



Stock Code:5484

EverFocus Electronics Corp.

2024 ANNUAL REPORT

PRINTED ON MAY 21,2025

Website:<https://www.everfocus.com>

MOPS website:<https://mops.twse.com.tw>

Translation - In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

One. The name, title, telephone number, and e-mail address of the spokesman and acting spokesman:

Spokesman

Name : Chih -Hung Kao

Title : General Manager

Tel : (02)2662-2338#3800

Email : Francis_Kao@everfocus.com

Acting Spokesman

Name : KUANG-MING Chen

Title : Senior Manager

Tel : (02)2662-2338

Email : Charles_Chen@everfocus.com

Two. The address and telephone number of the Head Office, branch, and factory:

Head office: 7F.-1, No. 133, Ln. 235, Baoqiao Rd., Xindian Dist., New Taipei City

Tel: (02)2662-2338

Factory: 2F, No. 137, Ln. 235, Baoqiao Rd., Xindian Dist., New Taipei City

Tel: (02)2662-2338

Branch and factory: None.

Three. The name, address, telephone number and URL of the Stock Transfer Agency:

Name: Grand Fortune Securities Co., Ltd

Address: 6F., No. 6, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City

Tel: (02) 2371-1658

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

Four. Name, firm name, address, telephone number and website of the CPAs for the most recent financial report:

Accounting Firm: PricewaterhouseCoopers Taiwan

CPAs: Mavis Chang and Shih-Jung Weng

Address: 27F., No. 333, Sec. 1, Keelung Rd., Taipei City

Tel: (02)2729-6666

Website: <https://www.pwc.tw/>

Five. Name of the trading place where overseas securities are listed for trading, and inquiry method of the information of overseas securities: None.

Six. Website of the Company: <http://www.EverFocus.com>

Table of Contents

1、Letter to the Shareholders

(1) 2024 Fiscal Year Operating Report	1
(2) 2025 Fiscal Year Business Plan	6
(3) Long-Term Development Strategy	7
(4) Impact of External Competitive Environment	7
(5) Impact of Regulatory Environment and Macroeconomic Conditions	8

2、Corporate Governance Report

(1) Organizational system	9
(2) Background information of Directors, Supervisors, President, V.P., Assistant V.P., and the heads of various departments and branches	9
(3) Directors', Supervisors' President's and V.P. remuneration	14
(4) Corporate governance	18
(5) Information on Fees to CPA	56
(6) Company Chairperson, President, or Any Managerial Officer in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the Company's CPA Accounting Firm or at an Affiliated Enterprise of Such Accounting Firm	56
(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 printing date of the Annual Report) by a Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10 Percent	56
(8) Relationship information, if among the company's ten largest shareholders any one is a related party or a relative within the second degree of kinship of another	57
(9) The number of shares of the same invested company held by the Company, the Company's directors, supervisors, and executive officers, and the businesses controlled directly or indirectly by the Company, and the consolidated shareholding ratio	58

3、Capital and Shares

(1) Capital and shares	59
(2) Issuance of Corporate Bonds (including Overseas Corporate Bonds)	62
(3) Information on convertible bonds	62
(4) Information on exchangeable bonds	62
(5) Shelf registration for issuing bonds	62
(6) Information on corporate bonds with warrants	62
(7) Preferred shares	62
(8) Information on preferred stock with warrants	62
(9) Issuance of Global Depositary Receipts	62
(10) Status of employee stock option plan	62
(11) Issuance of New Restricted Employee Shares	62
(12) Information on employee stock options granted to management team and to top 10 employees	62
(13) Information on new restricted employee shares granted to management team and to top 10 employees	62
(14) Basic information of the merged and the acquired company	62
(15) Financing Plans and Implementation	63

4、Operations Overview

(1) Business activities	64
(2) Market and Sales Overview	67
(3) Employee Information	70
(4) Environmental protection expenditure	70
(5) Labor relations	71
(6) Information security management	74
(7) Important Contracts	75

5、Review of financial conditions, financial performance, and risk management	
(1)Analysis of Financial Status	76
(1)Analysis of Financial Performance	77
(3)Cash flow	77
(4)The recent major capital expenditures have had an impact on the financial operations	78
(5)The investment Strategy in the most recent year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year	78
(6)Risk management and assessment	78
(7)Other important matters	80
6、Special Disclosure	
(1)Summary of Affiliated companies	81
(2)Private Placement of Securities Conducted During the Most Recent Fiscal Year and Up to the Publication Date of the Annual Report	81
(3)Status of Subsidiaries Holding or Disposing of the Company's Shares During the Most Recent Fiscal Year and Up to the Publication Date of the Annual Report	81
(4)Other supplementary information	81
7、Any Events in the most recent fiscal year and as of the printing date of this annual report that had significant impacts on shareholders' right or security prices as stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan	81

1、Letter to the Shareholders

Dear Esteemed Shareholders,

Thank you for taking the time to attend EverFocus Electronics' 2025 Annual General Meeting of Shareholders. Your presence and long-term support are the greatest driving forces behind the company's continued progress. On behalf of the Board of Directors and the management team, I would like to extend our sincere greetings and appreciation.

In the face of industry changes and market challenges, EverFocus Electronics has continued to strengthen its investment in research and development, expanding the breadth and depth of technological applications while actively pursuing business transformation and innovative breakthroughs. Despite ongoing uncertainties in the overall operating environment, we have begun to achieve tangible results in certain application areas, especially in our vehicle systems business, where significant achievements have emerged, laying a solid foundation for future growth.

We fully understand that only by continuously advancing technology and optimizing product value can we maintain our position in a highly competitive industry. Moving forward, we will focus on key application fields, accelerate the integration of AIoT and image recognition technologies, and enhance the market competitiveness of our comprehensive solutions. Simultaneously, we will strengthen internal governance and actively promote sustainable development, consistently creating forward-looking and stable operational results for all shareholders.

Below, we present a report on the 2024 operating results, the 2025 business plan, and our future development strategies for your review.

1. 2024 Operating Report

(1) Comparison of Operating Results

Separate Financial Statements:

Unit: NT\$ Thousands

Item	2024	2023	Amount of Increase (Decrease)	Percentage of Increase (Decrease)
Net Operating Revenue	432,945	338,161	94,784	28.03
Net Gross Profit	107,985	66,863	41,122	61.50
Net Loss for the Period	(59,792)	(48,977)	(10,815)	22.08

Consolidated Financial Statements:

Unit: NT\$ Thousands

Item	2024	2023	Amount of Increase (Decrease)	Percentage of Increase (Decrease)
Net Operating Revenue	460,280	369,555	90,725	24.55
Net Gross Profit	131,889	79,854	52,035	65.16
Net Loss for the Period	(59,792)	(48,977)	(10,815)	22.08

(2) Financial income and expenditures and profitability analysis (parent company only)

Item		2024	2023	Variance
Financial Structure	Debt-to-Asset Ratio (%)	41.37	38.1	3.27
	Ratio of Long-term Capital to Property, Plant, and Equipment (%)	3,908.11	7,540.02	(3,631.91)
Solvency	Current Ratio (%)	202.15	248.31	(46.16)
	Quick Ratio (%)	157.24	189.66	(32.42)
Profitability	Return on Assets (ROA) (%)	(6.11)	(5.26)	0.85

	Return on Equity (ROE) (%)	(10.65)	(7.97)	(2.68)
	Net Profit Margin (%)	(13.81)	(14.48)	0.67
	Earnings Per Share (EPS) (NT\$)	(0.9)	(0.73)	(0.17)

Analysis of Financial Income, Expenditures, and Profitability (Consolidated)

Item		2024	2023	Discrepant value
Financial Structure	Debt-to-Asset Ratio (%)	38.42	34.92	3.5
	Ratio of Long-term Capital to Property, Plant, and Equipment (%)	3,147.15	6,066.63	(2,919.48)
Solvency	Current Ratio (%)	144.73	175.35	(30.62)
	Quick Ratio (%)	108	127.9	(19.9)
Profitability	Return on Assets (ROA) (%)	(6.28)	(4.97)	(1.31)
	Return on Equity (ROE) (%)	(10.65)	(7.97)	(2.68)
	Net Profit Margin (%)	(12.99)	(13.25)	0.26
	Earnings Per Share (EPS) (NT\$)	(0.9)	(0.73)	(0.17)

(3) Budget Execution: None.

The Company set internal budget targets for 2024 but did not disclose any financial forecasts to the public.

(4) Implementation Results of Product Strategy:

(4.1) Development Direction and Technical Layout of Industrial PC

(IPC) Business:

As the world rapidly advances into the era of Industry 4.0, demand for applications such as smart cities, intelligent transportation, and manufacturing automation has surged. Industrial PCs (IPCs) have evolved from traditional control systems into highly integrated, high-performance edge computing platforms, serving as a critical foundation for driving intelligent applications.

Faced with the opportunities brought about by industrial transformation and technological upgrading, the Company adheres to a strategy of "Technological Innovation" and "Market Orientation." We continue to expand our IPC product line, enhance the integration capabilities of heterogeneous computing platforms, and actively explore the smart application market.

Looking ahead, the Company will focus on the following three strategic directions as the core drivers of business growth and long-term competitiveness:

(4.1.1) Diverse Hardware Development Platforms

The Company continues to focus on the development of Heterogeneous computing platforms and flexible system designs. In addition to consistently launching edge computing devices equipped with high-performance processors from Intel and NVIDIA for AI image analysis and real-time data processing applications, the Company has also introduced low-power processors from NXP, TI, MediaTek, and Qualcomm based on Cortex-A/M architecture. These processors offer embedded solutions tailored to multi-serial I/O control and industrial communication protocols (such as CAN, Modbus, PROFINET).

With a modular and flexible design philosophy, the Company can effectively meet customer system requirements across various application scenarios, including industrial automation, equipment

control, and remote monitoring.

This approach enhances product line completeness, market adaptability, and overall hardware platform competitiveness and scalability.

(4.1.2) IoT Architecture and Management Platform

In response to the rapid proliferation of IoT applications and increasing complexity of application scenarios, the Company continues to deepen the core construction of its IoT management platform. The focus is on communication protocol integration, data collection and analysis, unified device management, and real-time system visualization.

The platform supports a wide range of sensing technologies and communication interfaces and can achieve cross-device collaboration, data integration, and flexible application deployment through a centralized management system. This significantly improves the overall performance, security, and scalability of IoT systems.

Based on this platform, the Company has successfully implemented various smart application scenarios, including smart city surveillance, intelligent ward management in healthcare, and smart fleet scheduling. By integrating AI inference and big data analytics, the Company helps customers optimize operational processes and enhance decision-making intelligence, achieving substantial benefits from IoT applications.

(4.1.3) Smart In-Vehicle Platform and Embedded System Integration

With the growing demand for smart transportation, autonomous driving, and intelligent fleet management, the Company is actively developing a stable and highly integrated in-vehicle IPC platform. This platform integrates AI vision technology and edge computing capabilities, launching multiple high-performance in-vehicle industrial computers featuring NVIDIA Jetson series AI modules, supporting multi-channel video input and real-time AI inference processing. The product design complies with international automotive standards (such as E-Mark, EN50155), featuring wide temperature resistance, automotive-grade power management, and diverse communication interfaces (such as OBD-II, CAN Bus). The platform can flexibly integrate GMSL high-speed video modules, LiDAR, IMU sensors, and GNSS/RTK high-precision positioning modules, supporting real-time environment sensing, judgment, and control computing. It is widely applied in public transportation monitoring, driving recording, vehicle networking systems, and autonomous logistics fleets.

Additionally, the platform offers AI module expansion capabilities, supporting multiple intelligent application functions, including driver behavior recognition (such as fatigue and distraction detection), Forward Collision Warning (FCW), pedestrian and vehicle recognition, traffic sign recognition, Blind Spot Detection (BSD), and passenger behavior analysis.

This comprehensive functionality significantly enhances driving safety and operational management efficiency.

(4.2) In-Vehicle Industrial Computers:

The Company, with its core expertise in professional automotive monitoring products (MDVR/NVR), has achieved remarkable results in the smart in-vehicle sector in recent years. With steady revenue growth and a continuously expanding global market share, our team has consistently enhanced its technical capabilities, actively developing solutions to meet diverse in-vehicle application needs. In response to the rapid development of smart transportation, logistics automation, and the electric vehicle industry, our products have been widely applied in public transportation, smart logistics, and industrial fleet management,

demonstrating strong market adaptability.

Focusing on key technologies such as automotive-grade wide temperature and wide voltage architectures, as well as power-on delay modules. This year, the Company obtained IATF 16949 certification for automotive quality management systems, significantly enhancing product performance in terms of safety, stability, and reliability for in-vehicle applications.

Software solutions cover passenger safety monitoring, vehicle driving records, and driver behavior analysis, integrating data collection, processing, and intelligent control mechanisms to fully support automation, connectivity, and intelligence in vehicle applications.

In terms of smart applications, the Company has successfully launched AI-powered in-vehicle systems, integrating edge computing and diverse communication technologies, significantly improving vehicle management efficiency and data analysis accuracy. These advancements help users enhance operational efficiency and risk management. With continuous investment in research and development, the team has mastered multiple core technologies and key patents, further strengthening its technological leadership and competitive advantage in the global market.

To achieve sustainable development goals, the Company actively implements ESG strategies, introducing environmentally friendly materials, improving energy efficiency, and collaborating with supply chain partners to promote green manufacturing, demonstrating its commitment to environmental and social responsibility.

Looking ahead, the Company will continue to focus on the deepening of smart vehicle networking and AIoT technologies, expanding its global market presence, and providing high-efficiency, secure, and intelligent in-vehicle industrial computer solutions, creating long-term value for customers.

(4.3) Image-Based Integrated Hardware and Software Solutions:

The Company has long focused on image technology as its core, combining self-developed hardware and software systems with competitive peripheral accessories to create comprehensive integrated solutions. These solutions encompass the entire process, from image capture, processing, storage, and transmission to IoT platform applications, providing one-stop services that help customers achieve efficient, convenient, and secure operational experiences in various fields. This solution has been widely applied in in-vehicle systems, traffic management, smart buildings, retail stores, public and private institutions, religious and medical units, and campus environments, effectively accelerating the realization of smart city blueprints planned by governments.

In terms of technological development, the Company actively invests in developing image surveillance products that comply with national standards and maintain traceable production records, covering cameras, video recorders, and management platforms. By mastering key technology designs, introducing technology transfer, and adopting software integration strategies, the Company enhances production efficiency while reducing costs. The products have also obtained relevant cybersecurity and regulatory certifications, establishing a complete traceable manufacturing record, which meets the high demand for supply chain de-risking in the international market.

To meet the diverse AI image analysis needs of different vertical application fields, the Company continues to advance the development of its AI camera product line. This includes adopting modular lenses and computing architectures, building a diversified product portfolio ranging from low-end to high-end computing chips, and providing value-added software development tools. This approach creates a flexible firmware environment conducive to AI application development, further enhancing product differentiation and application versatility.

Furthermore, the Company has deep expertise in image processing and

AV over IP/IoT technology, continuously optimizing the network protocol integration of image streaming and the intelligence of devices. Comprehensive software support is provided for various hardware solutions within the Group, enhancing the overall added value of the system and solidifying the Company's competitive position in the smart image solution market.

(4.4) AI Image Recognition Software and Application Environment:

The Company actively invests in the development and application of AI image recognition technology, leveraging artificial intelligence techniques such as machine learning and deep learning. These technologies enable systems to automatically recognize objects, behaviors, and scenarios within images, achieving intelligent surveillance and environmental awareness capabilities. The complete system encompasses front-end cameras and industrial computers with edge computing modules, as well as back-end servers for image recognition and analysis platforms, providing end-to-end intelligent application support.

This AI software offers high flexibility and scalability, with a wide range of applications, particularly demonstrating strong practicality and market potential in areas such as security surveillance, smart manufacturing, driving safety, intelligent transportation, and technology-based law enforcement. The development focus lies in deeply understanding the hardware and software integration solutions required for various AI application scenarios, while establishing strategic alliances with software developers and industrial computer manufacturers to jointly advance the depth and implementation of application technologies.

Furthermore, the Company actively collaborates with system integrators across various vertical industries, conducting on-site demand interviews to enhance its capabilities in AI application deployment and planning. By accumulating extensive experience and technical knowledge in applications, the Company not only strengthens its professional image in edge computing hardware but also gains the capability to provide integrated AI solutions. This approach helps customers adopt high-efficiency intelligent systems, enabling the Company to deeply cultivate vertical markets and strengthen its competitive advantage in the AI application field.

(4.5) Integrated Advanced Driver Assistance System (ADAS) and Dashcam Solution for Large Vehicles:

The Company has developed an integrated Advanced Driver Assistance System (ADAS) and Dashcam Solution for large vehicles, combining a high-end ADAS in-vehicle computer with digital driving recording equipment. Specifically designed for large commercial vehicle applications, this system addresses the increasingly stringent safety requirements of smart transportation and fleet management, demonstrating strong market momentum with continued stable growth in performance.

This system utilizes a self-developed EMV dashcam integrated with an advanced driver assistance system (ADAS), leveraging high-precision image recognition and sensing technology to provide multiple functions, including Lane Departure Warning (LDW), Forward Collision Warning (FCW), Blind Spot Detection (BSD), 360-degree Around View Monitoring (AVM), Tire Pressure Monitoring System (TPMS), Driver Fatigue Detection, and Alcohol Lock. These features collectively enhance driving safety. The system can also record driver behavior and abnormal events in real-time during vehicle operation, serving as a basis for post-incident analysis, responsibility determination, and operational optimization.

In terms of AI technology application, the system incorporates deep learning and image analysis algorithms, significantly improving the accuracy of driver behavior recognition and early warning, effectively reducing accident rates and promoting optimized driving habits. This solution has been successfully applied across multiple fields, including logistics fleets, public transportation, and construction vehicles,

helping operators strengthen fleet management and risk control capabilities.

The Company is also actively expanding into overseas markets, establishing strategic alliances with several international large-scale fleets and commercial vehicle manufacturers. Additionally, the system has obtained multiple domestic and international safety and quality certifications, further solidifying its competitive position in the global market.

Looking ahead, the Company will continue to deepen its expertise in smart in-vehicle technology, optimizing overall ADAS performance, and striving to develop next-generation, high-performance, safe, and reliable driver assistance solutions for commercial vehicles.

2. Summary of the 2025 Business Plan

(1) Operating Strategy:

(1.1) Strengthen the Foundation of Core ODM Customers

Continue to consolidate existing major ODM partnerships, including U.S.-based in-vehicle system providers, Japanese commercial vehicle brands, and European system integrators, ensuring stable revenue sources and long-term collaboration.

(1.2) Transform into an IPC Company with Image Technology Advantages

Expand the proportion of Industrial PC (IPC) products, enhance security and in-vehicle system integration capabilities, and aim for IPC business to account for 50% of total revenue, driving business diversification and profit stabilization.

(1.3) Integrate Group Resources, Segment Product Lines, and Deepen Vertical

Markets Leverage the R&D and technical resources of group-affiliated companies, promote multi-brand management, and clearly define product structures into three main categories: "Visual IoT," "Smart In-Vehicle," and "Industrial PCs." Deepen market penetration across various application fields.

(1.4) Strengthen International Marketing and Expand Customer Networks

Continue investing in international market marketing resources to enhance brand global visibility and market influence. Actively expand global ODM key accounts, value-added distributors (VADs), and system integrator (SI) partnership networks.

(1.5) Deepen Automotive Supply Chain Layout and Expand Market Share in

Automotive Products Build on the role as a Tier 1 supplier for Japanese automakers, further enhance quality control mechanisms, continuously develop automotive products that meet emerging regulatory requirements, replicate successful experiences, and expand the global customer base of automakers.

(1.6) Transition from Hardware Manufacturer to Solution Provider

Upgrade the business model by focusing on image technology, edge computing, and IoT control applications. Develop integrated Vision AIoT solutions featuring visualization, intelligence, connectivity, security, and energy efficiency to enhance value-added offerings.

(2) Product Development Strategy:

(2.1) Strengthen the Foundation of Surveillance Products and Introduce Image Analysis Technology

Maintain the existing surveillance product business foundation while introducing image analysis solutions, further expanding applications to various vertical fields to enhance product value and application depth.

(2.2) Focus on Computer Vision and Edge AI Integrated Applications

In response to the vast application potential brought by image analysis technology, the Company will fully invest in the integration of Computer Vision and Edge AI solutions, actively developing products for smart manufacturing, smart security, and smart in-vehicle application scenarios.

(2.3) Promote Government Project Applications and Implement Vehicle Safety

Assistance Solutions

Participate in and execute government technology projects to integrate eight vehicle safety assistance functions. Integrate MDVR, ADAS, and 16-in-1 systems into large commercial vehicles, driving the intelligent upgrade of traffic safety management.

(2.4) Launch High-Performance Embedded Computer Products and Enhance Customization Services

Actively develop high-performance embedded industrial computers with image capture interfaces that meet automotive specifications, equipped with edge computing platforms. Provide flexible hardware and software customization services to meet the system needs of customers in various industries.

(2.5) Enhance Core Technical Strength and Provide Comprehensive Solutions

Continue to strengthen core capabilities in image processing and edge computing, accelerating product development cycles and improving solution integration efficiency. Provide an end-to-end integrated development platform and application environment covering hardware, software, edge, and cloud.

(2.6) Establish Taiwan Brand Value, Emphasizing High Quality and High Cybersecurity Standards

Strengthen local R&D and manufacturing advantages, introduce product design and verification processes that meet international cybersecurity standards, enhance brand recognition for high quality and high reliability, and consolidate the competitive position of Taiwan's brand.

(3) Long-Term Development Strategy

Amid the rapid evolution of artificial intelligence technology and the continuous expansion of application scenarios worldwide, the Company is actively transforming into a "Vision AIoT Solution Provider," leveraging its strengths in industrial computers and image technology to offer differentiated smart application integration services.

The Company's future development will center around image technology as the core foundation, extending to the integration of artificial intelligence and IoT architectures. This approach will drive the development of innovative applications across multiple verticals, including smart security, intelligent transportation, smart manufacturing, smart healthcare, and smart education. These solutions will help clients establish highly efficient and secure intelligent management systems.

Looking ahead to 2025, the Company expects more new applications and market directions to emerge. It will continue to enhance its R&D capabilities, increase technological investment, and allocate resources to accelerate the comprehensive integration of AI technology across its product lines. This will further enhance product value, service depth, and market competitiveness, ensuring steady progress toward long-term growth goals.

(4) Impact of External Competitive Environment:

The external security control market has become increasingly competitive. In addition to the traditional European, American, and Japanese brands, competitors from South Korea and Mainland China have continued to grow, driving constant advancements in technology and rapid product innovation. Facing such a complex and ever-changing environment, we have actively transformed towards digitalization, intelligence, networking, integration, and centralized monitoring to meet customer market demands.

EverFocus is committed to collaborating with our partners to create differentiated market opportunities. Our strategy is to transform from a traditional CCTV product manufacturer into a globally deployed AIoT intelligent security platform that offers comprehensive services and solutions. This transformation is designed to cater to the diverse application needs of our customers, ensuring that we achieve the next level of intelligent security technology in the field of industrial control at an accelerated pace.

(5) Impact of Regulatory Environment and Macroeconomic Conditions:

The company's internal management, including finance, stock affairs, and audit departments, continuously monitor domestic and international policies and regulations that may impact financial and business operations. We ensure that all significant policy and regulatory changes are promptly understood and properly managed. Additionally, we maintain long-term partnerships with our accounting firm and legal advisors to provide timely consultations, enabling us to adapt to regulatory changes in a compliant manner.

Although EverFocus is currently experiencing cumulative losses, the security industry as a whole remains a sector with growth potential and profitability prospects. We have established subsidiaries in the United States, Japan, and China, which allow us to efficiently capture and respond to market and customer dynamics through internal information sharing. This enables us to provide rapid services and proactive solutions, meeting customer needs and supporting effective decision-making in our operations.

Wishing all shareholders good health and all the best !

EVERFOCUS ELECTRONICS CORP.



Chairman : Yung-Shun Chuang



President : Chih -Hung Kao



Accounting Officer: Chien-Liang Chen



2、Corporate Governance Report

1. Organizational system: This information has been disclosed on the [EverFocus Electronics Corporation website]. Please refer to the link: https://www.everfocus.com/tw/about/index.php?index_id=30

✳️In response to the regulatory authority's streamlining measures, redundant disclosures are no longer included in this report.

2. Background information of Directors, Supervisors, President, V.P., Assistant V.P., and the heads of various departments and branches

(1) Directors and Supervisors

(1.1) Information on Directors:

April 23, 2025

Title	Nationality or place of registration	Name	Gender Age distribution	Date elected (appointed)	Term of office	Date first elected	Shareholding when elected		Current shareholding		Shares currently held by spouse and minors		Shares held by third parties		Education and experience	Concurrent positions at the Company and other companies	Other officers, directors, or supervisors of the Company who is a spouse or a relative within the second degree of kinship			Remark
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Title	Name	Relationship	
Chairman	ROC	Yung-Shun Chuang	Male 71-80	2021.07.01	3 years	2018.06.14	2,538,90	3.73	10,655,68	15.95	0	0	0	0	<ul style="list-style-type: none"> Chairman, AAEON Technology Inc. Honorary Doctorate of Engineering, National Taiwan University of Science and Technology 	<ul style="list-style-type: none"> Chairman, EVERFOCUS JAPAN CORP. Chairman, EverFocus Electronics (Shenzhen) Co., Ltd. Chairman, EVERFOCUS ELECTRONICS CORP. Please see (Note 1) for other concurrent positions. 	Director	Fu-Chieh, Chuang	First-Degree	
Director	ROC	Hui-Ming Tsao	Female 61-70	2021.07.01	3 years	2012.6.13	2,277,037	3.34	1,707,541	2.56	3,479,485	5.21	0	0	<ul style="list-style-type: none"> General Manager of EverFocus Electronics Corporation National Taiwan University, Graduate Institute of Electrical Engineering 	<ul style="list-style-type: none"> Director, EVERFOCUS JAPAN CORP. supervisor logcat CO., LTD. 	None	None	None	
Director	ROC	Representative Fu-Chieh, Chuang	Male 31-40	2024.6.21	3 years	2021.7.01	338,295	0.51	338,295	0.51	0	0	0	0	<ul style="list-style-type: none"> Master's Degree in Electrical Engineering, Carnegie Mellon University, USA Chairman, QQE TECHNOLOGY CO., LTD. Vice General Manager of EverFocus Electronics Corporation 	<ul style="list-style-type: none"> Please see (Note 2) for other concurrent positions. 	Chairman	Yung-Shun Chuang	First-Degree	
Director	ROC	LCL CAPITAL INC.	Not applicable	2021.07.01	3 years	2018.6.14	4,806,260	7.06	3,768,021	5.64	0	0	0	0	None	<ul style="list-style-type: none"> Director, COLLINS CO., LTD. Director, GLAC BIOTECH CO., LTD. Director, Bioengine Technology Development Inc. 	None	None	None	
	ROC	Representative Ching-Kun Chen	Male 61-70	2021.07.01	3 years	2011.11.28	0	0	0	0	0	0	0	0	<ul style="list-style-type: none"> Master, Department of Management Science, National Chiao Tung University Passed the CPA Exam Instructor, Department of Finance, Tamkang University 	<ul style="list-style-type: none"> Partner, Jar Shin CPAs Collins Co., Ltd- Representative Director Independent Director and Member of Remuneration Committee, ALLIED BIOTECH CORP. 	None	None	None	
	ROC	Representative Chieh-Hsi Li	Male 41-50	2021.07.01	3 years	2021.01.05	0	0	0	0	0	0	0	0	<ul style="list-style-type: none"> Ph.D. in Information Engineering, University of Southern California, USA 	<ul style="list-style-type: none"> CEO, COLLINS CO., LTD. CEO, THRoute Corporation 	None	None	None	
Independent director	ROC	Hsu-Nan Huang	Male 61-70	2021.07.01	3 years	2018.06.14	0	0	0	0	0	0	0	0	<ul style="list-style-type: none"> Ph.D., College of Management, National Chiao Tung University Ming Chuan University 	<ul style="list-style-type: none"> For other concurrent positions, please see (Note 3) 	None	None	None	
Independent director (Term Ends: June 21, 2024)	ROC	Hsueh-Yu Lo	Male 61-70	2021.07.01	3 years	2014.6.12	0	0	0	0	0	0	0	0	<ul style="list-style-type: none"> Chairman, Grand Fortune Securities President, Grand Fortune Securities Executive VP, TAIWAN INTERNATIONAL SECURITIES CO., LTD. Master, Department of Accounting and Information Technology, National Chung Cheng University 	<ul style="list-style-type: none"> Director, Welldone Company Independent director, member of Audit Committee and member of Remuneration Committee, HONG TAI ELECTRIC INDUSTRIAL CO., LTD. 	None	None	None	
Independent director	ROC	Chen-An Li	Male 51-60	2021.07.01	3 years	2021.7.01	18,629	0.03	18,629	0.03	0	0	0	0	<ul style="list-style-type: none"> Master, Institute of Business Automation and Management, National Taipei University of Technology Vice President, Manufacturing Center, LITEMAX ELECTRONICS INC. 	None	None	None	None	
Independent	ROC	Kuo Kun-	Male	2024.6.21	3	2024.6.21	0	0	0	0	0	0	0	0	<ul style="list-style-type: none"> Department of Business 	<ul style="list-style-type: none"> Director of KING CORE 	None	None	None	

director (Term Begins: June 21, 2024)		Chang	61-70		years										Administration, National Chengchi University	ELECTRONICS INC. • Supervisor of KING CORE ELECTRONICS (SUZHOU) CO., LTD (legal representative) • Chairman of Shenzhen Zhen King Electronics Components Co.,Ltd. (legal representative)				
---	--	-------	-------	--	-------	--	--	--	--	--	--	--	--	--	---	---	--	--	--	--

Note 1 : Serving Concurrently as Chairman - Corporate Representative of the Following Companies:AAEON Technology Inc., ONYX HEALTHCARE INC., AAEON TECHNOLOGY (SUZHOU) INC., JETWAY INFORMATION CO., AAEON INVESTMENT, CO., LTD. QQE TECHNOLOGY CO., LTD., ONYX HEALTHCARE (SHANGHAI) LTD., IHELPER INC. ; Chairman of the following companies: YanXin Investment Co., Ltd., Fu Li Investment Co., Atech OEM Inc. ; Serving Concurrently as Director - Corporate Representative of the Following Companies:LITEMAX ELECTRONICS INC., Xac Automation Corp., WINMATE INC., NEW FUTURE CAPITAL CO., LTD., IBASE TECHNOLOGY INC., PROTECTLIFE INTERNATIONAL BIOMEDICAL INC. Director of the following companies:AAEON Electronics Inc., AAEON TECHNOLOGY (Europe) B.V., AAEON TECHNOLOGY GMBH , AAEON TECHNOLOGY SINGAPORE PTE. LTD., AAEON EDUCATION FOUNDATION., Mcfees Group Inc., ALLIED BIOTECH CORP., KING CORE ELECTRONICS INC., Outstanding Electronics (Dongguan) Manufacturer Co., Ltd., MACHVISION, INC., TOP UNION ELECTRONICS CORPORATION, TOP UNION Electronics (SUZHOU) Co., Ltd., Allied Oriental International Ltd., LitemaxTechnology, Inc., ONYX Healthcare Europe B.V., ONYX Healthcare USA, Inc., CHC Healthcare Group, China University of Technology. ; Serving Concurrently as Director and General Manager of the Following Companies:Outstanding Electronics Manufacturer Group co.LTD, TAIFLEX SCIENTIFIC CO., LTD.

Note 2 : Chairman of the following companies: ATECH TECHNOLOGY (SAMOA) LTD. · Growing Profits Group Limited · Outstanding Electronics Manufacturer Group Co.,Ltd. ; Director of the following companies:AAEON Technology Singapore Pte. Ltd., OMA-LIGHTING CO., LTD., INNMAX technology, INC., QQE TECHNOLOGY CO., LTD., Chin Yu Investment Co., Ltd., YanXin Investment Co., Ltd., SPARK TECHNOLOGIES INC., LINKENCE TECHNOLOGIES INC., WINMATE INC., Dunpin No.1 Innovation Investment Co., Ltd. ATECH TECHNOLOGY (SAMOA) LTD. · Growing Profits Group Limited · Outstanding Electronics Manufacturer Group Co.,Ltd. · AAEON TECHNOLOGY SINGAPORE PTE.LTD. ; Serving Concurrently as Supervisor of the Following Companies:Fu Li Investment Co., Jui Hai Investment Co.,Ltd.

Note 3 : Professor and Director of the Small and Medium Enterprise Innovation Incubation Center, Ming Chuan University; Institute for Financial and Economic Legislation Promotion- Director ; Independent Director of KING CORE ELECTRONICS INC. and XAC AUTOMATION CORP. ; Director of LITEMAX ELECTRONICS INC. ; Supervisor of Le Young Construction Co., Ltd. ; Director (Corporate Representative) of SUNSINO DEVELOPMENT ASSOCIATE INC ; TOP UNION ELECTRONICS CORPORATION - Independent Director °

(1.2) Corporate shareholders' main shareholders :

April 22, 2025

Name of corporate shareholder	Corporate shareholders' main shareholders
LCL CAPITAL INC.	Wen-Hsuan Tseng 84.4%
	Yi-Hsuan Li 9%
	Chong-Liang Li 4.6%
	Kuei-Hua Lin 2%
Jui Hai Investment Co.,Ltd.	Hui-Mei, Huang 23.87%
	Yung-Shun, Chuang 11.43%
	Fu-Chieh, Chuang 7.56%
	Fu-Chun, Chuang 7.56%

(2) Directors' Professional Qualifications and Independent Analysis :

Name	Criteria	Professional qualifications and experience (Note 1)	Independence situation (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairman Yung-Shun Chuang		He graduated from National Taiwan University of Science and Technology with an honorary doctorate in engineering and is currently the Chairman of the Company, AAEON Technology Inc. and ONYX Healthcare Inc. He is the Corporate Representative for several listed companies and has more than five years of experience in commerce and corporate business and has been working in the industrial computer industry for nearly 30 years. He possesses the skills in professional leadership, marketing, operational management and strategic planning.	Does not meet any of the conditions stated in Article 30 of the Company Act. Fu-Chieh, Chuang, the corporate director representative, is the son of Chairman Yung-Shun Chuang.	1
Director Hui-Ming Tsao		She graduated from the Department of Electrical Engineering, National Taiwan University with a Master degree. She was the President of the Company and has more than five years of working experience in commerce and corporate business with the ability of industrial management and R&D.	Does not meet any of the conditions stated in Article 30 of the Company Act.	0
Representative Fu-Chieh, Chuang		Graduated with a Master's degree in Electrical Engineering from Carnegie Mellon University in the United States. Fu-Chieh, Chuang has extensive experience in the technology industry and corporate management. He currently serves as a Director of EverFocus Electronics Corporation, where he has been actively involved in strategic planning, business development, and international market expansion, demonstrating exceptional industry insight and leadership skills. In addition to his position at this Company, he has also served as an executive or supervisor in multiple investment and technology companies, gaining substantial expertise in corporate finance, operations, and regulatory compliance. His professional background and practical experience contribute to the diversity and professionalism of the Company's Board of Directors, enhancing overall corporate governance performance.	Does not meet any of the conditions stated in Article 30 of the Company Act. Chairman Chuang Yung-Shun is the father of Chuang Fu-Jie, the Corporate Director Representative.	0
Corporate representative Ching-Kun Chen		He graduated from the Department of Management Sciences of National Chiao Tung University with a Master degree. He is currently a partner of Jar Shin CPAs with more than five years of experience in commerce, finance and corporate business.	Does not meet any of the conditions stated in Article 30 of the Company Act.	1
Corporate representative Chieh-Hsi Li		He received his Ph.D. in Information Engineering at USC. He is the CEO of Collins Co., Ltd. and has over five years of experience in commerce, finance and corporate business.	Does not meet any of the conditions stated in Article 30 of the Company Act.	0
Independent director Hsu-Nan Huang		He received his PhD from the Department of Management Science, National Chiao Tung University and is currently the director of the Institute of Management at Ming Chuan University. He has over 10 years of teaching experience in law, finance and accounting.	Meet the following independence criteria two years prior to election and during the term of office: (1) Not an employee of the Company or any of its affiliates; (2) Not a director or supervisor	3
Independent director Hsueh-Yu Lo (Term Ends: June 21, 2024)		He graduated from the Department of Accounting and Information Technology, National Chung Cheng University with a Master degree. He was the Chairman of Fortune Securities Investment Consulting Co., Ltd and the President of Grand Fortune Securities. He has more than five years of working experience in commerce, finance and corporate business.	of the company or any of its affiliates (do not apply to independent directors or supervisors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a	1

<p style="text-align: center;">Independent director Chen-An Li</p>	<p>He graduated from National Taipei University of Technology with a Master's degree in Business Automation and Management, and served as the Vice President of the Manufacturing Center at LITEMAX ELECTRONICS INC. He has more than five years of working experience in commerce, finance and corporate business.</p>	<p>subsidiary of the same parent). (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 of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.</p> <p>(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph (1) or any of the persons in the preceding subparagraphs (2) or (3). (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, 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 (do not apply to independent directors or supervisors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent). (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: Not a director, supervisor, or employee of that other company (do not apply to independent directors or supervisors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent). (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: Not a director (or governor), supervisor, or employee of that other company or institution. (do not apply to independent directors or supervisors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent). (8) 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 (do not apply to specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the Company, and independent directors or supervisors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent). (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership,</p>	<p style="text-align: center;">0</p>
--	---	--	--------------------------------------

		<p>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. This restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations. (10) Not a spouse or a relative within two degrees of kinship with other directors (11) Does not meet any of the conditions stated in Article 30 of the Company Act. (12) Not be elected in the capacity of a government agency, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act.</p>	
<p>Independent director Kuo Kun-Chang (Term Begins: June 21, 2024)</p>	<p>Graduated from the Department of Business Administration at National Chengchi University, currently serving as a Director of Chin Pao Electronic Industrial Co., Ltd., Supervisor (Corporate Representative) of Chin Pao Electronics (Suzhou) Co., Ltd., and Chairman (Corporate Representative) of Shenzhen Zhenqi Electronic Components Co., Ltd.</p>		<p>0031</p>

Note 1: Professional Qualifications and Experience: Please specify individual director's and supervisor's professional qualifications and experience. If the director is a member of the Audit Committee and specialized in accounting or finance, please specify his/her accounting or financial background and working experience, and also whether he/she meets any circumstances referred to in Article 30 of the Company Act.

Note 2: Please specify the independent directors' compliance of independence, including, but not limited to, whether they or their spouses or relatives within the second degree of kinship serve as directors, supervisors or employees in the Company or any of its affiliates; the number and percentage of the Company's shares held in their own names or names of the spouses, relatives within the second degree of kinship (or proxy shareholder); whether they serve as directors, supervisors, or employees in any company engaged in specific relationship with the Company (please refer to the subparagraphs 5-8, Paragraph 1 of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received in the last two years for providing commercial, legal, financial, accounting or other professional services to the Company and its affiliates.

(3)Background information of President, V.P., Assistant V.P., and Departments Heads.

April 22, 2025

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Relation
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	ROC	Chih-Hung Kao	Male	112.11.09	0	0.00	0	0.00	0	0.00	• Master's in Electrical Engineering from National Taiwan University • EMBA from the Business School of National Taiwan University • Co-founder and CEO of AREC Inc.	• Director and concurrently General Manager of AREC Inc.	None	None	None	None
Executive Vice President of Operations	ROC	Fu-Chieh Chuang	Male	112.11.09	900,000	1.35	0	0.00	0	0.00	• Master's Degree in Electrical Engineering, Carnegie Mellon University, USA • Chairman, QQE TECHNOLOGY CO., LTD. • Vice General Manager of EverFocus Electronics Corporation	• Please see (Note 1) for other concurrent positions.	None	None	None	None
Financial Officer (Resigned on March 11, 2025)	ROC	Chien-Liang Chen	Male	108.11.14	0	0.00	0	0.00	0	0.00	• Master, Department of Management Science, National Chiao Tung University • Taxation Officer, TECO Electric and Machinery Co., Ltd. • Accounting Manager, Taiwan Pelican Express Co., Ltd.	• Supervisor, EVERFOCUS JAPAN CORP. (Resigned on March 11, 2025)	None	None	None	None
Financial Officer (Assumed Office on March 11, 2025)	ROC	Chia-Wei Lin	Female	114.03.11	11	0.00	0	0.00	0	0.00	• Department of Accounting, China University of Technology	None	None	None	None	None

Note 1 : Chairman of the following companies: ATECH TECHNOLOGY (SAMOA) LTD. , Growing Profits Group Limited , Outstanding Electronics Manufacturer Group Co., Ltd. ; Director of the following companies: AAEON Technology Singapore Pte. Ltd., OMA-LIGHTING CO., LTD., INNMAX technology, INC., QQE TECHNOLOGY CO., LTD., Chin Yu Investment Co., Ltd., YanXin Investment Co., Ltd., SPARK TECHNOLOGIES INC., LINKENCE TECHNOLOGIES INC., WINMATE INC., Dunpin No.1 Innovation Investment Co., Ltd. ATECH TECHNOLOGY (SAMOA) LTD. , Growing Profits Group Limited , Outstanding Electronics Manufacturer Group Co., Ltd. , AAEON TECHNOLOGY SINGAPORE PTE. LTD. ; Serving Concurrently as Supervisor of the Following Companies: Fu Li Investment Co., Jui Hai Investment Co., Ltd.

3. Remuneration paid to directors, supervisors, presidents, and vice presidents

(1) Remuneration paid to directors (including independent directors) (disclosure of directors' names and remuneration)

December 31, 2024
Unit: NT\$ thousands

Title	Name	Directors' remuneration								Sum of A, B, C and D as percentage of Net Income (%) (Note 2)		Relevant Remuneration Received by Directors Who are Also Employees								Sum of A, B, C, D, E, F and G as percentage of Net Income % (Note 2)		Compe nsation from investe d busines ses other than subsidi aries
		Compensation (A)		Severance pay and pensions (B)		Remuneration for directors (C) (Note 1)		Allowances (D)				Base compensation, bonuses, and allowances (E)		Severance pay and pensions (F)		Employee profit sharing from earnings distribution (G) (Note 1)						
		The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	Cash Amount	Share Amount	Cash Amount	Share Amount	The Company	From all consolidated entities	
Chairman	Yung-Shun Chuang	0	0	0	0	0	0	30	30	30 (0.05)	30 (0.05)	0	0	0	0	0	0	0	0	30 (0.05)	30 (0.05)	None
Director	Hui-Ming Tsao	0	0	0	0	0	0	25	25	25 (0.04)	25 (0.04)	0	0	0	0	0	0	0	0	25 (0.04)	25 (0.04)	None

Director	Fu-Chieh Chuang	0	0	0	0	0	0	20	20	20 (0.03)	20 (0.03)	0	0	0	0	0	0	0	0	20 (0.03)	20 (0.03)	None
Director	LCL CAPITAL INC.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Representative: Ching-Kun Chen	0	0	0	0	0	0	30	30	30 (0.05)	30 (0.05)	0	0	0	0	0	0	0	0	30 (0.05)	30 (0.05)	None
Director	LCL CAPITAL INC.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Representative: Chieh-Hsi Li	0	0	0	0	0	0	30	30	30 (0.05)	30 (0.05)	0	0	0	0	0	0	0	0	30 (0.05)	30 (0.05)	None
Independent director (Term Ends: June 21, 2024)	Hsueh-Yu Lo	0	0	0	0	0	0	85	85	85 (0.14)	85 (0.14)	0	0	0	0	0	0	0	0	85 (0.14)	85 (0.14)	None
Independent director	Chen-An Li	0	0	0	0	0	0	180	180	180 (0.3)	180 (0.3)	0	0	0	0	0	0	0	0	180 (0.3)	180 (0.3)	None
Independent director	Hsu-Nan Huang	0	0	0	0	0	0	180	180	180 (0.3)	180 (0.3)	0	0	0	0	0	0	0	0	180 (0.3)	180 (0.3)	None
Independent director (Term Begins: June 21, 2024)	Kuo Kun-Chang	0	0	0	0	0	0	95	95	95 (0.16)	95 (0.16)	0	0	0	0	0	0	0	0	95 (0.16)	95 (0.16)	None

1. Please explain the policy, system, standards, and structure by which independent director remuneration is paid, and association between the amount paid and independent directors' responsibilities, risks, and time committed:

(1)Article 16 of the Article of Incorporation states: Directors of the Company shall be entitled to remuneration for their duties regardless of profit or loss. The Board of Directors is authorized to determine the remuneration within the standards for maximum salaries established in the Company's Remuneration Policy based on the level of their participation in the Company's operations and the value of their contribution. The Directors shall be reimbursed for all expenses incurred as necessary to carry out their duties. Directors are entitled to receive NT\$5,000 transportation fee for attending the meeting.

(2)According to Article 19 of the Company's Articles of Association:If the Company generates a profit in any fiscal year, 3% to 10.5% of the profit shall be allocated as employee compensation. At least 20% of the aforementioned employee compensation shall be reserved for grassroots employees. The distribution of such compensation, either in the form of shares or cash, shall be determined by the Board of Directors, and the recipients may include employees of subsidiaries who meet specific criteria.The Company may also allocate up to 2.5% of the profit as directors' remuneration, subject to the resolution of the Board of Directors. However, if the Company has accumulated losses, the amount required to offset such losses shall be reserved first. Subsequently, employee compensation and directors' remuneration shall be distributed according to the specified ratios.

2.Compensation received by director for providing service (e.g. consultancy service without the title of an employee) to the parent company, any company included in the financial statements, or any business investment in the last year, except those disclosed in the above table: None

Note 1: Due to the Company has accumulated losses in 2024, the Board of Directors resolved not to appropriate the remuneration to directors, supervisors and employees.

Note 2: The Company has adopted the IFRS, the net income disclosed is the net loss after tax in the 2024 parent company only financial statements.

(2)Remuneration paid to supervisors (disclosure of supervisors' names and remuneration): None.

(3) Remuneration paid to president and vice president (disclosure of their names and remuneration):

December 31, 2024
Unit: NT\$ thousands

Title	Name	Salary (A)		Severance pay and pensions (B)		Bonuses and special expenses (C)		Employee compensation (D) (Note 1)				Sum of A, B, C and D as percentage of Net Income (%) (Note 2)		Amount of employee stock option received		Number of new restricted employee shares received		Compensation from invested businesses other than subsidiaries
		The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company		From all consolidated entities		The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	
								Cash Amount	Share Amount	Cash Amount	Share Amount							
President	Chih -Hung Kao	1,200	1,200	0	0	0	0	0	0	0	0	1,200 (2.01)	1,200 (2.01)	0	0	0	0	Yes
Executive Vice President of Operations	Fu-Chieh Chuang	600	600	0	0	0	0	0	0	0	0	600 (1.00)	600 (1.00)	0	0	0	0	None

Note 1: Due to the Company has accumulated losses in 2024, the Board of Directors resolved not to appropriate the remuneration to employees.

Note 2: The Company has adopted the IFRS, the net income disclosed is the net loss after tax in the 2024 parent company only financial statements.

(4) Top five officers' remuneration (disclosure of officers' names and remuneration)

December 31, 2024
Unit: NT\$ thousands

Title	Name	Salary (A)		Severance pay and pensions (B)		Bonuses and special expenses (C)		Employee compensation (D) (Note 1)				Sum of A, B, C and D as percentage of Net Income (%) (Note 2)		Compensation from invested businesses other than subsidiaries
		The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company		From all consolidated entities		The Company	From all consolidated entities	
								Cash Amount	Share Amount	Cash Amount	Share Amount			
President	Chih -Hung Kao	1,200	0	0	0	0	0	0	0	0	0	1,200 (2.01)	1,200 (2.01)	189
Executive Vice President of Operations	Fu-Chieh Chuang	600	0	0	0	0	0	0	0	0	0	600 (1.00)	600 (1.00)	None
Corporate Governance Officer	Yun-Hua Chiang (Note 3)	1,205	0	0	0	0	0	0	0	0	0	1,205 (2.02)	1,205 (2.02)	None

Financial Officer	Chien-Liang Chen	1,225	0	0	0	0	0	0	0	0	0	1,225 (2.05)	1,225 (2.05)	None
-------------------	------------------	-------	---	---	---	---	---	---	---	---	---	-----------------	-----------------	------

Note 1: Due to the Company has accumulated losses in 2023, the Board of Directors resolved not to appropriate the remuneration to employees.

Note 2: The Company has adopted the IFRS, the net income disclosed is the net loss after tax in the 2023 parent company only financial statements.

Note 3: Resigned on November 29, 2024.

(5) Employee Remuneration Distributed to Managers and Distribution Situation

December 31, 2024
Unit: NT\$ thousands

	Title	Name	Share amount(Note 1)	Cash amount(Note 1)	Total	Percentage of net earnings after tax (Note 2)
Manager	President	Chih -Hung Kao	0	0	0	0
	Executive Vice President of Operations	Fu-Chieh Chuang				
	Corporate Governance Officer	Yun-Hua Chiang (Note3)				
	Financial Officer	Chien-Liang Chen (Note4)				

Note 1: Due to the Company has accumulated losses in 2024, the Board of Directors resolved not to appropriate the remuneration to employees.

Note 2: The Company has adopted the IFRS, the net income disclosed is the net loss after tax in the 2024 parent company only financial statements.

Note 3: Resigned on November 29, 2024.

Note 4: Resigned on March 11, 2025.

(6) Amount of remuneration paid in the last 2 years by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, President, and Vice Presidents, and their respective proportions to net income and the policies, standards, and packages by which they were paid, the procedures through which remunerations were determined, and their association with business performance and future risks: A、Percentage of total remunerations of net income: :

Title	2024	2023
	Amount of remuneration paid by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, President, and Vice Presidents, and their respective proportions to net income (%).	Amount of remuneration paid by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, President, and Vice Presidents, and their respective proportions to net income (%).
Director	675 (1.13)	430 (0.88)
Supervisor	0	0
President and Vice President	1,800 (3.01)	270 (0.55)

Please refer to page 62 for the description of employee bonus and remuneration to directors and supervisors.

B、Policies, standards by which they were paid, and their association with business performance and future risks: The remuneration criteria for directors and supervisors of the Company are specified in the Company's Articles of Incorporation. The remuneration for managers of the Company is evaluated and proposed by the Remuneration Committee and approved by the Board of Directors. The annual operating performance of the Company reflects the remuneration to directors and supervisors, as well as the year-end bonuses and employee bonuses to managers.

4. Implementation of Corporate Governance:

(1) Board of directors' meeting status:

Board of directors' meeting status

A total of 6 meetings were held in 2024

Attendance of directors are shown below:

Title	Name	Attendance rate in person	Attendances by proxy	Attendance rate in person (%)	Remark
Chairman	Yung-Shun Chuang	6	0	100.00 %	
Director	Hui-Ming Tsao	5	0	80.00 %	
Director	Fu-Chieh, Chuang	4	0	100.00 %	
Director	LCL CAPITAL INC. Representative - ChingKun Chen	6	0	100.00 %	
Director	LCL CAPITAL INC. Representative - Chieh-Hsi Li	6	0	100.00 %	
Independent director	Hsueh-Yu Lo	2	0	100.00 %	(Term Ends: June 21, 2024)
Independent director	Chen-An Li	6	0	100.00 %	
Independent director	Hsu-Nan Huang	6	0	100.00 %	
Independent director	Kuo Kun-Chang	4	0	100.00 %	(Term Begins: June 21, 2024)

Other items to be stated:

Where the operation of the Board of Directors meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, opinions of all independent directors and the Company's resolution of said opinions:

Matters described in Article 14-3 of the Securities and Exchange Act:

Board of Directors	Contents of Motions	Matters described in Article 14-3 of the Securities and Exchange Act	Opinions of independent directors	Company's resolution of independent director's opinions	Result of Resolution
The 18th meeting of the 10th term (2024.03.12)	Proposal on the "Effectiveness Assessment of the Internal Control System" and the "Statement of Internal Control System" for the Year 2023.	V	None	None	Unanimous consent of all directors present at the meeting.
	Proposal on the Evaluation of the Independence and Competence of the Company's Certified Public Accountants.	V	None	None	Unanimous consent of all directors present at the meeting.
	Proposal on the Re-election of Directors.	V	None	None	Unanimous consent of all directors present at the meeting.
	Proposal on Expanding the Lease Scope of Right-of-Use Assets Acquired from Related Party AREC Inc.	V	None	None	Unanimous consent of all directors present at the meeting.
	Proposal on the Year-End Performance Bonuses for Managers of the Company for the Year 2023.	V	None	None	Unanimous consent of all directors present at the meeting.

The 19th meeting of the 10th term (2024.05.08)	Proposal on the Nomination and Approval of the List of Candidates for Directors (including Independent Directors).	V	None	None	Unanimous consent of all directors present at the meeting.
	Proposal on Adjusting the Authorization for the Chairman to Handle the Transaction Limits of Securities Trading on the Centralized Trading Market.	V	None	None	Unanimous consent of all directors present at the meeting.
	Proposal on the Partial Amendment of Certain Provisions in the Company's "Property, Plant, and Equipment Cycle."	V	None	None	Unanimous consent of all directors present at the meeting.
The 1st meeting of the 11th term (2024.06.21)	Proposal on the Election of the Chairman of the Board.	V	None	None	Unanimous consent of all directors present at the meeting.
	Proposal on the Appointment of Members for the Company's 6th Compensation Committee.	V	None	None	Unanimous consent of all directors present at the meeting.
The 2nd meeting of the 11th term (2024.08.13)	Proposal on Providing Endorsement and Guarantee for EverFocus Electronics (USA) by the Company.	V	None	None	Unanimous consent of all directors present at the meeting.
	Proposal on Providing a Loan to EverFocus Electronics (USA) by the Company.	V	None	None	Unanimous consent of all directors present at the meeting.
	Proposal on Providing Endorsement and Guarantee for EverFocus Electronics (Japan) by the Company.	V	None	None	Unanimous consent of all directors present at the meeting.
	Proposal on the Remuneration for the Company's Independent Directors.	V	None	This case involves the personal interests of independent directors. The names of the directors with a conflict of interest are as follows: Independent Director Hsu-Nan Huang, Independent Director Chen-An Li, and Independent Director Kuo Kun-Chang, who recused themselves from the discussion and did not participate in the voting.	Unanimous consent of all directors present at the meeting.
The 3rd meeting of the 11th term (2024.11.12)	Proposal to Establish the Sustainability Development Committee under the Board of Directors and Formulate the Company's "Sustainability Development Committee Charter."	V	None	None	Unanimous consent of all directors present at the meeting.
	Proposal to Appoint Chairman Chuang Yung-Shun, Mr. Kao Chih-Hung, and Executive Assistant to the President Ms. Chang Liang-Hui as Members of the Sustainability Development Committee.	V	None	None	Unanimous consent of all directors present at the meeting.
	Proposal to Formulate the Company's "Sustainability Information Management Operating Procedures."	V	None	None	Unanimous consent of all directors present at the meeting.
	Proposal on Matters Related to the Company's Business Transactions with Banks.	V	None	None	Unanimous consent of all directors present at the meeting.
	Proposal on Providing Endorsement and Guarantee for EverFocus Electronics (Japan) by the Company.	V	None	None	Unanimous consent of all directors present at the meeting.
	Proposal on the 2025 Audit Plan.	V	None	None	Unanimous consent of all directors present at the meeting.
The 4th meeting of the 11th term (2024.12.19)	Proposal on the Company's Budget and Operational Plan for the Year 2025.	V	None	None	Unanimous consent of all directors present at the meeting.
	Proposal on the Supplementary Appointment of the Company's "Corporate Governance Officer."	V	None	None	Unanimous consent of all directors present at the meeting.

Any other resolution(s) passed but with independent directors voicing opposing or qualified opinions on the record or in writing: None.

(1.1)When there is avoidance due to conflicts of interest by director, the name of the director, the motion(s), the cause for the conflict of interest, and the participation of the voting should be noted: None.

(1.2)The following information is about the TWSE/TPEX listed financial holding companies are required to disclose the cycle, duration, scope, method and detail of board performance self (or peer) evaluations performed:

Implementation of Board Performance Evaluation:

Assessment cycle	Assessment period	Scope of assessment	Method of assessment	Assessment items
Conducted once each year	January 01, 2024 to December 31, 2024	Board of Directors	Questionnaire of Self-Evaluation of Performance of the Board	A. Participation in the operation of the Company B. Improvement of the quality of the board of directors C. Composition and structure of the board of directors D. Election and continuing education of the directors E. Internal control
		Board members	Questionnaire of Self-Evaluation of Performance of Board Members	A. Alignment of the goals and missions of the company B. Awareness of the duties of a director C. Participation in the operation of the Company D. Management of internal relationship and communication E. The director's professionalism and continuing education F. Internal control
		Audit Committee	Questionnaire of Self-Evaluation of Performance of the Board	A. Participation in the operation of the Company B. Awareness of the duties of the functional committee C. Improvement of quality of decisions made by the functional committee D. Makeup of the functional committee and election of its members E. Internal control
		Remuneration Committee	Questionnaire of Self-Evaluation of Performance of the Board	A. Participation in the operation of the Company B. Awareness of the duties of the functional committee C. Improvement of quality of decisions made by the functional committee D. Makeup of the functional committee and election of its members E. Internal control

The Company's board of directors approved rules for "Board of Directors Self-Assessment of Performance" on March 19, 2021, and conducted the performance assessment based on the evaluation procedures and evaluation indicators stipulated in the said rules for the current year. The assessment was completed in the first quarter of 2025 for the year 2024 and the results were submitted to the 11rd meeting of the 5th term of Board of Directors on March 11, 2025.

The results of the 2024 Board of Directors Self-Assessment of Performance: The results of the Board of Director Self-Assessment and the Board Members' Self-Assessment were both "Superior"; the Audit Committee Performance Assessment was "Excellent"; the Remuneration Committee Performance Assessment was "Excellent" and "Superior".

When electing or nominating members of the board of directors, the Company shall base its election on the evaluation results of the performance of the board.

(1.3)Enhancements to the functionality of the board of directors in the current and the most recent year, and the progress of such enhancements:

(1.3.1)Enhancement of board functionality:

The Company has always followed the corporate governance principle since its establishment to maintain a sound operation of the Company through the corporate governance mechanism in order to maximize the interests of shareholders. Besides stipulating the "Rules of Procedures of the Board of Directors Meeting" based on the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies", the Company also established the Remuneration Committee in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed

Companies" and formulated the "Remuneration Committee Charter", the specifies that the Remuneration Committee shall exercise the care of a good administrator in faithfully performing the official powers, and shall submit its recommendations for deliberation by the board of directors.

(1.3.2) In order to strengthen the corporate governance function of the Board of Directors, the Company has established an Audit Committee to replace the Supervisors on June 14, 2018, which is composed of all independent directors. The "Audit Committee Charter" was formulated to govern the operation of the Audit Committee.

(1.3.3) Implementation of the Board of Directors:

The agenda working group of the Board of Directors always pays attention to the changes of laws and regulations made by the government and the corporate governance needs to amend the "Rules of Procedures of the Board of Directors Meeting" in order to promptly and effectively fulfill the important policies of corporate governance, and to effectively establish the governance system for the Board of Directors Meeting and improve the supervision and management functions. In addition, the Board of Directors will post important resolutions on the Market Observation Post System (MOPS) immediately after the meeting to maintain the transparency of information and to protect the investors' rights. Up to date, the Board of Directors of the Company has been running smoothly.

2. Operations of Audit Committee

The Company's Audit Committee was formally established on June 14, 2018 and consists of three independent directors. The Audit Committee assists the Board in fulfilling its oversight of the quality and integrity of the accounting, auditing, reporting, and financial control practices of the Company, and meets at least once every quarter. The term of office for members is from July 1, 2021 to June 30, 2024. The Audit Committee review the following issues: Auditing and accounting policies and procedures, Internal control systems and including related policies and procedures, Material asset or derivatives transactions, Material lending funds, endorsements or guarantees, Derivatives and cash investments, Legal compliance, Related-party transactions and potential conflicts of interests involving managers and directors, Ombudsman reports, Fraud prevention and investigation reports, Corporate information security, Corporate risk management, Hiring or dismissal of an attesting CPA, or the compensation given thereto, Appointment or discharge of financial, accounting, or internal auditing officers.

Title	Name	Qualification
Independent director Convener	Hsu-Nan Huang	He received his PhD from the Department of Management Science, National Chiao Tung University and is currently the director of the Institute of Management at Ming Chuan University. He has over 10 years of teaching experience in law, finance and accounting.
Independent director (Re-elected on June 21, 2024.)	Hsueh-Yu Lo	Graduated from the Department of Accounting and Information Technology, National Chung Cheng University with Master degree. He was the Chairman of the Board of Grand Fortune Securities Investment Consulting Co., Ltd. and the President of Grand Fortune Securities. He has more than five years of working experience in commerce, finance and corporate business.
Independent director	Chen-An Li	National Taipei University of Technology with a Master's degree in Business Automation and Management, and served as the Vice President of the Manufacturing Center at LITEMAX ELECTRONICS INC. He has more than five years of working experience in commerce, finance and corporate business.
Newly Appointed Independent Director (Re-elected on June 21, 2024.)	Kuo Kun-Chang	Graduated from the Department of Business Administration at National Chengchi University, currently serving as a Director of Chin Pao Electronic Industrial Co., Ltd., Supervisor (Corporate Representative) of Chin Pao Electronics (Suzhou) Co., Ltd., and Chairman (Corporate Representative) of Shenzhen Zhenqi Electronic Components Co., Ltd.

Audit Committee held 3 committee meetings (A) in 2024, with the attendance of independent directors shown below:

Title	Name	Attendance in person (B)	Attendances by proxy	Attendance rate in person (%) (B/A)	Remark
Member	Hsu-Nan Huang	3	0	100%	
Member	Hsueh-Yu Lo (Outgoing, Re-elected on June 21, 2024.)	1	0	100%	During the term, one actual meeting was held in 2024.

Member	Chen-An Li	2	0	67%	
Member	Kuo Kun-Chang (Incoming, Re-elected on June 21, 2024.)	1	0	50%	During the term, two actual meetings were held in 2024.
Other items to be stated: 1. Where the operation of the Audit Committee meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, any independent director's opinions expressing objections or reservations or important suggestions, Audit Committee's resolution and the Company's resolution of Audit Committee's opinions:					

Matters described in Article 14-5 of the Securities and Exchange Act.

Board of Directors	Contents of Motions	Matters described in Article 14-5 of the Securities and Exchange Act.	Opinions of independent directors	Company's resolution of independent director's opinions	Result of Resolution
The 2nd time of the 15th term (2024.05.08)	Proposal on the Company's Consolidated Financial Statements for the First Quarter of 2024.	V	None	None	Unanimous consent of all members present at the meeting.
The 1st time of the 3rd term (2024.08.13)	1. Proposal on the Company's Consolidated Financial Statements for the Second Quarter of 2024. 2. Proposal on Providing a Loan to EverFocus Electronics (USA) by the Company. 3. Proposal on Providing Endorsement and Guarantee for EverFocus Electronics (USA) by the Company. 4. Proposal on Providing Endorsement and Guarantee for EverFocus Electronics (Japan) by the Company.	V	None	None	Unanimous consent of all members present at the meeting.
The 2nd time of the 3rd term (2024.11.12)	Proposal on the Company's Consolidated Financial Statements for the Third Quarter of 2024.	V	None	None	Unanimous consent of all members present at the meeting.

(2.1) Aside from said circumstances, resolution(s) not passed by the audit committee but receiving the consent of two thirds of the Board of Directors: None.

(2.2) When there is avoidance due to conflicts of interest by independent director, the name of the independent director, the motion(s), the cause for the conflict of interest, and the participation of the voting should be noted: The independent directors' compensation proposal involves the personal interests of independent directors. The names of the directors with a conflict of interest are as follows: Independent Director Hsu-Nan Huang, Independent Director Chen-An Li, and independent Director Kuo Kun-Chang, who recused themselves from the discussion and did not participate in the voting.

(2.3) Communication between independent directors, chief internal auditor and CPAs (e.g., matters methods and results of communication on the Company's financial and business status):

Communication methods between independent directors and chief internal auditor:

(2.3.1) Based on the execution status of the annual audit plan, the internal audit supervisor submits the audit report for the previous month by the end of each month. Quarterly, a follow-up report on improvements is prepared and delivered to the respective committee members for review. If there are any doubts, thorough communication is conducted through telephone or written correspondence at any time.

(2.3.2) The Audit Committee and the Board of Directors report the company's audit business reports to the committee members during quarterly meetings. In the event of significant abnormal matters, immediate reports are made to the committee members for review and approval. As of the most recent meeting, there have been no special circumstances reported.

(2.3.3) Regular communication with independent directors is maintained as needed through telephone, emails, or face-to-face meetings, and the communication is in good condition.

(2.4) Summary of Communication between Independent Directors and chief internal auditor in 2024

Date	Number of attendees	Key points of communication	Communication results
Nov. 12, 2024	Independent Director Kuo Kun-Chang chief internal auditor Li-Wen Chou	Internal Audit Execution Report for the Year 2024	No objections were raised

(2.5) Communication methods between independent directors and CPAs:

(2.5.1) The auditors provided a detailed explanation of the matters related to the

audit (review) of the financial statements and the key audit matters for the current year's financial report during the Audit Committee meetings. They engaged in fruitful discussions and maintained good communication with the independent directors.

(2.5.2) In addition to the communication that takes place during the Audit Committee meetings, the auditors and the independent directors maintain regular and open communication throughout the year. They are in contact through various means, including telephone, video conferencing, and email, to ensure that any questions or concerns regarding the audit process or financial reporting can be addressed promptly.

(2.6) The annual work priorities are as follows :

(2.6.1) According to Article 14-1 of the Securities and Exchange Act, the company is required to establish or amend internal control systems

(2.6.2) Assessment of the effectiveness of internal control systems

(2.6.3) Establishment or revision of processing procedures for significant financial transactions involving acquisition or disposal of assets, engaging in derivative trading, lending funds to others, endorsing or providing guarantees for others, as required by Article 36-1 of the Securities and Exchange Act

(2.6.4) Matters concerning conflicts of interest involving directors themselves

(2.6.5) Material asset or derivatives transactions

(2.6.6) Material lending funds, endorsements or guarantees

(2.6.7) Fundraising, issuance, or private placement of equity securities

(2.6.8) Hiring or dismissal of an attesting CPA, or the compensation given thereto

(2.6.9) Appointment or discharge of financial, accounting, or internal auditing officers

(2.6.10) Annual financial statements signed or stamped by the Chairman, Manager and Accounting Officer, and the second quarter financial report subject to audit certification by the auditor

(2.6.11) Significant matters prescribed by other companies or regulatory authorities

(7) Audit committee' s report for the most recent year' s financial statement

Audit Committee' s Review Report

Please approve:

The Board of Directors has prepared the Company' s 2023 Financial Statements (including the Consolidated Financial statements). The CPAs Mavis Chang and Shih-Rung Wang of PricewaterhouseCoopers Taiwan were retained to audit the Company' s Financial Statements and have issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and Loss for Make-up Statement have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company. According to Article 14-4 of the Securities and Exchange Act and the Article 219 of the Company Act, we hereby submit this report.

To

EVERFOCUS ELECTRONICS CORP.

2025 Annual General Shareholders' Meeting

EVERFOCUS ELECTRONICS CORP.

Convener of the Audit Committee, Hsu-Nan Huang



March 11, 2025

(3) Implementation status of the company's corporate governance, any discrepancy from the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and the reason for such discrepancies:

Evaluation items	Implementation status and			Discrepancies with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary description	
1. Does the company establish and disclose the Corporate Governance Best Practice Principles based on the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" ?	✓		The Company has formulated the "Code of Corporate Governance Practice"	No discrepancy
2. Equity structure and shareholders' equity (1) Does the Company have internal operation procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If so, have these procedures been implemented accordingly? (2) Does the Company possess a list of its major shareholders as well as the ultimate owners of these shares? (3) Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates? (4) Has the Company established internal rules prohibiting insider trading on undisclosed information?	✓ ✓ ✓ ✓		(1) The Company has set up spokesman, acting spokesman and stock affair officer to handle matters related to shareholders' suggestions, questions and disputes; if there is a dispute and litigations, it will be handled by the Company's attorney. (2) The Company has appointed Grand Fortune Securities to handle related stock affairs. The Company also has a dedicated staff to maintain contact with the stock agent at all times to handle the list of major shareholders of the Company and ultimate owners of these shares. (3) The division of management authority and responsibility between the Company and its affiliates is clearly defined. All inter-company transactions are carried out in accordance with the relevant provisions of the Company's internal control system. (4) The "Procedures for Handling Material Inside Information" are established to regulate the operating procedures of information confidentiality and how to handle abnormal situations.	No discrepancy

Evaluation items	Implementation status and			Discrepancies with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
<p>3. Composition and responsibilities of the Board of Directors</p> <p>(1) Has the Company established a diversification policy for the composition of its Board of Directors and has it been implemented accordingly?</p> <p>(2) Other than the Remuneration Committee and Audit Committee which are required by the law, does the Company plan to set up any other Board committees?</p> <p>(3) Has the Company established a methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the results of the performance to the Board of Directors, and used the results as reference for directors' remuneration and renewal?</p> <p>(4) Does the company regularly evaluate its external auditors' independence?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) In accordance with Article 24 of "Corporate Governance Best Practice Principles", the composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards: 1. Basic requirements and values: Gender, age, nationality, and culture. 2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience. Currently, there are 7 directors, including 3 independent directors (1 with less than 3 years of tenure and 2 with 3 or more years of tenure but less than 9 years), and 2 corporate directors, all of whom are Taiwanese nationals. Among them, there are 6 male directors and 1 female director. Two directors also serve as employees of the company. The company is committed to achieving specific management objectives for board diversity and aims to prioritize the appointment of at least one director with a legal background in future board member selections. Please refer to [Attachment 1] for more details.</p> <p>(2) In addition to establishing the Compensation Committee and Audit Committee in accordance with the law, the Company established the Sustainability Development Committee on November 26, 2024.</p> <p>(3) The Company's Board of Directors has approved the Board of Director's Self-Assessment of Performance on March 26, 2020. The Company has submitted the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term. In the first quarter of 2025, the evaluation for 2024 was completed, and the assessment results were reported to the 5th meeting of the 11th Board of Directors on March 11, 2025.</p> <p>(4) The Company's Audit Committee conducts regular assessments of the independence and suitability of the engagement auditors. In addition to requesting the engagement auditors to provide a "Statement of Independence," the assessments are conducted based on the standards outlined in [Attachment 2]. After confirming that the auditors have no financial interests or business relationships with the Company other than fees for audit and taxation services, and that their family members do not violate the independence requirements, the assessment results for the most recent fiscal year were discussed and approved by the Audit Committee on March 22, 2023, and submitted to the 13th Board meeting of the 10th term on the same date for resolution regarding the independence assessment of the engagement auditors.</p>	No discrepancy

Evaluation items	Implementation status and			Discrepancies with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
4. Has the company designated an appropriate number of personnel that specializes (or are involved) in corporate governance affairs (including but not limited to providing directors/supervisors with the information needed and assist directors and supervisors in complying with the laws and regulations to perform their duties, convention of board meetings and shareholders' meetings, preparation of board meeting and shareholders meeting minutes, etc.)?	✓		As resolved by the Board of Directors on March 11, 2025, Ms. Chia-Wei Lin, a Financial Officer, is appointed as the Corporate Governance Officer of the Company, responsible for governance-related matters. The main responsibilities of the Corporate Governance Officer are as follows: (1) Handle matters related to the meetings of the Board of Directors and shareholders' meetings in accordance with the law. (2) Prepare minutes of meetings of the Board of Directors and shareholders' meetings. (3) Assist directors in their appointment and continuous professional development. (4) Provide information necessary for directors to carry out their duties. (5) Assist directors in complying with laws and regulations. (6) Report to the Board of Directors on the examination results of whether the qualifications of independent directors comply with relevant laws and regulations during nomination, election, and tenure. (7) Handle matters related to changes in directors. (8) Handle other matters stipulated in the company's articles of incorporation or contracts.	No discrepancy
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?	✓		We have set up a stakeholder section on our website to disclose the contact information and contact options.	No discrepancy
6. Has the Company appointed a professional registrar for its Shareholders' Meetings?	✓		Professional registrar (stock agent) of the Company: The Company has appointed Grand Fortune Securities to handle related stock affairs.	No discrepancy
7. Disclosure of information (1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status? (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.)? (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?	✓ ✓ ✓		(1) The "About" section of the company's website discloses the monthly revenue, quarterly results and CSR related information. (2) The Company has a dedicated staff to maintain the Company's English website, and there is also a spokesman and an acting spokesman responsible for the disclosure of external information; all required announcements are posted on the Market Observation Post System in accordance with the regulations. (3) The following are the Company's annual financial statements, quarterly financial statements and monthly operating status as announced and reported in accordance with relevant regulations: ● The Company announces and reports the annual financial statements within three months after the end of the fiscal year. ● The Company announces and reports the first, second, and third quarter financial statements with 45 days after the end of each period. ● The Company announces and reports the operating status of each month with 10 days after the end of each month.	No discrepancy

<p>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 relations policies, and purchasing insurance for directors)?</p>	<p>✓</p>	<p>1. The Company is committed to environmental protection, labor safety and labor welfare. The executives of the Company operate the business based on the ethical code of conduct and maintain good relationships with customers, suppliers and banks. The Company has established the "Regulations for Handling Operations, Business and Financial Transactions between the Company and its Related Parties, Specific Companies and Affiliates" in its internal control system so that each of the Company's related parties can recuse themselves from conflict of interest activities. Please refer to pages 70-74 of the Annual Report for additional information on environment protection and labor relations of the Company.</p> <p>2. The Company has not established corporate governance best practice principles, but has disclosed the attendance of directors and supervisors for board meetings on the Market Observation Post System. The attendance of directors and supervisors in the board meetings has been satisfactory over the years. The minutes of each board meeting are provided to the directors and supervisors for their reference after the meeting.</p> <p>3. The Company has adopted the Procedures for Handling Material Inside Information for the purpose of establishing sound mechanisms for the handling and disclosure of material inside information by this Corporation, in order to prevent improper information disclosures and to ensure the consistency and accuracy of information released by the Company to the public. For more information, please refer to the Company's website / About / Social Responsibility / Corporate Governance / Important Regulations.</p> <p>4. The agenda working group of the Board of Directors would remind the managers, directors and supervisors of the Company regarding the rules and regulations related to material information by e-mail from time to time.</p> <p>5. The Company will notify the directors and supervisors by e-mail from time to time to attend the professional education courses held by the relevant units; and will disclose the information about the directors' and supervisors' training on the Market Observation Post System (MOPS) on a regular basis as required by the competent authority. Please refer to pages 38-39 of the Annual Report for information on the 2024 training records for directors and supervisors of the Company.</p> <p>6. Implementation status of risk management policies and risk measurement standards: (1) Risk management policy: The Company has always adopted a prudent prevention policy for risk management and has established a strict internal control system in compliance with the requirements set by the competent authority, laws and regulations. We also have qualified internal auditors who formulate risk-oriented audit plans to review the existing or potential risks in the internal control procedures annually. (2) In addition, the Company maintains insurance policies including property insurance, product liability insurance, and others to avoid and diversify risks. Responsibility for risk management at each level: All management units in the Company are responsible for the risk management according to the nature of the business; the following is a summary of the Company's risk implementation and the main responsible management units:</p> <ul style="list-style-type: none"> • Resource Services Division: The Finance and Accounting Division is responsible for the preparation and control of budget and the system; the allocation and utilization of funds; and the establishment of a hedging mechanism to reduce financial risks. The Information Division promotes and implements computerization and information security control and protection to minimize information security risks. • R&D Division: Focus on product development, R&D efficiency evaluation and analysis to increase market share and reduce the risk associated with product substitution and market obsolescence. • Sales Division: Responsible for marketing strategies, marketing promotions, keeping track of market trends and minimizing business operating risks. • Manufacturing Division: Responsible for production, manufacturing, machinery and equipment maintenance and repair, and labor safety and 	<p>No discrepancy</p>
---	----------	--	-----------------------

Evaluation items	Implementation status and			Discrepancies with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons								
	Yes	No	Summary description									
			<p>health management to reduce the risk associated with the manufacturing process.</p> <ul style="list-style-type: none"> Quality Division: Prepare quality assurance plans, revise quality handbooks and make sure they are implemented to reduce the risk of unstable product quality; provide after-sales service, technical support to customers, and analyze and resolve customer complaints to minimize the risks arising from customer complaints, loss and being replaced by the competitors. Occupational Safety Division: Develop/plan/supervise and promote the safety and health management activities to reduce the risk of occupational disasters among the employees of the Company. <p>7. For the implementation of customer policies, quality is always our core value. Our products are covered by product liability insurance. The Company adopts "green processes" to produce "green products" through pollution prevention, process reduction and continuous improvement measures to enhance environmental performance and operational efficiency, such as: eco-friendly product design, waste removal and treatment, efficient use of natural resources, energy saving and waste reduction efficiency.</p> <p>The Company obtained ISO 14001 environmental management system certification in 2009 to meet international standards. Subsequently, the Company conducts regular internal audits and comprehensive reviews to establish a foundation for sustainability and to protect the rights of consumers.</p> <p>8. The Company has purchased liability insurance for its directors and supervisors since 2005. The directors of the Company are highly self-disciplined and have recused themselves from all motions in which they have a conflict of interest with in order to implement corporate governance.</p> <p>The information on the Company's liability insurance for directors and supervisors is as follows:</p> <table border="1"> <thead> <tr> <th>Insured</th> <th>Insurance Company</th> <th>Coverage</th> <th>Insured Period</th> </tr> </thead> <tbody> <tr> <td>All directors and supervisor</td> <td>Shinkong Insurance Co., Ltd.</td> <td>USD 2 millions</td> <td>From: September 1, 2024 To: September 1, 2025</td> </tr> </tbody> </table> <p>9. For additional information about the Company, please visit the Company's website. Website of the Company: http://www.everfocus.com.tw</p>	Insured	Insurance Company	Coverage	Insured Period	All directors and supervisor	Shinkong Insurance Co., Ltd.	USD 2 millions	From: September 1, 2024 To: September 1, 2025	
Insured	Insurance Company	Coverage	Insured Period									
All directors and supervisor	Shinkong Insurance Co., Ltd.	USD 2 millions	From: September 1, 2024 To: September 1, 2025									
9. The improvement status regarding the results of the Corporate Governance Evaluation announced by Taiwan Stock Exchange. (Not applicable. The Company is exempted from the assessment)	✓		<p>In response to the latest Corporate Governance Evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center, Hi Sharp Electronics Co., Ltd. established the "Sustainable Development Committee" on November 26, 2024, to strengthen corporate governance structures and promote sustainable development strategies. The committee is chaired by the Chairman and comprises department heads responsible for planning and implementing the company's Environmental, Social, and Governance (ESG) policies and objectives.</p> <p>Furthermore, the company actively enhances information transparency by regularly publishing sustainability reports that disclose performance and progress in various ESG aspects.</p> <p>For evaluation indicators that have not yet been met, the company will continue to review and optimize relevant systems and processes, particularly in areas such as board diversity, risk management mechanisms, and shareholder rights protection. Specific improvement plans will be developed and regularly reported to the board of directors to ensure continuous enhancement of corporate governance quality.</p>	No discrepancy								

Attachment 1

Individual directors for diversification of Board members

1. Basic Information of Board of Directors Members:

Title	Nationality or place of registration	Name	Gender Age distribution	Date elected (appointed)	Term of office	Date first elected	Education	experience
Chairman	ROC	Yung-Shun Chuang	Male 71-80	2021.07.01	3 years	2018.06.14	Honorary Doctorate of Engineering, National Taiwan University of Science and Technology	Chairman, AAEON Technology Inc.
Director	ROC	Hui-Ming Tsao	Female 61-70	2021.07.01	3 years	2012.6.13	National Taiwan University, Graduate Institute of Electrical Engineering	Director, EVERFOCUS JAPAN CORP. supervisor logcat CO., LTD.
Corporate Director Representative	ROC	Fu-Chieh, Chuang (Note1)	Male 31-40	2024.6.21	3 years	2021.7.01	Master's Degree in Electrical Engineering, Carnegie Mellon University, USA	Chairman, QQE TECHNOLOGY CO., LTD.
Corporate Director Representative	ROC	Representative Ching-Kun Chen	Male 61-70	2021.07.01	3 years	2011.11.28	Master, Department of Management Science, National Chiao Tung University Passed the CPA Exam	Partner, Jar Shin CPAs
Corporate Director Representative	ROC	Representative Chieh-Hsi Li	Male 41-50	2021.07.01	3 years	2021.01.05	Ph.D. in Information Engineering, University of Southern California, USA	CEO, COLLINS CO., LTD. CEO, THRoute Corporation
Independent director	ROC	Hsu-Nan Huang	Male 61-70	2021.07.01	3 years	2018.06.14	Ph.D., College of Management, National Chiao Tung University	Professor and Director of the Small and Medium Enterprise Innovation Incubation Center, Ming Chuan University
Independent director	ROC	Hsueh-Yu Lo (Note2)	Male 61-70	2021.07.01	3 years	2014.6.12	Master, Department of Accounting and Information Technology, National Chung Cheng University	Chairman, Grand Fortune Securities
Independent director	ROC	Chen-An Li	Male 51-60	2021.07.01	3 years	2021.7.01	Master, Institute of Business Automation and Management, National Taipei University of Technology	Vice President, Manufacturing Center, LITEMAX ELECTRONICS INC.
Independent director	ROC	Kuo Kun-Chang (Note3)	Male 61-70	2024.6.21	3 years	2024.6.21	Department of Business Administration, National Chengchi University	Director of KING CORE ELECTRONICS INC.

Note 1: Assumed Office on June 21, 2024.

Note 2: Resigned on June 21, 2024.

Note 3: Assumed Office on June 21, 2024

2. Board of Directors Diversity Policy

Individual directors for diversification of Board members As for the composition of the Board of Directors, an appropriate diversification policy is formulated based on its operations, operation type, and development needs, which shall include but not limited to the following two major

standards :

(1)Basic conditions and values: Gender, age, nationality, culture, etc.

(2)Professional knowledge and skills: Professional background, professional skills, and industry experience, etc. To achieve the ideal goals of corporate governance, the members of the Board are equipped with professional knowledge, skills, and qualities necessary for performing their duties. These include operational judgment, accounting and financial analysis abilities, business management skills, crisis handling capabilities, industry knowledge, international market perspectives, leadership qualities, and decision-making skills. The members of the Board of Directors of this company are selected based on the company's operations, business type, and development needs. They possess different expertise in various domains.

3. Current Status of Board of Directors Diversity Achievement

(1)The Company's 11th Board of Directors is composed of eight directors, including one female director. All board members possess extensive experience and expertise in various fields, including law, finance, accounting, digital technology and information, marketing, industry, and business management. Among the eight directors, three are independent directors, accounting for 37.5% of the total board seats, exceeding one-third of the total board membership. All independent directors exercise their powers independently. In addition to their leadership, decision-making, crisis management, and international market expertise, the three independent directors bring diverse professional backgrounds:

- Dr. Huang Xu-Nan: Holds a Ph.D. in Management Science from National Chiao Tung University. He is currently the Director of the Graduate Institute of Management at Ming Chuan University and has over ten years of teaching and research experience in the fields of law, finance, and accounting.
- Mr. Lo Hsueh-Yu: Graduated from the Graduate Institute of Accounting and Information Technology at National Chung Cheng University. He previously served as Chairman of FuBon Securities Investment Advisory Co., Ltd. and General Manager of FuBon Securities Co., Ltd., with over five years of practical experience in business, finance, and corporate operations.
- Mr. Lee Chen-An: Holds a Master's degree in Business Automation and Management from National Taipei University of Technology. He previously served as Vice President of the Manufacturing Center at Crystalwise Technology Inc., with over five years of experience in business, finance, and corporate management.

Currently, female directors account for 12.5% of the board members. To further enhance gender diversity on the Board of Directors, the Company has set a target of having 20% female directors. The Company is actively seeking qualified and experienced female directors or female independent directors to enhance the diversity and leadership of the Board.

The members possess a diverse range of professional backgrounds and the ability to perform their duties. Relevant information is as follows:

December 31, 2024

Diversification Items Name	Profile								Professional Background					Professional Background									
	Nationality	Gender	Employee of the Company	Age				Term of independent directors		Law	Accounting	Finance	Industry	Marketing	Technology	Operational judgment	Accounting and financial analysis	Business Management	Crisis Management	Knowledge of Industry	International market	Leadership	Decision making
				31 To50	51 To60	61 To70	71 To75	Under 3years	3-9 years														
Yung-Shun Chuang	ROC	Male	V				V				V	V	V	V	V	V	V	V	V	V	V	V	
Hui-Ming Tsao	ROC	Female	V			V					V	V	V	V	V	V	V	V	V	V	V	V	
Fu-Chieh, Chuang (Notel)	ROC	Male	V	V									V	V	V	V	V	V	V	V	V		
Representative Ching-Kun Chen	ROC	Male				V				V	V			V	V	V	V	V	V	V	V	V	
Representative Chieh-Hsi Li	ROC	Male			V							V	V	V	V	V	V	V	V	V	V	V	
Hsu-Nan Huang	ROC	Male				V			V		V	V			V	V	V	V	V	V	V	V	

Hsueh-Yu Lo (Note2)	ROC	Male				V			V		V	V			V	V	V	V	V	V	V	V	
Chen-An Li	ROC	Male			V			V				V		V	V	V	V	V	V	V	V	V	V
Kuo Kun-Chang (Note3)	ROC	Male				V		V				V	V		V	V	V	V	V	V	V	V	V

Note 1: Assumed Office on June 21, 2024.

Note 2: Resigned on June 21, 2024.

Note 3: Assumed Office on June 21, 2024.

2. Professional Knowledge and Independence of Directors:

December 31, 2024

	Whether the Individual Has More Than Five Years of Work Experience and the Following Professional Qualifications			Compliance with Independence Requirements (Note 4)										Number of Other Public Companies Where the Individual Also Serves as an Independent Director										
	Lecturer or Above at Public or Private Colleges or Universities in Fields Related to Business, Law, Finance, Accounting, or Banking.	Judges, Prosecutors, Lawyers, Certified Public Accountants, or Other Professionals and Technical Personnel Who Have Passed National Examinations and Hold Certificates Required for Banking Services.	Work Experience Required in Business, Law, Finance, Accounting, or Banking.	1	2	3	4	5	6	7	8	9	10											
Yung-Shun Chuang	V		V																				1	
Hui-Ming Tsao	V		V																					0
FuChieh, Chuang (Note1)	V		V																					0
Representative Ching-Kun Chen	V		V																					1
Representative Chieh-Hsi Li	V		V																					0
Hsu-Nan Huang	V		V						V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	3
Hsueh-Yu Lo (Note2)	V		V						V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	1
Chen-An Li	V		V						V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	0
Kuo Kun-Chang (Note3)	V		V						V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	1

Note 1: Term Begins: June 21, 2024

Note 2: Term Ends: June 21, 2024

Note 3: Term Begins: June 21, 2024

Note 4: Please mark "V" under the applicable condition codes if each director or supervisor has met the following conditions in the two years prior to appointment and during their term of office:

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

(2) Not a director or supervisor of the Company or its affiliates (except for independent directors mutually serving among the Company, its parent company, its subsidiaries, or subsidiaries of the same parent company, established in accordance with the Company Act or local laws).

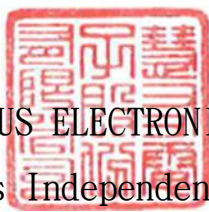
(3) Neither they nor their spouse, minor children, or those holding shares in the name of others, are among the top 10 shareholders or hold 1% or more of the total issued shares of the Company.

(4) Not the spouse, second-degree relative, or third-degree direct relative of the managerial officers listed in (1) or the persons listed in (2) and (3).

(5) Not a director, supervisor, or employee of any corporate shareholder that directly holds 5% or more of the total issued shares of the Company, is among the top five shareholders, or appoints representatives to serve as directors or supervisors of the Company under Article 27, Paragraph 1 or 2 of the Company Act (except for independent directors mutually serving among the Company, its parent company, its subsidiaries, or subsidiaries of the same parent company, established in accordance with the Company Act or local laws).

- (6) Not a director, supervisor, or employee of another company whose board seats or shares with voting rights are controlled by the same person who controls the Company (except for independent directors mutually serving among the Company, its parent company, its subsidiaries, or subsidiaries of the same parent company, established in accordance with the Company Act or local laws).
- (7) Not a director (trustee), supervisor (auditor), or employee of another company or organization where the chairman, general manager, or an equivalent position of the Company is the same person or spouse (except for independent directors mutually serving among the Company, its parent company, its subsidiaries, or subsidiaries of the same parent company, established in accordance with the Company Act or local laws).

3. The company is continuously striving to achieve the specific management objectives of the Board of Directors' diversity policy.



EVERFOCUS ELECTRONICS CORP

Assessment Form of CPA' s Independence and Competence in 2024

CPA Firm: PricewaterhouseCoopers, Taiwan

CPA: Mavis Chang and Shih-Jung Weng

1. Independence Assessment

Evaluation Item	Evaluation Result	Corresponding CPA Independence Statement Item
(1)The appointed auditor has no direct or indirect financial interests in the company.	Yes	In Compliance
(2)The appointed auditor has not engaged in any financing or guarantee activities with the company or its directors.	Yes	In Compliance
(3)The appointed auditor has not compromised the audit work based on considerations of possible client loss °.	Yes	In Compliance
(4)The appointed auditor has not received any fees related to the audit engagement or public expenses.	Yes	In Compliance
(5)The appointed auditor has no significant commercial or potential employment relationships with the company.	Yes	In Compliance
(6)Members of the audit service team have not held positions as directors, executives, or influential roles in audit engagements with the company currently or in the past two years.	Yes	In Compliance
(7)The accounting firm appointed has provided non-assurance services to the company that do not directly impact significant aspects of the audit engagement	Yes	In Compliance
(8)The appointed auditor has not promoted or facilitated the issuance of stocks or other securities of the company.	Yes	In Compliance
(9)The appointed auditor has not acted as a defense counsel for the company or represented the company in coordinating conflicts with third parties.	Yes	In Compliance
(10)The appointed auditor has no immediate family relationships with directors, executives, or individuals holding influential positions in relation to audit services.	Yes	In Compliance
(11)The appointed auditor has not served as a director, executive, or held influential positions in relation to audit engagements with the company within the past year of their resignation as a co-practicing accountant.	Yes	In Compliance
(12)The appointed auditor has not received significant gifts or presents of value from the company or its directors and executives.	Yes	In Compliance
(13)The appointed auditor has not accepted inappropriate choices of accounting policies or improper disclosures in financial statements made by the company' s management °.	Yes	In Compliance
(14)The appointed auditor has not been subjected to or influenced by the company' s management to reduce the necessary audit procedures on the grounds of reducing audit fees.	Yes	In Compliance
(15)The appointed auditor does not have any litigation relationship with the company.	Yes	In Compliance

2. Competence Assessment

Evaluation Item	Evaluation Result	Whetherthe CPA
-----------------	-------------------	----------------

		possesses Competence
(1)The accountant has experience with multinational groups and related industries	Yes	Yes
(2)Whether the accountant undergoes ongoing professional training.	Yes	Yes
(3)In the most recent year, the company has not been involved in any litigation or received any sanctions from regulatory authorities regarding its financial reporting.	Yes	Yes
(4)the accountant has not been subject to disciplinary actions by the disciplinary committee for accountants and publicly announced sanctions within the past five years, or any penalties under Article 37, Paragraph 3 of the Securities and Exchange Act.	Yes(Note)	Yes

Note : Upon reviewing the information provided in the 2022 Audit Quality Indicators (AQIs) from PricewaterhouseCoopers, Taiwan and the list of accountants disciplined under the Accountants Act released by the Financial Supervisory Commission on August 2, 2023, as well as the list of accountants subject to penalties under Article 37 of the Securities and Exchange Act published on November 13, 2020, it is confirmed that CPA Mavis Chang and CPA Shih-Jung Weng have not been subject to disciplinary actions by the Accountants Disciplinary Committee and publicly announced as such.

3. Evaluation Results :

After evaluation, it has been determined that the appointed signing CPAs do not have any of the circumstances mentioned in the independence assessment criteria above and meet the assessment criteria for competence.

Chairman:



Manager:



Accounting Officer:



4. The composition, duties and operations of the Remuneration Committee of the Company:

(1) Composition of Remuneration Committee

December 31, 2024

Title	Name	Qualification Professional qualifications and experience	Independence Status (Note)	Number of other public companies where concurrently serving as an member of remuneration committee
Independent director Convener	Hsu-Nan Huang	He received his PhD from the Department of Management Science, National Chiao Tung University and is currently the director of the Institute of Management at Ming Chuan University. He has over 10 years of teaching experience in law, finance and accounting.	Compliance with the independence requirements.	0
Independent director	Chen-An Li	He graduated from National Taipei University of Technology with a Master's degree in Business Automation and Management, and served as the Vice President of the Manufacturing Center at LITEMAX ELECTRONICS INC. He has more than five years of working experience in commerce, finance and corporate business.	Compliance with the independence requirements.	0
Independent director	Kuo Kun-Chang	Graduated from the Department of Business Administration at National Chengchi University, currently serving as a Director of Chin Pao Electronic Industrial Co., Ltd., Supervisor (Corporate Representative) of Chin Pao Electronics (Suzhou) Co., Ltd., and Chairman (Corporate Representative) of Shenzhen Zhenqi Electronic Components Co., Ltd.	Compliance with the independence requirements.	0

Note: During the two years before being elected or during the term of office, an independent director of a public company may not have been or be any of the following:

- (1) Not an employee of the company or any of its affiliates.
- (2) Not a director or supervisor of the company or any of its affiliates (do not apply to independent directors or supervisors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (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 of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph (1) or any of the persons in the preceding subparagraphs (2) or (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, 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 (do not apply to independent directors or supervisors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person; Not a director, supervisor, or employee of that other company (do not apply to independent directors or supervisors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses; Not a director (or governor), supervisor, or employee of that other company or institution.(do not apply to independent directors or supervisors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (8) A director (governor), 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 (do not apply to specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the Company, and independent directors or supervisors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (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. This restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Do not have any of the circumstances in the subparagraphs of Article 30 of the Company Act.

2. Committee Responsibilities:

To ensure a sound system for compensation of the directors, supervisors and managerial officers of the Company, the Remuneration Committee Charter is adopted pursuant to Article 3 of the 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.

- (1) Functions of the Committee: The functions of the Committee are to professionally and objectively evaluate the policies and systems for compensation of the directors, supervisors, and managers of the Company, and submit recommendations to the board of directors for its reference in decision making.
- (2) Scope of duties: The Committee shall exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the board of directors for discussion.
- (2.1) Periodically reviewing this Charter and making recommendations for amendments.
- (2.2) Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the compensation of the directors, supervisors, and managers of the Company.
- (2.3) Periodically assessing the degree to which performance goals for the directors, supervisors, and managerial officers of the Company have been achieved, setting the types and amounts of their individual compensation.

3. Status of Remuneration Committee meetings:

- (1) The Company's Remuneration Committee has three members.
- (2) The current term of the Remuneration Committee members is from August 12, 2021 to June 30, 2024. The Remuneration Committee held two (A) meetings during the most recent year, and qualifications and attendance record of members are as follows:

Title	Name	Attendance in person (B)	Attendances by proxy	Rate of actual attending (%) (B/A)	Remark
Convener	Hsu-Nan Huang	2	0	100 %	Re-elected
Member	Chen-An Li	2	0	100 %	Re-elected
Member	Hsueh-Yu Lo	1	0	100 %	Outgoing: Re-elected on June 21, 2024
Member	Kuo Kun-Chang	1	0	100 %	Newly Appointed: Re-elected on June 21, 2024
Other items to be stated:					
1. If the board of directors declines to adopt or modify a recommendation of the remuneration committee, the date, session, topic discussed and the resolution of the board meeting and handling of the resolution of the remuneration committee shall be specified (if the remuneration package approved by the Board is better than the recommendation made by the committee and the reason for such variance): None					
2. As to the resolution of the remuneration committee, if a member expresses any objection or reservation, either by recorded statement or in writing, the date, session and topic discussed of the committee meeting, all members' opinions and handling of members' opinions shall be specified: None					

(3) The discussion items and results of resolutions of the Remuneration Committee:

Remuneration Committee	Contents of motions and the Company's resolution of remuneration committee members' opinions	Result of Resolution	Handling of the opinions of Remuneration Committee members
The 6rd meeting of the 5th term. (2024.03.12)	Proposal on the Discussion of Year-End Performance Bonuses for the Company's Internal Managers for 2024.	All members of the Committee present approved.	Proposed to the Board of Directors and approved by all Directors present.
	Proposal on the Salary Report for the Appointment of Mr. Chuang Fu-Chieh as Vice President of Operations.		
	Proposal on the Appointment of Mr. Kao Chih-Hung as the Company's General Manager.		
The 1st meeting of the 6th term. (2024.08.13)	Proposal on the Amendment of the Company's Managerial Compensation and Performance Management Regulations.	All members of the Committee present approved.	Proposed to the Board of Directors and approved by all Directors present.
	Proposal on the Salary Adjustment for the Company's Internal Managers for 2024.		

5. Directors' and supervisors' ongoing education in 2023:

December 31, 2024

Title	Name	Current term Date of appointed	Course date		Organizer	Course name	Course hours	Whether in compliance with the regulations (Note 1)
			From	To				
Chairman	Yung-Shun Chuang	2021.07.01	2024.04.19	2024.04.19	Taiwan Stock Exchange Listed Companies Association	Business Strategies in the Digital Age	3	Yes
			2024.05.02	2024.05.02	Taiwan Corporate Governance Association	Net Zero Emissions 2030/2050 - Global Sustainability Challenges and Opportunities for Enterprises	3	
Director	Hui-Ming Tsao	2021.07.01	2024.10.08	2024.10.08	Taiwan Stock Exchange Corporation (TWSE)	2024 WIW Forum: The Symphony of Digital Finance and Sustainable Finance Amidst the AI Boom	3	Yes
			2024.10.25	2024.10.25	Securities and Futures Institute (SFI)	Insider Trading Transactions in 2024	3	
Corporate Representative of Director	Fu-Chieh Chuang	2024.06.21	2024.08.02	2024.08.02	Taiwan Digital Governance Association	Taiwan's Future Amidst Strong U.S.-China Confrontation	3	Yes
Corporate Representative of Director	Ching-Kun Chen	2021.07.01	2024.09.30	2024.09.30	Taiwan Institute of Directors	Intelligent Leadership: Creating a New Landscape for AI Governance	3	Yes
			2024.10.08	2024.10.08	National Federation of Certified Public Accountants Associations of the Republic of China	Anti-Money Laundering Patterns that Accountants Should Be Aware of: Analysis of Tax Crime Cases	3	
			2024.11.01	2024.11.01	National Federation of Certified Public Accountants Associations of the Republic of China	Practical Analysis of Sustainability Information Assurance - Key Points of Assurance Standard No. 3000	3	
Corporate	Chieh-Hsi Li	2021.07.01	2024.04.10	2024.04.10	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance and Sustainable Business	3	Yes

Representative of Director						Management Workshop		
			2024.09.06	2024.09.06	Securities and Futures Institute (SFI)	2024 Insider Trading Prevention Seminar	3	
Independent director	Hsu-Nan Huang	2021.07.01	2024.05.23	2024.05.23	Securities and Futures Institute (SFI)	Carbon Exchange: Functions and Prospects	3	Yes
			2024.06.03	2024.06.03	Securities and Futures Institute (SFI)	Institutional Investors' Perspectives Forum	3	
Independent director	Chen-An Li	2021.07.01	2024.04.10	2024.04.10	Taiwan Stock Exchange Corporation (TWSE)	Sustainable Knowledge Empowerment for a New Carbon Era Seminar	6	Yes
			2024.09.06	2024.09.06	Securities and Futures Institute (SFI)	2024 Insider Trading Prevention Seminar	3	
Independent director	Kuo Kun-Chang	2024.06.21	2024.03.22	2024.03.22	Taiwan Stock Exchange Corporation (TWSE)	CDP Taiwan Launch Event – Sustainable Knowledge Empowerment for a New Carbon Era Seminar	3	Yes
			2024.07.03	2024.07.03	Taiwan Stock Exchange Corporation (TWSE)	2024 Cathay Sustainable Finance and Climate Change Summit	6	
			2024.08.06	2024.08.06	Taiwan Stock Exchange Corporation (TWSE)	Sustainable Knowledge Empowerment for a New Carbon Era Seminar	6	

Note 1: Disclosure is made in accordance with the provisions of the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies".

6. Implementation status of the company's promotion of sustainable development, any discrepancy from the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies, and the reason for any such discrepancy:

Promoted items	Implementation status (Note 1)			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/ GTSM Listed Companies and the reasons
	Yes	No	Summary description	
1. Does the Company develop guidelines for sustainability and establish a sustainability unit which is delegated to Management by the Board of Directors and subject to supervision by the board?	V		On November 12, 2024, the Company's Board of Directors approved the establishment of the ESG Sustainability Development Committee. To ensure the effective promotion of sustainability-related initiatives, the Board appointed a senior executive to serve as the Chief Sustainability Officer (CSO) and established a cross-departmental task force to implement sustainability development tasks. The Committee held its inaugural meeting on November 26, 2024, and engaged an external advisory team for guidance. A total of 19 meetings were held, providing 44 hours of training.	No significant difference
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations and formulate relevant risk management policies or strategies based on the principle of materiality? (Note 2)	V		The Company has conducted a systematic assessment of the potential significant impacts of environmental, social, and corporate governance (ESG) issues on investors and stakeholders, following the principle of materiality. Based on the assessment, management strategies and action plans have been developed, with the following implementation status: 1. Identification and Double Materiality Analysis of Key Issues: In accordance with international standards frameworks, including GRI Standards 2021, TCFD, and SASB, the Company identified 31 sustainability issues. These issues were screened and evaluated by the ESG Sustainability Committee, resulting in the selection of 19 core issues for a stakeholder survey, which achieved a response rate of 61%. A double materiality analysis and matrix mapping were completed to ensure a clear understanding of stakeholder concerns. 2. Management of Significant Impact Issues: Five significant issues were ultimately identified: information security, carbon emissions, supply chain management, occupational safety training, and health promotion. These issues have been integrated into the ESG management strategy, with specific controls and target tracking for potential risks (e.g., zero cybersecurity incidents, carbon intensity targets, supplier audit improvement rates).	No significant difference

			<p>3. Establishment of Risk Management Mechanisms: The Sustainability Development Committee was established, authorized by the Board of Directors, with senior management responsible for promoting various risk response mechanisms.</p> <p>Specific measures include the implementation of a cybersecurity off-site backup plan, initiation of ISO 14064-1 carbon inventory, updates to supplier compliance systems, and the achievement of a zero-incident target for health and safety.</p> <p>4. Board Supervision and Policy Integration: Significant issues and risk responses are set as standing agenda items for the ESG Committee, with the Board of Directors providing regular supervision.</p> <p>Standard operating procedures and audit processes have been established for these initiatives, serving as the core basis for the Company's future risk management policy and sustainable governance system.</p>	
<p>3.Environmental Issue</p> <p>(1)Has the Company established appropriate environmental management procedures in accordance with its industrial characteristics?</p>	V		<p>The Company, as a manufacturer of industrial computers and surveillance imaging equipment, operates in the electronics manufacturing sector characterized by low energy and water consumption. Nevertheless, the Company actively establishes and promotes an environmental management system based on industry characteristics to fulfill environmental responsibilities and address climate risks. The specific initiatives are as follows:</p> <p>1. Establishment of an Environmental Management System: In compliance with environmental regulations, the Company has implemented and continues to promote the ISO 14001 Environmental Management System, integrating pollution prevention, energy conservation, waste reduction, and green production processes from the manufacturing stage.</p> <p>2. Carbon Inventory System Development: In accordance with ISO 14064-1 international standards, the Company has initiated organizational-level carbon inventory operations, established a baseline year inventory, and plans to conduct third-party verification in 2025. This process is part of a gradual implementation of carbon emission management systems and targets.</p> <p>3. Energy Efficiency and Green Design: The Company incorporates energy-saving design and material selection restrictions (such as RoHS compliance and hazardous substance management) at the product development stage, based on product characteristics and customer requirements. Continuous efforts are made to promote resource recycling, waste classification, and proper disposal.</p> <p>4. Climate Risk Assessment and Strategy: Following the TCFD (Task Force on Climate-related Financial Disclosures) framework, the Company conducts a climate change risk and opportunity assessment. A management mechanism with early warning and adaptation capabilities has been established to enhance overall operational resilience and promote sustainable environmental development.</p>	No significant difference
<p>(2)Has the Company improved the utilization rate of each resource and used the re-generated material with low impact on the environment?</p>	V		<p>In line with the sustainability philosophy of "Energy Conservation, Environmental Protection, and Caring for the Earth," the Company promotes energy saving, carbon reduction, and resource recycling at both the product development and manufacturing operational levels to reduce overall environmental impact. The specific implementation measures are as follows:</p> <p>1. Promotion of Energy-Saving Improvement Measures: The Company has enhanced energy efficiency by adopting virtualization technology, automating internal processes, and optimizing lighting and air conditioning systems. Measures also include reducing paper and consumable waste, effectively lowering operational energy consumption.</p> <p>2. Green Design-Oriented Product Development: Environmental design principles are incorporated at the product development stage, prohibiting the use of specific hazardous substances (such as lead and mercury) in compliance with RoHS regulations. Recyclable materials are used to manufacture components, extending product lifespan and increasing circular value.</p> <p>3. Application of Recycled Materials and Resource Recovery: The Company promotes packaging reduction and reuse to enhance recycling rates and has strengthened waste classification and recycling systems within its facilities.</p>	No significant difference

			<p>In 2024, recycled materials and environmentally friendly materials were introduced for certain product components.</p> <p>4. Setting Energy Management Goals and Monitoring: Under the supervision of the ESG Committee, the Company continuously monitors energy-saving results and resource utilization efficiency indicators. Looking forward, the Company plans to further adopt renewable materials and carbon footprint labeling designs to achieve low-carbon manufacturing and circular economy goals.</p>	
(3) Has the Company evaluated the potential risks and opportunities from climate change and taken precautions on climate-related issues?	V		<p>The Company has identified the potential impacts of climate change on its business operations and, in reference to the TCFD (Task Force on Climate-related Financial Disclosures) framework, has assessed climate-related risks and opportunities. The following specific response measures have been established:</p> <p>1. Climate Change Risk Identification and Assessment: Following the TCFD framework, the Company has identified risks related to increasing extreme weather events in operating locations, supply chain disruptions for raw materials, and stricter carbon taxes and emission regulations. The potential impacts of these risks on business continuity and operating costs have been analyzed.</p> <p>2. Establishment of Response Strategies and Action Mechanisms: The Company has developed climate risk response strategies, including enhancing the disaster resilience of facility infrastructure, strengthening energy use monitoring, and promoting lean management in manufacturing processes. Cross-departmental collaboration is also encouraged to develop medium- and long-term carbon management plans.</p> <p>3. Adoption of Technology Upgrades and Digital Transformation: The Company promotes system automation and virtualization platforms, which help reduce electricity consumption and improve equipment efficiency, thereby lowering carbon emissions. Data backup capabilities are also enhanced to strengthen operational resilience against climate impacts.</p> <p>4. Seizing Green Transition Opportunities: In response to the growing market demand for energy-efficient and environmentally friendly products, the Company actively invests in green design solutions that comply with international standards (such as RoHS and REACH). Through differentiated design, the Company aims to capture potential green business opportunities.</p>	No significant difference
(4) Has the Company track the total amount emission of greenhouse gas, water consumption, and waste for the past two years, and establish policy for energy saving and carbon reduction, lower emission of greenhouse gas, decrease water consumption and better waste management?	V		<p>To enhance the management and responsibility of environmental sustainability issues, the Company has gradually established an environmental data collection system. This system covers greenhouse gas emissions, water consumption, and total waste generation, providing a foundation for subsequent energy-saving, carbon reduction, and resource efficiency improvement strategies. Through systematic monitoring and internal policy implementation, the Company actively pursues low-carbon operations and circular management goals. The specific implementation measures are as follows:</p> <p>1. Greenhouse Gas Emissions Inventory: In 2024, the Company completed its first organizational-level carbon inventory in accordance with ISO 14064-1 standards, establishing a baseline carbon emission inventory covering Scope 1 (direct emissions) and Scope 2 (indirect emissions). In 2025, the Company plans to introduce third-party verification procedures to gradually strengthen its carbon management foundation.</p> <p>2. Water Consumption and Waste Statistics Management: A routine monitoring mechanism has been established to regularly compile water usage and waste generation data for the facilities. Annual trend comparisons and intensity indicators (such as carbon emissions per million revenue) are used to support early warning and performance evaluation.</p> <p>3. Promotion of Energy Saving and Reduction Measures: Initiatives include replacing outdated air conditioning equipment, digitizing documents, applying computer virtualization, and optimizing operational processes. These measures aim to reduce energy consumption and carbon emissions while improving work efficiency and resource utilization.</p> <p>4. Waste Classification and Recycling Management: The Company continues to enhance industrial waste classification and recycling</p>	No significant difference

			<p>processes, ensuring compliance by entrusting qualified disposal units with waste management.</p> <p>Internal waste reduction awareness campaigns are regularly conducted, and a digital recycling tracking mechanism is planned for future implementation.</p>	
<p>4. Social issues</p> <p>(1) Does the Company make relevant management policies and processes according to the International Bill of Human Rights?</p>	V		<p>The Company is committed to protecting human rights and adheres to international human rights standards, including the United Nations Global Compact, the Universal Declaration of Human Rights, and the International Labour Organization (ILO) Conventions. The Company has established human rights management policies and specific implementation mechanisms in compliance with national labor laws and gender equality regulations, ensuring that all workers are treated equally, respected, and protected. The implementation status is as follows:</p> <ol style="list-style-type: none"> Establishment of the "Human Rights Policy Statement" and Internal Regulations: The Company has developed a "Human Rights Policy" covering aspects such as non-discrimination, prevention of sexual harassment, workplace equality, reasonable working hours, freedom of association, and a safe working environment. The policy applies to all employees, including contract and temporary workers. Compliance with Gender Equality and Labor Rights Protection Regulations: In line with government policies, the Company has established a mechanism for filing sexual harassment complaints, with clear procedures specified in the employee handbook. In 2024, no gender-related complaints were received. Establishment of Complaint and Communication Channels: The Company provides anonymous suggestion boxes, a dedicated complaint hotline, and a designated contact window, ensuring that employees can raise human rights-related issues without fear of retaliation. Regular Education and Training Programs: Human rights and workplace ethics courses are included in new employee orientation and annual training plans. In 2024, the participation rate for all employees in these training sessions reached 100%. 	No significant difference
<p>(2) Has the Company set reasonable employee benefits (including remuneration, vacation days, and other benefits), and reflect business performance or achievements in the employee remuneration policy?</p>	V		<p>The Company places great importance on the physical and mental well-being and career development of its employees. In addition to safeguarding basic rights in accordance with relevant labor laws, the Company has established several welfare systems that exceed regulatory requirements. A fair compensation and reward distribution mechanism is also in place, determined based on business performance, ensuring stable rewards and job security for employees. The implementation status is as follows:</p> <ol style="list-style-type: none"> Compensation Structure and Reward System: In accordance with the Company's Articles of Association and business performance, employee compensation is allocated, including an annual performance review and bonus system. Salaries are adjusted based on individual performance and job levels. In 2024, the monthly salary of all grassroots employees exceeded the statutory minimum wage by over 20%. Comprehensive Welfare Measures: The Company provides labor insurance, health insurance, group insurance, regular health check-ups, employee travel, three-festival bonuses, birthday bonuses, maternity allowances, and subsidies for marriage and bereavement. A Welfare Committee organizes a variety of welfare activities and offers family care programs for employees. Leave and Flexible Work Arrangements: In addition to legally mandated leave, including annual leave, paternity leave, and family care leave, the Company also provides flexible working hours. Employees are encouraged to take appropriate vacations to maintain a healthy work-life balance. Compensation Information Disclosure and Communication: Regular salary market surveys and internal reports are conducted to ensure fairness. The Board of Directors monitors salary equity. Relevant compensation policies are disclosed in the Company's annual report and sustainability report, enhancing transparency and employee trust. 	No significant difference

<p>3) Does the Company provide a safe and healthy work environment for employees and regularly provide health and safety training for employees?</p>	<p>V</p>	<p>The Company places great importance on workplace safety and employee health, continuously establishing management systems in compliance with the Occupational Safety and Health Act and related regulations. The Company provides a safe working environment and implements education, training, and systematic measures to reduce occupational accident risks, enhancing employee health awareness and satisfaction. The implementation status is as follows:</p> <ol style="list-style-type: none"> 1. Workplace Safety Inspections: Regular safety inspections are conducted for facility areas, firefighting equipment, and work routes within the plant. A workplace hazard prevention mechanism has been established. In 2024, zero occupational safety incidents were reported. 2. Regular Health Check-up System: Employees are entitled to free annual health check-ups, with follow-up tracking for abnormal cases based on the examination results. In 2024, the health check-up participation rate reached 80%, indicating a gradual increase in employee health awareness. 3. Safety and Health Education and Training: New employees are required to complete an occupational safety and health training course upon onboarding. Annual safety training and first aid drills are conducted for all employees, enhancing their self-protection awareness and emergency response capabilities. 	<p>No significant difference</p>
<p>4) Has the Company established an effective career development training program for employees?</p>	<p>V</p>	<p>The Company values employee professional growth and career development. By aligning organizational strategies with departmental needs, the Company designs a variety of training courses and industry-academia collaboration programs to help employees enhance their competencies, broaden their perspectives, and establish a long-term talent cultivation mechanism. This approach aims to strengthen the overall competitiveness of the Company's human capital.</p> <ol style="list-style-type: none"> 1. Systematic Annual Training Planning: A comprehensive training process has been established, following the cycle of "Training Needs Survey - Implementation - Feedback - Tracking." Departments submit their training needs, which are then incorporated into the annual training plan. In 2024, the average training hours per employee exceeded 10 hours. 2. Parallel Development of Professional Skills and General Knowledge: The training courses cover a wide range of topics, including professional skills, language proficiency, management knowledge, digital tool applications, and workplace ethics. This balanced approach ensures both technical depth and diverse soft skill development. 3. Onboarding Training and Integration System for New Employees: New employees undergo onboarding training, which includes an introduction to company culture, departmental operations, and basic skills training. This program enhances new employees' adaptability and work efficiency. 	<p>No significant difference</p>
<p>5) Regarding customer health and safety, customer privacy, marketing and labelling of products and services, does the Company follow relevant regulations and international standards, and formulate relevant consumer protection policies and grievance procedures?</p>	<p>V</p>	<p>The Company is committed to product safety, customer privacy, and information accuracy. In compliance with relevant laws and industry standards, the Company has established management mechanisms for product design, labeling, services, and complaints, aiming to enhance customer trust and satisfaction while protecting consumer rights. The implementation status is as follows:</p> <ol style="list-style-type: none"> 1. Compliance with Product Health and Safety Standards: All products comply with the European Union's Restriction of Hazardous Substances (RoHS) directive and other international standards for electromagnetic compatibility and safety. A comprehensive quality inspection process is in place to ensure that products pose no health risks during development, production, and transportation. 2. Product Labeling and Marketing Information Management: Product specifications, warnings, and usage instructions are clearly labeled, adhering to the principles of integrity in marketing and informational materials. The Company conducts self-reviews in accordance with the Fair Trade Act and advertising regulations to avoid misleading consumers. 3. Customer Data and Privacy Protection: A customer data confidentiality policy is in place, ensuring that customer information 	<p>No significant difference</p>

			<p>is only used and maintained by authorized personnel for business purposes. Unauthorized disclosure or misuse of customer information is strictly prohibited. In 2024, there were no incidents of customer data breaches.</p> <p>4. Customer Complaint and Response Mechanism: The Company provides online contact channels and an after-sales customer service hotline for handling customer inquiries and complaints. All cases are managed by dedicated personnel, who respond and follow up on improvements according to established procedures. In 2024, the complaint response rate reached 100%.</p>	
6) Has the Company established supplier management policies which require suppliers to comply with relevant standards on issues such as environmental protection, occupational safety and health or labor rights, and suppliers' implementation?	V		<p>The Company adheres to the principles of sustainable supply chain management by establishing a Supplier Code of Conduct, requiring suppliers to comply with relevant laws and standards related to environmental protection, occupational safety, and labor rights. This commitment is enforced through document signing and on-site audit mechanisms, ensuring responsible value chain management. The implementation status is as follows:</p> <p>1. Establishment of the Supplier Code of Conduct: Suppliers are required to comply with international human rights standards (including the prohibition of child labor, forced labor, and discrimination), adhere to local environmental and occupational safety regulations, and uphold the principles of fair trade and integrity. All new suppliers must sign a compliance commitment agreement.</p> <p>2. Document Signing and Compliance Declarations: In 2024, 93.5% of qualified suppliers completed the signing of the "Environmental Prohibited Substances Guarantee" and the "Supplier Ethical Conduct Commitment". These documents cover clauses on environmental law compliance, prohibition of hazardous substances, corporate integrity, and occupational safety protection.</p> <p>3. Supplier Risk Identification and Auditing: A supplier grading and risk assessment mechanism has been established, with on-site audits conducted for high-risk suppliers. These audits evaluate suppliers' compliance with environmental management, human rights policies, and occupational safety measures, with corrective actions required within a specified period for any deficiencies identified.</p> <p>4. Continuous Collaboration and Communication Mechanism: The Company maintains an annual communication mechanism with major suppliers to exchange information on regulations, environmental protection, and product quality issues. This approach strengthens cooperative relationships and promotes consensus on ESG principles and responsible practices.</p>	No significant difference
5. Does the Company adopt internationally recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of their implementation of the corporate social responsibility policy? Did the Company obtain a third party assurance or verification to ensure the reliability of the information in their CSR reports?	V		<p>To enhance the transparency of non-financial information disclosure, the Company published its first Sustainability Report in 2024. The report covers topics including corporate governance, environmental sustainability, social responsibility, and risk management, demonstrating the Company's commitment to sustainability and corporate responsibility towards stakeholders. The implementation status is as follows:</p> <p>1. Reporting Standards Adopted: The report was prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 Edition and the Task Force on Climate-related Financial Disclosures (TCFD) framework, ensuring a comprehensive and structured presentation of information. Key communication points from the Sustainability Accounting Standards Board (SASB) were also disclosed.</p> <p>2. Coverage and Disclosure Scope: The report provides information on key ESG aspects, including governance policies, material issues, environmental management, labor relations, cybersecurity risks, and supply chain responsibility. It reflects the Company's performance from 2023 to 2024 and outlines future goals.</p> <p>3. Third-Party Verification Status: As this is the Company's first sustainability report, third-party verification has not yet been commissioned. However, the Company has established relevant supporting documents and statistical</p>	No significant difference

			forms for information disclosed in the report. In the future, depending on the actual progress of sustainability initiatives and regulatory requirements, the Company plans to engage a verification agency to conduct report assurance procedures.	
6. If the Company has established its own Sustainability Development Guidelines in accordance with the "Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies," please describe its operation and any differences from the established guidelines:The Company has not yet formally established its own Sustainability Development Guidelines. However, in practice, the Company adheres to the "Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies," with no significant differences between its practices and the guidelines.				
7. Other Important Information to Understand the Implementation of Sustainability Development: (1)Promotion of ESG Public Welfare Actions and Social Participation:In 2024, the Company organized initiatives including meal donations for underprivileged children, cooperation with local farmers in the "No Burning of Straw" initiative, participation in tree planting activities, and promotion of green commuting, thereby expanding its positive impact on society and the environment. (2)Establishment of a CSR Section on the Official Website and Enhanced Information Transparency:A dedicated Sustainability Development section has been set up on the Company's website, proactively disclosing ESG strategies, policies, key issues, and a summary of performance outcomes, providing stakeholders with real-time access to information, promoting transparency, and building trust. (3)Gradual Strengthening of Sustainability Governance Systems:In 2024, the Company officially established the Sustainability Development Committee, holding multiple meetings to track ESG projects, compile relevant data, establish systems, and optimize processes, laying the foundation for subsequent sustainability information auditing and verification.				

Note 1:If Implementation status is specified "Yes," please explain the key policies, strategies, and measures taken and the execution progress. If Implementation status is specified "No," please explain discrepancy and reason of discrepancy in the field titled "Discrepancies with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and the reasons," and provide any policy, strategy and measure planned for the future.

Note 2:Materiality principle refers to environmental, social and corporate governance issues that are of material impact to the Company's investors and stakeholders.

Note 3:For method of disclosure, please refer to the best practice examples presented on the website of Taiwan Stock Exchange Corporate Governance Center.

7. Climate-related Information

(1) Implementation of Climate-Related Information

Item	Implementation status
1. Describe the supervision and governance by the board of directors and management regarding climate-related risks and opportunities.	In 2024, the Company officially established the "Sustainability Development Committee" as the highest governing body for climate-related risks and opportunities, operating under the Board of Directors. The Committee is chaired by a senior executive and is responsible for overseeing the identification, response, and implementation of climate change issues. Regular meetings are held to track and discuss key topics, including climate risks, carbon inventory systems, and carbon reduction strategies. The Committee Chair regularly reports the implementation status and risk assessment results to the Board of Directors, ensuring that climate governance mechanisms are integrated into the Company's decision-making process. This approach enhances the Company's climate resilience and response capabilities.
2. Describe how the identified climate risks and opportunities impact the business, strategy, and finances of the company (short-term, medium-term, long-term).	In accordance with the TCFD (Task Force on Climate-related Financial Disclosures) framework, the Company has identified potential risks and opportunities posed by climate change on its business and operations. These have been assessed from short-term, medium-term, and long-term perspectives, with the following results: 1. Short-Term (Within 1 Year): Extreme weather events (such as heavy rainfall and typhoons) may result in regional power outages, equipment damage, or logistics disruptions, affecting shipment schedules and supply stability. This poses short-term operational risks and may increase response costs. 2. Medium-Term (1-3 Years): The introduction of domestic carbon pricing mechanisms and the implementation of international Carbon Border Adjustment Mechanism (CBAM) may lead to increased product manufacturing costs. This could impact the Company's price competitiveness in certain international markets. The Company will need to adjust raw material selection and product development strategies to strengthen carbon footprint management capabilities. 3. Long-Term (Beyond 3 Years): Global customers' demand for green products and strong ESG performance will continue to rise. The Company must maintain investment in energy-saving design, sustainable supply chain management, and carbon

	<p>information disclosure. These requirements will influence future capital expenditure allocation, research and development direction, and potential customer acquisition strategies.</p>
<p>3. Describe the financial impacts of extreme weather events and transition actions.</p>	<p>The Company has conducted a preliminary assessment of the potential financial impacts of climate change, specifically focusing on extreme weather events and policy transition pressures. These impacts may affect operating costs, capital expenditures, and product strategies, as described below:</p> <ol style="list-style-type: none"> 1. Impact of Extreme Weather Events: Extreme weather events, such as typhoons and heavy rainfall, may cause disruptions or damage to operational sites, logistics, and critical equipment. This can lead to increased costs for repairs, backup measures, and insurance. Delays in product delivery may also occur, affecting short-term revenue stability. 2. Impact of Transition Actions: In response to increasingly stringent carbon emission regulations and green supply chain requirements, the Company must allocate human resources to conduct carbon inventories, implement energy-saving initiatives, and perform third-party verification. These activities will result in higher management costs. Additionally, product materials and designs must comply with standards such as RoHS, non-toxic, and energy-saving requirements, affecting the structure of research and development costs and raw material procurement costs.
<p>4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.</p>	<p>The Company has incorporated climate change risks into its overall operational risk management framework. Through collaboration between the Sustainability Development Committee and various departments, climate risks and opportunities are identified and integrated into existing risk assessment and response mechanisms. The implementation status is as follows:</p> <ol style="list-style-type: none"> 1. Identification and Assessment Process: Climate risks highly relevant to the Company's operations are identified through materiality analysis, stakeholder surveys, and internal departmental meetings. These risks include extreme weather events, carbon pricing regulations, and green procurement requirements. Identified risks are categorized based on the likelihood of occurrence and potential impact. 2. Integration into Overall Risk Management System: The results of climate risk assessments are incorporated into the ESG management framework, with the Sustainability Development Committee overseeing management and providing regular reports to the Board of Directors. Relevant control measures, such as energy usage monitoring, carbon inventory, and equipment replacement, are included in the internal control and improvement tracking system. These measures operate in conjunction with existing operational processes.
<p>5. When conducting scenario analysis to assess resilience to climate change risks, it is necessary to specify the scenario, parameters, assumptions, analysis factors, and key financial impacts used in the analysis.</p>	<p>The Company has not yet adopted a quantitative climate scenario analysis model. However, it has conducted preliminary qualitative risk scenario simulations as a foundation for enhancing climate resilience. The implementation status is as follows:</p> <ol style="list-style-type: none"> 1. Scenarios Used and Assumptions: The scenario assumptions include the implementation of a domestic carbon pricing system, an increase in the frequency of extreme weather events, and the requirement for carbon footprint verification by major customers. These scenarios assume that relevant regulations and market demands will gradually tighten in the medium to long term. 2. Analysis Factors: The scenario analysis covers potential impacts in the following areas: <ul style="list-style-type: none"> ○ Disruption risks in production and operations. ○ Stability of raw material supply. ○ Carbon management costs. ○ Pressure on equipment investment. ○ Customer ESG procurement thresholds. ○ Energy transition trends. 3. Key Financial Impacts: If carbon pricing or carbon fees are implemented, the Company may face increased electricity and indirect emission costs, affecting the cost structure and pricing strategies of manufacturing. Additionally, to meet sustainability design, carbon disclosure, and product upgrade requirements, the Company will

	<p>need to increase investments in research and development, carbon inventory, and verification efforts.</p> <p>4. Future Plans: The Company will continue to refer to the TCFD (Task Force on Climate-related Financial Disclosures) recommended framework. Depending on business and resource conditions, the Company plans to gradually introduce quantitative climate scenario models (such as 2°C/1.5°C scenarios) to strengthen its quantitative assessment capabilities for climate resilience.</p>
<p>6. If there is a transformation plan in place to address climate related risks, please describe the contents of that plan, including the indicators and objectives used for identifying and managing physical risks and transition risks.</p>	<p>Although the Company has not yet established a comprehensive carbon reduction transition blueprint, it has already implemented multiple energy-saving, carbon-reduction, and green operation measures following its climate risk management strategy. These efforts aim to gradually build climate transition capabilities and establish preliminary performance tracking indicators. The implementation status is as follows:</p> <p>1. Transition Plan Content: The current initiatives include:</p> <ol style="list-style-type: none"> 1. Implementing the ISO 14064-1 greenhouse gas inventory system, with the completion of a 2024 baseline carbon emissions inventory. 2. Conducting energy-saving improvements for high-energy-consuming facilities (such as air conditioning, lighting, and mainframe systems). 3. Promoting digitalized operational processes (such as electronic invoicing and paperless administration). 4. Strengthening the supplier environmental compliance guarantee and responsibility management mechanisms. <p>2. Physical Risk and Transition Risk Management Indicators: Key indicators include:</p> <ol style="list-style-type: none"> 1. Carbon Emission Intensity (tonnes CO₂e per million revenue). 2. Annual Statistical Trends of Scope 1 and Scope 2 Emissions. 3. Supplier Compliance Rate for Environmental/Restricted Substances Guarantee Certificates (93.5% in 2024). 4. Number of Energy-Saving Improvement Projects Implemented and the Amount of Electricity Saved (results to be assessed in 2025). <p>3. Medium- and Long-Term Target Planning: The Company plans to introduce third-party verification mechanisms in 2025 and establish specific carbon reduction targets based on the verification results. A tracking mechanism will be developed to monitor climate-related performance. The Company will also evaluate the gradual adoption of renewable energy use or carbon footprint labeling in the future.</p>
<p>7. If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.</p>	<p>The Company has not yet implemented an internal carbon pricing mechanism as a tool for operational or investment decision-making. In the future, the Company will assess the feasibility of introducing internal carbon pricing based on the following factors:</p> <ul style="list-style-type: none"> ● The progress of carbon pricing policies in Taiwan. ● The implementation status of the Carbon Border Adjustment Mechanism (CBAM) in major markets. ● The maturity of internal carbon emission data collection and management. <p>If adopted, internal carbon pricing will serve as a reference for product development, capital expenditures, and supply chain management.</p>
<p>8. If climate-related targets are established, details should be provided on the covered activities, scope of greenhouse gas emissions, planning timeline, progress achieved annually, and if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these targets, information should be disclosed on the source and quantity of carbon offsets for emissions reduction or the quantity of Renewable Energy Certificates (RECs) used</p>	<p>The Company has gradually established a greenhouse gas (GHG) management system to address climate change issues. A baseline inventory has been completed, and the management framework has been established. Although specific carbon reduction targets and schedules have not yet been set, the Company has initiated phased management measures based on Scope 1 and Scope 2 emissions. The implementation status is as follows:</p> <p>1. Covered Activities and Emission Scopes: In 2024, the Company completed the establishment of a GHG emissions inventory in accordance with ISO 14064-1 standards, covering:</p> <ul style="list-style-type: none"> ○ Scope 1: Direct emissions from fuel use in owned equipment.

	<ul style="list-style-type: none"> ○ Scope 2: Indirect emissions from purchased electricity. ○ Scope 3 emissions are not yet included due to pending data collection, but the Company plans to gradually include them for disclosure in the future. <p>2. Timeline Planning and Target Setting Progress: The Company plans to complete its first third-party verification in 2025. Based on the verification results, mid-term carbon reduction targets and tracking mechanisms will be established, including:</p> <ul style="list-style-type: none"> ○ A carbon emission intensity indicator (CO₂e per million revenue). ○ Statistical tracking of the results of energy-saving and emission reduction measures. <p>3. Carbon Offsetting and RECs Usage: The Company has not yet adopted Carbon Offsetting Mechanisms or Renewable Energy Certificates (RECs). In the future, the feasibility and cost-effectiveness of using these tools will be evaluated in line with business expansion and carbon neutrality policy trends, as a supplementary method to achieve reduction targets.</p>
9. Greenhouse gas inventory and verification status with reduction targets, strategies, and specific action plans.	According to the timeline of the Sustainability Development Pathway for TWSE/TPEX Listed Companies, the Company is classified as a "Phase Three" entity based on its capital size. As a Phase Three entity, the Company is only required to complete the inventory of Scope 1 and Scope 2 emissions at the individual company level by 2026.

1.1 Recent Two-Year Greenhouse Gas (GHG) Inventory and Assurance Status

1.1.1 Greenhouse Gas (GHG) Inventory Information

State the greenhouse gas (GHG) emissions for the most recent two years (metric tons CO ₂ e), emission intensity (metric tons CO ₂ e per million NTD), and data coverage scope.			
Item	Value	Year	Data Coverage Scope
Scope 1 Emissions (Note 1)	8,8208 Metric Tons CO ₂ e	2024	Taiwan Headquarters: 2nd Floor and 7th Floor Offices (Emission Sources: Vehicle Fuel, Refrigerants) (Note 2)
Scope 2 Emissions (Note 1)	140,2502 Metric Tons CO ₂ e	2024	Taiwan Headquarters: 2nd Floor and 7th Floor Offices (Emission Source: Purchased Electricity) (Note 2)
Total Emissions	149,071 Metric Tons CO ₂ e	2024	Consolidated Statistics for Taiwan Headquarters
Carbon Emission Intensity (Note 3)	0.32 Metric Tons CO ₂ e / Million NTD Revenue	2024	Calculated Based on the Total Emissions of Taiwan Headquarters

Note 1: Direct Emissions (Scope 1): Emissions directly generated from sources owned or controlled by the Company. Energy Indirect Emissions (Scope 2): Emissions indirectly generated from the consumption of imported electricity, heat, or steam. Other Indirect Emissions (Scope 3): Emissions resulting from the Company's activities but generated from sources owned or controlled by other entities, excluding energy indirect emissions.

Note 2: The coverage of data for direct emissions (Scope 1) and energy indirect emissions (Scope 2) should be managed in accordance with the timeline specified in Article 10, Paragraph 2 of this guideline. Information on other indirect emissions (Scope 3) may be disclosed voluntarily.

Note 3: The intensity of greenhouse gas emissions can be calculated based on units of products/services or revenue. At a minimum, the data should be expressed as emissions per million NTD of revenue.

Note 4: The greenhouse gas inventory is conducted in accordance with the Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

1.1.2 Greenhouse Gas (GHG) Assurance Information

Greenhouse Gas (GHG) Assurance Information for the Most Recent Two Years (as of the Date of Annual Report Publication):
As of the date of this annual report, the Company has not yet completed third-party assurance for its greenhouse gas (GHG) emissions. However, in 2024, the Company established an organizational carbon emissions inventory system in accordance with the ISO 14064-1 international standard and completed a baseline emissions inventory. In the future, following the disclosure regulations and timeline set by the competent authority, the Company plans to complete third-party assurance in 2026. This assurance will be conducted in accordance with ISO 14064-3 or TWSAS verification standards, and will cover Scope 1 (direct emissions) and Scope 2 (energy indirect emissions) for the Taiwan headquarters.

Note 1: The verification process should be completed in accordance with the timeline specified in Article 10, Paragraph 2 of this guideline. If the Company is unable to obtain complete greenhouse gas (GHG) assurance opinions by the date of annual report publication, it should state, "Complete assurance information will be disclosed in the Sustainability Report." If the Company does not prepare a Sustainability Report, it should state, "Complete assurance information will be disclosed on the Market Observation Post System (MOPS)." Complete assurance information should be disclosed in the next year's annual report.

Note 2: The assurance provider must comply with the relevant regulations for sustainability report assurance providers set by the Taiwan Stock Exchange Corporation (TWSE) and the GreTai Securities Market (GTSM) (now known as the Taipei Exchange, TPEX).

Note 3: For disclosure content, please refer to the best practice reference examples on the Corporate Governance Center website of the Taiwan Stock Exchange (TWSE).

1.2 Greenhouse Gas (GHG) Reduction Targets, Strategies, and Specific Action Plans

State the baseline year for greenhouse gas (GHG) reduction, the corresponding data, reduction targets, strategies, specific action plans, and the achievement of reduction targets.
<p>1. Baseline Year and Baseline Data:</p> <ul style="list-style-type: none"> The Company has established the baseline year for carbon emissions as 2024, marking the first year of organizational GHG inventory. The GHG inventory was conducted in accordance with the ISO 14064-1 international standard. The total carbon emissions for the baseline year were 149.0716 metric tons CO_{2e}, with an emissions intensity of 0.32 metric tons CO_{2e} per million NTD in revenue. <p>2. Reduction Targets:</p> <ul style="list-style-type: none"> Short-Term Target (2025): <ul style="list-style-type: none"> Reduce carbon emissions intensity to 0.304 metric tons CO_{2e} per million NTD in revenue (a 5% reduction compared to the baseline year). Long-Term Target (2030): <ul style="list-style-type: none"> Reduce emissions in categories 1 to 4 by 36% (based on 2024 levels). Achieve a 20% reduction in carbon emissions for purchased goods and services and product usage phases. <p>3. Strategies and Specific Action Plans:</p> <ol style="list-style-type: none"> Establish a Climate Change Risk Task Force: Responsible for identifying and managing climate risks. Gradually Expand GHG Inventory Coverage: Extend the inventory to include the supply chain and introduce carbon management for suppliers. Implement Energy-Saving Measures: Replace lighting equipment, optimize air conditioning temperature control, and promote digital operations to reduce electricity consumption. Encourage Employee Behavioral Change: Promote paperless operations, plastic reduction, and resource conservation. Supplier Carbon Reduction Guidance: Provide carbon reduction support for suppliers and require them to sign environmental responsibility commitments. <p>4. Implementation Results (as of 2024):</p> <ol style="list-style-type: none"> Completed the baseline year GHG inventory and established management indicators. GHG inventory covers Scope 1 (Direct Emissions) and Scope 2 (Energy Indirect Emissions). Established future intensity targets and carbon reduction plans, which are monitored by the Sustainability Development Committee as part of the annual work plan.

Note 1:The process should be completed in accordance with the timeline specified in Article 10, Paragraph 2 of this guideline.

Note 2:The baseline year should be the year in which the greenhouse gas (GHG) inventory is completed based on the scope of the consolidated financial report. For example, in accordance with the timeline specified in Article 10, Paragraph 2 of this guideline, companies with a capital of over NTD 10 billion should complete the GHG inventory for the consolidated financial report of 2024 by 2025, making 2024 the baseline year. If the Company completes the inventory of the consolidated financial report earlier, the earlier year may be used as the baseline year. The baseline year data can be calculated based on a single year or as an average of multiple years.

Note 3:Disclosure content can refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange (TWSE).

8. Status the company's performance in the area of ethical corporate management, any discrepancy from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the reason for such discrepancies.

Evaluation items	Implementation status and			Discrepancies with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Yes	No	Summary description	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the Company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?</p> <p>(2) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(3) Does the Company provide clear operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The company has established the "Code of Conduct for Integrity Management," "Operating Procedures and Behavioral Guidelines for Integrity Management," and "Code of Ethics," requiring directors and executives to lead by example and adhere to the principles of honesty and integrity, fostering a corporate culture of trust and integrity.</p> <p>(2) In addition to the established "Code of Conduct for Integrity Management" and "Operating Procedures and Behavioral Guidelines for Integrity Management," the company has also included relevant reward and punishment measures in its employee code of conduct to prevent occurrences of dishonest behavior among employees.</p> <p>(3) The company conducts preliminary assessments of legality and integrity of business relationships, ensuring avoidance of dealing with entities lacking integrity. It also complies with relevant laws and regulations. Any donation or sponsorship funds require authorization from the authorized</p>	It generally complies.

Evaluation items	Implementation status and			Discrepancies with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Yes	No	Summary description	
			hierarchy before being processed	
2. To implement integrity management (1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts? (2) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations? (3) Whether the Company has established policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly? (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? (5) Does the Company provide internal and external ethical conduct training programs on a regular basis?	✓ ✓ ✓ ✓		(1) To ensure that the Company conducts its business activities in a fair and transparent way, the Company is clearly defined to prohibit conducting business with persons who have a misconduct record. (2) The Company has not established a dedicated unit under the Board of Directors. Currently, the HR Division has been appointed as the executive unit to promote and convey ethical corporate management by conducting various training courses related to ethical corporate management. (3) To communicate the company's management philosophy, direction, concepts and priorities through internal channels on a regular and occasional basis in order to deepen the ethical corporate management best practice principles. (4) The Company has established an effective accounting system and internal control system. The internal auditors conduct audits on all departments from time to time to implement the supervision mechanism and control various risk management. (5) The company provides various training courses such as new employee training to convey the company's ethical management principles, or the supervisor can convey these concepts within the department.	It generally complies.
3. Operation of integrity channels (1) Has the Company established a reward /punishment system and a complaint hotline? Has the Company established a system where the accused individual can be reached by an appropriate person? (2) Has the Company established standard operating procedures for investigating the complaints received, as well as follow-ups after investigations are completed, and has the Company ensured these investigations are handled confidentially? (3) Does the Company provide proper whistleblower protection?	✓ ✓ ✓		(1) When employees discover any dishonest or improper behavior, they can directly report it to senior management. The company also ensures the confidentiality of the whistleblower's identity and the reported content to prevent retaliation. The company has established a disciplinary system and employees can file complaints through normal administrative procedures. Violators will face disciplinary action. (2) The company's "Code of Conduct" and "Operating Procedures and Guidelines for Ethical Business Practices" have specified provisions regarding the standard operating procedures for investigating reported matters, the subsequent actions to be taken after the investigation is completed, and the related confidentiality mechanisms. (3) The relevant provisions in the company's "Code of Conduct" and "Operating Procedures and Guidelines for Ethical Business Practices" stipulate that confidentiality obligations are imposed on individuals who report misconduct, and they are prohibited from engaging in any improper handling or actions	It generally complies.
4. Strengthening information disclosure (1) 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)?	✓		(1) The Company has established the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," and "Code of Ethical Conduct." (2) In addition to the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct," the Company has also specified related reward and disciplinary measures in its Employee Code of Conduct to prevent unethical behavior among employees.	It generally complies.
5. If the Company has drafted its own Ethical Corporate Management Best Practice Principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please clearly state any discrepancies between the policies and their implementation: The company has implemented the "Code of Conduct" and "Operating Procedures and Guidelines for Ethical Business Practices" in accordance with the established standards.				
6. Other important information facilitating a better understanding of the Company's ethical corporate management policies: To establish a culture of ethical business conduct and ensure the healthy development of the company, we have implemented the "Code of Conduct" and "Operating Procedures and Guidelines for Ethical Business Practices." These documents provide guidelines for conducting business with integrity. Furthermore, we disclose the implementation status of these guidelines in our annual report, demonstrating our commitment to transparency and accountability.				

9. Disclosure to the Company's Corporate Governance Principles: The regulations formulated by the Company, such as "Code of Ethical Conduct", "Code of Business Conduct", "Procedures for Ethical Management and Guidelines for Conduct", "Rules for Board Meetings", "Rules and Procedures for Board Meetings", "Rules and Procedures of Shareholders' Meetings", "Procedure for the Election of Directors", "Charter of Audit Committee", "Charter of Compensation Committee", "Code of Corporate Governance Practice", "Corporate Governance Best Practice Principles", "Regulations Governing the Self-Evaluation by the Board of Directors or Peer Evaluation" are disclosed on MOPS and the Company's website.

10. Other information that facilitates the understanding in the Company's corporate governance should be also disclosed: None.

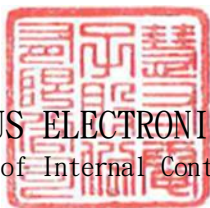
EVERFOCUS ELECTRONICS CORP.

Codes of Ethical Conduct

1. Purpose of and basis for adoption:
In recognition of the necessity to assist the Company in its establishment of codes of ethical conduct, these Guidelines are adopted for the purpose of encouraging directors, and managerial officers of the Company (including president or its equivalents, vice president or its equivalents, deputy assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of a company) to act in line with ethical standards, and to help interested parties better understand the ethical standards of the Company.
2. Prevention of conflicts of interest:
 - (1) Company directors shall exercise a high degree of self-discipline. If a director is an interested party with respect to any proposal for a board meeting, and when the interested party relationship is likely to prejudice the interests of the company, the director shall enter recusal during the voting. The director also may not act as another director's proxy to exercise voting rights on that matter. The directors shall practice self-discipline and must not support one another in improper dealings.
 - (2) When a director or manager of the Company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the Company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the third degree of kinship, the Company shall strictly comply with the relevant regulations of the Company when lending of funds, providing guarantees, and making major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director or a manager belongs, and shall take the initiative to report to the Board of Directors during the decision-making process to explain the possible conflict of interest and shall recuse themselves.
3. Minimizing incentives to pursue personal gain:
When the company has an opportunity for profit, it is the responsibility of the directors or managers to maximize the reasonable and proper benefits that can be obtained by the company; shall prevent its directors or managers from engaging in any of the following activities:
 - (1) Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions.
 - (2) Obtaining personal gain by using company property or information or taking advantage of their positions.
 - (3) Competing with the company.
4. Confidentiality:
The directors or managers of the Company shall be bound by the obligation during their terms or after the terms to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information.
Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the company or the suppliers and customers.
5. Fair trade:
Directors or managers of the Company shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

6. Safeguarding and proper use of company assets:
All directors or managers have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes in order to protect the profitability of the Company.
7. Legal compliance:
The company shall strengthen its compliance with the Securities and Exchange Act and other applicable laws and regulations.
8. Encouraging reporting on illegal or unethical activities:
The Company shall raise awareness of ethics internally through its employee website and encourage employees to report to a company chief internal auditor upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. The chief internal auditor should carefully investigate and communicate the situation to clarify any confusion if it is not a truth. If there is a fact, he/she should report it to the President, the Board of Directors or the independent directors as soon as possible when appropriate. The chief internal auditor, President, Board of Directors or independent directors shall use their best efforts to ensure the safety of informants and protect them from reprisals.
9. Disciplinary measures:
When a director or a manager violates the Code of Ethical Conduct, the Company shall report to the Board of Directors to dismiss the manager or request the shareholders' meeting to dismiss the director if moral advice is ineffective. When the Board of Directors or the shareholders' meeting discusses the dismissal of the violator, the violator shall be notified to appeal in the meeting. When the Board of Directors or the shareholders' meeting passes a resolution to discipline the offender, the Board of Directors or the shareholders' meeting shall disclose on the Market Observation Post System (MOPS) the title and name of the violator, date of violation, reason for the violation, the provisions of the code violated, and the disciplinary actions taken.
10. Procedures for exemption
A director or manager may be exempt from the Company's Code of Ethical Conduct by resolution of the Board of Directors in order to maintain the Company's normal operations (e.g., purchase and sale of goods) or to develop the Company's long-term interests (e.g., technical cooperation) for the benefit of his or her own family members, spouse, parents, children or third relatives within third degree of kinship. Any exemption for directors or managers from compliance with the code shall be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.
11. Method of disclosure: The company shall disclose the code of ethical conduct approved by the Board of Directors, and any amendments to it, in its annual reports and prospectuses and on the MOPS.
12. Enforcement: The Company's code of ethical conduct, and any amendments to it, shall enter into force after it has been adopted by the board of directors, and submitted to a shareholders meeting.
13. This code was established on June 15, 2006
The first amendment was made on March 9, 2018.

(9)Implementation of internal control system
(9.1)Statement of Internal Control System



EVERFOCUS ELECTRONICS CORP.
Statement of Internal Control System

March 11, 2025

Based on the findings of a self-assessment, EVERFOCUS ELECTRONICS CORP. (“the Company”) states the following with regard to its internal control system during the year 2024:

1. The Company’ 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 the Company takes immediate remedial actions in response to any identified deficiencies.
3. The Company 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: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communication, and 5. monitoring activities.
Each component also includes several items which can be found in the Regulations.
4. The Company 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, the Company believes that, on December 31, 2021, 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 the Company’ 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 Act.
7. This Statement was passed by the Board of Directors in their meeting held on March 12, 2024, with none of the seven attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

EVERFOCUS ELECTRONICS CORP.



Chairman: Yung-Shun Chuang



President: Chih -Hung Kao



(9.2)CPA audit report, where a CPA has been hired to carry out a special audit of the internal control system: Not applicable.

(10)As of the reporting date, has the Company or its personnel been punished due to violation of regulations or has the Company punished its personnel for violating the Company' s internal controls? If so, what were the major deficiencies and the steps taken to improve on the deficiencies? None.

(11)Up to recent year and the publication date of this annual report, major resolutions of shareholders' and board meetings:

(11.1)Major resolutions of shareholders' meeting on

June 20, 2024

Major resolution		Implementation status
Matters for Adoption	1.To approve the Company' s 2024 final accounts.	Resolved at the 2024 Annual General Meeting of Shareholders.
	2.To approve the Company' s 2024 loss make-up statement.	Resolved at the 2024 Annual General Meeting of Shareholders.
Matters for Discussion	1.Proposal for Approval of the Re-election of Directors.	Resolved at the 2024 Annual General Meeting of Shareholders.
	2.Proposal for Approval to Lift the Non-Competition Restrictions for Newly Elected Directors and Their Representatives.	Resolved at the 2024 Annual General Meeting of Shareholders.

(11.2)Major resolutions of board meeting:

(11.2.1)Board meetings in 2024:

Date/Term	Proposals	Result of Resolution
the 18th meeting of the 10th term (2024. 03. 12)	1. The Company' s Financial Statements for the Year 2023.	Unanimous consent of all directors present at the meeting.
	2. The Company' s Loss Appropriation Statement for the Year 2023.	Unanimous consent of all directors present at the meeting.
	3. Proposal on the [Effectiveness Assessment of the Internal Control System] and [Statement of Internal Control System] for the Year 2023.	Unanimous consent of all directors present at the meeting.
	4. Proposal on the Evaluation of the Independence and Competence of the Company' s Certified Public Accountants.	Unanimous consent of all directors present at the meeting.
	5. Proposal on the [Re-election of Directors].	Unanimous consent of all directors present at the meeting.
	6. Proposal on the [Expansion of Lease Scope for Right-of-Use Assets Acquired from Related Party AREC Inc.].	Unanimous consent of all directors present at the meeting.
	7. The Date, Venue, and Agenda of the 2024 Annual General Shareholders' Meeting.	Unanimous consent of all directors present at the meeting.
	8. Proposal on the Year-End Performance Bonuses for Managers of the Company for the Year 2023.	Unanimous consent of all directors present at the meeting.
the 19th meeting of the 10th term (2024. 05. 08)	1. Proposal on the Company' s Consolidated Financial Statements for the First Quarter of 2024.	The resolution was unanimously approved by all attending directors after being confirmed by the Chairman without any objections.
	2. Proposal on the Nomination and Approval of the List of Candidates for Directors (including Independent Directors).	With the unanimous consent of all attending directors, the list of candidates was approved as follows: Yung-Shun Chuang ,Hui-Ming Tsao,Ching-Kun Chen (Representative of LCL CAPITAL INC.), Lee Chieh-Hsi (Representative of LCL CAPITAL INC.), and Jui Hai Investment Co.,Ltd. as candidates for general directors; Hsu-Nan Huang, Chen-An Li, and Kun-Chang Kuo as candidates for independent directors.
	3. Proposal on Adjusting the Authorization for the Chairman to Handle the Transaction Limits of Securities Trading on the Centralized Trading Market.	Unanimous consent of all directors present at the meeting.
	4. Proposal on the Partial Amendment of the Company' s "Property, Plant, and Equipment Cycle. "	Unanimous consent of all directors present at the meeting.
The 1st meeting of the 11th term (2024. 06. 21)	1. Proposal for the Election of the Chairman of the Board.	All attending directors unanimously resolved to elect Yung-Shun Chuang as the Chairman of the Board.

	2. Proposal for the Appointment of Members of the Company's 6th Compensation Committee.	The resolution was approved as proposed without objection from any of the attending directors after being confirmed by the Chairman.
The 2nd meeting of the 11th term. (2024.08.13)	1. Proposal on the Company's Consolidated Financial Statements for the Second Quarter of 2024.	The resolution was approved as proposed without objection from any of the attending directors after being confirmed by the Chairman.
	2. Proposal to Lift the Non-Competition Restrictions for Managers and Directors of the Company.	As this proposal involves the personal interests of Director and Manager Fu-Chieh Chuang, he recused himself from the discussion and did not participate in the voting.
	3. Proposal on Providing a Loan to EverFocus Electronics (USA) by the Company.	The resolution was approved as proposed without objection from any of the attending directors after being confirmed by the Chairman.
	4. Proposal on Providing Endorsement and Guarantee for EverFocus Electronics (USA) by the Company.	The resolution was approved as proposed without objection from any of the attending directors after being confirmed by the Chairman.
	5. Proposal on Providing Endorsement and Guarantee for EverFocus Electronics (Japan) by the Company.	The resolution was approved as proposed without objection from any of the attending directors after being confirmed by the Chairman.
	6. Proposal on Investing in Taiwan Tech Star Phase II Venture Capital.	The resolution was approved as proposed without objection from any of the attending directors after being confirmed by the Chairman.
	7. Proposal on Investing in Dunpin No.1 Innovation Investment Co., Ltd Fund.	The resolution was approved as proposed without objection from any of the attending directors after being confirmed by the Chairman.
	8. Proposal on the Remuneration of the Company's Independent Directors.	After consulting the remaining attending directors with voting rights, the Chairman confirmed that the resolution was approved without any objections.
	9. Proposal on the Amendment of the Company's Managerial Compensation and Performance Management Regulations.	After consulting the remaining attending directors with voting rights, the Chairman confirmed that the resolution was approved without any objections.
	10. After consulting the remaining attending directors with voting rights, the Chairman confirmed that the resolution was approved without any objections.	After consulting the remaining attending directors with voting rights, the Chairman confirmed that the resolution was approved without any objections.
The 3rd meeting of the 11th term (2024.11.12)	1. Proposal on the Company's Consolidated Financial Statements for the Third Quarter of 2024.	Unanimous consent of all directors present at the meeting.
	2. Proposal to Establish the Sustainability Development Committee under the Board of Directors and Formulate the Company's "Sustainability Development Committee Charter."	Unanimous consent of all directors present at the meeting.
	3. Proposal to Appoint Chairman Chuang Yung-Shun, President Kao Chih-Hung, and Executive Assistant to the President Chang Liang-Hui as Members of the Sustainability Development Committee.	Unanimous consent of all directors present at the meeting.
	4. Proposal to Formulate the Company's "Sustainability Information Management Operating Procedures."	Unanimous consent of all directors present at the meeting.
	5. Proposal on Matters Related to the Company's Business Transactions with Banks.	Unanimous consent of all directors present at the meeting.
	6. Proposal on Providing Endorsement and Guarantee for EverFocus Electronics (Japan) by the Company.	Unanimous consent of all directors present at the meeting.
	7. Proposal on the Audit Plan for 2025.	Unanimous consent of all directors present at the meeting.
The 4th meeting of the 11th term (2024.12.19)	1. Proposal on the Company's Budget and Operational Plan for 2025.	Unanimous consent of all directors present at the meeting.
	2. Proposal on the Appointment of the Company's Corporate Governance Officer.	Unanimous consent of all directors present at the meeting.

(11.2.2) Board of Directors for the year 2024 as at the date of publication of the annual report:

Date/Term	Proposals	Result of Resolution
The 5th meeting of the 11th term (114.03.11)	1. Proposal on the Company's Financial Statements for the Year 2024.	Unanimous consent of all directors present at the meeting.
	2. Proposal on the Company's Loss Appropriation Statement for the Year 2024.	Unanimous consent of all directors present at the meeting.
	3. Proposal on the Amendment of the Company's "Articles of Incorporation."	Unanimous consent of all directors present at the meeting.
	4. Proposal on the [Effectiveness Assessment of the Internal Control System] and [Statement of Internal Control System] for the Year 2024.	Unanimous consent of all directors present at the meeting.
	5. Proposal on the Evaluation of the Independence and Competence of the Company's Certified Public Accountants.	Unanimous consent of all directors present at the meeting.
	6. Proposal on the Date, Venue, and Agenda of the 2025 Annual General Shareholders' Meeting.	Unanimous consent of all directors present at the meeting.
	7. Proposal on the Changes in the Company's Financial Officer, Accounting Officer, and Corporate Governance Officer.	Unanimous consent of all directors present at the meeting.
	8. Proposal on the Year-End Performance Bonuses for Managers of the Company for the Year 2024.	Unanimous consent of all directors present at the meeting.
	9. Proposal on the Salary Review of the Company's Financial and Accounting Officers.	Unanimous consent of all directors present at the meeting.

(12) Major issues of record or written statements made by any director or supervisor dissenting to important resolutions passed by the Board of Directors during 2023 and as of the date of this annual report: None.

(13) Summary of resignations and dismissals of personnel related to the financial report (including the chairman, general manager, chief accounting officer, chief financial officer, chief internal auditor, and chief research and development officer) during

the most recent year and up to the date of the annual report printing:

Title	Name	Date of Appointment	Date of Dismissal	Reason for Resignation or Dismissal
Governance Officer	Yun-Hua Chiang	2023.03.22	2024.11.29	Resignation
Financial Officer	Chien-Liang Chen	2019.10.16	2025.03.11	Resignation

5. Information on the professional fees of the external auditors :

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Auditing Period	Audit fees	Non-audit fees	Total	Remark
PricewaterhouseCoopers Taiwan	Mavis Chang	2024.1.1-2024.12.31	2,100	0	2,100	
	Shih-Jung Weng					

(1) If the ratio of non-audit fees from the signing accountant's firm and its related entities to audit fees exceeds one-fourth, the amounts and nature of audit and non-audit fees should be disclosed: None

(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.

(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.

6. The facts about the Company chairman, president, managerial officer in charge of financial or accounting affairs having served with the CPA Office or the affiliation thereof over the past year, the name, title and period of employment with the certified public accountant's firm or its affiliates should be disclosed: None

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:

(6.1) Changes in shareholdings of directors, supervisors, managers and major shareholders

Unit: shares

Title	Name	2024 年度		As of April 22, 2025	
		Increase (decrease) in number of shares held	Increase (decrease) in pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in pledged shares
Chairman and President	Yung-Shun Chuang	0	0	0	0
Director	Hui-Ming Tsao	0	0	0	0
Director	LCL CAPITAL INC.	0	0	0	0
Corporate Representative	Ching-Kun Chen	0	0	0	0
Corporate Representative	Chieh-Hsi Li	0	0	0	0
Director	Jui Hai Investment Co., Ltd.	0	0	0	0
Corporate Representative	Fu-Chieh, Chuang	0	0	0	0

Independent director	Hsu-Nan Huang	0	0	0	0
Independent director	Kuo Kun-Chang (Date of Appointment:2024.06.21)	0	0	0	0
Independent director	Chen-An Li	0	0	0	0
President	Chih-Hung Kao	0	0	0	0
Executive Vice President of Operations	Fu-Chieh Chuang	0	0	0	0
Internal Auditor	Li-Wen Chou	0	0	0	0
Financial Officer	Chia-Wei Lin (Date of Appointment:2025.03.11)	0	0	0	0

(6.2) The person to whom shares are transferred is a related party: None.

(6.3) The person to whom shares are pledged is a related party: None.

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.

Related-Party Relationships Among Top Ten Shareholders

April 22, 2025 Unit: shares; %

Name	Number of shares held by themselves		Shares held by spouse and minors		Shares held by others		NAMES AND THE RELATIONSHIP AMONG THE TOP TEN SHAREHOLDERS IN THE RELATIONSHIP OF RELATED PARTIES OR SPOUSES, BLOOD RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP.		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name (or abbreviation)	Relationship	
Yung-Shun Chuang	10,655,686	15.95	0	0.00	0	0	Fu-Chieh Chuang	1st degree of kinship	None
LCL CAPITAL INC.	3,768,021	5.64	0	0.00	0	0	WITTY MATE CORPORATION	Note	None
Chia-Ming Huang	2,567,485	3.84	0	0.00	0	0	Hui-Ming Tsao	Spouse	None
Zhi Pin Industrial Co., Ltd.	1,931,616	2.89	-	-	-	-	-	-	None
Wu Shun Investment Co., Ltd.	1,881,682	2.82	-	-	-	-	-	-	None
Hui-Ming Tsao	1,707,541	2.56	0	0.00	0	0	Chia-Ming Huang	Spouse	None
WITTY MATE CORPORATION	1,564,220	2.34	-	-	-	-	LCL CAPITAL INC.	Note	None
PEI HSI CO., LTD.	1,232,000	1.84	-	-	-	-	-	-	None
Fu-Chieh Chuang	900,000	1.35	-	-	-	-	Yung-Shun Chuang	1st degree of kinship	None
Chung-Cheng Chou	864,000	1.29	-	-	-	-	-	-	None

Note: LCL CAPITAL INC. is the major shareholder of WITTY MATE CORPORATION.

9. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company.

Unit: shares; %

Invested enterprise (Note 1)	Held by the Company		Held by Directors, Supervisors, Managers, and Directly/Indirectly Controlled Businesses		Total Investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
EVER FOCUS ELECTRONICS CORP.	8,934,000	100.00	0	0	8,934,000	100.00
EVERFOCUS JAPAN CORP.	200	100.00	0	0	200	100.00
EverFocus Electronics (Shenzhen) Co., Ltd.	USD 2,050,000 (Note 2)	100.00	0	0	USD 2,050,000 (Note 2)	100.00
EVERHIGHLIGHT TECHNOLOGY CORP. (Note 4)	500,000	100.00	0	0	500,000	100.00
EVERFOCUS ELECTRONICS LIMITED (Note 3)	75	75.00	0	0	75	75.00

Note 1: It is the long-term investment accounted for using the equity method.

Note 2: It is stated as investment amount.

Note 3: EVERFOCUS ELECTRONICS LIMITED filed for liquidation with the local court in December 2013.

Note 4: EVERHIGHLIGHT TECHNOLOGY CORP. filed for dissolution and liquidation with the local court on December 27, 2023.

3. Capital and Shares

1. Capital and shares

(1) Capitalization:

Month/ Year	Issue price	Authorized Share Capital		Capital Stock		Remark			
		Number of shares	Amount (NT\$)	Number of shares	Amount (NT\$)	Sources of Capital	Capital Increase by Assets other than Cash	Others	
1995.07	10	1,000,000	10,000,000	700,000	7,000,000	Capital upon establishment	7,000,000	-	-
1996.11	10	1,200,000	12,000,000	1,200,000	12,000,000	Cash capital increase	5,000,000	-	-
1997.09	10	9,800,000	98,000,000	9,800,000	98,000,000	Capitalization of retained earnings Cash capital increase	5,680,000 80,320,000	-	Note1
1998.07	10	10,918,353	109,183,530	10,918,353	109,183,530	Capitalization of retained earnings Employee bonus	9,800,000 1,383,530	-	Note2
1999.09	10	18,000,000	180,000,000	18,000,000	180,000,000	Cash capital increase Capitalization of retained earnings Employee bonus	10,358,540 53,499,930 6,958,000	-	Note3
2000.10	10	42,000,000	420,000,000	24,111,500	241,115,000	Capitalization of retained earnings Capitalization of capital reserves Employee bonus	50,400,000 3,600,000 7,115,000	-	Note4
2001.09	10	42,000,000	420,000,000	35,858,375	358,583,750	Cash capital increase Capitalization of retained earnings Employee bonus	48,000,000 60,278,750 9,190,000	-	Note5
2002.08	10	103,000,000	1,030,000,000	49,775,000	497,750,000	Capitalization of retained earnings Capitalization of capital reserves Employee bonus	89,645,940 35,858,370 13,661,940	-	Note6
2003.06	10	103,000,000	1,030,000,000	64,402,000	644,020,000	Capitalization of retained earnings Capitalization of capital reserves for employee bonus	99,550,000 29,865,000 16,855,000	-	Note7
2004.09	10	150,000,000	1,500,000,000	77,260,000	772,600,000	Capitalization of retained earnings Employee bonus	109,483,400 19,096,600	-	Note8
2005.08	10	207,000,000	2,070,000,000	94,888,000	948,880,000	Capitalization of retained earnings Employee bonus	154,520,000 21,760,000	-	Note9
2006.07	10	207,000,000	2,070,000,000	103,550,700	1,035,507,000	Capitalization of retained earnings Employee bonus	75,910,400 10,716,600	-	Note10
2007.06	10	207,000,000	2,070,000,000	107,122,100	1,071,221,000	Capitalization of retained earnings Employee bonus	20,710,000 15,004,000	-	Note11
2008.07	10	207,000,000	2,070,000,000	112,249,800	1,122,498,000	Capitalization of retained earnings Employee bonus	31,356,630 19,920,370	-	Note12
2009.07	10	207,000,000	2,070,000,000	114,322,796	1,143,227,960	Capitalization of retained earnings	20,729,960	-	Note13
2010.12	10	207,000,000	2,070,000,000	111,722,796	1,117,227,960	Cancellation of treasury stock to reduce capital	-26,000,000	-	Note14
2011.07	10	207,000,000	2,070,000,000	121,507,847	1,215,078,470	Capitalization of capital reserves	97,850,510	-	Note15
2011.10	10	207,000,000	2,070,000,000	118,507,847	1,185,078,470	Cancellation of treasury stock to reduce capital	-30,000,000	-	Note16
2015.04	10	207,000,000	2,070,000,000	115,507,847	1,155,078,470	Cancellation of treasury stock to reduce capital	-30,000,000	-	Note17
2019.08	10	207,000,000	2,070,000,000	68,115,093	681,150,930	Capital reduction to offset losses	-473,927,540	-	Note18

2021.09	10	207,000,000	2,070,000,000	53,401,000	534,010,000	Capital reduction to offset losses	-147,140,930	-	Note19
2022.04	10	207,000,000	2,070,000,000	66,801,000	668,010,000	Cash capital increase	134,000,000	-	Note20

Note 1: Approved with the letter 86 Chien San Kuei Zi No. 238993 dated on September 30, 1997 issued by Department of Reconstruction of the Taiwan Provincial Government
Note 2: Approved with the letter Jing (087) Shang Zi No. 087120921 issued by the Ministry of Economic Affairs
Note 3: Approved with letter (88) Tai Cai Zheng (I) No. 59484 dated on July 6, 1999 issued by the Securities and Futures Institute, Ministry of Finance.
Note 4: Approved with letter (89) Tai Cai Zheng (I) No. 77552 dated on September 15, 2000 issued by the Securities and Futures Institute, Ministry of Finance.
Note 5: Approved with letters (90) Tai Cai Zheng (I) No. 130237 dated on May 16, 2001 and (90) Tai Cai Zheng (I) No. 130236 dated on May 24, 2001 issued by the Securities and Futures Institute, Ministry of Finance.
Note 6: Approved with letter (91) Tai Cai Zheng Yi Zi No. 0910135217 dated on June 27, 2002 issued by the Securities and Futures Institute, Ministry of Finance.
Note 7: Approved with letter Tai Cai Zheng Yi Zi No. 0920120693 dated on May 13, 2003 issued by the Securities and Futures Institute, Ministry of Finance. 66
Note 8: Approved with letter Tai Cai Zheng Yi Zi No. 0930129867 dated on July 6, 2004 issued by Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan
Note 9: Approved with letter Jin Guan Zheng Yi Zi No. 0940126083 dated on June 29, 2005 issued by Financial Supervisory Commission, Executive Yuan
Note 10: Approved with letter Jin Guan Zheng Yi Zi No. 0950128163 dated on July 4, 2006 issued by Financial Supervisory Commission, Executive Yuan
Note 11: Approved with letter Jin Guan Zheng Yi Zi No. 0960033108 dated on June 29, 2007 issued by Financial Supervisory Commission, Executive Yuan
Note 12: Approved with letter Jin Guan Zheng Yi Zi No. 0970032585 dated on July 1, 2008 issued by Financial Supervisory Commission, Executive Yuan
Note 13: Approved with letter Jin Guan Zheng Fa Zi No. 0980032662 dated on July 1, 2009 issued by Financial Supervisory Commission, Executive Yuan
Note 14: Approved with the letter Jing Shou Shang Zi No. 09901291690 dated on December 31, 2010 issued by the Ministry of Economic Affairs.
Note 15: Approved with letter Jin Guan Zheng Fa Zi No. 1000030654 dated on July 4, 2011 issued by Financial Supervisory Commission, Executive Yuan
Note 16: Approved with the letter Jing Shou Shang Zi No. 10001233290 dated on December 31, 2011 issued by the Ministry of Economic Affairs.
Note 17: Approved with the letter Jing Shou Shang Zi No. 10401075530 dated on December 31, 2010 issued by the Ministry of Economic Affairs.
Note 18: Approved with the letter Jin Shou Shang Zi No. 10801102490 dated on August 12, 2019 issued by the Ministry of Economic Affairs.
Note 19: Approved with the letter Jin Shou Shang Zi No. 11001172090 dated on September 24, 2021 issued by the Ministry of Economic Affairs.
Note 20: Approved with the letter Jin Shou Shang Zi No. 11101064710 dated on April 19, 2022 issued by the Ministry of Economic Affairs.

April 22, 2025

Type of Stock	Authorized Share Capital			Remark
	Outstanding Shares (Note 1)	Unissued Shares	Total	
Ordinary shares	66,801,000	140,199,000	207,000,000	None

Note 1: Stock of listed company

(2)Information on the shelf registration: None.

(3)Preferred shares: None.

(4)List of major shareholders: List all shareholders with a stake of 5 percent or greater or shareholders who rank in the top 10 in shareholding percentage.

April 22, 2025

Major Shareholders	Shareholding	Shareholding percentage
Yung-Shun Chuang	10,655,686	16%
LCL CAPITAL INC.	3,768,021	6%
Chia-Ming Huang	2,567,485	4%
Zhi Pin Industrial Co., Ltd.	1,931,616	3%
Wu Shun Investment Co., Ltd.	1,881,682	3%
Hui-Ming Tsao	1,707,541	3%
WITTY MATE CORPORATION	1,564,220	2%
PEI HSI CO., LTD.	1,232,000	2%
Fu-Chieh Chuang	900,000	1%
Chung-Cheng Chou	864,000	1%

(5)Dividend Policy and Implementation Status:

(5.1)Information on the Company's dividend policy set forth in the Articles of Incorporation:

If the Company generates a profit in any fiscal year, 3% to 10.5% of the profit shall be allocated as employee compensation. At least 20% of the aforementioned employee compensation shall be reserved for grassroots employees. The distribution of such compensation, either in the form of shares or cash, shall be determined by the Board of Directors, and the recipients may include employees of subsidiaries who meet certain criteria. The Company may also allocate up to 2.5% of the profit as remuneration for directors and supervisors, subject to the resolution of the Board of Directors.

However, if the Company has accumulated losses, the amount needed to offset such losses shall be reserved first. Afterward, the remaining profit shall be distributed as employee compensation and directors' remuneration according to the aforementioned ratios. If the Company's annual financial statements show a net profit, the profit shall first be used to pay taxes and offset accumulated losses. After that, 10% of the remaining profit shall be set aside as legal reserve. If the legal reserve has reached the Company's paid-in capital, no further allocation is required. Any remaining amount, after appropriating other special reserves as required by law, shall be added to the undistributed earnings.

The distributable earnings, ranging from 0% to 100%, shall be proposed by the Board of Directors in a profit distribution plan and submitted to the shareholders' meeting for approval. Dividends may be distributed to shareholders in the form of stock or cash. If dividends and bonuses are distributed partially or entirely in cash, the Board of Directors is authorized to do so with the attendance of at least two-thirds of all directors and the approval of more than half of the attending directors. The distribution shall then be reported to the shareholders' meeting. The principle of dividend distribution is to maintain a sound financial structure and support future business growth. The dividend distribution process follows the Company Act, with the Board of Directors considering the Company's profitability and future operational needs to formulate a profit distribution proposal, which is submitted to the annual shareholders' meeting for approval.

The Company may distribute dividends using three methods:

- Capitalization of earnings.
- Capitalization of capital reserves.
- Cash dividends.

If dividends and bonuses are distributed partially or entirely in cash, the Board Of Directors is authorized to do so with the attendance of at least two-thirds of all directors and the approval of more than half of the attending directors, and the distribution shall be reported to the shareholders' meeting.

If there are suitable investment plans that can enhance the Company's profitability, the Company may adopt capitalization of earnings or capital reserves. If capital expansion affects the dividend level, cash distribution will be prioritized.

The proportion of stock dividends shall range from 0% to 90%, while cash dividends shall range from 10% to 100%.

(5.2) Implementation Status:

The Company did not distribute any dividends in fiscal 2023 due to accumulated losses.

(6) Impact of the stock dividend distribution proposed by the shareholders' meeting on the

Company's operating performance and earnings per share:

Not applicable. The shareholders' meeting did not propose a stock dividend distribution and the Company was not required to disclose financial forecast information for 2025.

(7) Remuneration to employees, directors and supervisors:

(7.1) The percentage or range of remuneration to the employees, directors and supervisors are delineated under the Articles of Incorporation:

If the Company generates a profit in any fiscal year, 3% to 10.5% of the profit shall be allocated as employee compensation. At least 20% of the aforementioned employee compensation shall be reserved for grassroots employees. The distribution, either in the form of shares or cash, shall be determined by the Board of Directors, and the recipients may include employees of subsidiaries who meet specific criteria.

The Company may also allocate up to 2.5% of the profit as remuneration for directors and supervisors, subject to the resolution of the Board of Directors. However, if the Company has accumulated losses, the amount required to cover such losses shall be reserved first. Thereafter, employee compensation and directors' remuneration shall be distributed according to the specified ratios.

(7.2) The basis for estimating the amount of employee and director remuneration, shall take into account the number of shares to be distributed as stock bonuses, and the accounting treatment of any discrepancy between the actual distributed amount and the estimated figure for the current period: The Board of Directors resolved not to distribute remuneration to employees and directors due to the Company's accumulated losses in fiscal 2024.

(7.3) Remuneration distribution approved by the Board: The Board of Directors resolved not to distribute remuneration to employees and directors due to the Company's accumulated losses in fiscal 2024.

(7.4) The actual distribution of employee and director/supervisor remuneration for the previous fiscal year (with an indication of the number, value and stock price of the shares distributed) shall be declared. If there is any discrepancy between the actual distribution and the recognized employee bonuses and director/supervisor compensation, the discrepancy, its cause, and its status must also be listed: As the Company has accumulated losses for both 2023 and 2024, no remuneration to employees and directors has been estimated.

(8) Share Buyback by the Company: None.

2. Issuance of Corporate Bonds (including Overseas Corporate Bonds): None.

3. Information on convertible bonds: None.

4. Information on exchangeable bonds: None.

5. Shelf registration for issuing bonds: None.

6. Information on corporate bonds with warrants: None.

7. Preferred shares: None.

8. Information on preferred stock with warrants: None.

9. Issuance of Global Depositary Receipts: None.

10. Status of employee stock option plan: None.

11. Issuance of New Restricted Employee Shares: None.

12. Information on employee stock options granted to management team and to top 10 employees: None.

13. Information on new restricted employee shares granted to management team and to top 10 employees: None.

14. Basic information of the merged and the acquired company: None.

15. Financing Plans and Implementation: The company's previous cash capital increase in 2021 has been successfully completed. The fundraising plan was fully implemented in the third quarter of 2022.

4. Operations Overview

1. Business activities

(1) Business Scope

(1.1) Main Business Activities:

- (I) CB01010 Mechanical Equipment Manufacturing
- (II) CC01080 Electronics Components Manufacturing
- (III) E604010 Machinery Installation
- (IV) E603050 Automatic Control Equipment Engineering
- (V) F113010 Wholesale of Machinery
- (VI) F213080 Retail Sale of Other Machinery and Equipment
- (VII) F119010 Wholesale of Electronic Materials
- (VIII) F219010 Retail Sale of Electronic Materials
- (IX) I501010 Product Designing
- (X) E605010 Computer Equipment Installation
- (XI) EZ05010 Instrument and Meters Installation Engineering
- (XII) I301010 Software Design Services
- (XIII) E601010 Electric Appliance Construction
- (XIV) E603010 Cable Installation Engineering
- (XV) F401010 International Trade
- (XVI) CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing
- (XVII) F401021 Restrained Telecom Radio Frequency Equipment and Materials Import
- (XVIII) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

(1.2) Main Products and Business Breakdown:

Unit: NT\$ thousand

Main Products/Year	Sales Revenues in 2024	Proportion (%)
Digital Video Recorder	135,458	29.43
Camera	153,113	33.27
AV Over IP	20,696	4.50
Others	151,013	32.81
Total	460,280	100.00

(1.3) Current Products/Services:

- (I) Embedded Boards and System
- (II) In-Vehicle Recording Devices
- (III) CCTV Surveillance Products
- (IV) After-Sales Services and Others

(1.4) The Company has recently launched the following new products:

- (I) Artificial Intelligence Edge Computing
- (II) Industrial Automation Applications
- (III) Network Audio-Visual Transmission Solutions
- (IV) Wireless Communication and Sensor Modules
- (V) Smart Factory System Equipment and Solutions
- (VI) Industrial Computer Software
- (VII) AI Artificial Intelligence Edge Computing Platform
- (VIII) In-Vehicle Vision Solutions

(2) Industry Overview

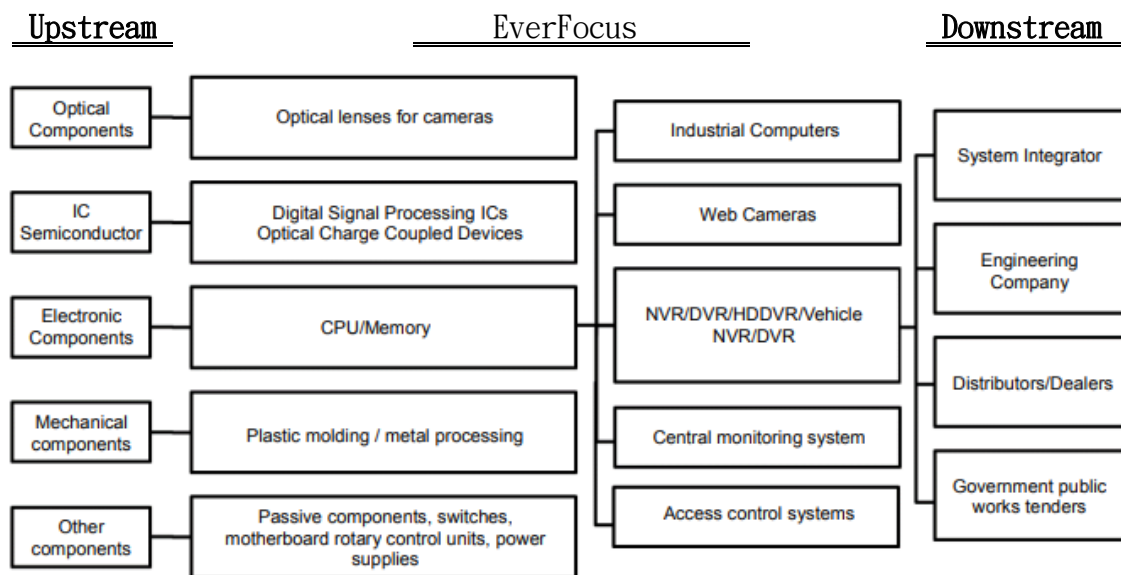
(2.1) Current Industry Status and Development:

From surveillance production line solutions, the Company has transformed into the field of Industrial PCs (IPC). Leveraging years of extensive experience in machine vision and automation control, it has rapidly launched edge computing and AI inference platforms that meet the needs of smart manufacturing and Industry 4.0.

Following the inventory clearance and demand adjustments in the global IPC market during 2023-2024, it is expected to experience a significant recovery in 2025. Key driving factors include the resurgence of capital expenditure in manufacturing, the deepening of IoT and AIoT applications, and increased attention to cybersecurity. The Taiwan market continues to demonstrate strong demand in vertical sectors such as smart transportation, smart healthcare, and semiconductor manufacturing, positioning local manufacturers as key players in the Asia-Pacific region.

Looking ahead, EverFocus Electronics will continue to leverage its core imaging and surveillance technology, integrating its self-developed hardware and software ecosystem to deepen its edge AI and industrial IoT deployments. It will actively collaborate with system integrators and cloud service platforms to capture market opportunities and support the manufacturing industry's transition to digitalization and intelligence.

(2.2) The Relevance of Upstream, Midstream and Downstream Companies in the Industry:



(2.3) Product trends:

The Company has upgraded its core imaging and surveillance technology to edge AI industrial computers powered by NVIDIA® Jetson Orin™ NX/Nano. The PHX-N2000 series, with its IP65 protection rating and compact all-in-one design, is engineered to meet the demanding requirements of harsh environments. Additionally, the EAC series and SPG series modular products provide extensive I/O expansion and 4K M.2 video capture capabilities.

Leveraging IATF 16949:2016 automotive certification, the Company has significantly enhanced reliability in the vehicle and mobile surveillance sectors. Furthermore, through deep collaboration with affiliated companies, Nota AI, and the Sarea IoT platform's plug-and-play deployment model, the Company has achieved end-to-end smart manufacturing and intelligent transportation solutions, establishing a leading position in the future industrial computer market.

(2.4) Competition:

In 2024, EverFocus Electronics faced global inflation and geopolitical risks, along with dual challenges in the Chinese market, including low-price competition and rapid expansion in the surveillance sector. The Company continued to drive three major transformations:

·Strategic Transformation:

Transitioning from a traditional surveillance equipment provider to an AIoT solution provider with imaging capabilities, focusing on smart transportation, smart IoT, and smart in-vehicle solutions.

·Product Transformation:

Shifting from standardized mass production to low-volume customization, partnering with software providers specializing in image processing, recognition analysis, and automated control to build an AI application ecosystem.

·Operational Transformation:

Focusing on integrating resources from affiliated companies, expanding domestic and international project clients, and deepening cross-industry and cross-brand marketing collaborations. Solutions are being implemented through tenders and technology projects in real-world application scenarios.

(3) R&D Status

(3.1) Percentage of R&D expenses to operating income

Unit: NT\$ thousands; %

Year	2023	2024	As of March 31, 2025
Item			
R&D expenses	47,898	121,638	17,335
Operating income	369,555	460,280	85,699
Operating income	12.96	26.43	20.22

(4) Long-Term and Short-Term Business Development Plans

(4.1) Short-Term Plans

Leveraging a comprehensive industry layout and a global sales network, EverFocus effectively mitigates systemic risks associated with reliance on a single industry or country. The Company adopts a localized strategy to strengthen regional sales systems, leveraging the differentiated advantages of the EverFocus brand to maintain a competitive edge.

In recent years, EverFocus has actively advanced toward becoming an international enterprise. In addition to its traditional major markets in Mainland China, Europe, and the United States, the Company has continuously expanded into emerging regions, including Japan, South Korea, Vietnam, India, Malaysia, Italy, Australia, and New Zealand.

(4.2) Long-Term Plans

EverFocus will continue to strengthen its core advantages in research, development, and manufacturing to meet the diverse and highly customized demands of the Internet of Things (IoT). To maintain market competitiveness and provide superior customer service, the Company will allocate substantial resources to technology development while simultaneously enhancing the flexibility of its manufacturing capacity to accommodate rapidly changing customer needs.

In terms of implementation, EverFocus will leverage group resources and its extensive experience in manufacturing digitalization. The Company will entrust its team with the planning and deployment of the Manufacturing Execution System (MES). By diagnosing on-site processes, integrating equipment, warehousing, and quality information, the Company will establish real-time monitoring and production traceability mechanisms. The adoption of a modular architecture will ensure scalability for future expansions.

This initiative will significantly enhance factory operation transparency and efficiency, accelerating the Group's digital transformation and laying a solid foundation for the future

development of smart manufacturing.

2. Market and sales overview

(1) Market Analysis

(1.1) Regions for the Sale and Provision of Major Products and Services :

Unit: NT\$ thousands

Region \ Year	2023		2024	
	Net Sales	Ratio %	Net Sales	Ratio %
America	124,559	33.71	154,306	33.52
Asia	212,828	57.59	285,654	62.06
Europe	29,728	8.04	22,311	4.85
Others	2,440	0.66	(1,991)	(0.43)
Total	369,555	100.00	460,280	100.00

(1.2) Market share

As of the end of 2024, EverFocus has achieved a market share of over 70% in Taiwan's commercial vehicle market, primarily due to long-term partnerships with two major Japanese automakers, which together account for over 70% of the market share in Taiwan's commercial vehicle sector.

In addition, EverFocus continues to drive innovation in the field of image processing, consistently expanding its market influence. The Company has also fully invested in the research, development, and promotion of industrial computers. Leveraging years of practical experience in imaging technology and edge computing, EverFocus is actively developing high-performance, reliable Vision-AIOT solutions. These solutions are designed to support the digital transformation of vertical markets such as smart transportation and smart manufacturing, delivering greater application value.

(1.3) Future Supply and Demand Outlook and Growth Potential

(1.3.1) Industrial PC (IPC) Market

(a) Market Size and Growth Forecast

- According to IndustryARC, the global Industrial PC (IPC) market is expected to grow from approximately USD 8.51 billion in 2024 to USD 10.36 billion by 2030, reflecting a Compound Annual Growth Rate (CAGR) of 5.36% (Source: IndustryARC).
- MarketsandMarkets also projects that the market size will increase from USD 5.0 billion in 2023 to USD 6.6 billion by 2028, with a CAGR of 5.5% (Source: MarketsandMarkets).

(b) Supply-Side Dynamics

Due to the global expansion of semiconductor production capacity and government subsidy policies, the industrial chip supply chain experienced a brief period of structural oversupply between 2024 and 2025. However, as demand for automotive and industrial automation recovers, supply is expected to stabilize from 2026 onwards, with accelerated development of new manufacturing processes.

At the same time, system integrators are actively establishing additional assembly and testing centers in Asia-Pacific and Europe. This strategy aims to enhance localized supply capabilities, reduce the impact of long-distance shipping, and mitigate tariff disruptions.

(c) Demand-Side Dynamics

- Smart Manufacturing Upgrades (Industry 4.0) : The manufacturing sector continues to

advance towards smart manufacturing, driving strong demand for industrial PCs (IPCs) that can withstand high temperatures, resist vibrations, and maintain long-term stable operation.

·Rapid Growth in Asia-Pacific : The Asia-Pacific region, particularly Mainland China, Taiwan, and Japan, is experiencing the fastest growth due to the rapid expansion of robotic arms and automated production lines.

(1.3.2) Visual AIoT Market

(a) Market Size and Growth Forecast

According to MarketsandMarkets, the overall AIoT market (including computer vision) is projected to grow from USD 18.37 billion in 2024 to USD 79.13 billion in 2030, representing a compound annual growth rate (CAGR) of 27.6%.

(b) Supply Dynamics

With the expansion of 5G edge computing nodes and high-performance AI accelerators (GPU/ASIC/FPGA), along with the maturity of lens and image sensor technologies, the hardware supply for visual AIoT solutions has become more stable.

However, high-end AI processing chips remain predominantly manufactured by a few major suppliers, leading to intense short-term supply competition. Some solution providers may secure critical components through long-term contracts and inventory strategies.

(c) Demand Dynamics

Driven by the expansion of 5G edge computing nodes and high-performance AI accelerators (GPU/ASIC/FPGA), as well as the maturity of lens and image sensor technologies, the demand for visual AIoT solutions has continued to rise.

However, high-end AI processing chips are still primarily manufactured by a few major suppliers, resulting in intense short-term supply competition. Some solution providers may adopt long-term contracts and inventory strategies to secure critical components.

(1.3.3) Future Growth Prospects

(a) Data-Driven Decision-Making Demand

As big data and edge AI technologies mature, businesses are increasingly adopting automated, real-time image analysis systems to enhance production efficiency and quality. This trend is expected to drive the composite growth of industrial computers and visual AIoT solutions.

(b) Cross-Domain Integration Opportunities

The integration of AIoT platforms, cloud services, and industrial computers will establish an end-edge-cloud unified smart manufacturing ecosystem. Companies can enhance product value and create new service models through software-hardware integration.

(2) Key Products: Primary Applications and Production Process

(1.1) Primary Applications of Key Products

(1.1.1) Industrial Computers: Machine Control / Edge Computing / Human-Machine Interface / Long-Term Stable Operation in Harsh Environments.

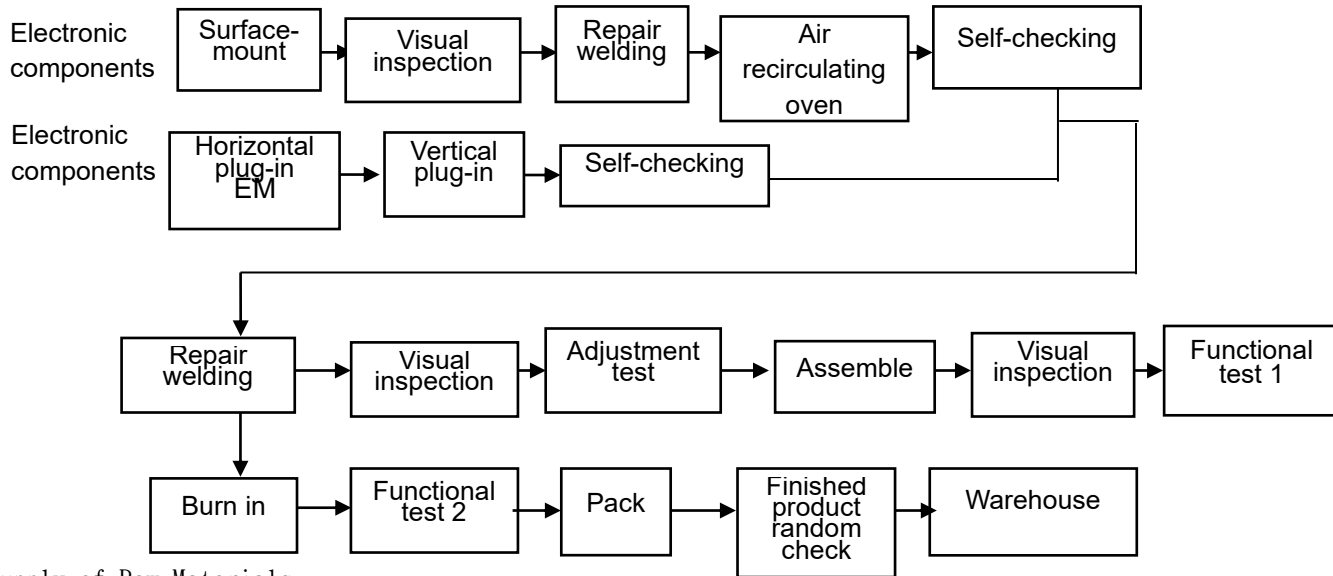
Serving as high-temperature and vibration-resistant edge computing and control hubs, industrial computers are widely applied in automated production lines, robotic arms, and human-machine interfaces. The production process includes specification confirmation, PCB design, SMT placement and through-hole insertion, mechanical assembly, firmware programming and burn-in testing, followed by calibration and shipment.

(1.1.2) Visual AIoT: Visual Inspection / Smart Transportation (License Plate / Pedestrian Recognition) / Customer Flow Analysis / Security Anomaly Detection

Integrating high-resolution image sensors, AI accelerator cards, and communication modules, Visual AIoT solutions are applied in quality inspection, smart transportation,

customer flow analysis, and security monitoring. The process includes model training, inference optimization, and firmware packaging, followed by deployment in various fields. Performance is continuously optimized through on-site pilot calibration and Over-the-Air (OTA) updates.

(2.1) Production Process



(3) Supply of Raw Materials

Main raw materials	Supply status
Active component (IC)	Good
PC board	Good
Passive components (resistors, capacitors, etc.)	Good
Wires	Good
Material for outer structure (shell, screws, etc.)	Good
Lens	Good
Packing materials	Good

(4) Major suppliers and customers for the most recent two years

(1.1) Suppliers accounting for more than 10% of annual net procurement for the most recent two years:

Unit: NT\$ thousands

Item	2023				2024				Up to the previous quarter of 2025			
	Name	Amount	Percentage of Total Annual Net Purchases (%)	Relation with the Company	Name	Amount	Percentage of Total Annual Net Purchases (%)	Relation with the Company	Item	Amount	Percentage of Net Purchases for the Current Year up to the End of the Previous Quarter (%)	Relation with the Company
1	Company I	9,813	3.33	None	Company I	37,294	13.53	None	Company I	14,724	58.37	None
2	Others	284,943	96.67	None	Others	238,419	86.47	None	Others	10,502	41.63	None

3	-	-	-	-	-	-	-	-	-	-	-	None
	Total net procurement	294,756	100.00		Total net procurement	275,713	100		Total net procurement	25,226	100	

(1.2) Customers that accounted for at Least 10% of annual net revenue for the most recent two years:

Unit: NT\$ thousands

		2023			2024				Up to the previous quarter of 2025			
Item	Name	Amount	Percentage of Total Annual Net Purchases (%)	Relation with the Company	Name	Amount	Percentage of Total Annual Net Purchases (%)	Relation with the Company	Item	Amount	Percentage of Net Purchases for the Current Year up to the End of the Previous Quarter (%)	Relation with the Company
1	Customer K	95,062	25.72	None	Customer C	124,144	26.97	None	Customer K	27,116	31.64	None
2	Customer C	86,927	23.52	None	Customer K	74,714	16.23	None	Customer C	17,874	20.86	None
3	Others	187,566	50.76	None	Others	261,422	56.80	None	Others	40,709	47.5	None
	Net Sales	369,555	100.00		Net Sales	460,280	100		Net Sales	85,699	100.00	

(3) Employee information (including subsidiaries) for the most recent two fiscal years and as of the publication date of annual report

April 30, 2025

年 度		2023	2024	As of April 30, 2025
Number of employees	Direct labor	19	17	24
	Indirect labor	94	106	104
	Total	113	123	128
Average age		45.21	45.21	42.87
Average year of services		9.64	9.55	7.04
Educational background	Ph. D	0	0	0
	Master	7.1	9.76	9.09
	Bachelor	69	72.36	71.08
	Senior High School	16.8	13.01	13.23
	Below Senior High School	7.1	4.87	6.6

(4) Environmental Expenditure Information

For the most recent fiscal year and up to the date of publication of this annual report, the total amount of losses and penalties incurred due to environmental pollution (including compensation and violations identified through environmental protection inspections) is disclosed. This includes specifying the date of disposition, reference number, violated regulation, content of the violation, and details of the penalty. Additionally, any current

and future estimated amounts and corresponding countermeasures are disclosed. If reasonable estimation is not feasible, the fact of such infeasibility must be explained: None.

To further enhance the Company's environmental management performance and implement corporate environmental conservation practices, the Company engaged a professional consulting firm at the end of October 2008 to assist in implementing the ISO 14001 Environmental Management System. Through the joint efforts and continuous improvements made by the Company's employees, the certification was successfully obtained in August 2009, meeting international standards. This achievement reinforces the foundation for the Company's sustainable development and protects consumer rights. The latest certificate is valid from May 7, 2024, to May 7, 2027.

(5) Labor relations

(5.1) Employee Welfare Measures, Retirement System, and Implementation Status, as well as Labor-Management Agreements:

The Company has always adhered to the philosophy that "employees are the foundation of the Company's growth and its most important resource for development." Therefore, the Company's Articles of Association clearly stipulate the provision of employee bonuses as part of employee welfare, which not only enhances employee cohesion but also fosters a spirit of solidarity. This approach enables both labor and management to work together toward achieving the common goal of customer satisfaction.

(5.1.1) Employee benefit plans:

On December 14, 1998, the Company established the "Employee Welfare Committee".

The welfare plan includes: wedding and funeral subsidies, childbirth subsidies, injury and illness assistance, disaster relief, birthday bonuses, meal subsidies, field trip grants, and festival gifts.

(5.1.2) Further education and training of employees:

(a) In order to help new employees understand the company's business and the functions in related departments as soon as possible, the human resources department is responsible for organizing training for new employees so that they can understand the company's environment, business, organization, rules and regulations and products.

(b) For the long-term development of the Company, employees may receive internal and external professional training courses, including professional skills, work performance management, etc., depending on their job requirements; through systematic training development, all education and training can be effective to strengthen employees' functions, improve work efficiency, increase professional knowledge and skills, and enhance business performance and competitiveness.

(c) The Company's personnel related to financial information transparency and their attained licenses: None.

(5.1.3) Retirement plan and implementation status

The Company has adopted an employee retirement plan in accordance with the Labor Standards Act. All regular employees of the Company are eligible to participate in this retirement plan. "The Labor Pension Act" became effective on July 1, 2005. Employees may choose the retirement mechanism prescribed in the Labor Standards Act, or to apply the pension plan under the Labor Pension Act and to retain the years of service prior to the adoption of the Act. The Company's retirement plan under the

Labor Pension Act is a defined benefit pension plan. Starting from July 1, 2005, For employees covered by the pension plan under the Labor Pension Act, the Company shall make monthly contributions of 6% of their wages to the employees' individual pension accounts. The pension fund for employees with old pension system is calculated according to the Company's original pension plan.

Retirement plan:

- (5.1.3.1) A worker may apply for voluntary retirement under any of the following conditions:
 - (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.
- (5.1.3.2) The Company shall force a worker to retire if any of the following situations has occurred:
 - (a) Where the worker attains the age of sixty.
 - (b) Where the worker is unable to perform his/ her duties due to disability.
- (5.1.3.3) The criteria for payment of worker pensions shall be as follows:

Two bases are given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The length of service is calculated as half year when it is less than 83 six months and as one year when it is more than six months.

The employee's pension is calculated based on the length of service and the average salary (base) of the six months before retirement.
- (5.1.4) Pension fund:
 - (a) The Supervisory Committee of the Labor Retirement Reserve Fund was established on December 29, 1997 by Letter No. 489694 (86), approved by the Labor Affairs Bureau of the Taipei City Government, and is responsible for the management and application of the retirement reserve fund and making monthly contributions of 2% of total salaries and wages to a special account in the Bank of Taiwan
 - (b) The Company has engaged an actuary to calculate the pension fund since 1998 and has accrued the amount as required.
- (5.1.5) Regulations on employee behavior or code of ethics
 - (5.1.5.1) For employee behavior and code of ethics, the Company has established relevant operating rules and regulations to be followed, which are listed below:
 - (a) Corporate Charter: Clearly regulate the company and employee perspectives, hierarchical responsibilities and departmental responsibilities.
 - (b) Regulations for approval authority: To provide a clear division of authority and responsibility between different operating hierarchies in the Company's organization, and to enhance management and work efficiency.
 - (c) Regulations for Employee Rewards and Punishments: To provide employees with a basis for rewards and punishments at work.
 - (d) Regulations for internal communication: To establish proper communication procedures within the company and to ensure the effectiveness of the quality/environmental management system.
 - (e) Regulations for management and certified personnel management: To ensure that the competence and qualifications of personnel related to product quality and environmental management meet the job requirements.

- (f) Education and training practices: Through a systematic training and development system, we can improve the work efficiency and professional knowledge and skills for our employees to achieve our business objectives.
 - (g) Regulations for job substitution: When the employee is on leave or taking business trip, the business he/she undertakes can be operated normally.
 - (h) Employee attendance management: To improve work performance so that employees can be on-time and follow attendance management rules.
 - (i) Internal Procedures for Handling Significant Information: To regulate the procedures for information confidentiality and the handling of abnormal situations.
 - (j) Code of Ethical Conduct: To make the company's stakeholders more aware of the company's ethical standards.
- (5.1.5.2) In order to provide employees with real-time information on the Code of Conduct and Ethical Best Practice Principles, in addition to the information listed above, the Company also has other related rules and regulations that are available in the Company's public information system for employees to review at any time. In order to provide employees with real-time information on the Code of Conduct and Ethical Best Practice Principles, in addition to the information listed above, the Company also has other related rules and regulations that are available in the Company's public information system for employees to review at any time.
- (5.1.6) Work environment and personal safety protection measures
- (5.1.6.1) In order to ensure the safety of work environment and employees, the company's business premises and factory are insured with public accident liability insurance.
There is also a fire prevention manager assigned in accordance with the relevant regulations of the Fire 84 Department of the Ministry of the Interior, who receives training at least once every two years and conducts fire drills three a year regularly; there is also a supervisor and an administrator for the management of labor safety and health, who are responsible for implementing various promotional training for work environment improvement and safety maintenance, conducting annual safety and health education and training courses for all employees, and providing clinical health services by arranging weekly visits from medical personnel, so that the Company and its employees can implement the occupational safety and health management system and jointly maintain a healthy workplace.
 - (5.1.6.2) The Company provides group insurance and other measures to enhance the well-being and protection of employees, in addition to providing employees with labor and national health insurance and contributing 6% of their monthly salaries to the pension accounts. Active employees are also entitled to free general health check-ups once a year.
 - (5.1.6.3) To comply with the "Gender Equality Act" implemented by the government, to prevent sexual harassment in the workplace, and to protect gender equality and human dignity, the Company formulated the Regulations for Establishing Measures of Prevention, Complaint and Punishment of Sexual Harassment at Workplace in March 2002. HR Department is responsible for receiving complaints and ensuring that complaints are handled confidentially. Any employee who engages in sexual harassment will be severely punished; those who are involved in serious incidents will be terminated.

(5.1.6.4) In compliance with the national legislation to ban smoking in the workplace and to protect the health of all employees from second-hand smoke, the Company established the "Regulations for the Tobacco Pollution in the Factory" in May 2008 according to the Tobacco Hazards Prevention Act. Apart from the explicit anti-smoking regulations, the disciplinary actions for violators are also linked to personal performance; if external suppliers come to the Company for business that violate the rules and fail to comply with the instructions, the violations will be included in the evaluation of the suppliers.

(5.1.7) Agreements between the Company and employees

The Company has not established a labor union, but has established a labor welfare committee to coordinate and promote various employee welfare measures and to maintain a smooth communication channel between employees and the Company. Up to date, labor relations between the Company and employees remain harmonious and no dispute has occurred.

(5.2) The Company maintained good labor relations with its employees in 2024 and up to the date of publication of the annual report, and no losses were incurred due to labor disputes.

(6) Information Security Management

(6.1) Outline the information security risk management framework, information security policies, specific management measures, and the resources allocated for information security management.

(6.1.1) Information Security Risk Management Framework:

The responsibility for information security within the Company is assigned to the "Information Division," which is responsible for information security management, policy formulation, promotion, planning, execution, and handling of information security matters. The Information Division is required to report to the Board of Directors at least once a year.

(6.1.2) Information Security Policy:

The Company has established the "Information Security Management Guidelines" to enhance information security management. These guidelines ensure the confidentiality, integrity, and availability of information assets, raise information security awareness among relevant personnel, maintain a secure environment for continuous information service operations, and ensure compliance with applicable regulations.

(6.1.3) Specific Management Measures:

(6.1.3.1) Implemented a renowned cloud-based Online Protection email filtering system to prevent phishing emails.

(6.1.3.2) Established a monitoring system for real-time supervision of host and network status, with automated alerts to prevent disruptions.

(6.1.3.3) Deployed a SIEM system using EDR (Endpoint Detection and Response) agents for real-time detection of abnormal system behaviors and log collection.

(6.1.3.4) Regulated access to data center facilities, conducted environmental monitoring, and performed regular testing of the uninterruptible power supply (UPS) system.

(6.1.3.5) Established backup servers and implemented a comprehensive backup strategy in compliance with the 3-2-1 backup principle, ensuring Recovery Point Objective (RPO) and Recovery Time Objective (RTO) targets.

Regularly verified backup data integrity and conducted recovery drills as per regulations.

(6.1.3.6) Conducted regular vulnerability scans on critical systems, applying patches or

implementing risk control measures to mitigate potential threats.

- (6.1.3.7) Implemented network segmentation to separate management and operational networks, preventing unauthorized access.
Utilized UTM (Unified Threat Management) firewalls to monitor internal east-west traffic, effectively blocking malicious activities.
 - (6.1.3.8) Enforced two-factor authentication (2FA) for VPN access and implemented user access management.
 - (6.1.3.9) Designed redundancy for key network equipment and connections to enhance availability.
 - (6.1.3.10) Secured the external official website using CDN (Content Delivery Network) and WAF (Web Application Firewall) to prevent malicious attacks.
 - (6.1.3.11) Adopted a reputable endpoint protection platform for real-time detection across all company computers, enhancing anomaly detection and protection capabilities for endpoint devices.
 - (6.1.3.12) Required user access permissions for all systems to be requested and approved. Conducted regular access reviews for employees transferring or leaving, with an annual verification of user permissions.
 - (6.1.3.13) Established clear SOPs for system operational permissions, access management, functional changes, and incident handling.
 - (6.1.3.14) Conducted regular information security awareness training and periodic social engineering phishing email simulations to enhance security awareness.
 - (6.1.3.15) Assigned a dedicated Information Management Department with specialized personnel, ensuring regular reports to top management on information security operations.
- (6.1.4) Resources Invested in Information Security Management:
- (6.1.4.1) Information Security Announcements: In 2024, a total of six information security announcements were issued to communicate important information security regulations and precautions.
 - (6.1.4.2) Education and Training: Upon onboarding, employees are required to sign the "Employee Code of Conduct Agreement," "Confidentiality Agreement," and "Computer Software Policy Agreement." Conducted at least one phishing email simulation (social engineering) exercise and employee information security training session each year.
 - (6.1.4.3) Information Security Technology: Renewed antivirus software and firewall licenses to ensure protection validity and strengthen information security.
 - (6.1.4.4) Customer Satisfaction: No major information security incidents were reported, and there were no complaints regarding customer data loss.

(6.2) Disclosure of Losses, Potential Impacts, and Countermeasures Due to Major Information Security Incidents for the Most Recent Fiscal Year and Up to the Date of Publication of This Annual Report: None.

(7) Material Contracts: As of the publication date of this annual report for the fiscal year 2024, the Company has no material contracts.

5. Review of financial conditions, financial performance, and risk management

1. Analysis of Financial Status

Unit: NT\$ Thousands

Item	Year		Difference	
	2024	2023	Amount	%
Current Assets	458,523	524,188	(65,665)	(12.53)
Non-Current Assets	402,239	386,569	15,670	4.05
Total Assets	860,762	910,757	(49,995)	(5.49)
Current Liabilities	316,809	298,937	17,872	5.98
Non-Current Liabilities	13,919	19,077	(5,158)	(27.04)
Total Liabilities	330,728	318,014	12,714	4.00
Capital Stock	668,010	668,010	0	0.00
Capital Surplus	55,312	55,312	0	0.00
Retained Earnings	(215,593)	(158,023)	(57,570)	36.43
Other Equity	22,305	27,444	(5,139)	(18.73)
Treasury Shares	-	-	-	-
Total Equity Attributable to Owners of the Parent	530,034	592,743	(62,709)	(10.58)
Non-Controlling Interests	-	-	-	-
Total Equity	530,034	592,743	(62,709)	(10.58)
Explanation:				
1. The increase in current liabilities in 2024 was mainly due to an increase in short-term borrowings, accounts payable, other payables, and lease liabilities.				
2. The increase in non-current liabilities in 2024 was mainly due to an increase in lease liabilities.				
3. The decrease in retained earnings in 2024 was due to the loss incurred during the year.				

2. Analysis of Financial Performance

Unit: NT\$ Thousands

Item	2024		2023		Increase (Decrease) Amount	Change Ratio (%)
	Subtotal	Total	Subtotal	Total		
Sales Revenue	460,280		369,555		90,725	24.55
Total Operating Revenue		460,280		369,555	90,725	24.55
Total Operating Costs		328,391		289,701	38,690	13.36
Cost of Goods Sold	328,391		289,701		38,690	13.36
Gross Profit		131,889		79,854	52,035	65.16
Operating Expenses		235,055		151,003	84,052	55.66
Operating Loss		(103,166)		(71,149)	(32,017)	45.00
Non-Operating Income and Expenses		52,091		39,925	12,166	30.47
Interest and Other Income	37,911		21,181		16,730	78.99
Other Gains and Losses	20,762		21,633		(871)	(4.03)
Finance Costs	(5,164)		(5,495)		331	(6.02)
Expected Credit Loss	399		2,048		(1,649)	(80.52)
Loss Before Tax		(51,075)		(31,224)	(19,851)	63.58
Income Tax Benefit (Expense)		(8,717)		(17,753)	9,036	(50.90)
Net Loss for the Period		(59,792)		(48,977)	(10,815)	22.08
Other Comprehensive Income		(2,917)		4,788	(7,705)	(160.92)
Total Comprehensive Income for the Period		(62,709)		(44,189)	(18,520)	41.91

Analysis of Change Ratio:

1. The increase in operating costs in 2024 was due to an increase in inventory write-downs and scrap losses.
2. The increase in non-operating income and expenses in 2023 was mainly due to an increase in net gains on financial assets measured at fair value through profit or loss.
3. The increase in income tax expenses in 2023 was due to a decrease in deferred tax assets.

3. Cash flow

Liquidity Analysis for the Most Recent Two Years

Item	2024	2023	Increase (Decrease) Ratio %
Cash Flow Ratio (%)	(8.56)	8.39	(202.03)%
Cash Flow Adequacy Ratio (%)	(161.55)	(246.42)	34.44%
Cash Reinvestment Ratio (%)	(5.14)	4.30	(219.53)%

Analysis of Change Ratio:

1. The increase in cash flow ratio and cash reinvestment ratio in 2023 was mainly due to an increase in net cash inflow from operating activities.
2. The increase in cash flow adequacy ratio in 2023 was mainly due to an increase in net cash inflow from operating activities.

Cash Flow Liquidity Analysis for the Next Year

Unit: NT\$ Thousands

Cash balance at beginning	Projected net cash flow from operating activities in current period	Projected cash outflow in current period	Projected amount of cash surplus (deficit)	Remedy for cash deficit	
				Investment plan	Financing plan
A	B	C	A+B+C		
95,786	-15,830	6,300	86,256	0	0

Liquidity analysis for the coming year:

Operating activities: It is mainly the cash generated from operations.

Investing activities: Cash outflow is mainly attributable to the acquisition of operating assets.

Financing activities: The main factor was the inflow of short-term bank borrowings.

4. The recent major capital expenditures have had an impact on the financial operations : Not applicable.

5. The investment Strategy in the most recent year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year:

Unit: NT\$ Thousands

Description Item	Original investing Amount (Note)	Carrying amount as of December 31, 2024	Policy	Main reason for profit or loss	Improvement plan	Other investment plan in the future
EverFocus Electronics Corp. USA	93,941	(72,420)	Sell the Company' s products and provide customer service	The business scale is not large enough.	Transformation and development of AI industrial control market	None
EverFocus Electronics (Shenzhen) Co., Ltd.	64,748	10,215	Develop, manufacture and sell commercial surveillance equipment	Insufficient competitiveness in access control/surveillance products in China, the business scale is not large enough.	Transformation and development of AI industrial control market	None

Note: Investment amount exceeding 5% of paid-in capital

6. Risk management and assessment:

(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:

Effect on the Company' s profits (losses):

Item	2024 (NT\$ thousands)
Interest income	5,476
Foreign exchange loss	13,558

(1.1)In terms of interest rate:

The Company does not expect to have long-term financial liabilities in the near future, although it has bank loans in 2024; therefore, the impact of interest rate fluctuations on the Company is not significant.

(1.2)In terms of exchange rate:

Some of the Company's revenues and payables are quoted in U.S. dollars. By offsetting foreign-currency assets and liabilities, the Company significantly reduces its exchange rate risk thereby resulting in a natural

hedge.

(1.3) In terms of inflation:

The products of the Company and its subsidiaries are not directly sold to general consumers, so inflation has no direct and immediate impact on the Company and its subsidiaries, and there has been no significant impact of inflation on profit or loss in the most recent year and as of the printing date of the annual report.

(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:

(2.1) High-risk and high-leverage investments:

The Company is mainly engaged in R&D, manufacturing and sales, and does not engage in high-risk, high-leverage investments.

(2.2) Loans to other parties, endorsements and guarantees:

Lending and Endorsement Guarantees: The Company manages lending and endorsements in accordance with its "Procedures for Loaning Funds and Endorsements/Guarantees." As of the date of publication of this annual report, the Company provides financing guarantees to its 100%-owned subsidiaries, EverFocus Electronics (Japan) and EverFocus Electronics (USA), with guarantee amounts of JPY 2.5 billion and USD 1.5 million, respectively, secured by time deposits equivalent to JPY 2.12 billion and real estate with a book value of NTD 73,093 thousand as collateral.

Additionally, as of the date of publication of this annual report, the Company has provided loans to its 100%-owned subsidiary, EverFocus Electronics (USA), amounting to USD 1,223,172.

(2.3) Derivatives transactions:

The Company did not engage in derivative transactions in 2024.

(3) Research and development work to be carried out in the future, and further expenditures expected for research and development work:

As a professional surveillance manufacturer, we have developed a wide range of integrated products to provide the functions and added value to our future products, which will be integrated, networked and under centralized control. We have combined digitalization, internet and personal PC technologies to make our products more advanced and diversified to meet the needs from different customers.

The projected research and development expenses for 2025 are approximately NT\$65,000 thousand.

(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 is always attentive to significant domestic and foreign policy and legal changes. At present, there is no significant impact on the Company's financial operations from these changes.

The Company hires domestic and foreign legal advisors, project insurance agents and professionals from related departments to understand and respond to various policies and legal changes promptly so that the Company's financial and business impact can be minimized.

(5) Effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response:

There is no financial impact on the Company under current technological and industry changes.

(6) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

The Company has always been operating with professionalism and integrity, and has attached great importance to corporate image and risk management. There is no recent change in corporate image that has affected corporate crisis management.

(7) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken:

The Company is in a sound operating position and has no plans for mergers and acquisitions for the most recent year and up to the publication date of the annual report.

(8) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

In order to meet business needs and expand production capacity, the primary objective is to improve the efficiency of factory and warehouse management; the Company has no plans to purchase new factories for now.

- (9) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

The Company produces and sells a variety of products. In 2024, two customers accounted for more than 10% of the global consolidated sales volume. Please refer to pages 69-70 of the annual report for the sales amount and ratio. While supporting the growth of the Company, the Company continues to actively develop new customers in order to diversify the risks associated with the concentration of sales. Furthermore, we have at least two suppliers for each raw material required.

- (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 100 has been transferred or has otherwise changed hands, and mitigation measures being or to be taken:

The Company's directors and major shareholders holding more than 10% of the shares have good relations with the Company and fully support the implementation of the policies, and there has been no significant transfer or change of ownership.

- (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:

The Company's operations have been sound and stable for the most recent year and up to the publication date of the annual report, and the Company is committed to improving the operating performance and maximizing shareholders' benefits, which should have a positive impact on the Company's operations.

- (12) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, 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 (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose 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:

12.1 Any litigation, non-litigious proceeding, or administrative dispute involving the company that remained pending during the current fiscal year up to the date of publication of the annual report: None.

12.2 If there has been any material impact upon shareholders' equity or prices for the company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving a company director, general manager, de facto responsible person, or major shareholder with a stake of more than 10 percent, and the matter was finalized or remained pending during 2024 or during the current fiscal year up to the publication date of the annual report: There is no litigation, non-litigious proceeding, or administrative dispute involving a company director, general manager, de facto responsible person, or major shareholder with a stake of more than 10 percent, and the matter was finalized or remained pending during 2024 or during the current fiscal year up to the publication date of the annual report.

- (13) Other Significant Risks and Mitigation Measures: None

7. Other important matters: None.

6. Special Disclosure

1. Information on Affiliates :

Access path:

Market Observation Post System (MOPS) → Individual Company → Electronic Document Download → Related Party Transaction Disclosures (Three Reports) Section.

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

2. Private Placement of Securities in the Most Recent Year and Up to the Date of Publication of the Annual Report: None
3. Holding or Disposal of the Company's Shares by Subsidiaries in the Most Recent Year and Up to the Date of Publication of the Annual Report: None
4. Other Necessary Supplementary Explanations: None

7. Events occurred which significantly affect shareholders' equity or price of shares pursuant to subparagraph 2, paragraph 3, article 36 of the Securities and Exchange Act:

Events occurred in the previous year or up to the publication of this annual report, which significantly affect shareholders' equity or price of shares pursuant to subparagraph 2, paragraph 3, article 36 of the Securities and Exchange Act: None

EVERFOCUS ELECTRONICS CORP.



Chairman : Yung-Shun Chuang





Everfocus
Your Safety, Our Focus