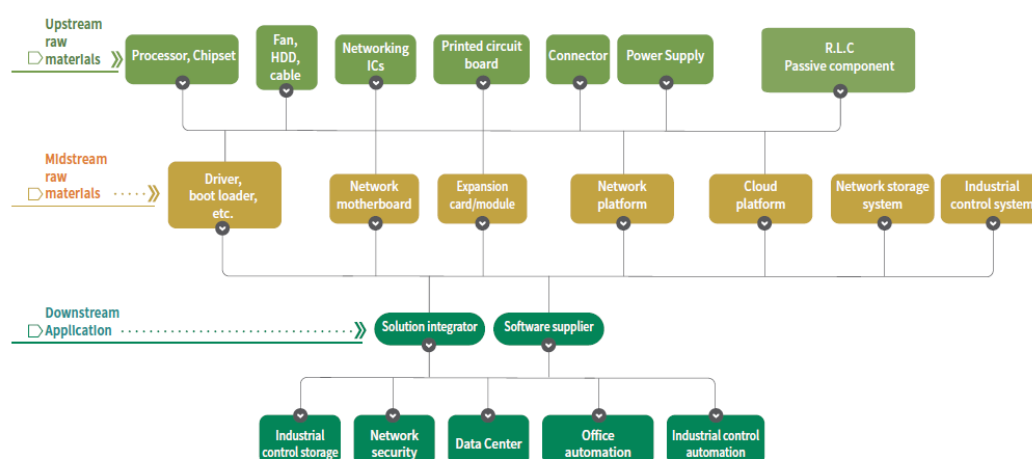
(2) Cloud application market

Cloud applications include storage and computing markets. Cloud storage generally refers to all services that store data in remote storage devices and provide users with access through the network; cloud computing is a highly flexible and extensible computing center, which can provide the applications that users need. With the development of cloud applications and the significant improvement of performance and networking speed of communication equipment, the concept of virtual management of computing resources is promoted, integrating storage, computing and internet into ready-to-use resources and resulting in a sharp increase in global data transmission and data volume. In addition, most of the systems that are still in use in the market are no longer able to meet the high computing power

demands of virtual technology and cloud computing. Relevant technologies of the network security application platform can provide relevant hardware support. Therefore, the vigorous development of cloud services not only heats up the market of storage equipment, but also generates high demand for network security equipment.

2. Relationship amongst up-stream, mid-stream, and down-stream of the industry

The up-stream of this industry is similar to general industrial or industrial computers, including key chips, industrial IC, connectors and related peripheral components, among which the most important key component is network IC. As a mid-stream business, the Company focuses on system platforms and proprietary drivers for customer applications that facilitate the rapid development of integrated all-inclusive solutions by our customers. Down-stream applications focus on network security, data center, and office automation. They are mainly sold by software suppliers to end enterprise users either alone or through solution integrators.



3. Product Development Trends

As cloud technology advances, enterprises are increasingly reliant on cloud services and virtualization. Initially, companies were only willing to move non-critical systems, such as email and websites, to the cloud. However, they have now begun migrating some critical systems to the cloud and even adopting a "cloud-first" IT strategy. The cloud has become the foundation of enterprise IT infrastructure.

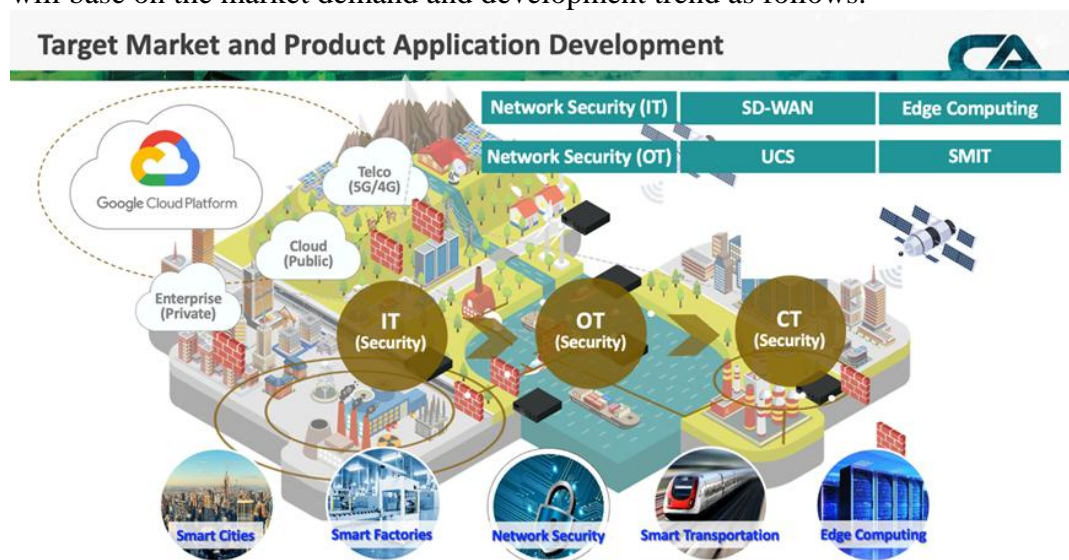
Secure Access Service Edge (SASE) has become one of the most popular topics in the IT industry in recent years. With the significant increase in cloud services, traditional network architectures have become a clear bottleneck in large cloud data centers. To enhance data transmission efficiency, simplify management, and

reduce energy consumption, the new generation of network architecture—Software-defined networking (SDN) and Zero Trust security solutions—has been integrated into cloud platforms. These provide secure connections between user endpoints and remote networks, ensuring the safety of data and application service access.

Major international companies are all fully committed to the development of their platforms. Based on the network security architecture for cloud applications, the Company collaborates with clients to integrate high-performance network bandwidth interfaces into servers that traditionally focus on performance and storage. This not only ensures the essential computing and storage functions required by cloud devices, but also enhances data security management and filtering through high-speed network bandwidth.

Additionally, with the rapid development of AI and the rise of applications related to the IIoT, cybersecurity software vendors have successively introduced products that utilize AI technology to enhance protection capabilities and convenience. This has led to a gradual increase in the demand for related products such as AI edge computing.

Overall, the target market and product application development of the Company will base on the market demand and development trend as follows.



Classification of Market Development Trends and the Company Layout

(Source: drawn by the Company)

4. Competition

At present, although the industrial (industrial) computer type belongs to a niche industry, compared with the general industry, industrial computers and general

electronic information and communication products have relatively different design methods, and there are many design considerations for customized services and product application environment. In addition, the production is small in amount and diversified in types, and the mass production modes of consumer information hardware are quite different. Therefore, other new entrants may not pose a threat to the existing industrial computer industry in a short period of time, but they may still affect the price of some products of industrial computers, causing certain impact.

Faced with the network transformation, many information providers are gradually stepping into the computer market in the industry, resulting in fierce competition in the market. Facing the fierce competition in the Network industry, the Company not only cooperates with the Group in the adjustment and optimization of procurement and production strategies to strengthen the flexibility of demand development for client products, but also strengthens and deepens the market for targeted vertical applications, and focuses on the provision of system products for solutions (such as network storage, smart grid, software-defined wide area network and other applications), so as to enhance the added value of products and strengthen core competitiveness, develop emerging markets and adjust the product mix through merger and acquisition and alliance programs, enhance the overall competitive advantage and widen the gap with other competitors.

(III) Technology and Research and Development

1. Technical level and research development of the operated business

The Company focuses on the research and development of network communication and information security systems and master relevant key technologies. The research and development of relevant technologies are as follows:

(1) Network information communication security Technology and System Integration Technology

With the rapid development of Internet and digital content, network communication security has become one of the most important system specifications for cloud computing and digital information transmission. Since its establishment, the Company has adhered to the spirit of independent research and development, striving for excellence and deeply cultivating technologies such as CPU computing power, communication

bandwidth, information storage, and system integration. Substantial resources have been invested in areas such as integrated application design for CISC/RISC CPU/NPU architectures, research on high-speed interface communication protocols, information packet encryption and decryption technologies, and data content compression and access, leading to remarkable results. These accomplishments have positioned the Company as a domestic leader in network communication security and remote monitoring management technologies.

To address the increasing demand for bandwidth and diversified networking technologies, in addition to existing Ethernet (including optical communication) and wireless networking technologies (Wi-Fi & LTE), the Company continues to expand its presence in telecommunications, broadband connections, and cable television network infrastructure. In the area of network communication security servers, industrial design has been integrated with system cooling, as well as energy-saving technologies, to provide a comprehensive system communication platform. This platform assists clients in rapidly integrating hardware and software, creating a more convenient and secure information security system for users. Network efficiency optimization technology and system diagnosis software.

- (2) Network efficiency optimization technology and system diagnosis software
The Company is dedicated to research on optimizing network transmission performance and the development of system diagnostic software. Through these efforts, it aims to establish core competitiveness for CASwell products and generate greater customer value.

Network system diagnostic software is a key element for performance optimization, enabling real-time monitoring of network conditions, identification of fault points, and performance bottlenecks. By monitoring network connections, traffic, and device statuses, the system assists administrators in performing diagnostics and maintenance, ensuring optimal network performance. These technologies are essential for the stable operation and continuous development of modern networks.

- (3) Solutions in vertical domain
To enhance customer service value, the Company provides comprehensive hardware and software solutions for network storage and smart grid products. In the software-defined product line, ecosystem collaboration is utilized to validate client-side network functions, and the solutions are promoted to telecommunications operators and system integrators.

Software-defined network vertical domain solutions provides customized network design and technical solutions according to specific application scenarios and requirements, ensuring efficient, stable, safe, and reliable network operations. Through strategic alliances with market system solution and software vendors, SDN client solutions are validated and promoted for applications across various vertical sectors.

- (4) Improving technologies-continuing to maintain the leading position in technology

Through the R&D team's dedicated efforts, the Company has earned strong customer trust in product development and quality control. In the product-oriented market for industrial and network security equipment, strengthening technological leadership through robust research and development capabilities remains a key focus of current development efforts.

- (5) Real-time customization-meeting customers' expectation of Time to Market
 In response to the advent of the low-margin era, the application of information technology has expanded from traditional computers to the communication and consumer sectors. The Company plans to establish a presence in key global regions to penetrate local markets, understand business dynamics and customer needs, and simultaneously strengthen partnerships with distributors in various locations.

2. Research and development expenses invested in the most recent year and the technologies or products successfully developed;

- (1) Research and development expenses invested in the most recent year

Unit: NT\$ thousand

Year	R&D expense	Sales revenue	R&D expenses / Sales revenue (%)
2023	251,714	4,082,437	6.17%
2024	270,608	4,253,669	6.36%

(2) Technology and Products Successfully Developed

A. New Product Development

Year	Product line	Product Innovation
2020	NSM	Rackmount appliances (CAR-4060 / CAR-5058) based on Intel's high-end Cascadelake-SP and Comet Lake series processors
	SDN	Desktop and fanless appliances (CAD / CAF series) based on Intel's Elkhart Lake and Ice Lake series processors
	ICA	Rugged appliance based on Marvell and MediaTek platforms
	Cloud computing server and switch	Rackmount Telecom Switches (CAR-5056) based on Intel's high-end Cascadelake-SP processor, Barefoot Switch and FPGA platforms
	Network Adapters & Modules	<ul style="list-style-type: none"> ● Acceleration module (NIP-70005) based on Intel® QuickAssist Technology (QAT) ● Remote management module (LOM-2600-000) based on the Aspeed AST2600 platform
2021	NSM	Rackmount appliances (CAR-2085 / CAR-5060 / CAR-6028) based on Intel's high-end Ice Lake-SP, Snow Ridge NS and AMD's high-end EPYC 7000 series processors
	SDN	Desktop and fanless appliances (CAF-0110/ CAF-026D) based on Intel's Elkhart Lake and Denverton Refresh series processors
	ICA	<ul style="list-style-type: none"> ● Rugged appliance based on MediaTek platforms ● Electronic Shelf Label (ESL) Gateway (CAG-0100)
	Cloud computing server and switch	Rackmount Telecom Switches (CAR-5056 MX) based on Intel's high-end Cascadelake-SP processor, Barefoot Switch and FPGA platforms
	Network Adapters & Modules	A trusted platform module (TPM-9672-000) based on the Infineon SLI9672 chip
2022	NSM	Rackmount appliances (CAR-2090/CAR-4070/CAR-4080) based on Intel's Comet lake, Raptor lake, and AMD's Ryzen 7000-AM5 series processors.
	SDN	Desktop and fanless appliances (CAF-0110/ CAF-026D) based on Intel's Elkhart Lake and Denverton Refresh series processors
	ICA	<ul style="list-style-type: none"> ● Rugged appliance based on MediaTek platforms ● Electronic Shelf Label (ESL) Gateway (CAG-0100) ● High-density 2U rackmount appliance with 96 independent GbE network ports (COS-2501) ● High-density industrial-grade wide-temperature fanless appliance (COS-2504)
	Cloud computing server and switch	Rackmount Telecom Switches (CAR-5056 MX) based on Intel's high-end Cascadelake-SP processor, Barefoot Switch and FPGA platforms
	Network Adapters &	<ul style="list-style-type: none"> ● A trusted platform module (TPM-9672-000) based on

Year	Product line	Product Innovation
	Modules	<p>Infineon SLI9672 chip</p> <ul style="list-style-type: none"> ● Remote management module(LOM-2600) supporting the IPMI protocol, based on the Aspeed AST2600 platform .
2023	NSM	Rackmount appliances (CAR-5070/CAR-6040/CAR-4071/CAR-2100, COS-G510) based on Intel’s Eagle Stream platform and Raptor Lake series processors
	SDN	<ul style="list-style-type: none"> ● Fanless appliances (CAF-0120/CAF-0121/COS-V700) based on Intel’s Alder Lake-N and Amston Lake series processors. ● Fanless entry-level router (CAX-0100) based on MediaTek platform
	ICA	<ul style="list-style-type: none"> ● High-density industrial-grade appliances with independent GbE network ports (COS-2509/COS-2511/COS-2514/COS-2517) ● Lite version of high-density 2U rackmount appliance with 96 independent GbE network ports (COS-2515)
	Cloud computing server and switch	COB-T504 ASM accelerator module card
	Network Adapters & Modules	Ethernet Network Adapter based on Intel’s Columbiaville and Fortville series Ethernet controller (NIN-83080/NIN-87040/NIN-84040)
2024	NSM	Rackmount appliances for edge computing (CAR-5071/CAR-6041/CAR-4071/CAR-2102/COS-G512) based on Intel’s Eagle Stream platform and Raptor Lake processors
	SDN	<ul style="list-style-type: none"> ● High-density desktop appliance with independent network ports (CAD-0122/CAF-0120/CAF-0121/COS-V700) based on Intel’s Alder Lake-N and Amston Lake processors ● Fanless entry-level router (CAX-0100) based on MediaTek platform
	ICA	<ul style="list-style-type: none"> ● Lightweight industrial-grade appliances (CAW-0123/CAW-0300) with independent GbE ports. ● EV Charging station gateway with independent GbE network ports (COS-Y100) ● High-density industrial-grade appliances with independent GbE network ports (COS-2511/COS-2514/COS-2517)
	Network Adapters & Modules	<ul style="list-style-type: none"> ● Ethernet Network Adapter (NIC-53021/NIN-84120) based on Intel’s Linkville Ethernet controller ● Ethernet Network Adapter (NIN-88022/NIN-A8020) based on Intel’s Connorsville Ethernet controller, featuring dual 100 GbE ports.

B. Technology development aspects

Patent title	Type	Jurisdiction of Application	Term of Validity
Smart automatic starting device	Invention Patent	Taiwan	2015.10.21~2033.08.01
The tray structure installed in the cabinet.	Utility Model Patent	Taiwan	2023.04.11~2033.01.09
Removable panel and frame for active interface card module extraction slot	Utility Model Patent	Taiwan	2024.01.11~2033.10.02
Switching device for PCIe signal sources from different processors on a circuit board's PCIe slots	Utility Model Patent	Taiwan	2025.03.11~2034.11.17

(IV) Long-term and short-term business development plan:

1. Short-term Business Plan

In response to the expansion of enterprise network security application requirements to EV charging station field/data processing unit (DPU) processors/AI load balancing applications/multiple wireless technologies (including LTE, Wi-Fi, and low Earth orbit satellites)/smart factories/government/ military, new information security management technologies and products have been developed and implemented. The full range of products has been completed and introduced to major domestic and overseas automobile manufacturers/ semiconductor factories/public tenders. They are expected to continue to expand into the product lines of existing customers, while focusing on developing new regional key customers, meeting their sales service needs, and utilizing the overseas secondary production base established due to the political dynamics between the United States, China, and Taiwan. This includes strengthening or expanding service bases and optimizing information management systems to meet the needs of customers' global operations/risk diversification and distribution flexibility for backup production bases outside Taiwan. On the other hand, efforts will be made to improve the sales share of regional customers, reduce the risks of performance fluctuations, and continuously develop new high-end, high-margin products to expand the customer base for new applications. Strategic niche products (including software and hardware integration solutions) are planned to increase customer sales competitiveness and revenue.

2. Long -term Business Plan

Due to the continuous hacking and ransom methods targeting high-capital precision factories worldwide, as well as the updates and iterations of factory

intelligence, ESG sustainability issues, information and communication technology, Internet of Things cloud infrastructure, big data utilization, artificial intelligence, various platform services, wireless mobile communication, and the booming development of rural digitalization in third-world countries, the Company is dedicated to developing new-generation products and providing fast and professional services to realize our corporate vision of enriching users' lives through our technology and services.

With the continuous growth of network economic activities and platform service demand, global telecom operators and network service providers have planned and formulated 5G wireless communication, and began to actively invest in research and development resources, among which the related technologies of wireless network communication, such as Secure Access Service Edge (SASE), which evolved from Software-Defined Networking (SDN), Network Function Virtualization (NFV), Centralized Wireless Access Network (C-RAN), Centralized/Cloud Radio Access Network and Mobile Content Delivery Network, will be more widely used in information and communication infrastructure to cope with and optimize the bandwidth of wireless transmission. The application and development of these related technologies is the stage for the Company to continuously develop new products and provide services. Additionally, regarding the integration project for electronic labeling systems in retail, efforts will be further deepened to expand sales regions and revenue. Beyond hardware and firmware products and services, collaboration with software partners will focus on launching cybersecurity solutions targeting Asian markets. This approach aims to diversify revenue streams and drive corporate transformation.

Based on the development and application of the network, the Company expands and develops applications related to cloud computing and edge computing, and continues to develop towards sustainable development and happy business operation through continuously accumulating and innovating core capabilities of software and hardware research and development, providing accurate, safe and fast services for digital life, and making economic activities and multimedia streaming on the network richer and safer.

II Analysis of market and production and marketing situation

(I) Market analysis

1. Major product and service sales regions — Domestic and Export markets

Unit: NT\$ thousand

Sales region \ Year		2023		2024	
		Amount	%	Amount	%
Export	Asia	1,910,793	46.81%	1,973,159	46.39%
	America	1,161,392	28.45%	1,137,216	26.73%
	Europe	584,589	14.32%	635,471	14.94%
	Others	320	0.01%	9,901	0.23%
Domestic		425,343	10.41%	497,922	11.71%
Total		4,082,437	100.00%	4,253,669	100.00%

2. Future market supply, demand, and growth potential

Cloud applications provide users with more convenient computing and storage services. In addition, the popularity of mobile broadband and handheld devices have driven not only the demand for high-speed broadband infrastructure development, but also the continuous upgrading of network technology and cybersecurity. With the increasing threats posed by computers and the growing awareness of information security among users, the cybersecurity market is experiencing rapid growth. Global institutions are continuously increasing their budgets for security solutions, prompting vendors of network communication security products to develop more diversified applications and solutions to meet diverse needs.

As information security issues continue to evolve, telecommunications network operators are investing more resources in the research of emerging cybersecurity technologies and technical standards. This includes mastering key technologies such as cloud, virtual, and mobile cybersecurity protection, enhancing the capability for integrated analysis of cybersecurity threats, and applying these technologies to network security system platforms and related software to establish a comprehensive information security environment.

In recent years, driven by the transformation of network architecture and the development of the Internet, coupled with the promotion of network virtualization and software-defined technologies, various emerging applications have sprung up like mushrooms after the rain, including general communication devices such as Software-Defined Wide Area Networks (SD-WAN). The Industrial Personal Computer (IPC) industry maintains a relatively high outsourcing ratio due to the effects of industrial clustering and possesses continuous growth potential. Compared to general commercial computers, IPCs are characterized by high customization and a low-volume, diverse production. Furthermore, system vendors, value-added resellers, and related multinational

corporations are increasingly outsourcing production to reduce overall costs. This trend is driving the growth of the IPC sector, resulting in a promising market outlook characterized by strong demand and growth potential.

3. Competitive advantages

In addition to the foundation of central processing technology, the Company has accumulated more than 13 years of experiences in Ethernet processing performance and bandwidth integration technology. Therefore, in recent years, the Company has continuously strengthened the core of self-competition, continuously cooperated with international manufacturers, and actively developed and matched the new generation of network equipment needs such as big data and cloud.

(1) Excellent product quality

The stability and reliability of product quality are the most fundamental and important requirements of customers. The Company possesses extensive experience in the R&D and improvement of product technologies in the field of network security equipment, with a clientele that includes major corporations from Europe, the U.S., and Japan. To earn the trust of customers, principles of maintaining stable quality are consistently upheld and practiced. The Company continues to lead in hardware technologies such as by-pass functionality, 200G QSFP56 networking, and both x86 and non-x86 chipsets. Furthermore, CASWell is the first among domestic peers to invest substantial human resources in software technologies, specifically in IPMI remote management and PQUA automated testing. Compared to competitors, the Company is able to comprehensively meet customer needs in product design, development, and quality, establishing a solid competitive advantage.

(2) Complete product mix

The Company offers a wide range of product categories, including network security, cloud applications, and on-premises platforms. Options at high, medium, and low tiers are also offered to meet diverse customer need. Furthermore, the Company continue to enhance the diversity of its networking technologies, including Ethernet (1GE-200GE), xDSL, GPON, wireless Wi-Fi, 4G LTE, and 5G data modules, to fully meet market demands.

(3) Strong R&D strength and technical level

The Company has been deeply committed to product research and development over the long term. In particular, the R&D department is

comprised of highly experienced professionals specializing in electronics, software, mechanics, and systems, and has successfully secured multiple patents. Through years of collaborative R&D with clients, the Company has also accumulated extensive industry knowledge and continuously enhanced R&D capabilities to create more competitive products.

(4) Excellent management team

The Company's management possesses extensive operational experience in the industry. Key executives bring expertise in research and development, sales, and management, working together with exceptional synergy. Furthermore, executives' management philosophies are aligned, allowing for the effective guidance of the Company towards stable development.

4. Positive and negative factors relating to future development

(1) Advantages

A. The vigorous development of network applications and the importance of information security

The vigorous development of Internet application has been widely accepted by consumers, and has influenced the lifestyle and style of human beings. Consumers can obtain rich and real-time information on the Internet to bring convenience to life. With scientific and technological progress and complete system construction of the Internet, new applications and opportunities have obvious spillover effects with the increase of users. As a result, users pay more attention to information security, which will drive the growth of network security equipment market.

B. Good relationship with downstream customers

The Company is committed to the R&D and sales of network communication and information security systems. Its marketing and R&D teams have invested in Network for a long time, and accumulated rich experiences in network security application platform. With a deep understanding of the industrial interpersonal network and customer product project development needs, it has established close cooperation with customers for a long time. With strict quality control and timely delivery, the Company has become the best partner of major international manufacturers. Moreover, the Company not only maintains the relationship with its original customers, but also wins the favor of new manufacturers with its excellent service quality.

Therefore, the strong and stable customer relationship has become the foundation for the stable revenue source of the Company.

C. Network in Taiwan has mature industry and complete supply chain

The upstream, middle and downstream supply chains of Network industry in Taiwan are complete. Besides, combined with the previous mature technology of integrating with local equipment of major telecom companies in Europe and America, the Network industry in Taiwan has high output elasticity, strict cost control and rapid response capability, with considerable competitive advantages in the international Network industry market. In addition, the network security platform industry in Taiwan is mainly composed of small and medium-sized enterprises. Compared with other international companies, whose production and sales are carried out by independent departments, it has the advantages including concentrated resources and focusing on development, which accelerates the growth of network security platform industry in Taiwan.

(2) Negative factors

A. Due to the damage to price caused by new manufacturers, the gross profit of products is affected

Response:

Since network security equipment emphasizes the requirement for reliability and quality stability, price is not the only factor considered by customers, and only low-cost and entry-level models have price pressure. Therefore, the Company provides customers with diverse product combinations, actively participates in the design and provision of concept platforms, and uses value-added services such as technology leadership and collaborative development to improve the industry entry threshold, so as to maintain the competitiveness and overall gross profit of the Company.

Through the integration and accretion of software and hardware systems, as well as the collaborative verification of software partner schemes, the Company builds an ecosystem to enhance the overall competitiveness.

B. Inventory pressure on customer logistics services

Response:

- The Company controls the inventory of distribution service logistics center through information platform, so as to achieve

automatic inventory deduction while customer picking up goods. In addition, it properly manages the purchase schedule according to forecast orders, leaving raw materials and semi-finished products in the hands of suppliers, and then purchasing goods when assembly is needed. In this way, the Company reduces the backlog of the Company funds caused by the inventory of distribution service logistics center. Moreover, the Company also holds regular production and sales meetings to strictly control the inventory, thus effectively shortening the cash flow cycle.

C. Exchange rate risks

The sales of the Company are mainly quoted in USD, and the collection is affected by the fluctuation of international exchange rate, which in turn affects the sales and gross profit of our products.

Response:

- The Company fully grasps the trend of exchange rate changes, sells products at an appropriate time to reduce exchange risk, takes account of the impact of exchange rate fluctuations on the selling price in quotation, pays in USD for domestic manufacturers making quotation in USD to reduce the exchange risk of conversion into Taiwan dollars, and conducts relevant foreign exchange hedging operations when necessary, depending on the position of foreign currency.

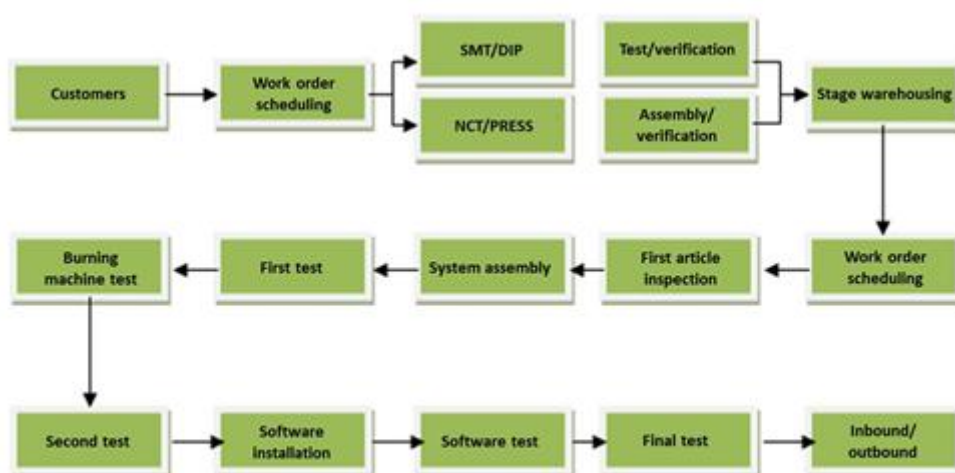
(II) Usage and manufacturing processes for main products

1. Key applications of the primary products

Major products	Product Applications
NSM	<ul style="list-style-type: none"> ● Network security: UTM, VPN, antivirus, firewall, IDS/IPS, DDoS and content filtering. ● Network management: network load balancing, reliability, availability and serviceability, bandwidth management, wireless gateway, etc.
SDN	<ul style="list-style-type: none"> ● Customer Premises Equipment (SD-WAN/uCPE/vCPE): networking communication equipment with transmission independence, intelligent path control, security, automatic configuration and increased traffic. ● Telecommunications communication equipment (SDN/NFV/MEC/vRAN): providing software-defined communication equipment and network function virtualization server required by the

Major products	Product Applications
	telecommunications field, as well as communication equipment required by edge computing.
ICA	<ul style="list-style-type: none"> • Network appliances tailored to the needs of large-scale industrial environments within the industrial sector. • Integrated hardware and software solutions for the smart grid sector.
Cloud computing server and switch	<ul style="list-style-type: none"> • High-end cloud storage server, router and SDN switch. • Hyper-converged Infrastructure(HCI) system
Others	<ul style="list-style-type: none"> • Services related to components, raw materials trading and processing.

2. Production process of the primary products



(III) Supply for the major raw materials

Major materials	Source of supply	Supply situation
CPU	Taiwan	Stable
PSU	Taiwan	Stable
Chassis	Taiwan	Stable
PCB	Taiwan	Stable
Memory	Taiwan	Stable
Storage	Taiwan	Stable

(IV) Major vendors

1. Name of the supplier accounting for more than 10% of the net purchase in any one of the most recent two years, and the amount and ratio of the purchase, and the reasons for the increase or decrease

Unit: NT\$ thousand

Item	2023				2024			
	Name	Amount	%	Relationship with the issuer	Name	Amount	%	Relationship with the issuer
1	The Company A	283,144	14.56%	—	The Company A	690,160	20.80%	—
2	Company B	148,776	7.65%	—	Company B	379,722	11.45%	—
3	Others	1,512,737	77.79%	—	Others	2,247,440	67.75%	—
	Net purchase	1,944,657	100.00%	—	Net purchase	3,317,323	100.00%	—

Description of changes in increase and decrease:

This adjustment was made in response to changes in customer supply and demand, in alignment with the Company's operational and procurement strategies, resulting in an increase in purchase amounts compared to the same period last year.

- Name of the supplier accounting for more than 10% of the net sales in any one of the most recent two years, and the amount and ratio of the sales, and the reasons for the increase or decrease

Unit: NT\$ thousand

Item	2023				2024			
	Name	Amount	%	Relationship with the issuer	Name	Amount	%	Relationship with the issuer
1	Company A	778,657	19.07%	—	Company A	1,153,119	27.11%	—
2	The Company B	464,299	11.37%	—	The Company B	392,100	9.22%	—
3	Others	2,839,481	69.56%	—	Others	2,708,450	63.67%	—
	Net sales	4,082,437	100.00%	—	Net sales	4,253,669	100.00%	—

Description of changes in increase and decrease:

Changes in sales amount and ratio between this year and the previous year are mainly caused by increases in customer product demand.

III Employees information

March 31, 2025

Year		2023	2024	2025 as of March 31
Number of Employees	Employees	398	406	397
	Machine Operators	49	44	43
	Total	447	450	440
Average Age		40.1	40.8	41.13
Average Service Year		5.57	6.15	6.4
Education Distribution	Doctoral Degree	0.46%	0.44%	0.45%
	Master's Degree	14.32%	15.11%	15%
	Junior College (including work-study students)	70.92%	70.22%	71.36%
	Senior High School	11.41%	11.11%	10.68%
	Below Senior High School	2.91%	3.11%	2.5%

IV Environmental protection expenditure

(I) For the most recent year and up to the date of publication of the annual report, losses incurred from environmental pollution (including compensation and violations of environmental laws and regulations as a result of environmental protection inspection, the date of punishment, punishment number, provisions of laws and regulations violated, contents of laws and regulations violated, and contents of punishment should be specified), and the estimated amount and corresponding measures that may occur now and in the future should be disclosed. If it is not possible to make a reasonable estimate, the fact that it cannot be reasonably estimated should be stated: None

(II) Environmental protection policy

The Company is engaged in the research and development, manufacturing, sales and service of internet-communication related computers and peripheral products. The manufacturing process is mainly based on material assembly, which is a pollution-free industry. The Company is committed to continuously improving environmental performance, carrying out green management in three aspects including green design, green procurement and green manufacturing, developing green products, maintaining ecological environment, saving energy, strengthening resource recovery and reuse, and fulfilling social responsibilities.

Green design: to design products convenient for Reuse, Recycling and Recovery and conforming to WEEE, reduce the environmental pollution caused by waste, and strive to comply with the guidelines of harmful substances.

Green procurement: to give priority to suppliers who can provide test reports and self-declaration documents that meet environmental protection requirements, and ensure that the purchased materials meet the requirements of green products and RoHS.

Green manufacturing: to produce products by more environmentally friendly manufacturing processes, such as lead-free and mercury-free processes.

The Company has imported ISO14001 environmental management system in 2010, and has passed the certification continuously since 2011. It strictly implements the following environmental safety and health policies to pursue the goal of sustainable operation.

Promote green projects and educate on energy saving and carbon reduction

Implementing risk controls to reduce occupational hazards

Provide a friendly environment and promote physical and mental health

Follow laws and regulations and advocate continuous improvement

Fulfill social responsibility and strive for full participation

V Labor relations

(I) Employee benefit plans, continuing education, training, and retirement systems and the status of their Implementation, and the Status of Labor-management Agreements and Measures for Preserving Employees' Rights and Interests

1. Employee Benefits.

The Company has established employee welfare committees according to law, selected members of the welfare committee to handle various welfare measures, and worked out annual budgets and plans every year, so as to make reasonable and effective use of employee benefits.

In addition to the basic labor insurance and health insurance for each employee, the Company also insures all-round group insurance for each employee, such as injury insurance, medical insurance, cancer insurance, and business trip and travel insurance.

The Company has set up nursing (collection) room for female employees in the factory. In terms of parenting, it has signed nursery service contracts with well-

known chain cultural and educational institutions, so that employees have no family considerations at work.

The Company arranges nurse practitioner and doctors to provide health management planning and personal health consultation services for employees every month.

Each employee is entitled to a birthday bonus, marriage bonus, childbirth bonus, funeral condolence bonus, and talent referral bonus for the current month's birthday. As years of service increase and skills improve, the Company provides incentives such as patent creation bonuses, long-service bonuses and honorary leave to encourage employees to grow with the Company over the long term.

Provide a variety of welfare measures to allow employees to relieve stress and tension during work. The Company premises are seasonally decorated in celebration of festive holidays, and regular events such as year-end banquets and spring gatherings are held to foster employee engagement.

The Company specially invites manufacturers to offer the preferential related to the goods purchased by the employees from time to time. Employees can enjoy special discounts at special stores with employee identification cards.

The Company provides freshly ground coffee, cookies and snacks free of charge for employees; massage chairs are also offered for employees' enjoyment.

If an employee requires an extended leave of absence due to reasons such as childcare, serious illness, or major incidents, they may apply for unpaid leave of absence based on their actual needs. After the leave period expires, they may then apply for resumption of duty, in order to balance personal and family caregiving needs.

Organize an annual Family Day to allow employees and their families to participate in the Company-wide activities, taking care of each colleague and fostering stronger bonds within each happy family.

Provide departmental meal subsidies to improve morale and encourage teamwork and cooperation.

2. Continuing education, training and implementation status

The Company sends its staff for training from time to time or participates in study in relevant academic institutions, and regularly organizes internal education training and technology sharing to upgrade the skills of employees, thus creating the overall benefits of the Company and employees.

3. Retirement system and implementation status

In accordance with the provisions of the Labor Pension Act, the Company contributes 6% of the employee's insured salary level each month. Additionally,

for those who voluntarily contribute to their pension, the contributions are deducted from the employee's monthly salary based on the voluntary contribution rate and are remitted to the employee's individual pension account at the Bureau of Labor Insurance.

In 2024, an amount of NT\$9,578 thousand was allocated to the special account for employees' personal retirement.

4. Agreement on labor and management and various measures for safeguarding employees' rights and interests

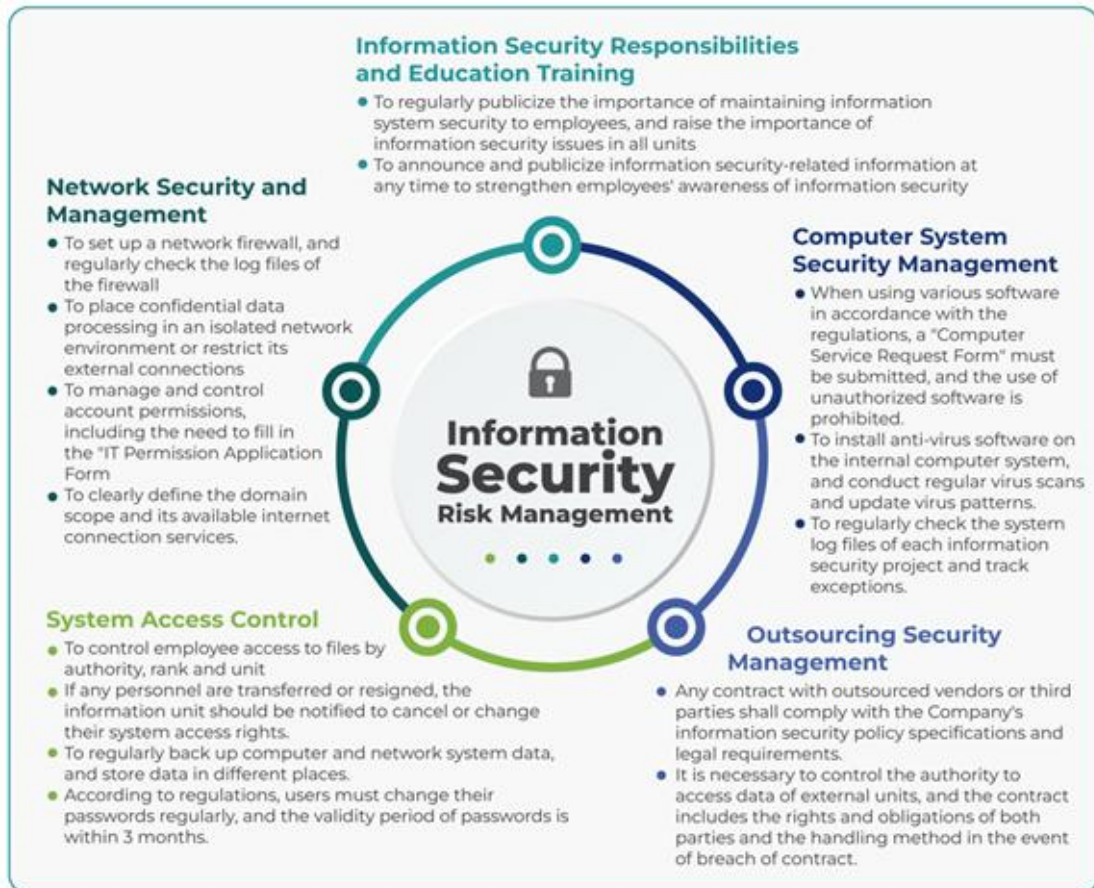
There are neither labor disputes nor losses incurred since established so far. In the future, the Company will continue to strengthen the communication between labor and management and welfare measures to eliminate possible disputes.

- (II) Losses suffered by labor disputes in the most recent year and up to the publication date of the annual report (including the violation of the Labor Standards Law by the labor inspection results, the date, name, contents and contents of punishment shall be specified), and the estimated amount and countermeasures that may occur at present and in the future should be disclosed. If it is impossible to estimate reasonably, the fact that it cannot be estimated reasonably should be stated: None

VI Information Security Management

- (I) Information Security Risk Management Framework

The Information Department managed by the General Management Center is responsible for coordinating matters related to information security, and the Audit Office formulates relevant internal control procedures to manage and conduct regular internal audits.



(II) Information Security Policy

1. Purpose

To maintain the Company's overall information security environment, to strengthen the security management of various information assets, and to establish a convenient and safe electronic work environment for the purpose of ensuring the security of data, systems, equipment and networks.

2. Scope

The Company's scope of information security management includes the various information assets (including software and hardware equipment) of the Company and the information users, such as permanent employees, temporary employees, contract employees, external vendors and other persons authorized to use the information assets.

3. Information Security Goals

It comprehensively considers the importance and the value of each information asset and the extent to which it affects and harms the Company's business, resulting from the improper use of the Company's information properties, data leakage, malicious tampering, damage, etc., due to risks of human negligence, intentional or natural disasters and others so that it adopts the security measures of management, operation and technology which are commensurate with the value of information assets and cost-effective. The Company is able to avoid improper use or deliberate destruction of information systems by internal and external personnel or it can respond quickly to reduce the economic damage and operation interruption that may be caused by information security incidents when information security incidents occur.

4. Information Security Management Measures

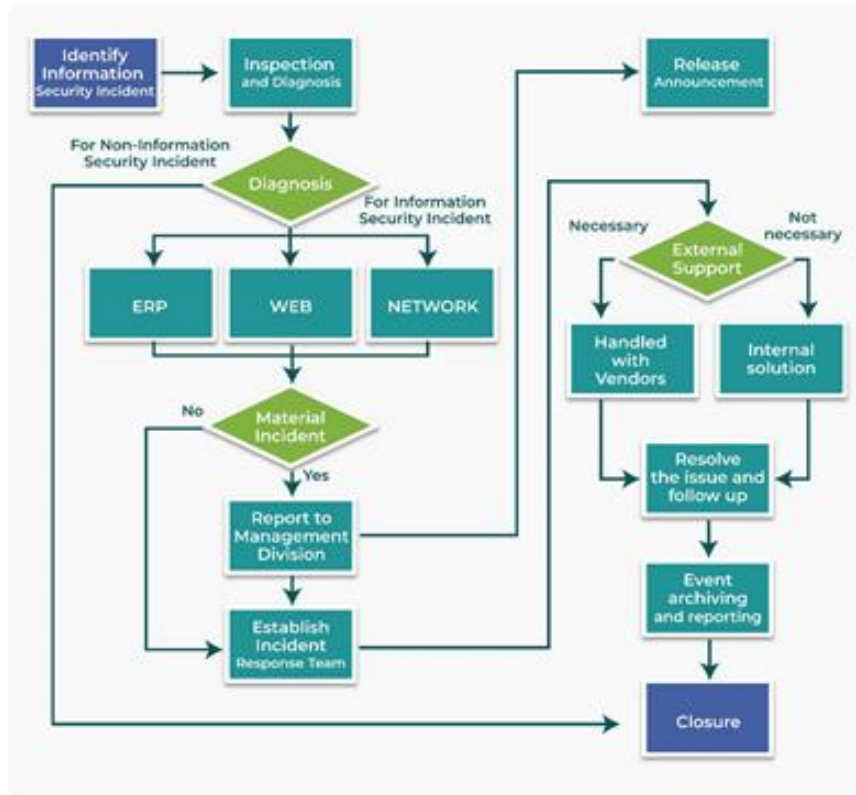
- (1) Personal information should be handled prudently in accordance with the Personal Data Protection Act.
- (2) Passwords should be created, anti-virus software should be installed, and virus patterns should be updated regularly to both personal computers and servers.
- (3) Personal computer equipment should also be managed to ensure that the software installed is legally authorized to comply with relevant regulations on intellectual property right.
- (4) Important data should be backing up, and the backup validity of the data should be checked regularly.
- (5) Disaster recovery plans should be planned to quickly restore system operations in the event of information security incidents.
- (6) Information security awareness campaigns should be carried out on a regular basis and the colleagues' information security awareness and legal concept should be strengthened.

(III) Specific Management Plan

Category	Description	Description
ISO27001	Introduction	Completed the import of ISO27001 in 2023.
Network Information Security	Participation	Joined the CISO Alliance in 2023
Organization	Establishment	Set up two dedicated information security personnel in 2023

Category	Description	Description
Internet Information Security Control	External intrusion prevention	Firewall set up
		Virus scans regularly performed on computer systems and data storage medium.
		Regularly reviews of various network service items and abnormal situations tracking.
Data Access Control	Data breach prevention	Computer equipment should be kept by special personnel with user accounts and passwords created which can give different access rights according to the job functions.
		The original authority of the relocated employees is cancelled.
		Confidential, sensitive information and copyrighted software should be removed or overwritten before the equipment is scrapped.
		Remote access management information systems should be properly approved.
Strain Recovery Mechanism	Data backup and related inspections	System recovery drills are conducted on an annual basis.
		The system backup mechanism is established, and the off-site backup is implemented.
		Computer network security controls are reviewed regularly.
		Information security information is publicized at any time, and employees' awareness of information security is enhanced.
		Cyber safety inspections are carried out periodically every year.
		Emergency response plans are reviewed regularly.

(IV) Information Security Incident Reporting Procedures



(V) Information Security Management Resource Investment

The Company continues to invest resources in information security and personal data protection related matters, and the matters of the resource investment include the following:

1. Information security conferences and educational training:
 - (1) At least once a month, department meetings are held to discuss and share external cybersecurity incidents. In 2024, a total of 14 meetings were held.
 - (2) Employees receive cybersecurity education and training at least annually. Employee cybersecurity education and training was completed by August 2024.
 - (3) Increase employee awareness of information security by promoting it to colleagues through meetings, bulletin boards, and the Company website. Encourage caution when opening suspicious data and emails to prevent social engineering attacks.
2. Enhance the security infrastructure from both governance and technical perspectives:

- (1) In response to the frequent occurrence of cybersecurity incidents in recent years in both private enterprises and public sectors, the Company joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) in 2023 to enhance our cybersecurity measures and continue to monitor and update major information released by the organization.
 - (2) Two dedicated information security personnel have been appointed, including one Chief Information Security Officer and one information security staff member. In 2024, they participated in a cybersecurity video training course for publicly listed companies and obtained relevant training certifications. The course covered topics such as information security awareness, essential knowledge and responsibilities, cybersecurity incidents and preventive measures, and Guidelines for Information Security Control for Publicly Listed Companies.
 - (3) In July 2023, the Company obtained ISO-27001 certification and continues to conduct internal audits as well as verifications with external auditing entities to maintain the validity of the certification.
3. Strengthening Information Security Defense Equipment:
- In 2024, a total investment of NT\$640,000 was allocated for the annual maintenance of bandwidth load balancer equipment, firewall equipment, antivirus software, and the setup of Intrusion Prevention Systems (IPS) and Intrusion Detection Systems (IDS) using proprietary equipment.
- (1) Update security devices such as firewalls, IPS, antivirus software, etc. in a timely manner to optimize protection.
 - (2) Information systems undergo regular security updates, and major information systems undergo annual vulnerability scanning and patching.
- (VI) During the most recent fiscal year and up to the date of this annual report, there have been no significant losses, potential impacts, or actions taken as a result of major information security incidents that cannot be reasonably estimated.

VII Major agreements

In addition to the ordinary course of business, the following significant contracts are still in effect at the date of this annual report

Nature of the Contract	Contract Party	Contract Period	Main Contents of the Contract	Restrictions
Long-term Loan Agreement	Taiwan Land Bank	From March 20, 2023 to March 20, 2043	Mortgage Loan Agreement	As Agreed Upon in the Contract



Chapter 5 Review and Analysis of Financial Status and Financial Performance and Risk Matters

I Financial Status

Unit: NT\$ thousand

Item \ Year-end	2023	2024	Difference	
			Amount	%
Current assets	3,410,527	3,676,894	266,367	7.81
Property, plant and equipment	767,718	784,767	17,049	2.22
Intangible assets, net	346,997	338,026	(8,971)	(2.59)
Other Assets	901,289	866,412	(34,877)	(3.87)
Total Assets	5,426,531	5,666,099	239,568	4.41
Current liabilities	980,208	1,171,751	191,543	19.54
Non-current liabilities	859,810	818,364	(41,446)	(4.82)
Total Liabilities	1,840,018	1,990,115	150,097	8.16
Share capital	733,485	733,485	0	0.00
Capital surplus	1,445,196	1,445,196	0	0.00
Retained earnings	1,275,770	1,398,798	123,028	9.64
Other Equity	132,062	98,505	(33,557)	(25.41)
Total Equity	3,586,513	3,675,984	89,471	2.44

Explanations for significant changes (greater than 20% and reaching NTD 10 million between the two periods):

1. Current liabilities: Primarily due to increased purchases in response to rising order demand, resulting in an increase in accounts payable.
2. Other equity items: The decrease in non-controlling interests is due to the poor performance of the invested business.

II Financial Performance

(I) Comparative analysis of operating results

Unit: NT\$ thousand

Item \ Year	2023	2024	Difference	
			Amount	%
Sales revenue	4,082,437	4,253,669	171,232	4.19
Operating Costs	3,088,923	3,239,943	151,020	4.89
Gross Profit	993,514	1,013,726	20,212	2.03
Operating Expenses	615,606	679,404	63,798	10.36
Operating Profit	377,908	334,322	(43,586)	(11.53)
Non-operating income and expenses	31,744	83,250	51,506	162.25
Profit before income tax	409,652	417,572	7,920	1.93
Income Tax	88,374	86,607	(1,767)	(2.00)
Net Profit	321,278	330,965	9,687	3.02
Other comprehensive income (loss) for the year	(13,426)	(19,589)	(6,163)	45.90
Total comprehensive income for the year	307,852	311,376	3,524	1.14
Analysis of changes (greater than 20% and reaching NT\$10 million between the two periods):				
1. Non-operating income and expenses: Primarily recognized exchange gains due to fluctuations in the USD exchange rate.				

(II) Expected sales volume and its basis, the possible impact on the Company's future financial business and the response plan

Based on industry trends, the future development of new markets and the Company's M&A policy, and taking into account the operating targets established by the operating profiles over the years, we expect sales volume to maintain a growth trend in the coming year.



III Analysis cash flows

(I) Cash flow analysis for the most recent year

Unit: NT\$ thousand

Year	2023	2024	Variance
Operating activities	1,040,966	50,479	(990,487)
Investing activities	(640,770)	(54,127)	586,643
Financing activities	(389,677)	(195,815)	193,862
Notes to increase/decrease in cash flow:			
1. Operating activities: Net cash outflow from operating activities increased compared to the previous period, primarily due to higher procurement in response to the rise in order demand.			
2. Investing activities: In 2023, the net cash outflow from investing activities increased due to the purchase of an office building. There were no similar capital expenditures during 2024.			
3. Financing activities In 2023, the net cash outflow increased due to the acquisition of an office building through new long-term borrowing, the leasing of another property to obtain usage rights, and the repayment of corporate bonds upon maturity. There is no similar financing requirement during 2024.			

(II) Improvement plans for liquidity shortage

There was no shortage of cash in the Company.

(III) Liquidity analysis for the coming year

The Company expects that the revenue to grow steadily in the coming years and the receivables will be collected in good condition, so there should be no shortage of cash flow.

IV Major capital expenditure for the most recent year and its effect on financial position and operation of the Company: None.

V The Company reinvestment policy for the most recent fiscal year, main reasons for profits/losses generated thereby, plan for improving reinvestment profitability, and investment plans for coming year

(I) Reinvestment policy for the most recent year

In accordance with the "Guidelines for the Processing of Acquisition or Disposal of Assets by Public Issuing Companies" stipulated by the competent authorities, the Company has formulated the "Procedures for Acquisition or Disposal of Assets",

which serves as the basis for the Company's reinvestment undertakings to grasp the relevant business and financial conditions. To enhance the supervision and management of the reinvestment companies, the Company has also formulated "Measures for Subsidiary Monitoring and Management" in its internal control system to stipulate relevant norms for information disclosure, finance, business, inventory and financial management. The Company also regularly carries out audit operations and establishes relevant operational risk mechanisms to maximize the effectiveness of the Company's reinvestment undertakings.

(II) Major reasons for profit or loss of reinvestments and improvement plan:

Unit: NT\$ thousand

Explanation	Recognized Investment Gain or Loss in 2024	Main reasons for profit or loss	Improvement plan	Other future investment plans
CASO, Inc.	26,583	Operational status is good	—	Subject to operational status
Caswell International Investment Co., Ltd.	(31,841)	Due to the impact of the overall economic environment, Beijing CASwell, a subsidiary investment the Company, incurred operating losses	Adjust material preparation mode to improve cost structure and allocate product development resources to pursue revenue growth opportunities	Subject to operational status
Beijing Caswell Ltd.	(31,797)	Affected by the overall economic environment, market demand has declined.	Adjust material preparation mode to improve cost structure and allocate product development resources to pursue revenue growth opportunities	Subject to operational status
Caswell Americas, Inc.	(7,942)	Affected by the overall economic environment, market demand has declined.	Planning and development of other value-added services	Subject to operational status
APLIGO GmbH	(15,687)	Affected by the overall economic environment, market demand has declined.	Planning and development of other value-added services	Subject to operational status
HAWKEYE TECH, CO., LTD	23,782	Operational status is good	—	Subject to operational status



(III) Investment plans for the next 12 months:

The Company will carefully evaluate the investment plans in a long-term strategic way to respond to future market demand and strengthen its competitiveness.

VI Risk management and evaluation

(I) Effect on the Profit (Loss) of Interest and Exchange Rate Fluctuations and Changes in the Inflation Rate, and Response Measures to Be Taken in the Future

1. Interest rate change

Unit: NT\$ thousand

Year	2023	2024
Item		
Net Interest Income (Expense)	(7,756)	(9,844)
Net income before income tax	409,652	417,572
Ratio to net income before income tax	(1.89)%	(2.36)%

The Company's interest expense was amortized due to the bank loan of operating turnover and the interest of issuing convertible corporate bonds. The net interest income (expense) in 2023 and 2024 was NT\$(7,756) thousand and NT\$(9,844) thousand respectively, accounting for (1.89)% and (2.36)% of the net profit before tax in each year, with a small ratio. In addition, to avoid the impact of interest rate fluctuations on the Company's capital cost, the Company maintains a good relationship with banks to obtain a more favorable financing interest rate, and keeps an eye on the impact of interest rate changes in financial markets on the Company's capital allocation, so interest rate changes should not have a significant impact on the Company.

2. Exchange rate

Unit: NT\$ thousand

Year	2023	2024
Item		
Net exchange gain (loss)	(5,831)	26,505
Net income before income tax	409,652	417,572
Ratio to net income before income tax	(1.42)%	6.35%

The net (losses) gains of the Company in 2023 and 2024 were NT\$(5,831) thousand and NT\$26,505 thousand respectively, accounting for (1.42)% and 6.35% of the net profit before tax in each year. Due to the high proportion of the Company's export, the exchange rate changes have a certain impact on the Company's revenue and profit. Therefore, the management of the Company pays

close attention to the exchange rate trends and strengthens the management of exchange rate fluctuation risks. The relevant measures taken are as follows:

- (1) The Company opens a foreign currency deposit account to manage the foreign exchange position. The special staff of the Finance Department keeps in touch with financial institutions according to the daily foreign currency balance and the weekly capital forecast table, and according to the international political and economic situation, so as to collect real-time exchange rate information and fully grasp the exchange rate fluctuation trend. In addition to keeping certain foreign currency according to the foreign currency capital demand, the rest will be sold at an appropriate time to reduce the exchange risk.
- (2) The Company's Business Department has considered the influence of exchange rate fluctuations on the sales price when making quotation, and adjusted the product price by measuring the changes in the exchange rate, ensuring the reasonable profits of the Company's products.
- (3) As the Company mainly sells goods for export, it directly repays the purchase price of raw materials or commodities in foreign currency generated from sales, so as to reduce the impact of exchange rate changes (although the Company mainly gives priority to domestic purchases, some of them are denominated and paid in foreign currency) and achieve the effect of natural hedging.
- (4) Depending on the position of foreign currency, the Company will engage in relevant foreign exchange hedging operations in accordance with the "Procedures for Disposal or Acquisition of Assets" when necessary.

To sum up, the Company should take appropriate measures to control the exchange rate risk, which could effectively reduce the impact caused by exchange rate changes.

3. Inflation

In order to prevent international raw material prices from rising in the future, which will lead to an increase in product costs, the Company keeps abreast of global political and economic changes and the pulse of market prices, establishes long-term good relationships with suppliers, actively implements cost control plans, and adjusts purchasing strategies in a timely manner so as to reduce the impact of inflation on the Company's operations and strengthen the competitiveness of its products.

- (II) Policy regarding High-risk Investments, Highly Leveraged Investments, Loans to Other Parties, Endorsements/Guarantees, and Derivatives Transactions, Main Reasons



for the Profit (Loss) Generated Thereby, and Response Measures to Be Taken in the Future:

The Company and its subsidiaries have not engaged in any high risk, highly leveraged investment as of the publication date of this report. In addition, with regards to the loan of funds to others, endorsement guarantee and derivative commodity transactions, the Company has separately formulated operational measures such as "Administrative Measures for Loan of Funds to Others", "Administrative Measures for Endorsement Guarantee" and "Processing Procedures for Obtaining or Disposing Assets", which serve as the basis for the Company to comply with relevant behaviors.

(III) Future R&D Plans and Expected R&D Spending:

1. Future R&D plans

The Company is committed to the market of Network products, and constantly pursues R&D and innovation. Its products cover network security and management solutions, high-end network cards, software-defined networking products, and telecom/cloud storage computing servers. In recent years, the Company has strengthened the development of software capabilities to enhance product differentiation, flexibility, and added value. Future R&D plans are as follows:

Type of Product	Future Development
NSM	<p>With the development of cloud high-speed computing demand, the Company researched and developed new generation of Intel/AMD platforms to provide Cloud Computing applications and high-end network security appliances in data centers with high performance and high availability requirements.</p> <p>Platform</p> <ol style="list-style-type: none"> 1. Intel 5th Gen Xeon-SP Birch Stream Platform 2. Intel 4th Gen Xeon-SP Eagle Stream Platform 3. Intel 3rd Gen Xeon-SP Whitley Platform 4. Intel Xeon-D Ice Lake-D and P5000 Snow ridge-NS Platform 5. Intel 12th Gen Core Alder Lake Series Platform 6. AMD Turin Series Platform

Type of Product	Future Development
Network module	<p>Developed 10/25/40/100/200Gbps Ethernet network cards to enable faster data transmission in data centers or enterprises.</p> <p>Continued to develop various network card modules to support the needs of all customers, including time packet synchronization, PoE powered by network port, side recording network card and packet bypass network card, and support of LTE/Wifi network module.</p>
SDN	<p>In response to the effective use and security control of broadband network information flow by enterprises, a series of software-defined wide area network (SD-WAN) systems are developed to make the data access and management of enterprises on the Internet more flexible, faster and more secure.</p> <p>Adopted Intel's new generation integrated SOC (Xeon-D/P5000, Denverton), and developed the micro server or endpoint processing equipment with endpoint computing capability and data encryption acceleration processing.</p> <p>In response to the vigorous development of IoT and wireless network applications, a series of micro endpoint computing and security control devices were developed.</p> <p>To improve wireless transmission performance and cost-effectiveness, incorporate the design of a built-in wireless network antenna into the SD-WAN system. It also integrates 5G Cellular Modem compatibility and is in line with 5G AIOT industrial applications.</p> <p>The main design platforms are</p> <ol style="list-style-type: none"> 1. Intel Denverton Platform 2. Intel Rangeley Platform 3. Intel Broadwell-DE Platform 4. Intel Xeon-D Platform 5. Intel Apollo Lake Platform 6. Intel Elkhart Lake



Type of Product	Future Development
	<p>7. Intel Snow Ridge-NS Platform</p> <p>A series of Universal Customer Premise Equipment (uCPE) are developed by using Network Function Virtualization (NFV) technology and open software architecture, so that service providers can provide various economical software services based on cloud computing completely and quickly.</p>
Telecom / cloud storage computing server	<p>Using Intel's new and fast memory architecture and fast storage management software, the cloud storage server is developed, which makes the access and calculation of cloud data faster and more effective.</p> <p>With Intel Tofino Switch and FPGA, deploy high-speed computing and software-defined networking for cloud computing and edge computing applications.</p>
Industrial standard wide-temperature network appliance	<p>Wide-temperature DIN-RAIL products for industrial information security management are developed.</p> <p>In response to the development of wireless network and the trend of Industry 4.0, the network security gateway related to the hardware requirements of products is developed for safe operation and management</p> <p>The fanless industrial firewall system reduces maintenance cost, supports normal operation in a wide temperature range from -40°C to a temperature as high as 75°C, and ensures safety and reliability in severe and harsh environment.</p>

2. Estimated investment in R&D

The amounts of R&D expenses estimated by the Company are budgeted step by step according to the development progress of each new product and technology as well as the operating conditions to maintain a certain growth rate to ensure the Group's competitive advantages. In previous years, R&D expenditure accounted for 4%~5% of operating income

(IV) Impact of Important Policies and Laws Changes at Home and Abroad on the Company's Financial Business and Its Countermeasures:

The management and operation of the Company comply with relevant laws and regulations at home and abroad, and keep an eye on the development trend of important policies and changes in laws and regulations at home and abroad, so as to

fully grasp relevant information to cope with possible impacts and ensure smooth operation of the Company. The Company's finances and businesses have not been affected by major changes in policies and laws of domestic or foreign governments in the most recent year and up to the publication date of the annual report.

(V) Effect on the Financial Operations of Developments in Science and Technology (Including Information Security) and Industrial Change, and Measures to Be Taken in Response

The Company keeps an eye on the technological changes and technological development and evolution of the industry in which it is engaged, grasps the market pulsation and peer information, and starts to develop products to meet the market demand and maintain the competitiveness of the Company and its subsidiaries. Besides, to implement information security policies, event report and countermeasures, the Company conducts regular risk assessment against information security, providing relevant education and training with rigid information security risk management. In the recent year and up to the publication date of the annual report, there has been no significant impact on the financial business of the Company due to technological changes and industrial changes.

(VI) Effect on the Crisis Management of Changes in the Corporate Image, and Measures to Be Taken in Response

Since its establishment, the Company has adhered to professional, honest and down-to-earth business principles, complied with relevant laws and regulations at home and abroad, maintained harmonious labor-capital and external relations, and built a good corporate image. It also plans to enter the capital market to attract more outstanding talents to take posts in the Company, reinforce the strength of the management team, and feedback the operating results to shareholders and fulfill the corporate social responsibility. Therefore, in recent years, there has been no incident affecting the corporate image of the Company.

(VII) Expected Benefits and Possible Risks Associated with Any Mergers and Acquisitions, and Measures to Be Taken in Response

In the most recent year and up to the publication date of this Annual Report, the Company did not have plans to acquire other companies. In the future, if there is a plan for mergers and acquisitions, it will adopt a prudent assessment attitude and take full consideration of the synergies to ensure the best interests of shareholders.



(VIII) Expected Benefits and Possible Risks Associated with Any Plant Expansion, and Measures to Be Taken in Response

In the most recent year and up to the publication date of the prospectus, the Company has no plan to expand its plant. However, if there is any plan to expand its factory in the future, it will take a prudent assessment attitude and handle it in accordance with the relevant internal control regulations.

(IX) Risks Associated with Any Consolidation of Sales or Purchasing Operations, and Measures to Be Taken in Response:

1. Risk assessment and countermeasures for centralized purchase

The Company maintains more than two suppliers for the purchase of main raw materials, pays attention to the market trends at any time, actively develops other suppliers, and maintains good cooperative relations with all suppliers to ensure stable supply sources. In the most recent year and up to the publication date of the prospectus, the proportion of purchases from a single manufacturer by the Company did not exceed 30%, indicating no risk of centralized purchases.

2. Sales concentration risk assessment and countermeasures

The Company's main sales targets are distributed in Europe, America and Asia and other global regions. The Company has close transactions and good relations with customers; in addition to continuing to stabilize existing customers, the Company also actively develops other international customers. In the most recent year and up to the publication date of the prospectus, the sales ratio of the Company to a single customer did not exceed 30%, indicating no risk of excessive concentration of sales.

(X) The impact of directors, supervisors or major shareholders holding more than 10% of shares on the Company, risks and countermeasures:

In the most recent year and up to the publication date of the annual report, the directors or major shareholders holding more than 10% shares of the Company did not have any substantial transfer or replacement of their shares.

(XI) The Impact, Risks and Countermeasures of the Change of Management Right on the Company:

As of the publication date of the annual report, there is no change in the management right of the Company.

(XII) Disclosure of issues in dispute, monetary amount of claims, filing date, parties involved, and status of any litigation or other legal proceedings within the latest fiscal year and as of the date of the annual report where the Company and/or any of its directors, supervisors, president, person in charge, shareholders with 10% or more share ownership, or affiliates are involved in a pending litigation, legal proceedings or

administrative proceedings, or a final judgment or ruling which may have a material adverse effect on the Company's shareholder equity or price of securities: None

(XIII) Other Significant Risks: None.

VII Other Important Matters: None.

Chapter 6 Special Disclosure

- I Information on affiliates:** please refer to affiliates-related reports on MOPS under: *Single Company* → *Electronic Document Download* → *Related Companies' Three-Book Forms Section*.
https://mopsov.twse.com.tw/mops/web/t57sb01_q10
- II Handling of private placement of securities:** no such situation occurred in the most recent year and up to the publication date of the annual report.
- III Other Necessary Additional Notes:** None.
- IV Situations Listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which Might Materially Affect Shareholders' Equity or the Price of the Securities :** None.