VIVOTEK

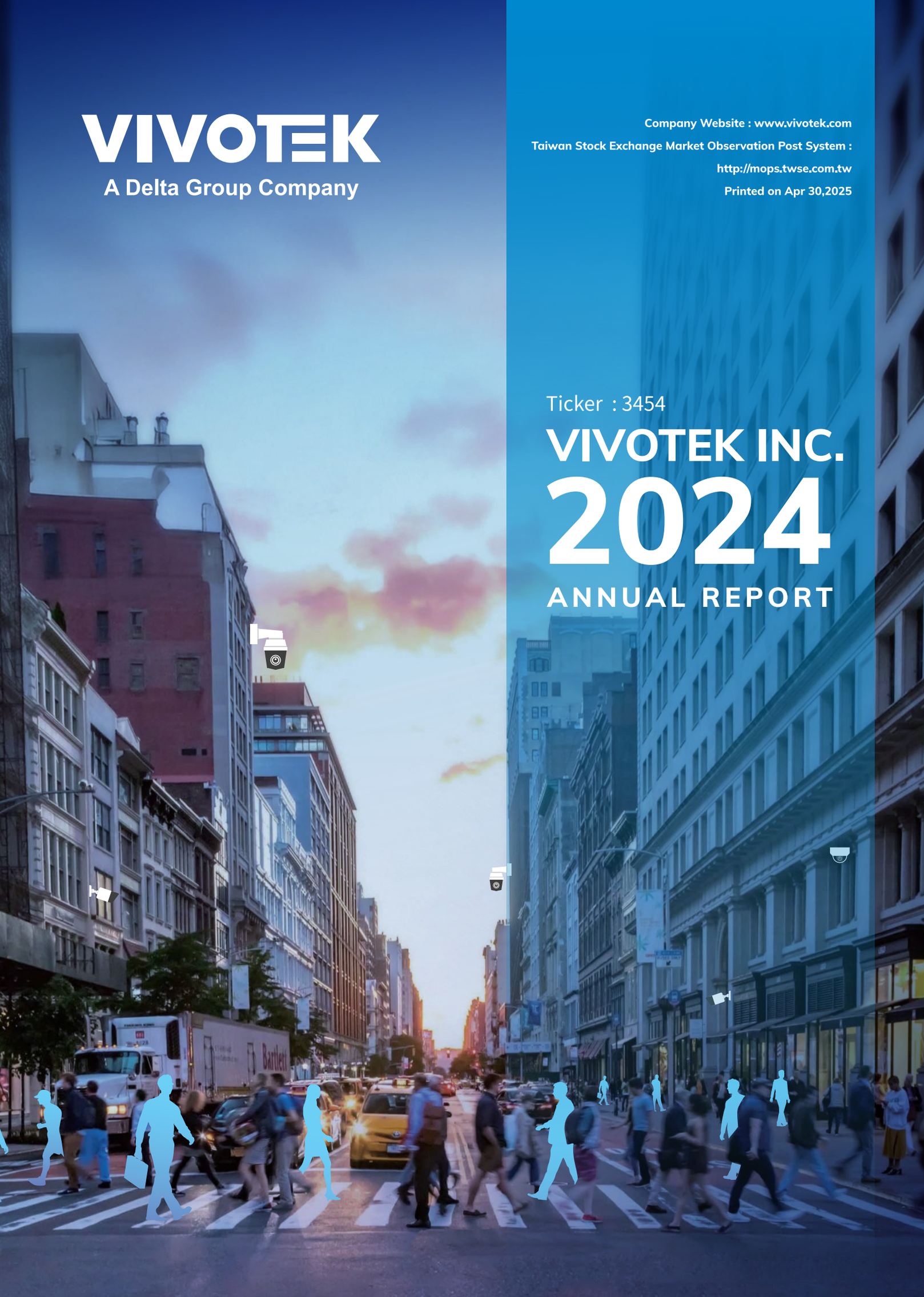
A Delta Group Company

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VIVOTEK INC.

2024

ANNUAL REPORT

Honors and Charity



Ranked in the 2nd Tier in Corporate Governance Evaluation

Ranked in the 2nd tier (top 6%-20%) in the 10th Corporate Governance Evaluation by the Taiwan Stock Exchange, showcasing our commitment to shareholder rights, board governance, transparency, and sustainability.



Top 20 in Security 50 for 12 Consecutive Years

Ranked 14th in the a&s Security 50, maintaining our position as the only Taiwanese company in the top 20. This 12-year achievement highlights our leadership in security innovation and operational excellence.



Taiwan's Top 40 International Brands for 5 Consecutive Years

Recognized for five consecutive years by Taiwan's Industrial Development Bureau for exceptional market performance, strategic branding, and sustainability.



Top 10% in the Best Employer Award

Ranked in the top 10% of nearly 450 companies in the Best Employer Award by 104 Job Bank—honored as the only Taiwanese security company. This reflects our dedication to innovation, workplace excellence, and open communication.



"Safety Map" Expands to Hualien in Its 4th Year

In its fourth year, the Safety Map initiative continues to make a positive social impact. Our cross-functional team has extended efforts to eastern Taiwan, utilizing AI-driven solutions to enhance community safety and reaffirm our commitment to corporate social responsibility.

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1. Letter to the Shareholders

Dear Shareholders,

This year marks VIVOTEK's 25th anniversary. Over the past quarter-century, we have pioneered the transformation of the security industry, evolving from end-to-end analog systems to infinitely scalable digital network solutions. By making display stream compression our core technology, we have played a pivotal role in driving the development of high-demand internet applications, while providing a solid foundation for the explosive growth of artificial intelligence through an extensive repository of image data available for mining. Last year, VIVOTEK disclosed four key industrial trends, centered around AI image processing. These trends focus on expanding the connectivity of IoT devices, identifying opportunities to automate conventional surveillance service processes, and addressing the demands for energy efficiency, sustainability, and privacy protection. Some of these upgrades are not only ongoing but, driven by innovations in semiconductors and AI technologies, have achieved rapid and unforeseen advancements.

As a frontrunner in the security industry, VIVOTEK has consistently adapted to geopolitical changes, establishing partnerships across more than 120 countries through its commitment to superior quality and cutting-edge technology. By deeply cultivating local markets, we have built a strong reputation for the brand. In addition to integrating artificial intelligence to enhance our capabilities in image processing and compression, we have collaborated with world-renowned system chip manufacturers and cloud service brands to gain valuable insights into user pain points and key industry knowledge. This has enabled public sectors and business owners across all five continents to successfully complete projects in transportation, healthcare, retail, and tourism, utilizing VIVOTEK's products and system integrators. Over the past 25 years, our expertise in internet technologies, including image processing and real-time streaming, has also positioned us as an indispensable contract manufacturing partner for emerging startups and system chip semiconductor manufacturers.

In response to the industry's labor shortage and the need for technological innovation, VIVOTEK continues to engage in the research and development of deep learning AI. We have launched the VORTEX cloud service platform to enhance deep search capabilities centered around facial recognition, license plate recognition, and feature identification, significantly reducing the time for manual search process to mere seconds. This platform also integrates our long-standing industry experience and partnerships, offering advantages such as intelligent behavioral pattern analysis, enhancement of both low-light and high-contrast images, hybrid cloud architecture, and remote management, all of accelerate intelligent upgrades for security systems in small- and medium-sized businesses. According to the 2024 Security Report, the global security market, driven by AI, is expected to reach a market size of US$34.8 billion by 2027, with an estimated compound annual growth rate (CAGR) of 23.6%. Moreover, the global physical security market is expected to surpass US$200 billion by 2032. To stay at the forefront of trends in artificial intelligence and IoT, VIVOTEK is committed to advancing anomaly prediction and risk

management through intelligent imagery analysis on the VORTEX platform. We are also working to automate security services, installation, and maintenance through the same platform.

The global supply chain has undergone significant changes due to geopolitical and environmental sustainability requirements, posing immense challenges to businesses in terms of operation and risk management. To mitigate risks associated with manufacturing in a single location, VIVOTEK leverages its extensive research and development capabilities alongside Delta Group's smart manufacturing expertise and resources to upgrade its production line in Taiwan, thereby enhancing capacity and reducing costs. Simultaneously, we are expanding our production capacity overseas, working toward the goal of achieving a balanced distribution of production capacity between domestic and overseas facilities. As a leader in sustainability within the security sector, VIVOTEK has intensified communication with stakeholders and is actively implementing green technologies and energy-saving measures as part of its efforts to advance long-term carbon reduction strategies. For seven consecutive years, the Company has independently published sustainability reports ahead of the enforcement of relevant regulations, while significantly contributing to the areas of environmental sustainability, social responsibility, and corporate governance (ESG).

Concerning environmental efforts, the Company has committed to the global corporate renewable energy initiative, RE100. In 2023, the Company procured 2.44 million kWh of green electricity and successfully obtained 1,482 renewable energy certificates, resulting in a reduction of over 1,200 metric tons of carbon emissions. To further improve energy efficiency, the Company upgraded its office lighting to LED and achieved a non-hazardous waste recycling rate exceeding 90%. These initiatives demonstrate the Company's continuous breakthroughs in sustainability.

Regarding social responsibility, VIVOTEK has leveraged its expertise in security and introduced the Safety Map initiative. Beginning with the Community Safety Map in 2021, followed by the Security Map Planning Order for facilities serving individuals with disabilities in 2022, and Safety Map for the Well-being of Students in 2023, VIVOTEK has consistently prioritized the enhancement of public safety, with particular attention to the security of living environments for vulnerable groups. In late 2024, the Company further expanded its efforts to Dacheng New Village in Hualien, initiating safety improvement plans aimed at combining smart security with local revitalization efforts, thereby making a positive impact on the local community.

Regarding corporate governance, VIVOTEK consistently adheres to the Global Sustainability Standards while upholding the core values of integrity, accountability, care, and innovation. These efforts have resulted in the Company achieving a Level-2 rating in the 10th Corporate Governance Evaluation and a strong debut at the 17th Taiwan Corporate Sustainability Awards (TCSA), where it earned the Sustainability Report Award for the Information, Communication, and Broadcasting Industry and the Taiwan Corporate Sustainability Excellence Award.

The cumulative consolidated revenue for the year 2024 was NT$7.33 billion, a decrease of nearly 20% compared to 2023. The overall consolidated net profit was NT$320 million, with a Return on Equity (ROE) of 8.8%. This was primarily due to continued inventory reduction in key markets, such as the United States, during the first half of the year, followed by increased demand

in the second half. Starting in September, the same-period growth rate turned positive for four consecutive months. Despite the considerable challenges posed by political, economic, and regulatory factors this year, we remain focused on strengthening our core business to enhance industry competitiveness. We will continue to collaborate with our North American channel partners to promote our hybrid cloud product line, while deepening our partnerships with global system integrators and central control software providers. Our goal is to drive demand for applications in the transportation, retail, and smart building sectors, leveraging proven results and a strong reputation to propel sales momentum, while enhancing customer satisfaction through our technology and service offerings. In addition to continuous investments in smart manufacturing and overseas production capacity, we have optimized our inventory costs and material cost ratios, resulting in profitability as reflected in our quarterly reports. Improvements in operational efficiency have also laid a solid foundation for growth this year.

In the future, VIVOTEK will continue providing trustworthy intelligent security systems with a focus on speed, transparency, quality, and teamwork. We plan to expand our global sales channels through localization efforts while offering customer-centric services that closely align with market demands and integrate artificial intelligence into practical applications to meet customer demands. Internally, we aim to enhance operational resilience and optimize costs. With “Care” as our core value, we are committed to increasing employee satisfaction, enhancing shareholder returns, driving social sustainable development, and becoming a leading brand in the global security industry.

Lastly, we extend our sincere wishes for your good health and success in all your endeavors.

Chairman: Bill Lo

General Manager: Alex Liao

2. Corporate Governance Report

2.1 Information on the Company's directors, supervisors, general manager, assistant general managers, deputy assistant general managers, and the supervisors of all the Company's divisions and branch units

2.1.1 Information on the Company's directors

1. Directors

March 31, 2025; Unit: share

Position (Note 1)	Nationality or Place of Registration	Name	Gender /Age	Date Elected	Term of Contract	Commencement date of the first term (Note 2)	Shareholding when Elected		Current Shareholding Shares		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Principal work experience and academic qualifications (Note 3)	Position(s) held concurrently in the Company and/or in any other company	Executives, directors or supervisors who are spouses or within second degrees of kinship			(Note 4)
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
Chairman	Taiwan	Delta Electronics, Inc	Male/ 61~70	June 15, 2023	3 years	March 23, 2018	49,128,058	56.57%	49,128,058	56.57%	0	0%	0	0%	None	None	None	None	None	None
		Representative Bill Lo		June 15, 2023	3 years	March 23, 2018	0	0%	0	0%	0	0%	0	0%	Education: Bachelor in Department of Management Science, National Chiao Tung University Professional Experience: Director of IBM Greater China Group Industrial Sector, IBM (China) Company Limited	(Note 6)	None	None	None	None
Director	Taiwan	Delta Electronics, Inc	Male/ 61~70	June 15, 2023	3 years	March 23, 2018	49,128,058	56.57%	49,128,058	56.57%	0	0%	0	0%	None	None	None	None	None	None
		Representative Simon Chang		June 15, 2023	3 years	March 23, 2018	0	0%	0	0%	0	0%	0	0%	Education: EMBA, Chung Yuan Christian University Professional Experience: Senior Vice President and President, Delta Electronics, Inc.	(Note 7)	None	None	None	None
Director	Taiwan	Delta Electronics, Inc	Male/ 50~60	June 15, 2023	3 years	March 23, 2018	49,128,058	56.57%	49,128,058	56.57%	0	0%	0	0%	None	None	None	None	None	None

Position (Note 1)	Nationality or Place of Registration	Name	Gender /Age	Date Elected	Term of Contract	Commencement date of the first term (Note 2)	Shareholding when Elected		Current Shareholding Shares		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Principal work experience and academic qualifications (Note 3)	Position(s) held concurrently in the Company and/or in any other company	Executives, directors or supervisors who are spouses or within second degrees of kinship			(Note 4)
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
		Representative Ciou-Yuan Lai		June 15, 2023	1.9 years	August 9, 2021	0	0%	0	0%	0	0%	0	0%	Education: Master of Industrial Management, National Taipei University of Technology Professional Experience: Regional General Manager, Delta Electronics Inc.	Regional President, Delta Electronics, Inc. Regional General Manager, Delta Electronics Inc.	None	None	None	None
Director	Taiwan	Delta Electronics, Inc	Male/ 50~60	June 15, 2023	3 years	8 June, 2018	49,128,058	56.57%	49,128,058	56.57%	0	0%	0	0%	None	None	None	None	None	None
		Representative Chien-Hong Wu		December 18, 2023	2.5 years	December 18, 2023	0	0%	0	0%	0	0%	0	0%	Education: MBA, Pennsylvania State University Professional Experience: General Manager, Security Solutions Division, Building Automation Business Group, Delta Electronics, Inc., Former General Manager of IBM Consulting	Director, Vivotek, Inc General Manager, Security Solutions Division, Building Automation Business Group, Delta Electronics Director, March Networks Corporation	None	None	None	None
Director	Taiwan	Chih-Chung Lan	Male/ 61~70	June 15, 2023	3 years	June 27, 2000	598,261	0.69%	598,261	0.69%	0	0%	0	0%	Education: Bachelor of Accountancy from Tamkang University Professional Experience: General Manager, Vivotek Inc.	Independent Director, Tofu Restaurant Co., Ltd	None	None	None	None
Director	Taiwan	Alex Liao	Male/ 50~60	June 15, 2023	3 years	June 15, 2023	197,147	0.23%	207,647	0.24%	67,682	0.08%	0	0%	Education: M.S. in Electrical Engineering, Syracuse University, U.S.A. Professional Experience: Vice President, VIVOTEK Communications Co.	Interruption of directorship 2020.06.15~2023.6.14 (Note 8)	None	None	None	None
Independent Director	Taiwan	Sin-Hui Yan	Male/ 61~70	June 15, 2023	3 years	June 28, 2017	0	0%	0	0%	0	0%	0	0%	Education: Ph.D. of Accountancy, National Taiwan University Professional Experience: Professor of Accounting	Professor, Accountancy, Tamkang University, Independent Director, KGI Life Insurance Co., Ltd. Director, Tigerair Taiwan	None	None	None	None

Position (Note 1)	Nationality or Place of Registration	Name	Gender /Age	Date Elected	Term of Contract	Commencement date of the first term (Note 2)	Shareholding when Elected		Current Shareholding Shares		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Principal work experience and academic qualifications (Note 3)	Position(s) held concurrently in the Company and/or in any other company	Executives, directors or supervisors who are spouses or within second degrees of kinship			(Note 4)
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
															Department, CFO, Chair of Accounting Department, Tamkang University, Independent director of Taiwan Life Insurance Co., Ltd., Independent director of CTBC Insurance Co., Ltd., Independent director of Taiwan Cogeneration Corporation., Independent director of CoAsia Electronics Corp., Independent director of AIR ASIA Company Limited., Supervisor of Taiwan Flower Biotechnology Co., Ltd.	Co.,Ltd. Independent Director of Dahui Co., Ltd.				
Independent Director	Taiwan	Chung-Yang Huang	Male/ 50~60	June 15, 2023	3 years	June 28, 2017	0	0	0	0%	0	0%	0	0%	Education: Ph.D. in Electrical and Computer Engineering University of California, Santa Barbara,CA,USA Professional Experience: Bachelor of Electrical Engineering, National Taiwan University Senior Manager, Cadence Design Systems (ex-Verplex Systems Inc.) Deputy director, Taidah Entrepreneurship Center in National Taiwan University Member of National Development Fund Investment Commission Independent Director, Deluxe Technology Group Co., Ltd.	Professor, Department of Electrical Engineering National Taiwan University, Director, Data Smart Association, Consultant, Cadence Design Systems, Inc., Founder and consultant, YOCTOL.AI.	None	None	None	None

Position (Note 1)	Nationality or Place of Registration	Name	Gender /Age	Date Elected	Term of Contract	Commencement date of the first term (Note 2)	Shareholding when Elected		Current Shareholding Shares		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Principal work experience and academic qualifications (Note 3)	Position(s) held concurrently in the Company and/or in any other company	Executives, directors or supervisors who are spouses or within second degrees of kinship			(Note 4)
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
Independent Director	Taiwan	Shu-Jou Lin	Female / 50~60	June 15, 2023	3 years	June 15, 2023	0	0	0	0%	0	0%	0	0%	Education: Ph.D. in International Business from National Taiwan University Professional Experience: Professor, National Taiwan Normal University	Professor and Associate Dean Institute for Global Management and Strategy, National Taiwan Normal University	None	None	None	None

Note 1: For directors and supervisors acting as the representatives of institutional shareholders (the names of the institutional shareholders shall be indicated), and the following Table 1 shall be filled out.

Note 2: Please list the actual age and express in intervals, such as 41-50 years old or 51-60 years old.

Note 3: Any newly appointed Director or Supervisor who ceases to be a Director or Supervisor, an explanatory notes shall be provided.

Note 4: If he/ she is holding the current position with experience related to the CPA firm or affiliated company that he/ she has previously worked, the position and the job scopes shall be stated.

Note 5: Where the chairman of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (for example, increase the number of independent directors, and a majority of the directors may not serve concurrently as an employee or managerial officer).

Note 6: President, Building Automation Business Group of Delta Electronics Co., Ltd., Chairman, Realwin Investment Inc., Director, Vivotek Holdings, Inc., President, Wellstates Investment, LLC., Director, Amerlux Lighting Asia,LLC. Chairman, March Networks Corporation., Chairman, March Networks, Inc., Chairman, March Networks de Mexico, S.A. de C.V., Chairman, March Networks (Australia) Pty Limited., Chairman, March Networks Limited., Chairman, March Networks S.r.l., Chairman, March Networks Poland Sp z.o.o., Managing director, March Networks B.V., Director, March Networks (Singapore) Pte. Limited.

Note 7: Director / General Manager and Chief Operating Officer / Branch Manager, Delta Electronics, Inc., Director, Delta Electronics (Dongguan) Co., Ltd., Director, Delta Networks (Wuhu) Co., Ltd., Director, Delta Electronics (Chenzhou) Co., Ltd., Director, Chenzhou Delta Technology Co., Ltd., Director, Delta Electronics Int'l (Singapore) Pte. Ltd., Director, Daltai (Tianjin) Industrial Co., Ltd., Vice Chairman, Delta Network Inc., Director, Delta Greentech SGP Pte. Ltd., Director, Delta Electronics (Pingtan) Co., Ltd., Director, Shanghai PuHuan Delta Energy Technology Co., Ltd., Director, Delta Electronics (Xi'an) Co., Ltd., Director, Beitai Electronic Ceramics Co., Ltd., Director, Delta Electronics (Chongqing) Co., Ltd., Director, Delta Holdings Inc.

Note 8: General Manager of VIVOTEK INC., Chairman of AETEK INC., Chairman of Lidlight, Inc., Chairman of VIVOTEK (Japan) Inc., Director of VIVOTEK USA, Inc., Director of VIVOTEK Netherlands B.V..

2. Major shareholders of institutional shareholders

March 31, 2025

Name of institutional shareholders(Note 1)	Major shareholders of institutional shareholders(Note 2)	
Delta Electronics Inc. (Note 3)	DEICO INTERNATIONAL LTD. (10.30%)	Ping Cheng (2.14%)
	DELTRON HOLDING LTD. (8.40%)	An Cheng (Also known as Victor Cheng)(1.94%)
	New Labor Retirement Pension Fund (3.35%)	Labor Insurance Fund (1.41%)
	Chung-Hua Cheng (Also known as Bruce C. H. Cheng) (3.15%)	The old pension system Fund (1.30%)
	Government of Singapore(2.96%)	JPMorgan Advanced Starlight Advanced Comprehensive International Stock Index (1.18%)

Note 1: For directors and supervisors acting as the representatives of institutional shareholders, the names of the institutional shareholders shall be indicated.
Note 2: If any of those 10 largest shareholders is an institutional shareholder, the name of the corporate shareholder and the names of its 10 largest shareholders and the holding percentage of each shall be noted. Fill out the following Table 2 if the major shareholder is a legal person shareholder.
Note 3: If a legal person shareholder is not a company, the names of its shareholders and the holding percentage of each shall be disclosed, that is, the name of the sponsor or donor (please refer to the announcement of Judicial Yuan for inquiries) and the ratio of capital contribution or donation. Donors who have passed away shall be marked "deceased".
Note 4:The major shareholders of Delta Electronics Inc. are the10 largest shareholders on March 31, 2025 after book closure.

3. The major shareholder is a legal person shareholder:

March 31, 2025

Name of juristic person shareholder	Major shareholders (Note 2)
DEICO INTERNATIONAL LTD.	Deico International (Jersey) Limited (100%)
DELTRON HOLDING LTD.	Deltron International Holding (Jersey) Limited (100%)
New Labor Retirement Pension Fund	Investment account
Government of Singapore	Investment account
The old pension system Fund	Investment account
Labor Insurance Fund	Investment account
JPMorgan Advanced Starlight Advanced Comprehensive International Stock Index	Investment account

Note 1: Same with the above Table 1, fill out the name of juristic person shareholder if the major shareholder is a legal person shareholder.
Note 2: The name of the individual shareholder and the names of its 10 largest shareholders and the holding percentage of each shall be noted.
Note 3: If a legal person shareholder is not a company, the names of its shareholders and the holding percentage of each shall be disclosed, that is, the name of the sponsor or donor (please refer to the announcement of Judicial Yuan for inquiries) and the ratio of capital contribution or donation. Donors who have passed away shall be marked "deceased".

4、(1) Information disclosure of Professional qualifications and independence criteria of independent directors:

Conditions / Name	Professional qualifications and experiences (Note 1)	Independence Criteria (Note 2)	Number of other public companies in which the individual is concurrently serving as an Independent Director
 Delta Electronics, Inc. Representative Bill Lo	Education: • Bachelor in Department of Management Science, National Chiao Tung University Experience: • General Manager, Building Automation BG (8 years of experience) • Director of IBM Greater China Group Industrial Sector, IBM (China) Company Limited (More than 30 years of experience). Professional field: • Programming, committed to computer related fields • Integrated green-smart-manufacturing automation building related technologies. Leading Delta Electronics, Inc. to step into another industrial technology and shifting the Company towards sustainable operation. • Operations and business management Has not been a person of any of the conditions defined in Article 30 of the Company Act.	Not applicable	0
 Delta Electronics, Inc. Representative Simon Chang	Education: • EMBA, Chung Yuan Christian University Experience: • President and COO of Delta Electronics, Inc. (More than 40 years of experience). Professional field: • Industrial automation, covering the fields of drive, motion, control, sensing, and visual inspection • Innovative research and development of "smart manufacturing" related products. Providing efficient integrated solutions for customers all over the world, and moving toward green-smart-manufacturing. • Operations and business management Has not been a person of any of the conditions defined in Article 30 of the Company Act.	Not applicable	0
 Delta Electronics, Inc. Representative Ciou-Yuan Lai	Education: • Master of Industrial Management, National Taipei University of Technology Experience: • Director of the global intelligent manufacturing project of Delta Electronics, Inc., Regional President (More than 20 years of experience). • President of Delta Electronics Investment Subsidiary Professional field: • Specializing in factory manufacturing management • Operations and business management Has not been a person of any of the conditions defined in Article 30 of the Company Act.	Not applicable	0

Conditions / Name	Professional qualifications and experiences (Note 1)	Independence Criteria (Note 2)	Number of other public companies in which the individual is concurrently serving as an Independent Director
 Delta Electronics, Inc. Representative Chien-Hong Wu	Education: • Master of Business Administration, Pennsylvania State University, USA Experience: • General Manager, IBM Consulting, Taiwan (More than 16 years of experience) • General Manager, Security Solutions Division, Building Automation Business Group, Delta Electronics Professional field: • Strategy development and digital transformation consultancy • Cloud Technology Import and Information System Construction Services • Operations and business management Has not been a person of any of the conditions defined in Article 30 of the Company Act.	Not applicable	0
 Chih-Chung Lan (Director)	Education: • Bachelor of Accountancy from Tamkang University Experience: • Vice Chairman and President, VIVOTEK, Inc (More than 20 years of experience) • Chairmen, VATICS, Inc. • President, Uniform Industrial Corporation Professional field: • Accounting practice • Auditing practice • Specializes in market development and strategic planning • Operations and business management Has not been a person of any of the conditions defined in Article 30 of the Company Act.	Not applicable	1
 Alex Liao (Director)	Education: • Master of Science, Syracuse University, USA Experience: • President, VIVOTEK, Inc (More than 20 years of experience) Professional field: • Specialized in Programming • Developing “Digital Monitoring” Products • Expertise in leadership, marketing, operations management, and strategic planning, providing professional insights into future development trends and strategies for the Company Has not been a person of any of the conditions defined in Article 30 of the Company Act.	Not applicable	0

Conditions / Name	Professional qualifications and experiences (Note 1)	Independence Criteria (Note 2)	Number of other public companies in which the individual is concurrently serving as an Independent Director
 Shu-Jou Lin (Independent Director)	Education: • Ph.D. in International Business from the Department of International Business at National Taiwan University • Master of Economics from the Institute of Economics at National Taiwan University • Bachelor of Economics from the Institute of Economics at National Taiwan University Experience: • Professor at the Graduate Institute of Global Business and Strategy, National Taiwan Normal University •Member of the Audit Committee, Compensation Committee, and Convener of the Risk Management Committee of this company Professional field: • Strategic Management, Technology Management, Entrepreneurship Management • Global Industry Analysis	Independent, please refer to the following table	0
 Sin-Hui Yan (Independent Director)	Education: • Ph.D. of Accountancy, National Taiwan University • Master of Accounting, University of Illinois Urbana-Champaign • Bachelor of Accountancy, Tamkang University Experience: • Professor of Accounting Department, CFO, Chair of Accounting Department, Tamkang University, 30 years of teaching experience • Consultant and member of the Financial Accounting Committee, Accounting Research and Development Foundation • Member of the Board of Examiners, Examination Yuan • Convener of the Audit Committee, and member of the Compensation Committee, the Risk Management Committee of this company Professional field: • Specializes in accounting affairs and tax planning, with rich planning experience in the industry • Auditing practice Professional qualifications: • CPA of R.O.C	Independent, please refer to the following table	2

Conditions / Name	Professional qualifications and experiences (Note 1)	Independence Criteria (Note 2)	Number of other public companies in which the individual is concurrently serving as an Independent Director
 Chung-Yang Huang (Independent Director)	Education: • Ph.D. in Electrical and Computer Engineering University of California, Santa Barbara, CA, USA • Masters, Department of Electrical Engineering National Taiwan University • Bachelor, Department of Electrical Engineering National Taiwan University Experience: • Professor, Department of Electrical Engineering National Taiwan University • Co-Founder, YOCTOL.AI. • Member of the National Development Fund Investment Commission • Deputy Director, Taidah Entrepreneurship Center in National Taiwan University • Senior Manager, Cadence Design Systems (ex-Verplex Systems Inc.) • Convener of the Compensation Committee, and member of the Audit Committee, the Risk Management Committee of this company Professional field: • SoC circuit design verification • Automation and optimization of circuit design • Verifiable circuit design • Constraint satisfaction issue • AI research, specializing in IC design verification and AI technology application	Independent, please refer to the following table	0

Attachment: The independent directors are independent according to the review of the Company that they complied with the following conditions from two years before being elected and appointed, and during his/her term of office.

Independence Criteria	Sin-Hui Yan	Chung-Yang Huang	Shu-Jou Lin
(1) Not an employee of the Company or any of its affiliates	V	V	V
(2) Not a director or supervisor of the Company or any of its affiliates (Does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the country, and concurrently serving as such at a public company and its parent or subsidiary or a subsidiary of the same parent company).	V	V	V
(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders.	V	V	V
(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officers in the preceding (1) subparagraph, or of any of the above persons in the preceding subparagraphs (2) and (3)	V	V	V
(5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds 5% or more of the total number of issued shares of the Company, ranks as one of its top five shareholders, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act. (Does	V	V	V

Independence Criteria	Sin-Hui Yan	Chung-Yang Huang	Shu-Jou Lin
not apply to independent directors appointed in accordance with the Act or the laws and regulations of the country and concurrently serving as such at a public company and its parent or subsidiary or a subsidiary of the same parent company).			
(6) Not a director, supervisor, or employee of a company of which the majority of the board seats or voting shares is controlled by a company that also controls the same of the Company; (Does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the country and concurrently serving as such at a public company and its parent or subsidiary or a subsidiary of the same parent company).	V	V	V
(7) Not a chairperson, general manager, or person holding an equivalent position in the Company and not a person in any of those positions at another company or institution or is a spouse to that person: a director (or governor), supervisor, or employee of that other company or institution (Does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the country and concurrently serving as such at a public company and its parent or subsidiary or a subsidiary of the same parent company).	V	V	V
(8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company (Does not apply if the specified company or institution holds 20% or more and no more than 50% of the total number of issued shares of the Company and independent directors are appointed in accordance with the Act or the laws and regulations of the country, and concurrently serving as such at a public company and its parent or subsidiary or a subsidiary of the same parent company).	V	V	V
(9) Not a professional individual who is an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the compensation committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.	V	V	V
(10) Has not been a person of any of the conditions defined in Article 30 of the Company Act.	V	V	V

Note 1: Professional qualifications and experience: State the professional qualifications and experience of individual directors and supervisors. If he/she is a member of the Audit Committee and has accounting or finance expertise, the background and experience shall be stated, and explain whether the person falls under any of the conditions defined in Article 30 of the Company Act.

Note 2: The independent criteria of the independent directors shall be stated, including but not limited to whether the person, spouse, relative within the second degree of kinship is a director, supervisor or employee of the Company; The holding shares and ratio held by the person, the person's spouse, minor children, or relative within the second degree of kinship (or held by the person under others' names); Be as a director, supervisor or employee of a company that has a specific relationship with the Company (refer to the regulations of Article 3, paragraph 3, subparagraph 5-8 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); The amount of remuneration received for providing commercial, legal, financial, accounting services to the Company or any affiliate of the Company in the past 2 years.

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

Diversity of the Board of Directors:

Policy

According to Article 20 of the “Corporate Governance Best Practice Principles”, the structure of Board of Directors shall be determined by choosing an appropriate number of Board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs. The composition of the Board of Directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the Board members,

and that an appropriate policy on diversity shall be formulated based on the Company's business operations, operating dynamics, and development needs.

All members of the Board shall have the knowledge, skills, and experience necessary to perform their duties. The Board of Directors shall possess the following abilities: 1. Ability to make operational judgments 2. Ability to perform accounting and financial analysis 3. Ability to conduct management administration 4. Ability to conduct crisis management 5. Knowledge of the industry 6. An international market perspective 7.Ability to lead 8. Ability to make policy decisions.

The objectives and the achievement

The composition of the Board of Directors shall be determined by taking diversity into consideration and an appropriate policy on diversity of the Board shall be formulated based on the Company's business operations, operating dynamics, and development needs. The management objectives and the achievement in 2024 are as follows:

Management Objectives	Achievement
At least one female director	Achieved
Directors who concurrently serving as company officers not exceed one-third of the total number of the Board members	Achieved
The number of independent directors exceeds one-third of the number of directors	Achieved
The term of office of independent directors does not exceed three terms	Achieved
At least one-third of the independent directors have expertise in accounting, strategic planning or AI application	Achieved

The Board of Directors of the Company is made up of 9 directors (including 3 independent directors). The members have the above-mentioned abilities and have extensive experience and professionalism in the fields of manufacturing, management, and accounting. We are also committed to maintaining a working environment free of sexual discrimination. Therefore, the Company's Board of Directors includes at least one female director. The implementation of the diversity policy is as follows:

Core of diversity / Name	Position	Gender	Nationality	Age	Employee of the Company	Years of service as an independent director	Professional background	Experience in the GICS communications category
Bill Lo	Chairman	Male	R.O.C	61-70	N	0	International Management	Y
Simon Chang	Director	Male	R.O.C	61-70	N	0	Business Management, Electrical Engineering	Y
Ciou-Yuan Lai	Director	Male	R.O.C	50-60	N	0	Industrial Management	Y
Chien-Hong Wu	Director	Male	R.O.C	50-60	N	0	Business Management	Y
Chih-Chung Lan	Director	Male	R.O.C	61-70	N	0	Accounting, Finance	Y
Alex Liao	Director	Male	R.O.C	50-60	Y	0	Electrical Engineering	Y
Sin-Hui Yan	Independent Director	Male	R.O.C	61-70	N	8	Accounting, Finance	N
Chung-Yang Huang	Independent Director	Male	R.O.C	50-60	N	8	Electrical Engineering	Y
Shu-Jou Lin	Independent Director	Female	R.O.C	50-60	N	2	International Business, Economics	N

Note: The industry classification is based on the GICS Global Industry Classification Standard (GICS) Level 1 industry segments.

Diversified core items / Name	Operational judgment capability	Accounting and financial analytical capability	Management capability	Crisis management capability	Industry knowledge	International market outlook	Leadership capability	Decision-making capability
Bill Lo	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Simon Chang	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Ciou-Yuan Lai	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Chien-Hong Wu	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Chih-Chung Lan	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Alex Liao	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Sin-Hui Yan	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Chung-Yang Huang	Excellent	Fair	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Shu-Jou Lin	Fair	Fair	Fair	Excellent	Fair	Excellent	Excellent	Excellent

(A) The Board of Directors of the Company is made up of 9 directors (including 3 independent directors). All of whom are outstanding people who have extensive experience and practical experience, and also have varied abilities which include leadership decision-making capability, business management, operational judgment, crisis management capability as well as industrial experience and international market outlook. 3 independent directors have expertise in finance and accounting, management, and electrical engineering background, and 6 directors have expertise in electrical engineering, finance and accounting, management and journalism background. Among them, those with experience in Electrical engineering and Information & Technology industries are Chairman Bill Lo, Directors Simon Chang, Ciou-Yuan Lai, Chien-Hong Wu, Chih-Chung Lan, Alex Liao and Independent Director Sin-Hui Yan, Chung-Yang Huang, Shu-Jou Lin; those good at finance are Director Chih-Chung Lan, Independent Director Sin-Hui Yan; Independent Director Sin-Hui Yan has experience in Aviation & Finance industry; Independent Director Shu-Jou Lin is good at Professional Strategic Planning; and the Independent Directors Sin-Hui Yan, Chung-Yang Huang and Shu-Jou Lin have accounting or finance background, business professional ability and many years of teaching experience.

(B) The average tenure of the Directors of the Company is 8.1 years. Directors whose years of service is less than 9 years are Bill Lo, Simon Chang, Ciou-Yuan Lai, Chien-Hong Wu, Alex Liao, Sin-Hui Yan, Chung-Yang Huang, Shu-Jou Lin; The Director whose years of service is 25 years is Chih-Chung Lan. The term of office of Independent Directors Sin-Hui Yan and Chung-Yang Huang is 8 years; Shu-Jou Lin is 2 years. The consecutive terms of the three independent directors shall not exceed 3 consecutive terms.

The board members are all from R.O.C and Alex Liao is employee of the Company. There are 5 directors aged 51-60 years, and 4 directors aged 61-70 years. In addition to the above, the Company also pays attention to gender equality in the composition of the Board of Directors. The current Board of Directors includes 1 female member that constitutes 11% of the Board, male members that constitute 89% of the Board.

(C) The diversity, complementary and state of implementation comply with the standard of Article 20 of "Corporate Governance Best Practice Principles". the diversity policy will be updated in time depending on the operation of the Board of Directors, the type of operation and the development needs, including but not limited to the standards of the two aspects, basic conditions and values, professional knowledge and skills, to ensure that the members of the Board of Directors generally have the knowledge, skills and literacy to perform their duties.

Independency of the Board of Directors:

Policy

The Company has established a director selection system, which adopts an open and fair nomination process for all directors in compliance with the Company's Articles of Incorporation, Corporate Governance Best-Practice Principles, Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies, and Article 14-2 of the Securities and Exchange Act. In accordance with the procedures outlined in Article 192-1 of the Company Act regarding the candidate nomination system, directors are elected by the shareholders' meeting from a list of director candidates. More than one-half of the seats must be occupied by directors, and no director can be a spouse or a blood relative within two degrees of kinship. Furthermore, the Company's Board of Directors has decided to establish the "Code of Conduct for Board of Directors' Meetings." This code stipulates that if a director has a vested interest in a matter being discussed at a board meeting, either personally or on behalf of a legal entity they represent, they must disclose the nature of the interest during the meeting. Additionally, if a director's interest in a matter being discussed is contrary to the Company's interests, they are prohibited from participating in the discussion and voting on the issue. They must abstain from any involvement in the discussion, voting, or acting as a proxy for another director in exercising voting rights.

Objective

The Company proposed to establish an Audit Committee, a Compensation Committee, and a Risk Management Committee under the Board of Directors to enhance the Board's operational effectiveness and implement a robust governance framework. The Board plans to establish Risk Management Committee where the Board of Directors appoints three independent directors to be members of the Committee; "the Committee" seems referring to the "Risk Management Committee" that is "proposed to establish", aiming to aid decision-making through specialized expertise and an impartial perspective. This approach seeks to bolster both the supervisory and managerial functions, actively advancing corporate governance initiatives.

Goal

To enhance the effectiveness of the Board of Directors and implement good corporate governance practices, the Company established an Audit Committee, a Compensation Committee, and a Risk Management Committee under the Board of Directors. The Board proposes to appoint three independent directors to serve as members of these committees. Through specialized roles and an independent stance, these committees will assist the Board in decision-making, aiming to strengthen oversight functions and enhance management capabilities. Our goal is to actively implement corporate governance measures.

Achievement

The Company adopted a candidate nomination system for the election of directors in 2023, and the result of the election was 8 seats, or 89%, for non-employee directors (in 2022: 100%), and independent directors counted 3 seats or 33% (2022: (33%), none of the directors are related to each other by marriage or kinship, etc., which is in compliance with Article 26-3, Paragraph 3 and Paragraph 4 of the Securities and Exchange Act. All members of the Board of Directors do not have any of the circumstances outlined in Article 30 of the Company Act, and all independent directors have adhered to the relevant regulations concerning independent directors established by the FSC. For details regarding instances where directors recused themselves from motions of interest in 2024, please consult "4. Operation of Corporate Governance" in the "Corporate Governance Report" section of this annual report.

The Company's Board of Directors has sanctioned the formation of the "Risk Management Committee." In accordance with the "Risk Management Committee Chapter," the Committee members will be appointed by resolution of the Board of Directors. The Committee shall consist of no fewer than three members, with more than half being independent directors. The independent directors will be elected by all members to serve as the convenor and chairman

of the meeting. The Board of Directors has additionally finalized the appointment of three independent board members to serve as members of the Risk Management Committee, as stipulated by the "Organizational Procedures of the Risk Management Committee."
The Board of Directors of the Company shall direct company strategies, supervise the management, and be responsible to the Company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings. The Board of Directors of the Company emphasizes the functions of independent and transparency operation. The director and independent director are independent individuals and independently exercise their authority. The three independent directors also follow the relevant laws and regulations in conjunction with the powers of the audit committee to review the management and control of the Company's existing or potential risks, etc., so as to actually supervise the effective implementation of the Company's internal control, the selection (removal) and independence of certified accountants and the proper preparation of financial statements. Furthermore, The Company adopts accumulative voting mechanism and the candidate nomination system for elections of directors and independent directors. Shareholders are encouraged to participate. Shareholders who hold more than a certain number of shares can nominate a list of candidates. The qualifications of the candidate are reviewed and confirmed whether there is any violation of the items listed in Article 30 of the Company Law. Relevant acceptance operations are carried out and announced in accordance with the law to protect the rights and interests of shareholders and avoid monopoly or excessive abuse of nomination rights, and maintain independence.
The Company has established a performance evaluation system for the Board of Directors, and conducts an internal self-evaluation of the board of directors and self-evaluation of directors once a year. The performance evaluation of the Board of Directors, evaluation items including (1) participation in company operations, (2) decision-making quality of the Board of Directors, (3) composition and structure of Board of Directors, (4) selection and continuing education of the Board of Directors, (5) internal control.; and self-assessment of directors includes (1) the grasp of the Company's goals and tasks, (2) the knowledge of directors' responsibilities, (3) participation in the Company's operations, (4) internal relationship management and communication, (5) professional and continuing education of directors, (6) Internal control. Furthermore, according to the performance evaluation procedure of the Board of Directors approved by the Board of Directors, the Company conducts an evaluation every three years by an external professional independent organization or external experts and scholars. At the end of 2024, Taiwan Institute of Ethical Business was appointed to conduct the performance evaluation of the Board of Director for the period from January 1, 2024 to December 31, 2024. The above-mentioned relevant self-evaluation and external evaluation results are disclosed in the Company's annual report and official website after being submitted to the Nomination Committee and the Board of Directors.
Moreover, in order for the investor to fully understand the operation of the rest of the Board of Directors of the Company, the relevant information has also been disclosed in the Company's annual report, official website or the Market Observation Post of Taiwan Stock Exchange: (1) Attendance status of Board members at meetings, (2) Proposals and resolutions of board meetings, (3) Situation of continuing education of directors (4) Changes in shareholding of board members (shareholding ratio, share transfer and pledge setting, etc.). (Please refer to the Market Observation Post of Taiwan Stock Exchange)

2.1.2 Information on the general manager, assistant general managers, deputy assistant general managers, and the supervisors of departments and branches

March 31, 2025 Unit: Share

Title (Note 1)	Name	Nationality	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Principal work experience and academic qualifications (Note 2)	Current positions at other companies	Managers who are spouses or within second degrees of kinship			Remark (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
President	Alex Liao	Taiwan	Male	January 20, 2020	207,647	0.24%	67,682	0.08%	0	0%	Master of Science, Syracuse University, USA Senior Engineer, Uniform Industrial Corporation. Assistant General Manager, VIVOTEK Inc	(Note 4)	None	None	None	None
Senior Vice President of ODM Business Division	Gordon Chen	Taiwan	Male	January 20, 2020	8,655	0.01%	86	0%	0	0%	Master in Electronics Engineering, National Chiao Tung University Senior Director, LITE-ON Technology Corporation	(Note 5)	None	None	None	None
Assistant General Manager, R&D Department	Joe Wu	Taiwan	Male	November 16, 2015	187,210	0.22%	381,562	0.44%	0	0%	Master's in Electrical Engineering, National Taiwan University Deputy Assistant General Manager, VIVOTEK Inc	None	None	None	None	None
Director of Accounting and Finance and Director of Corporate Governance	Mei-Yu Li	Taiwan	Female	Jun 01, 2020	6,500	0.01%	0	0%	0	0%	EMBA, National Chengchi University Delta Electronics	(Note 6)	None	None	None	None
Assistant General Manager, Brand Business Division	Sheng-Fu Zheng	Taiwan	Male	July 1, 2021	122,404	0.14%	339	0%	0	0%	Master's in electrical engineering, Columbia University in the City of New York Engineer, Solid streaming	None	None	None	None	None
Audit	Li-Ting Huang	Taiwan	Female	October 27, 2011	0	0%	0	0%	0	0%	Bachelor of Accountancy, Tamkang University Assistant Manager, KPMG	None	None	None	None	None

Note 1:Regardless of job title, all Information on the general manager, assistant general managers, deputy assistant general managers, and the supervisors of departments and branches, as well as all positions equivalent to general manager, deputy assistant general managers shall be disclosed.

Note 2: If he/ she is holding the current position with experience related to the CPA firm or affiliated company that he/ she has previously worked, the position and the job scopes shall be stated.

Note 3: Where the chairman of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (for example, increase the number of independent directors, and a majority of the directors may not serve concurrently as an employee or managerial officer).

Note 4: Chairman, AETEK Inc., Chairman, Lidlight Inc., Chairman, VIVOTEK (Japan) Inc., Director, VIVOTEK USA, Inc., Director, VIVOTEK Netherlands B.V.

Note 5: Supervisor, AETEK Inc.

Note 6: Director, AETEK Inc., Director, Lidlight Inc.

2.2 Remuneration paid during the most recent fiscal year to directors, independent directors, supervisors, the general managers, and assistant general managers

2.2.1 Remuneration paid to directors and independent directors (disclosure based on aggregate remuneration information, with the name(s) indicated for each remuneration range)

Title	Name	Directors Remuneration								Ratio of total A, B, C and D to Net Income (Note 10)		Remuneration Received as Employee								Ratio of total A, B, C, D, F and G to Net Income (Note 10)		Remuneration from Invested Companies Other Than Subsidiaries or Parent Company (Note11)
		Remuneration (A) (Note 2)		Pension (B)		Remuneration to Directors(C) (Note 3)		Allowances (D) (Note 4)				Salary, Bonus and Special Allowance (E)(Note 5)		Pension (F)		Employee Remuneration (G) (Note 6						
																The Company		All Companies in The Consolidated Financial Statements (Note7)				
		The Company	All Companies in The Consolidated Financial Statements (Note7)	The Company	All Companies in The Consolidated Financial Statements (Note7)	The Company	All Companies in The Consolidated Financial Statements (Note7)	The Company	All Companies in The Consolidated Financial Statements (Note7)	The Company	All Companies in The Consolidated Financial Statements (Note7)	The Company	All Companies in The Consolidated Financial Statements (Note7)	The Company	All Companies in The Consolidated Financial Statements (Note7)	Cash	Stock	Cash	Stock	The Company	All Companies in The Consolidated Financial Statements (Note7)	
Chairman	Delta Electronics Representative: Bill Lo	0	0	0	0	3,383	3,383	180	180	1.12%	1.12%	5,722	5,722	108	108	0	0	0	0	2.97%	2.97%	None
Vice-Chairman	Delta Electronics Representative: Ciou-Yuan Lai																					
Director	Delta Electronics Representative: Simon Chang																					
Director	Delta Electronics Representative: Chien-Hong Wu																					
Director	Alex Liao																					
Director	Chih-Chung Lan																					
Independent Director	Shu-Jou Lin Sin-Hui Yan Chung-Yang Huang	3,000	3,000	0	0	0	0	90	90	0.97%	0.97%	0	0	0	0	0	0	0	0	0.97%	0.97%	None

1.Independent Directors' remuneration policies, procedures, standards and structure, as well as the linkage to responsibilities, risks and time spent:
According to the Company's Articles of Association, if the Company makes profits for the current year, the Board of Directors shall resolve the allocation of no more than 4% as the compensation for directors. Remuneration for directors of the Company shall be evaluated by the Compensation Committee according to their respective participation in operation and value of contribution, and the Board of Directors is authorized to determine their remuneration according to the evaluation made by the Compensation Committee and general standard in the same industries. There may be a difference in the remuneration of independent directors and non-independent directors.

2. Except as disclosed in the above table, remuneration to directors received due to the service provided to all companies listed in the consolidated financial statement (such as being independent consultants, etc.) in the most recent year: None.

Table of Remuneration Ranges

Range of Remuneration Paid to Directors	Names of Directors			
	Aggregate of First Four Items of Remunerations (A+B+C+D)		Aggregate of First Seven Items of Remunerations (A+B+C+D+E+F+G)	
	The Company (Note 8)	All Companies in The Consolidated Financial Statements (Note 9) H	The Company (Note 8)	All Companies in The Consolidated Financial Statements (Note 10) I
Below NT$1,000,000	Bill Lo, Ciou-Yuan Lai, Simon Chang, Chih-Chung Lan, Chien-Hong Wu, Alex Liao	Bill Lo, Ciou-Yuan Lai, Simon Chang, Chih-Chung Lan, Chien-Hong Wu, Alex Liao	Bill Lo, Ciou-Yuan Lai, Simon Chang, Chih-Chung Lan, Chien-Hong Wu	Bill Lo, Ciou-Yuan Lai, Simon Chang, Chih-Chung Lan, Chien-Hong Wu
NT$1,000,000 (incl.) to NT$2,000,000 (not incl.)	Shu-Jou Lin, Sin-Hui Yan, Chung-Yang Huang	Shu-Jou Lin, Sin-Hui Yan, Chung-Yang Huang	Shu-Jou Lin, Sin-Hui Yan, Chung-Yang Huang	Shu-Jou Lin, Sin-Hui Yan, Chung-Yang Huang
NT$2,000,000 (incl.) to NT$3,500,000 (not incl.)				
NT$3,500,000 (incl.) to NT$5,000,000 (not incl.)				
NT$5,000,000 (incl.) to NT$10,000,000 (not incl.)			Alex Liao	Alex Liao
NT$10,000,000 (incl.) to NT$15,000,000 (not incl.)				
NT$15,000,000 (incl.) to NT$30,000,000 (not incl.)				
NT$30,000,000 (incl.) to NT$50,000,000 (not incl.)				
NT$50,000,000 (incl.) to NT$100,000,000 (not incl.)				
Above NT$100,000,000				
Total	9	9	9	9

Note 1: The names of the directors shall be listed separately (the legal person shareholder shall be listed with both its name and the representative's name), and directors and independent directors should be listed separately. The amount of each payment shall be disclosed in a summary manner. The following Table (3-1), or Table (3-2-1) and (3-2-2) shall be filled out if a director serve concurrently as President or Vice-President.

Note 2: The remuneration of directors in the most recent year (including directors' remuneration, duty allowances, pension, bonuses, rewards, etc.).

Note 3: The amount of directors' remuneration approved by the Board of Directors in the most recent year.

Note 4: Refer to the expenses incurred by directors to perform relevant duties (including transportation allowances, special allowances, other allowances, accommodation, company cars, and other supplies, etc.) for the directors in the most recent year. The kind and cost of the assets provided, the actual prices or fair market values of the rent, oil and other payments should be disclosed if the Company provides housing, automobiles and other means of transport or exclusive individual expenses. If there is a driver, please note the Company's payment for the driver, but not included in remuneration.

Note 5: Refer to the emoluments, duty allowances, pension pay, bonuses, rewards, transportation allowances, special allowances, other allowances, accommodation, company cars, and other supplies for the directors act concurrently as employees (including president, vice-president, other managers and employees) in the most recent year. The kind and cost of the assets provided, the actual prices or fair market values of the rent, oil and other payments should be disclosed if the Company provides housing, automobiles and other means of transport or exclusive individual expenses. If there is a driver, please note the Company's payment for the driver, but not included in remuneration. The salary expenses are recognized in accordance with IFRS 2 "Share-based payment", including shares acquired under employee stock option, restricted new shares to employees and shares acquired from participation in cash capital increase option and so forth. They shall also be included in the remuneration.

Note 6: If the directors act concurrently as employees (including president, vice-president, other managers and employees) who receive employee emolument (including stock and cash), the amount of remuneration approved by the Board of Directors in the latest year shall be disclosed. If it is unpredictable, the estimated amount of this year will be

calculated based on the proportion of the actual distribution amount last year. And the attached sheet 1-3 shall be filled out.

Note 7: Total amount of remuneration for the directors paid by all companies (including the Company) in the consolidated financial statements of the Company shall be disclosed.

Note 8: Total amount of remuneration for each director paid by the Company with disclosure of the directors' names in the corresponding brackets.

Note 9: It shall disclose total remuneration for each directors of the Company paid by all companies (including the Company) in the consolidated financial statements, and disclose the names of the directors in the corresponding brackets.

Note 10:Net Income refers to the profit after income tax of parent company only financial statements in the most recent year.

Note 11: a. This column should clearly be filled out with the remuneration amount related to invested companies other than subsidiaries or parent company for directors of the Company.

b. If the directors of the Company receive the remuneration from the invested companies other than subsidiaries or parent company, the remuneration shall be merged with the column I of the emolument bracket sheet; and the name of the column shall be changed to "Remuneration from Invested Companies Other Than Subsidiaries or Parent Company".

c. Remuneration refers to the emolument (including employees, directors and supervisors emoluments) and business operation expense, etc., for directors of the Company as they are directors, supervisors or managers of invested companies other than subsidiaries or parent company.

*The content of the remuneration disclosed in this sheet is different from the concept of the Income Tax Act. Therefore, the purpose of this sheet is only for information disclosure but not for withholding tax.

2.2.2 Remuneration paid to supervisors: Not applicable.

2.2.3 Remuneration paid to general managers and vice general managers (disclosure based on aggregate remuneration information, with the name(s) indicated for each remuneration range)

Unit: NT$1,000; Share

Title	Name	Remuneration (A) (Note 2)		Pension (B)		Bonus and Special Allowances (C) (Note 3)		Employee Bonus (D) (Note 4)				Ratio of total (A), (B), (C) and (D) to Net Income (%) (Note 8)		Remuneration from Invested Companies other than Subsidiaries or Parent Company (Note 9)
		The Company	All Companies In The Consolidated Financial Statements (Note 5)	The Company	All Companies In The Consolidated Financial Statements (Note 5)	The Company	All Companies In The Consolidated Financial Statements (Note 5)	The Company		All Companies In The Consolidated Financial Statements (Note 5)		The Company	All Companies In The Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
President	Alex Liao	15,070	15,070	540	540	7,773	7,773	1,150	0	1,150	0	8.30%	8.30%	None
Senior Vice President of ODM Business Division	Gordon Chen													
Assistant General Manager, R&D Department	Joe Wu													
Vice President of Finance and Accounting Department	Mei-Yu Li													
Assistant General Manager, Brand Business Division	Sheng-Fu Zheng													

Table of Remuneration Ranges

Range of Remuneration Paid to General Managers and Assistant General Managers	Names of General Managers and Assistant General Managers	
	The Company (Note 6)	All companies in The Consolidated Financial Statements (Note 7) E
Below NT$1,000,000		
NT$1,000,000 (incl.) to NT$2,000,000 (not incl.)		
NT$2,000,000 (incl.) to NT$3,500,000 (not incl.)		
NT$3,500,000 (incl.) to NT$5,000,000 (not incl.)	Joe Wu, Sheng-Fu Zheng	Joe Wu, Sheng-Fu Zheng
NT$5,000,000 (incl.) to NT$10,000,000 (not incl.)	Alex Liao, Gordon Chen, Mei-Yu Li	Alex Liao, Gordon Chen, Mei-Yu Li
NT$10,000,000 (incl.) to NT$15,000,000 (not incl.)		
NT$15,000,000 (incl.) to NT$30,000,000 (not incl.)		
NT$30,000,000 (incl.) to NT$50,000,000 (not incl.)		
NT$50,000,000 (incl.) to NT$100,000,000 (not incl.)		
Above NT$100,000,000		
Total	5	5

Note 1: The names of the general managers and the assistant general managers shall be separately listed, and the amount of each payment shall be disclosed in a summary manner.
This table and the above Table (1-1), or Table (1-2-1) and (1-2-2) shall be filled out if a director serve concurrently as general manager or assistant general manager.

Note 2: Refer to the emoluments, duty allowances and pension of general managers and assistant general managers in the most recent year.

Note 3: Refer to the bonuses, rewards, transportation allowances, special allowances, other allowances, accommodation, company cars, and other supplies for the general managers and assistant general managers in the most recent year. The kind and cost of the assets provided, the actual prices or fair market values of the rent, oil and other payments should be disclosed if the Company provides housing, automobiles and other means of transport or exclusive individual expenses. If there is a driver, please note the Company's payment for the driver, but not included in remuneration. The salary expenses are recognized in accordance with IFRS 2 "Share-based payment", including obtaining employee stock warrants and new restricted employee shares, and participating in cash capital increase and subscription of shares. They shall also be included in the remuneration.

Note 4: Refer to the amount of remuneration (including stock and cash) of the employees who have been assigned as managers by the board of directors in the most recent year. If it is unpredictable, the estimated amount of this year will be calculated based on the proportion of the actual distribution amount last year. And the attached sheet 1-3 shall be filled out.

Note 5: Total amount of remuneration for the general managers and assistant general managers paid by all companies (including the Company) listed in the consolidated financial statements of the Company shall be disclosed.

Note 6: Total amount of remuneration for each general manager and assistant general manager paid by the Company with disclosure of the names of general managers and assistant general managers in the corresponding brackets.

Note 7: It shall disclose total remuneration for each general managers and assistant general managers of the Company paid by all companies (including the Company) in the consolidated financial statements, and disclose the names of the general managers and the assistant general managers in the corresponding brackets.

Note 8: Net income refers to the profit after income tax of parent company only financial statements in the most recent year.

Note 9: a. This column should clearly be filled out with the remuneration amount related to invested companies other than subsidiaries for general managers and assistant general managers of the Company (Fill out "None"' if not relevant).

b. If the general managers or assistant general managers of the Company receive the emoluments from the invested companies other than subsidiaries, the remuneration shall be merged with the column E of the remuneration bracket sheet; and the name of the column shall be changed to "Remuneration from Invested companies and parent company".

c. Remuneration refers to the emolument (including employee, director and supervisor's emoluments) and business operation expense, etc. paid to the general managers and the assistant general managers of the Company as they are directors, supervisors or managers of invested companies other than subsidiaries.

*The content of the remuneration disclosed in this sheet is different from the concept of the Income Tax Act. Therefore, the purpose of this sheet is only for information disclosure but not for withholding tax.

2.2.4 The state of the distribution of employee profit-sharing compensation to managerial officers

February 27, 2024 Unit: NT$1,000

	Title (Note 1)	Name (Note 1)	Stock	Cash	Total	Ratio of the Total to Net Income (%)
Managerial Officers	President	Alex Liao	0	1,150	1,150	0.39%
	Senior Vice President of ODM Business Division	Gordon Chen				
	Assistant General Manager, R&D Department	Joe Wu				
	Assistant General Manager, Finance and Accounting Department	Mei-Yu Li				
	Assistant General Manager, Department of Strategic Business	Sheng-Fu Zheng				

Note 1: Individual names and titles should be disclosed, but the profit distribution can be disclosed in a summary manner.

Note 2: The amount of remuneration (including stock and cash) of the employees who have been assigned as managers by the board of directors in the most recent year. If it is unpredictable, the estimated amount of this year will be calculated based on the proportion of the actual distribution amount last year. Net income refers to the profit after income tax in the latest year; if the International Financial Reporting Standard has been adopted, the net income refers to the profit after income tax of parent company only financial statements in the most recent year.

Note 3: The application scope of "manager" in accordance with the Letter No. 0920001301 announced by the Financial Supervisory Commission, R.O.C. (Taiwan) on March 27, 2003 is as follows:

(1) General manager and equivalent
(2) Assistant general manager and equivalent
(3) Associate general manager and equivalent
(4) Head of finance department
(5) Head of accounting department
(6) Other person who have the rights to manage affairs and sign for the Company

Note 4: The attached sheet 1-2 and this sheet shall be filled out if the directors, general managers or assistant general managers of the Company receive the emoluments (including stock and cash).

2.2.5 Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements in the most recent 2 years to directors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

1. Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements in the most recent 2 years to directors, general managers, and assistant general managers of the Company

Unit: NT$1,000

Item / Title	The Company				All Consolidated Companies			
	2023		2024		2023		2024	
	Total Amount	Ratio of Total Amount to Profit after Income Tax	Total Amount	Ratio of Total Amount to Profit after Income Tax	Total Amount	Ratio of Total Amount to Profit after Income Tax	Total Amount	Ratio of Total Amount to Profit after Income Tax
Remuneration to directors	8,649	1.77%	6,653	2.25%	8,649	1.77%	6,653	2.25%
Remuneration to General Managers and Assistant General Managers	39,363	8.05%	24,533	8.30%	39,363	8.05%	24,533	8.30%
Profit after Income Tax	489,271	-	295,633	-	489,271	-	295,633	-

2. Analysis and description of remuneration policies, standards, packages and the procedure for determining remuneration, and their linkage to operating performance and future risk exposure:

(1) Remuneration policies, standards, packages

A. The payment standard and the formulation of the system takes the Company's overall operating status as the main consideration, and determines the payment standard based on the achievement rate and contribution of departments and individuals and refers to the industry benchmark (i.e. Salary Survey Report for the High-Tech Industry) to ensure the compensation of management is competitive in the industry to retain excellent talents, and improve the overall organizational team effectiveness of the Board of Directors and management.

B. According to Article 12-2 of the Company’s Articles of Association and Regulations Governing Remuneration, the remuneration for directors of the Company shall be evaluated by the Compensation Committee according to their respective participation in operations, and their performance and contribution are measured based on their grasp of the Company's goals, responsibilities, professionalism and continuing education records, etc. The Board of Directors is authorized to determine their remuneration according to the evaluation made by the Compensation Committee and general standards in the same industries. In accordance with Article 18 of the Company’s Articles of Association, if the Company makes profits for the current year, the Board of Directors shall resolve on the allocation of no more than 4% as the compensation for directors; the independent directors do not participate in the distribution of directors' compensation.

C. The compensation for our President and Vice President is determined based on individual performance evaluations conducted in accordance with the Performance Management System and their respective contributions to the Company's overall operations. Measurement indicators encompass financial metrics or key operating indicators (SPTS), along with sustainability and development performance, compliance with laws and regulations, internal controls, and talent development within their departments. Additionally, we consider market salary levels within the same industry and assess future operational risks. The compensation committee thoroughly examines salary levels, and the board of directors approves the implementation of the plan. Moreover, if the Company generates a profit during the year, no less than 7% of such profit shall be allocated as compensation to employees in accordance with Article 18 of the Company's Articles of Incorporation.

Performance measure indicator for General Manager and Vice General Manager

Object	Performance Indicator	Implementation method (weights)
General Manager	Financial Indicators (60%)	Company Revenue Achievement Rate (30%) Net Profit Achievement Ratio after Tax (30%)
	Sustainability and Development Indicator (15%)	Reduce carbon emissions and purchase renewable energy certificates continuously (5%) Green Supply Chain for Sustainable Commitment (5%)
	Legal Compliance and Internal Control (15%)	Significant Deficiencies in Legal Compliance and Internal Control (15%)
	Talent development (20%)	Talent development (20%)
Deputy General Manager	Key Operating Indicators (60%)	Depends on the strategic indicators that each senior manager undertakes in relation to his/her duties.
	Sustainability and Development Indicator (10%)	Green Supply Chain for Sustainable Commitment (10%)
	Legal Compliance and Internal Control (15%)	Significant Deficiencies in Legal Compliance and Internal Control (15%)
	Talent development (15%)	Talent development (15%)

D. Since its establishment, the Company has remained profitable and has implemented annual salary adjustments, with compensation for non-executive employees determined based on market salary benchmarks and individual performance to maintain market competitiveness. In 2024, the average salary adjustment was 4.5%. In addition to salary increases and year-end bonuses, the Company also allocates employee compensation to non-executive staff. According to the Company's Articles of Incorporation, no less than 1.5% of the annual profit shall be distributed to non-executive employees as compensation. For 2025, the Board of Directors has resolved to allocate approximately 2.5% of the Company's 2024 profit to non-executive employees, to be distributed in July 2025.

(2) The procedure for determining remuneration

A. The Company provides a diversified and competitive remuneration scheme for its employees. A wage and salary survey will be conducted annually to weigh market remuneration level and economic indicators, combined with performance appraisal and promotion systems as the basis for employee salary adjustments. The quarterly bonuses and year-end bonuses will be given based on the operating condition of the Company, achievement rate of operating performance indicators and personal performance. Performance bonuses, patent bonuses, R&D project bonuses and long-term incentive programs are also provided to retain and motivate outstanding talents. The actual allocated remuneration of directors and managers will all be reviewed by the compensation committee, and then proposed to the Board of Directors for decision making.

B. The Company established a Compensation Committee which is composed of three independent directors, who are mainly responsible for formulating the Company's salary strategy and package to ensure that the salary and compensation are consistent with the performance results. The Compensation Committee will evaluate factors such as the Company's performance, industry standards, and the salary level of the same industry, formulate an appropriate compensation package, connected with the Company's goals and the creation of long-term value for the Company, and regularly review the rationality of the remuneration payment according to the performance evaluation results of directors and managers. The

actual amount of remuneration for directors and managers shall be submitted to the Board of Directors meeting for approval after deliberation by the Remuneration Committee.

(3) Linkage to operating performance and future risk exposure

A. The Company's managers' performance goals are aligned with the Company's three-year strategy, and the decision-making process for the formulation of strategic objectives has taken into account the possible risks of current and future operations to manage and prevent possible risks within the scope of responsibility, and the results of the rating will be appraised according to the actual performance.

B. The compensation paid to the President and Vice President includes long-term rewards. The payment is in the form of stock appreciation. It is 50/50 given in cash and stock in the current year of surplus. The stock has a two-year lock-up period, and its actual value is related to the future stock price, which means sharing the future operational risks with the Company.

C. In order to ensure that the remuneration policy is closely related to the Company's operating performance and risks, the Compensation Committee regularly reviews the remuneration standards and the rationality of payment to avoid improper risks and excessive payment.

2.3 The state of the Company's implementation of corporate governance

2.3.1 The state of operations of the board of directors

A total of 3 (C) meetings of the 9th term Board of Directors were held in 2024, the attendance of directors is shown below:

Title	Name	Attendance in Person (D)	By Proxy	Attendance Rate (%) (D/C)	Remarks
Chairman	Representative of Delta Electronics Inc. / Bill Lo	5	0	100%	
Director	Representative of Delta Electronics Inc. / Simon Chang	5	0	100%	
Director	Representative of Delta Electronics Inc./ Ciou-Yuan Lai	5	0	100%	
Director	Representative of Delta Electronics Inc. / Chien-Hong Wu	5	0	100%	
Director	Alex Liao	5	0	100%	
Director	Chih-Chung Lan	5	0	100%	
Independent Director	Sin-Hui Yan	5	0	100%	
Independent Director	Chung-Yang Huang	5	0	100%	
Independent Director	Shu-Jou Lin	5	0	100%	

The attendance of independent directors of the 9th term Board of Directors in 2024 is shown below:

Title	Name	The 9th term				
		4th	5th	6th	7th	5th
		January 30, 2024	February 27, 2024	April 29, 2024	July 29, 2024	October 28, 2024
Independent Director	Sin-Hui Yan	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person
Independent Director	Chung-Yang Huang	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person
Independent Director	Shu-Jou Lin	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person

Any other matters that require reporting:

1. If any of the following circumstances occur during the operations of the Board of Directors, the meeting date, sessions, contents, qualified opinions and resolutions made by any independent director should be specified.
   (1) Matters specified in Article 14-3 of the Securities and Exchange Act: The Article 14-3 of Securities and Exchange Act is not applicable as the Company has established an audit committee. Please refer to the state of operations of the audit committee in this annual report for the relevant information.
   (2) Unless otherwise stated, other Independent Directors who expressed opposition or qualified opinions that were recorded or declared in writing as: None.
2. If there are any motions in which director(s) has (have) material interests, the name of the director(s), meeting contents, and reasons for avoiding conflict of interest and participation in the voting process should be specified:
   (1) Board of Directors' Meeting on January 30, 2024
   Directors with interests in avoidance: Alex Liao
   Content of Motion: Submission of 2023 Managerial Performance Evaluation and Bonus/ Compensation Recommendations
   Reasons for Interest Avoidance and Voting Circumstances: Pursuant to Article 206 of the Company Law, Mr. Alex Liao, a director, did not participate in the discussion and vote, and the remaining directors present did not raise any objection to the approval.
   (2) Board of Directors' Meeting on February 27, 2024
   Directors with interests in avoidance: Alex Liao
   Content of Motion: Distribution of 2023 Employee Compensation and Director Remuneration
   Reasons for Interest Avoidance and Voting Circumstances: Pursuant to Article 206 of the Company Law, Mr. Alex Liao, a director, did not participate in the discussion and vote, and the remaining directors present did not raise any objection to the approval.
   (3) Board of Directors' Meeting on July 29, 2024
   Directors with interests in avoidance: Alex Liao
   Content of Motion: Distribution of Retention Incentive Bonuses for Managers for the Year 2023
   Reasons for Interest Avoidance and Voting Circumstances: Pursuant to Article 206 of the Company Law, Mr. Alex Liao, a director, did not participate in the discussion and vote, and the remaining directors present did not raise any objection to the approval.
   (4) Board of Directors' Meeting on July 29, 2024
   Interests Avoidance of Directors: Alex Liao.
   Content of Motion: Proposed distribution of the Company's 2023 directors' remuneration and managers' remuneration to employees.
   Reasons for avoidance of interest and voting circumstances: Pursuant to Article 206 of the Company Law, Mr. Alex Liao, a director, did not participate in the discussion and voting, and the remaining directors present did not raise any objection to the approval.

3. Disclosure on the evaluation cycles, periods, scopes, methods and contents, etc. for self-evaluation (or peer evaluation) of the board are as follow.

Evaluation Cycles	Evaluation Periods	Evaluation Scopes	Evaluation Methods	Evaluation Contents
The Company shall conduct an internal board performance evaluation at least once a year. The Company's board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years.	From January 1, 2024 to December 31, 2024	Board of Directors	An external independent professional organization, the Taiwan Institute of Ethical Business (TIEBF), was commissioned to conduct the evaluation. The organization appointed three executive members—Wang; Hsiao-Wen, Lee, Chien-Jan; and Tu, I-Ching—to issue an independence declaration stating their ability to maintain a fair and objective attitude, and that there are no circumstances that would affect independence. The said members assess the effectiveness of the Board of Directors through three key areas, including internal regulations and records, evaluation questionnaires, and director interviews. The organization and the appointed experts maintain independence and have no business dealings with the Company. Evaluation by professional independent institutions: Taiwan Institute of Ethical Business and Forensics; For relevant content please refer to note 1 on 2021.	The criteria for evaluating the performance of the Company's Board of Directors includes the following four aspects: 1. Professional competency; 2. Decision-making effects; 3. Internal control; and 4. Sustainable development.
		Individual directors	Self- evaluation by each board member	The criteria for evaluating the performance of the board members, whether conducting by the board members themselves or among peers, includes the following six aspects: 1. Familiarity with the goals and missions of the Company. 2. Awareness of the duties of a director. 3. Participation in the operation of the Company. 4. Internal relationship management and communication. 5. The director's profession and continuing education. 6. Internal control.
		Audit Committee	Self- evaluation by the Audit Committee	The criteria for evaluating the performance of the Audit Committee should at least includes the following five aspects: 1. Participation in the operation of the Company. 2. Awareness of the duties of the audit committee. 3. Improvement of quality of decisions made by the audit committee. 4. Makeup of the audit committee and election of its members. 5. Internal control.
		Compensation Committee	Self- evaluation by the Compensation Committee	The criteria for evaluating the performance of the Compensation Committee should at least includes the following four aspects: 1. Participation in the operation of the Company. 2. Awareness of the duties of the Compensation Committee. 3. Improvement of quality of decisions made by the Compensation Committee. 4. Makeup of the Compensation Committee and election of its members.

Evaluation Results

Concerning the performance evaluation of the Board of Directors for the year 2024, it was conducted by an external independent professional organization, the Taiwan Institute of Ethical Business (TIEBF), on commission. The evaluation involves data and methods including: 1. Internal regulations and records; 2. evaluation questionnaires; and 3. director interviews. The performance evaluation of the Company's Board of Directors, including functional committees, for fiscal year 2024, was carried out through an internal questionnaire. The evaluation results were presented during the Board of Directors' meeting on February 25, 2025, covering the period from January 1 to December 31, 2024. Subsequently, an improvement plan was proposed as follows:

(1) The overall average score for the Board's performance in the evaluation conducted by the Taiwan Institute of Ethical Business (TIEBF) is 4.74 out of 5.

Improvement Program: On February 25, 2025, the Company reported the Board evaluation results and proposed improvement measures at the Board of Directors meeting. The recommendations made by the external institution and the Company's corresponding improvement actions are as follows:

(a) Enhance Board Diversity.

Improvement Measure: Gender and age considerations will be included in the evaluation criteria when nominating director candidates in the future.

(b) Strengthen and Implement Risk Management Mechanisms for Information Security.
Improvement Measure: The Company's IT Department will report to the Risk Management Committee on the evaluation and improvement measures related to "information security risks".

(c) Establish a Board-Level Sustainability Development Committee to Advance Corporate Sustainability.
Improvement Measure: Based on future growth momentum assessments, the Company will consider establishing a Sustainability Development Committee to assist the Board in formulating, promoting, and strengthening sustainability policies, annual plans, and strategies.

(d) Increase Discussion of Sustainability Issues at the Board Level.
Improvement Measure: The Company will stay aligned with policies and regulatory requirements promoted by competent authorities and refer to recommendations from external consultants to broaden and deepen discussions on sustainability topics with the Board, encouraging more diversified and innovative thinking.

(2) The overall average self-assessment score of the Board members was 4.87 out of 5.
The average scores for all six major assessment items were higher than those of 2023, and the results are as follows:

Items		2024	2023
A.	Familiarity with the goals and missions of the Company.	4.81	4.81
B.	Awareness of the duties of a director.	4.89	4.85
C.	Participation in the operation of the Company.	4.88	4.78
D.	Internal relationship management and communication.	4.83	4.72
E.	The director's profession and continuing education.	4.89	4.78
F.	Internal control.	4.89	4.85
Total Average		4.87	4.80

Improvement Program: None.

(3) The overall average self-assessment score of the Audit Committee is 5 out of 5.
Improvement Program: None.

(4) The overall average self-assessment score of the Remuneration Committee is 5 out of 5.
Improvement Program: None.

Note 1:The performance evaluation of the Company was conducted using questionnaires, and the evaluation of the Board as a whole was entrusted to professional independent institution, Taiwan Institute of Ethical Business and Forensics in 2021. The three evaluation committee members Yang-Zong Cai, Qing-Ping Shao and Chao-Sheng Jiang issued a declaration of independence, stating that they are able to maintain a fair and objective approach and there was no incident that affects independence. The three committee members issued the Board of Directors' effectiveness evaluation report according to the Company's relevant internal norms and records, evaluation questionnaires, and director interview questions. Suggested improvements are stated in the 2021 report and improvement measures are proposed to the Board of Directors. For improvement measures, please refer to (3) The state of the Company's implementation of corporate governance, any deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such deviations.

4. The implementation of and evaluation on the measures taken to strengthen the functionality of the board (e.g. establishment of an Audit Committee and promoting information transparency) during current and the previous year.

The composition in the Board of Directors shall hold the spirit of diversification, which composed by industrial elites and experts from all kinds of field. The Board of Directors of the Company is made up of 9 directors including 6 directors and 3 independent directors with the tenure of 3 years. The election of the Board of Directors adopts the candidate nomination system stated in Article 192-1 of the Company Act. The directors are selected from a list of candidates through the shareholders' meeting. In the 9th Board meeting, the proportion of the independent directors constitutes about 33% of the Board with consecutive term less than three years; the proportion of directors who are the representative of Delta Electronics Inc. constituting about 44% of the Board, and natural person constitutes about 22 % of the Board. In order to comply with the gender equality policies in our country, female directors constitute 11% of the Board, male directors constitutes 89% of the Board. 5 directors whose age ranged from 50 to 60 years old, which constitutes 56% of the Board, 4 directors in 61 to 70 years old,

which constitutes 44% of the Board. All directors are qualified as a professional manager. The chairman of the Company leads the Board of Directors in implementing a good Board governance mechanism, improving supervision and strengthening its management function.

A. In order to implement a good Board governance mechanism, the diversity and professionalism of the Board members need to be considered:

(a) Diversity of Board members

In order to strengthen corporate governance and increase the healthy development of the constitution and structure of the Board, the Company enacted the "Corporate Governance Best Practice Principles" in 2016, and revised in 2020, stating the appointment of directors should consider the overall composition of the Board of Directors. The composition of Board members should be diversified, such as having different professional backgrounds, fields of work or genders; as well as different knowledge, skills and attainment to exert the strategic guidance function. The professional background of the board members of the Company includes electrical engineering, informational engineering, automatic control, financial accounting, management and other fields. The Board of Directors is made up of diversified directors with the experience required for the Company's business, which will help to improve the function of decision-making and guidance.

(b) Professionalism of Board members

The Board election of the Company adopts the "candidate nomination system" according to the election charter, all candidates should nominate and review by the Board, after the resolution of the Board has made, then submit to the shareholders meeting for election. According to the article 20 of the "Best-Practice Principles of Corporate Governance," the overall consideration for the Board of Directors of the Company should require operational judgment, accounting and financial analytical capabilities, management capability, crisis management capability, industry knowledge, international market outlook, leadership, and decision-making capability. The Company will provide recommendation of continuing education courses to directors every year in order to upgrade the overall knowledge of board members on economic, environmental and social issues. Some directors participated in the self-organized director training course of Delta Electronics Inc. The topics include "Global and Domestic Economic Outlook for 2024". Some directors participated in various seminars organized by Taiwan Corporate Governance Association and Accounting Research and Development Foundation according to their own needs.

B. Increasing the operating frequency of Board meetings is considered necessary to improve supervision function of the Board of Directors:

The Company's board meeting shall be convened at least once every quarter to review business performance and discuss key operational strategies, including environmental, social and economic impact, risks and opportunities. A total of 5 meetings of the Board of Directors were held in 2024, with an average attendance rate of 100%.

C. Increasing the efficiency of the Board of Directors is considered necessary to strengthen management functions of the Board of Directors

According to the "Self-Evaluation or Peer Evaluation of the Board of Directors" of the Company, an internal board performance evaluation shall be conducted once a year. The Company's board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years. The Company's internal and external 2024 board performance evaluation has completed on February 25th, 2025 and reported to the Board of Directors, and improvement measures are proposed to the Board of Directors. The related evaluation results have been published on the Company's website. You can also refer to (3) The state of the Company's implementation of corporate governance, any deviations from the Corporate Governance

Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such deviations.

The Company has set up an Audit Committee which is responsible for supervising the accuracy of the Company's financial statements, the appointment (dismissal) and independence and performance of CPAs, the effectiveness of the implementation of the Company's internal control, the Company's compliance with relevant laws and regulations, and the management and control of the Company's existing or potential risks. The chief internal auditor shall not only submit the audit report to each independent directors for review monthly, but also report major audit findings of the Company's internal control management to committee members and directors during the quarterly Audit Committee meetings and quarterly board meetings, and the independent directors shall solely communicate the major audit findings of the Company's internal control management with the Chief Internal Auditor individually at least once a year, and also communicate with CPAs individually on the review or audit of governance issues like the Company's consolidated financial statements (including annual and financial statements of the parent company). The relevant state of communication are published on the Company's website, including the way of communication, items and results. Please refer to (2) "The state of operations of the Audit Committee" in this annual report for the relevant operating information of the Audit Committee.

The Board of Directors of the Company formulated the Compensation Committee, in order to assist the Board of Directors to evaluate the connection between the salary levels of directors and managers to the operating performance of the Company. By the following rights, to submit the suggestions to the Board of Directors for further discussion. Their authority is as follows: First, regularly examine this principle and provide suggestion for revision. Second, enact and regularly examine the performance target of the directors and managers and the policies, system, standards and structure of salaries and compensation. Please refer to (4)"The state of operations , formulation and duties of the Compensation Committee" in this annual report of the state of the Compensation Committee for Company's implementation of corporate governance.

The Company has set up a Risk Management Committee with the purpose of overseeing the operational mechanism of risk management, strengthening corporate governance, enhancing the effectiveness of the Board of Directors, and submitting the proposed recommendations to the Board of Directors for discussion. Their authority is as follows: 1. Review the risk management policies, procedures, and structure and regularly review their applicability and effectiveness of implementation. 2. Approve the risk appetite (risk tolerance), guide the allocation of resources. 3. Ensure that the risk management mechanism can adequately deal with the risks faced by the Company and integrate them into the daily operational processes. 4. Approve the priority and risk level of risk control. 5. Review the implementation of risk management, propose necessary improvements, and report to the Board of Directors on a regular basis (at least once a year). 6. Execute the risk management decisions of the Board of Directors.

The Company adheres to its consistent attitude on information transparency. The important resolutions made by the Board of Directors will be uploaded on the Market Observation Post System in Chinese and English version immediately after the Board of Director's meetings to safeguard the interests and equality of shareholders. In the "Best Practice of Principles in corporate governance", which forbid insiders use the unpublished information to sell marketable securities of the Company. The stock exchange control measures at the day insiders acquired the financial statement or relevant content of performance, which

includes but not limit to directors exchanging the stock during the period of closure in thirty days prior to the publicity of annual financial statement and fifteen days before the announcement of quarterly financial report, and the institutional investor conferences are held regularly to increase recognition of the Company among investors.

2.3.2 The state of operations of the Audit Committee:

The Audit Committee of the Company is made up of 3 independent directors. The Audit Committee aims to assist the Board of Directors to supervise the quality and integrity of the Company's implementation of accounting, auditing, financial reporting procedures and financial control.

Professional qualifications and experiences of members are as follows:

 Sin-Hui Yan (Convenor)	Education: • Ph.D. of Accountancy, National Taiwan University • Master of Accounting, University of Illinois Urbana-Champaign • Bachelor of Accountancy, Tamkang University Experience: •Professor of Accounting Department, CFO, Chair of Accounting Department, Tamkang University, 30 years of teaching experience • Consultant and member of the Financial Accounting Committee, Accounting Research and Development Foundation • Member of the Board of Examiners, Examination Yuan • Convener of the Audit Committee, and member of the Compensation Committee, the Risk Management Committee of this company	Professional field: • Specializes in accounting affairs and tax planning, with rich planning experience in the industry • Auditing practice Professional qualifications: • CPA of R.O.C
 Chung-Yang Huang (Committee member)	Education: • Ph.D. in Electrical and Computer Engineering University of California, Santa Barbara, CA, USA • Master, Department of Electrical Engineering National Taiwan University • Bachelor, Department of Electrical Engineering National Taiwan University Experience: • Professor, Department of Electrical Engineering National Taiwan University • Co-Founder, YOCTOL.AI. • Member of the National Development Fund Investment Commission • Deputy director, Taidah Entrepreneurship Center in National Taiwan University • Senior Manager, Cadence Design Systems (ex-Verplex Systems Inc.) • Convener of the Compensation Committee, and member of the Audit Committee, the Risk Management Committee of this company	Professional field: • SoC circuit design verification • Automation and optimization of circuit design • Verifiable circuit design • Constraint satisfaction issue • AI research, specializing in IC design verification and AI technology application
 Shu-Jou Lin (Committee member)	Education: • Ph.D. in International Business from the Department of International Business at National Taiwan University • Master of Economics from the Institute of Economics at National Taiwan University • Bachelor of Economics from the Institute of Economics at National Taiwan University Experience: • Professor at the Graduate Institute of Global Business and Strategy, National Taiwan Normal University •Member of the Audit Committee, Compensation Committee, and Convener of the Risk Management Committee of this company	Professional field: • Strategic Management, Technology Management, Entrepreneurship Management • Global Industry Analysis

A total of 4 meetings of the Audit Committee were held in 2024, the matters to be considered mainly included:

1. Financial statement auditing and accounting policies and procedures.
2. Internal control system and related policies and procedures.
3. Acquisition or disposal of assets or engaging in derivatives trading.
4. Regulatory compliance.
5. Whether the manager and the director have related party transactions and possible conflicts of interest.
6. Information security.
7. Corporate risk management.
8. The qualifications, independence and performance evaluation of CPAs.
9. Appointment, dismissal or remuneration of CPAs.

Key tasks in 2024:

A. Evaluate the effectiveness of the internal control system:

The Audit committee evaluated the effectiveness of the Company's internal control system policies and procedures (including control measures like finance, operation, risk management, information security, outsourcing, regulatory compliance, etc.), and reviewed the Company's auditors and CPAs, and periodic reports from management of the Company, including risk management and regulatory compliance. In the opinion of the Audit Committee, the Company's risk management and internal control system are effective. The Company has adopted necessary control mechanisms to supervise and correct violations, in reference to the internal control system-integrated framework released by The Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013.

B. CPA appointment

The Audit Committee is conferred the obligation to supervise the independence of the CPA firm to ensure the impartiality of the financial statements. All services provided by a CPA firm must be approved by the Audit Committee.

The results of the most recent annual valuation were discussed and approved by the Audit Committee on April 28, 2025 and presented to the Board of Directors on April 28, 2025 for approval, sufficient to qualify as the Company's certified public accountants for financial tax purposes.

The results of the most recent annual evaluation were discussed and approved by the Audit Committee on April 28, 2025 and presented to the Board of Directors on April 28, 2025 for approval, which assessed the independence and suitability of the accountants sufficient to serve as the Company's certified public accountants.

C. Review Financial Report

The Board of Directors has prepared the Company's 2024 Business Report, Financial Statements, and proposal for appropriation etc. The Financial Statement was entrusted to PwC Taiwan for the review and the Auditors' Report was issued. The mentioned Business Report, Financial Statements, and proposal for appropriation have been reviewed and determined to be correct and accurate by the Audit Committee members.

A total of 4 (A) meetings of the 3rd term Audit Committee were held in the most recent year, the attendance of independent directors is shown below:

Title	Name	Attendance in Person(D)	By Proxy	Attendance Rate (%) (D/C) Note 1/ Note 2	Remarks
Convener	Sin-Hui Yan	4	0	100	Not more than three consecutive terms
Member	Chung-Yang Huang	4	0	100	Not more than three consecutive terms
Member	Shu-Jou Lin	4	0	100	Not more than three consecutive terms

Note 1: If an independent director leaves office before the end of the year, the date of departure should be stated in the Remarks column, and the actual attendance rate (%) is based on the number of Audit Committee meetings held during his/her term of office and the actual number of attendances.

Note 2: If there is a re-election of an independent director before the year-end date, both the new and old independent directors should be listed, and a note should be made in the Remarks column stating whether the independent director is the previously or newly appointed or re-election and date of re-election. The actual attendance rate (%) is calculated based on the number of Audit Committee meetings held and the actual number of meetings attended during his/her service period.

Any other matters that require reporting:

1. If any of the following circumstances occur during the operations of the Audit Committee, the meeting date, sessions, contents, independent directors' opposition, qualified opinions or major proposed project contents and resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified.
   (1) Matters specified in Article 14-5 of the Securities and Exchange Act.
   (2) Unless otherwise stated, other resolutions which were not approved by Audit Committee but were approved by two-thirds or more of all directors.

   The following is the summary of Board's resolutions that fulfill the criteria (1) and (2) described above:

Audit Committee	Contents of motions and follow-up	Matters specified in Article 14-5 of the Securities and Exchange Act	Other resolutions which were not approved by the Audit Committee but were approved by two-thirds or more of all directors
February 27, 2024 The 3rd in the 3rd term	1. Replacement of the CPAs for auditing and attesting financial statements of the Company.	V	None
	2. It is proposed to pre-approve the non-assurance services (non-assurance services) that the Certified Public Accountants, their firms and firm affiliates and allied firms intend to provide to the Company and its subsidiaries.	V	None
	3. 2023 Business Report and Financial Statement.	V	None
	4. 2023 Appropriation of the Earnings	V	None
	5. Proposed Amendment to the Company's "Procedures for Endorsement and Guarantee Operations"	V	None
	6 The evaluation of the effectiveness of the 2022 internal control system.	V	None
	7 2022 Internal Control System Statements of the Company	V	None
	Resolution of the Audit Committee (February 27, 2024): It was unanimously approved by Audit Committee.		
	The Company's response to the Audit Committee's opinion: Not applicable as this resolution was unanimously approved by Audit Committee.		
April 29, 2024 The 3rd in the 4th term	1. 2024 First quarter Consolidated Final Statement	V	None
	2. Report on the Independence and Suitability Assessment of the Company's Accountants.	V	None
	3. 2024 CPA professional fees	V	None
	Resolution of the Audit Committee (April 29, 2024): It was unanimously approved by Audit Committee.		
	The Company's response to the Audit Committee's opinion: Not applicable as this resolution was unanimously approved by Audit Committee.		

Audit Committee	Contents of motions and follow-up	Matters specified in Article 14-5 of the Securities and Exchange Act	Other resolutions which were not approved by the Audit Committee but were approved by two-thirds or more of all directors
July 29, 2024 The 3rd in the 5th term	1. 2024 Second quarter Consolidated Final Statement	V	None
	Resolution of the Audit Committee (July 29, 2024): It was unanimously approved by Audit Committee.		
	The Company's response to the Audit Committee's opinion: Not applicable as this resolution was unanimously approved by Audit Committee.		
October 28, 2024 The 3rd in the 6th term	1. 2023 Third quarter Consolidated Final Statement of the Company	V	None
	2. Proposed Amendment to the Company's "Audit Committee Charter"	V	None
	3. Proposed Amendment to the Company's "Code of Conduct for Board of Directors' Meetings"	V	None
	4. Proposed Formulation of the Company's "Sustainability Report Preparation and Assurance Procedure"	V	None
	5. Proposed Formulation of "Regulations Governing Sustainable Information Management Operations" and Internal Control System for the "Management of Sustainable Information"	V	None
	6. Proposed Formulation of Internal Audit System concerning "Audit of Sustainable Information Management Operations".	V	None
	7. To formulate 2024 Audit Scheme for discussion	V	None
	Resolution of the Audit Committee (October 28, 2024): It was unanimously approved by Audit Committee.		
	The Company's response to the Audit Committee's opinion: Not applicable as this resolution was unanimously approved by Audit Committee.		

2. If there are any motions in which independent director(s) has (have) material interests, the name of the independent director(s), meeting contents, and reasons for avoiding conflict of interest and participation in the voting process should be specified: None.
3. Communications between the independent directors, the Company's chief internal auditor and CPAs (which should include the audit materials, methods, and results pertaining to the Company's finances and/or operations, etc.).
   (1) The independent directors will review the results of internal audit department on a monthly basis, and the chief internal auditor will report to the Audit Committee and directors on major findings in meetings of Audit Committee and meetings of Board of Directors. The chief internal auditor will regularly conduct audit reports and discussions with the Audit Committee members on a quarterly basis. They will also address the issues raised by the Audit Committee members immediately after the monthly report is issued. The relevant supervisors will be invited for explanation, if necessary. The conclusions and the recommendations will be consolidated and reported in the meetings of Audit Committee and Board of Directors by the chief internal auditor. The instructions of the Audit Committee and the Board of Directors will be followed as the basis of implementation.
   (2) According to the "Communications with Those Charged with Governance" No. 39 of Statements on Auditing Standards and requirement of Letter No. Taiwan-Finance-Securities-VI-0930105373 of the Securities and Exchange Commission, Ministry of Finance issued by the Securities and Futures Bureau on March 11, 2004, the review or audit of the governance issues like the Company's consolidated financial statements (including annual and parent company only financial statements) conducted quarterly during the planning and completion stages. These information must be documented in the working papers to communicate with the Audit Committees either in writing or in person.

The state of sole communications between the independent directors and the Company's chief internal auditor and CPAs in 2024:

Date	Communication on important matters with the chief internal auditor	Communication on important matters with the CPAs
February 27, 2024	Sole communication between independent director and Company's internal auditor	Sole communication between independent director and CPAs
Suggestion on important matters	None	None

The state of the sole communications between the independent directors and the Company's chief internal auditor and CPAs in 2024:

Date of the Audit Committee's Meetings	Communication on important matters with the chief internal auditor	Communication on important matters with the CPAs
February 27, 2024 The 3rd in the 3rd term	Report and communication on the implementation state of audit of Q4 2023	1. CPAs attended the meeting in person to discuss and communicate with independent directors on the implementation state of the review of 2023 consolidated and individual financial statement. 2. It is proposed to pre-approve the non-assurance services (non-assurance services) that the Certified Public Accountants, their firms and firm affiliates and allied firms intend to provide to the Company and its subsidiaries.
April 29, 2024 The 3rd in the 4th term	Report and communication on the implementation state of audit of Q1 2024	1. CPAs attended the meeting in person to discuss and communicate with independent directors on the report of communication state in corporate governance and the review of Q1 2024 consolidated financial statement. 2. Independence evaluation of CPAs.
July 29, 2024 The 3rd in the 5th term	1. Report and communication on the implementation state of audit of Q2 2024	1. CPAs attended the meeting in person to discuss and communicate with independent directors on the report of communication state in corporate governance and the review of Q2 2024 consolidated financial statement.
October 28, 2024 The 3rd in the 6th term	1. Report and communication on the implementation state of audit of Q3 2024 with independent directors 2. Formulation of 2025 Audit Scheme.	1. CPAs attended the meeting in person to discuss and communicate with independent directors on the implementation state of the review of Q3 2024 consolidated financial statement. (individual communication)
Conclusion: The above-mentioned matters have been reviewed or approved by the Audit Committee and no objection from the independent directors.		

(b)-1 The operation of the Risk Management Committee:

1. On January 30, 2024, the fourth meeting of the ninth session of the Board of Directors resolved to establish a Risk Management Committee. The members of this committee shall be appointed by resolution of the Board of Directors, and the number of members shall not be less than three. A majority of the members shall be independent directors and all members shall elect the independent directors as the convenor and chairman of the meeting. It was resolved to appoint Mr. Sin-Hui Yan, an independent director, Mr. Shu-Jou Lin, an independent director, and Mr. Chung-Yang Huang, an independent director, as members of the Committee.
2. The responsibilities of the Risk Management Committee are:
   (1)Review risk management policies, procedures and structures and regularly

review their applicability and effectiveness;
(2) Approve risk appetite (risk tolerance) to guide resource allocation;
(3) Ensure that the risk management mechanism adequately addresses the risks faced by the Company and is integrated into the day-to-day operational business processes;
(4) Approve risk control priorities and risk levels;
(5) Examine the implementation of risk management, propose necessary improvements, and report to the Board of Directors on a regular basis (at least once a year);
(6) Execute the risk management decisions of the Board of Directors.

3. Professional qualifications and experience of members and their operations:
(1) The Company's Risk Management Committee consists of three members.
(2) Current term of office of members: The term of office is from January 30, 2024 to June 14, 2026, the same date as the expiration of the current term of office of the Board of Directors.

Members' professional qualifications and experience, the attendance and discussion items are as follows:

Title	Name	Professional qualifications and experience	Actual Attendance [B]	Attendance by proxy	Actual attendance rate (%) [B/A]	Note
Convener	Shu-Jou Lin	Please refer to Chapter "Corporate Governance Report" 4. (1) Disclosure of Directors' Professional Qualifications and Independent Directors' Independence Information	1	0	100%	
Member	Sin-Hui Yan		1	0	100%	
Member	Chung-Yang Huang		1	0	100%	

4. Other matters to be noted:
The date and period of the meeting of the Risk Management Committee's major motions, the contents of the motions, the contents of the Committee's dissenting opinions, reservations or major proposals, the results of the Risk Management Committee's resolutions, and the Company's handling of the Risk Management Committee's opinions.

Risk Management Committee Date and meeting session	Content of Motion	Content of the Committee's Objections, Reservations or Major Proposals
October 28, 2024 The 1st in the 1st term	Implementation of 2024 Risk Management	None
	Risk Management Committee Resolution: Adopted through approval by all Committee members.	
	Company’s Response to Committee Opinions: Not applicable as the proposal has been adopted through the approval by all Committee members.	

2.3.3 The state of the Company's implementation of corporate governance, any deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such deviations

A. Corporate governance and code of ethics

Evaluation Items	Implementation Status			Deviations from Corporate Governance Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	√		The Company has established the "Corporate Governance Best Practice Principles" which is displayed on the website under the Corporate Governance section, and it is available for download by the stakeholders.	Complied with the Corporate Governance Best-Practice Principles for TWSE Listed TPEx-listed Companies
2. Shareholding Structure & Shareholders' Rights				Complied with the Corporate Governance Best-Practice Principles for TWSE Listed TPEx-listed Companies
(1) Does Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, has these procedures been implemented accordingly?	√		The Company has assigned spokesperson and deputy spokesperson, and set up a Corporate Communications Unit, and their contact information are disclosed on the Company website. Shareholders can express their opinions by phone or email. The Company will handle the issues according to the relevant procedures.	
(2) Does the Company have a list of major shareholders and beneficial owners of these major shareholders?	√		The major shareholders of the Company report changes in shareholding to the Company every month pursuant to the law. The list of top 10 shareholders is also disclosed in the annual report every year.	
(3) Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates?	√		The Company has established relevant controls in the internal control system and "Related Party Transaction Management" in accordance with regulations.	
(4) Has the Company established internal rules prohibiting insider trading on undisclosed information?	√		The Company's Code of Corporate Governance Practices prohibits insiders from trading in its shares during the closed period, which is 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report, once they have been informed of the relevant financial position and performance in the Company's financial report. The Company conducts educational programs at least once a year for current directors, managers, and employees. Additionally, during pre-employment training for new hires, the human resources department organizes educational sessions. These courses include a reminder regarding insider trading regulations, emphasizing that insiders should refrain from trading in the Company's stock during the closed periods, which are 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report, once they have been informed of the Company's financial condition and performance. In 2024, VIVOTEK established an online course accessible through its internal system. This course was available from January 1 to December 31 for current directors, managers, and employees. It was designed to allow all VIVOTEK members to engage in online learning at their convenience, with the flexibility to revisit the course annually. In 2024, 1,104 people completed the training, totaling 552 hours. The course covers the prohibition of insider trading and the handling of material internal information procedures.	

Evaluation Items	Implementation Status			Deviations from Corporate Governance Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations	
3. Composition and Responsibilities of the Board of Directors (1) Has the Company established a diversification policy for the composition of its Board of Directors and has it been implemented accordingly?	√		According to Article 20-3 of the Company's Corporate Governance Best Practice Principles, the composition of the Board of Directors shall be determined by taking diversity into consideration, such as having different professional background, working field or gender, etc., and shall have the knowledge, skills, and experience necessary to perform their duties. The Board of Directors shall possess the following abilities to achieve the ideal goal of corporate governance: 1. Operational judgment capability 2. Accounting and financial analytical capability 3. Management capability 4. Crisis management capability 5. Industry knowledge 6. International market outlook 7. Leadership capability 8. Decision-making capability The implementation capability of individual Board of Directors' members is shown in Note 1. The Board of Directors of the Company based on its spirit of diversity, is constituted by industrial elites and experts from all fields which is made up of 9 directors including 6 directors and 3 independent directors with tenure in three years. The Company adopts the "candidate nomination system" to select directors from the list of candidates by the shareholder's meeting. In the 8th Board meeting, the proportion of the independent directors constitutes about 33% of the Board with consecutive term less than three years; the proportion of directors who are the representative of Delta Electronics Inc. constituting about 44% of the Board, and natural person constitutes about 23 % of the Board. In order to comply with the gender equality policies in our country, female directors constitute 11% of the Board, male directors constitute 89% of the Board. 5 directors whose age ranged from 50 to 60 years old, which constitutes 56% of the Board, 4 directors in 61 to 70 years old, which constitutes 44% of the Board. All directors are qualified as a professional manager. The chairman of the Company leads the Board of Directors in implementing a good Board governance mechanism, improving supervision and strengthening its management function. 1. In order to implement a good Board governance mechanism, the diversity and professionalism of the Board members need to be considered: (a) Diversity of Board members Goal: As clearly specified in the "Corporate Governance Best Practice Principles", the appointment of directors should consider the overall composition of the Board of Directors. The composition of Board members should be diversified, such as having different professional backgrounds, fields of work or genders; as well as different knowledge, skills and attainment in order to exert the strategic guidance function. The specific goal of management: at least one female director, director with other position as manager of the Company is not over one-third of the directors, independent director over one-third of the director, tenure of independent is not over 3 years, at least one-third of independent director have expertise of financial accounting, strategic	Complied with the Corporate Governance Best-Practice Principles for TWSE Listed TPEx-listed Companies

Evaluation Items	Implementation Status			Deviations from Corporate Governance Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations	
			planning, and AI application. Achievement: All goal of management are achieved. (b) Professionalism of Board members Goal : The overall consideration for the election of the Board of Directors of the Company, including operational judgment, accounting and financial analytical capabilities, management capability, crisis management capability, industry knowledge, international market outlook, leadership, decision-making capability, etc. The Company has appointed external lecturers to give lectures to directors every year, or arranged external education courses for directors to upgrade the overall knowledge of board members on economic, environmental and social issues. Achievement: In 2024, several directors of Delta Electronics participated in the Company's self-organized director training courses. The topics included “Global and Domestic Economic Outlook for 2024” Additionally, many directors chose to attend various seminars organized by the Chinese Corporate Governance Association and the Taiwan Securities and Futures Market Development Foundation according to their professional competency needs. 2. Increasing the operating frequency of Board meetings is considered necessary to improve supervision function of the Board of Directors: Goal :The Company's board meeting shall be convened at least once every quarter to review business performance and discuss key operational strategies for operation, including environmental, social and economic impact, risks and opportunities. Achievement: A total of 5 meetings of the Board of Directors were held in 2024, with an average attendance rate of 100%. 3. Increasing the efficiency of the Board of Directors is considered necessary to strengthen management functions of the Board of Directors: Goal: According to the regulation of “Regulations Governing Self-Evaluation or Peer Evaluation of the Board of Directors” internal board performance evaluation shall be conducted at least once a year. The Company's board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years. Achievements: The evaluation of the board performance for 2024 was conducted by using internal questionnaires, which the evaluation result is reported on the Board meeting on February 25th, 2025: 1. The overall average score of the Board’s performance by the Taiwan Institute of Ethical Business (TIEBF) is 4.74 (out of 5) points. 2. The overall average score of self-evaluation on Board members is 4.87 (out of 5) points. 3. The overall average score of self-evaluation on Audit Committee is 5 (out of 5) points. 4. The overall average score of self-evaluation on Compensation Committee is 5 (out of 5) points.	

Evaluation Items	Implementation Status			Deviations from Corporate Governance Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations	
(2) Other than the Compensation Committee and the Audit Committee which are required by law, does the Company plan to set up other Board committees?	√		In addition to establishing the Compensation Committee and the Audit Committee as required by law, the Company established a Risk Management Committee on January 30, 2024, with approval from the Board of Directors. This committee is comprised of three independent directors: Mr. Sin-Hui Yan, Ms. Shu-Jou Lin and Mr. Chung-Yang Huang. Their terms of office align with those appointed by the Board of Directors. The convenor of the Risk Management Committee, Independent Director, Ms. LIN, SHU-JOU, specializes in strategic management and global industry analysis, which meets the required professional competence of the Risk Management Committee. The responsibilities of the Risk Management Committee are set out below: 1. Review risk management policies, procedures and frameworks, and periodically review their applicability and effectiveness; 2. Approve the risk appetite (risk tolerance) and guide the allocation of resources; 3. Ensure that the risk management mechanism adequately addresses the risks faced by the Company and is integrated into the day-to-day operational processes; 4. Approve risk control priorities and risk levels; 5. Review the implementation of risk management, make necessary recommendations for improvement, and report to the Board of Directors on a regular basis (at least once a year); 6. Risk Management Decisions of the Executive Board.	
(3) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the results of performance to the Board of Directors, and use the results as reference for directors' remuneration and renewal?	√		A. The Company has formulated the "Regulations Governing Self-Evaluation or Peer Evaluation of the Board of Directors" and the evaluation shall be regularly conducted once a year. Evaluation cycles: Other than the internal board performance evaluation shall be regularly conducted once a year, also the evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars once every three years. Evaluation subjects: The evaluation subjects include the board as a whole individual directors, Audit Committee and Compensation Committee. Evaluation methods: Including internal self-evaluation of the board of directors, self-evaluation of directors, peer-evaluation or other appropriate methods for performance evaluation. Evaluation Criteria: i. The criteria for evaluating the performance of the Company's board of directors includes the following five aspects: (a) Participation in the operation of the Company. (b) Improvement of the quality of the board of directors' decision making. (c) Composition and structure of the board of directors. (d) Election and continuing education of the directors.	

Evaluation Items	Implementation Status			Deviations from Corporate Governance Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations	
			(e) Internal control. ii. The criteria for evaluating the performance of the board members (self-evaluation or peer-evaluation) includes the following six aspects: (a) Familiarity with the goals and missions of the Company. (b) Awareness of the duties of a director. (c) Participation in the operation of the Company. (d) Internal relationship management and communication. (e) The director's profession and continuing education. (f) Internal control. iii. The criteria for evaluating the performance of the audit committee should at least includes the following five aspects: (a) Participation in the operation of the Company. (b) Awareness of the duties of the audit committee. (c) Improvement of quality of decisions made by the audit committee. (d) Makeup of the audit committee and election of its members. (e) Internal control. iv. The criteria for evaluating the performance of the compensation committee should at least includes the following four aspects: (a) Participation in the operation of the Company. (b) Awareness of the duties of the compensation committee. (c) Improvement of quality of decisions made by the compensations committee. (d) Makeup of the compensation committee and election of its members. Evaluation results: The evaluation of Board performance in 2024 has adopted the method of internal questionnaires, and the evaluation results have been completed on January 6th, 2025 and have been reported to the Board of Directors on February 25th, 2025. The Company's 2024 Board performance evaluation was conducted through both an external independent institution—Taiwan Institute of Ethical Business (TIEBF)—and an internal questionnaire. The evaluation results were completed on January 6, 2025, and reported to the Board of Directors on February 25, 2025. The improvement measures are then suggested based on the report. The performance evaluation results for the Board of Directors, individual directors, the Audit Committee, and the Remuneration Committee for the year 2024 are as follows: 1. Evaluation by the Taiwan Institute of Ethical Business (TIEBF), the institution independent from the Board of Directors: The Company invited the external organization Taiwan Institute of Ethical Business (TIEBF) to perform performance evaluation over the Board of Directors throughout the period from January 1 to December 31, 2024. The organization appointed three executive members—Wang; Hsiao-Wen, Lee, Chien-Jan; and Tu, I-Ching—to assess the	

Evaluation Items	Implementation Status			Deviations from Corporate Governance Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations	
			effectiveness of the Board of Directors through three key areas, including internal regulations and records, evaluation questionnaires (on 1. Professional competency; 2. Decision-making ability; 3. Internal control; and 4. Corporate social responsibility), and director interviews. The organization and the appointed experts maintain independence and have no business dealings with the Company. The evaluation report was submitted on January 6, 2025, and the results were reported to the Board on February 25, 2025. Based on the institution's recommendations, the Company proposed the following improvement measures: (a) Enhance Board Diversity. Improvement Measure: Gender and age considerations will be included in the evaluation criteria when nominating director candidates in the future. (b) Strengthen and Implement Risk Management Mechanisms for Information Security. Improvement Measure: The Company's IT Department will report to the Risk Management Committee on the evaluation and improvement measures related to "information security risks". (c) Establish a Board-Level Sustainability Development Committee to Advance Corporate Sustainability. Improvement Measure: Based on future growth momentum assessments, the Company will consider establishing a Sustainability Development Committee to assist the Board in formulating, promoting, and strengthening sustainability policies, annual plans, and strategies. (d) Increase Discussion of Sustainability Issues at the Board Level. Improvement Measure: The Company will stay aligned with policies and regulatory requirements promoted by competent authorities and refer to recommendations from external consultants to broaden and deepen discussions on sustainability topics with the Board, encouraging more diversified and innovative thinking. 2. The overall average self-assessment score of the Board members was 4.87 out of 5. The average scores for all six major assessment items were higher than those of 2023. 3. The overall average self-assessment score of the Audit and Compensation Committees was 5 out of 5. <u>Conclusion: The result of the performance evaluation of the board as a whole was effective</u> B. The above-mentioned evaluation results have been disclosed on the Company's official website, and it may be used as reference for individual directors' remuneration and nomination and renewal.	
(4) Does the Company regularly evaluate its external auditors' independence?	√		Our Audit Committee evaluate the independency and suitability of the CPAs, except to demand CPAs to provide "the declaration of independence" and "AQIs," also according to the standards of note 2 and 13 AQI	

Evaluation Items	Implementation Status			Deviations from Corporate Governance Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations	
			indexes for evaluation. Besides the confirmation of the expanses of VISA and tax cases by the CPAs and the Company, which has no other financial interests and relationships in business. The family members of the CPAs are also not in violation of the requirement of independence, and to refer the information of AQI index to ensure the CPAs and their firm are superior in the review experience and training hours than the level of their peers. The latest result of evaluation after the discussion of Audit Committee on April 28th, 2025, has reported to the Board of Directors and passed the evaluation of the independency and suitability of CPAs for resolution on April 28th , 2025, who are worthy to be the CPAs of the Company.	
4. Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors' compliance of law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings)?	√		The resolution of the creation of position Head of Corporate Governance was passed in the Board meeting on October 26, 2020. The Assistant General Manager of Accounting and Finance Department is appointed to serve concurrently as Head of Corporate Governance, who possessed three years or more working experience in legal affairs, finance, stock affairs or corporate governance related affairs of public company. The Head of Corporate Governance is responsible for handling matters related to board meetings and shareholders' meeting, providing related regulations to the directors and assisting directors with legal compliance, producing minutes of board meetings and shareholders' meetings, assisting in arranging continuing education of directors, furnishing information required for business execution by directors, assisting directors with legal compliance, and respond to questions from directors and shareholders. The focus of matters in 2024 is as follows: 1. There were 5 board meetings, 4 audit committee meetings and 3 compensation committee meetings convened, and the meeting minutes have been produced. 2. Convened the annual general meeting and meeting minutes were produced on May 31st. 3. Assisted in arranging the continuing education of directors. 4. Arranged the communication meetings among independent directors, the CPA and the Chief Auditor. 5. Assisted directors in understanding the update and promulgation of related regulations. 6. Established the Risk Management Committee. 7. Irregular briefings are conducted by relevant teams. For example, on April 29, 2024, the General Manager of the U.S. subsidiary was invited to report on the OBM U.S. market operation strategy, and the management team presented a report on the VORTEX business strategy. The supervisor of corporate governance has executed the relevant operations as the above commands. The total training hours in 2024 were 15 hours, name of the courses are as follows: 1. Global and Domestic Economic Outlook for 2024. 2. Promoting Corporate Sustainable Development using "Risk Management". 3. Common Deficiencies in "Financial Statement Review" and Practical Analysis of Key Internal Control Regulations.	Complied with the Corporate Governance Best-Practice Principles for TWSE Listed TPEx-listed Companies

Evaluation Items	Implementation Status			Deviations from Corporate Governance Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations	
5. Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions on corporate responsibilities?	√		1. The Company emphasizes the communication of all stakeholders, it has established an investor relations service area as a Stakeholders Section and the e-mail address for communication with stakeholders is: ir@vivotek.com. The contact window is Ms. Xiao from the Global Marketing Division. 2. The Company has established "Corporate Governance" section for investors on its website to provide an access for the investors and stakeholders to the latest information, downloads corporate governance related regulations, and relevant board resolutions and important matters. The Company has established a dedicated web page of "Corporate Social Responsibility" (CSR), and the fulfillment of CSR also disclosed on the web page. The Company has also established a dedicated web page for "corporate sustainability", and the fulfillment of corporate sustainability is also disclosed on the web page and the contact person of the enterprise is sustainability team's Ms. Xiao. The email address for communication and collection of stakeholders' feedback is esg@vivotek.com.	Complied with the Corporate Governance Best-Practice Principles for TWSE Listed TPEx-listed Companies
6. Has the Company appointed a professional registrar for its Shareholders' Meetings?	√		The Company has appointed Mega Securities Co., Ltd. as registrar for our Shareholders' Meetings.	Complied with the Corporate Governance Best-Practice Principles for TWSE Listed TPEx-listed Companies
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financial, business and corporate governance status?	√		The Company has established a public website to disclose regularly its financial, business and corporate governance related information.	Complied with the Corporate Governance Best-Practice Principles for TWSE Listed TPEx-listed Companies
(2) Does the Company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	√		Other than maintaining an English-language website, the Company also established a spokesperson system. Information related to shareholders' meetings or investors' meetings is updated immediately on the Company website.	
(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?	√		The Company has announced and reported the annual financial statements and the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadlines required by the regulations.	
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer	√		1. Employee Rights and Benefits and Employee Care Programs. Please refer to Chapter 4, "Corporate Sustainability" and "5. Labor Relations" in Chapter 6, "Business Overview" of this annual report. 2. For details of the enforcement of the rights of investors, suppliers, and interested parties, please refer to Chapter 4, "Corporate Sustainability," of this annual report. 3. For further details on the directors' continuing education, the execution of risk management policies and risk measurement standards, the implementation of customer policies, and the procurement of liability insurance for directors and supervisors, please refer to	Complied with the Corporate Governance Best-Practice Principles for TWSE Listed TPEx-listed Companies

Evaluation Items	Implementation Status			Deviations from Corporate Governance Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations	
relations policies, and purchasing insurance for directors)?			the respective sections within our annual report. You can find detailed explanations in "VI. Risk Matters in Recent Years and Up to the Printing Date of the Annual Report" on Chapter 8, "Review and Analysis of Financial Condition and Results of Operations and Risk Matters." These sections provide comprehensive insights into our practices and strategies in these areas.	
9. The improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange in the most recent year and propose the priority and measures to those matters that have not yet been improved: None.				

Note 1: The acquired capacity of individual Board of Directors' members are shown as below:

Diversified core items / Name of the director	Nationality	Concurrent as employee	Age		Years of service as an independent director	Professional background	Operational judgment capability	Accounting and financial analytical capability	Management capability	Crisis management capability	Industry knowledge	International market outlook	Leadership capability	Decision-making capability
			51-60 years old	61-70 years old										
Bill Lo (Male)	R.O.C	No		v	0	International Management	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Simon Chang (Male)	R.O.C	No		v	0	Business Management	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Ciou-Yuan Lai (Male)	R.O.C	No	v		0	Business Management	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Chien-Hong Wu (Male)	R.O.C	No	v		0	Business Management	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Chih-Chung Lan(Male)	R.O.C	No		v	0	Financial Accounting	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Alex Liao (Male)	R.O.C	Yes	v		0	Electrical Engineering	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Sin-Hui Yan (Male)	R.O.C	No		v	8	Accounting	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Chung-Yang Huang (Male)	R.O.C	No	v		8	Electrical Engineering	Excellent	Fair	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Shu-Jou Lin (Female)	R.O.C	No	v		2	International Business, Economics	Fair	Fair	Fair	Excellent	Fair	Excellent	Excellent	Excellent

Note 2-1: Evaluation criteria of CPA's independence

Evaluation item	Evaluation Results	Whether independence is satisfied
1. Does the CPA serve as a director or independent director of the Company or its affiliates?	N	Y
2. Is the CPA a shareholder of the Company or its affiliates?	N	Y
3. Is the CPA paid by the Company or its affiliates?	N	Y
4. Is the CPA a stakeholder of the Company?	N	Y
5. Does the CPA discuss with the Audit Committee its internal process for confirming independence?	N	Y
6. Does the co-CPA who has left the office for less than a year serve as the director, manager or hold a position of significant impact on the audit cases of the Company?	N	Y
7. Will the non-audit services provided by the CPA compromise the independence of the audit?	N	Y
8. Others (increase according to the needs of the Company)	N	Y

Note 2-2: Please refer to the five aspects and 13 items of AQIs to evaluate the suitability of PricewaterhouseCoopers Taiwan in this case

Evaluation items for suitability			Evaluation	
Aspect	AQI	Content	Yes	No
Professionality	Review experience	Whether CPA, EQCR and auditors from manager level and above have enough experiences for audit case	V	
	Training hours	Whether CPA, auditors from manager level and above(except accountant) received enough educational training to acquire professional knowledge and skills	V	
	Turnover rate	Whether auditors from manager level and above (except accountant) have enough manpower to maintain the audit	V	

Evaluation items for suitability			Evaluation	
Aspect	AQI	Content	Yes	No
	Professional support	Whether have enough professionals including computer auditory, financial evaluator or tax officer to support the audit team	V	
Quality control	Accountant burden	Whether the number of listed companies and review hours of input for CPA served as the main sign-off staff too heavy		V
	Review input	Whether the input ratio of planning and execution stage is suitable	V	
	EQCR	Whether the CPA of EQCR dedicate enough hours to review the case	V	
	Quality control support capability	Whether the quality control personnel has enough manpower to support the audit team	V	
Monitoring	Outer inspection for flaws and disposal	Whether number of cases in punishment by Financial Supervisory Commission, PCAOB in the United States, and disposal according to article 12 of Securities and Exchange Act lower than peers	V	
	Letter from authority for improvement	Whether the number of letters sent from authority for improvement lower than peers	V	
Creativity	Creative planning or advocate	Whether the firm promised to elevate the quality of audit, including the creative and planning capability	V	

Note 2-3 Please refer to the five aspects and 13 items of AQIs to evaluate the suitability of Accountants Yi-Zhang Liang and Kuan-Hung Lin from PricewaterhouseCoopers Taiwan in this case:

Evaluation items for suitability			Evaluation	
Aspect	AQI	Content	Yes	No
Professionality	Review experience	Whether accountant Yi-Zhang Liang, Kuan-Hung Lin ,Jie-Ru Hsu (EQCR) and main sign-off manager have enough experiences for audit case	V	
Quality control	Accountant burden	Whether the number of listed companies and review hours of input for CPA served as the main sign-off staff too heavy		V
	Audit input	Whether the input ratio of accountant Yi-Zhang Liang, Kuan-Hung Lin and their audit team in planning and execution stage suitable	V	
	EQCR	Whether the accountant Jie-Ru Hsu dedicate enough hours to review the case	V	
Independency	Fees for non-audit service	Whether the fees ratio of accountant Yi-Zhang Liang and Kuan-Hung Lin in non-audit service affect their independence	Note 1	
	Client familiarity	Whether the year in service affect accountant Yi-Zhang Liang and Kuan-Hung Lin in their independency	Note 2	
Monitoring	Outer inspection for flaws and disposal	Whether the average number of flaws for accountant Yi-Zhang Liang, Kuan-Hung Lin in punishment by Financial Supervisory Commission lower than other accountant	V	
	Letter from authority for improvement	Whether the number of letters for improvement received by accountant Yi-Zhang Liang, Kuan-Hung Lin by authority lower than peers	V	

Note 1:The non-audit service fees in this case will elaborate by audit team from Audit Committee in parent company of Delta Electronics Inc.

B. Continuing education/ training of Directors in 2023

Title	Name	Date	Course of continuing education / training	Duration (hours)
Chairman	Bill Lo	October 29, 2024	Global and Domestic Economic Outlook for 2024	3
		October 30, 2024	Practice Sharing - M&A Equity Investment Planning and Joint Venture Agreements	3
Director	Simon Chang	April 30, 2024	Company's Strategic Development Direction	3
		October 29, 2024	Global and Domestic Economic Outlook for 2024	3
Director	Ciou-Yuan Lai	October 29, 2024	Global and Domestic Economic Outlook for 2024	3
		November 8, 2024	Corporate Sustainability Transformation in 2026: Strategic Deployment of TNFD and Biodiversity Opportunities	3
Director	Chien-Hong Wu	August 29, 2024	Courses for Directors, Supervisors, and Corporate Governance Officers – Board Performance Evaluation	3
		October 29, 2024	Global and Domestic Economic Outlook for 2024	3
Director	Chih-Chung Lan	August 20, 2024	Identifying Company Irregularities or Operational Crises Through Financial Statements	3
		August 28,2024	Due Diligence and Financial Evaluation for M&As	3
Director	Alex Liao	October 29, 2024	Global and Domestic Economic Outlook for 2024	3
		December 24, 2024	The Promising Net-Zero Path – Analyzing Strategic Directions from an Industry Perspective	3
Independent Director	Sin-Hui Yan	March 11, 2024	2024 Corporate Governance Trends and Strategies	3
		May 3, 2024	Strengthening Labor Rights to Create a Friendly Workplace Amid the ESG Wave	3
		July 31, 2024	Common Deficiencies in the Financial Industry and Analysis of Penalty Cases, Including Prevention of Sexual Harassment	3
		August 2, 2024	Impact of the EU Carbon Border Adjustment Mechanism (CBAM) on Businesses After Implementation	3
		August 24, 2024	Analysis of Sustainability Reports	3
		September 18, 2024	2024 ESG Summit: A Comprehensive Approach to Net Zero and a Sustainable Future	6
		October 29, 2024	Global and Domestic Economic Outlook for 2024	3
Independent Director	Chung-Yang Huang	October 29, 2024	Global and Domestic Economic Outlook for 2024	3
		November 27, 2024	Boardroom Practical Dispute Analysis	3
Independent Director	Shu-Jou Lin	September 26, 2024	Promoting Corporate Sustainability using Risk Management	3
		October 23, 2024	How the Board Can Ensure Corporate Sustainability – Starting from Talent Discovery and Development	3
		December 9, 2024	Information Security – Personal Data Security Audits	3

C. Continuing education/ training of management team

Continuing education/ training of the Head of Finance and Accounting: Continuing education/ training of Head of Finance and Accounting and Head of Corporate Governance, Director of Accounting and Finance and Director of Corporate Governance, Mei-Yu Li, in 2024:

Continuing education/ training of Head of Finance and Accounting

Training Institution	Course of continuing education / training	Date	Duration (hours)
Accounting Research and Development Foundation	Continuing Professional Development Course for Accounting Supervisors of Issuer Brokerage Firms Stock Exchange Professional Development Course, 12 hours in total (3 hours in Finance, 6 hours in Ethics and Legal Liability, 3 hours in Corporate Governance)	November 4th – 5th, 2024	12

Continuing education/ training of Head of Corporate Governance

Training Institution	Course of continuing education / training	Date	Duration (hours)
Securities and Futures Institute	Global and Domestic Economic Outlook for 2024	October 29th, 2024	3
Accounting Research and Development Foundation	Promoting Corporate Sustainability through Risk Management	October 30th, 2024	6
Accounting Research and Development Foundation	Promoting Corporate Sustainable Development using "Risk Management".	December 18th, 2024	6

Continuing education/ training of Chief Auditor

Title	Name	Date	Course of continuing education / training	Duration (hours)
Chief Auditor	Li-Ting Huang	August 25th, 2024	Corporate Implementation of ESG and Integration of Internal Audits and Internal Controls: Applications and Examples	6
		September 26th, 2024	Practical Seminar on Cybersecurity Protection and Cloud Security Audit	6

D. The state of implementation of risk management policy and risk assessment standards

The Company established "Risk Management Policies and Procedures," which were approved by the Board of Directors on October 26, 2020. Additionally, the "Risk Management Committee" was approved by the Board of Directors on January 30, 2024. These initiatives were implemented to establish a robust risk management mechanism and enhance corporate governance.

E. The state of implementation of consumer protection or customer policy

Please refer to Item 4, Subitem (5) "Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set polices to protect consumers' rights and consumer appeal procedures?" under the 2.3.5 The state of implementation of sustainable development and deviations from the Sustainable Development Best Practice Principles for TWSE/ TPEx Listed Companies and reasons of this Annual Report.

F. The state of purchasing insurance for directors and supervisors by the Company

The Company has purchased directors , supervisors and managers insurance (D&O) for all directors and supervisors beginning on June 5, 2006. The following are the liability insurances covered for all directors and supervisors in 2024:

Insured Persons	Insurance Company	Insured amount (NT$)	Insured Period
All directors, supervisors and mangers	(1) Insurance Company of North America, Taiwan Branch (2) Fubon Insurance Co., Ltd. (3) Shinkong Insurance Co., Ltd. (4) Cathay Century Insurance Co., Ltd. (5) MSIG Mingtai Insurance Company, Limited.	USD 30,000,000 (Equivalent to NT$921,150,000)	From: January 1, 2024 To: June 31, 2025

2.3.4 The composition, duties, and operation of the Compensation Committee

The Board of Directors of the Company set up the Compensation Committee and its regulations pursuant to "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter". There are three committee members, all of whom are independent directors. The independent director, Ji-Ren Lee is appointed as the convener and Chairman of the meeting. The regulations of Compensation Committee clearly specified the obligations of the members are regularly reviewed the performance evaluation of directors and managers as well as the policy, system, standards and structure related to remuneration. The members also required to evaluate the remuneration of directors and managers regularly. The Committee shall exercise the care of a good administrator to faithfully perform the duties and present its recommendations to the Board of Directors for discussion.

1. The information on the Compensation Committee Independent Directors
   (1) Brief introduction of education and experiences

 Chung-Yang Huang (Convenor)	Education: • Ph.D. in Electrical and Computer Engineering University of California, Santa Barbara, CA,USA • Master, Department of Electrical Engineering National Taiwan University • Bachelor, Department of Electrical Engineering National Taiwan University Experience: • Professor, Department of Electrical Engineering National Taiwan University • Co-Founder, YOCTOL.AI. • Member of the National Development Fund Investment Commission • Deputy director, Taidah Entrepreneurship Center in National Taiwan University • Senior Manager, Cadence Design Systems (ex-Verplex Systems Inc.) • Convener of the Compensation Committee, and member of the Audit Committee, the Risk Management Committee of this company	Professional field: • SoC circuit design verification • Automation and optimization of circuit design • Verifiable circuit design • Constraint satisfaction issue • AI research, specializing in IC design verification and AI technology application
 Sin-Hui Yan (Committee Member)	Education: • Ph.D. of Accountancy, National Taiwan University • Master of Accounting, University of Illinois Urbana-Champaign • Bachelor of Accountancy, Tamkang University Experience: •Professor of Accounting Department, CFO, Chair of Accounting Department, Tamkang University, 30 years of teaching experience • Consultant and member of the Financial Accounting Committee, Accounting Research and Development Foundation • Member of the Board of Examiners, Examination Yuan • Convener of the Audit Committee, and member of the Compensation Committee, the Risk Management Committee of this company	Professional field: • Specializes in accounting affairs and tax planning, with rich planning experience in the industry • Auditing practice Professional qualifications: • CPA of R.O.C
 Shu-Jou Lin (Committee member)	Education: • Ph.D. in International Business from the Department of International Business at National Taiwan University • Master of Economics from the Institute of Economics at National Taiwan University • Bachelor of Economics from the Institute of Economics at National Taiwan University Experience: • Professor at the Graduate Institute of Global Business and Strategy, National Taiwan Normal University •Member of the Audit Committee, Compensation Committee, and Convener of the Risk Management Committee of this company	Professional field: • Strategic Management, • Corporate venturing investments • Strategic issue diagnosis

(2) Independence situation

Based on the review of the Company, the independent directors satisfy the conditions for independence specified below from two years before being elected and appointed, and during his/her term of office.

Independence Criteria	Chung-Yang Huang	Sin-Hui Yan	Shu-Jou Lin
(1) Not an employee of the Company or any of its affiliates	V	V	V
(2) Not a director or supervisor of the Company or any of its affiliates (Does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the country and concurrently serving as such at a public company and its parent or subsidiary or a subsidiary of the same parent company).	V	V	V
(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders.	V	V	V
(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officers in the preceding (1) subparagraph, or of any of the above persons in the preceding subparagraphs (2) and (3)	V	V	V
(5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds 5% or more of the total number of issued shares of the Company, ranks as one of its top five shareholders, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act. (Does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the country and concurrently serving as such at a public company and its parent or subsidiary or a subsidiary of the same parent company).	V	V	V
(6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the Company; (Does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the country and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent company).	V	V	V
(7) Not a chairperson, general manager, or person holding an equivalent position of the Company and not a person in or spouse of any of those positions at another company or institution: a director (or governor), supervisor, or employee of that other company or institution (Does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the country and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent company).	V	V	V
(8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company (Does not apply if the specified company or institution holds 20% or more and no more than 50% of the total number of issued shares of the Company and independent directors are appointed in accordance with the Act or the laws and regulations of the country and concurrently serving as such at a public company and its parent or subsidiary or a subsidiary of the same parent company).	V	V	V
(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the compensation committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.	V	V	V
(10) Has not been a person that falls under any of the conditions defined in Article 30 of the Company Act.	V	V	V

(1) Number of other publicly listed companies in which the individual is concurrently serving as a Compensation Committee member

Independent Director	Number of other publicly listed companies
Chung-Yang Huang	0
Sin-Hui Yan	2
Shu-Jou Lin	0

2. Information of Operation of the Compensation Committee

(a) The Company's Compensation Committee has 3 members.

(b) A total of 3(A) meetings of 6th term Compensation Committee (from June 15, 2023 to June 14, 2026) were held. The qualifications and attendance of members are as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Convener of 6th term	Chung-Yang Huang	3	0	100%	None
Member	Sin-Hui Yan	3	0	100%	None
Member	Shu-Jou Lin	3	0	100%	New member Re-elected on 2023.6.12

Note: (1) If a member of the Compensation Committee resigned before the year end, the date of resignation should be indicated in the remarks column. The attendance rate (%) is calculated based on the number of meetings of the Compensation Committee during their employment and the number of attendance.

(2) If there is re-election of member of Compensation Committee before the year end, both new and former members should be listed. The remarks column should indicate whether the member is a former member, newly-elected or continue in offices and the date of re-election. The attendance rate (%) is calculated based on the number of meetings of the Compensation Committee during their employment and the number of attendance.

3. Any other matters that require reporting:

Discussion and Resolutions of Compensation Committee

Date of Meeting of Compensation Committee	Discussion	Resolutions
January 30, 2024 The 2nd in the 6th term	Proposal to submit the suggestions of manager performance evaluation and bonus compensation of 2023.	Passed by all members unanimously.
February 27, 2024 The 3rd in the 6th term	Proposal to submit the case of employees and directors' remuneration distribution in 2023.	Passed by all members unanimously.
July 29, 2024 The 4th in the 6th term	1. Distribution of Retention Incentive Bonuses for Managers for the Year 2023. 2. Proposed Distribution of Directors' Remuneration and Managers' Employees' Compensation of the Company for 2022.	Passed by all members unanimously.
Conclusions: 1. The Company's Board of Directors of the most recent year does not decline to adopt or modify the recommendation of the Compensation Committee. 2. The Company's Compensation Committee in the most recent year has no any dissenting or qualified opinion which was on record or stated in a written statement.		

2.3.5 The state of implementation of sustainable development and deviations from the Sustainable Development Best Practice Principles for TWSE/ TPEx Listed Companies and reasons

Assessment Items	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations	
1. Does the Company have a dedicated (or ad-hoc) ESG organization with Board of Directors authorization for senior management, which reports to the Board of Directors?	√		Following ESG policy's vision and mission, VIVOTEK renamed the "CSR Promotion Team" to "Corporate Sustainability Promotion Team" in 2021, which was established under the General Manager's Office, and the General Manager is the Chief Director, while the members are concurrently from more than 8 departments, including human resource, finance & accounting, marketing, environmental safety, procurement, quality assurance, intellectual property, and IT and are mainly responsible for the promotion of corporate sustainability and formulation of medium- and long-term sustainable development plans, acting as a platform for up-down integration and horizontal communication, and formulation of policies and plans according to the concerned issues of stakeholders, with the implementation results reported to the Board of Directors at least once a year. Each quarter, the Sustainability Officer, representing the Corporate Sustainability Development Promotion Committee Chairman, reports to the Board of Directors on the progress of sustainability initiatives and greenhouse gas (GHG) inventory efforts. Reports were presented to the 2024 Board meetings on February 27, April 29, July 29, and October 28, covering topics such as GHG inventory planning, progress on sustainability report drafting, and stakeholder communication. Additionally, on October 28, 2024, the Board approved two management procedures: the "Sustainability Report Preparation and Assurance Procedure" and the "Regulations Governing the Sustainability Information Management", as well as the Internal Audit System concerning "Audit of Sustainable Information Management Operations. The Board of Directors reviews the management team's operational reports quarterly, including the corporate sustainability report. The executive team proposes strategies to the Board, which provides necessary guidance and reviews sustainability development strategies. In the first quarter of 2024, the Board discussed sustainability project plans and, upon guidance, recommended following three group-level projects with a focus on internal carbon reduction efforts. During the fourth quarter Board meeting, the Board also suggested participating in ESG evaluations to understand the Company's market ranking, which would inform future sustainability planning. The Corporate Sustainability Development Promotion Committee has incorporated the Board's recommendations into its future work plans and has already participated in the group's carbon reduction projects, actively advancing sustainability initiatives.	Complied with the Sustainable Development Best-Practice Principles for TWSE Listed TPEx-listed Companies
2. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy? (Note	√		The disclosed data covers the Company's sustainable performance at major locations from January to December 2024. The risk assessment boundary primarily includes the Company, encompassing the Taiwan headquarters and its subsidiaries, the Japanese region, existing locations in the Americas and Europe, among others. VIVOTEKs places importance on stakeholder communication.	Complied with the Sustainable Development Best-Practice Principles for TWSE Listed TPEx-listed Companies

<table>
<tr><th rowspan="2">Assessment Items</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from Sustainable Development Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanations</th></tr>
<tr><td>3)</td><td></td><td></td><td>In accordance with the international standard AA1000 Stakeholder Engagement Standard (AA1000 SES), and considering international sustainable issue developments and operational needs, we define key stakeholders and regularly engage in communication and dialogue with them. On January 21, 2024, the Company held an internal training session on corporate sustainability trends and regulations, focusing on international sustainability trends and strategies for drafting sustainability reports. The meeting was attended by senior executives and sustainability-related personnel, with a total of 26 participants. During the session, the conclusions from stakeholder survey analysis were shared, and an internal discussion was held to identify major issues, reviewing the effectiveness of communication on each of these key topics.

Starting in 2024, the Company further refined 21 focus areas and distributed questionnaires to the General Manager and senior executives of each department to assess the "positive/negative impact" and "actual/potential impact (likelihood of occurrence)" of each issue. After gathering feedback from stakeholders and consulting with expert advisors, the 11 most significant issues with the greatest impact were identified. Based on these findings, the Company established long-term goals, implemented concrete action plans, and tracked the progress and effectiveness of key initiatives, aiming to create a positive sustainable impact on society.

Corporate Sustainability Promotion Team has based on principles of matters to undergo the risk evaluation of major issues, and based on the risks after evaluation to enact the related risk management policies or strategies as follows. Additionally, it can refer to the explanation of chapter four-Sustainable Corporate in this annual report.
<table>
<tr><th>Major issues</th><th>Risk evaluation items</th><th>Risk management or strategies</th></tr>
<tr><td>Environment</td><td>Environmental protection</td><td>1.VIVOTEK has always cultivated in research, development, design and manufacture all take place in Taiwan. Its products are in compliance with International Safety Standards and Environmental Protection Regulations. Adhering to the environmental protection concept of "Respecting nature, Caring for the environment", the Company continues to introduce the ISO14001 environmental management system, and in 2024, the Company completed the ISO 14064-1 greenhouse gas inventory, verified by the British Standards Institution (BSI) Taiwan, with the verification covering the year 2023. The organizational boundary for the inventory includes the headquarters, subsidiaries, Zhonghe factory, Taoyuan No.2 factory, Taoyuan No.5 factory, Tsingpu warehouses, and offices (Hsinchu, Taichung, and Tainan). For 2024, verification will be expanded to include the U.S. subsidiary and the Latin America office.</td></tr>
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Assessment Items	Implementation Status					Deviations from Sustainable Development Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations			
					2. VIVOTEK purchased renewable energies like wind, photoelectric and water resource. In 2024 the purchase is 2,862,046 kWh of green energies, 1,188 certifications of renewable energies, and reduced 1,416.71 tons of carbon-emission, the total investment is NT$13,542,665. 3. We promise to follow government environmental regulations and meet the Company's own benchmarks, designing the products in a way that minimizes environmental impact during manufacture, use and disposal to prevent pollution, reduce consumption of waste resources (materials and energy), improve employees' abilities of self-management of the environment, and work together to improve the performance of environmental management and promote the environmental management system.	
				Society	Product and Occupational safety	1. The products of the Company are in compliance with international regulations and criterions, and ensure to comply with the requirement of RoHs, REACH and SVHC (Substance of Very High Concern). No hazardous substances are involved. To transfer the risk of product liability, mitigate property losses, and enhance product safety, the merged company has obtained product liability insurance. And designing the products in a way that minimizes environmental impact during manufacture, use and disposal to prevent pollution, reduce consumption of waste resources (materials and energy), improve employees' abilities of self-management of the environment, and continue to improve the performance of environmental management. 2. VIVOTEK also concerns user' feelings, through ways of customer service mailbox, online support, and customer service hotline for satisfaction survey in consultation and in Turn-Around Time to resolve the questions from technical support and after sales service from customers. 3. We annually hold the fire drill and worker safety educational training to develop the ability of emergency response and self-security management for employees, meanwhile preventing our employees to approach situations with potential injury or disease.	
				Corporate Governance	Law-compliance and strengthen capacity of the Board of Directors and communication with stakeholders	1. The Company has appointed a Head of Corporate Governance and, on January 30, 2024, at the 4th Meeting of the 9th Board of Directors, the Board resolved to establish a Risk Management Committee. The members of this Committee are appointed by the Board of Directors, with the number of members not less than three (3). Among the Committee, over half of the members shall be independent directors, and the independent directors elected by all members will serve as the convener and	

<table>
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<tr><th>Yes</th><th>No</th><th>Explanations</th></tr>
<tr><td></td><td></td><td></td><td>chair of the meetings. The Committee appointed independent directors Sin-Hui Yan, Shu-Jou Lin and Chung-Yang Huang as members. The Committee is tasked with overseeing the Company's risk environment, key risk management areas, risk assessments, and response measures to identify risks across management strategies, operations, finance, hazard events, compliance, and other aspects. It reports on the supervision of risk management to the Board at least once a year.

2. The Company insures its directors with Directors' & Officers' (D&O) insurance to protect them in case of lawsuits or claims against them.

3. To avoid misunderstandings or potential operational or legal risks arising from conflicts between stakeholders and the merged company, the merged company analyzes key stakeholders and their concerns annually.

4. The Company establishes various communication channels, proactively engaging in communication to reduce conflicts and misunderstandings. An investor mailbox is set up, managed by the spokesperson who is responsible for responding to inquiries.</td><td></td></tr>
<tr><td>3. Environmental Topic
(1) Has the Company set an environmental management system designed to industry characteristics?</td><td>√</td><td></td><td>VIVOTEK will continue to conform the requirements of registration to the International Standard Organization, including ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and IECQ QC 080000 Hazardous Substance Process Management. The date awarded and expiration date of each certification are disclosed as follows:
<table>
<tr><th>Management System Name</th><th>Awarded Date</th><th>Expiration Date</th><th>Verification Unit</th><th>Certification No.</th></tr>
<tr><td>ISO 9001:2015</td><td>2024/4/30</td><td>2027/4/29</td><td>TUV Rheinland</td><td>01 100 8220 65618</td></tr>
<tr><td>ISO 14001:2015</td><td>2024/5/22</td><td>2027/5/21</td><td>TUV Rheinland</td><td>01 104 8220 65618</td></tr>
<tr><td>ISO 14064-1 :2018</td><td>2025/3/28</td><td>Verification period: 2024/01/01~2024/12/31</td><td>BSI</td><td>GHGEV 815764</td></tr>
<tr><td>ISO 14064-1 :2018</td><td>2024/3/20</td><td>Verification period: 2023/01/01~2023/12/31</td><td>BSI</td><td>GHGEV 801200</td></tr>
</table>
We also conduct greenhouse gas inventory, following up carbon reduction effect according to ISO14064-1 and include them into the Sustainability Report and our website.</td><td>Complied with the Sustainable Development Best-Practice Principles for TWSE Listed TPEx-listed Companies</td></tr>
<tr><td>(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?</td><td>√</td><td></td><td>The Company actively promotes various energy reduction measures, including the use of energy-saving equipment to reduce energy consumption and the procurement of renewable energy.
In 2024, LED lights and variable frequency drive chiller units were used to replace what was in use, resulting in a reduction of 78,012kWh of electricity and a carbon reduction of 56.01 tCO_2e.
VIVOTEK has planned to utilize 100% renewable energy by 2030, with an RE target of 70% by 2026. The Company purchased renewable energies like wind, photoelectric and water resource. In 2024, the purchase is 2,862,046kWh green energies, 1,188 certifications of renewable energies, and decarbonized a total of 1,416.71 tons, amount</td><td></td></tr>
</table>

<table>
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<tr><th>Yes</th><th>No</th><th>Explanations</th></tr>
<tr><td></td><td></td><td></td><td>invested reaching up to NT$13,542,665, gray-to-green electricity ratio 43.33%.
In line with the global green economy initiative, the Company continues to make improvements and has engaged a consulting firm in Q2 2025 to assist with the establishment and implementation of the ISO 50001 Energy Management System, with certification expected in Q4 2025.
Hazardous substance identification and management is compulsory conducted for all the finished products, semi-finished products, components, accessories, packaging materials, and materials to be used in manufacturing process manufactured by the Company. In addition, Green Product Management (GPM) system is implemented for the establishment of green parts / product database to keep track of the environmental compliance status of parts and suppliers at any time. A random feeding testing management operation is conducted according to the risk level of materials in a timely manner. The Company has implemented waste separation to maximize the utilization efficiency of various resources. The reusable are recycled, and the clearance of inventory scrapping is managed by qualified vendor in order to reuse various resources and reduce the impacts on the environment.</td><td></td></tr>
<tr><td>(3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?</td><td>√</td><td></td><td>The Company has conducted a climate risk assessment in 2024 in accordance with the framework of the Task Force on Climate-related Financial Disclosures (TCFD) as published by the Financial Stability Board. This assessment consolidated input from various departments to identify significant climate-related risks, evaluate their potential impacts, likelihood of occurrence, and financial implications. Meanwhile, the Company also identified and assessed feasible opportunities and corresponding management strategies. Key findings have been disclosed in the "Climate-Related Information for TWSE/TPEx Listed Companies (Appendix 2-2-3)" as well as in the 2024 VIVOTEK Sustainability Report.</td><td></td></tr>
<tr><td>(4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction and other waste management policies?</td><td>√</td><td></td><td>The greenhouse gas inventory and third-party verification for the year 2024 were completed in Q1 of 2025. The verification was conducted by the British Standards Institution (BSI) Taiwan. The organizational boundaries include the head office, subsidiaries (Kouzou/Xinsidai), Zhonghe factory, Taoyuan No.2 factory, Taoyuan No.5 factory, offices (Hsinchu, Taichung, and Tainan), and Tsingpu warehouses, as well as our US subsidiary and Latin America offices. The total emissions (Scope 1+2) amount to 1,952.5571 metric tons of CO2e. This represents a 9% decrease from 2023. The Company remains committed to enhancing its programs and activities to mitigate environmental and climate impacts stemming from greenhouse gas emissions and to uphold its corporate social responsibility. Additional statistics and explanations of the variances are detailed in the Company's 2024 Sustainability Report.
<table>
<tr><th>Year</th><th>Boundary1</th><th>Boundary2</th><th>Total weight of tons (Boundary1+2)</th><th>Boundary 3</th></tr>
<tr><td>2023</td><td>116.7871</td><td>2,029.1416</td><td>2,145.9287</td><td>747.1864</td></tr>
<tr><td>2024</td><td>111.8648</td><td>1,840.6923</td><td>1,952.5571</td><td>969.2708</td></tr>
<tr><td>Differences</td><td>-4.9223</td><td>-188.4493</td><td>-193.3716</td><td>+222.0844</td></tr>
</table>
Addition Section:
1-1-1 Greenhouse Gas Inventory Information: This section details the emissions (in metric tons CO2e), intensity (in metric tons CO2e per million USD), and scope of data coverage for the greenhouse gases over the past two years.
1-1-2 Greenhouse Gas Assurance Information: This section provides an explanation of the assurance status for the most recent two years up to the date of the annual report, including the scope of assurance, assurance provider, assurance criteria, and assurance opinion.
The summary is presented in the following table.</td><td></td></tr>
</table>

Assessment Items	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations	

Year	Boundary 1	Boundary 2	Total weight of tons (Boundary1 +2)	Intensity (tons CO_2e per million)	Boundary 3	Assurance Provider	Assurance Statement Explanation
2023	116.7871	2,029.1416	2,145.9287	0.2342	747.1864	BSI Taiwan	The Company disclosed that the total GHG emissions in Scope 1 amounted to 116.7871 metric tons, while in Scope 2, they reached 2,029.1416 CO_2e. These figures have been verified by the confirmation organization following the ISO 14064-3:2019 standard, with the confirmation organization providing an opinion of reasonable assurance.
2024	111.8648	1,840.6923	1,952.5571	0.2664	969.2708	BSI Taiwan	The Company disclosed that the total GHG emissions in Scope 1 amounted to 111.8648 metric tons, while in Scope 2, they reached 1,840.6923 CO_2e. These figures have been verified by the confirmation organization following the ISO 14064-3:2019 standard, with the confirmation organization providing an opinion of reasonable assurance.

To align with international carbon reduction trends, VIVOTEK has established a Sustainability Promotion Task Force to track and manage its reduction efforts. Due to changes in facility boundaries, the base year has been set as 2023 (during which the Company recorded a total GHG emission of 2,145.9287 metric tons CO_2e). Based on this baseline, VIVOTEK initially set an annual carbon reduction target of 1–2% starting in 2023. Following a routine meeting of the Sustainability Task Force held on April 18, 2025, and with the Chairman's resolution, the Company has raised its carbon reduction targets to 30% by 2030 and 50% by 2050 compared to the base year.

To achieve these goals, VIVOTEK has implemented specific reduction measures, including the adoption of energy-saving equipment, ongoing environmental improvement programs, and the use of renewable energy. As of 2024, the Company successfully reduced its emissions by 9% compared to the 2023 baseline.

In response to climate change and to further promote sustainability, VIVOTEK plans to continue negotiating the purchase of renewable energy and invest in the development of energy-efficient products. Future action plans and targets include the installation of smart meters, the integration of plant facilities and production capacities, and alignment with the group's renewable energy procurement initiatives. These efforts aim to achieve 100% renewable energy usage by 2030.

In terms of water resources, VIVOTEKs' product manufacturing process does not involve water usage. The Company leases its factory and office spaces; therefore water expenses are shared with the building management committee and the leasing companies, and actual water consumption is minimal. This has minimal environmental impact. The Company promotes water conservation and the preservation of water resources in its office environment. In 2024, VIVOTEK's total water consumption increased by 2,615.8 tons compared to 2023. In addition, PwC Taiwan has conducted a limited assurance engagement on VIVOTEK's selected key performance indicator—total water withdrawal for the year 2023—in accordance with Assurance Standard No. 3000 issued by the Accounting Research and Development Foundation in Taiwan (ARDF). A limited assurance engagement for total water withdrawal in 2024 is scheduled for completion by August 2025.

In terms of waste management, the Company generates no hazardous waste. In 2024, the Company partnered with certified recycling vendors

<table>
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<tr><th>Yes</th><th>No</th><th>Explanations</th></tr>
<tr><td></td><td></td><td></td><td>to process plastic and metal waste, expanding its recycling efforts comprehensively. The amount of non-hazardous waste increased by 46.7455 metric tons, mainly due to the inclusion of recycled paper weight from the Zhonghe factory in the statistics. The total weight of recyclable non-hazardous waste reached 76.72 metric tons, accounting for 99.2561% of total waste, thereby surpassing the Company’s waste management target of maintaining recyclable waste above 90% of total waste. Both water usage and total waste figures are included in the ISO 14064-1 GHG inventory and are verified through third-party assurance.

VIVOTEK has planned to utilize 100% renewable energy by 2030, with energy reduction measures including replacement with energy-saving equipment implemented. The Company purchased renewable energies like wind, photoelectric and water resource. In 2024, the purchase is 2,862,046kWh green energies, 1,188 certifications of renewable energies, and decarbonized a total of 1,416.71 tons, amount invested reaching up to NT$13,542,665, gray-to-green electricity ratio 43.33%. The RE in 2024 was 43%.
In 2024, LED lights and variable frequency drive chiller units were used to replace what was in use, resulting in a reduction of 78,012kWh of electricity and a carbon reduction of 56.01 tCO_2e.
<table>
<tr><td>Year</td><td>Total amount of water used</td><td>Total weight of non-hazardous wastes</td><td>Hazardous Wastes</td></tr>
<tr><td>2023</td><td>36,160.4 tons</td><td>30.5495 tons</td><td>None</td></tr>
<tr><td>2024</td><td>33,544.6 tons</td><td>77.295 tons</td><td>None</td></tr>
<tr><td>Differences</td><td>Increased by 2,615.8 tons</td><td>increased by 46.7455 tons (but recyclable accounts for 99.2561%)</td><td>None</td></tr>
</table>
</td><td></td></tr>
<tr><td>4. Social Topic
(1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?</td><td>√</td><td></td><td>The Company is convinced that human rights are fundamental too all, kinds of freedoms and perception standards reserved for all human beings. Human rights are deeply embedded in our values and are applicable to all operations throughout the entire company. We support and follow the "United Nations Global Covenant", "Universal Declaration of Human Rights", "United Nations Guiding Principles on Business and Human Rights", "Organization for Economic Cooperation and Development International labor and human rights standards such as the Business Alliance, referred to as RBA, and the laws and regulations of the country where it operates, doing everything to treat and respect all of our partners with dignity, including all VIVOTEK employees, subsidiaries, business partners, suppliers, and contractors. The Company also formulates human rights management policy, showing our respect to all protection mechanism stipulated in the human rights convention, and post it on our website.
The principles applied to human rights: (1) diversity and anti-discrimination (2) working hours, wages and benefits (3) freedom of employment (4) prevention of forced labor and human trafficking (5) banning on child and minor labor engaging in those activities that may endanger health or safety (6) humane treatment (7) religious freedom (8) freedom of association (9) work environment health and safety (10) ethics (11) value chain responsibility.
Specified management scheme:
(1) We have set up cycle processes to pursue compliance with VIVOTEK Human Rights Policy without exception. Relevant practices include self-assessment forms, audits, etc.; legacy reporting and correction process will continue; should our</td><td>Complied with the Sustainable Development Best-Practice Principles for TWSE Listed TPEx-listed Companies</td></tr>
</table>

Assessment Items	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations	
			employees, partners, suppliers, and contractors raise any doubts against any of them, they may communicate with us via confidential channels, and keep relevant documents and records under confidentiality. (2) For assurance of compliance of policy, we formulated reporting and complaint methods, also built formal channel for our employees, suppliers, and other external stakeholders to report illegal behaviors, violation of human rights, codes of conduct or integrity. Email is GRIEVANCE@vivotek.com. Upon receipt of it, we will initiate investigation process and the case will be concluded in one month. If necessary, extension by one month would be applied. The result will be handed back to the complainant with a "Response Form for Reporting and Complaint". (3) The Company pays attention to the physical and mental health of its employees. In addition to annual health checkups in a regular basis, it also provides seven-day paid travel leave, which is superior to the law. The whole company arranges vacations to achieve work-life balance. (4) In 2024, the human rights policy will be included in the integrity management education and training courses for publicity, with a total of 1,178 participants and a total of 589 hours.	
(2) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	√		1. Overall compensation policy The Company determines employee compensation based on educational background, professional expertise, technical skills, and individual performance, without discrimination based on gender, race, religion, marital status, or other personal attributes. All salaries fully comply with applicable labor laws and regulations. The Company conducts annual market salary surveys to benchmark its compensation structure against market levels and economic indicators, targeting the 75th percentile (P75) as a reference point for salary adjustments. Since its establishment, the Company has implemented annual performance-based salary adjustments. In 2022, the Company carried out a structural adjustment with an average salary increase of approximately 20%. In 2023 and 2024, the average salary adjustments were 6% and 4.5%, respectively. 2. Remuneration system The Company has established human rights policies, work rules and regulations governing personnel management, covering the basic wages, working hours, leaves, pension benefits, labor and health insurance benefits, compensation for occupational disaster, etc. for employment of labor of the Company, which all are complied with the Labor Standards Act. The Company provides paid leaves and volunteer leaves, and staff parking that surpassed the Labor Standards Act. Also, the Company has set up an employee's welfare committee which is elected by employees to handle various welfare matters, including subsidies for weddings, funerals, celebrations, childbirth, and social activities, birthday gifts, etc., and a travel subsidy of NT $10,000 per person every year to promote work-life balance. 3. Workplace Diversity and Equality The Company committed to providing a dignified and safe working environment for all employees. We implement diversity in hiring and ensure fairness in compensation and promotion opportunities, safeguarding employees from discrimination, harassment, or unfair treatment based on race, gender, sexual orientation, religion, age, political views, place of birth, disability, or any other condition protected under applicable laws. In 2024, the Company organized awareness and training programs on Human Rights Policy, Sexual Harassment Prevention, and Workplace Violence Prevention, with a cumulative 3,351 participants and a total of 6,702 training hours.	

Assessment Items	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations	
			As of now, the gender ratio among full-time employees is 49.1% male to 50.9% female, and the Company meets legal requirements for employing people with disabilities. The Company offers a competitive salary structure to attract and retain the talent essential for sustainable business growth, upholding the principle of equal pay for equal work, and no gender pay gap exists at the same job level. The 2024 gender pay ratios for base salary are: senior management: male to female at 1 : 1.11; middle management and direct personnel at 1 : 0.93; and non-executive staff at 1 : 0.80. (The gap at the non-executive level is due to role differences, with around 60% of male staff being engineers in technical R&D roles, while female staff predominantly work in administrative positions.) 4. Business Performance Reflected in Employee Compensation The Company provides a diverse and competitive compensation system that integrates performance evaluations and a structured promotion framework as the basis for salary adjustments. Based on operational results, performance indicators, and individual evaluations, the Company grants year-end bonuses, and also offers performance bonuses, patent bonuses, R&D project incentives, and long-term incentive programs; furthermore, if there is a profit for a year, in accordance with Article 18 of the Company's Articles of Incorporation, no less than 7% of profits are allocated as employee compensation, of which no less than 1.5% is specifically designated for non-executive staff, reinforcing our commitment to attracting, retaining, and motivating top talent. 5. Disclosure of Collective Agreement Information for 2024 Our company has not yet established a labor union; therefore, no collective agreement has been signed.	
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	√		The Company has established a dedicated occupational safety and health management unit along with relevant personnel to adhere to the principles of the Occupational Safety and Health Management System P-D-C-A (Plan-Do-Check-Act). This unit is responsible for implementing occupational safety and health measures as well as fire prevention laws and regulations. It formulates occupational safety and health management plans, regulations, codes of practice, and fire prevention plans. In 2024, to enhance workers' understanding of safety and health measures and their capacity to handle emergencies, we will implement newcomer and on-the-job education and training covering general safety and health principles. Additionally, fire evacuation drills will be conducted regularly. Furthermore, we will appoint occupational safety and health personnel, as well as first-aid personnel, in accordance with the regulations set by the Occupational Safety and Health Administration. After each training session, all participants underwent testing to assess the effectiveness of the training. In total, there were 1,457 training sessions, accumulating 5,985 training hours. To ensure the efficacy of our safety system, regular safety inspections of equipment and facilities are conducted in accordance with our Occupational Safety and Health Management Plan, Regulations, and Code of Conduct. These inspections include monthly checks by occupational safety personnel (12 times annually), yearly inspections of air compressors and local exhaust machines, monthly independent inspections of firefighting equipment (12 times annually), quarterly outsourced inspections of potable water supply (4 times annually), and quarterly inspections of electrical panels (4 times annually). Throughout 2024, a total of 10 deficiencies were identified through regular inspections and audits. These deficiencies underwent thorough review for improvement, followed by education and training initiatives. In 2024, there were no major occupational hazards in the plant and the frequency of incapacitating injuries was zero. In 2024, our factory remained free from fire incidents. We diligently promoted safety protocols for the use of electrical appliances to mitigate potential risks. Additionally, we conducted monthly independent inspections of firefighting equipment to ensure its readiness for	

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<tr><th>Yes</th><th>No</th><th>Explanations</th></tr>
<tr><td></td><td></td><td></td><td>emergencies. Inspection items included: Fire extinguishers, indoor fire hydrants, labeling equipment, emergency lighting equipment, refuge equipment, indoor smoke extraction equipment, etc.). We also engage a qualified fire safety equipment inspection and repair professional organization to conduct an annual fire inspection report. This ensures the normal functioning of our fire safety equipment. In addition, the Company conducts biannual fire evacuation drills to safeguard lives in the event of emergencies.
In 2024, the Company achieved a 99% participation rate in annual health check-ups. The results revealed that approximately 29% of employees showed abnormalities related to obesity and the “Three Highs” (high blood pressure, high blood sugar, and high cholesterol). To enhance awareness and prevention of chronic diseases, employees identified with these health risks were prioritized for occupational physician consultations, with 70 individuals receiving professional guidance and follow-up management in 2024. To further promote health awareness, the Company launched quarterly health education campaigns, covering a total of 17 health topics throughout the year. Plus, a Company-wide walking challenge engaged 204 participants, who collectively walked nearly 50 million steps, supporting the prevention of chronic illnesses such as obesity and the Three Highs by strengthening bones and muscles and encouraging weight loss.

Recognizing that cancer has remained the leading cause of death in Taiwan for 42 consecutive years, the Company organized two cancer-related seminars (focusing on stomach and liver cancer) in 2024. The Company also coordinated four major cancer screenings promoted by Taiwan’s Health Promotion Administration, MoHW, covering breast, cervical, colorectal, and oral cancers, to raise awareness of early detection and pre-cancerous conditions.

Avg. Abnormal Rate (Three Highs) and Consultations with Occupational Physicians in 2024
<table>
<tr><th>Year</th><th>Avg. Abnormal Rate (Three Highs)</th><th>Consultations with Occupational Physicians</th></tr>
<tr><td>2024</td><td>29%</td><td>70</td></tr>
</table>
Health Education Advocacy and Promotion Seminars in 2024
<table>
<tr><th>Year</th><th>Type</th><th># of Topics</th><th>Highlighted Themes</th></tr>
<tr><td>2024</td><td>Health Education Advocacy</td><td>17</td><td>17 Topics including Obesity, Three Highs, Influenza, Diabetes, Cancer, to name a few.</td></tr>
<tr><td>2024</td><td>Health Seminars/Promotion</td><td>2</td><td>Stomach Cancer, Liver Cancer</td></tr>
</table>
Employee Assistance Program (EAP)
Since 2016, the Company has implemented an Employee Assistance Program (EAP), offering each employee three free consultations per year. Services include psychological support, psychiatric care, and management counseling. This initiative aims to provide confidential, professional support to employees facing personal or work-related challenges. Each employee is issued an EAP access card to facilitate immediate and direct contact in times of emergency or distress. In 2024, the program recorded 252 phone consultation sessions, and 18 in-person consultation sessions.</td><td></td></tr>
<tr><td>(4) Has the Company established effective career development training plans?</td><td>√</td><td></td><td>1. The Company has consistently invested in building a comprehensive talent development framework, with a continued focus on enhancing training quality and proactively identifying employees’ learning needs. Our training programs are flexibly designed and continuously refined to stay aligned with evolving industry trends, employee career development, and the Company’s strategic growth goals. Each training initiative is carefully crafted to strengthen professional expertise and</td><td></td></tr>
</table>

<table>
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<tr><th>Yes</th><th>No</th><th>Explanations</th></tr>
<tr><td></td><td></td><td></td><td>core competencies, aiming to boost both individual productivity and workplace engagement.
We have designed a series of mandatory promotion-readiness courses to help employees build foundational skills required for career advancement. Through diverse teaching activities and interactive learning experiences, employees are encouraged to explore new knowledge in an engaging and supportive environment. In 2024, we further enhanced our training offerings by adding manufacturing process walkthroughs and hands-on experience to the new employee orientation program, launching courses on digital transformation tools, integrating ChatGPT into our problem analysis and solving curriculum, and introducing a Green Software Engineering course.
These innovative programs are designed to empower employees with future-ready skills and support the Company’s ambitions in digital transformation and sustainable development, helping the Company maintain a competitive edge in a rapidly evolving market.

[Promotion-Track Mandatory Training Courses]
<table><tr><th>Level</th><th>Managerial Track</th><th>Professional Track</th></tr><tr><td>Sr.</td><td>Strategic Leadership, Strategic Innovation</td><td>Strategic Innovation</td></tr><tr><td>Mid.</td><td>IDP Communication & Planning, Managing and Coaching Difficult Employees, Financial Report Interpretation for Non-Financial Managers, Presentation Skills, Project Management, Creative Thinking</td><td>Presentation Skills, Project Management, Creative Thinking</td></tr><tr><td>Jr.</td><td>Presentation Skills, Daily Management, Interviewing Skills, Total Quality Management (TQM), Communication & Coordination, Problem Solving & Analysis</td><td>Total Quality Management (TQM), Communication & Coordination, Problem Solving & Analysis</td></tr><tr><td colspan="3">Annual Required General Education Courses</td></tr></table>
[Diverse Online Professional Training Programs]
<table><tr><td>Legal</td><td>Manufacturing</td><td>Quality Assurance</td></tr><tr><td>Sales</td><td>EE</td><td>ME</td></tr><tr><td colspan="3">Academy Online Learning</td></tr><tr><td colspan="3">Global Language Learning Platform</td></tr></table>
1. In 2024, the total company-wide training hours amounted to 24,333 hours, including both in-person and online sessions, with an average of 21.5 hours per employee.
[2024 Training Overview]
<table><tr><th>Overview</th><th>Total Participants</th><th>Total Trainees</th><th>Total Training Hours</th><th>Avg. Training Hours per Person</th></tr><tr><td>Managerial</td><td>126</td><td>2,176</td><td>5,049</td><td>39</td></tr><tr><td>Non-Managerial</td><td>645</td><td>8,017</td><td>15,089</td><td>23</td></tr><tr><td>Direct Employees</td><td>355</td><td>839</td><td>4,195</td><td>12</td></tr><tr><td>Total</td><td>1,126</td><td>11,032</td><td>24,333</td><td>21.5</td></tr></table></td><td></td></tr>
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Assessment Items	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations	
(5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set polices to protect consumers' rights and consumer appeal procedures?	√		The Company's products are in compliance with International Safety Standards and Environmental Protection Regulations such as Restriction of the Use of Hazardous Substance (RoHS) in electrical and electronic products in European Union, and the relevant information is labeled on the packaging. VIVOTEK emphasizes on the user opinions and customer satisfaction. We provide different forms of customer technical support channels, such as online customer service mailbox, customer service via network communication software, email technical window, Youtube channel for exclusive technical support and technical support website to provide product knowledge base, FAQ, troubleshooting guides, product tutorials and technical documents. In addition, VIVOTEK has established local repair service centers in its key markets worldwide, such as Asia-Pacific, the United States, Europe, India, Mexico and Brazil for product repairs. Also, an RMA after-sales service platform is established to provide access to the distributors for repair application through system, product warranty check, and repair works progress inquiry. VIVOTEK provides complete maintenance or replacement services to offer best customer satisfaction guarantee. The internal management process of the Company is formulated based on the EU General Data Protection Regulation (GDPR). A privacy policy exclusive page on the Company's official website is set up which serves as an interface to interact with customers to protect customer privacy. In accordance with the Customer Complaint Management Procedure, when customer complaints are received, the Company immediately engages with the customer to understand the issue and collect relevant information. The complaint is then logged into the internal system based on the ISO-defined procedure. VIVOTEK utilizes the Redmine platform as a centralized complaint and quality issue management system, and enables the prompt activation of the internal quality abnormality handling process for customer complaints. The Company leverages this system as a knowledge base for experience sharing and root cause analysis, using the TQM 8D (Eight Disciplines) quality management methodology to identify the true root cause and implement optimal corrective actions to prevent recurrence. Solutions are then delivered to customers on schedule, and regular statistical analyses are performed to verify the effectiveness of complaint resolution and corrective action implementation. In 2024, a total of 40 customer complaints were handled, and all have been successfully resolved and improved. The Company has furnished diverse communication channels and contacts as follows: Official Link to Customer Communications: https://www.vivotek.com/ Sales Affairs/ Complaint Mailbox: sales@vivotek.com Technical Services/ Complaint Mailbox: technical@vivotek.com Customer Service Hotline: (02) 5596 - 2422	
(6) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?	√		Suppliers are important partners of VIVOTEK for sustainable growth as both parties are excellent local companies. In response to the constantly changing consumer market, both parties adopt symbiotic and co-prosperity relationship through continuous technology exchanges. This including production technology seminars, selection of eco-friendly materials, quality improvement guidance, management of incompatible metals, and encourage suppliers to operate in compliance with the code of business conduct in labor, environmental protection, and business ethics, and the relevant laws and regulations. VIVOTEK has always complied with the laws and regulations by requesting suppliers to fill in, sign and return the "Statement of Non-Use of Hazardous Substances" and "Conflict Minerals Survey". In 2024, a total of 187 copies-newly added or returned signed documents-have been retrieved. With regards to the quality of materials, monthly discussions on suppliers' material issues is conducted and quality improvement coaching is provided to suppliers. The Company is striving towards the	

Assessment Items	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations	
			target of zero defect detection, and continue to assist suppliers in overall quality improvement to meet international standards. In 2024, the Company recorded 50% fewer improvement cases compared to the previous year. The Company will continue to assist its suppliers to enhance overall level to align with international standards. At present, our suppliers are requested to sign a "Supplier Sustainability and Integrity Commitment Letter" in order to strengthen supply chain management. The "VIVOTEK Supplier Code of Conduct" is formulated and used as a basis for regular evaluation of subsequent cooperation in the selection of suppliers. Those unreliable suppliers who violated their corporate social responsibility policies and have a significant impact on the environment and society will be disqualified from being our suppliers.	
5. Does the Company refer to international reporting rules or guidelines to publish CSR Report to disclose non-financial information of the Company? Has the said Report acquired 3rd certification party verification or statement of assurance?	√		The Company's ESG Report is prepared in reference to the Global Reporting Initiative Sustainability Reporting Standards (herein below, the "GRI Standards") promulgated by the Global Reporting Initiative (herein below, GRI). At the same time, in response to the United Nations Sustainable Development Goals (SDGs), the report explains specific actions taken to align with the SDGs in each chapter. In addition, the 2023 sustainability report introduces disclosure items based on the SASB (Sustainability Accounting Standards Board) standards, as well as independent limited assurance conducted by PwC Taiwan in accordance with Assurance Standard No. 3000 "Assurance Engagements other than the Audit or Review of Historical Financial Information" issued by the Accounting Research and Development Foundation in Taiwan (ARDF).	Complied with the Sustainable Development Best-Practice Principles for TWSE Listed TPEx-listed Companies
6. If the Company has established its ESG code of practice according to "Listed Companies ESG Code of Practice," please describe the operational status and differences. The Company has formulated its ESG code of practice, and its daily operations are implemented in accordance with corporate governance, sustainable environment, social welfare and ESG information disclosure. In addition, in 2024, two management regulations were passed: the "Sustainability Report Preparation and Assurance Procedure" and the "Regulations Governing the Sustainability Information Management" At the same time, the Internal Control System for the "Management of Sustainable Information" was implemented, which will help maintain the reliability of the internal sustainability information quality.				
7. Other important information to facilitate better understanding of the Company's implementation of ESG: Please refer to "ESG" of this annual report.				

Note 1: If the box of the state of operation is marked with "Yes", please state the important policies, strategies, and measures adopted and the implementation status. If it is marked with "No", please explain the reasons and state the plans to adopt relevant policies, strategies and measures in the future.

Note 2: For the state of operation, indicate the methods to access the ESG report and the index page of the report if the company has prepared a ESG report.

Note 3: The materiality principle refers to environmental, social and corporate governance issues which have significant influence on the Company's investors and other stakeholders.

2.3.6 Information Concerning Climate-Related Conducts by a TWSE/TPEx Company

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td>1. Describe the Governance and Oversight of Climate-Related Risks and Opportunities by the Board and Management</td><td>To prudently address climate-related issues, a three-tier governance structure has been established. Each level is responsible for different duties, ensuring a top-down leadership and supervision process, combined with a bottom-up execution and feedback mechanism to support continuous improvement.
1、 As the highest governing authority, the Board of Directors regularly reviews reports on climate action strategies and risk management measures through the Company's risk management mechanisms. The Board of Directors assesses progress, obstacles, and performance outcomes to ensure effective supervision and resource allocation.
Example: For GHG emissions, the Board receives regular updates on progress such as the status of GHG inventories, demonstrating effective oversight and control.
2、 Led by the General Manager, the Company has established its "Corporate Sustainability Steering Committee" which comprises department heads from HR, finance, marketing, EHS, procurement, quality assurance, IP, and IT. A dedicated unit, under the "Regulations Governing the Sustainability Information Management", assists in identifying and promoting climate action strategies, formulating risk management measures, and evaluating short-, medium-, and long-term plans and performance results, to be reported to the Board for review.</td></tr>
<tr><td>2. Describe the Identification of Climate Risks and Opportunities and Their Impact on Business, Strategy, and Finance (Short, Medium, Long Term)</td><td>Assessment of material climate-related risks and opportunities considers industry characteristics, professional expertise, and external expert analysis. Identified issues include:
<table>
<tr><th>Type</th><th>Issue</th><th>Term</th><th>Financial Implication</th><th>Description</th></tr>
<tr><td>Transition Risk</td><td>Increased GHG Pricing</td><td>Short/ Medium</td><td>Higher operating costs</td><td>Transportation of raw materials, process energy use, and environmental taxes could raise operating costs; furthermore, adoption of low-carbon energy, clean technology, or low-carbon materials will also increase costs.</td></tr>
<tr><td>Physical Risks</td><td>Prolonged high temperatures</td><td>Medium</td><td>Higher operating costs</td><td>Prolonged heat increases energy usage. With rising price for the electricity purchased externally, operating costs take a direct hit. Furthermore, the lack of readiness in renewable energy lead to unstable power supply, resulting in power supply instability in the plants. The Company will make further contributions to enhance power resilience.</td></tr>
<tr><td>Opportunities</td><td>Use of low-carbon energy</td><td>Use of low-carbon energy</td><td>Increased Revenue from Response to Market Demands</td><td>Providing low-carbon energy helps reduce product carbon footprints, meeting market demand for decarbonization and customer expectations for low-carbon products.</td></tr>
</table></td></tr>
<tr><td>3. Describe Financial Impacts of Extreme Weather Events and Transition Actions</td><td>1. Financial Implications by Extreme Weather Events
Internal reviews by VIVOTEK identified potential risks from natural disasters (e.g., floods, droughts) affecting production and transportation. Heavy rainfall may cause work stoppages and equipment damage; droughts could disrupt operations and incur additional costs. Extreme weather events could significantly increase operating expenses.

The Company actively monitors market developments, considers climate modeling for future risks, and updates risk assessments accordingly, especially regarding extreme heat, thereby ensuring the Company's readiness for future challenges.

2. Financial Implications by Transition Actions
VIVOTEK needs to respond to policy, regulatory, technical, and market shifts associated with transitioning to a low-carbon economy. These shifts are potential influencers to operating costs, especially those from carbon fees, GHG caps, and new energy regulations.

VIVOTEK is actively developing energy-efficient products; however, challenges such as rising operating costs may still arise during the transition process. In particular, under a low-carbon transition scenario, the impact of carbon pricing could lead to increased costs in both operations and across the supply chain.

To address this transition risk, VIVOTEK is actively promoting energy-saving and carbon-</td></tr>
</table>

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td></td><td>reduction initiatives, aiming to improve energy efficiency, reduce energy consumption, and explore increased investments in green energy infrastructure. In addition, the Company is focusing on the research and innovation of green products to meet the growing environmental demands of consumers. While these initiatives may lead to increased capital expenditure and operating costs, preemptive deployment will help lay a solid foundation for sustainable operations in the future.</td></tr>
<tr><td>4. Describe the Integration of Climate Risk Identification, Assessment, and Management into the Overall Risk Management Framework</td><td>Climate-related risks are identified, assessed, and managed through an independent process, integrated into the Company's existing risk management mechanisms. Each department is responsible for implementing risk management measures and evaluating short-, medium-, and long-term plans to actively achieve climate action strategies. The outcomes are reported to the "Corporate Sustainability Development Task Force" for review and performance evaluation. Ultimately, the Board of Directors, as the highest governing authority, oversees the implementation and performance of climate action strategies and risk management measures through risk management reports, audit reports, and quarterly performance evaluations, ensuring that significant climate-related risks are effectively controlled.
(1) Departments: Based on current operational activities and market trends, departments identify and review risk management measures and short-, medium-, and long-term plans to implement climate action strategies.
(2) “Corporate Sustainability Development Task Force”: Regularly evaluates performance results and adjusts risk management responses as needed, including risk treatment, transfer, or acceptance mechanisms.
(3) Board of Directors: Regularly reviews performance evaluation outcomes, assesses the adequacy of resources and manpower, and provides guidance and oversight.</td></tr>
<tr><td>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters and assumptions, analytical factors used, and major financial implications should be described.</td><td>The Company, in accordance with the TCFD recommended guidelines, adopts the worst-case scenario involving both transition risks and physical risks, and incorporates the analysis results into the evaluation of strategic resilience.

For transition risks, the analysis references Taiwan’s 2050 Net-Zero Emissions Pathway and Strategy, as well as the European Union’s Carbon Border Adjustment Mechanism (CBAM). Based on these scenarios, the Company evaluates the future impacts on market, technology, reputation, finance, and operations; for physical risks, the analysis references the climate modeling data from the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), specifically using the TaiESM1 model under the RCP 4.5 greenhouse gas stabilization scenario to project trends in temperature and precipitation:
By 2030: Average temperature is projected to be approximately 24.9°C, with daily rainfall around 6.3 mm.
By 2050: Average temperature is projected to be approximately 25.1°C, with daily rainfall around 5.2 mm.
Based on the above model projections, the Company analyzes the financial impacts of extreme weather events and transition actions across various aspects such as business locations, regulatory trends, and technological developments.

Regarding the Company’s ongoing implementation of transition plans and actions in response to transition and physical risks, it is highly likely that these measures will effectively address customer and market trends and pressures. Therefore, the potential financial impacts remain within a level that the Company’s financial structure can withstand.

Remarks: The scenarios refer to the four Representative Concentration Pathways (RCPs) defined by the Intergovernmental Panel on Climate Change (IPCC): RCP2.6 represents a climate mitigation scenario; RCP4.5 and RCP6.0 represent stabilization scenarios; and RCP8.5 represents a high greenhouse gas emissions scenario.</td></tr>
<tr><td>6. If there are transition plans to address and manage climate-related risks, describe the content of such plans, as well as the indicators and targets used to identify and manage physical risks and transition risks.</td><td>
<table>
<tr><th>Type</th><th>Issue</th><th>Transition Plans</th><th>Indicators and Targets</th></tr>
<tr><td>Transition Risk</td><td>Increased GHG Pricing</td><td>(1) Continue to commission independent third-party entities to verify greenhouse gas emissions in accordance with ISO 14064-1, and comprehensively compile the organization’s overall greenhouse gas emissions status.
(2) Establish specific and feasible carbon reduction targets in accordance with the scientific reduction methods provided by the Science-Based Targets (SBT).
(3) Procure competitive renewable</td><td>(1) Achieve the goal of 100% renewable electricity usage by 2030.
(2) Conduct annual greenhouse gas inventory and verification, gradually expanding the scope of the inventory.</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td></td><td>
<table>
<tr><td></td><td></td><td>energy sources; for unavoidable greenhouse gas emissions, purchase carbon credits as a response.</td><td></td></tr>
<tr><td>Physical Risks</td><td>Prolonged high temperatures</td><td>(1) Continue planning energy storage equipment or uninterruptible power supply systems to address power shortages during electricity rationing periods.
(2) Plan the proportion of renewable energy to reduce or avoid production line downtime or scope caused by power rationing.
(3) Conduct regular training for employees on emergency response mechanisms.</td><td>(1) Actively promote the Company's internal energy renewal program to improve energy efficiency.
(2) Invest in the Company's internal renewable energy systems; and achieve the goal of 100% renewable electricity usage by 2030.</td></tr>
</table>
</td></tr>
<tr><td>7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be explained.</td><td>Since 2022, VIVOTEK has adopted an internal carbon pricing mechanism aligned with the "Regulations Governing the Collection of Carbon Fees" of the Ministry of Environment and Delta Group's internal carbon pricing practices. In consideration of both internal and external carbon-related costs across its global facilities, including penalties, emissions trading prices, international corporate benchmarks, investments in renewable energy solutions, and renewable electricity procurement, the Company has set its internal carbon price at USD 300 per metric ton. Furthermore, the Company has incorporated carbon fees into its internal management reports, gradually implementing carbon usage controls and incentive programs to support energy-saving and carbon-reduction projects. Meanwhile, the Company also encourages investment in energy-efficient technologies and low-carbon innovations, supporting global sites in mitigating operational risks posed by climate change and aligning with the global net-zero transition.
Thanks to the collective efforts of all employees, the Company reduced its combined Scope 1 and Scope 2 GHG emissions by 9% in 2024 compared to 2023, with overall carbon fee expenditure decreasing by 15% in 2024. The renewable energy purchases in the same year led to a reduction of 1,416.71 metric tons of carbon emissions. These achievements demonstrate the Company's significant progress in carbon reduction, reflecting its proactive internal carbon management, optimized energy use, and improved operational efficiency. Through continuous monitoring and adjustment of energy consumption patterns, VIVOTEK not only reduced carbon fee expenditures but also effectively lowered emissions, moving closer to its net-zero target.</td></tr>
<tr><td>8. If climate-related goals have been set, the activities covered, greenhouse gas emission scopes, planned timelines, and progress achieved each year shall be described. If carbon offsets or renewable energy certificates (RECs) are used to achieve the related goals, the source and amount of the carbon offset reductions or the number of RECs shall be described.</td><td>1. GHG Targets:
<table>
<tr><th>Item</th><th>Descriptions</th></tr>
<tr><td>GHG Base Year</td><td>2023 as baseline year.</td></tr>
<tr><td>Activities Covered</td><td>Head office, subsidiaries (AETEK Inc./ Lidlight Inc.), Zhonghe factory, Taoyuan No.2 factory, Taoyuan No.5 factory, offices (Hsinchu, Taichung, and Tainan), and Tsingpu warehouses, as well as our US subsidiary and Latin America offices.</td></tr>
<tr><td>GHG Scopes</td><td>Scopes 1 and 2.</td></tr>
<tr><td>Reduction Targets</td><td>Greenhouse gas intensity, compared to the baseline year, is targeted to be reduced by 30% by 2030 and 50% by 2050.</td></tr>
</table>
2. Since 2022, VIVOTEK purchased renewable energies like wind, photoelectric and water resource. In 2024, the purchase is 2,862,046 kWh of green energies, 1,188 certifications of renewable energies, and reduced 1,416.71 tons of carbon-emission, with the total investment amounting to NT$ 13,542,665.</td></tr>
<tr><td>9. GHG Inventory and Verification Status, Reduction Goals, Strategies, and Specific Action Plans</td><td>The details of the GHG inventory and verification status, as well as the reduction goals, strategies, and specific action plans, are provided in Section 2.2 below.</td></tr>
</table>

2.2 GHG Inventory and Assurance Situation of the Company in the Most Recent Two Years

2.2.1 GHG Inventory Information

Describe the greenhouse gas emissions for the last two years (in metric tons of CO2e), emission intensity (in metric tons of CO2e per million), and the scope of data coverage.

Year	Scope 1	Scope 2	Total (Scopes 1+2)	Intensity (metric tons CO2e/NT$ Millions)	Data Scope Coverage
2023	116.7871	2029.1416	2145.9287	0.2342	In 2023, the organizational boundary includes the head office, subsidiaries (AETEK Inc./ Lidlight Inc.), Zhonghe factory, Taoyuan No.2 factory, Taoyuan No.5 factory, offices (Hsinchu, Taichung, and Tainan), and Tsingpu warehouses.
2024	111.8648	1840.6923	1952.5571	0.2664	In 2024, the organizational boundary includes the head office, subsidiaries (AETEK Inc./ Lidlight Inc.), Zhonghe factory, Taoyuan No.2 factory, Taoyuan No.5 factory, offices (Hsinchu, Taichung, and Tainan), and Tsingpu warehouses, as well as our US subsidiary and Latin America offices.

2.2.2 GHG Assurance Information

Provide a description of the assurance status for the most recent two years as of the annual report publication date, including the scope of assurance, assurance provider, assurance standards, and assurance opinion.

1. Annual ISO 14064-1 GHG Inventory and Third-Party Verification for the year 2024 have been completed in Q1 2025:
   (1) Assurance Provider: British Standards Institution (BSI) Taiwan.
   (2) Assurance Standards: ISO 14064-1.
   (3) Opinions: Reasonable Guarantee.
   (4) Assurance Scope: In 2024, the organizational boundary includes the head office, subsidiaries (AETEK Inc./ Lidlight Inc.), Zhonghe factory, Taoyuan No.2 factory, Taoyuan No.5 factory, offices (Hsinchu, Taichung, and Tainan), and Tsingpu warehouses, as well as our US subsidiary and Latin America offices.
2. Annual ISO 14064-1 GHG Inventory and Third-Party Verification for the year 2023 have been completed in Q1 2024:
   (1) Assurance Provider: British Standards Institution (BSI) Taiwan.
   (2) Assurance Standards: ISO 14064-1.
   (3) Opinions: Reasonable Guarantee.
   (4) Assurance Scope: In 2023, the organizational boundary includes the head office, subsidiaries (AETEK Inc./ Lidlight Inc.), Zhonghe factory, Taoyuan No.2 factory, Taoyuan No.5 factory, offices (Hsinchu, Taichung, and Tainan), and Tsingpu warehouses.

2.2.3 GHG Emission Reduction Targets, Strategies, and Specific Action Plans

Describe the base year and corresponding data for GHG reduction, the reduction targets, strategies, specific action plans, and the progress made toward achieving the reduction goals.

Item	Descriptions
GHG Baseline Year	2023 as baseline year.
Activities Covered	The head office, subsidiaries (AETEK Inc./ Lidlight Inc.), Zhonghe factory, Taoyuan No.2 factory, Taoyuan No.5 factory, offices (Hsinchu, Taichung, and Tainan), and Tsingpu warehouses, as well as our US subsidiary and Latin America offices.
Emission Scope	Scopes 1 and 2.
Reduction Targets	Greenhouse gas intensity, compared to the baseline year, is targeted to be reduced by 30% by 2030 and 50% by 2050.
Action Plans	(1) Procurement of renewable energy to reduce the use of grey electricity. (2) Ongoing environmental improvement projects: replacement of LED lighting in office areas and the main chiller unit at headquarters.
Progress	(1) In 2024, the total GHG emissions (Scopes 1 + 2) amounted to 1,952.5571 metric tons of CO_2e, representing a 9% reduction compared to the base year. (2) In 2024, the emissions intensity was 0.2664 metric tons of CO_2e per million NT$, showing a 14% increase compared to the base year's intensity of 0.2342 metric tons of CO_2e per million NT$. (3) Based on the ongoing improvement action plan, it is expected that the reduction target may be achieved gradually.

The Company actively responds to and follows the environmental sustainability goals and strategies of our parent company, Delta Group. The Corporate Sustainability Development Task Force also actively sets targets and regularly reviews performance. Short-, medium-, and long-term plans have been established as follows: short-term (three years), medium-term (three to five years), and long-term (more than five years).

1. Short-term:
   (1) The Finance has included carbon fees in internal management reports and set up a corresponding internal ICP cost center to review carbon fee usage applications. Carbon reduction investment projects, such as renewable electricity, energy technology development, low-carbon innovation, and advocacy, are incorporated into the annual budget plan.
   (2) Introduction of Green Power: Since 2022, VIVOTEK purchased renewable energies like wind, photoelectric and water resource. In 2024, the purchase is 2,862,046 kWh of green energies, 1,188 certifications of renewable energies, and reduced 1,416.71 tons of carbon-emission, with the total investment amounting to NT$ 13,542,665.
   (3) Solar Energy Equipment Activation: In 2020, the U.S. subsidiary installed rooftop solar panels to increase the use of renewable energy.
   (4) Annually complete organizational greenhouse gas inventory and third-party assurance.
   (5) Develop cloud-based solutions and AI security solutions to effectively reduce carbon and greenhouse gas emissions.
   (6) Review Scope 1 emissions from company shuttle services and promote centralized delivery of official documents to reduce emissions.
   (7) Redesign product packaging to reduce material usage and transportation costs, thereby lowering the carbon footprint of transportation.

2. Medium Term
   (1) Actively promote internal energy upgrade programs to improve energy efficiency.
   (2) Promote low-carbon products and services to reduce carbon emissions.
   (3) Increase efforts to reduce indirect greenhouse gas emissions, including water-saving and waste-reduction measures.
   (4) Gradually increase the proportion of green energy use, aiming to reach 50% by 2025 and 70% by 2027.
   (5) Plan to launch a greenhouse gas inventory program for overseas offices in 2025 to achieve more environmentally friendly goals.

3. Long Term
   (1) Actively promote supplier greenhouse gas emission reduction surveys and disclosure of information related to Categories 3 to 6.
   (2) Actively support and encourage suppliers to use renewable energy.
   (3) Target to achieve 100% use of renewable energy by 2030.

2.3.7 Categories of GHG Scope 3 and Annual Emissions

In accordance with the ISO 14064-1:2018 standard, the Company conducts GHG inventory using the operational control approach to define direct GHG emissions (Category 1), indirect GHG emissions from imported energy (Category 2) and indirect GHG emissions from other sources (Categories 3 through 6) associated with operations within its organizational boundary (covering the Company, and its subsidiaries including the U.S. subsidiary, AETEK INC. and Synopsys Taiwan Co., Ltd. under the consolidated financial statements). The inventory includes the following types of greenhouse gases: Carbon dioxide (CO_2), Methane (CH_4), Nitrous oxide (N_2O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulfur hexafluoride (SF_6), and Nitrogen trifluoride (NF_3). In 2024, the Company and its subsidiaries under the consolidated financial statements recorded direct GHG emissions (Category 1) at 111.8648 tons CO_2e, indirect GHG emissions from imported energy (Category 2) at 1,840.6923tons CO_2e, and indirect GHG emissions from other sources (Categories 3 through 6) at 969.2708 tons CO_2e. Details of each category's emission sources are outlined in the following table:

Statement of Indirect GHG Emissions from Other Sources (Categories 3 through 6, incl. subcategories)	Emission (tons CO_2e)
Category 3: Indirect GHG emissions from transportation	596.9682 tons CO_2e
3.1 Subcategory Indirect emissions by transport and distribution upstream	Not material
3.2 Subcategory: Indirect emissions by transport and distribution downstream	Not material
3.3 Subcategory: Indirect emissions caused by employees commuting to work	403.4380 tons CO_2e
3.4 Subcategory: Indirect emissions caused by transportations of customers and visitors	Not material
3.5 Subcategory: Indirect emissions caused by business travel	193.5302 tons CO_2e
Category 4: Indirect GHG emissions from products used by the organization	372.3026 tons CO_2e
4.1 Subcategory: Emissions from purchase of products	371.6788 tons CO_2e
4.2 Subcategory: Emissions from capital goods	Not material
4.3 Subcategory: Emissions from the disposal of solid and liquid wastes	0.6238 tons CO_2e
4.4 Subcategory: Emissions by use of assets	Not material
4.5 Subcategory: Emissions by services not described in the above subcategories	Not material
Category 5: Indirect GHG emissions associated with the use of products from the organization	Not material
5.1 Subcategory: Emissions from the discharge or removal at use stage of the product	Not material
5.2 Subcategory: Emissions from the downstream lease assets	Not material
5.3 Subcategory: Emissions by the end-of-use of products	Not material
5.4 Subcategory: Emissions from investments	Not material
Category 6: Indirect GHG emissions from other sources	Not material

2.3.8 The State of Implementation of Ethical Corporate Governance and Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons for Deviation

Assessment Items	Implementation Status			Deviations from Corporate Governance Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations	
1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures (1) Does the Company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	√		In order to improve the development of integrity management, the Company's Board of Directors has passed the resolution to formulate the "Ethical Corporate Management Best Practice Principles and Operating Procedure and Guidelines for Conduct". It clearly defines the policies and practices of integrity management to establish a good business operation model, and create a corporate culture through integrity management and required members of VIVOTEK including the Board of Directors and top management pro-actively implement the policy. For the details of the principles, please refer to the corporate governance section under investor relations on the Company's website.	Complied with the Corporate Governance Best-Practice Principles for TWSE Listed TPEx-listed Companies
(2) Whether the Company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/ GTSM Listed Companies?	√		The Company has established a risk assessment mechanism for unethical behavior 1. According to the "Ethical Corporate Management Best Practice Principles and Operating Procedure and Guidelines for Conduct", the auditor is responsible to audit and evaluate the listed risks of unethical conduct, and will regularly analyze and evaluate the scopes of business activities with higher risks of unethical conduct, and formulate unethical conduct prevention based on the aforementioned scopes. 2. The "VIVOTEK Code of Ethical Conduct" and the "Ethical Corporate Management Best Practice Principles and Operating Procedure and Guidelines for Conduct" clearly prohibit bribery, illegal political contributions, offering or acceptance of improper benefits, and infringement of intellectual property rights, having improper relationship with third parties, prohibit transactions that violated Fair Trade Act, and arbitrarily disclosing important internal information without the consent of the Company, etc. 3. New recruits are required to sign relevant declarations when on-boarding, newcomer's training and education and training such as annual integrity management, insider trading, etc. are provided, so that directors, managers and all employees can fully understand the integrity concept of the Company.	
(3) Whether the Company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?	√		The Company has established relevant policies that are duly enforced to prevent unethical conduct, which has been clearly established in the Ethical Corporate Management Best Practice Principles and Operating Procedure and Guidelines for Conduct, Code of Ethical Conduct, and whistle blowing system. The Regulations Governing Reward and Punishment has stipulated the punishment and appeal system for those who violated the policy, and the policy is regularly reviewed. For the details of the relevant regulation, please refer to the corporate governance section under investor relations on the Company's website.	
2. Ethic Management Practice (1) Whether the Company has assessed the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	√		The Code of Conduct of the Company stipulated that the legitimacy and integrity management policy of the counterparty should be evaluated before entering into contract with others. The counterparty should be explained with the integrity management policy of the Company and its relevant requirements when engaging in business activities. The state of the integrity management of the counterparty should be fully understood when entering into contract with others, and the clause of compliance with integrity management will be	Complied with the Corporate Governance Best-Practice Principles for TWSE Listed TPEx-listed Companies

Assessment Items	Implementation Status			Deviations from Corporate Governance Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations	
			incorporated into the contract. At the same time, suppliers are also required to sign the "VIVOTEK Supplier Sustainability and Integrity Commitment Letter" that suppliers will be committed to comply with the "VIVOTEK Supplier CSR Practices", "VIVOTEK Supplier Code of Conduct", "VIVOTEK Responsible Business Alliance", "VIVOTEK Integrity Commitment" and other related contents for the implementation of integrity management.	
(2) Whether the Company has set up a unit which is dedicated to promoting the Company's ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?	√		In order to improve the integrity management, the Human Resources Department, Legal Affairs Department, and Intellectual Property Department are responsible to develop and implement the integrity management policy of the Company, management of business-related confidential information, and confidential operating procedures. It is supervised by the Audit Department. To ensure the continued effectiveness of the ethical corporate management procedures, the HR reported the implementation status to the Board of Directors on October 28, 2024, and disclosed the information on the Company's website. The implementation status for 2024 is as follows: 1. Policy Revisions To fulfill the commitment to ethical business practices, the "Code of Ethical Conduct" and the "Employee Rewards and Disciplinary Regulations" were amended: (1) Code of Ethical Conduct New provisions were added regarding insider trading, the giving and receiving of gifts and hospitality, respect for personal privacy, diversity and equal employment opportunity and respect, prohibition of discrimination and harassment, and a safe and healthy working environment. Procedures for exemption from applicability were removed. (2) Employee Rewards and Disciplinary Regulations To strengthen internal control, failure to rectify internal audit findings after two or more follow-up notifications has been included as grounds for disciplinary action. 2. Enhanced Awareness Programs The Company is committed to promoting the Code of Ethical Conduct through regular educational and training programs each year: (1) Ethical business conduct is explained on the first day of onboarding, and new employees are required to complete the "Corporate Governance and Integrity Promotion" course during their probationary period to ensure understanding and compliance with ethical principles. (2) All employees undergo annual online refresher training to reinforce the promotion of integrity. (3) Directors and senior executives participate in relevant ethics courses organized by the Group or external training institutions on an irregular basis. (4) In 2024, a total of 1,104 individuals, including directors, participated in the "Corporate Governance and Integrity Promotion" course, with a completion rate of 98%. 3. Regular Audits Internal auditors conduct audits annually in December and produce audit reports. In 2024, there were no incidents of corruption or anti-competitive behavior.	
(3) Whether the Company has established policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies	√		"VIVOTEK Code of Ethical Conduct" stipulated that all members of VIVOTEK should avoid conflicts of interest and relevant provisions specified in Article 15 of the "Rules and Procedures of the Meeting of the Board of Directors" and Article 32 of the "Corporate Governance Best Practice Principles" are regulate directors to avoid conflicts of interest. The Article 17 of the "Corporate Governance Best Practice	

Assessment Items	Implementation Status			Deviations from Corporate Governance Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations	
properly?			Principles" stipulated that when the Company and its affiliated enterprises enter into inter-company business transactions, it should be conducted based on the principle of fair dealing and reasonableness, and improper channeling of profits is strictly prohibited between the Company and its affiliates and shareholders. With regard to the management of internal material information processing, disclosure and prevention of insider trading, the "Procedure of Management of Internal Material Information and Prevention of Insider Trading" is formulated. Also, appropriate channels are provided internally for directors and managers to pro-actively explain any potential conflicts of interest with the Company. For the details of the relevant regulation, please refer to the corporate governance section under investor relations on the Company's website.	
(4) To implement relevant policies on ethical conducts, has the Company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?	√		The effective accounting system and the financial statements of the Company are prepared in accordance with the International Accounting Standards (IFRS). The internal control system is established in accordance with the "Regulation Governing the Establishment of Internal Control Systems by Public Companies", and it is reviewed at any time to ensure the continued effectiveness of its design and implementation. The internal auditors of the Company shall regularly check the state of compliance with the preceding system and an audit report will be furnished to the Board of Directors.	
(5) Does the Company provide internal and external ethical conduct training programs on a regular basis?	√		The Company provides new recruit training and annual education training for directors, managers and all employees to promote ethical corporate management best practice principles. In 2024, a total of 1,104 persons have been participated in the related course, and the rate of completion of training was 98%.	
3. Implementation of Complaint Procedures (1) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	√		The "Regulations Governing the Complaint System" of the Company has clearly defined specific complaint and reward systems, and various of conveniently accessible complaint channels are established. Also, a person in charge will be assigned to handle the complaint received. 1. Acceptance unit Auditor: Receives the complaints from suppliers and contractors. The department head of the affiliated unit and the HR unit: Receives the complaints from internal colleagues, customers and other interested parties, etc. 2. Complaint channels E-mails for digital complaint reporting: GRIEVANCE@vivotek.com Mailbox for written complaints: Please mail to 6F., No. 192, Liancheng Rd., Zhonghe Dist., New Taipei City "VIVOTEK Complaint mailbox"	Complied with the Corporate Governance Best-Practice Principles for TWSE Listed TPEx-listed Companies
(2) Whether the Company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?	√		The following are the procedures of complaint handling which is specified in the "Regulations Governing the Complaint System": 1. The complainant himself/ herself or his/ her representative shall fill in the "Complaint Record Form" in writing or verbally, and detailing the specific matters related to the behaviors or circumstances specified in the Article 2 to facilitate verification (including the names of relevant personnel and units, date and description of the incident). The complainant may choose to remain anonymous; however, preferably real name is provided to ease the communication and investigation.	

Assessment Items	Implementation Status			Deviations from Corporate Governance Best-Practice Principles for TWSE-TPEx Listed Companies and Reason(s)
	Yes	No	Explanations	
			2. The complaint received should be closed within one month, and it may extend for one month if necessary. When the case is closed, the complainant should be responded with the "Complaint Reply Form", however it is not applicable if the complainant does not provide any contact information. If the complainant is not satisfied with the investigation result, he/she may fill in the "Complaint Record Form" again and provide new reasons and specific new evidence within 10 days after the date of receipt of the response. The General Manager may appoint other appropriate unit to resume investigation, and the application for resuming investigation is limited to one time only.	
(3) Does the Company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	√		The "Regulations Governing the Complaint System" has clearly stipulated that the complainant may choose to remain anonymous, however, preferably real name is provided to ease the communication and investigation. The complainant and the relevant personnel responsible for handling the case shall keep all the information confidential, and do not disclose to the public to prevent the complainant from unfair treatment, retaliation or threats.	
4. Information Disclosure Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System (MOPS)?	√		The "Ethical Corporate Management Best Practice Principles and Operating Procedure and Guidelines for Conduct", "Code of Ethical Conduct" and "Regulations Governing the Complaint System" are disclosed in the corporate governance section under investor relations on the Company's website. In addition, the correlation and reliability of the integrity management related information also published in the annual report and CSR report.	Complied with the Corporate Governance Best-Practice Principles for TWSE Listed TPEx-listed Companies
5. If the Company has established corporate governance policies based on Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancy between the policies and their implementation. Complied with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.				
6. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices (e.g., review the Company's corporate conduct and ethics policy): None.				

2.3.9 Other important information to facilitate better understanding of the Company's corporate governance practices

1. The Company continues to invest resources to strengthen corporate governance, gradually appointed external talents as the board members. At present, the Board of Directors comprised of a total of 3 independent directors and 5 non-employee directors. The Audit Committee and Compensation Committee are composed of all independent directors.
2. The "Procedure of Management of Internal Material Information and Prevention of Insider Trading" is established by the internal control to ensure all in-house staff are complied with the aforementioned procedure. The procedure has established the management of insider trading prevention to prevent the material information from improper disclosure and ensure the consistency and accuracy of the information disclosed to the public by the Company.
3. Other than the Company's internal postings, the state of the implementation of corporate governance of the Company, as well as the corporate governance related regulations are available on the external websites for all to download.
4. The Company also promptly discloses the material information to the public and regularly convenes investor conference.

2.3.10 The State of Implementation of Internal Control System

VIVOTEK, Inc.
Statement of Internal Control System

Date: February 25, 2025

Based on the findings of a self-assessment, VIVOTEK states the following with regard to its internal control system during the year 2024:

1. VIVOTEK's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and VIVOTEK takes immediate remedial actions in response to any identified deficiencies.
3. VIVOTEK evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (a) control environment, (b) risk assessment, (c) control activities, (d) information and communication, and (e) monitoring activities. Each component also includes several items which can be found in the Regulations. For the aforementioned items, please refer to the "Regulations".
4. VIVOTEK has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, VIVOTEK believes that, on December 31, 2024, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of VIVOTEK's annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement was passed by the Board of Directors in their meeting held on February 25, 2025, with none of the nine attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

VIVOTEK, Inc.

Chairman: Bill Lo

General Manager: Alex Liao

2.3.11 Major Resolutions of Shareholders' Meeting and Board Meetings for the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

(a) Major resolutions of Board Meetings and its state of implementation

<table>
<tr><td colspan="3">Major resolutions of Board Meetings</td></tr>
<tr><td>Date of Board Meetings</td><td>Proposal</td><td>Resolutions</td></tr>
<tr><td rowspan="4">Annual General Meeting of May 31, 2024</td><td>1. Adoption of the 2023 Earnings Distribution.</td><td>The voting results of this proposal: The total votes of shareholders present in person were 60,416,811.
<table><tr><td>The voting results</td><td>% of the total votes</td></tr><tr><td>approval votes:60,382,059 (including 53,082,911 electronic voting)</td><td>99.94%</td></tr><tr><td>disapproval votes :19,177(including 19,177 electronic voting)</td><td>0.03%</td></tr><tr><td>invalid vote : 0</td><td>0.00%</td></tr><tr><td>abstention votes or no votes : 15,575 (including 14,917 electronic voting)</td><td>0.02%</td></tr></table></td></tr>
<tr><td>2. Adoption of the 2023 Earnings Distribution.</td><td>The voting results of this proposal: The total votes of shareholders present in person were 60,416,811.
<table><tr><td>The voting results</td><td>% of the total votes</td></tr><tr><td>approval votes:60,385,908 (including 53,086,760 electronic voting)</td><td>99.94%</td></tr><tr><td>disapproval votes :17,393(including 17,393 electronic voting)</td><td>0.02%</td></tr><tr><td>invalid vote : 0</td><td>0.00%</td></tr><tr><td>abstention votes or no votes : 13,510 (including 12,852 electronic voting)</td><td>0.02%</td></tr></table></td></tr>
<tr><td>3. Proposed amendment to the Company's "Procedures for Endorsement and Guarantee Operations".</td><td>The voting results of this proposal: The total votes of shareholders present in person were 60,416,811.
<table><tr><td>The voting results</td><td>% of the total votes</td></tr><tr><td>approval votes:58,478,061 (including 51,178,913 electronic voting)</td><td>96.79%</td></tr><tr><td>disapproval votes :1,924,241(including 1,924,241 electronic voting)</td><td>3.18%</td></tr><tr><td>invalid vote : 0</td><td>0.00%</td></tr><tr><td>abstention votes or no votes : 14,509 (including 13,851 electronic voting)</td><td>0.02%</td></tr></table></td></tr>
<tr><td>4. Proposed Amendment to the Company's Articles of Incorporation.</td><td>The voting results of this proposal: The total votes of shareholders present in person were 60,416,811.
<table><tr><td>The voting results</td><td>% of the total votes</td></tr><tr><td>approval votes:58,430,365 (including</td><td>96.56%</td></tr></table></td></tr>
</table>

Major resolutions of Board Meetings			
Date of Board Meetings	Proposal	Resolutions	
		51,041,217 electronic voting)	
		disapproval votes :161,237(including 161,237 electronic voting)	0.26%
		invalid vote : 0	0.00%
		abstention votes or no votes : 1,915,209 (including 1,914,551 electronic voting)	3.16%

The state of implementation of 2024 Annual General Meeting (AGM)

1. Approving 2023 Final Statement.
   Implementation status: Approved.
2. Approving 2023 Appropriation of the Earnings.
   Implementation status:
   The resolution was approved with NT$ 3,800 per thousand shares (that is NT$3.8 per share),and a cash dividend of NT$328,957,993 was declared for shareholders. The Board has set the book closure date on August 5, 2024, and such dividends were paid on August 30, 2024.
3. Proposed amendment to the Company's "Procedures for Endorsement and Guarantee Operations".
   Implementation status: Approved.
4. Proposed Amendment to the Company's Articles of Incorporation.
   Implementation status: Approved.

(b) Major Decisions of Board Meetings

Major Resolutions of Board Meeting	
Date of Board Meeting	Proposal
January 30, 2024 The 4th in the 9th term	1. The Company's Annual Business Plan for the year 2024.
	2. Proposal to apply for the general credit limit and foreign exchange and derivative financial product limit.
	3. The Company proposes to establish a "Risk Management Committee" and formulate the "Organizational Regulations of the Risk Management Committee."
	4. Appointment of Members to the Risk Management Committee
	5. Proposal to submit performance evaluation and bonus proposals for the managers of the Company for the year 2023.
February 27, 2024 The 5th in the 9th term	1. Proposal for business report and financial statements for the year 2023 of the Company.
	2. Proposal for earning distribution for the year 2023 of the Company.
	3. Proposed amendment to the Company's "Procedures for Endorsement and Guarantee Operations".
	4. Proposed Amendment to the Company's Articles of Incorporation.
	5. Convening the annual shareholders' meeting for the year 2024 of the Company.
	6. Assessment of the effectiveness of the internal control system of the Company for the year 2023.
	7. Proposal to issue a statement of the internal control system of the Company for the year 2023.
	8. Proposed change in the Company's certified public accountants.
	9. Proposal to distribute employee and director compensation for the year 2023 of the Company.

Major Resolutions of Board Meeting	
Date of Board Meeting	Proposal
April 29, 2024 The 6th in the 9th term	1. Q1, 2024 consolidated financial statements.
	2. Report on the Independence and Suitability Assessment of the Company's Accountants.
	3. 2024 Audit fee of the certificated auditor.
	4. Proposed Appointment of Independent Director Chung-Yang Huang as Member of the “Risk Management Committee”.
July 29, 2024 The 7th in the 9th term	1. The consolidated financial statements for Q2 of 2024.
	2. The Company’s 2023 Sustainability Report
	3. Proposed Amendment to the Company’s “Risk Management Policy”.
	4. Distribution of Retention Incentive Bonuses for Managers for the Year 2023.
	5. Proposed distribution of the Company's 2023 directors' remuneration and managers' remuneration to employees.
October 28, 2024 The 8th in the 9th term	1. The consolidated financial statements for Q3 of 2024.
	2. Proposed Amendment to the Company’ “Audit Committee Charter”
	3. Proposed Amendment to the Company’s “Code of Conduct for Board of Directors' Meetings”
	4. Proposed Formulation of the Company’s “Sustainability Report Preparation and Assurance Procedure”
	5. Proposed Formulation of “Regulations Governing Sustainable Information Management Operations” and Internal Control System for the “Management of Sustainable Information”
	6. Proposed Formulation of an Internal Audit System concerning “Audit of Sustainable Information Management Operations”.
	7. Setting the audit plan for the year 2025.
	8. Proposed Amendment to the Company's "Code of Ethics"
January 14, 2025 The 9th in the 9th term	1. The Company's Annual Business Plan for the year 2025.
	2. Proposal to apply for the general credit limit and foreign exchange and derivative financial product limit.
	3. Formulation of the Company’s 2025 Performance Measurement Indicators for Managers.
	4. Discussion of the amendments to the "Salary Management Regulations" in the Company.
	5. Proposal to submit performance evaluation and bonus proposals for the managers of the Company for the year 2024.
February 25, 2025 The 10th in the 9th term	1. Proposal to submit the Company’s Long-term Incentive Plans.
	2. Proposal to distribute employee and director compensation for the year 2024 of the Company.
	3. Proposed Amendment to the Company's Articles of Incorporation. Proposed amendment to the Company's "Procedures for Endorsement and Guarantee Operations".
	4. Proposal for business report and financial statements for the year 2024 of the Company.
	5. Proposal for earning distribution for the year 2024 of the Company.
	6. Convening the annual shareholders' meeting for the year 2025 of the Company.
	7. Assessment of the effectiveness of the internal control system of the Company for the year 2024.
	8. Proposal to issue a statement of the internal control system of the Company for the year 2024.

2.3.12 Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

2.4 Information on CPA professional fees

Unit: NT $1000

Accounting Firm	Name of CPA		CPA's Audit Period	Audit Fees	Non-audit Fee	Total	Remarks
PwC Taiwan	Yi-Zhang Liang	Kuan-Hung Lin	January 1, 2024 - December 31, 2024	2,634 (Note 1)	42	2,676	Other non-audit fees include preparation of transfer pricing report, annual report review, etc.

Note 1: The fees is paid for the individual review of VIVOTEK.

Note 2: List the non-audit fees separately according to the service items. If the "others" of the non-audit fees reaches 25% of the total amount of the non-audit fees, the content of its services should be listed in the column of remarks.

2.4.1 When non-audit fees paid to the certified public accountant, to the accounting firm of the certified public accountant, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto, the amounts of both audit and non-audit fees as well as details of non-audit services shall be disclosed: None.

2.4.2 When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

2.4.3 When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

2.5 Information on replacement of CPA: None.

2.5.1 Regarding the former CPA

Date of replacement of the CPA	February 27, 2024 with the approval of the Board of Directors.		
Reason for replacement of the CPA and explanation	In line with the organizational staffing of the CPA Firm		
State whether the appointment is terminated or rejected by the consignor or CPAs	Client / Status	CPA	Consignor
	Appointment terminated automatically	None	None
	Appointment rejected (discontinued)	None	None
The opinions other than unmodified opinion issued in the last two years and the reasons for the said opinions	None		
Is there any disagreement in opinion with the issuer	Yes		Accounting principle or practice
			Disclosure of financial statements
			Auditing scope or procedures
			Others
	None	√	

	Explanation
Supplementary disclosure (Disclosures specified in Article 10.6.1.4~7 of the Standards)	None

2.5.2 Regarding the successor CPA:

Accounting Firm	PwC Taiwan
Name of CPA	Yi-Zhang Liang Kuan-Hung Lin
Date of Engagement	February 27, 2024 with the approval of the Board of Directors.
Prior to the formal engagement, any inquiry or consultation on the accounting treatment or accounting principles for specific transactions, and the type of audit opinion that might be rendered on the financial report	None
Written opinions from the successor CPAs that are different from the former CPA's opinions	None

2.5.3 The reply of former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards: Not applicable.

2.6 Where the Company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: None.

2.7 Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

2.7.1 Changes in the shareholdings of Directors, Managers, and Major Shareholders

Unit: Share

Title (Note 1)	Name	2024		January 1, 2025- March 31, 2025	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Director and major shareholder	Delta Electronics, Inc.	0	0	0	0
Chairman	Legal representative of Delta Electronics Inc., Bill Lo	0	0	0	0
Director	Legal representative of Delta Electronics Inc., Simon Chang	0	0	0	0
Director	Legal representative of Delta Electronics Inc., Ciou-Yuan Lai	0	0	0	0

Title (Note 1)	Name	2024		January 1, 2025- March 31, 2025	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Director	Legal representative of Delta Electronics Inc., Chien-Hong Wu	0	0	0	0
Director	Chih-Chung Lan	0	0	0	0
Director /General Manager	Alex Liao	3,000	0	0	0
Independent Director	Sin-Hui Yan	0	0	0	0
Independent Director	Chung-Yang Huang	0	0	0	0
Independent Director	Shu-Jou Lin	0	0	0	0
Senior Vice President of ODM Business Division	Gordon Chen	2,500	0	0	0
Assistant General Manager, R&D Department	Joe Wu	2,000	0	0	0
Principal Financial and Accounting Officer cum Company Secretary	Mei-Yu Li	2,000	0	0	0
Assistant General Manager, Department of Strategic Business	Sheng-Fu Zheng	2,000	0	0	0

Note 1: Shareholder with a stake of more than 10% should be marked as major shareholder and listed separately.
Note 2: Fill out the following table if the counterparty of a share transfer or share pledge is a related party.

2.7.2 Share transfer with related parties

Name (Note 1)	Reason of share transfer	Trading date	Trading counterpart	Relationship with the Company and its directors, supervisors, and 10% or greater shareholders	Shares	Trading price
None						

Note 1: List the names of the Company's directors, managers and 10% or greater shareholders.
Note 2: Specify acquisition or disposition of shares.

2.7.3 Share pledge with related parties

Any transfer of equity interests and/or pledge of or change in equity interests by a director, managerial officer, or shareholder with a stake of more than 10% during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

Name (Note 1)	Reason of share pledge	Pledge date	Trading counterpart	Relationship with the Company and its directors, supervisors, and 10% or greater shareholders	Shares	Shareholding ratio	Pledged ratio	Amount of collateral (redemption)
None								

Note 1: List the Company's directors, supervisors, managers and 10% or greater shareholders.
Note 2: Specify pledge or redemption.

2.8 Relationship information, if among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

March 31, 2025

Name (Note 1)	Current shareholding		Spouse's / minor's shareholding		Shareholding by nominee arrangement		Specify the name and relationship between the top-10 shareholders (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Delta Electronics Inc.	49,128,058	56.75%	0	0%	0	0%	None		
Representative of Delta Electronics Inc., Bill Lo	0	0%	0	0%	0	0%	None		
Representative of Delta Electronics Inc., Simon Chang	0	0%	0	0%	0	0%	None		

Representative of Delta Electronics Inc., Ciou-Yuan Lai	0	0%	0	0%	0	0%	None		
Representative of Delta Electronics Inc., Chien-Hong Wu	0	0%	0	0%	0	0%	None		
King Chin Inc.	4,399,336	5.08%	0	0%	0	0%	None		
Hsi-An Huang	1,010,000	1.17%	0	0%	0	0%	None		
Mega Securities Co., Ltd.	768,000	0.89%	0	0%	0	0%	None		
Su-Mei Wang	765,278	0.88%	0	0%	0	0%	None		
Chih-Chung Lan	598,261	0.69%	0	0%	0	0%	None		
Global Life Insurance Co.	500,000	0.58%	0	0%	0	0%	None		
JPMorgan Chase Bank N.A., Taipei Branch in custody for J.P. Morgan Securities (Taiwan) Investment Account	445,885	0.52%	0	0%	0	0%	None		
CHIU, HUNG-YEN	381,562	0.44%	187,210	0.22%	0	0%	None		
HUANG, CHIU-YUAN	348,348	0.40%	0	0%	0	0%	None		

Note 1: All the top 10 shareholders should be listed. If they are institutional shareholders, the names of the institutional shareholders and their representatives should be listed separately.

Note 2: The shareholding ratio should be calculated based on all the shares under one's name, spouse, minor children or those purchased under the name of others on his/her behalf.

Note 3: The relationship between all shareholders listed, including legal and natural persons is disclosed according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

2.9 The total number of shares and total equity stake held in any single enterprise by the Company, its directors and managers, and any companies controlled either directly or indirectly by the Company

Total Shareholding Ratio

December 31, 2024 Unit: Shares

Affiliated company	Shareholding of the Company		Shareholding of directors, supervisors, managers or enterprises under their direct or indirect control		Total shareholding	
	Shares	%	Shares	%	Shares	%
VIVOTEK Holdings, Inc.	1,050	100.00%	0	0.00%	1,050	100.00%
Realwin. Investment Inc.	17,369,635	100.00%	0	0.00%	17,369,635	100.00%
VIVOTEK Netherlands B.V	3,000	100.00%	0	0.00%	3,000	100.00%
VIVOTEK Japan	6,600	100.00%	0	0.00%	6,600	100.00%
VIVOTEK USA, Inc.	0	0.00%	10,000,000	100.00%	10,000,000	100.00%
Skywatch Inc. (Note)	0	0.00%	50,070	0.68%	50,070	0.68%
Wellstates Investment, LLc	0	0.00%	0	100.00%	0	100.00%
AETEK Inc.	0	0.00%	3,467,500	57.79%	3,467,500	57.79%
Lidlight Inc.	0	0.00%	1,070,000	53.50%	1,070,000	53.50%

Note: This is a long-term investment made by the Company using equity method.

3. ESG

As the leading manufacturer in the IP surveillance industry in Taiwan, VIVOTEK has autonomously published its first corporate sustainability report since 2017. To concretely implement sustainability, we are guided by four main principles: practicing sound corporate governance, promoting environmental sustainability, upholding social welfare, and enhancing the disclosure of corporate social responsibility information. Key policies are approved and issued by the Board of Directors, which has successively adopted the “Sustainable Development Best Practice Principles”, the “Regulations Governing Sustainability Information Management”, and the “Sustainability Report Preparation and Assurance Procedure”. Relevant policy information can be found on the official website.

In 2024, VIVOTEK has gradually improved the promotion of ESG through the following:

1. The corporate governance evaluation is used as an indicator for optimization, and transparent information disclosure has been published on the Company’s website and reports.
2. The state of communication with stakeholders in the most recent 6 years has been summarized and reported to the Board of Directors and published on website.
3. Completed an inter-departmental training on corporate sustainability for nearly 30 employees, and introduced corporate sustainability concepts and international trends, International Financial Reporting Standards (IFRS), alternative perspectives on GHG regulation, and enhanced structuring of sustainability report topics.

VIVOTEK defines six categories of key stakeholders, including employees, corporate customers, investors and shareholders, social organizations, government agencies, and partners, based on the AA1000 SES Stakeholder Agreement Standard and with reference to international sustainability developments and operational needs. In 2024, stakeholder feedback was collected through a questionnaire survey, followed by a material analysis discussion during the Corporate Sustainability Task Force meeting. The task force ultimately identified and confirmed eleven material sustainability topics through resolution. These topics are: environmental quality management, customer relationship management, operational performance, occupational health and safety, talent development and retention, sustainable procurement, information security, innovation and R&D, sustainable supplier management, ethical business practices, and greenhouse gas emissions. The report follows the ESG principles and the four principles of a friendly workplace, and includes a new item on climate change response. Details are given as follows:

3.1 Sustainable environment development

VIVOTEK upholds its mission to comply with International Safety Standards and Environmental Protection Regulations. The following are the descriptions with regards to the product development, regular carbon emission, waste water, and waste monitoring and inventory.

(a) Quality and Environment

The Company has conformed to the requirements of registration to the International Standard Organization, including ISO 9001 Quality Management System. It has a laboratory in its headquarters in Taiwan to perform product validation testing to ensure delivery of high quality solutions. It also awarded with ISO 14001 Environmental Management System to promote green design, lower energy consumption, reduce waste generation. It has complied with the Waste Electrical and Electronic Equipment (WEEE) Directive, and provides products that are in compliance with EU standards, such as RoHS and REACH.

(b) Green product development

All products of the Company are in compliance with safety standards based on types of products, such as CE, FCC, VCCI, LVD, C-Tick, etc. or certification or reliability requirements proposed by customers, such as HSF, IP66, IK10, EN50155 or other relevant

verification. The impacts of the product cycle on the environment and corresponding countermeasures, like hazardous substance management, product design of energy-saving/ production efficiency enhancement or pollution prevention, etc., are taken into considerations. With priority given to the eco-friendly product, the green design geared to the product development. The principles of product development are described below:

- Miniaturization, shared product series, selection of key components.
- 3R Report is required for each product, and the requirements for recycling rate are set. To date, the recycling rate of all products has reached more than 75%.

(c) Activation of solar equipment

To develop a green corporate culture, VIVOTEK's US branch has officially activated rooftop solar power generation equipment from 2020. Nearly 700 rooftop solar panels were installed on the rooftop of the office building in San Jose, California. The area of each solar panel is 77x39x1.57 inches. It is estimated that 253,000kWh of electric energy can be produced through the solar photovoltaic system. Through the solar panels, it can generate energy independently from the local power company, and on the other hand, it also achieves substantial feedback on saving electricity costs, which benefits the utilization of resources and the expansion of operation.

VIVOTEK purchased renewable energy such as wind, photovoltaics, and water conservancy from 2022. In 2024, it has purchased 2,862,046 kWh green electricity and 1,188 renewable energy certificates, reducing carbon emissions by 1,416.71 tons. The total investment amount is NT$13,542,665.

(d) Regular carbon emission, waste water, and waste monitoring and inventory

The greenhouse gas inventory and third-party verification for the year 2024 were completed in Q1 of 2025. The verification was conducted by the British Standards Institution (BSI) Taiwan. The organizational boundaries include the head office, subsidiaries (AETEK Inc./ Lidlight Inc.), Zhonghe factory, Taoyuan No.2 factory, Taoyuan No.5 factory, offices (Hsinchu, Taichung, and Tainan), and Tsingpu warehouses, as well as our US subsidiary and Latin American offices. The total emissions (Scope 1+2) amount to 1,952.5571 metric tons of CO2e. Compared to 2,145.9287 metric tons of CO_2e in 2023, there was a 9% reduction. However, the emissions intensity was 0.2664 metric tons CO_2e per million NT$, representing a 14% increase from the 2023 intensity of 0.2342 metric tons CO_2e per million NT$. The Company remains committed to enhancing its programs and activities to mitigate environmental and climate impacts stemming from greenhouse gas emissions and to uphold its corporate social responsibility.

In 2024, the Company continued to replace energy-saving equipment, such as 435 LED lights, in order to reduce the environmental and climate impact caused by greenhouse gas emissions. In terms of water resources, VIVOTEKs' product manufacturing process does not involve water usage. The Company leases its factory and office spaces; therefore water expenses are shared with the building management committee and the leasing companies, and actual water consumption is minimal. This has minimal environmental impact. The Company promotes water conservation and the preservation of water resources in its office environment. In 2023, the scope of assessment resulted in an decrease of 2,615.8 tons compared to 2023. In 2024, VIVOTEK's total water consumption increased by 2,615.8 tons compared to 2023. In addition, PwC Taiwan has conducted a limited assurance engagement on VIVOTEK's selected key performance indicator—total water withdrawal for the year 2023—in accordance with Assurance Standard No. 3000 issued by the Accounting Research and Development Foundation in Taiwan (ARDF). A limited assurance engagement for total water withdrawal in 2024 is scheduled for completion by August 2025.

In 2024, the Company worked with qualified recycling companies to handle plastics and metals and has expanded its recycling efforts. The weight of non-hazardous waste increased by 46.7455 metric tons, and the weight of recyclable non-hazardous waste was 77.295 metric tons, accounting for 99.2561% of the total waste, achieving the waste management target of over 90% of recyclable waste.

Year	Water consumption	Total weight of waste	Hazardous waste
2023	36,160.4 tons	30.5495 tones	None
2024	33,544.6 tons	77.295 tones	None
Differences	Decreased by 2,615.8 tones	Increased by 46.7455 tones (99.2561% were recyclable)	None

(e) Aligning with International Initiatives and Setting Science-Based Carbon Reduction Targets

VIVOTEK is actively aligning with the group's RE100 initiative, aiming to achieve 100% renewable energy usage across all business operations by 2030. This goal supports global carbon reduction efforts and reinforces our commitment to environmental responsibility. These actions not only help reduce the Company's carbon footprint but also drive internal momentum toward adopting green energy and fostering technological innovation for a more sustainable future.

In addition, VIVOTEK is advancing its sustainability commitment by joining the Science Based Targets initiative (SBTi) and setting clear carbon reduction goals: a 90% reduction in Scope 1 and Scope 2 emissions by 2030, a 25% reduction in Scope 3 emissions by 2030, and a long-term target of a 90% reduction in total Scope 1, Scope 2, and Scope 3 emissions by 2050.

To ensure these targets are met, the Company is actively conducting comprehensive greenhouse gas (GHG) inventories, with a particular focus on Scope 3 emissions. In accordance with the GHG Protocol guidelines, the group has identified two key Scope 3 emission sources: upstream emissions from "purchased goods and services" and downstream emissions from "use of sold products." These areas will be prioritized for emission reduction efforts, with initiatives such as energy-efficient product design to further reduce the carbon footprint.

As the carbon reduction roadmap progresses, VIVOTEK will continue to monitor and evaluate the advancement of each target and regularly update related strategies to ensure the successful achievement of its 2030 and 2050 climate goals, making a positive contribution to global climate action.

(f) Future Action Plan

- Continue to conform the requirements of registration to the International Standard Organization, including ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and IECQ QC 080000 Hazardous Substance Process Management.
- Maintain an eco-friendly product development process.
- Set more ambitious energy-saving and carbon reduction targets. In 2024, the Company completed external verification of 2023 data in accordance with ISO 14064-1. External verification for 2024 will be initiated in Q1 2025, with the scope expanded to include the U.S. subsidiary and Latin America offices.
- The waste management target of more than 90% of the total amount of recyclable industrial waste by 2025 is set.

- Starting in 2022, renewable energy will be purchased annually to increase the usage of renewable energy. The gray-to-green electricity ratio is 43.33% in 2024.
- In Q3 2025, energy-efficient equipment such as frequency-controlled chiller will be installed to reduce energy consumption and carbon emissions.

3.2 Social welfare maintenance (Social)

VIVOTEK is complied with the relevant labor laws and Guiding Principles Human Rights. It has organized a variety of community service activities, which are described as follow:

(a) Human Rights Principles

The Company complies with labor-related laws and regulations, and follows international labor and human rights standards such as The United Nations Global Compact, Universal Declaration of Human Rights, UN Guiding Principles on Business & Human Rights, The OECD Guidelines for Multinational Enterprises, Social Accountability 8000 International Standards, "Responsible Business Alliance, or RBA., etc. The Company has established human rights policies, work rules and regulations governing personnel management, which have been announced in the corporate governance section under investor relations of the Company's official website.

(b) Campus donation project

The "Campus Donation" project has been launched since 2015 to replace and upgrade the existing surveillance equipment in many campuses in Taiwan to establish a professional and complete security and surveillance system. It cares for the society and echoes the spirit of sustainability by improving social influence with its expertise in security and surveillance and utilizing products and innovative technologies. As of the date of publication of this annual report, VIVOTEK donated more than 1000 network cameras all over Taiwan. In addition, the Company also provides in-kind contributions to social welfare organization in Taiwan.

(c) "Security Map" sustainable activities for four years in a row, using creativity to build corporate resilience

VIVOTEK has actively promoted corporate sustainability through its dedicated "Security Map" campaign for three consecutive years, leading employees to the forefront. Colleagues at VIVOTEK formed a cross-departmental security team aimed at identifying societal security challenges. Alongside donating security cameras, we offered professional guidance to the units we visited, focusing on practical security measures. Furthermore, we provided reports detailing environmental optimization at each site, clearly outlining safe and unsafe areas. These reports offer a comprehensive overview of security conditions and suggest strategies to fortify vulnerable areas, resulting in a mutually beneficial scenario where enterprises enhance their capabilities while society becomes safer.

In 2021, VIVOTEK initiated the "Community Security Map" project, a sustainable local outreach endeavor in Jianhe Village, Zhonghe District, New Taipei City, the site of VIVOTEK's headquarters. This initiative integrates real-life gaming and task-solving components to engage with the community in a realistic, interactive manner. Its aim is to utilize VIVOTEK's security expertise to enhance neighborhood patrol activities.

To expand its sustainability impact, VIVOTEK has, starting from the second year of the initiative, extended its security expertise to a broader range of social settings, prioritizing groups with heightened safety concerns. The Company has proactively engaged in cross-sector public welfare activities to promote sustainability. In response to the increasing need for security measures in vulnerable settings like facilities for the physically and mentally challenged, the "Security Map Planning Secret Order" was established in 2022 as a sustainable initiative. To address security concerns at the Taoyuan An-Con Mental Retardation Training Services Institution, the team conducted on-site investigations to identify potential hazards in the environment. In addition to donating cameras, the team

offers installation recommendations and environmental optimization reports aimed at fostering a safe and secure living environment for the residents with physical and mental challenges.

Incidents of violence occurring in schools have garnered significant attention from governmental authorities. To contribute to enhancing school safety measures, VIVOTEK will initiate an educational public service campaign in 2023. VIVOTEK launched the “Build a Safety Map, Protect the Children of Shuangxi Elementary School” safety sustainability campaign. As part of this initiative, VIVOTEK donates IP cameras to enhance safety management equipment on the campus. Through these activities, we aim to impart safety knowledge to students and devise an environmental safety optimization plan for the school administration. With professionalism, enthusiasm, and teamwork, we strive to establish a safe and secure environment for all.

In 2024, following the earthquake and severe typhoon that struck Hualien—creating urgent needs for home restoration and economic revitalization—VIVOTEK chose Dachen New Village, a culturally rich and historically significant community with the largest population in Hualien and a strong focus on tourism development, as the site for its “Safety Map” sustainability initiative. Collaborating with the local revitalization team, Little Lamb Social Innovation Studio, VIVOTEK identified environmental safety issues and proposed improvement solutions. For the first time, the initiative integrated a generative AI tool from the Taiwan Design Research Institute to rapidly visualize proposed solutions, making it easier for residents to implement changes. The goal is to transform Dachen New Village into a model tourism safety zone, attracting visitors to experience the unique charm of Dachen.

Furthermore, inspired by professional insights from VIVOTEK employees, the community decided to begin with safety education by launching regular safety awareness courses. Priority improvements include installing barrier-free facilities and smart lighting in temples, forming a community environmental protection team, planning a multigenerational shared space, and evaluating the installation of surveillance cameras at key locations in the village.

The initiative is expected to benefit approximately 3,135 people, including 2,135 residents from 966 households and an estimated 1,000 tourists annually. Through press releases and media outreach, the campaign gained a total of 362 media exposures both domestically and internationally, reaching audiences in Taiwan, the United States, Canada, Australia, Germany, Vietnam, South Korea, and Malaysia. The total publicity value is estimated at NT$50 million, significantly enhancing the Company’s promotion of sustainability and safety issues.

By leveraging its expertise in security solutions, VIVOTEK continues to propose environmental improvements and strives to build safe, resilient, and sustainable communities—a mission it has pursued consistently for four years.

Social Participation during 2021-2024

Year	Date	Field	Performance	Number of Participants
2021	Dec. 13	Jianhe Vil., Zhonghe Dist., New Taipei City	Security Camera Donation and Environmental Optimization Report	31
2022	Dec. 15	An-Con mental Retardation Training Services Institution, Taoyuan City	Security Camera Donation and Environmental Optimization Report	31
2023	Dec. 14	Taipei Shuangxi Elementary School	Security Camera Donation and Environmental Optimization Report	37
2024	Dec. 13	Dachen New Village, Hualien	Security Camera Donation and Environmental Optimization Report	42
Total				141

(d) In-kind contributions to social welfare group

Every Mid-Autumn Festival, VIVOTEK will purchase mooncake gift boxes, pomelo, and other festive foods and give them to Taipei City Private Chung-Yi Nursery School, New Taipei City Private Jonah Home, and Taipei City Private Bethany Children's Home, so that the children can feel the warm festive atmosphere during the Mid-Autumn Festival. In addition, VIVOTEK procured laptops for use by the Hondao Senior Citizen's Welfare Foundation.

(e) Domestic cultural development

VIVOTEK actively cooperates with government policies to jointly assist Taiwan's cultural and creative industries in entering the international market. Following the 2023 initiative, where the National Center for Traditional Arts in Yilan was included in the employee travel itinerary, VIVOTEK offered employees the opportunity to experience the beauty of traditional arts through participation in performances. In 2024, the Company expanded the cultural travel program, providing employees with various cultural tour options, including Hakka culture in Beipu, Minnan culture in Wufeng, forestry culture in Luodong, and paper industry culture in Chung Hsing Paper Factory. These immersive experiences allowed employees to explore local history and cultural heritage, including hands-on encounters with traditional crafts, folk performances, and ancient architecture. This initiative not only broadened employees' horizons but also deepened their appreciation for the diversity and richness of Taiwanese culture.

VIVOTEK will continue to promote family day events, encouraging employees and their families to recognize and support Taiwan's domestic cultural and creative industries. In alignment with government initiatives to foster a culture of artistic and cultural consumption, the Company aims to help propel Taiwan's cultural and creative industries into the international market.

Estimated effectiveness of supporting cultural development strategy plans:	2024	2025	2026
Number of participants in activities	480 people	1,500 people	400 people
Hours invested	660 hours	4,500 hours	1,000 hours
Unit income of activities	NT$ 70,000	NT$ 1,200,000	NT$ 150,000
Outcomes	VIVOTEK supports the development of Taiwan's cultural and creative industries, expanding group experiences to showcase the beauty of Taiwan's diverse cultures.	In support of Taiwan's baseball development, VIVOTEK organizes exclusive events for employees to attend baseball games, allowing them to immerse themselves in Taiwan's sports culture. This fosters a deeper understanding of the nation's passion for sports and team spirit, effectively promoting the appreciation and spread of Taiwanese culture.	To further support Taiwan's film industry, VIVOTEK arranges private screenings of Taiwanese films, offering employees the opportunity to experience the unique cultural characteristics of Taiwan, with a view to enhance employees' support for and recognition of local creative works, contributing to the growth of Taiwan's film industry.
Expected benefits	Cultivate cultural consumption habits to assist Taiwan's cultural and creative industries in reaching the international market.		

(f) Future Action Plan

It is expected that blended with the corporate branding and cultural spirit, to unite the centripetal force of employees and continue the spirit of corporate sustainability.

3.3 Implementation of corporate governance (Governance)

The Company has a Head of Corporate Governance and established a "Risk Management Policy". The general manager is the chief executive officer of risk management, and the directors of various business units, regional directors, and heads of departments are the first-line risk management officers, who responsible to identify and manage risks in various aspects such as management strategy, operation, finance, hazard events, legal compliance, etc.

(a) Kinetic of Innovation and R&D

VIVOTEK continues to develop artificial intelligence (AI) technologies, focusing on optimizing image quality and content analysis. The Company is integrating Edge computing-based image analysis (hereinafter “Edge AI”) into cloud services, enabling users to benefit from energy-efficient smart image analysis, even with limited resources. Through deep learning AI technology, VIVOTEK is enhancing large-scale tracking, recognition, and behavioral analysis of objects. By prioritizing the user perspective, the Company aims to provide intelligent security monitoring services that meet the market demand for next-generation AI-powered security surveillance systems.

In the face of increasingly competitive global market, the important value of the intellectual property rights become a bargaining chip in market competition to drive competitive advantage of the Company in the international market. The Company has introduced the Taiwan Intellectual Property Management System (TIPS) since 2014. The Company has accumulated 657 patent applications worldwide, and has obtained 506 patents worldwide as of December 31, 2024. With regard to the patent quality, the approval rate for invention patents of the Company reached 100% for Taiwan, and 100% for the United States in 2023. In addition, VIVOTEK hosted three annual intellectual property (IP) education and training sessions-“Technology Transfer and IP Licensing”, “Introduction to Patents for Generative AI & Large Language Models (LLM)”, and “New Patents in Related Fields”, which were designed to enhance employees' understanding and mastery of patent licensing and technology transfer agreements. By introducing patents related to emerging technologies such as generative AI and large language models (LLM), as well as the latest patent trends and industry advancements, the Company aims to provide valuable insights for R&D teams in the development and planning of new products and technologies. This initiative is intended to further strengthen the Company's R&D capabilities.

(b) For details on corporate governance, refer to the Chapter 3 "The Implementation State of Corporate Governance" under the "Corporate Governance Report" in this annual report.

(c) Information Security

VIVOTEK has set up an Information Security Management Organization to ensure the information security of its infrastructure and products. VIVOTEK has a goal of maintaining the data security of customers and end users. The organization has established information security policies, handling procedures, and contingency procedures to address the "Corporate Information Security” and "Product Information Security". For the corporate information security, the internal system vulnerabilities assessment is regularly conducted to facilitate early defect rectification to safeguard the cybersecurity of the Company. To improve the security level, VIVOTEK has not only enhanced cloud information security protection and mail security, including measures to prevent phishing emails, but also implemented comprehensive monitoring of high-value assets and end-user devices. These efforts aim to balance the efficiency of cloud operations with the imperative of safeguarding information security. Regarding product information security, we have established an emergency response team for product information security and combined it with enterprise communication, customer support engineers, information security teams, product management, and research and development teams to actively handle and respond to external product-related security issues. Our ISMS information security management system has also obtained BSI ISO 27001 certification in 2024, using it as a universal framework for continuous comprehensive security

protection development. In addition, the information security in the production environment has been comprehensively enhanced. A network separation between the office and production environments has been established to ensure that they do not interfere with each other, meeting the information security management requirements of various industries. The integration of IPS/IDS (Intrusion Prevention/Detection Systems) and the SIEM (Security Information and Event Management) system for collaborative security defense and internal environment monitoring has been successfully completed.

(d) Future Action Plan

1. Enhance awareness and provide education and training for the board of directors, management, and employees on sustainability issues, including the financial impacts of climate change.
2. Continue to focus on image optimization by leveraging AI deep learning capabilities to apply image analysis results in optimizing image quality. This will address various types of image analysis demands and provide high-quality image data that improves analysis accuracy and performance.
3. Continue building a hybrid cloud architecture, integrating local camera storage, edge AI image analysis, video archiving, and cloud backup. This ensures users can access and manage video surveillance services more efficiently, even with limited bandwidth.
4. Utilize large language models (LLM) and generative AI technologies to analyze user intent and provide more accurate, personalized search results based on context, improving search efficiency and optimizing the smart search experience.
5. Continue to deploy embedded AI deep learning technologies, not only implementing embedded AI for edge devices to conduct deep image analysis (Edge AI) but also improving overall computational performance to enhance analysis efficiency, allowing Edge AI to perform more complex tasks independently without relying on server resources.
6. Continue patent analysis for key technologies and related industries, providing product development teams with relevant information to inform product development strategies. This will help identify appropriate research and development areas and protect and manage innovation through a robust intellectual property system. Efforts will also be made to increase both the number and quality of patent applications to expand the patent portfolio for core technologies.
7. Continue conducting annual IP education and training sessions to share intellectual property knowledge with employees, enhance awareness of IP rights, increase the likelihood of patent proposals, and reduce the risk of patent infringement or confidentiality breaches.
8. Conduct a patent value assessment of major competitors, analyzing and monitoring the strength, value, and trends of their patents. This helps assess the Company's position relative to competitors in terms of patent value and serves as a reference for shaping intellectual property strategies and goals.
9. Continue verifying the Taiwan Intellectual Property Management System (TIPS): Ensure the protection and operation of the intellectual property system, and gradually move from the current TIPS A-level certification to the AA-level certification, deepening the utilization of IP management practices.
10. Prepare for ISO 27001:2022 certification, with plans to complete the revision by 2025. Management will continue strengthening information security governance and enhancing internal protection awareness for company and client information assets, protecting against potential risks while improving industry competitiveness. Internal system vulnerabilities will be assessed and high-to-medium risks progressively eliminated to enhance system resilience.
11. In response to the rise of AI applications, establish Company guidelines for AI service usage. The DLP system will include monitoring of data interactions with generative AI

websites to ensure no major confidential information is leaked while leveraging AI to improve work efficiency. AI will also be used to assist in analyzing network device logs, accelerating the detection of potential intrusion risks and preventing them proactively.

3.4 Employee-Friendly Workplace

VIVOTEK values employees, with its management philosophy is to maintain integrity, care, innovation, and accountability. Based on integrity, the Company aspires to care for employees' work, health and life, and incorporates innovation in creating an environment to inspire employees' learning initiatives and career development. The Company has also manifested the spirit of accountability by maintaining adequate communication with employees, value their opinions, shaping the quality of speed, transparency, trust in nurturing workplace culture and talents, building culture of teamwork and implementing sustainable development.

(a) Employee communication

We have always believed that listening to employees' voices is the cornerstone of building a continuously growing and sustainable enterprise. Therefore, we are committed to creating diverse and inclusive communication channels to ensure that every employee's opinion is fully expressed and valued. In 2024, we held 13 communication sessions between the General Manager and employees, including 7 face-to-face forums and 6 remote live meetings, ensuring that employees, regardless of their location, can participate in important Company dialogues.

(b)Workplace Diversity and Gender Equality

Workplace Diversity Policy

At VIVOTEK, the Company has a diverse and large workforce, and values all forms of diversity. As an enterprise valuing social responsibilities, the Company is committed to creating an inclusive and respectful work environment that honors the uniqueness of every employee. We are dedicated to providing equal opportunities, ensuring gender equality in the workplace, and achieving equal pay for equal work. Regardless of an employee's gender, race, ethnicity, nationality, religion, physical condition, sexual orientation, pregnancy status, marital status, age, or political stance, we offer fair career development opportunities and a workplace free from discrimination and bias.

We fully recognize that diversity is crucial for enhancing organizational innovation and team cohesion. Therefore, we actively promote diversity not only in our recruitment and promotion processes, but also emphasize inclusiveness in our annual company-wide communications, ensuring every employee feels respected, valued, and able to express themselves authentically.

2024 Execution Status

Index	Percentage	Goal for 2030
Percentage of Female Employees	51%	-
Percentage of Female Managers	22%	-
Percentage of Female Senior Managers	6%	20%

Pay Ratio	Male	Female
Senior Managers	1	1.11
Mid-level Managers	1	0.94
Frontline Managers	1	0.80
Direct Labor	1	0.91

(c) Talent attraction and retention

VIVOTEK has taken financial, operating performance and individual performance of employees into considerations to establish various rewards and incentives, including year-end bonuses, long-term incentive plans, etc., in order to attract, retain and motivate outstanding talents. According to the Company's Articles of Association, if the Company makes profits for the current year, it shall resolve on the allocation of not less than 7% as the compensation for employees, and it is given based on the employee's position, performance and contribution. The salary of employees is determined based on their academic qualifications and experience, technical expertise, and performance, regardless of gender, race, religion, marital status, etc., which is in compliance with all applicable wage laws. The Company has annually participated in the wage and salary survey to weight market remuneration level and economic indicators, and will be used as the basis for employee salary adjustments. The average increment in 2024 was about 4.5%.

The employees of VIVOTEK are entitled to a special leave that exceeds what is required by law, a half-paid vaccination leave, full-paid volunteer leave, flexible leave during consecutive holidays without makeup work is provided, and various types of leave provided by other laws and regulations. In order to ensure the safety of employees, the Company provides accident insurance, employee/ family health insurance, and business travel accident insurance. At the same time, the Company also provides various subsidies for employee travel, social activities, birthdays, the dragon boat festival and mid-autumn festival, marriage and bereavement, and on-the-job education and training. In addition, employees are entitled to annual health checkup, as well as physician visitation for work health-related consultation services. The Company introduced the services of Employee Assistance Programs (EAPs) since 2016. The professional, diverse and highly confidential consulting services are provided for each employee by an external consultancy firm. For the retirement system, refer to Chapter 5. Labor Relations.

(d) Talent development

In 2021, VIVOTEK was honored with the TTQS (Taiwan Talent Quality System) Bronze Certification for its robust talent development system and cultivation program. Furthermore, in 2024, VIVOTEK was awarded the Best Employer Brand by the 104 Job Bank. Building on this achievement, in 2023, VIVOTEK remains dedicated to enhancing the quality of talent cultivation. This includes actively assessing employees' learning needs, evaluating classroom interactions and post-class feedback, and tailoring training and development plans to align with both employee career aspirations and company objectives. Furthermore, we have intensified the interactivity of our courses through curriculum enhancements. For instance, in our financial concepts course, we've introduced game-based teaching methods to create a more engaging and relaxed learning environment, fostering increased participation and comprehension among colleagues. Similarly, in our project management course, we leverage digital teaching materials to reinforce fundamental concepts and facilitate ongoing review sessions. We also conducted an innovative combination by incorporating ChatGPT into our problem analysis and solving courses, enabling AI to assist colleagues in quickly identifying the root causes of problems, providing precise suggestions, and generating solutions. In addition, as part of our commitment to sustainable development, we launched a Green Software Engineering course for developers, helping colleagues understand how to reduce carbon emissions during the software development process and minimize energy consumption throughout the product's entire lifecycle. To accelerate our colleagues' adaptation to the wave of digital transformation, in addition to the widely used ChatGPT, we introduced new digital transformation courses in 2024, with a focus on the application of RPA (Robotic Process Automation) tools, which have already been successfully implemented in various departments to optimize workflows. At the same time, we implemented a language learning platform, allowing employees to learn languages anytime and anywhere, catering to their diverse learning needs.

To ensure that new employees gain a comprehensive understanding of Company culture and business operations, we have specially designed a full-day onboarding program. This training features presentations by senior executives, introducing various functions of the Company and allowing for close interaction with new hires. The program also includes an on-site visit to the production line, where newcomers can operate equipment hands-on and experience the manufacturing process firsthand. Such immersive learning approach enables employees not only to understand the production process in theory but also to deepen their knowledge and interest in the Company's overall operations through direct experience. It brings them closer to our products, allows them to witness the birth of our innovations, and fosters a stronger sense of belonging to the Company.

Starting from 2022, we will strategize and execute mandatory advancement courses for managerial and professional staff across all levels. The aim is to augment employees' management and core competencies, ensuring they meet and excel in the basic competencies outlined for each level. Concurrently, we will comprehensively integrate the Employee Individual Development Plan (IDP) into our performance management system, aligning it with core functions, organizational development, and individual work objectives. This approach involves engaging in dialogue with supervisors to devise and implement development plans, fortifying employee competencies and fostering individual career trajectories. This initiative underscores our commitment to facilitating two-way communication and employee growth.

(e) Occupational safety and health

VIVOTEK is dedicated to ensuring a safe and healthy working environment for all our employees, which we consider a fundamental responsibility as a corporate citizen. To achieve this, we have established a specialized occupational safety and health management unit, along with relevant personnel. We adhere to the principles of the Occupational Safety and Health Management System (P-D-C-A), focusing on the continuous improvement cycle of Plan-Do-Check-Act. This involves implementing occupational safety and health measures as well as fire prevention regulations. Additionally, we formulate comprehensive plans, regulations, codes of practice, and fire prevention strategies to uphold occupational safety and health standards within our organization. In 2024, to enhance workers' understanding of safety and health measures and their capacity to handle emergencies, we will implement newcomer and on-the-job education and training covering general safety and health principles. Additionally, fire evacuation drills will be conducted regularly. Furthermore, we will appoint occupational safety and health personnel, as well as first-aid personnel, in accordance with the regulations set by the Occupational Safety and Health Administration. After each training session, all participants underwent testing to assess the effectiveness of the training. In total, there were 1,457 training sessions, accumulating 5,985 training hours. To ensure the efficacy of our safety system, regular safety inspections of equipment and facilities are conducted in accordance with our Occupational Safety and Health Management Plan, Regulations, and Code of Conduct. These inspections include monthly checks by occupational safety personnel (12 times annually), yearly inspections of air compressors and local exhaust machines, monthly independent inspections of firefighting equipment (12 times annually), quarterly outsourced inspections of potable water supply (4 times annually), and quarterly inspections of electrical panels (4 times annually). Throughout 2024, a total of 10 deficiencies were identified through regular inspections and audits. These deficiencies underwent thorough review for improvement, followed by education and training initiatives. In 2024, there were no major occupational hazards in the plant and the frequency of incapacitating injuries was zero.

(f) Employee Engagement Survey and Improvement Plan

In addition to maintaining regular communication channels, VIVOTEK actively utilizes employee engagement survey tools and conducts a comprehensive employee opinion survey every two years to better understand employees' views on the Company's operations and

corporate culture. The Human Resources conducted the most recent survey in October 2024, covering 15 categories and 48 questions, with a participation rate of 95%, representing a 23% increase compared to 2022. According to the survey results, the employee retention intention was 75%, a 4% increase from 2022 and 3% higher than the Taiwan high-tech industry benchmark; the overall employee engagement rate reached 79%, up 3% from 2022 but 3% below the industry benchmark. These results indicate that our employees generally recognize the positive working environment and industry outlook, and are committed to growing together with the Company.

Further analysis of employee feedback highlighted two key observations and corresponding improvement plans:

1. High recognition in areas such as “Speaking Up & Participation,” “Organizational Efficiency,” and “Retention Intention” by a majority of our employees.
   Employees acknowledged noticeable improvements over the past two years in both software and hardware aspects. They appreciated the empowerment and support from their supervisors, leadership responsiveness, innovation encouragement without fear of blame, and the ability to make timely decisions. Most employees also affirmed they could maintain a healthy work-life balance.
2. Opportunities for improvement in “Agile Transformation”, “Well-being Focus”, and “Cross-team Collaboration”.
   The survey revealed that current efforts in agile transformation remain insufficient. Employees suggested a more customer-centric approach when planning new products and services. They also expressed a strong desire for senior management to show greater care for employee well-being and provided valuable feedback on office environment and benefits. The Company will prioritize addressing the most urgent needs based on profitability and budget considerations. Although internal cross-department collaboration improved by 11% compared to 2022, it still lags behind the industry standard. Moving forward, we will continue to host various communication meetings and activities to strengthen interaction and collaboration, and to build a culture centered around speed, transparency, quality, and teamwork.

These findings, which reflect the employees’ genuine needs, have been included in the Company’s executive strategic meeting agenda. Each department has proposed concrete improvement actions based on the survey results, which have been incorporated into the managers’ annual performance goals to ensure implementation. These measures demonstrate the Company’s commitment to listening to the voices of its employees and fostering continuous improvement to build a healthier, more efficient work environment. Through this feedback and improvement mechanism, we aim to enhance employee satisfaction and cohesion, driving long-term business growth and fulfilling corporate social responsibility.

Indicators	48 Questions under 15 Categories (Core Values, Vision & Inspiration, Trust & Leadership, Agile Transformation, Recognition & Rewards, Diversity & Inclusion, Collaboration, Speaking Up & Participation, Talent Conglomeration & Development, Supervisor Support, Organizational Efficiency, Goal Alignment, Attention to Well-being, Retention Intention, and Employee Engagement)
Number of Surveyed Employees	735
Number of Respondents	699
Response Rate:	95%
Responsible Unit	Human Resources
Survey Frequency	Biennial
Survey Period	September 25 – October 19, 2024
Summary of Result	In 2024 results, recognition levels across all categories improved compared to 2022. Retention intention reached 75%, +4% from 2022, +3% above industry benchmark; engagement reached 79%, +3% from 2022, but -3% below industry benchmark.
Improvement Orientation	Based on Survey results, the key improvement focuses for the next two years are as follows: “Agile Transformation”: Adopting a more customer-centric mindset and improve responsiveness in new product and service development; “Attention to Well-being”: Prioritizing improvements in workplace conditions and employee benefits based on urgency, profitability, and budget; and “Collaboration”: Continuing the organization of communication events such as all-hands meetings, management workshops, and business unit town halls.

4. Capital and Shares

4.1 Capital and shares

4.1.1 Source of capital

1. Capitalization

March 31, 2025; Unit: Shares, NT$

Month and year	Par Value	Authorized Share Capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Asset other than cash is paid by subscribers	Others
March, 2000	10	300,000	3,000,000	300,000	3,000,000	Formation of share capital	None	Letter No 89375994 issued by the Central Region Office, Ministry of Economic Affairs (89)
March, 2000	10	10,000,000	100,000,000	5,500,000	55,000,000	Cash capital increase to NT$ 52,000,000	None	Letter No 89405229 issued by the Central Region Office, Ministry of Economic Affairs (89)
December 2000	10	10,000,000	100,000,000	8,800,000	88,000,000	Cash capital increase to NT$ 33,000,000	None	Letter No 09031599020 issued by the Central Region Office, Ministry of Economic Affairs (90)
May 2002	12	21,000,000	210,000,000	12,800,000	128,000,000	Cash capital increase to NT$ 40,000,000	None	Letter No 09101256890 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
October 2003	12.5	21,000,000	210,000,000	15,000,000	150,000,000	Cash capital increase to NT$ 22,000,000	None	Letter No 09232960810 issued on behalf of the Central Region Office, Ministry of Economic Affairs
July 2004	—	24,000,000	240,000,000	15,000,000	150,000,000	Increase in authorized share capital through amendment of the Company's Articles of Association which was approved in the AGM	None	Letter No 09332459990 issued on behalf of the Central Region Office, Ministry of Economic Affairs
December 2004	30	24,000,000	240,000,000	20,000,000	200,000,000	Cash capital increase to NT$ 50,000,000	None	Letter No 09333238660 issued on behalf of the Central Region Office, Ministry of Economic Affairs Letter No Financial Supervisory Commission-I-0930148840 issued by the Securities and Futures Bureau on November 3, 2004
August 2005	10	51,000,000	510,000,000	27,937,500	279,375,000	Retained earnings, capital surplus and employee stock bonus transferred to capital increase	None	Letter No 09432730950 issued on behalf of the Central Region Office, Ministry of Economic Affairs Letter No Financial Supervisory Commission-I-0940127942 issued by the Securities and Futures Bureau on July 11, 2005
November 2005	10	51,000,000	510,000,000	29,182,500	291,825,000	Conversion of employee stock warrants to shares	None	Letter No 09433156650 issued on behalf of the Central Region Office, Ministry of Economic Affairs
June 2006	10	51,000,000	510,000,000	42,662,000	426,620,000	Retained earnings, capital surplus and employee stock bonus transferred to capital increase to NT$ 134,795,000	None	Letter No 09532420070 issued on behalf of the Central Region Office, Ministry of Economic Affairs Letter No Financial Supervisory Commission-I-0950122075 issued by the Securities and Futures Bureau on May 30, 2006
July 2006	30	51,000,000	510,000,000	47,900,000	479,000,000	Cash capital increase through new shares issuance of NT$ 52,380,000	None	Letter No 09532460460 issued on behalf of the Central Region Office, Ministry of Economic Affairs Letter No Financial Supervisory Commission-I-0950122074 issued by the Securities and Futures Bureau on May 30, 2006
October 2006	6.84	51,000,000	510,000,000	47,939,000	479,390,000	Exercise of employee stock warrants of NT$ 390,000	None	Letter No 09533121960 issued on behalf of the Central Region Office, Ministry of Economic Affairs
January 2007	6.84	51,000,000	510,000,000	48,007,000	480,070,000	Exercise of employee stock warrants of NT$ 680,000	None	Letter No 09631730690 issued on behalf of the Central Region Office, Ministry of Economic Affairs
April 2007	6.84	51000000	510000000	48253500	482,535,000	Exercise of employee stock warrants of NT$ 2,465,000	None	Letter No 09632084710 issued on behalf of the Central Region Office, Ministry of Economic Affairs
August 2007	10	80,000,000	800,000,000	52,298,710	522,987,100	Retained earnings, capital surplus and employee stock bonus transferred to capital increase to NT$ 40,452,100	None	Letter No 09601209070 issued on behalf of the Central Region Office, Ministry of Economic Affairs Letter No Financial Supervisory Commission-I-0960035455 issued by the Securities and Futures Bureau on July 10, 2007
October 2007	6.31	80,000,000	800,000,000	52,505,710	525,057,100	Exercise of employee stock warrants of NT$ 2,070,000	None	Letter No 09601276900 issued on behalf of the Central Region Office, Ministry of Economic Affairs
February 2008	6.31	80,000,000	800,000,000	52,595,710	525,957,100	Exercise of employee stock warrants of NT$ 900,000	None	Letter No 09701060690 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
April 2008	6.31	80,000,000	800,000,000	53,026,210	530,262,100	Exercise of employee stock warrants of NT$ 4,305,000	None	Letter No 0970109579 issued on behalf of the Department of Commerce, Ministry of Economic Affairs

Month and year	Par Value	Authorized Share Capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Asset other than cash is paid by subscribers	Others
August 2008	10	80,000,000	800,000,000	55,807,130	558,071,300	Retained earnings, capital surplus and employee stock bonus transferred to capital increase to NT$ 27,809,200	None	Letter No 09701209450 issued on behalf of the Central Region Office, Ministry of Economic Affairs Letter No Financial Supervisory Commission-I-0970034554 issued by the Securities and Futures Bureau on July 10, 2007
August 2009	10	80,000,000	800,000,000	57,918,494	579,184,940	Retained earnings, capital surplus and employee stock bonus transferred to capital increase to NT$ 21,113,640	None	Letter No 09801175590 issued on behalf of the Central Region Office, Ministry of Economic Affairs Letter No Financial Supervisory Commission-I-0980031389 issued by the Securities and Futures Bureau on June 24, 2009
September 2009	-	80,000,000	800,000,000	57,918,494	579,184,940	Number of convertible bonds of 5,000,000 shares	None	Letter No 09801199960 issued on behalf of the Central Region Office, Ministry of Economic Affairs
July 2010	-	80,000,000	800,000,000	57,918,494	579,184,940	Amendment of the Company's Articles of Association and adjustment of reserved stock option certificates	None	Letter No 09901141840 issued on behalf of the Central Region Office, Ministry of Economic Affairs
July 2010	39.9	80,000,000	800,000,000	58,464,844	584,648,440	First time conversion of secured convertible bonds to common stock of NT$ 5,463,500	None	Letter No 09901168080 issued on behalf of the Central Region Office, Ministry of Economic Affairs
August 2010	10	80,000,000	800,000,000	60,972,942	609,729,420	Retained earnings and capital surplus transferred to capital increase to NT$ 25,080,980	None	Letter No 09901190370 issued on behalf of the Central Region Office, Ministry of Economic Affairs
November 2010	37.5	80,000,000	800,000,000	61,063,606	610,636,060	Conversion of convertible bonds to stock of NT$ 906,640	None	Letter No 09901250680 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
January 2011	56.78	80,000,000	800,000,000	61,104,856	611,048,560	Exercise of employee stock warrants of NT$ 412,500	None	Letter No 10001019590 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
January 2011	37.5	80,000,000	800,000,000	62,360,828	623,608,280	Conversion of convertible bonds to stock of NT$ 12,559,720	None	Letter No 10001019590 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
April 2011	56.78	80,000,000	800,000,000	62,688,828	626,888,280	Exercise of employee stock warrants of NT$ 3,280,000	None	Letter No 10001083500 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
April 2011	37.5	80,000,000	800,000,000	62,939,482	629,394,820	Conversion of convertible bonds to stock of NT$ 2,506,540	None	Letter No 10001083500 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
July 2011	56.78	80,000,000	800,000,000	63,161,232	631,612,320	Exercise of employee stock warrants of NT$ 2,217,500	None	Letter No 10001142000 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
July 2011	37.5	80,000,000	800,000,000	63,345,229	633,452,290	Conversion of convertible bonds to stock of NT$ 1,839,970	None	Letter No 10001142000 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
August 2011	10	80,000,000	800,000,000	65,548,112	655,481,120	Retained earnings and capital surplus of NT$ 22,028,830	None	Letter No 10001192150 issued on behalf of the Department of Commerce, Ministry of Economic Affairs Letter No 1000029252 issued by the Financial Supervisory on June 24, 2011
November 2011	53.27	80,000,000	800,000,000	65,655,362	656,553,620	Exercise of employee stock warrants of NT$ 1,072,500	None	Letter No 10001258330 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
November 2011	35.3	80,000,000	800,000,000	65,828,685	658,286,850	Conversion of convertible bonds to stock of NT$ 1,733,230	None	Letter No 10001258330 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
February 2012	53.27	80,000,000	800,000,000	65,911,685	659,116,850	Exercise of employee stock warrants of NT$ 830,000	None	Letter No 10101023110 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
February 2012	35.3	80,000,000	800,000,000	66,053,318	660,533,180	Conversion of convertible bonds to stock of NT$ 1,416,330	None	Letter No 10101023110 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
May 2012	53.27	80,000,000	800,000,000	66,483,318	664,833,180	Exercise of employee stock warrants of NT$ 4,300,000	None	Letter No 10101085440 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
August 2012	10	80,000,000	800,000,000	68,772,084	687,720,840	Retained earnings and capital surplus of NT$ 22,887,660	None	Letter No 10101173940 issued on behalf of the Department of Commerce, Ministry of Economic Affairs Letter No 101003231 issued by the Financial Supervisory Commission on July 9, 2012
August 2012	53.27	80,000,000	800,000,000	68,851,834	688,518,340	Exercise of employee stock warrants of NT$ 797,500	None	Letter No 10101173940 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
November 2012	53.27	80,000,000	800,000,000	68,884,834	688,848,340	Exercise of employee stock warrants of NT$ 330,000	None	Letter No 10101238990 issued on behalf of the Department of Commerce, Ministry of Economic Affairs

Month and year	Par Value	Authorized Share Capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Asset other than cash is paid by subscribers	Others
November 2012	48.5	80,000,000	800,000,000	68,921,834	689,218,340	Exercise of employee stock warrants of NT$ 370,000	None	Letter No 10101238990 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
January 2013	48.5	80,000,000	800,000,000	69,116,084	691,160,840	Exercise of employee stock warrants of NT$ 1,942,500	None	Letter No 10201007640 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
August 2013	10	80,000,000	800,000,000	71,500,147	715,001,470	Retained earnings and capital surplus of NT$ 23,840,630	None	Letter No 10201162110 issued on behalf of the Department of Commerce, Ministry of Economic Affairs Letter No 1020025066 issued by the Financial Supervisory Commission on June 28, 2013
July 2014	10	80,000,000	800,000,000	73,967,653	739,676,530	Retained earnings and capital surplus of NT$ 24,675,060	None	Letter No 10301182970 issued on behalf of the Department of Commerce, Ministry of Economic Affairs Letter No 1030027152 issued by the Financial Supervisory Commission on July 16, 2014
August 2015	10	80,000,000	800,000,000	76,556,521	765,565,210	Retained earnings and capital surplus of NT$ 25,888,680	None	Letter No 10401179950 issued on behalf of the Department of Commerce, Ministry of Economic Affairs Letter No 040025788 issued by the Financial Supervisory Commission on July 8 2015
December 2015	10	80,000,000	800,000,000	77,256,521	772,565,210	New restricted employee shares of NT$ 7,000,000	None	Letter No 10401262230 issued on behalf of the Department of Commerce, Ministry of Economic Affairs Letter No 1040041655 issued by the Financial Supervisory Commission on October 19, 2015
August 2016	10	80,000,000	800,000,000	79,935,999	799,359,990	Retained earnings and capital surplus of NT$ 26,794,780	None	Letter No 10501208660 issued on behalf of the Department of Commerce, Ministry of Economic Affairs Approved by the Financial Supervisory Commission on July 11, 2016
August 2016	10	80,000,000	800,000,000	79,930,999	799,309,990	Cancellation of new restricted employee shares of NT$ 50,000	None	Letter No 10501208660 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
November 2016	10	80,000,000	800,000,000	79,930,439	799,304,390	Cancellation of new restricted employee shares of NT$ 5,600	None	Letter No 10501275130 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
August 2017	10	90,000,000	900,000,000	81,918,115	819,181,150	Capital surplus of NT$ 19,876,760	None	Letter No 10601111760 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
August 2017	10	90,000,000	900,000,000	81,805,104	818,051,040	Cancellation of new restricted employee shares of NT$ 1,130,110	None	Letter No 10601111760 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
December 2017	10	90,000,000	900,000,000	82,505,104	825,051,040	New restricted employee shares of NT$ 7,000,000	None	Letter No 10601165540 issued on behalf of the Department of Commerce, Ministry of Economic Affairs Letter No 1060037365 issued by the Financial Supervisory Commission on September 27, 2017
August 2018	10	90,000,000	900,000,000	84,550,232	845,502,320	Capital surplus of NT$ 20,451,280	None	Letter No 10701100430 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
August 2018	10	90,000,000	900,000,000	84,478,575	844,785,750	Cancellation of new restricted employee shares of NT$ 716,570	None	Letter No 10701100430 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
September 2019	10	150,000,000	1,500,000,000	86,581,841	865,818,410	Capital surplus of NT$ 21,032,660	None	Letter No 10801123520 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
September 2019	10	150,000,000	1,500,000,000	87,381,841	873,818,410	New restricted employee shares of NT$ 8,000,000	None	Letter No 10801123520 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
September 2019	10	150,000,000	1,500,000,000	87,033,910	870,339,100	Cancellation of new restricted employee shares of NT$ 3,479,310	None	Letter No 10801123520 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
August 2020	10	150,000,000	1,500,000,000	86,957,393	869,573,930	Cancellation of new restricted employee shares of NT$ 765,170	None	Letter No 10901155380 issued on behalf of the Department of Commerce, Ministry of Economic Affairs
November 2021	10	150,000,000	1,500,000,000	86,567,893	865,678,930	Cancellation of new restricted employee shares of NT$ 3,895,000	None	Letter No 11001217450 issued on behalf of the Department of Commerce, Ministry of Economic Affairs

Note 1: The information of the current fiscal year up to the date of publication of the annual report should be filled out.
Note 2: The effective (approval) date and reference number should be noted for the capital increase.
Note 3: If shares are issued at less than par value, such information shall be prominently indicated.
Note 4: If monetary claims against the Company or technology needed by the Company are offset against share payments, such information shall be specified, and the type and amount of such offset shall also be noted.
Note 5: If a private placement, such fact shall be prominently indicated.

2. Types of shares

March 31, 2025 Unit: Share

Types of shares	Authorized Share Capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common stock	86,567,893	63,432,107	150,000,000	Listed stocks

3. Information for Shelf Registration:

Types of securities	Projected amount of stocks to be issued		Amount of stocks issued		Purpose of the offering and anticipated benefits of stocks issued	Projected duration of the period for stocks to be issued	Remarks
	Total shares	Approved dollar amount	Shares	Price			
Not applicable.							

4.1.2. List of major shareholders: (Name, number of shares and stake held by each shareholder with a stake of 5 percent or greater, or shareholders who rank in the top 10 in shareholding percentage):

March 31, 2025; Unit: Share

Shares / Name of Major Shareholders	Number of Shares Held	Shareholding percentage
Delta Electronics Inc.	49,128,058	56.75%
King Chin Inc.	4,399,336	5.08%
Hsi-An Huang	1,010,000	1.17%
Mega Securities Co., Ltd.	768,000	0.89%
Su-Mei Wang	765,278	0.88%
Chih-Chung Lan	598,261	0.69%
Global Life Insurance Co.	500,000	0.58%
JPMorgan Chase Bank N.A., Taipei Branch in custody for J.P. Morgan Securities (Taiwan) Investment Account	445,885	0.52%
CHIU, HUNG-YEN	381,562	0.44%
HUANG, CHIU-YUAN	348,348	0.40%

4.1.3 Dividend Policy and Distribution of Earnings

1. Dividend policy adopted in the Company's Articles of Association

When allocating its surplus profits after having paid all taxes and dues to write off accumulated losses, the Company shall first set aside 10% of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. In accordance with the regulations for special reserve or reversed special reserve, the remaining and the unappropriated accumulated retained earnings of previous fiscal year will be distributed. The Board of Directors shall retain some earnings by taking into account the operational needs in their absolute discretion, and a distribution proposal is drafted by resolution of the meeting of shareholders.

The Company's dividend policy takes into account shareholders' interests, financial soundness, and business development. In view of future capital expenditures and reinvestment plans, the dividends distributed to shareholders shall not be less than 50% of the net income after tax for the year, of which at least 15% shall be distributed in cash.

2. Dividend distributions proposed at the most recent shareholders' meeting (It is approved by the Board of Directors, but it has not been approved by the shareholders' meeting):

According to the Company Act and Articles of Association, a cash dividend of NT$2,300 per thousand shares (i.e. NT$2.3 per share) was proposed as the distribution of the Company's earnings for the year 2024. Based on the calculation on the number of issued shares that rank for participation in such distribution was 86,567,893 shares, and NT$199,106,153 will be distributed. The Board of Directors of the Company has authorized the Chairman to set the ex-dividend base date and other related matters after the proposed distribution plan is approved by the AGM. In addition, the Chairman also authorized to adjust the distribution rate in the event that the proposed earnings distribution is affected by an amendment to relevant laws or regulations, a request by the competent authorities, or a change in common shares (such as, buyback of shares for transfer or cancellation, domestic capital increase by cash). The cash dividend is calculated based on the distribution ratio, in accordance with the adjustments to which or by reference to the adjustments to which the amount of the cash dividend is adjusted, with the result rounded up to the nearest dollar.

3. Expected material change in dividend policy: None.

4.1.4 Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting.

No proposed stock dividend distribution in this shareholders' meeting. In addition, pursuant to the law, the Company is not required to disclose information on financial projection for the year 2025.

4.1.5 Compensation of employees and directors

1. The percentages or ranges with respect to employee, and director compensation, as set forth in the Company's Articles of Association if the Company makes profits for the current year, the Board of Directors shall resolve on the allocation of no more than 4% as the compensation for directors and not less than 7% as the compensation for employees. However, the Company's accumulated losses shall have been covered prior to the profit distribution.

2. The basis for estimating the amount of employee, and director compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

(a)The basis for estimating the amount of employee compensation for the current period: It is based on the profitability of the year in accordance within the rate range specified in the Articles of Association.

(b)Basis for calculating the number of shares to be distributed: Not applicable.

(c)When there is a difference between the actual distributed amount and the estimated figure, the differences are included in profit or loss for the next year.

3. Information on any approval by the board of directors of distribution of compensation:

(a)The Board of Directors has passed the resolution on February 25, 2025 that the appropriation of the earnings for the year 2024 was as follows:

According to the Company's Articles of Association, if the Company makes profits for the current year, the Board of Directors shall resolve on the allocation of not less than 7% as the compensation for employees, and no more than 4% as the compensation for directors. However, the Company's accumulated losses shall have been

covered prior to the profit distribution.

The Company has been allocated 12.45% as the compensation for employees, totaling NT$42,112,800 and 1% as the compensation for directors, totaling NT$3,383,100 in 2024.

(b)The proposed amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income for the current period and total employee compensation: Not applicable.

(c) The calculated earnings per share after the proposed allocation for Employee and director compensation: Not applicable.

4. The actual distribution of compensation for employees and directors in the previous fiscal year

The Board of Directors passed the resolution on February 27, 2024 that the appropriation of the earnings for the year 2023 was 12.45% was allocated as the compensation for employees, totaling NT$ 66,297,000 and 1% was allocated as the compensation for directors, totaling NT$5,325,000.

5.1.9 Buyback of shares: None

4.2 Issuance of corporate bonds: None.

4.3 Issuance of preferred shares: None.

4.4 Issuance of global depository receipts: None.

4.5 Status of employee stock warrants: None.

4.6 Status of new restricted employee shares: None.

4.7 Status of new share issuance in connection with mergers and acquisitions: None.

4.8 Financing plans and implementation

1. For the period as of the quarter preceding the date of publication of the annual report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits: None.
2. As of the quarter preceding the date of publication of the annual report, the Company has completed all securities fund utilization plans.

5. Overview of Business Operations

5.1 A description of the business

5.1.1 Business Scope

1. Main businesses of the Company

①CC01060 Wired Communication Equipment and Apparatus Manufacturing
②CC01070 Wireless Communication Mechanical Equipment Manufacturing
③CC01050 Data Storage Media Units Manufacturing
④CC01080 Electronic Parts and Components Manufacturing
⑤F113070 Wholesale of Telecommunication Apparatus
⑥F113050 Wholesale of Office Machinery and Equipment
⑦F119010 Wholesale of Electronic Materials
⑧F118010 Wholesale of Computer Software
⑨I301010 Software Design Services
⑩I301020 Data Processing Services
⑪I301030 Electronic Information Supply Services
⑫F601010 Intellectual Property Rights
⑬F401010 International Trade
⑭CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing
⑮F401021 Restrained Telecom Radio Frequency Equipment and Materials Import

2. Operating Ratio

Unit: NT$1,000

Operating Ratio / Item	2023		2024	
	Net Operating Revenue	Operating Ratio (%)	Net Operating Revenue	Operating Ratio (%)
Network cameras	7,808,209	85.22	5,850,028	79.81
Network video recorders	585,067	6.39	517,621	7.06
Others	769,147	8.39	962,209	13.13
Total	9,162,424	100	7,329,858	100

3. Current products (services) of the Company

A. H.264/H.265 series network cameras: Box, Mobile Dome, Fixed Dome, Speed Dome, 180°Panoramic, 360° Fisheye, Thermal Bullet
B. Multi-sensor network camera series products
C. Commercial IP Camera: Automatic people counting camera series products, and Facial recognition specialized camera.
D. Network camera for transportation applications, mobile DVR for transportation applications, license plate recognition camera
E. 4-12 Channels DVR
F. Ethernet switch solutions: industrial network management/non-network management Ethernet switch, network management/non-network management Ethernet switch, network power extender, network power injector, Ethernet Network interface converter
G. Security surveillance installation accessories: long-distance infrared light projector, outdoor waterproof water tank, and other accessories, etc.
H. Professional Security Image Management Software
I. AI-powered smart VCA technology: Information security, and people/ transportation-oriented smart VCA technology Face Recognition Technology, License Plate Recognition Technology
J. Cloud-based monitoring management system

4. New product (services) development projects

The Company will continue to invest in the R&D, design and manufacturing of

network cameras in the future. The new products for future development are as follows:

A. Development of a new generation of intelligent cameras.
B. Development of Multi-lens ultra-wide-angle dome network cameras.
C. Development of a new generation of Professional mobile NVRs.
D. New generation of intelligent cloud-based video surveillance management system and services development.
E. Development of new generation of intelligent image analysis technology based on vision-language models.
F. Development of new generation of AI-driven image processing technology.
G. Development of a new generation of Smart Search technology.
H. Development of a long-distance/uniform/low-power lighting technology.
I. New generation of video surveillance software system, VSS.
J. Industrial-grade Ethernet converter.

5.1.2 Industry Overview

1. Current status and development of the industry

A. Smart Image Analysis Becomes Mainstream Function of Surveillance System

With the widespread adoption of SoCs featuring embedded deep learning neural algorithms and the advancement of neural network algorithms, webcams can now execute automated edge computing and machine learning. This development significantly enhances the accuracy of image recognition. Smart image analysis has emerged as the mainstream specification and a standard for advanced surveillance systems. In addition to neural networks, which help decrease the likelihood of false alarms, other smart image recognition functions such as face recognition, license plate recognition, and various other image recognition technologies are flourishing. Moreover, the sudden emergence of generative AI has significantly accelerated the flourishing development of related software and hardware, driving intelligent image analysis applications toward greater maturity. This trend also enhances the gross profit and added value of the products.

B. The growth of cloud surveillance systems continues at a rapid pace.

Cloud-based surveillance systems offer significant benefits for small and medium-sized enterprises (SMEs), including remote device management and troubleshooting. Compared to traditional analog/digital surveillance management systems, they provide the convenience of system access anytime and anywhere, while greatly reducing maintenance costs and time for system integrators or end users. For chain stores or enterprises with hundreds or even thousands of sites, there is a strong demand for centralized remote multi-site management and real-time anomaly alerts to enhance operational efficiency. Cloud surveillance, with its high integration of AI and user-friendly features, can better meet the needs of enterprise users. In addition, customers often wish to retain their existing cameras when upgrading to a cloud-based system; therefore, a hybrid cloud architecture that supports both new and legacy equipment is more cost-effective and can increase customers' willingness to upgrade. The cloud transformation of digital surveillance systems, coupled with the rapid evolution of generative AI, is developing at a high pace and continues to gain momentum. It is expected to maintain a CAGR of over 20% through 2028.

C. Increased Information Security Awareness

The security industry operates continuously, 24 hours a day and 365 days a year, which makes webcams susceptible to hacking attempts. Since the Mirai cyber-attack in 2016, which paralyzed a major U.S. website, the world has

increasingly focused on enhancing information security within the physical security industry. In recent years, there has been a growing awareness of network information security, leading to increased information security management requirements for network cameras, network video recorders, professional recording management software, and cloud management software. Various countries have been developing specifications for network security and information security in response to these trends.

D. Rising Trend of IoT Driven by Labor Shortage

Due to the continued decline in birth rates and the gradual disappearance of demographic dividends across countries, various industries are experiencing labor shortages or rising labor costs; hence, the demand for system automation to improve production or operational efficiency is rapidly increasing. Images are a critical source of information analysis, and we anticipate that surveillance systems will no longer be limited to traditional security monitoring applications. With the rapid development of generative AI technology and the cloudification of surveillance systems, it will become possible to analyze large volumes of video across multiple cameras quickly and efficiently. When combined with data from various smart sensors for comprehensive judgment, these systems can proactively generate decision-making references (or even directly integrate and trigger other cloud systems to complete tasks), thus enabling highly automated application systems across different vertical markets and significantly reducing the need for human labor.

2. Industry relevance of upstream, midstream and downstream companies

The Company's business mainly focuses on R&D and manufacturing of network security surveillance products. With over 20 years of experience in IP network technology and video compression, encoding and decoding technology, the products include various network cameras, network video servers and video management software. The upstream companies are mainly IC manufacturers and component companies such as optics, electronics, and parts. The downstream includes general users, agents, security surveillance and network equipment suppliers, and security surveillance system and enterprise network system planners. The relevance of the upstream, midstream and downstream is as follows:

Upstream	Midstream	Downstream
Optical components-optical lens of camera IC semiconductor -CMOS chipset, video decoding/encoding chip, network-on chip, security crypto chip, ram, etc. Electronic components -resistors, capacitors, inductors, transistors, etc. Parts components -molds, plastic shells, aluminum shells Other components -electromechanical modules, power supplies, connector wires, PC boards	Network video servers Network cameras Network power supply, lighting and other peripherals	General users Agents System integrators Enterprise network system planners Network equipment suppliers Security surveillance equipment suppliers

3. Various product development trends and competitive landscape

(1) Various product development trends

With the rapid development of Internet of Things technology, the security industry is actively integrating cloud surveillance and intelligent image analysis technology to enhance the diverse applications of image surveillance systems. The shift towards cloud-based monitoring not only enables more flexible and secure data storage but also streamlines remote access and management capabilities. Simultaneously, the significance of intelligent image analysis is becoming increasingly apparent, as it enables in-depth analysis of image data through advanced artificial intelligence and

deep learning technologies. These technologies are not solely employed for traditional security surveillance and video playback, they also offer profound insights into consumer behavior, aiding business operators in enhancing sales and operational efficiency. The Company produces network cameras that not only meet professional security requirements but also develops optimized system products customized to the specific needs of various vertical markets. The following is a brief description of the product development trends and its competitive landscape:

A. 180°, 360° and multi-sensor network cameras
   Under the product strategy of "See More in Smarter Ways", the Company has also launched various 180°, 360°, multi-sensors network cameras, which provide a wider coverage and give better details panoramic view that is suitable for monitoring wide areas. In addition to requiring less cameras, the simplified management settings also save installation time and subsequent maintenance costs.
B. Security surveillance solutions for the smart vertical market
   Continue to focus on the vertical markets of the intelligent transportation system, smart factories, and smart buildings, and network cameras for special uses are launched, such as automotive cameras for vehicles, license plate recognition cameras for traffic monitoring, and people-counting camera for crowd control. It is also incorporated with existing systems to optimize the functions of remote video management software.
C. AI-powered smart VCA technology
   In the era of IoT, the market for various new technology products and cloud services are flourishing, to fulfill different explicit or implicit needs, of which images remain as the most important source of information. "People" and "vehicles" are the core of the smart VCA technology, including high-accuracy crowd computing, crowd detection, behavior detection, license plate recognition, etc., to provide more insight on targeted customer behavior to decision makers.
D. Artificial Intelligence-Optimized Camera Imaging
   The Company has implemented intelligent image optimization technology to efficiently enhance image processing and analysis while preserving image quality. Through advanced algorithms, the Smart Camera autonomously adjusts parameters across diverse environmental conditions, ensuring clarity and detailed image capture. Coupled with color low-illumination camera developed by VIVOTEK, further needs for color surveillance in low-light conditions at night for intelligent analysis technology may be met. This technology offers users clearer and more precise surveillance images, thereby enhancing the overall security experience.
E. Intelligent Bandwidth and Storage Management Webcam
   In response to the growing demand for data transmission, webcams leverage intelligent image analysis technology to minimize bandwidth and storage space requirements. Through intelligent compression and data optimization, the camera selectively transmits and stores high-quality images only when necessary. It enhances image quality for critical objects while minimizing data usage for non-critical backgrounds, thereby significantly reducing network resource consumption and storage costs. This approach ensures that details of critical moments are preserved without unnecessary data transmission.
F. Complete cloud surveillance solution
   With the rapid advancement of cloud technology and the rising market demand, the Company introduced VORTEX, a comprehensive intelligent cloud-based security service, aimed at offering holistic solutions for contemporary security surveillance requirements. The cloud-based surveillance system seamlessly

integrates not only with the Company's high-quality cameras but also with intelligent network video recorders (NVRs). Furthermore, the Company's cloud-based solutions facilitate remote access, real-time monitoring, and intelligent image analysis, empowering customers to manage their surveillance systems anytime, anywhere. This strategy not only enhances surveillance efficiency but also boosts the scalability and flexibility of the system, offering customers a secure, convenient, and efficient surveillance environment.

For system installers, the cloud management and operation platform VPP Portal allows for one-stop management of various devices across all installation sites and provides insights into their health status. It further enables remote configuration and services for users, significantly reducing travel time and labor.

G. Information security reformulation

In response to the challenges posed by the security industry in the Internet of Things environment, the Company is dedicated to adhering to international network security standards, ensuring the highest level of product security. The Company has obtained BSI ISO 27001 certification for its information security management system and has implemented an information security risk management operation mechanism. Additionally, it has established standardized processes for managing information security incidents and accidents to maintain low operational risks during ongoing operations. The Company's information security management solutions on the product side showcase comprehensive protection from end to end, fulfilling the brand promise of "Comprehensive Surveillance and Multi-Level Protection." This solution encompasses the front-end webcam, webcam recorder, and back-end image management software, forming a robust information security support system. Several of our IP cameras have obtained certification from Taiwan's Security Video Surveillance System Standard (CNS16120) and also adhere to the international security standard IEC62443.

(2) Competitive landscape

AI and deep learning are driving the trends of the overall security industry. With the introduction of AI chips, image algorithms based on deep learning are ready for product development. Manufacturers adopted deep learning to develop and deepen different vertical markets.

The Company is actively embracing the new wave of artificial intelligence and deep learning. Through the introduction of advanced AI chips, the Company's deep learning imaging algorithms have matured and are being deployed across various vertical markets. In addition, we adhere to relevant norms in handling image data to ensure compliance with international data protection regulations, such as the EU's GDPR. Moreover, the implementation of the National Defense Authorization Act (NDAA) by the U.S. government has significantly impacted the supply chain of the security industry. This includes the ban on the use of surveillance equipment from certain Chinese manufacturers, creating significant market opportunities for the Company. The Company has proactively responded to seize market opportunities by enhancing the strengths of its products, particularly in terms of NDAA compliance. This ensures that customers have peace of mind, knowing they are using high-quality products that fully comply with regulations. In terms of technology development, the Company prioritizes cloud services and comprehensive solutions, striving to offer customers a seamless one-stop experience. Our cloud-based platform offers not only flexible and scalable storage and management options but also integrates the latest image analysis technology to deliver smarter security

solutions to our customers.

The Company's core competency lies in delivering genuinely effective AI solutions. These solutions extend beyond traditional security applications to areas such as health management and epidemic prevention measures. The outbreak of COVID-19 accelerated the pace of innovation, leading to the introduction of several solutions to address emerging needs. In the future, we plan to further collaborate with experts in the field of AI to create innovative technologies and address customer demands more swiftly.

5.1.3 Technology and R & D Overview

1. R & D expenses

Unit: NT$1,000

Item \ Year	2024	As of March, 31 2025
R & D expenses	720,280	191,195
Operating revenue	7,329,858	1,972,013
Percentage of R&D expenses to operating revenue	9.83%	9.70%

2. Successful development of technologies or products

Year	Developed products	Developed technologies
2024	● New generation of intelligent fish eye camera ● New professional mobile NVR. ● New generation of multi-lens ultra-wide-angle network camera. ● New generation of Smart counting network camera ● New generation of intelligent cloud-based video surveillance management system and services. ● New generation of video surveillance software system, VSS. ● Bullet license plate recognition camera ● Industrial-grade Ethernet converter	● New generation smart VCA technology ● New generation Smart Search technology ● High magnification high-resolution lens image stabilization technology. ● High-magnification and high-resolution lens with stable image technology

The projected investment in R&D in 2025 was NT$ 859,983 thousand.

5.1.4 Long and short-term business development plans

1. Short-term business development plans

A. Increasing the proportion of home surveillance

In smart homes and IoT applications, network cameras not only need to provide clear images and stable connections, but also require machine learning with edge computing to provide accurate alarm prompts and precise event classification. This has become a key factor for user acceptance in the market. The Company collaborates with consumer electronics brands and cloud service operators in an ODM/JDM manner, with the aim of increasing the market share of VIVOTEK in this field through their sales channels and subscription customer base.

B. In 2017, the Company aspires to become the Eye in IoT by adopting “We Get The Picture" as its long-term technology development strategy. The 3 main strategies are explained as follows:

- AI + information security: On top of the previous establishment of an “AI R&D Center”, more resources will be invested in image recognition technology in the future for a significant increase in the accuracy of image recognition, reduction in false alarms and continue to improve user experience. Regarding information

security issues, the Company has launched an information security management solution in 2019 to strengthen the analysis and notification of information security in VMS. Continuously cultivating and launching deep search cameras since 2022, which can search for people or vehicles with similar features in a large number of different camera recordings.

- Deepen the vertical markets:
  Target the three major vertical markets of transportation, traffic, and building automation. In the transportation market, we have fully grasped the needs inside the carriages and around the stations to develop suitable solutions. In the traffic market, we integrate important systems such as intersection monitoring, road monitoring, and parking lot management for global customers. For the building automation, to date, the Company has collaborated with the Building Automation Division of Delta Electronics for technology integration, and it will be followed by the close collaboration in global exhibitions and channels.
- Global localization:
  At present, VIVOTEK has 5 subsidiaries and offices globally, including the United States (California), Europe (Netherlands), India (Delhi), Latin America (Mexico), and Japan (Tokyo). The Company will continue to recruit local talents to strengthen localized services and keep abreast of the market needs.

2. Long-term business development plans

- ODM business:
  By harnessing the synergies of our production operations alongside Delta Electronics, we are committed to strengthening our partnerships with key customers. Our aim is to support them in modernizing their current product lines and introducing new technologies to meet future market demands. Concurrently, we are dedicated to innovating new applications for imaging products and expanding into new markets and customer segments.
- Brand business:
  The demand for the security industry has evolved from a single product to a system and sales solution. Hence, the Company has increased the proportion of back-end system and software development and provided a one-stop system for market entry. The Company increases the market share by pairing the cameras with image recognition technology, and value-added NVRs and remote VMS. Regarding our product offerings, we aim to integrate cloud surveillance solutions into our existing product line, offering customers versatile cloud options along with next-gen VLM intelligent image analysis and other related features. This initiative aims to deliver the most valuable cloud solutions to both new and existing customers.

5.2 An analysis of the market as well as the production and marketing situation

5.2.1 Market analysis

1. Sales areas of main products (services)

Unit: NT$1,000

Year / Sales areas		2023		2024	
		Amount	%	Amount	%
Domestic sales		913,036	8.87	1,090,864	14.88
International sales	United States	5,578,399	60.88	4,027,360	54.94
	Canada	599,310	6.54	340,546	4.65
	Others	2,071,678	22.61	1,871,088	25.53
	Subtotal	8,249,387	90.03	6,238,994	85.12
Total		9,162,423	100	7,329,858	100

2. Market shares

Regionally, Europe and the United States accounted for the highest sales proportion. Based on the OMDIA market report, a significant growth was observed in the high-end product category such as speed dome and panoramic camera products. This year, the Company will continue to launch differentiated products and products for vertical markets to increase competitiveness of overall product lines, as well as launching various solutions to secure a greater market share.

Although the sales of network cameras are growing, it also attracted many competitors to share the pie, coupled with SoC gaining popularity has also lowered the threshold for public version production. With its years of experience in self-developed research and development, system integration capabilities and the strategic relationship with industry players, the Company managed to establish a complete solution to address the customers' needs.

3. Market supply and demand situation and future growth

The following are the forecasts on the vertical integration requirements for network cameras made by OMDIA:

The market for video surveillance equipment among the end-user sector

Revenues ($M)

	2022	2023	2024	2025	2026	2027	CAGR 22-27
Airport	851.8	937.0	1,040.6	1,126.9	1,209.7	1,282.5	8.5%
City Surveillance	3,816.0	4,215.3	4,755.0	5,206.4	5,708.7	6,220.9	10.3%
Commercial	2,686.5	2,995.6	3,307.3	3,564.9	3,830.8	4,082.8	8.7%
Retail	1,806.5	1,995.3	2,179.8	2,330.8	2,499.5	2,680.9	8.2%
Railways	839.8	922.0	1,011.0	1,081.3	1,148.2	1,208.7	7.6%
Traffic monitoring	1,634.6	1,821.4	2,083.5	2,269.9	2,452.7	2,635.0	10.0%

Source: OMDIA 2023

With the diversified, digitalized, networking, and smart feature of the scopes of application in the security industry, coupled with economic growth and heightened security awareness, OMDIA reported that the demand for the global security industry is still growing.

The explanations are as follows:

- Market changes: There have been acquisitions in the past decade, and more acquisitions and integrations in the industry are expected in the future. At the same time, there will be more IT vendors entering the market.
- Cybersecurity is more than a political football: Information security used to be a brand differentiation in the past. However, as devices become increasingly connected and networked, compared to the IT and ICT industries which have relatively complete information security measures, hackers are starting to look at the emerging IoT markets, such as smart home and physical security.
- EU GDPR: As the EU promulgated the GDPR in May 2018, some customers have begun to request blurring of facial-related data, and the market has also introduced related solutions.
- Edge computing and deep learning: Including many manufacturers launching chips embedded with deep learning, accelerating the application of the security industry. It is expected that the development of edge-to-core processing will become significantly more common in the future.
- App stores for the security industry: An increasing number of vendors

are building their own app ecosystems. With the advancement of deep learning technology, the application and technology of cameras will no longer be restricted to a single supplier. It could be a significant disrupter to the existing sales channel, and is worth observing.

4. Competitive niche

A. Excellent R&D technology

Since the establishment of the Company, it has focused on the R&D of the ever-changing distance video/ audio application, and has made continuous efforts to deploy resources for development. At present, nearly 40% of the Company's indirect employees are R&D personnel. Drawing on over 20 years of experience and technical excellence, other than creating barriers to entry for competitors, it has established a sound foundation for the development of relevant application. The following are the brief explanations on relevant advantages.

a. Image Processing: In addition to selecting the best image sensor chip and lens combination, and fine-tuning the optimal image settings, AI technology is introduced for subsequent signal processing to meet the applications of different target customer groups, such as resolution, image quality adjustment, color reproduction, high dynamic range enhancement, noise reduction, and more. The Company has been deeply involved in this technology for years, optimizing it for different optical characteristics to meet customer specification requirements.

b. Video/Audio Compression: The Company has a research team for professional video/ audio compression and decompression to grasp the future trend of value-added video/ audio applications and maintain its leading position in the industry. The Company announced the industry-leading MPEG-4 series products with audio-video synchronization in 2002, announced MPEG-4 two-way audio network camera and MPEG-4 network video/ audio storage software in 2003. In 2004, the Company successfully developed the industry's first SoC network camera and incorporated into MPEG-4 two-way audio series products. The Company launched MPEG4/ MJPEG dual-mode series products in 2005, and launched 3GPP-compliant series products in 2006 to gain market share of the telecommunications market. The Real Time Dual Stream series products were launched in 2007 and received a certificate. The Company continued to be a leader in the market, incorporating H.264, a next-generation video/ audio compression standard with megapixel network cameras in 2010. In 2011, the Company launched SUPREME series product lines to raise the technical threshold. The bandwidth saving smart stream technology was launched in 2013. While the H.264 video compression product line was launched at the end of 2015. Combining both H.264 and Smart Stream II, the latest generation smart stream technology, can save up to 80% of bandwidth and storage consumption. In 2018, the third-generation smart stream technology (Smart Stream III) was launched, it can save up to 95% of bandwidth and storage consumption in general static scenes. The use of AI in optimization in image processing to improve video compression efficiency will also be the future trend.

c. Optimized DSP Algorithms: Digital Signal Processor (DSP) is an important hardware for network video/ audio multimedia applications. Drawing on familiarization of various mainstream DSP platforms and their algorithms, the Company used DSP to develop video/ audio compression products. In the future, the Company will adopt DSP as a development mechanism for intelligent video and other derivative

applications, such as object tracking, people counting, license plate recognition, etc., providing additional functions for high-end product differentiation.

d. System Integration in EE and ME: Various pan-tilt-zoom IP cameras have become an important product group in this industry. The important technology used to design such product through the transboundary integration between mechanical engineering and electrical engineering also became an important barrier to entry. The Company has been working in this industry for years, and the related products have been favorably received by the market.

e. Communication Protocol: With advancement in network, related standards such as IPv6, WiFi Mesh, BLE, 5G, etc., are constantly updated, and related communication protocols also keep evolving. The Company continues to conduct in-depth research on network transmission related technologies. Also, it is one of the first manufacturers in the world that has announced support for RTP/RTSP and 3GPP compliant products.

f. Recording Solution: The distance video/ audio applications are widely used in the telecommunications market, city surveillance, exam room monitoring, digital home, server room monitoring, etc. However, the development of various specifications and back-end integration are required to match the system software. With extensive experience in system development, the Company can develop more suitable IP camera/ video servers according to the customer needs. The Company has completed the development of professional 4-128 channels NVRs which are compatible with H.265 video compression technology in recent years. Other than making the portfolio of own-brand recording solutions more complete, it has also proven the rapidly evolving system design and development capabilities of the Company.

g. Multimedia SDK: The Company has established a comprehensive System Developer Kit (SDK) on various mainstream operating systems such as Windows and Linux to assist third-party in the application software development. At present, there are about 30 software developers globally including mainstream vendors that are offered with SDK. A complete SDK can effectively assist software developers to rapidly develop a variety of applications, seamlessly combining the functions of the hardware.

h. Smart VCA technology: Smart VCA technology including smart motion detection, line crossing detection, intrusion detection, loitering detection, missing object detection, unattended object detection, people counting, crowd detection, license plate recognition, etc., provides quick analysis and identification to decision makers, saving system response time.

B. Complete channel deployment

At present, the Company adopts a parallel marketing strategy of ODM business and OBM business. With professional R&D design and manufacturing capabilities, ODM assists customers in product line planning and provides products that satisfy the needs of the customer and the market. The Company operates the OBM business since 2001. It offers online, hands-on education and training courses as well as certification exams annually, providing customers with comprehensive education and market knowledge. In addition, the Company also actively engaged in strategic alliances with software and hardware manufacturers. To date, it has collaborated with over 100 international software and hardware manufacturers, and worked with software value-added resellers

and system integrators in different markets to effectively develop the domestic and international markets to establish a complete distribution channel in important regions of the world. The Company currently has a complete channel deployment in all major segments and related markets to grasp all kinds of applications. This is also an important reason for the progressive growth of the Company's performance and profit year by year.

C. Complete product line

At present, the applications of network cameras or NVRs can be categorized into three major areas, which are professional surveillance, vertical market applications, and smart homes. With over 20 years of experience in the security industry, the Company has already launched a series of complete IP surveillance products, different from the traditional analog cameras. Equipped with AI-powered technology, the smart video recognition technology based on human form is developed, which offers high accuracy silhouette based human detection, people counting, crowd detection, etc. For the vertical market, the Company aims to develop solutions that address the vertical market needs, and provide higher specifications, better video quality and smart analysis to penetrate into markets such as city monitoring, traffic monitoring, retail chains, etc. Also, the Company has deeply integrated with the world's leading video software platform to provide differentiated integration solutions to meet the professional needs of customers. For the smart home, the Company incorporated IoT devices such as access control, etc. The Company will continue to cooperate with channel and service providers in line with the trend of cloud and AI.

5. Favorable and unfavorable factors of development prospects and countermeasures

A. Favorable factors

a. Dedicated and extensive experience

The Company strives to provide professional IP surveillance solutions since its establishment over 20 years ago. Drawing on its extensive experience in global sales and marketing, the Company values the feedback from various regions, application markets and end customers to improve product design and enhance customer experience. Moreover, it brings significant benefit to the new product planning and related application integration.

b. Product lines that cater to the needs of different vertical markets

The Company develops products with different specifications and provides complete product solutions according to different market applications and budgets. Other than a variety of network cameras, the Company also provides a complete product lines including digital video surveillance storage systems, Ethernet power supply products, waterproof enclosure accessories, auxiliary lighting equipment, and VMS. All products can be seamlessly integrated, providing customers a one-stop shop.

c. Comprehensive application integration solutions

The products of the Company can be integrated with numerous IT and communication products through an IP network in view of the digitization of remote network monitoring equipment and the characteristics of IP network technology. Also, the functions like remote monitoring, remote storage and centralized or decentralized management can be easily attained. Hence, other than the main application markets for security surveillance such as traditional homes, public institutions, offices, factories, warehouses, stores and office and commercial buildings, it can also be applied to transportation, banks, smart buildings, education facilities, chain stores, medical, safe cities and cross-border and cross-regional monitoring projects, etc. Other than own-brand agents engagement in the professional surveillance market, the Company also collaborated with software value-added vendors and system integrators in different vertical markets to complete numerous application integration projects such as

campus monitoring, license plate recognition, point of sales systems, health care, airport security, etc. to provide a comprehensive solution. Numerous successful cases are made available on the Company's website for reference, assisting customers and quickly introducing products according to their needs.

d. Grasping the key of the core technology

Network remote monitoring equipment are required to integrate with three main technologies, which are management and control of CCTV equipment, video and image processing and compression technology of coding and decoding, and network-side transmission. Moreover, low energy consumption, support for all day long operation, and high product stability are the prerequisites for a monitoring equipment. Therefore, general traditional CCTV manufacturers or IT manufacturers require different levels of technical thresholds. The Company can timely launch new products in line with the market trend as it is the only domestic company which is well-equipped with technical capabilities of video/ audio compression and decompression technology, network communication, system product integration and system-on-chip design as well as high product integration.

e. IoT and the rise of smart cities

It is estimated that the global market value of IoT will reach 568 billion US dollars by 2032, representing an estimated compounded annual growth rate of 21.8% for eight years according to a market research report. It is projected that there will be more than 50 billion interconnected devices in the world, which is deemed as the largest technological business opportunity. The security industry has shifted to value-added video applications. To achieve the vision of becoming the Eye in IoT, the Company continues to develop AI-powered video applications. In addition, the Company has established an "AI R&D Center" in response to the business opportunities offered by the big data of video, which is the Company's key strategy to enhance competitiveness and differentiation.

f. The importance of information security

The global information security incidents have occurred incessantly since 2016, of which some large-scale incidents surprisingly involved the IoT devices such as network cameras and video recorders. These incidents also gave rise to the governments of different countries to be concerned about information security. Unlike passive defense adopted by general companies, the Company has taken the initiative to introduce security monitoring solutions with active security protection functions into its products by drawing on its expansive technological capabilities in system integration and good partnership relation. At the same time, the Company has been actively complementing the information and communication standards of Taiwan since 2020, and numerous certified products are launched one after another.

B. Unfavorable factors and countermeasures

a. Competing with low price products from Mainland China

In the face of competition from Mainland players entering this industry, the Company has been working in the professional digital surveillance market with its own brand of "VIVOTEK" for years. It has worked with over 183 authorized distributors in over 116 countries to establish a comprehensive global network. In line with the business philosophy of building sustainable business, the Company has invested substantial manpower and funding in product quality and after-sales service. Other than improvement in technical capabilities, the Company has established a strong partnership with customers with its excellent response speed.

b. Changes in industry competition dynamics

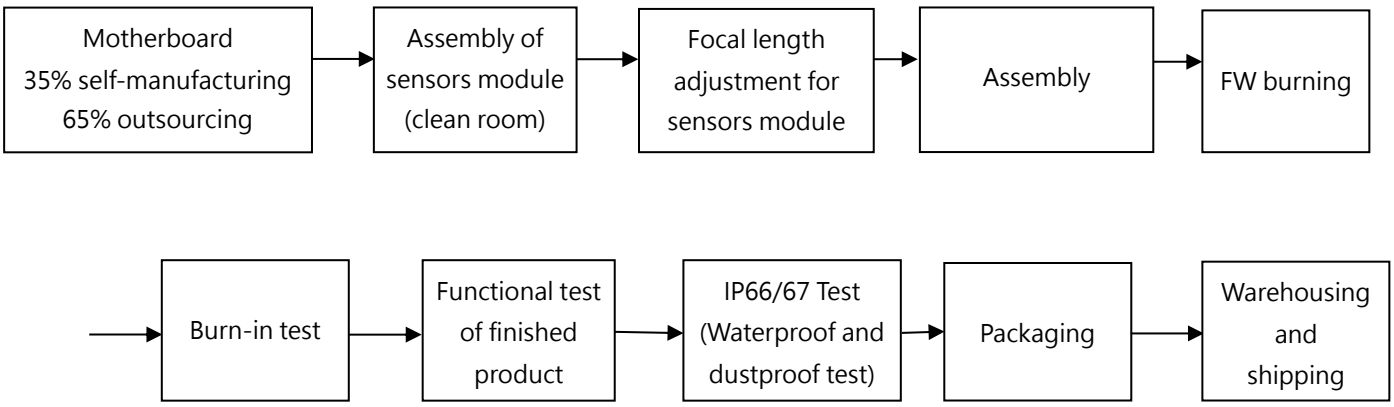
The prevalence of the Internet of Things (IoT) and disruptive innovation in Software as a Service (SaaS) have shifted the traditional security industry's passive response to threats. Meanwhile, the rapid iteration of networking equipment and quick integration of enterprise resource management systems have continuously

introduced various features that address customer pain points, gradually capturing market share. Procurement budgets have also shifted from security or facilities departments to IT departments. The Company has seized this technological trend by launching the VORTEX subscription service and expanding partnerships within the application ecosystem, helping customers mitigate operational risks and improve operational efficiency.

5.2.2 Important usages for the Company's main products.

Main products	Important usages
Video Server	Mainly used in professional security surveillance, convert traditional analog video and audio signals into digital signals for Internet transmission with ease. This product can meet the requirements of digitization and networking of the traditional CCTVs.
Network Camera	Equipped with image sensor (CCD or CMOS) for real-time transmission of video/ audio data over IP network. It can be subdivided into general, pan/ tilt and wireless network camera according to its nature. Other than traditional security and monitoring, it is also enhanced with the functions of digitalized and Internet remote real-time monitoring. As IoT and AI are gaining popularity, more smart VCA technologies will be featured.
Wireless Network Camera	The IP camera has a built-in 802.11b/g/n wireless network transmission interface, which can be installed in a wireless network. Mainly used in personal and SOHO markets as it is easy to install.
Pan/Tilt Network Camera	The sensors of the IP camera are adjustable, and the angle coverage can be zoomed, thus suitable for special projects.
Network digital video/ audio recorder	It is installed on a personal computer and can be connected with 4-64 network cameras or network digital video/audio recorders for simultaneous monitoring, listening, sound and video recordings. Used in professional security surveillance and other video/ audio recordings.
Software Development Kit	It provides an interface to access network cameras and NVR that allows users to develop computer management and monitoring software which caters to different applications and expands the applications of products.

5.2.3 Manufacturing processes for the Company's main products



5.2.4 Supply situation for the Company's main raw materials

The main materials used in the products are IC and LENS, which suppliers have a long-term collaboration with VIVOTEK. VIVOTEK determines the material requirements based on the actual or projected order quantities for the products, and places orders according to the individual lead times to ensure adequate supply.

5.2.5 List of major suppliers and clients in the most recent 2 years

1. List of suppliers accounting for 10% or more of the Company's total procurement amount in either of the 2 most recent years

The main purchases for the Company include network cameras, network video

servers, and materials required for rotary network cameras, such as ICs, lenses, mechanical components, etc. In 2024, the suppliers with the highest purchasing share were WPI and WT Microelectronics. Considering the need for source diversification, the Company typically works with more than two primary suppliers for major raw materials, and therefore, in the 2 most recent years, no single supplier's purchasing share has exceeded 10%.

2. List of clients accounting for 10% or more of the Company's total sales amount in either of the 2 most recent years

Unit: NT$1,000

	2023				2024				As of the end of the first quarter of 2025			
Item	Name	Amount	Annual net sales (%)	Relationship with issuer	Name	Amount	Annual net sales (%)	Relationship with issuer	Name	Amount	Annual net sales (%)	Relationship with issuer
1	Customer A	1,968,513	21.48	None	Customer A	1,601,840	21.85	None	Customer A	444,348	22.53	None
2	Customer B	1,523,670	16.63	None	Customer B	644,791	8.80	None	Customer B	307,839	15.61	None
3	Others	5,670,240	61.89		Others	5,083,227	69.35		Others	1,219,826	61.86	
4	Net sales	9,162,423	100		Net sales	7,329,858	100		Net sales	1,972,013	100	

Note 1: Specify the clients accounting for 10% or more of the Company's total sales amount in the 2 most recent years, and its percentage of total sales accounted for by each. Where the Company is prohibited by contract from revealing the name of a client, or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name.

Note 2: If, before the date of publication of the annual report, there is any financial data for the most recent period that was audited and attested or reviewed by a CPA, it shall also be disclosed herewith.

Both customer A and B were special project customers in 2024 and 2023. In addition, the customers are diversified, hence, there is no significant concentration risk.

5.3 Information on employees that have been with the Company for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report

Year		2023	2024	As of March 31, 2025
Number of employees	Indirect employees	778	764	781
	Direct employees	391	355	325
	Total	1,169	1,119	1,106
Average age		37.60	38.5	38.8
Average years of service		5.50	6.2	6.3
Percentage of education level distribution	PhD	0.26%	0.18%	0.18%
	Master	29.68%	29.98%	31.56%
	University / College	34.82%	36.83%	37.88%
	Senior high school	32.93%	31.41%	28.21%
	Below senior high school	2.31%	1.60%	2.17%

5.4 Disbursements for environmental protection

5.4.1 Total amount of losses and disposition suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents, and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken:

The Company is committed to the prevention and control of environmental pollution. The Company has not suffered any losses and disposition in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents.

5.4.2 Countermeasures

The Company has been certified with ISO14000 and QC080000 in 2006 and 2008, respectively. The Company is a manufacturer engaged in the R&D, manufacturing and sales of professional video/ audio compression software and coding, network video servers, network cameras and related components. To fulfill the corporate responsibility and commitment to the society and the goal of sustainable operation, the Company has spared no effort in promoting the environmental management system (EMS) with its environmental protection concept of "respect for nature and care for the environment". "Green design and friendly environment" are the Company's HSF policy. In this context, VIVOTEK is committed as follows:

(a) To abide by the environmental protection regulations established by the government and conform to self-established environmental criteria.

(b) To foster employees' environmental awareness, thereby enhancing independent environmental management capacity through mutual consensus.

(c) To promote an environmental management system (EMS) and achieve environmental performance.

(d) To design products by preventing pollution, reducing waste and resource (material and energy) consumption, etc. to reduce impact on the environment during production, use and disposal.

(e) To establish favorable communication channels with suppliers, outsourcers, and other immediate parties, enabling them to understand the environmental policies and related practices, thereby reinforcing subsequent collaboration.

5.4.3 Improvement plan

The Company is a manufacturer of professional video/ audio compression software and coding, network video servers, network cameras and related components. Some of the manufacturing processes are outsourced, while the plant mainly performs operations such as product development and design and simple assembly, testing and packaging, which is categorized as a low-pollution and low-risk industry. The following is the internal environmental improvement plan of the Company:

(a) Water pollution prevention and control: There is no production of any process wastewater. Domestic sewage of the employees is the main source of water pollution and treated by the building sewage treatment facilities that complies with the wastewater discharge standard as specified in the Water Pollution Control Act.

(b) GHG reduction: In response to global warming and climate change due to GHG emissions, the Company continues to develop energy-saving products to reduce energy consumption. Besides, the Company regularly replaces energy-saving office equipment to improve energy efficiency, promotes production automation to reduce personnel energy consumption, and regularly evaluates the energy-consuming facilities and operations.

(c) Waste disposal: At present, there is no generation of any hazardous waste during plant operations. The bulk waste are primarily cardboard boxes and domestic waste. The disposal of industrial wastes is handled by a cleaner after work, and the clearance is managed by a qualified vendor appointed by the Building Management Committee. The reusables are handled by the recycling vendors who are regularly appointed by the cleaner. Qualified manufacturers will be appointed for clearance and final disposal based on the related laws and regulations if hazardous waste is generated in future operations.

(d) Summary: To continuously implement its mission, VIVOTEK realizes the influences that GHGs have on climate change and has included in one of the sustainable development projects of the Company. Other than closely monitoring the trend of global climate change, the Company develops environmental

protection and energy-saving solutions to actively respond to climate change and waste reduction management, in addition to continuing to promote recycling, reusing and reducing waste.

5.4.4 Environmental-related expenditures for the next 3 fiscal years

Unit: NT$

Item	Estimated expenses for environmental protection	Expected outcomes
Waste disposal	386,332	Waste recycling and reusing to achieve environmental protection.
Deployment of energy efficient equipment	3,906,100	Reducing energy use and GHG emissions.

5.4.5 VIVOTEK adopts RoHS Directive

VIVOTEK has investigated the products that are required to comply with the restriction of the use of hazardous substances such as EU RoHS, REACH, Battery Directive, Packaging and Packaging Waste (PPW), etc. according to the requirements of the IECQ QC 080000 Hazardous Substance Process Management (HSPM) system. Also, it has taken the initiative to understand customer environmental requirements, and internally delivered the relevant information as well as to the suppliers. It has expanded the GPM system and joined the REACH investigation module in December 2020. New part numbers are subjected to the simultaneous RoHS and REACH conformance tests. Identification and management are performed for directives in other regions outside the European Union, and we also continue to track changes in relevant laws and regulations. Besides, we participate in relevant courses and seminars to identify risk materials and arrange for testing to ensure its conformity, assuring customers that the Company's products comply with laws and regulations as well as customer requirements.

5.5 Labor relations

5.5.1 Employee benefit plans, continuing education, training, 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 benefit plans and the status of their implementation

The Company has long been committed to providing employees with diverse and comprehensive welfare measures, focusing on their physical and mental well-being to create a happy workplace. In addition to the benefits provided by the Company, there is also an Employee Welfare Committee. Each month, 0.5% of employee salaries, 0.15% of total monthly revenue, and 40% of the proceeds from the sale of production waste are allocated for employee welfare expenses.

Friendly Workplace	**Physical & Mental Health**	**Recreation & Entertainment**	**Family Care**
• **Annual salary adjustment system** • **Gift money on holidays and birthday** • **Upon reporting, new employees are entitled to paid special leaves more preferable than relevant laws** • **Every employee is entitled to public welfare leave** • **Golden vacation week** • **Flexible working hours / remote work** • **Snacks / beverage bar**	• Annual employee health examination • Employee assistance program • Blind massage • Monthly on-site health consultations with doctors	• Diverse club activities • Sports and relaxation area • Employee travel subsidies • Departmental gathering (meal) subsidies	• Employee breastfeeding room • Employee family day • Marriage / childbirth subsidies • Funeral and condolence subsidies • Group insurance rider available for employees' dependents

2. Continuing education, training, and the status of their implementation

In 2021, VIVOTEK was honored with the TTQS (Taiwan Talent Quality System) Bronze Certification for its robust talent development system and cultivation program. Furthermore, in 2024, VIVOTEK was awarded the Best Employer Brand by the 104 Job Bank. Building on this achievement, in 2023, VIVOTEK remains dedicated to enhancing the quality of talent cultivation. This includes actively assessing employees' learning needs, evaluating classroom interactions and post-class feedback, and tailoring training and development plans to align with both employee career aspirations and company objectives. Furthermore, we have intensified the interactivity of our courses through curriculum enhancements. For instance, in our financial concepts course, we've introduced game-based teaching methods to create a more engaging and relaxed learning environment, fostering increased participation and comprehension among colleagues. Similarly, in our project management course, we leverage digital teaching materials to reinforce fundamental concepts and facilitate ongoing review sessions. We also conducted an innovative combination by incorporating ChatGPT into our problem analysis and solving courses, enabling AI to assist colleagues in quickly identifying the root causes of problems, providing precise suggestions, and generating solutions. In addition, as part of our commitment to sustainable development, we launched a Green Software Engineering course for developers, helping colleagues understand how to reduce carbon emissions during the software development process and minimize energy consumption throughout the product’s entire lifecycle. To accelerate our colleagues’ adaptation to the wave of digital transformation, in addition to the widely used ChatGPT, we introduced new digital transformation courses in 2024, with a focus on the application of RPA (Robotic Process Automation) tools, which have already been successfully implemented in various departments to optimize workflows. At the same time, we implemented a language learning platform, allowing employees to learn languages anytime and anywhere, catering to their diverse learning needs.

Starting from 2022, we will strategize and execute mandatory advancement courses for managerial and professional staff across all levels. The aim is to augment employees' management and core competencies, ensuring they meet and excel in the basic competencies outlined for each level. Concurrently, we will comprehensively integrate the Employee Individual Development Plan (IDP) into our performance management system, aligning it with core functions, organizational development, and individual work objectives. This approach involves engaging in a dialogue with supervisors to devise and implement development plans, fortifying employee competencies, and fostering individual career trajectories. This initiative underscores our commitment to facilitating two-way communication and employee growth.

3. Retirement systems, and the status of their implementation

The Company has established a labor pension supervisory committee and formulated the "Regulations Governing Labor Pension” in accordance with laws and regulations to provide care for employees’ retirement life. A 2% of the total monthly salary will be allocated as the labor pension fund and deposited in the Central Trust of China in accordance with the Labor Standards Act. The Company will allocate adequate provision for the labor retirement reserve fund according to the actuarial report every year. In addition, for employees who chose to follow the new labor retirement system, a 6% of the monthly salary will be allocated as the labor pension fund and deposited in the employee's name in the Bureau of Labor Insurance as required by the Labor Pension Act since July 1, 2005.

(1) Retirement conditions:

A. Voluntary retirement:

(a) Where the worker attains the age of fifty-five and has worked for fifteen years.

(b) Where the worker has worked for more than twenty-five years.

(c) Where the worker attains the age of sixty and has worked for ten years.

B. Mandatory retirement

(a) Where the worker attains the age of sixty-five.

(b) Where the worker is unable to perform his/ her duties due to disability.

(2) Retirement application process

Voluntary retirement is initiated by the employee, while the mandatory retirement is initiated by the Company. The "Employee Retirement Application Form" shall be filled out two months ahead and approved by the manager. The pension fund settlement for the old labor retirement system must be sent to the Employee Pension Fund Committee for approval and followed by the pension fund withdrawal application to the competent authority.

(3) The state of operation of the Labor Pension Fund Committee: Good.

4. Succession planning for top management

VIVOTEK implements a board diversity policy in accordance with the “Corporate Governance Best Practice Principles”. The current Board of Directors comprises 9 members (including 3 independent directors) who bring a diverse and complementary range of industry experience and professional expertise in areas such as finance, technology, and strategic management. To cultivate senior managers for board participation, General Manager Alex Liao was appointed as a board member during the 2023 board re-election to become more familiar with board operations.

Regarding senior management training and succession planning, the Human Resources has established a leadership development mechanism. For mid- to senior-level managerial positions, current and immediate supervisors nominate potential successors. These candidates are assessed for readiness, and individual development plans are formulated. Based on assessment analyses and day-to-day performance observations, strengths and areas for growth are identified. Training resources are provided accordingly, including job rotation opportunities. Feedback on each Individual Development Plan (IDP) is reviewed quarterly. The Company conducts training and succession planning for senior managers, periodically engaging in discussions with directors to address succession planning. Succession candidates are required to demonstrate not only outstanding working abilities but also values that align with the Company's core principles of Ethical Management, Caring, Innovation, and Responsibility. VIVOTEK provides a variety of training methods to cultivate senior managers as follows:

(1) Succession awareness:

To effectively advance the succession plan, a succession planning and development workshop was conducted, providing training for middle and senior executives across the Company. The workshop outlined the standards and processes involved in succession assessment.

(2) Professional functions:

In addition to regularly organizing management courses to enhance the management skills of successor candidates, the Company fosters consensus through one-on-one communication between direct supervisors and successor candidates. This process involves identifying the professional functions that need strengthening

and incorporating them into the annual personal development plan, which is then tracked on a regular basis.

(3) Personal characteristics:

We engaged an external professional consultant to evaluate and analyze the potential successor candidates, subsequently refining our personality traits based on the assessment results.

(4) Work experience:

Successor candidates will undergo internal cross-functional rotations in R&D, product marketing/sales, quality/factory operations, and logistics management to foster cross-functional expertise.

The Company has achieved success in cultivating high-level talent through various initiatives, such as the establishment of the Strategic Business Division in 2021. This division, led by Vice President CHENG, SHENG-FU, specializes in VSaaS (Video Surveillance as a Service) remote image monitoring application services, contributing to the development of the Company's cloud service platform application technology. Under the leadership of Vice President Cheng, the Company has successfully completed various engineering validations for new products in the R&D stage, paving the way for mass production. In September 2022, the Company will proudly unveil VORTEX, an intelligent cloud-based monitoring service, marking its inaugural venture into the software service subscription market in the U.S. Through the experience of this project, VP Cheng has successfully developed from research and development, product marketing, to business promotion, and has developed into an all-round function.

In recent years, the Company has evolved into a prominent security brand, renowned for providing comprehensive solutions. In 2023, we inaugurated a service and verification center, spearheaded by Director CHE, CHUN-YING. His journey of transitioning through roles in R&D, quality management, and product verification, before assuming responsibility for customer service and product verification, underscores our commitment to understanding the entire product life cycle. This holistic approach, spanning from development to after-sales service, enables us to deliver more comprehensive solutions to our valued customers.

In 2024, former U.S. subsidiary General Manager Yu-Chun Liu was appointed as Chief Product Officer at headquarters, overseeing Company-wide brand and product planning and development. Furthermore, the role extends beyond physical products to include hybrid cloud solutions such as the VORTEX cloud service, and the VIVOTEK PREMIUM PARTNER PORTAL, which supports upgrades, sales, installation, maintenance, and training. Drawing on his engineering background and market insights gained during his tenure in the U.S., Liu is well-versed in cross-functional collaboration, budgeting, and resource allocation. As CPO, he plays a pivotal role in aligning VIVOTEK’s product and service strategies with customer pain points and market demands. Amid ongoing geopolitical developments, the Company is currently prioritizing the North American market by establishing and leading a local product design center. This initiative aims to build a high-market-share brand through localized R&D and marketing strategies. The goal is to replicate these successful experiences on a global scale.

5. Work environment and personal safety protection measures

VIVOTEK is dedicated to ensuring a safe and healthy working environment for all our employees, which we consider a fundamental responsibility as a corporate citizen. To achieve this, we have established a specialized occupational safety and health management unit, along with relevant personnel. We adhere to

the principles of the Occupational Safety and Health Management System (P-D-C-A), focusing on the continuous improvement cycle of Plan-Do-Check-Act. This involves implementing occupational safety and health measures as well as fire prevention regulations. Additionally, we have formulated comprehensive plans, regulations, codes of practice, and fire prevention strategies to uphold occupational safety and health standards within our organization.

In 2024, we implemented several training programs aimed at enhancing workers' understanding of safety and health practices and their ability to respond to emergencies. These included newcomer and On-the-Job Training covering General Safety and Health, Fire Evacuation Drills, as well as training for Occupational Safety and Health Personnel and First Aid Personnel, all conducted in accordance with the Occupational Safety and Health Administration Regulations. Following the training sessions, participants underwent post-training assessments to gauge the effectiveness of the training initiatives. Throughout the year, a total of 1,457 training sessions were conducted, accumulating a collective duration of 5,985 hours of training.

In order to ensure the implementation of the safety system, regular safety inspections of equipment and facilities are conducted to ensure the safety of employees in accordance with the Occupational Safety and Health Management Plan, Occupational Safety and Health Management Regulations, and the Code of Practice on Safety and Health. These inspections include monthly inspections by occupational safety personnel (12 times in total), annual inspections of air compressors, annual inspections of local exhaust fans, monthly inspections of fire-fighting equipment (12 times in total), quarterly outsourced inspections of drinking water (4 times in total), and quarterly inspections of electrical panels (4 times in total). To promote safety protocols for the use of hydraulic trucks and forklifts in the warehouse, we conduct regular inspections. Forklifts undergo daily inspections before each use, as well as monthly inspections conducted 12 times a year. These meticulous inspections ensure the proper functioning and safety compliance of the forklifts, contributing to a secure working environment for our employees. Through these regular inspections and walk-throughs, a total of 10 deficiencies were identified in 2024. These deficiencies were thoroughly reviewed for improvement opportunities and addressed through education and training initiatives. By taking proactive measures to rectify these issues, we aim to continuously enhance safety standards within our workplace.

Safety and health education and training in 2024

Year	Number of people receiving education and training	Number of hours of education and training
2024	1,457	5,985

To safeguard the health of our employees, we have established healthcare personnel in compliance with the Labor Health Protection Act. Additionally, we conduct monthly on-site doctor visits as mandated by law and have implemented an annual health examination system that surpasses legal requirements. In 2024, the Company achieved a 99% participation rate in annual health check-ups. The results revealed that approximately 29% of employees showed abnormalities related to obesity and the “Three Highs” (high blood pressure, high blood sugar, and high cholesterol). To enhance awareness and prevention of chronic diseases, employees identified with these health risks were prioritized for occupational

physician consultations, with 70 individuals receiving professional guidance and follow-up management in 2024. To further promote health awareness, the Company launched quarterly health education campaigns, covering a total of 17 health topics throughout the year. Plus, a Company-wide walking challenge engaged 204 participants, who collectively walked nearly 50 million steps, supporting the prevention of chronic illnesses such as obesity and the Three Highs by strengthening bones and muscles and encouraging weight loss.

Avg. Abnormal Rate (Three Highs) and Consultations with Occupational Physicians in 2024

Year	Avg. Abnormal Rate (Three Highs)	Consultations with Occupational Physicians
2024	29%	70

Health Education Advocacy and Promotion Seminars in 2024

Year	Type	# of Topics	Highlighted Themes
2024	Health Education Advocacy	17	17 Topics including Obesity, Three Highs, Influenza, Diabetes, Cancer, to name a few.
2024	Health Seminars/Promotion	2	Stomach Cancer, Liver Cancer

Recognizing that cancer has remained the leading cause of death in Taiwan for 42 consecutive years, the Company organized two cancer-related seminars (focusing on stomach and liver cancer) in 2024. The Company also coordinated four major cancer screenings promoted by Taiwan's Health Promotion Administration, MoHW, covering breast, cervical, colorectal, and oral cancers, to raise awareness of early detection and pre-cancerous conditions. In addition, to address the seasonal flu during the autumn and winter months, the Company coordinated with local hospitals to provide on-site influenza vaccination services at our facilities. This initiative aims to enhance employee immunity and ensure a healthier workplace.

There were no major occupational disasters in the plant in 2024. The Company continues to promote the goal of zero occupational disasters in the plant in 2025. At the same time, we will strengthen occupational safety and the professionalism of the occupational health nurse and implement the responsibilities of relevant designated personnel in accordance with laws and regulations.

In 2024, our factory remained free from fire incidents. We diligently promoted safety protocols for the use of electrical appliances to mitigate potential risks. Additionally, we conducted monthly independent inspections of firefighting equipment to ensure its readiness for emergencies. Inspection items included: Fire extinguishers, indoor fire hydrants, labeling equipment, emergency lighting equipment, refuge equipment, indoor smoke extraction equipment, etc.). We also engage a qualified fire safety equipment inspection and repair professional organization to conduct an annual fire inspection report. This ensures the normal functioning of our fire safety equipment, ultimately safeguarding the lives of our personnel.

6. Human rights policy

The Company firmly believes that human rights are inalienable basic rights for every individual. These include the rights to freedom, dignity, and fair treatment. We believe that human rights are not only the foundation of our corporate culture but should also be embedded in every aspect of our business operations. We are committed to respecting and protecting the fundamental human rights of all relevant stakeholders and actively supporting labor and human rights standards on a global scale.

We comply with and implement a range of international labor and human rights standards, including the United Nations Global Compact, the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the Social Accountability International Standards System, and the Responsible Business Alliance (RBA). At the same time, we actively comply with relevant regulations in various countries. Our respect and care for all partners—including employees, subsidiaries, business partners, suppliers, and contractors—demonstrate our deep commitment to fairness, justice, and transparency.

To ensure the implementation of human rights, VIVOTEK has formulated and announced a concrete Human Rights Management Policy and integrated it into daily operations. This policy is based on the protection principles of international covenants and guides our decision-making and practices in all business activities. We have published this policy on our official website and continue to publicly demonstrate our efforts in promoting human rights protection.

Our Human Rights Commitments Include:

(1) Workforce diversity and workplace anti-discrimination;

(2) Working hours, wages, and benefits that meet or exceed legal requirements;

(3) Protection of employees' freedom of employment in accordance with local labor laws;

(4) Prevention of forced labor and human trafficking among business partners;

(5) Banning on child labor and minor labor;

(6) Humane treatment in the workplace;

(7) Protection of employees' religious freedom;

(8) Protection of employees' freedom of association;

(9) A healthy and safe working environment for employees;

(10) Compliance with ethical behavior standards;

(11) Requiring business partners to uphold value chain responsibilities; and

(12) Establishment of whistleblowing channels and implementation of corrective procedures.

Specific management plan:

(a) To fully implementing the human rights policy of VIVOTEK, we adopt a set of management procedures. Relevant measures include self-assessment forms, audits, etc.; the reporting and corrective process will continue to be carried out; if employees, partners, suppliers, or contractors have concerns, they can communicate through various confidential channels and keep relevant documents and records.

(b) Moreover, formal reporting channels are established for the reporting of illegal, violations of human rights, codes of conduct or ethical corporate management best practice principles by employees, suppliers, and other external stakeholders.

The report hotline mailbox is GRIEVANCE@vivotek.com. After receiving a report, an investigation into the violation will be launched and concluded within one month, and can be extended if necessary. The investigation result will be replied to the complainant with a "Complaint and Appeal Response Form."

(c) The Company pays attention to the physical and mental health of its colleagues. In addition to regular health checks every year, the Company also provides seven days of paid travel leave that exceeds legal requirements, and the entire company takes a break to implement work-life balance.

(d) In 2024, the human rights policy was incorporated into the education training of the ethical corporate management best practice principles advocacy. A total of 3,351 persons participated in the related course, and the total training hours recorded were 6,702 hours.

7. The status of labor-management agreements and measures for preserving employees' rights and interests

The Company is dedicated to fostering harmonious labor relations, cultivating a healthy and joyful work environment, and promoting work-life balance for all employees. Strategy approach includes: Encourage open and constructive communication between employees and employers, foster a positive and supportive work environment, and strive to enhance the work-life balance of our employees.

In 2024, we held 13 communication sessions between the General Manager and employees, including 7 face-to-face forums and 6 remote live meetings, ensuring that employees, regardless of their location, can participate in important Company dialogues.

In addition to regular communication activities, we also held six Welfare Committee meetings and four Labor-Management meetings to engage in in-depth discussions with employee representatives on topics such as benefits, working conditions, and other workplace issues. To foster a more efficient feedback mechanism, we continue to provide an open employee suggestion mailbox and ensure that the General Manager’s office and dedicated hotline remain accessible at all times, allowing employees to express their opinions and needs freely.

These open communication channels not only help strengthen mutual trust and understanding between the Company and employees but also contribute to a more friendly and supportive work environment, effectively enhancing employees’ overall well-being. We believe that such efforts are key to achieving mutual growth between employees and the Company, and we remain committed to creating an even more harmonious workplace atmosphere in the future.

In addition to everyday communication channels, the Company also actively utilizes employee engagement survey tools to regularly conduct employee opinion polls, aiming to gain deeper insights into employees’ perspectives on Company operations and corporate culture. Since our establishment, no major disputes or losses have occurred. Moving forward, we will continue to strengthen labor-management communication and welfare measures to prevent potential conflicts.

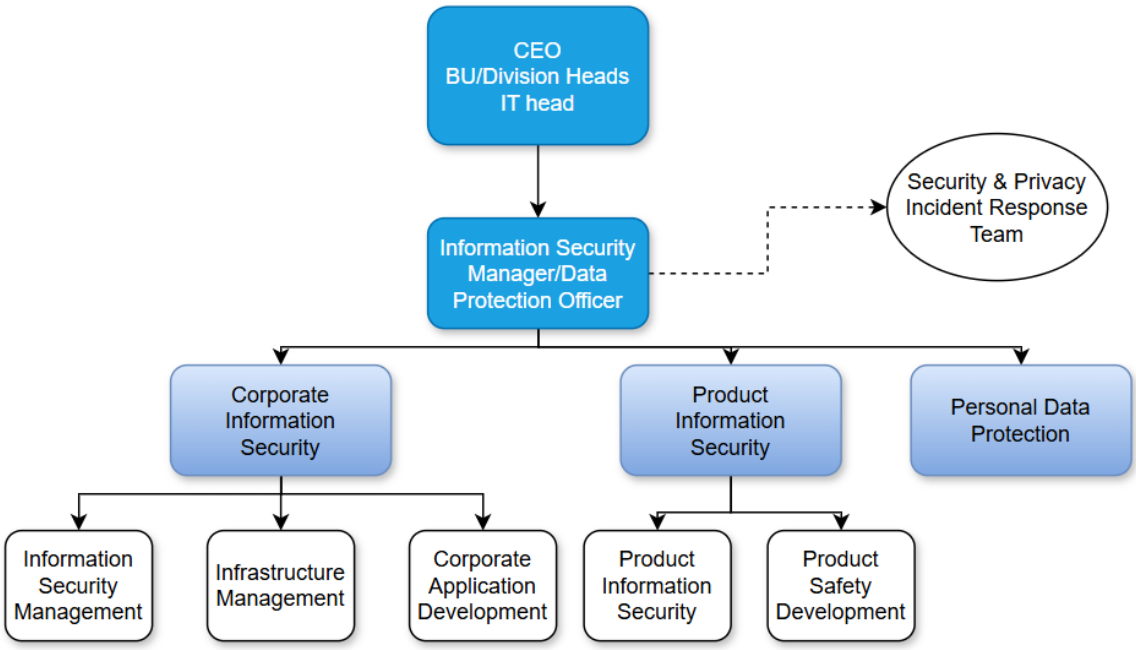
5.5.2 List any losses suffered by the Company in the most recent 2 fiscal years and up to the annual report publication date due to labor disputes, and disclosing an estimate of possible expenses that could be incurred currently and, in the future, and measures being or to be taken: None.

5.6 Information Security Management and Intellectual Property Management

5.6.1 Information Security

1. VIVOTEK Organization operation of Information Security Management

The Company has established an Information Security Committee, chaired by the CEO. The Head of the Information Department concurrently serves as the Chief Information Security Officer (CISO) and Personal Data Protection Officer. Senior executives serve as committee members, responsible for decision-making and execution related to VIVOTEK's information security, physical security planning, and personal data protection. This ensures the applicability, appropriateness, and effectiveness of information security management and personal data protection practices. The Head of the Information Department reports annually to the Board of Directors on the performance of information security management and the strategic direction for information security. This ensures that the Company's information security policies and controls are aligned with those of its parent company, Delta Group, and are implemented across all VIVOTEK regional offices and business units. On July 28, 2024, the Head of the Information Department reported to the Board of Directors on the current status of information security efforts and the key implementation focus areas for the following year.



2. VIVOTEK Information Security Policy

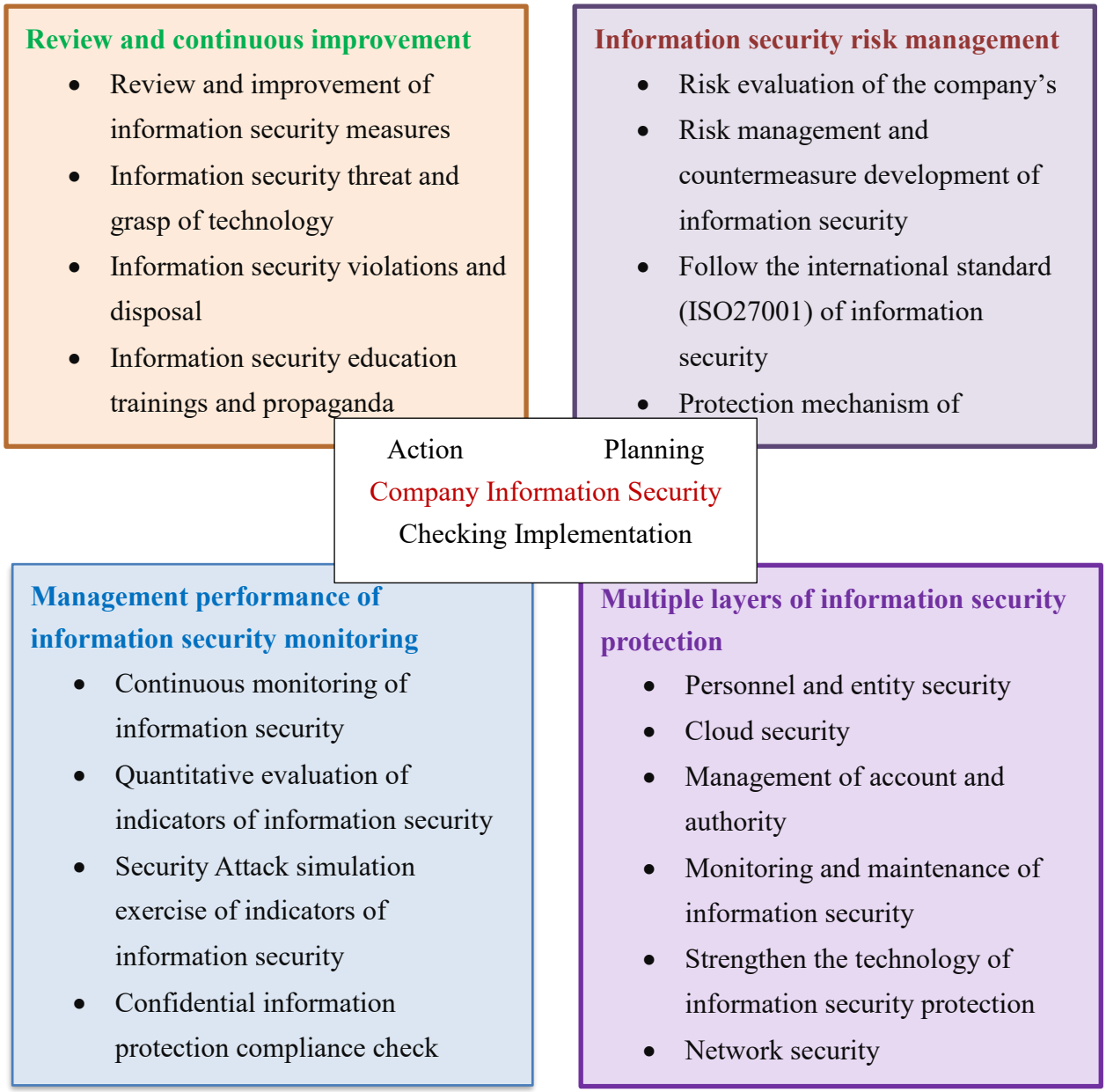
In addition to aligning with the relevant policies of its parent company Delta, VIVOTEK continues to enhance its own information security systems by establishing the "Information and Personal Data Security Committee" that promotes overall information security governance and personal data protection efforts, establishes consistent policies, and plans the Company's management framework for information security and personal data protection. All security and protection regulations not only comply with relevant domestic and international laws but also proactively expand the scope and certifications of international security and data protection standards, embedding them into daily business operations. The policy is reviewed and revised annually in accordance with changes in government regulations, the environment, business, and technology. Annual security awareness campaigns and policy training are also conducted to strengthen employees' awareness of information and personal data protection.

Employees of VIVOTEK, Inc. are required to comply with the relevant regulations and policies of information security

A. Internet user policy
B. Corporate e-mail user policy
C. Anti-virus and anti-hack system policy
D. Computer user policy
E. Password principle
F. Data backup and recovery policy
G. Principles of equipment use and management
H. Remote access policy

3. Information security management strategies

Risk management and continuous improvement structure of the Company Information Security



According to the management cycle mechanism of Plan-Do-Check-Act (PDCA), the company reviews the applicability of information security and protection measures, and regularly reports the implementation performance to the

special information protection committee.

The “Planning stage” focuses on information security risk management, establishes completed Information Security Management System (ISMS), promotes the company to pass the international ISMS (ISO/IEC 27001、ISO/IEC 15408), reduces corporate security threats from the aspects of system, technology, program to establish confidential information protection services that meet customer needs and the highest standards.

The “Implementation stage” establishes system areas with multiple layers of information security protection according to the importance, and continuously introduces innovative technologies of information security defense to integrate and internalize the information security control mechanism into software and hardware maintenance and operation, systematically monitor information security, and maintain the confidentiality, completeness and availability of the important assets of Vivotek.

The “Checking stage” actively monitors the performance of information security management, according to the results of checking to conduct information security index measurement and quantitative analysis, and conduct information security maturity evaluation through regular simulation exercises of information security attacks.

The “Action stage” bases on review and continuous improvement, implements supervision and audit to ensure the continuous effectiveness of information security regulations. When employees violate relevant norms and procedures, they are handled according to the handling process of information security violation, and personnel sanctions are imposed based on the violations (includes the annual performance of the employees and takes the necessary legal action). In addition, according to performance indicators and maturity assessment results, regularly review and implement actions of improvement including information security measures, education trainings and propaganda, to ensure that the important confidential information of Vivotek will not be leaked.

4. Specific Management Plans

To fulfill its information security policies and objectives, and to build comprehensive information and personal data protection, the following management areas and specific plans are implemented:

(1) Organizational Control

- TBD – Overview of information and personal data protection policies.
- VIVOTEK's core information systems have been certified under ISO/IEC 27001, with the certification valid from August 2022 to July 2025. The Company plans to complete the transition to ISO 27001:2022 and obtain certification in July 2025 to ensure continued compliance. The certification scope is gradually being expanded to further reduce cybersecurity risks. For systems not included in the certification scope due to cost considerations, equivalent standards are applied for system maintenance and improvement to ensure comprehensive protection.
- As a member of TWCERT, the Company regularly collects threat intelligence and implements appropriate countermeasures to reduce potential risk exposure.
- In product development, the Company has initiated the IEC 62443 certification process for product security and aims to obtain certification in Q2 of 2026 to further enhance product cybersecurity reliability.

(2) Personnel Control

In the modern digital and information-driven environment, information security education and training are essential. Through comprehensive awareness programs, employees gain a better understanding of the importance of information security and learn how to prevent and respond to various threats. Employees with a strong awareness of information security significantly reduce organizational risks and help protect data and systems, ensuring secure and reliable business operations.

- Training coverage: At least 95% of employees participate.
- Training duration: At least one hour of training per participant.

(3) Technical Control

- Implementation of antivirus systems, Data Loss Prevention (DLP), and anomaly detection systems on servers to ensure security from personal computers to servers.
- Deployment of SIEM (Security Information and Event Management) systems and endpoint detection and response tools to enhance threat detection and response efficiency.
- Separation of office networks from R&D/testing networks to reinforce the security and management of critical services.
- Implementation of email security gateways to block phishing emails containing malware or malicious links.
- Regular vulnerability scans of internal applications and scheduled remediation of medium- and high-risk vulnerabilities to ensure system robustness.

5. Resources Contributed to ICT Security Management

Information security is a key operational issue for the Company. The following resources and initiatives support its management:

- Dedicated personnel: One Chief Information Security Officer (CISO), held concurrently by the head of the Information Department, and one full-time security specialist responsible for security planning, technical implementation, and audits. Additionally, three members of the Infrastructure team assist with system security improvements.
- VIVOTEK has established the “Information and Personal Data Security Committee”, chaired by the CEO and convened by the CISO. Senior executives serve as committee members. The committee meets annually to review the previous year’s performance and determine key action plans for the coming year.

6. Measures to be taken in response to major information security incidents

VIVOTEK has established a clear notification and response procedure for handling information security and personal data breach incidents. A dedicated response team manages incident resolution, ensuring issues are addressed within a target timeframe. After resolution, the root cause is analyzed and corrective measures are implemented to prevent recurrence. In 2024, there were no information security or data breach incidents resulting in losses for the Company or its customers.

5.6.2 Intellectual property management Plan

Intellectual Property Achievements

The main intellectual property achievements of the Company in 2024 are as follows:

1. Completed a total of 13 Patent Analysis Cases for key technologies and related industrial categories, providing relevant information to product development colleagues for reference to understand the industry's advanced layout and development of patented technologies. Based on this, the Company will develop product development strategies to search for appropriate R&D technology areas. Also completed 24 patent applications in various countries, properly and effectively protecting the achievements of R&D and innovation through a thorough intellectual

property management system.
2. Held three annual trainings, shared intellectual property knowledge to colleagues through intellectual property courses to improve the cognition of intellectual property rights, actively increased the possibility of patent proposals, and avoided risks such as patent infringement or disclosure of secrets through the trainings.
Responding to SDGs Initiative Content on ˙Educational Quality



3. Passed the certification of the 2023 Taiwan Intellectual Property Management System to ensure the continued protection of the operation of an intellectual property management system, with the certification login valid until December 31, 2025. The Company has started planning and implementing TIPS AA certification, aiming to strengthen the introduction of intellectual property management plans and move from the current TIPS A certification stage of operation to a deeper stage of intellectual property utilization.
4. A value inventory of the patents owned by major competitors has been completed, analyzing their strength and value. This is used as a reference for setting intellectual property strategies and goals by examining the differences between the Company and major competitors in terms of patent value.
Intellectual property strategy

In the early start of the Company's establishment, the intellectual property strategy was mainly based on the growth of the "Number of Patents". From 2017, the intellectual property strategy gradually moved on to the 2nd stage- focusing on 「Intellectual property Quality」, the intellectual property department would conduct a patent pre-case search before submitting patents application to evaluate the patentability and discuss the modifiable way with patent applicants in order to improve the quality of patents, continue to accumulate valid patents, strengthen the layout of intellectual property and hope the Company can continue and steadily progress to the 3rd stage「Create the value of the Intellectual property」.

- 1st Stage – The growth of the "Number of Patents" (2000~2016)
- 2nd Stage – Focused on “Intellectual property Quality”, keep increasing the number of valid patents (2017~2023)
- 3rd Stage – “Create the value of the Intellectual property” (2024~)

Intellectual property management system

To operate the intellectual property management system in an effectively and perfect manner, the Company held a management review meeting before the end of the year (Last held on December 6, 2024) to decide the policies and targets of intellectual property management for the following year, as the direction of the efforts of all employees of the Company. The formulation of policies and targets would consider issues of the current intellectual property related laws and regulations, the Company’s operating strategies, external environmental changes, internal and external issues, stakeholders, the performance and improvement of the implementation of the Company’s internal intellectual property management system, etc. In addition, the management review meeting also evaluates the amendments of policies, targets, processes, performance of intellectual property management and ensures appropriateness and effectiveness of the intellectual property management system.

Get certification of Taiwan Intellectual Property Management System (TIPS)

The main implementation situations in recent years are as follows:

- In 2014, the Intellectual Property Management System has been introduced to the Company. “Policies and targets of the Intellectual Property Management System” have been formulated, and passed the first TIPS certification.
- From 2015 to 2016, the Company continued to implement the Intellectual Property Management System, and ensured its appropriateness and effectiveness through internal audit and external verification.
- In 2017, according to the new edition of the Taiwan Intellectual Property Management System (TIPS) regulation, considering the internal and external circumstances, stakeholders and the risks and opportunities, the Company formulated the "Intellectual Property Management Policies and Targets" that meet the norms which passed the new verification of TIPS-2016.
- From 2018 until now, the Company continues to implement and verify the Intellectual Property Management System to perfect the system.

The Company has obtained TIPS certification for 11 consecutive years since its first certification in 2014. The latest verified date is September 5, 2023 and the certification login is valid until December 31, 2025.

Training on the intellectual property management system

Considering that colleagues may have little to no knowledge of intellectual property, this situation may cause damage to the Company’s intellectual property management system. In addition to requiring all the new employees to complete the basic trainings on intellectual property within a specified period, In addition to the mandatory "Introduction to Basic Intellectual Property Rights" course, which all colleagues are required to complete, annual trainings on intellectual property will also be held to strengthen the knowledge on intellectual property of the employees.

In 2024, VIVOTEK conducted three intellectual property (IP) training sessions: “Technology Transfer and IP Licensing”, “Introduction to Patents for Generative AI & Large Language Models (LLM)”, and “Introduction to New Patents from AXIS”, with a total of 299 participants and 897 cumulative training hours. The “Technology Transfer and IP Licensing” session covered the core concepts and significance of technology transfer, various forms and categories of technology transfer, types of licensing agreements, and key considerations in drafting licensing contracts. The training aimed to strengthen employees’ practical understanding of patent licensing and technology transfer agreements. The “Introduction to Patents for Generative AI & Large Language Models (LLM)” session provided an overview of emerging technologies—Generative AI and LLMs—and their associated patents. It explored how these new technologies are being patented in the security and surveillance domain, providing R&D staff with valuable insights for new product and technology development planning. The “Introduction to New Patents from AXIS” session showcased advanced patent strategies and trends in the industry. Through real-world patent application case studies, the training offered practical reference points for R&D teams engaged in the development of new products and technologies.

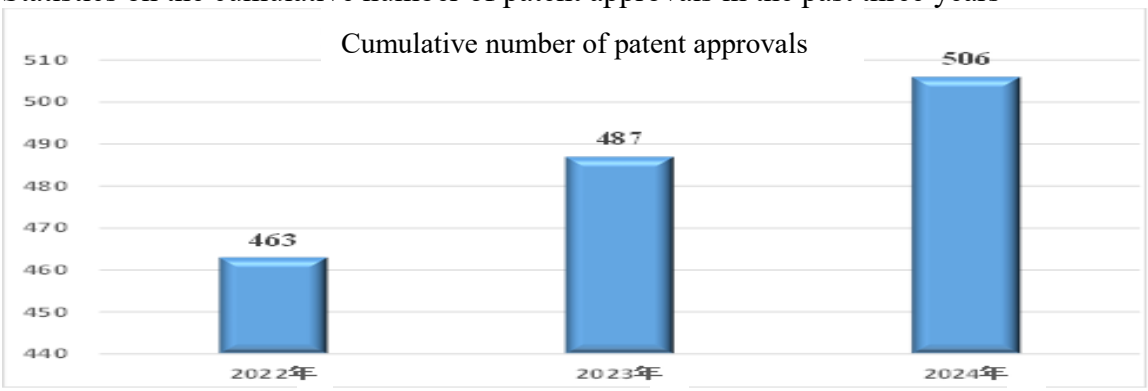
Quantity statistics of the intellectual property management system

1. Patents:
   Up to December 31st, 2024, the Company has accumulated a total of 657 patent applications all over the world. The total patents granted worldwide has reached 506. In 2024, the Company's approval rate of invention patents has reached 100% in Taiwan, and 100% in America for patent quality.
2. Trademarks:
   Up to December 31st, 2024, the Company has obtained 133 trademarks belonging to 42 countries and 4 trademarks are still under application.
3. Copyright and business secrets:
   Growing steadily.

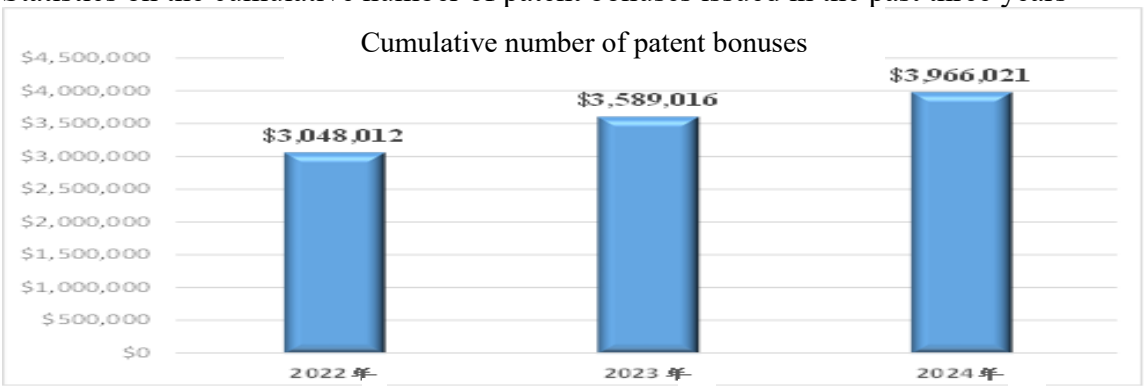
Intellectual property rights			Number of cases
Patent	Invention patent	Number of certificates received	394
		Number of applications	38
	Utility model patent	Number of certificates received	18
		Number of applications	0
	Design patent	Number of certificates received	94
		Number of applications	7
Trademark		Number of certificates received	133
		Number of applications	4
Copyright and business secrets		Growing steadily.	

Note: Statistics as of December 31st, 2023

Statistics on the cumulative number of patent approvals in the past three years



Statistics on the cumulative number of patent bonuses issued in the past three years



Note: The patent bonuses are issued in New Taiwan dollars

Future Outlook

VIVOTEK will continue the patent analysis of key technologies and related industrial categories, providing relevant information to product development colleagues for reference to understand the industry's advanced layout and development of patented technologies. Based on this, the Company will develop product development strategies to search for appropriate R&D technology areas. And through the improvement of the intellectual property management system, the Company will provide the most appropriate protection and management for innovative R&D. In addition, the Company will continue to strive for an increase in the quantity and quality of patent applications, in order to achieve a wide range of patent coverage for the core technologies.

VIVOTEK will continue to hold annual intellectual property training to improve colleagues' awareness of intellectual property rights and actively increase the possibility of patent proposals, and avoid risks such as patent infringement or disclosure of confidential information simultaneously.

VIVOTEK will continue to implement the certification of TIPS to safeguard the operation of the intellectual property system, moving towards the goal of an AA grade for TIPS certification, moving from the current implementation stage of A grade.

VIVOTEK will conduct an inventory of the value of patents owned by major competitors, analyze the strength and value of patents owned by major competitors in order to review the differences in patent value between the Company and major competitors. The information will be one of the references for formulating intellectual property strategies and targets.

* For reports on intellectual property management, please refer to the corporate governance section under investor relations of the Company’s official website.

5.7 Important Contracts

The supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, where said contracts were either still effective as of the date of publication of the annual report, or expired in the most recent fiscal year

Nature of the Contracts	Contracting Parties	Commencement Dates and Expiration Dates	Major Content	Restrictive Clauses
Lease contract	BankTaiwan Life Insurance Co., Ltd.	2023.1.1 - 2025.12.31	The leased unit is located at 5th Floor and 5th Floor Unit 1, No. 168-1, Liancheng Road, Zhonghe District, New Taipei City	None
Lease contract	BankTaiwan Life Insurance Co., Ltd.	2023.1.1 - 2025.12.31	The leased unit is located at 9th Floor, No. 168-1 and No. 168-2, Liancheng Road, Zhonghe District, New Taipei City	None
Technical cooperation contract	A national university	2016.10.01 - 2026.09.30	R & D technology	None
Technical cooperation contract	A national university	2018.09.01 - 2023.08.31	R & D technology	None
Technical cooperation contract	A national university	2020.06.30 - 2025.06.30	R & D technology	None
Technical cooperation contract	A company	2018.12 - 2028.12	R & D technology	None
Technical cooperation contract	A company	2017.03 - 2025.12	R & D technology	None
Technical cooperation contract	A company	2020.06 - 2025.06	R & D technology	None
Technical cooperation contract	A company	2020.08 - 2025.12	R & D technology	None

6. Review and Analysis of Financial Position and Financial Performance, and Risks Assessment

6.1 Financial position

Unit: NT$1,000

Item \ Year	2023	2024	Difference		Analysis
			Amount	%	
Current Assets	4,959,511	4,934,470	(25,041)	-0.5%	Not applicable.
Property, Plant and Equipment	992,141	951,348	(40,793)	-4.11%	Not applicable.
Intangible Assets	19,922	26,807	6,885	34.56%	Note 1
Other Assets	427,680	406,915	(20,765)	-4.86%	Not applicable.
Total Assets	6,399,254	6,319,540	(79,714)	-1.25%	Not applicable.
Current Liabilities	2,581,764	2,534,925	(46,839)	-1.81%	Not applicable.
Non-Current Liabilities	207,424	170,677	(36,747)	-17.72%	Not applicable.
Total Liabilities	2,789,188	2,705,602	(83,586)	-3.00%	Not applicable.
Share Capital	865,679	865,679	0	0.00%	Not applicable.
Capital Surplus	466,415	466,415	0	0.00%	Not applicable.
Retained Earnings	2,202,614	2,169,949	(32,665)	-1.48%	Not applicable.
Other Equity	6,273	37,949	31,676	504.96%	Note 2
Non-controlling Interest	69,085	73,946	4,861	7.04%	Not applicable.
Total Equity	3,610,066	3,613,938	3,872	0.11%	Not applicable.

Analysis of material changes (Deviation over 20% and the amount of deviation reached NT $ 10,000 thousand):

1. The decrease is mainly attributable to the increase of Computer Software.
2. Mainly due to the foreign exchange differences arising from the translation of the financial statements of overseas operating entities.

6.2 Financial performance

Unit: NT$1,000

Item \ Year	2023	2024	Increased (Decreased) Amount	% of change	Analysis
Operating Revenue	9,162,423	7,329,858	(1,832,565)	-20.00%	Note 1
Operating Costs	6,807,057	4,997,569	(1,809,488)	-26.58%	Note 2
Gross Profit	2,355,366	2,332,289	(23,077)	-0.98%	Not applicable.
Operating Expenses	1,932,644	2,040,794	108,150	5.60%	Not applicable.
Operating Income	422,722	291,495	(131,227)	-31.04%	Note 2
Non-operating Income and Expenses	152,337	85,267	(67,070)	-44.03%	Note 3
Profit before Income Tax for the Year	575,059	376,762	(198,297)	-34.48%	Note 2
Deduct: Income Tax Expense	64,160	59,977	(4,183)	-6.52%	Not applicable.
Net Profit After Tax for the Year	510,899	316,785	(194,114)	-37.99%	Note 2
Other Comprehensive Income (Loss) for the Year (Net After Tax)	(1,354)	32,336	33,690	-2488.18%	Note 4
Total Comprehensive Income (Loss) for the Year	509,545	349,121	(160,424)	-31.48%	Note 2

Analysis of material changes (Deviation over 20% and the amount of deviation reached NT $ 10,000 thousand):

1. Mainly due to deferred shipment in response to customer’s inventory adjustments.
2. Mainly due to the decrease in operating Income.
3. Mainly due to disposition of shares of the subsidiary, OTUS Imaging, Inc.
4. Mainly due to the foreign exchange differences arising from the translation of the financial statements of overseas operating entities.

Sales volume forecast and its basis, the possible impact on the Company's financial operations, and measures to be taken:

For the overall sales of VIVOTEK, we will continue to serve different customers through both branding and OEM businesses. We aim to increase output and yield by upgrading smart manufacturing, while also expanding overseas production capacity to meet customers' demand for risk diversification. We continuously enhance our technological competitiveness, promote cloud services, and introduce AI to assist customers in overcoming workforce bottlenecks. At the same time, in line with energy-saving and carbon-reduction policies, we develop new products, adhering to our mission of providing the most trusted smart security systems to society, in order to achieve sustainable corporate governance and social responsibility goals.

6.3 Cash flow

6.3.1 Cash flow analysis for the most recent 2 fiscal years

Unit: NT$1,000

Item	2023	2024	Amount of Deviation
Operational Activities	1,639,662	(240,789)	(1,880,451)
Investment Activities	(34,059)	(92,084)	(58,025)
Financing Activities	(427,765)	(141,113)	286,652
Total	1,177,838	(474,986)	(1,651,824)

Analysis of changes:

1. Operating activities: Increase in inventory and accounts receivable in 2024 as compared to the previous year。

2. Investment activities: It was due to disposition of shares of the subsidiary, OTUS Imaging, Inc. in 2023.
3. Financing activities: This is due to the increase in cash dividends paid in 2024 as compared to the previous year.

6.3.2 Improvement plan for illiquidity: Not applicable.

6.3.3 Cash liquidity analysis for the coming fiscal year

Unit: NT$1,000

Beginning Cash Balance	Estimated Net Cash Flow from Operating Activities	Estimated Cash Outflow	Estimated Cash Surplus (Deficit)	Contingency Plan for Estimated Cash Deficit	
				Investment Plans	Financial Plans
1,771,206	191,910	(226,939)	1,736,177	$ -	$ -

1. Cash liquidity analysis for the current fiscal year
   ①Operating activities: It is estimated that the revenue in FY 2025 will increase compared to FY 2024, and the operating activities will generate a cash inflow of NT $191,910 thousand.
   ②Investment activities: Primarily owing to the continuous investment in required equipment for R&D and capital expenditure for reinvestment.
   ③Financing activities: Primarily owing to distribution of cash dividends.
2. Remedial measures and cash flow analysis for estimated cash deficit: Not applicable.

6.4 The effect upon financial operations of any major capital expenditures during the most recent fiscal year

6.4.1 Major capital expenditures and sources of funds

Unit: NT$1,000

Project	Actual or expected sources of funds	Actual or expected project completion date	Total funds required	Actual or expected capital expenditures		
				2023	2024	2025
Procurements of self-use machinery and equipment	Own funds	2025.12.31	379,969	106,038	54,060	219,871

6.4.2 Expected benefits

The procurement of machinery and equipment is mainly used for R&D, automated production, and test equipment. In addition to continuous product innovation, it can also improve product quality and enhance business development capabilities. VIVOTEK dedicates its effort in enhancing new technology and product research and development for environmental protection and energy saving, in the hope of achieving balanced technological and ecological development.

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

In recent years, the Company has gained profit from reinvestment mainly due to its operating performance achieving economies of scale, the implementation of management systems, and the products being favorably received by the market, which is resulting in the growth of investment gains.

6.6 The section on risks during the most recent fiscal year and as they stood on the date of publication of the annual report

6.6.1 The effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

1. The effect upon the Company's profits (losses) of interest rate fluctuation and response measures to be taken in the future

   As of the date of publication of the annual report, the long-term and short-term borrowings of the Company can be used cyclically during the contract period according to the contracts. In the context of improvement in financial structure, sufficient medium to long term working capital and reduction in fluctuation of interest rate, the Company will regularly evaluate the financial market conditions and bank rates to make prudent decision on the methods of funding to obtain better lending rates. Hence, the interest rate fluctuation does not have any material impact on the Company.

2. The effect upon the Company's profits (losses) of exchange rate fluctuation and response measures to be taken in the future

   The Company's revenue, accounts receivable, and accounts payable are mainly denominated in United States dollar. A significant reduction in exchange rate risks can be achieved by offsetting the foreign exchange assets and liabilities, creating a natural hedging effect.

3. The effect upon the Company's profits (losses) of changes in the inflation rate and response measures to be taken in the future

To avoid inflation eroding profits, the Company will keep paying attention to the fluctuation of the raw materials market caused by political and economic changes in various regions of the world, and maintain a good relationship with customers, adjust the cost structure and sales strategy in a timely manner in order to reduce the risk of inflation changes affecting the Company's profits.

6.6.2 The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future

1. The Company mainly engaged in R&D, manufacturing and sales activities, and does not involved high-risk investments and highly leveraged investments.
2. All loans to other parties, endorsement and guarantees are handled in accordance with "Operational Procedures for Loaning Funds to Others" and "Operational Procedures for Endorsements/ Guarantees" of the Company. As of the end of Q1 2025, no endorsement and guarantees were made, and loans were only provided to the subsidiaries. The Company has not suffered any loss. As of the end of Q1 2025, no endorsement and guarantees as well as loans to other parties were made.
3. Derivative transactions are performed in accordance with the policies and response measures as stipulated in the "Procedures for Processing Derivatives Transactions". As of the end of Q1 2025, no derivatives transaction was performed, and the Company has not suffered any loss.

6.6.3 Research and development work to be carried out in the future, and further expenditures expected for research and development work

As a professional manufacturer of network cameras, the Company continues to develop innovative products and production technologies. In recent years, it has successfully developed numerous marketable products such as network cameras, network video servers, NVRs, pan/ tilt network cameras, etc. The expenditures expected for research and development work for the coming year was NT $847,168 thousand. The new products for future development are as follows:

A. Development of a new generation of intelligent cameras.

B. Development of Multi-lens ultra-wide-angle dome network cameras.

C. Development of a new generation of Professional mobile NVRs.
D. New generation of intelligent cloud-based video surveillance management system and services development.
E. Development of new generation of intelligent image analysis technology based on vision-language models.
F. Development of new generation of AI-driven image processing technology.
G. Development of a new generation of Smart Search technology.
H. Development of a long-distance/uniform/low-power lighting technology.
I. New generation of video surveillance software system, VSS.
J. Industrial-grade Ethernet converter.

6.6.4 Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response.

The Company's financial operation has not been affected by changes in policies and laws in the most recent year and as of the publication date of the annual report. However, the Company continues to pay attention to the political, economic, environmental, and legal trends at home and abroad, and takes response measures from time to time.

6.6.5 Effect on the Company's financial operations of developments in science and technology as well as industrial changes, and measures to be taken in response

There was no impact on the Company's financial operations of developments in science and technology as the Company is able to grasp the related industry developments in science and technology in a timely manner and further analyzes and disseminates the data.

6.6.6. Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response.

VIVOTEK continues to strengthen corporate governance with the establishment of independent directors in the Board of Directors, functional committees such as Compensation Committee, Audit Committee, etc., to formulate sound performance goals setting for the Board of Directors and managers as well as compensation structures. It has established a Risk Management Committee to oversee the Risk Management Group and the Risk Management Committee and to formulate risk management policies, promoting effective internal control and risk management to cope with potential corporate crises. In addition, VIVOTEK has consistently and promptly disclosed material information to stakeholders in accordance with laws and regulations to ensure information transparency and symmetry. VIVOTEK secured the second position in the 11th Corporate Governance Assessment and the first position in the category of 5 billion to 10 billion enterprises, receiving widespread recognition for its accomplishments.

6.6.7 Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken

To date, the Company does not have any merger and acquisitions plan.

6.6.8 Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken

To date, the Company does not have any plant expansion plan.

6.6.9 Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken

In 2024, there was no single supplier accounting for 10% or more of the Company's total procurement amount, hence there was no consolidation of purchasing operation. In addition, the largest customer accounted for 21.85% and 22.53% in 2024 and 2025 as of the publication date of the annual report, respectively. Since its establishment, the Company has devoted great

efforts to promote its own brand market and continues to market its products to Asia, Europe and emerging countries to reduce the risks associated with consolidation of sales with geographically dispersed customer base.

6.6.10 Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken

No major quantity of shares has been transferred or has otherwise changed hands in 2024 and as of the publication date of the annual report.

6.6.11 Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken

No change in governance personnel or top management in 2024 and as of the publication date of the annual report.

6.6.12 Litigious and non-litigious matters: List major litigious, non-litigious or administrative disputes that involve the Company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the Company; and have been concluded by means of a final and unappealable judgment, or are still under litigation, in which the results could materially affect shareholders' equity or the prices of the Company's securities, the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report shall be disclosed: None.

6.6.13 Other important risks, and mitigation measures being or to be taken: None.

6.7 Other important matters

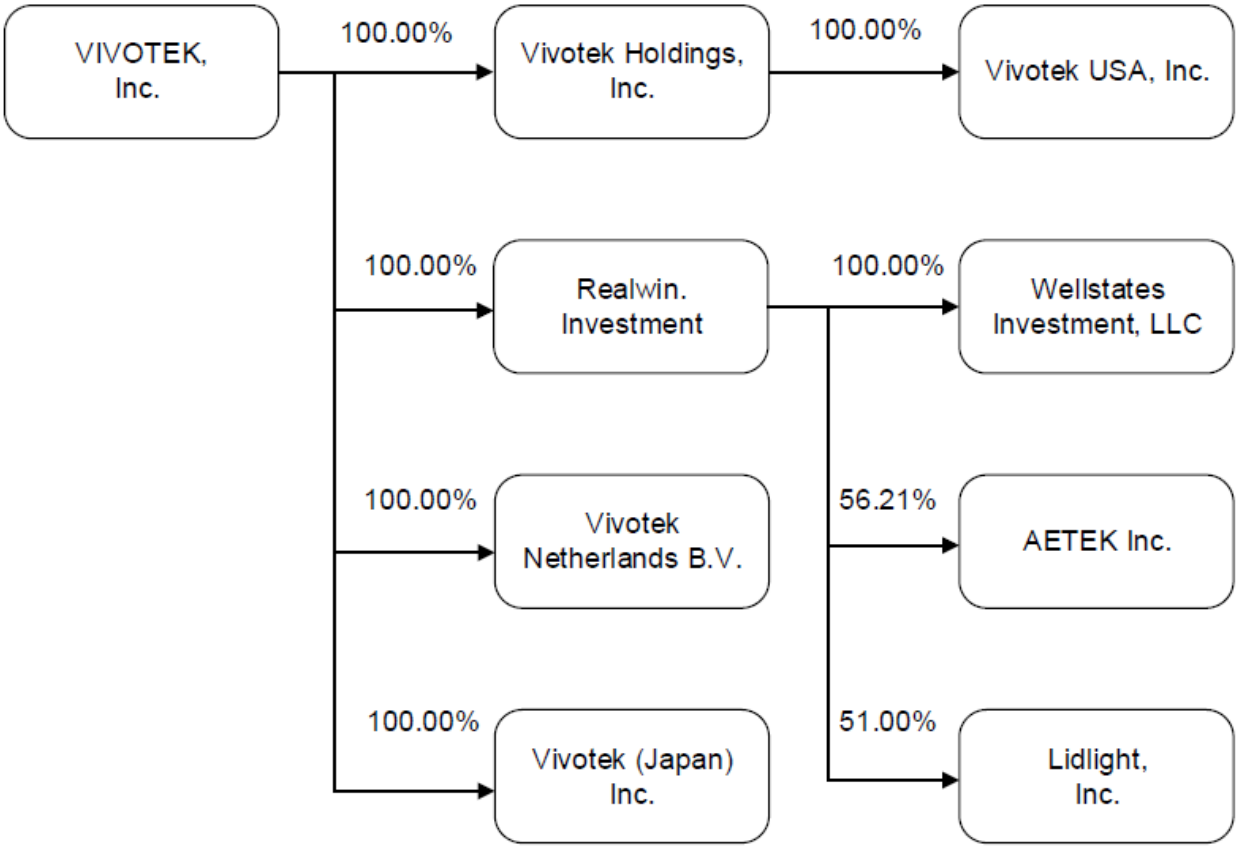
The method and assumptions used to estimate the fair value of the financial products are as follows:

1. The recorded values of the Group's financial instruments, which are not evaluated at fair market value, such as cash and cash equivalents, accounts receivable (including from related parties), other receivables, refundable deposits, short-term borrowings, accounts payable (including from related parties), other payables (including from related parties), other financial obligations, deposits for guarantees, long-term borrowings (including those maturing within a year), and lease liabilities (including those maturing within a year) are considered to reasonably approximate their fair values. Similarly, the recorded values of other financial obligations, deposits and guarantees, long-term loans (including those due within a year), and lease liabilities (including those due within a year) are also deemed to be reasonable approximations of their fair values.
2. Financial instruments measured at fair value are basically classified by the Group based on the nature, characteristics and risks as well as the level of fair value of assets and debts. The related information of fair values please refer to Note 12, (3) of the 2024 consolidated financial statements.

7. Affiliates Information and Other Special Items

7.1 Affiliates Information (2024/12/31)

7.1.1 Affiliated Companies of VIVOTEK, Inc.



7.1.2 Basic information of affiliated companies

Unit: NT $ 1000/ 1000 of Foreign Currencies

Company	Date of Incorporation	Address	Paid-in Capital	Main Business or Production Items
Realwin Investment Inc.	2012.01.18	6th Floor, No. 192-1, Liancheng Road, Zhonghe District, New Taipei City	TWD 173,696	Venture capital company
VIVOTEK Holdings, Inc.	2008.08	801 S GARFIELD AVE STE 328 ALHAMBRA CA 91801 UNITED STATES	USD 1,050	Holding company
VIVOTEK Netherlands B.V.	2012.09	Busplein 36, 1315KV Almere, The Netherlands	EUR 300	Sales service
VIVOTEK (Japan) Inc.	2018.11	2-1-14 Minato-ku Shibadaimon, Tokyo 105-0012, Japan	JPY 66,000	Sales service
VIVOTEK USA, Inc.	2008.08	2050 Ringwood Avenue, San Jose, California 95131	USD 1,000	Sales of network cameras and related components
AETEK Inc.	2015.03	3rd Floor, No. 192, Liancheng Road, Zhonghe District, New Taipei City	TWD 60,000	Sales of network cameras and related components
Lidlight Inc.	2017.02	3rd Floor, No. 192, Liancheng Road, Zhonghe District, New Taipei City	TWD 20,000	Sales of lighting equipment
Wellstates Investment, LLC	2012.10	2050 Ringwood Avenue, San Jose, California 95131	USD 1,200	Investment and leasing of commercial real estate related businesses

7.1.3 Details of the shareholders in common presumed to have a relationship of control and subordination

Reason of the affiliation is presumed	Name (Note 1)	Shareholding (Note 2)		Date of Incorporation	Address	Paid-in Capital	Main Business Item
		Shares	%				
None	None	None	None	None	None	None	None

Note 1: For shareholders in common are juristic persons, fill in the name of the juristic persons; for shareholders in common are natural persons, fill in the name of the natural persons, the reason that affiliation is presumed, and the natural persons' shareholding details.

Note 2: The shareholders' shareholding details of the holding company should be filled in the shareholding column.

7.1.4 The industries covered by the business operated by the affiliates overall and division of work

It mainly includes the R&D, design, manufacturing, and sales of wireless network cameras for security surveillance and multimedia network related products, investment holding, and the design and production of special lighting systems and facilities. Overall, the division of work between affiliated companies lies in the mutual support of technology, production capacity, marketing and services to maximize the competitiveness and synergy of the Group.

1. VIVOTEK, Inc.: Manufacturing of wireless network cameras for security surveillance and multimedia network related products.
2. The components and accessories of the network camera are supplied by the following affiliated companies:
   (a) AETEK, Inc.

(b) Lidlight, Inc.

3. The sales and marketing of products and market development are handled by the following affiliated companies:
   (a) VIVOTEK USA, Inc.
   (b) VIVOTEK Netherlands B.V.
   (c) VIVOTEK (Japan) Inc.

7.1.5 Information of directors, supervisors, and general manager of the affiliated companies

December 31, 2024

Company	Title	Name or Representative	Shareholding	
			Shares	%
VIVOTEK, Inc.	Chairman	Bill Lo, Representative of Delta Electronics Inc.	49,128,058	56.75%
	Vice-Chairman	Simon Chang, Representative of Delta Electronics Inc.	49,128,058	56.75%
	Director	Ciou-Yuan Lai, Representative of Delta Electronics Inc.	49,128,058	56.75%
	Director	Chien-Hong Wu, Representative of Delta Electronics Inc.	49,128,058	56.75%
	Director	Chih-Chung Lan	598,261	0.69%
	Director	Alex Liao	204,647	0.24%
	Independent Director	Sin-Hui Yan	0	0.00%
	Independent Director	Chung-Yang Huang	0	0.00%
	Independent Director	Shu-Jou Lin	0	0.00%
VIVOTEK Holdings, Inc.	Director	Bill Lo	0	0.00%
VIVOTEK USA, Inc.	Director	Alex Liao	0	0.00%
	Director	Hsin-Heng Lin	0	0.00%
Realwin Investment Inc.	Chairman	Bill Lo, Representative of Delta Electronics Inc.	17,369,635	100.00%
Wellstates Investment, LLC	Director	Bill Lo	0	0.00%
VIVOTEK Netherlands B.V.	Director	Alex Liao	0	0.00%
	Director	William Ku	0	0.00%
AETEK, Inc.	Chairman	Alex Liao, Representative of Realwin Investment Inc.	3,372,500	56.21%
	Director	Mei-Yu Li, Representative of Realwin Investment Inc.	3,372,500	56.21%
	Managing Director	Jian-Qun Su	322,500	5.38%
	Supervisor	Gordon Chen	0	0%
Lidlight, Inc.	Chairman	Alex Liao, Representative of Realwin Investment Inc.	1,020,000	51.00%
	Director	Mei-Yu Li, Representative of Realwin Investment Inc.	1,020,000	51.00%
	Managing Director	Zhi-Hong Zhang	150,000	7.50%
	Supervisor	Li-Ping Zhang,	0	0%
VIVOTEK (Japan) Inc.	Representative Director	Alex Liao	0	0%
	Director	William Ku	0	0%

7.1.6 Operational Highlights of Affiliated Companies

December 31, 2024

Unit: NT $1000

Company	Paid-in Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Income	Net Income	Earnings Per Share (NT$)
VIVOTEK Holdings, Inc.	31,555	462,649	0	462,649	0	(135)	25,249	24,046.80
VIVOTEK USA, Inc.	28,480	708,143	246,317	461,826	921,763	26,950	25,384	2.54
Realwin Investment Inc.	173,696	218,418	8	218,410	0	(156)	32,828	1.89
Wellstates Investment, LLC	34,859	114,174	39,274	74,900	14,806	11,790	4,758	0.00
VIVOTEK Netherlands B.V.	11,418	37,970	14,464	23,506	109,641	5,221	4,304	1,434.71
AETEK, Inc.	60,000	232,726	66,853	165,873	249,526	46,431	47,908	7.98
Lidlight, Inc.	20,000	10,714	5,620	5,094	21,334	369	539	0.27
VIVOTEK (Japan) Inc.	17,939	23,037	1,682	21,355	24,269	1,216	555	84.16

Note 1: If the affiliated company is a foreign company, the relevant figures are translated into New Taiwan dollars using average exchange rates during the year based on the date of the balance sheet, December 31,2024.

7.1.7 Declaration of consolidated financial statements of VIVOTEK, Inc., and subsidiaries

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of VIVOTEK, Inc., as of and for the year ended December 31, 2024, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, VIVOTEK, Inc. and subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Company Name: VIVOTEK, Inc.
Chairman: Bill Lo
Date: February 25, 2025

7.1.8 Relationship Report

Relationship Report Declaration

The Company's Relationship Report for the year 2024 (from January 1, 2024 to December 31, 2024) has been prepared in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”. There are no material inconsistencies between the disclosed information and the related information as disclosed in the notes to the financial statements of the Company in the preceding period.

Very truly yours,

Company Name: VIVOTEK, Inc.
Chairman: Bill Lo
Date: February 25, 2025

Auditor’s Report on the Review of Affiliation Report

To the Board of Directors and Shareholders of VIVOTEK INC.

Based on the letter of representation of VIVOTEK and our review, the affiliation report of VIVOTEK for the year ended December 31, 2024 is prepared according to the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Entities, and no material inconsistencies were found between the information disclosed in the affiliation report and those disclosed in the notes to the financial report for the above time period.

We have reviewed and compared the affiliation report of VIVOTEK for the year ended December 31, 2024 pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Entities with the notes to the financial report of VIVOTEK for the year ended December 31, 2023, and have not found any material inconsistencies in the above representation.

Liang, Yi-Chang
Kuan-Hung Lin

For and on behalf of PricewaterhouseCoopers, Taiwan

February 25, 2025

2024 Annual Relationship Report

1. Overview on the relationship between the subsidiaries and the controlling companies
The Company's ultimate parent company is Delta Electronics (USA) Inc. Its information is as follows:

Unit: Share; %

Name of the controlling company	Reasons for control	Shareholdings and pledged shares of controlling companies			Personnel assigned by the controlling companies Acting as a Director, Supervisor or Manager	
		Shares	Shareholding	Number of Pledged Shares	Title	Name
Delta Electronics, Inc.	Ultimate parent	49,128,058	56.75%	-	Chairman	Bill Lo
					Director	Simon Chang
					Director	Ciou-Yuan Lai
					Director	Chien-Hong Wu

2. Overview on the transactions between the subsidiaries and the controlling companies
The transactions between the Company and the ultimate parent company, Delta Electronics (USA) Inc. during 2024 are as follows:
(1) Import and export transactions

Unit: NT$ thousand; %

Transactions with controlled companies				Between controlled companies Trading Conditions		General trading conditions		Reasons for discrepancies	Accounts receivable (payable), notes		Overdue accounts receivable			Notes
Purchase (Sales)	Amount	Accounted for the percentage of total purchases (sales)	Gross profit on sales	Unit price (NT$)	Credit Period	Unit price (NT$)	Credit Period		Balance	Percentage of total accounts receivable (payable) and notes payable	Amount	Handling Method	Allowance for bad debt	
Sales	$103,434	1.41%	-	Note	75 days	Note	Note	-	$50,012	3.64%	-	-	-	-
Purchase	$290	-	-	Note	75 days	Note	Note	-	($1,774)	(0.16%)	-	-	-	-

Note: No significant differences

(2) Property Transactions

Unit: NT$ thousand

Type of transaction (acquisition or disposal)	Property Name	Date of transaction or date of occurrence	Transaction Amount	Delivery or payment terms	Status of payments and receipts	Gain or loss on disposal (Note 1)	Reasons why the counterparty is a controlled company	Previous transfer information (Note 2)				Mode of transaction decision (Note 3)	Basis for price determination	Purpose and use of acquisition or disposal	Other Agreements
								Everyone	Relationship with the Company	Transfer Date	Amount				
Acquisition	Machinery	2024/06	$169	75 days	Well	-	Business operation	Note 4				General Manager	According to market conditions	Business operation	None

Note 1: Exempt for Acquirer.

Note 2: (1) Acquirers of assets should present the original acquisition data of the controlling company; disposers of assets should present the original acquisition data of the subsidiary company.

(2) The "Relationship with the Company" column should explain the relationship between all parties and subsidiary companies, as well as their relationships with the controlling company.

(3) If the counterparty in the previous transfer transaction is a related party, the previous transfer data of that related party should also be listed in the same column.

Note 3: The decision-making level of the transaction should be explained.

Note 4: The asset is a self-made asset of the controlling company, therefore there is no previous transfer data.

(3) Fund financing status: None.

(4) Asset Lease Status

Unit: NT$ thousand

Type of Transaction (leased or rented)	Subject Matter		Lease Period	Nature of Lease (Note 1)	Basis of rent determination	Method of receipt (payment)	Comparison with general rental level	Total rent for the period	Receipts and disbursements during the period	Other Agreements (Note 2)
	Name	Location								
Lessee	Factory	B2F-8F, No. 268, Shanying Rd., Guishan District, Taoyuan City	2024/1~2024/12	Operating Leases	According to market conditions	Monthly	No significant differences	$10,203	Well	None
		B3F to 7F, No. 252, Shanying Road, Guishan District, Taoyuan City								
		No. 66, Sec. 3, Gaotiezhanqian W. Rd., Dayuan Dist., Taoyuan City								

(5) Other significant transactional relationships: operating expenses $14,791 and other payables $2,822.

3. Endorsement of warranties: None.

4. Other significant matters affecting finance and operations: None.

7.2 Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

7.3 Other matters that require additional description

The certifications received by finance, accounting and auditing personnel in the Company and its subsidiaries:

1. Senior Securities Specialist: 2 persons.
2. Securities Specialist:1 person.
3. Securities Investment Trust and Consulting Professionals:1 person.
4. Trust Specialist: 2 persons.
5. Financial Planning Specialist: 2 persons.
6. Stock Affairs Specialist passed the proficiency test: 1 person.
7. Bank Internal Control Specialist: 1 person.
8. Bookkeeper: 2 person.
9. Level B accounting technician (Republic of China): 1 person.
10. Level C accounting technician (Republic of China): 2 persons.
11. Life Insurance Specialist: 3 persons.
12. Certified Financial Specialist for Small and Medium Enterprises (CFSSME): 1 person.
13. Non-investment-oriented Life Insurance Specialist: 1 person.
14. Jacksoft Certified CATTs Practitioner: 1 person.
15. ERP Application Engineer: 1 person.

7.4 If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities: None.