

Stock code  
5203

**CyberLink Corp.**

**2024**

**Annual Report**

**Annual report available at:**  
**Market Observation Post System <http://mops.twse.com.tw/>**  
**Company website: <https://tw.cyberlink.com/prog/company/ir-annual-report.jsp>**

**PUBLISHED ON APRIL 22, 2025**

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# 1 Letter to Shareholders

To all stakeholders of CyberLink:

The year 2024 marked a period of rapid expansion for CyberLink in Generative AI (GenAI). We drove business growth through technological innovation and harnessed global trends. As a pioneer in AI-powered creative editing software, CyberLink has progressed from the early stage of AI development into a phase of accelerated growth. After successfully launching over 10 widely acclaimed GenAI features in 2023, we introduced more than 30 innovative AI features in 2024, spanning video, image, and audio applications.

Driven by product innovation, deepened digital marketing efforts, international market expansion, and continuous user experience optimization, CyberLink achieved revenue of NT\$2.07 billion in 2024—a 10-year high and a 10.9% growth compared to 2023. Among the three main product lines, Create B2C (Creative Editing Software) experienced an 18.4% annual revenue growth, reaching NT\$1.52 billion, a historic high, accounting for 74% of total revenue. New Biz (Facial Recognition and Others) grew by 1.5% to NT\$80 million, steadily improving its market position. Together, these two growing product lines contributed 78% of the total revenue, reflecting the improvement of revenue structure. Although PC-OEM/ODD (PC-bundled and optical disc drive software) saw a 6.9% revenue decline, the reduction was better than expected, and the line continued to provide stable cash flow.

## **Artificial intelligence (AI) drove product innovation and business opportunities**

CyberLink's creative editing software spans five major platforms: PC, Mac, Android, iOS, and Web. With advancements in AI technology, we have integrated AI into our software to deliver unique customer experiences. For example, in video editing, AI-powered features included quality restoration, frame interpolation, text-based editing, and anime style. In image editing, AI capabilities such as object removal, face swap, and image fusion were available. In audio editing, innovative features included AI music generator and AI voice changer.

We also announced our advancement to GenAI 2.0 in 2024. Compared to the past, when users found it difficult to generate images that met their expectations, we introduced new technology to make AI creations more precise, intuitive, and aligned with user needs. For example, the newly launched text-to-image generation feature allows users to upload reference images (such as faces, poses, styles, or layouts) combined with text prompts to generate images, significantly improving the accuracy of AI creations and user satisfaction.

Continuous innovation and excellent consumer satisfaction have led our flagship product, "PowerDirector," to receive a perfect five-star rating from the renowned U.S. media PC Magazine, marking it as the only product in the video editing category to achieve this honor. It has also earned the Editors' Choice award for 15 consecutive years. Additionally, "PhotoDirector" received a high rating from the well-known British tech media TechRadar, further strengthening our brand's influence. Furthermore, we have added a credit-based pricing system to several products, creating an additional revenue stream when users use our AI features.

Driven by GenAI, 2024 ushered in the era of the AI PCs. Leveraging years of expertise in software and hardware integration, we have optimized our multimedia creative editing software to harness the computational power of AI PCs. At the same time, we have partnered with Intel, AMD, and several major PC brands to market globally. These collaborations not only promoted the development of the AI PC industry but also enhanced the global brand awareness of our multimedia creation software.

## **Identified demand and expanding diverse target audiences**

Focusing on diversifying revenue sources, CyberLink continued to attract more business users in 2024 with its products "Promeo" and "MyEdit." "Promeo" is a marketing content creation software powered by GenAI, capable of generating high-quality marketing materials quickly and scalably, including elements like images, text, and templates. It effectively addressed the pain points of advertising material creation with its newly launched AI Magic Designer feature, a major highlight of the year. "MyEdit" is an online image and audio editing tool (Web Application) that allows users to easily create and edit content without device or space limitations. It integrates multiple GenAI features to empower users with limitless creativity, aiming to attract more business users. Both products have achieved significant revenue growth, with each receiving recognition through the 2025 Taiwan Excellence Awards.

In 2024, the FaceMe facial recognition product line actively expanded its enterprise customer base, cultivating a growth-oriented revenue source. We continued to deepen strategic collaborations with global chip companies, renowned video management system providers, and system integration partners. We also strengthened solutions for vertical application scenarios, such as deepfake detection for financial eKYC, People Tracker in the security sector, and customer data analysis dashboards for smart retail. In addition to technological innovation, CyberLink achieved ISO 27001:2022 international information security certification, providing customers with top-tier cybersecurity protection. We observed a gradual increase in market acceptance of facial recognition technology in 2024. We have responded to market demand by transforming our products into comprehensive solutions, achieving more large-scale success cases. With continuous investment in marketing, business development, and product quality, we are confident about the future.

## **ESG corporate social responsibility and sustainable development.**

Sustainable development is at the core of corporate responsibility and an important direction for the future. CyberLink deeply understands the impact of global climate change on business operations and integrates green innovation and sustainability into its management strategy. We actively promote a model that fosters environmental protection and social value.

The information technology and software sector is deemed a green industry. As a member of it, CyberLink adheres to environmental principles during product development, advocating no generation of disposable waste. We actively optimize our energy structure and continue to increase the use of renewable energy. Since 2021, CyberLink has been implementing a ten-year plan to increase its green energy usage by 10% each year, aiming to achieve a 40% green energy usage rate by 2025. We plan to fully replace traditional electricity with green energy by 2030, demonstrating our firm commitment to sustainable development.

Since 2023, CyberLink has initiated a comprehensive greenhouse gas (GHG) inventory process and, in 2024, proactively began external verification and assurance of GHG emissions. Our collaboration with professional organizations ensures the transparency and accuracy of emissions data, allowing us to develop effective carbon reduction strategies based on the verification results. Additionally, we have completed our 2023 Sustainability Report, systematically presenting our achievements and plans in environmental protection, social responsibility, and corporate governance. That showcased our long-term commitment to sustainable development.

CyberLink upholds its five core values: "Professional Excellence, Innovation, Change, Customer, and Integrity" and actively fulfills its corporate social responsibility by creating social value alongside business growth. For many years, we have been recruiting new talent, creating job opportunities, and fostering the diversity of employees and the fairness of compensation and career opportunities, with a goal to build a diverse, inclusive, and healthy workplace.

According to the government-published 2024 compensation data of the information services sector, CyberLink recorded steady year-over-year growth in employees' average compensation and ranked first among publicly listed companies in the industry. This achievement underscores our unwavering commitment to enhancing employee benefits and welfare.

For many years, we have partnered with the Perfect CyberLink Education Foundation to actively engage in various public welfare activities. Through education promotion, bridging the gap between learning and application, and social care, we aim to reduce the urban-rural gap and enhance social equity. The foundation is dedicated to supporting disadvantaged groups and promoting sustainable development by offering educational resources, digital learning, and other diverse initiatives, helping more individuals seize opportunities to change their future. We regularly hold blood donation campaigns and charitable activities, encouraging employees to participate actively. We aim to collectively advance the practice of corporate social responsibility for positive social value and to embody the spirit of shared sustainability.

We understand that sustainable development is not only about environmental protection but also a commitment to society, employees, and shareholders. We will continue to take concrete actions to achieve energy conservation and carbon reduction, promote green innovation, and adopt a business model that creates greater social value, pursuing a future of sustainable shared growth.

## 2024 business overview :

### 1. Operating results

In 2024, the consolidated revenue was NT\$2.068 billion, and the gross profit was NT\$ 176 million. The consolidated revenue increased by 10.9% compared to the previous year. The annual revenue of the domestic parent company was NT\$ 1.747 billion, a 12.2% increase from the previous year. The after-tax net income in 2024 was NT\$ 315 million, a 41.7% increase from the previous year, demonstrating good operating performance.

### 2. Revenue, expense, and profitability analysis:

#### (1) Global consolidated financial information:

Item		2024	2023	Variation %	
Profit and loss	Revenue	2,068,359	1,865,022	10.9%	
	Gross profit	1,775,770	1,595,606	11.3%	
	Operating expenses	1,600,202	1,445,491	10.7%	
	Net income	314,595	222,036	41.7%	
Profitability	Return on assets (%)	5.32	3.85	38.2%	
	Return on equity (%)	6.86	4.88	40.6%	
	As a percentage of paid-up capital (%)	Operating income	22.24	19.02	16.9%
		Income before tax	47.67	38.75	23.0%
	Net profit margin (%)	15.21	11.91	27.7%	
Earnings per share (EPS) (in NT dollars)	3.98	2.81	41.6%		

(2) Domestic revenues of parent company:

Unit: NT\$ thousands; %

Item		2024	2023	Variation %	
Profit and loss	Revenue	1,746,563	1,556,729	12.2%	
	Gross profit	1,516,421	1,341,876	13.0%	
	Operating expenses	1,361,010	1,176,355	15.7%	
	Net income	314,595	222,036	41.7%	
Profitability	Return on assets (%)	5.48	3.96	38.4%	
	Return on equity (%)	6.86	4.88	40.6%	
	As a percentage of paid-up capital (%)	Operating income	19.68	20.97	-6.2%
		Income before tax	46.38	39.17	18.4%
	Net profit margin (%)	18.01	14.26	26.3%	
	Earnings per share (EPS) (in NT dollars)	3.98	2.81	41.6%	

3. Research and development:

- (1) In 2024, CyberLink successfully developed multiple new products and version upgrades while continuously expanding its video effects content packs exclusively for subscription services. The newly launched multimedia editing products included the desktop versions of Director Suite and Promeo, as well as the mobile versions of PowerDirector, PhotoDirector, and Promeo. A key innovation was the debut of Promeo's template generator – "AI Magic Designer," which allows users to generate a wide range of templates simply by entering text descriptions. Users can select and customize the generated templates to create desired images, posters, advertisements, social media posts, or short promotional videos with ease.
- (2) In response to the AI PC trend, CyberLink has optimized its Windows-based products, including PowerDirector, PhotoDirector, and Promeo. These products now support multiple PC platforms and leverage the computing power of AI chips embedded in PCs. This optimization not only enhances user experience but also eliminates the need for users to pay for cloud-based computing power. Supported platforms include Intel, AMD, and ARM-based PCs.
- (3) CyberLink has launched a new product, Vivid Glam, entering the beauty application market. This mobile app offers AI-powered beauty and makeup features, along with advanced body retouching tools. Users can adjust leg width, waist size, and shoulder width to achieve their desired look effortlessly.
- (4) The online image and audio editing platform MyEdit continued to expand its features, such as audio enhancement, which supports studio-quality sound and is especially suitable for podcasts. Additionally, AI Magic Designer, an AI-powered template generator, is now available online, allowing users to edit AI-generated templates directly on the web and create posters, invitations, or social media posts.
- (5) CyberLink continued to enhance the FaceMe facial recognition algorithm, introducing major upgrades to the intelligent security software, FaceMe Security, and the facial recognition platform, FaceMe Platform. These advancements enable enterprise clients to efficiently deploy facial recognition solutions.

**Summary of 2025 Business Plan:**

Looking ahead to 2025, the Digital Media business unit will focus on developing more AI technologies, including enhancing the quality of AI image generation and developing AI video generation. These technologies will be integrated into our products to deliver more innovative features. On the product front, we will continue to invest in our two flagship products, PowerDirector and PhotoDirector, while driving the growth of newer offerings launched in recent years to expand into broader markets. Among these new products, Promeo and MyEdit target digital marketing and business solutions, Vivid AI specializes in generative AI multimedia creation, and Vivid Glam focuses on beauty and cosmetic enhancement needs. In terms of sales channels, in addition to managing our own platform, we will maintain close collaboration with third-party sales platforms and partners. Meanwhile, in response to the development trends of AI PCs, we will strengthen strategic partnerships with chip and PC manufacturers. Through joint marketing efforts, we aim to enhance brand value and expand our presence in global markets.

In the Computer Vision business unit, FaceMe<sup>®</sup> facial recognition will continue to maintain close collaborations with chip manufacturers, security video management system providers, and system integrators. Additionally, as FaceMe<sup>®</sup>'s solutions across various verticals become more comprehensive, we will leverage our leading technology and product advantages to secure more customers. Key applications include eKYC solutions for financial institutions and access control and security needs for government agencies and enterprises. We will also continue to expand our global market presence, with a focus on Taiwan, Japan, South Korea, the United States, and Southeast Asia.

The year 2025 will mark an important milestone for CyberLink. With ongoing innovations in AI technology and the continuous growth of market demand, we are full of confidence about the future. Leveraging a diversified product strategy, robust partnerships, and an active global market expansion, we aim to demonstrate stronger growth momentum and solidify a firm market position.

Lastly, we wish all our shareholders  
a prosperous future ahead

Chairman: Jau Huang

GM: Mei Guu

GM: Vincent Lin

## Company Award Winning Record

Winning year/month	Awards
August 2003	Won the “Ministry of Economic Affairs Outstanding Performance Award for Industrial Technology Development”
September 2006	Outstanding Innovative Business Award in the “14th Industrial Technology Awards” by the Ministry of Economic Affairs
October 2006	Named Best Under a Billion by Forbes Asia, a world-renowned commercial media
November 2006	Named “2006 Top-100 Growing Companies in Asia” by Business Week (USA)
August 2007	Won 2007 “Best Employer Award” by Cheers
September 2007	Won “3rd Talent and Innovation Awards - Group Award” by Council of Labor Affairs, Executive Yuan
November 2007	Named Asia 200 Best Under a Billion by Forbes Asia, a world-renowned commercial media
October 2009	Won the “2009 Talent and Innovation Awards” by Council of Labor Affairs, Executive Yuan
October 2009	Won the top-20 brands during 2009 “Taiwan International Brand Value Survey” of Ministry of Economic Affairs of Taiwan
December 2009	Won the “Best Digital Learning Innovative Technology Development Award” by Industrial Development Administration, Ministry of Economic Affairs
September 2010	Won in the top-20 brands during 2010 “Taiwan International Brand Value Survey” of Ministry of Economic Affairs of Taiwan
September 2011	Won the 2011 top-20 brands in “Taiwan International Brand Value Survey” of Ministry of Economic Affairs of Taiwan
February 2012	Won the “New Taipei City Enterprise Excellence Award “ by the Economic Development Bureau, New Taipei City Government
September 2012	Won the top-20 brands in 2012 “Taiwan International Brand Value Survey” of Ministry of Economic Affairs of Taiwan
October 2012	Won the “2nd National Industrial Innovation Award” of the Ministry of Economic Affairs of Taiwan
November 2013	Won the “Happy Company Award” from the Department of Labor, Taipei City Government
December 2013	Won the top-20 brands in 2013 “Taiwan International Brand Value Survey” of Ministry of Economic Affairs of Taiwan
February 2014	Won 2nd “Taiwan Mittlestand Award” by the Ministry of Economic Affairs
May 2014	Won 1st “Work-Life Balance Award - Healthy Lifestyle Medal.”
December 2014	Won the top-20 brands in 2014 “Taiwan International Brand Value Survey” of Ministry of Economic Affairs of Taiwan
December 2018	Won the “25th National Quality Award” of Executive Yuan - Business Excellence Award
November 2020	Won the “Taiwan Excellence Award” of Ministry of Economic Affairs of Taiwan
December 2023	Won the “ 2023 SGS Green Label Award - Carbon Management Category “ of SGS.

## Product Award Winning Record

Winning year/month	Product	Award (incentive) won
February 2000	Medi@Show	Won CeBIT “Best of Taiwan’s Best” by EuroTrade (Germany)
May 2000	PowerDVD	Won Computer Easy “Editor’s Choice” (Germany)
May 2000	PowerDVD	Won Komputex Swiat “Editor’s Choice” (Poland)
May 2000	PowerVCR II	Won Best of Computex (Best Multimedia)
June 2000	PowerDVD	Won PC Plus “Best Software Decoder” (UK)
June 2000	PowerDVD	Won PC Magazin “Editor’s Choice” (Germany)
June 2000	PowerDVD	Won CHIP “Editor’s Choice” (Germany)
November 2000	TalkingShow	Won Comdex “Best of Taiwan’s Best” (USA)
November 2000	PowerDVD	Won SVM “Editor’s Choice” (France)
December 2000	PowerDVD	Won PC Achat “Editor’s Choice” (France)
December 2000	PowerDVD	Won DOS-V “Editor’s Choice” (Japan)
March 2001	PowerDVD	Won PC Fun “Editor’s Choice” (France)
March 2001	PowerDVD	Won Computer Bild “Editor’s Choice” (Germany)
April 2001	PowerDVD	Won Info.PC “Editor’s Choice” (France)
April 2001	PowerDVD	Won CHIP “Editor’s Choice” (Germany)
April 2001	PowerDVD	Won PC Achat “Editor’s Choice” (France)
April 2001	PowerVCR	Won Info PC magazine five-star (highest) rating (France)
May 2001	PowerDVD	Editor’s Choice by Computer Easy, a professional IT magazine in Germany
May 2001	PowerDVD	Editor’s Choice by PC Actual, a professional IT magazine in Spain
June 2001	PowerDVD 3.0	Won PC Praxis “Editor’s Choice” (France)
June 2001	PowerDVD	Won “Editor’s Choice” by PC Praxis, a professional IT magazine in Germany
June 2001	PowerDirector	“Best of Computex 2001” in the multimedia category
June 2001	PowerVCR II3.0 StreamAuthor TalkingShow	Won Honorable Mention during the 7th Academic Accomplishment Award
October 2001	PowerDVD 3.0	Won PC Achat “Editor’s Choice” (France)
January 2002	PowerDirector2.0 Pro	Eurotrade “Best of Taiwan’s Best”
January 2002	PowerDVD XP 4.	Won Hungary CHIP - “Best of 2001”
February 2002	CyberLink Corp	Won BCN “Best Vendor Award” (Japan)
February 2002	PowerDVD XP 4.0	Won Computer Easy “Editor’s Choice” (Germany)
February 2002	PowerDVD 3.0	Won PC Professionell “Editor’s Choice” (Germany)
March 2002	PowerDVD XP 4.0	Won Poland Computer CHIP “Editor’s Choice”
March 2002	PowerDVD XP 4.0	Won CHIP “Editor’s Choice” (Germany)
March 2002	PowerDVD XP 4.0	Won PC Praxis “Editor’s Choice” (Germany)
March 2002	PowerDVD XP 4.0	Won Computer Bild “Editor’s Choice” (Germany)
April 2002	PowerDVD XP 4.0	Won PC Welt “Editor’s Choice” (Germany)
November 2002	StreamAuthor	Won the “2002 Taiwan Creative Software Award”
December 2002	PowerDirector	Won the “8th Academic Accomplishment Award”
January 2003	PowerDirector StreamAuthor	Won the 2003 “Taiwan Excellence Award”

Winning year/month	Product	Award (incentive) won
January 2003	PowerCinema	Won "Best of Comdex 2002"
September 2003	PowerProducer 2	Won Eurotrade "Best of Taiwan's Best"
September 2003	StreamAuthor	Won the "9th Academic Accomplishment Award"
October 2003	PowerDVD 5	Won the 2003 Taiwan Creative Software Award organized by Industrial Development Bureau, Ministry of Economic Affairs
October 2003	PowerDVD PowerDirector Prower- Producer	Won the "2003 Most Recommended OEM Software Award" in China
January 2004	PowerDVD	Won 2004 "Taiwan Excellence Award"
January 2004	PowerDirector PowerDVD PowerProducer StreamAuthor	Won 2004 "Taiwan Excellence Award"
January 2004	PowerDVD 5	Won the "2003 Audio and Video Product of the Year" by PC Magazine
February 2004	DVD PowerProduce 2	Won World's first software company to pass tests of DVD Forum
March 2004	Power2Go 3	Won "Eurotrade Awards"
March 2004	DVD PowerProduce 2	Won the "Best and Most Innovative Software Solution" by Eurotrade, a professional IT magazine in Europe
June 2004	PowerDirector	Won "Best Choice of Computex 2004"
June 2004	PowerCinema	Won "Buyer's Choice of Computex 2004"
August 2004	PowerDVD	Won PC Magazine "Best Product for 2003"
November 2004	威力劇院 Power Cinema	Won Innovations Award in 2005 CES, the largest consumer electronics show in the U.S.
December 2004	DVD PowerProduce 3	Won 2004 IT Month - "Outstanding Application Award"
December 2004	PowerCinema	Won CES - "Innovations Award" (USA)
January 2005	PowerDVD PowerDirector PowerCinema DVD PowerProduce 3	Won 2005 "Taiwan Excellence Award"
January 2005	PowerCinema 4	Won 2005 International CES Innovations Award Honoree
November 2005	PowerCinema 4	Won 2005 IT Month - "Outstanding IT Application and Product Award"
January 2006	PowerDirector 5	Won "Gold Award" by Top 10 Reviewer (USA)
May 2006	PowerDVD 7	Won "Best Software Award" by Retail Vision
May 2006	PowerDVD 7	Won "Gold Award" by Top 10 Reviewer (USA)
June 2006	PowerDVD 7	Won 2006 COMPUTEX Best Software Award by PC Professionell (Germany)
November 2006	MagicSports 3 PowerDVD 7	Won "CES 2007 Innovation Award Honoree Title" (USA)
December 2006	PowerDirector 5	Won 2006 IT Month - "Outstanding IT Application and Product Award"

Winning year/month	Product	Award (incentive) won
May 2007	PowerDirector 6	Won “Editor’s Choice” in the May 2007 issue of DVD Info
November 2007	PowerDVD Ultra	Won 2007 IT Month - “Outstanding IT Application and Product Award”
November 2007	CyberLink Live	Won CES Innovation 2008 Design & Engineering Award (USA)
January 2008	MediaServer SoftDMA	Won the DLNA 1.5 certification and accepted as Reference Device
January 2008	PowerDVD Ultra	Certified by Blu-ray Disc Association for BD-Video Profile 1.1 playback
March 2008	PowerDVD PowerDirector 6	Won 2007 “Innovative Software Award”
March 2008	PowerDVD 6	Certified for DTS-HD Master Audio
March 2008	PowerDVD Ultra	Passed certifications for BD-Live and AVCREC
June 2008	PowerDirector 7	Won the 4.5-star “editor’s choice” award from PC Magazine, the world’s largest computer magazine!
June 2008	PowerDirector 7	Won the “Editor’s Choice” award from PC Utilities Magazine.
June 2008	PowerDVD8 Ultra	Won No. 1 performance among all DVD playback software and won Test Winnier Award by CHIP magazine (Germany)
July 2008	PowerDirector 7	Won the “Editor’s Choice” award from LAPTOP.
August 2008	PowerProducer	Received AVCREC certification
August 2008	PowerDirector 7 PowerDVD 8	Won the PC User “Editor’s Choice” (Australia)
September 2008	PowerDirector 7	Won PC Magazin “Editor’s Choice” (Singapore)
September 2008	PowerDirector 7	Won PC Pro “Editor’s Choice” (UK)
October 2008	PowerDirector 7	Won “2008 Best Recommended for Functionality” in the October 2008 issue of PChome
October 2008	PowerDirector 7	Won the PC Authority “Editor’s Choice” (Australia)
November 2008	PowerStarter 7	Won the “ Editor’s Choice “ award from PC Advisor, UK.
November 2008	Medi@Show4	Won the PC Answers “Editor’s Choice” (UK)
November 2008	PowerDirector 7	Won 5-star recommendation by CHIP.de (Germany)
January 2009	PowerStarter 7	Won Award of Excellence by PC Magazine (Germany)
January 2009	PowerStarter 7	Won “2009 Editor’s Choice” by PChome
March 2009	PowerDVD 9	Won 5-star rating by CHIP.EU (Germany)
March 2009	PowerStarter 7	Won PC Magazine “Editor’s Choice” (USA)
January 2010	PowerDVD 9 PowerDirector 8	Won 2010 “Taiwan Excellence Award”
March 2010	PowerStarter 8	Won PC Magazine “Editor’s Choice” (USA)
December 2010	PowerDVD 10	Won 2010 “Taiwan Excellence Award”
April 2011	PowerDVD 10	Won the 2011 “Taiwan Excellence Award - Silver”
December 2011	PowerDirector 10	Won PC Magazine “Editor’s Choice” (USA)
January 2012	PowerDVD	Won 2012 “Taiwan Excellence Award”

Winning year/month	Product	Award (incentive) won
	PowerDirector	
October 2012	PowerDirector 10	Won Best Design, the most prestigious award, during the “2012 Gold Pin Design Award”
December 2012	PowerDirector	Won 2012 IT Month - “Outstanding IT Application and Product Award”
January 2013	PowerDVD PhotoDirector	Won 2013 “Taiwan Excellence Award”
November 2013	PowerDirector 12	Won 2013 IT Month - “Top 100 Innovative Products”
November 2013	PowerDirector 12	Won “CES Innovations 2014 Design and Engineering Award” - Software and Mobile Apps Category (USA)
December 2013	PowerDVD PowerDirector PhotoDirector	Won 2013 “Taiwan Excellence Award”
January 2014	PowerDirector 12	Won “2013 Best Video Editing Software” by PC Magazine (USA)
April 2014	PhotoDirector 5	Won the “Taiwan Excellence Award - Gold”
May 2015	PowerDirector 13 PowerDVD 14	Won 2015 “Taiwan Excellence Award”
November 2015	PowerDirector 14	Won “Best Product for 2015” by PC Magazine
January 2016	PowerDirector 14 PhotoDirector 7 PowerDVD 15	Won 2016 “Taiwan Excellence Award”
January 2016	PowerDirector 14	Won the 2016 “Taiwan Excellence Award - Gold”
December 2016	PowerDirector Mobile App	Won Best of 2016 on Google Play
January 2017	PowerDirector 15 PhotoDirector 8 PowerDVD 17	Won 2017 “Taiwan Excellence Award”
January 2017	PowerDirector 15	Won the PCMag “Editor’s Choice” (USA)
December 2017	ActionDirector for mobile	Won Best of 2017 on Google Play
December 2017	PowerDirector 16	Won “Taiwan Excellence Award - Gold”
December 2017	PowerDirector for mobile ActionDirector for mobile	Won Editor’s Choice App on Google Play
October 2018	FaceMe™	Participated in the MegaFace Challenge and claimed its place as the number one AI facial recognition engine in Taiwan.
November 2018	PowerDirector 17	Won 2018 IT Month - “Top 100 Innovative Products - Gold”
October 2019	PowerDirector 18 PhotoDirector 11 U Bundle with integrated FaceMe® engine	Won 2019 “Taiwan Excellence Award”
November 2019	FaceMe® engine	Won “Taiwan Excellence Award - Silver”

Winning year/month	Product	Award (incentive) won
April 2020	FaceMe® engine	Received favorable rating once again from NIST, delivering 99.7% accuracy that made CyberLink the only Taiwanese supplier to rank among the world's Top 20
November 2020	PowerDirector Mobile App	Won the "Taiwan Excellence Award - Silver"
December 2020	FaceMe® engine	Ranked among the world's top-10 in the NIST 1:N rating.
July 2021	FaceMe® engine	Ranked among the world's top 3 in the liveness check competition during the 2021 International Conference on Computer Vision, making it a secure and reliable facial recognition technology for banks and insurance companies.
November 2021	PowerDirector 365 for Mac OS	Won the "2022 Taiwan Excellence Award - Silver"
November 2022	FaceMe® Platform	Won the "2023 Taiwan Excellence Award"
January 2023	PowerDirector 365	Won the "Editor's Choice", the only full five-star rating by U.S. tech magazine - PC Magazine
October 2024	PowerDirector 365	Won the "Editor's Choice", the only full five-star rating by U.S. tech magazine - PC Magazine
October 2024	PhotoDirector365	Awarded a 4.5-star rating by the renowned tech media website TechRadar.
November 2024	People Tracker Promeo MyEdit	Won the "2025 Taiwan Excellence Award"
February 2025	PowerDirector	Won the BCN Award for Best Video Editing Software.

## 2 Corporate Governance Report

### 2.1 Background information of directors, the CEO, GM, vice presidents, assistant vice presidents, and heads of various departments and branches

#### 2.1.1 Director's profile:

March 31, 2025

Position	Name	Gender Age	Nationality (Place of registration)	Date Elected/onboard	Term of service	Date First Elected (onboard)	Shareholding when Elected		Current shareholding		Spouse & Minor Shareholding		Shareholding in the name of a third party		Selected Education & Experiences	Current Positions at the Company and Other Companies	Spouse or relatives of second degree or closer acting as manager, director, or supervisor			Foot-note	
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of shares (Shares)	%			Position	Name	Relationship with the counterparty		
Chairman	Jau Huang	Male 66-67	R.O.C	2023.6.20	3 years	2002.5.27	2,797,910	3.54	2,797,910	3.54	7,862,716	9.94	0	0	Ph.D. in Electrical Engineering, UCLA Founder, CyberLink Corp. Chairman & CEO, CyberLink Corp.	CEO, CyberLink Corp. Chairman/Acting CEO of CyberLink.Com Corp. CyberLink International Technology Corp. (BVI) Chairman CyberLink Inc. (Japan) Director Perfect Corp.(Cayman) Director	Director of the Company	Alice H.Chang	Spouse		
																	Director of the Company	Yi-Chen Huang	Father-son		
Directors	ClinJeff Corp.		R.O.C	2023.6.20	3 years	2002.5.27	12,176,497	15.42	12,176,497	15.39	0	0	0	0	None	None	None	None	None		
	Representative: Alice H.Chang	Female 60-65	R.O.C	2023.6.20	3 years	2002.5.27	7,862,716	9.96	7,862,716	9.94	2,797,910	3.54	0	0	MBA, UCLA Global Executive Vice President, Trend Micro Chairman & CEO, CyberLink Corp.	CyberLink Inc. (Japan) Director Perfect Corp. (Cayman) Chairman/CEO Perfect Corp. (USA) - Chairman Perfect Corp. (Japan) Director Perfect Corp. (Shanghai) Chairman Perfect Corp.SARL (France) Chairman Perfect Mobile Corp. (BVI) Chairman Wannaby Inc. (USA) Chairman UAB Wannaby (Lithuania) Chairman	Chairman of the Company	Jau Huang	Spouse		
	Representative: Ying-Lun Hai	Male 70-75	R.O.C	2023.6.20	3 years	2014.6.19	0	0	0	0	50,000	0.06	0	0	Chairman, Protour Taiwan	Chairman, Protour Taiwan	None	None	None		
Directors	Rocky Mountain Investment Ltd.		R.O.C	2023.6.20	3 years	2018.6.19	106,000	0.13	106,000	0.13	0	0	0	0	None	None	None	None	None		
	Representative: Yi-Chen Huang	Male 30-35	R.O.C	2023.6.20	3 years	2018.6.19	1,756,615	2.23	1,756,615	2.22	0	0	0	0	Perfect Corp.(Cayman) Director Chairman, Perfect Corp.	Chairman, Perfect Corp.	Chairman of the Company	Jau Huang	Father-son		
Independent director	Yean-Jen Shue	Male 66-70	R.O.C	2023.6.20	3 years	2023.6.20	5,000	0.01	5,000	0.01	0	0	0	0	Ph.D. University of Florida, Department of Electrical Engineering CTO & Senior VP, Pegatron Corp.	Special Assistant to the Chairman and Senior Vice CEO, Pegatron Corporation	None	None	None	None	

Position	Name	Gender Age	Nationality (Place of registration)	Date Elected/onboard	Term of service	Date First Elected (onboard)	Shareholding when Elected		Current shareholding		Spouse & Minor Shareholding		Shareholding in the name of a third party		Selected Education & Experiences	Current Positions at the Company and Other Companies	Spouse or relatives of second degree or closer acting as manager, director, or supervisor			Footnote
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of shares (Shares)	%			Position	Name	Relationship with the counterparty	
Independent director	Chien LEO Ming-TZ	Male 40-45	R.O.C	2023.6.20	3 years	2023.6.20	0	0	0	0	0	0	0	0	MBA. in Electrical Engineering, UCLA General Manager of FIC Global, Inc. Chairman of Ubiqconn Technology, Inc. Vice Chairman of 3CEMS Group Independent Director, Promate Electronic Co., Ltd.	General Manager of FIC Global, Inc. Chairman of Ubiqconn Technology, Inc. Vice Chairman of 3CEMS Group Independent Director, Promate Electronic Co., Ltd.	None	None	None	
Independent director	Yu Shen Lan	Male 65-70	R.O.C	2023.6.20	3 years	2020.6.23	65,197	0.08	65,197	0.08	1,000	0.00	0	0	Master's Degree, Graduate Institute of Human Resource Management, National Central University Ph.D. program, Graduate Institute of Human Resource Management, National Central University Vice President of Human Resources Department, Altek Corporation Assistant Vice President of Human Resources Department, Phoenix Technologies Ltd. - Asia Pacific Assistant Vice President of Human Resources, Lam Research Co., Ltd. Assistant Vice President of Human Resources CitiBank	None	None	None	None	

### 2.1.2 Major shareholders of corporate shareholders:

March 31, 2025

Name of corporate shareholder	Major shareholders of corporate shareholders (more than 10% ownership)
ClinJeff Corp.	Alice H. Chang, World Speed Company Limited
Rocky Mountain Investment Ltd.	DVDDonet.com. Inc.

### 2.1.3 Key shareholders of major corporate shareholders:

March 31, 2025

Name of corporate entity	Major shareholders of corporate shareholders (more than 10% ownership)
World Speed Company Limited	Alice H.Chang
DVDDonet.com. Inc.	World Speed Company Limited

## 2.1.4 Professional Qualifications and Independence Analysis of Directors:

Name	Criteria	Professional qualifications and experience	Independence Analysis	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairman Jau Huang	Ph.D. in Electrical Engineering, UCLA. Current Chairman and CEO of the Company; visiting Professor at National Taiwan University; expertise in leadership, marketing, operational management, and strategic planning that help promote business sustainability.	<p>(1) Not a director, supervisor, or employee of any other company that controls directorship in the Company or where more than half of total voting rights are controlled by a single party.</p> <p>(2) Not a professional who provides audit service, or commercial, legal, financial, accounting or related services for an accumulated sum of more than NT\$500,000 in the last 2 years, to the Company or its affiliate, nor is an owner, partner, director, supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or organization that provides the above service to the Company or its affiliated companies.</p> <p>(3) Does not meet any of the conditions stated in Article 30 of The Company Act.</p> <p>(4) Not elected as a government or corporate representative according to Article 27 of The Company Act.</p>	None	
Directors ClinJeff Corp. Representative: Alice H. Chang	MBA, UCLA. Currently serves as director of the Company and Chairman of Perfect Corp.(Cayman). Specializes in business administration, financial planning, global competition, decision-making, and leadership.	<p>(1) Not a director, supervisor, or employee of any other company that controls directorship in the Company or where more than half of total voting rights are controlled by a single party.</p> <p>(2) Not a professional who provides audit service, or commercial, legal, financial, accounting or related services for an accumulated sum of more than NT\$500,000 in the last 2 years, to the Company or its affiliate, nor is an owner, partner, director, supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or organization that provides the above service to the Company or its affiliated companies.</p> <p>(3) Does not meet any of the conditions stated in Article 30 of The Company Act.</p>	None	

Name	Criteria	Professional qualifications and experience	Independence Analysis	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Directors ClinJeff Corp. Representative: Ying-Lun Hai	At present, a director of the Company and the founder and chairman of Protour Taiwan Inc.	<ul style="list-style-type: none"> <li>(1) Not employed by the Company or any of its affiliated companies.</li> <li>(2) Not a director or supervisor of the Company or any of its affiliates.</li> <li>(3) Not a manager listed in (1), or a spouse, 2nd-degree relative or closer or 3rd-degree direct relative or closer to any personnel listed in (2).</li> <li>(4) Not a director, supervisor, or employee of any other company that controls directorship in the Company or where more than half of total voting rights are controlled by a single party.</li> <li>(5) Does not assume concurrent duty as chairman, CEO or equivalent role in the Company, and is not a director, supervisor, or employee of another company or institution owned by spouse.</li> <li>(6) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any company or institution that has a financial or business relationship with the Company.</li> <li>(7) Not a professional who provides audit service, or commercial, legal, financial, accounting or related services for an accumulated sum of more than NT\$500,000 in the last 2 years, to the Company or its affiliate, nor is an owner, partner, director, supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or organization that provides the above service to the Company or its affiliated companies.</li> <li>(8) Not a spouse or relative of second degree or closer to any other directors.</li> <li>(9) Does not meet any of the conditions stated in Article 30 of The Company Act.</li> </ul>	None	

Criteria Name	Professional qualifications and experience	Independence Analysis	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
<p>Directors Rocky Mountain Investment Ltd. Representative: Yi-Chen Huang</p>	<p>Director of the Company, Chairman of Perfect Corp.(Japan) Director.</p>	<p>(1) Not a director, supervisor or employee of any corporate shareholder that: 1. holds 5% or more of the Company's outstanding shares; 2. is a top-5 shareholder; or 3. appoints director/supervisor representative in the Company according to Paragraph 1 or 2, Article 27 of The Company Act.</p> <p>(2) Not a director, supervisor, or employee of any other company that controls directorship in the Company or where more than half of total voting rights are controlled by a single party</p> <p>(3) Does not assume concurrent duty as chairman, CEO or equivalent role in the Company, and is not a director, supervisor, or employee of another company or institution owned by spouse.</p> <p>(4) Not a professional who provides audit service, or commercial, legal, financial, accounting or related services for an accumulated sum of more than NT\$500,000 in the last 2 years, to the Company or its affiliate, nor is an owner, partner, director, supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or organization that provides the above service to the Company or its affiliated companies.</p> <p>(5) Does not meet any of the conditions stated in Article 30 of The Company Act.</p>	<p>None</p>

Criteria Name	Professional qualifications and experience	Independence Analysis	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent director Yean-Jen Shue	Ph.D. University of Florida, Department of Electrical Engineering; a member of the Company's Audit Committee and Remuneration Committee, CTO and Senior VP of Pegatron Corporation; used to be Vice President of Pegatron Corporation and Associate Vice President of ASUS.	<ul style="list-style-type: none"> <li>(1) Not employed by the Company or any of its affiliated companies.</li> <li>(2) Not a director or supervisor of the Company or any of its affiliates.</li> <li>(3) Does not hold more than 1% of the Company's outstanding shares in their own names or under the name of spouse, underage children, or proxy shareholder; nor is a top-10 natural-person shareholder of the Company.</li> <li>(4) Not a manager listed in (1), or a spouse, 2nd-degree relative or closer or 3rd-degree direct relative or closer to any personnel listed in (2) or (3).</li> <li>(5) Not a director, supervisor or employee of any corporate shareholder that: 1. holds 5% or more of the Company's outstanding shares; 2. is a top-5 shareholder; or 3. appoints director/supervisor representative in the Company according to Paragraph 1 or 2, Article 27 of The Company Act.</li> </ul>	None
Independent director Chien LEO Ming-TZ	Master's degree in electrical engineering from UCLA, USA, and is a member of the Company's Audit Committee and Remuneration Committee; Chairman of FIC Global, Chairman of Ubiquconn Technology, Inc, Vice Chairman of 3CEMS Group, and Independent Director of Promate Electronic Co., Ltd.	<ul style="list-style-type: none"> <li>(6) Not a director, supervisor, or employee of any other company that controls directorship in the Company or where more than half of total voting rights are controlled by a single party.</li> <li>(7) Does not assume concurrent duty as chairman, CEO or equivalent role in the Company, and is not a director, supervisor, or employee of another company or institution owned by spouse.</li> <li>(8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any company or institution that has a financial or business relationship with the Company.</li> <li>(9) Not a professional who has provided audit services, or commercial, legal, financial, accounting or related services in</li> </ul>	1

Criteria Name	Professional qualifications and experience	Independence Analysis	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent director Yu Shen Lan	Graduated from the Master's and Doctoral programs of the Institute of Human Resource Management of the National Central University, and is a member of the Company's Audit Committee and Remuneration Committee; used to work in the human resources department of Citibank, Taiwan Applied Materials, and Altek Corp.	<p>the last 2 years, to the Company or its affiliate, nor is an owner, partner, director, supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or organization that provides the above service to the Company or its affiliated companies.</p> <p>(10) Not a spouse or relative of second degree or closer to any other directors.</p> <p>(11) Does not meet any of the conditions stated in Article 30 of The Company Act.</p> <p>(12) Not elected as a government or corporate representative according to Article 27 of The Company Act.</p>	None

## **2.1.5 Diversity and independence of the board of directors:**

### **1. Board diversity**

According to the Company's "Corporate Governance Code of Conduct," the composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

- (1) Basic requirements and value: Gender, age, nationality, culture etc.
- (2) Professional knowledge and skills: A professional background (e.g. law, accounting, industry, finance, marketing, or technology), professional skill, and industry experience.

All members of the Board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

- (A) Ability to make business judgments.
- (B) Ability to perform accounting and financial analysis.
- (C) Ability to conduct management administration.
- (D) Ability to conduct crisis management.
- (E) Knowledge of the industry.
- (F) An International market perspective.
- (G) Ability to lead.
- (H) Ability to make policy decisions.

The composition of the Company's Board of Directors has remained stable with minimal changes. At least one seat is held by a female director, ensuring female representation. Although the current proportion of female directors has not yet reached one-third of the board seats, the Company is committed to succession planning and training programs for potential female executives. The Company will also continue to identify and consider suitable female candidates to further enhance gender diversity on the Board. In accordance with the foregoing principles, the Company's diversification objectives are:

- (1) At least one-third of the board members have expertise in the technology industry, marketing, or technical fields. Currently, there is at least one female director, with plans to gradually increase the number of female board members..
- (2) At least one-third of the independent directors shall have financial or technological expertise.

In accordance with the aforementioned goals, the 7 members of the board are comprised of practitioners from different industries, and who possess the knowledge, skills, and characters required to perform respective duties. In order to implement the policy of diversity, one female director (14%) among the members is an employee, and only one director is an employee. All

independent directors have served three terms or less, two directors are under the age of 50; four directors are between the ages of 60 and 69, and one director is over the age of 70. The current composition of the board of directors has achieved the goal of diversity policy, as follows:

Measurements of diversity		Basic composition					Terms and years as independent director			Professional background				Professional Knowledge and skills							
		Name	Nationality	Gender	Employed by the Company	Age			Below 3 years	3-9 years	Above 9 years	Accounting	Finance	Marketing	Technology	Ability to make business judgment	Ability to conduct management administration	Ability to lead and make policy decisions	Ability to conduct crisis management	Knowledge of the industry	An International market perspective
						below 50	60-69	70 and above													
Directors	Jau Huang	R.O.C	Male	✓		✓					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Alice H. Chang		Female			✓						✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Ying-Lun Hai		Male				✓					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Yi-Chen Huang		Male		✓							✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent director	Yean-Jen Shue		Male			✓			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Yu Shen Lan		Male			✓				✓			✓	✓	✓	✓	✓	✓	✓	✓	✓
	Chien LEO Ming-TZ	America	Male		✓			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

## 2. Board independence

The Company currently has 7 members on the board, including 3 independent directors and 4 non-independent directors (representing 43% and 57% of total board members, respectively); whereas female directors represent 14% of total board members. All independent directors have met the requirements stipulated by the Securities and Futures Bureau, and Financial Supervisory Commission, and the directors and independent directors exhibited none of the conditions mentioned in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act.

## 2.1.6 Background information of the CEO, GM, vice presidents, assistant vice presidents, and heads of departments and branches:

March 31, 2025

Position	Name	Gender	Nationality	Elected (inaugurated) Date	Shareholding		Spouse & Minor Shareholding		Shareholding in the name of a third party		Selected Education & Experiences	Concurrent positions in other companies	Spouse or relatives of second degree or closer serving as managers			Footnote
					Number of shares	%	Number of shares	%	Number of shares	%			Position	Name	Relationship with the counterparty	
Chairman and CEO	Jau Huang	Male	R.O.C	2002.05	2,797,910	3.54	7,862,716	9.94	None	None	- Ph.D. in Electrical Engineering, UCLA - Founder, CyberLink Corp. - Chairman & CEO, CyberLink Corp.	- CEO, CyberLink Corp. - Chairman/Acting CEO of CyberLink.Com Corp. CyberLink International Technology Corp..(BVI) Chairman CyberLink Inc. (Japan) Director Perfect Corp.(Cayman) Director	None	None	None	
GM of Business Unit 1	Vincent Lin	Male	R.O.C	2023.12	215,603	0.27	0	0.00	None	None	Ph.D., Graduate Institute of Electrical Engineering, National Taiwan University	None	None	None	None	
GM of Business Unit 2	Mei Guu	Female	R.O.C	2023.12	296,939	0.38	532	0.00	None	None	Master's Degree, Department of Computer Science & Information Engineering, National Taiwan University	None	None	None	None	
Product Management Department Vice President	YW Lei	Male	R.O.C	2003.06	243,570	0.31	0	0.00	None	None	- Ph.D., Department of Computer Science & Information Engineering, National Taiwan University	None	None	None	None	
R&D Department Senior Vice President	David Lee	Male	R.O.C	2008.05	98,862	0.12	0	0.00	None	None	Master's Degree, Department of Computer Science & Information Engineering, National Taiwan University	None	None	None	None	
Business Development Assistant Vice President	Hilda Peng	Female	R.O.C	2009.07	37,663	0.03	0	0.00	None	None	Master of Business Administration, University of Bath, UK	None	None	None	None	
Head of Accounting	Ruby Hsiao	Female	R.O.C	2021.03	0	0	0	0.00	None	None	Department of Accounting, Fu Jen Catholic University	None	None	None	None	

## 2.2 Compensation paid to directors (including independent directors), the CEO, GM and vice presidents in the last year

### 2.2.1 Compensation to directors in 2024 (individual disclosure by name and amount)

Unit: NT\$ thousands

Title	Name	Directors' remuneration								Sum of A, B, C, and D and relative percentage to net income		Compensation received as employee								Sum of A, B, C, D, E, F, and G as a percentage of net income		Compensation from parent company or business investments other than subsidiaries
		Salary (A)		Severance pay and pension (B)		Directors' remuneration (C)		Fees for services rendered (D)				Salaries, bonuses, special allowances etc (E)		Severance pay and pension (F)		Employees' compensation (G)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements			
Chairman	Jau Huang	500	500	0	0	500	500	0	0	1,000 0.32%	1,000 0.32%	12,349	12,349	0	0	1,700	0	1,700	0	15,049 4.78%	15,049 4.78%	None
Directors	ClinJeff Corp. Representative: Alice H. Chang	500	500	0	0	500	500	0	0	1,000 0.32%	1,000 0.32%	0	0	0	0	0	0	0	0	1,000 0.32%	1,000 0.32%	None
Directors	ClinJeff Corp. Representative: Ying-Lun Hai	500	500	0	0	500	500	4	4	1,004 0.32%	1,004 0.32%	0	0	0	0	0	0	0	0	1,000 0.32%	1,000 0.32%	None
Directors	Rocky Mountain Investment Ltd. Representative: Yi-Chen Huang	500	500	0	0	500	500	0	0	1,000 0.32%	1,000 0.32%	0	0	0	0	0	0	0	0	1,000 0.32%	1,000 0.32%	None
Independent director	Yean-Jen Shue Newly elected on June 20, 2023	250	250	0	250	250	250	4	4	504 0.16%	504 0.16%	0	0	0	0	0	0	0	0	504 0.16%	504 0.16%	None
Independent director	Chien LEO Ming-TZ Newly elected on June 20, 2023	250	250	0	250	250	250	4	4	504 0.16%	504 0.16%	0	0	0	0	0	0	0	0	504 0.16%	504 0.16%	None
Independent director	Yu Shen Lan	500	500	0	0	450	450	4	4	1,004 0.32%	1,004 0.32%	0	0	0	0	0	0	0	0	1,004 0.32%	1,004 0.32%	None

1. Please explain the policy, system, standards, and structure by which independent director compensation is paid, and association between the amount paid and independent directors' responsibilities, risks and time commitment. All independent directors take part in board meetings to learn operations of the Company. They communicate persistently with external and internal auditors on key financial and business issues, and recommends improvements where appropriate. The Company considers itself to have adopted a relatively reasonable independent director compensation policy compared to peers.

2. Compensation received by the 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.

### Directors' remuneration brackets range

Range of remuneration paid to the Company's directors	Names of the directors			
	Sum of first 4 compensations (A+B+C+D)		Sum of first 7 compensations (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements H	The Company	All companies included in the financial statements I
Below NT\$ 1,000,000	Yean-Jen Shue, Chien LEO Ming-TZ,	Yean-Jen Shue, Chien LEO Ming-TZ,	Yean-Jen Shue, Chien LEO Ming-TZ,	Yean-Jen Shue, Chien LEO Ming-TZ,
NT\$ 1,000,000 (inclusive) ~ NT\$ 2,000,000 (non-inclusive)	Jau Huang, ClinJeff Corp. Yu Shen Lan, Rocky Mountain Investment Ltd.,	Jau Huang, ClinJeff Corp. Yu Shen Lan, Rocky Mountain Investment Ltd.,	ClinJeff Corp. Yu Shen Lan, Rocky Mountain Investment Ltd.,	ClinJeff Corp. Yu Shen Lan, Rocky Mountain Investment Ltd.,
NT\$ 2,000,000 (inclusive) ~ NT\$ 3,500,000 (non-inclusive)				
NT\$ 3,500,000 (inclusive) ~ NT\$ 5,000,000 (non-inclusive)				
NT\$ 5,000,000 (inclusive) ~ NT\$ 10,000,000 (non-inclusive)				
NT\$ 10,000,000 (inclusive) ~ NT\$ 15,000,000 (non-inclusive)				
NT\$ 15,000,000 (inclusive) ~ NT\$ 30,000,000 (non-inclusive)			Jau Huang	Jau Huang
NT\$ 30,000,000 (inclusive) ~ NT\$ 50,000,000 (non-inclusive)				
NT\$ 50,000,000 (inclusive) ~ NT\$ 100,000,000 (non-inclusive)				
NT\$ 100,000,000 and above				
Total	6	6	6	6

\* The basis of compensation disclosed above is different from the basis of the income tax law, hence the above table has been prepared solely for information disclosure, and not for tax purposes.

## 2.2.2 Compensation to the CEO,GM and vice presidents in 2024

Unit: NT\$ thousands

Position	Name	Salary (A)		Severance pay and pension (B)		Bonus and special allowances (C)		Employee remuneration (D)				Sum of A, B, C, and D and relative percentage to net income (%)		Compensation from parent company or business investments other than subsidiaries
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
CEO	Jau Huang	29,560	29,560	432	432	9,077	9,077	7,300	0	7,300	0	46,369 15.38%	46,369 15.38%	None
GM of Business Unit 1	Vincent Lin													
GM of Business Unit 2	Mei Guu													
Senior Vice President	David Lee													
Vice President	YW Lei													

\* The basis of compensation disclosed above is different from the basis of the income tax law, hence the above table has been prepared solely for information disclosure, and not for tax purposes.

### Directors' remuneration brackets range

Range of compensations paid to the CEO,GM and vice presidents	Name of CEO,GM and vice presidents	
	Parent Company	All companies included in the financial statements (E)
Below NT\$ 1,000,000		
NT\$ 1,000,000 (inclusive) ~ NT\$ 2,000,000 (non-inclusive)		
NT\$ 2,000,000 (inclusive) ~ NT\$ 3,500,000 (non-inclusive)		
NT\$ 3,500,000 (inclusive) ~ NT\$ 5,000,000 (non-inclusive)		
NT\$ 5,000,000 (inclusive) ~ NT\$ 10,000,000 (non-inclusive)	Mei Guu, Vincent Lin, David Lee, YW Lei	Mei Guu, Vincent Lin, David Lee, YW Lei
NT\$ 10,000,000 (inclusive) ~ NT\$ 15,000,000 (non-inclusive)	Jau Huang	Jau Huang
NT\$ 15,000,000 (inclusive) ~ NT\$ 30,000,000 (non-inclusive)		
NT\$ 30,000,000 (inclusive) ~ NT\$ 50,000,000 (non-inclusive)		
NT\$ 50,000,000 (inclusive) ~ NT\$ 100,000,000 (non-inclusive)		
NT\$ 100,000,000 and above		
Total	5	5

\* The basis of compensation disclosed above is different from the basis of the income tax law, hence the above table has been prepared solely for information disclosure, and not for tax purposes.

### 2.2.3 Managers receiving employee remuneration and details of remuneration received in 2024

March 31, 2025

	Position (Note 1)	Name (Note 1)	Amount paid in shares (in thousands)	Amount paid in cash (in thousands)	Total (in thousands)	Total as a per- centage of net income after tax (%)
Manager	CEO	Jau Huang	-	7,580	7,580	2.41%
	GM of Business Unit 1	Vincent Lin				
	GM of Business Unit 2	Mei Guu				
	Senior Vice President of R&D Department	David Lee				
	Senior Vice President of Product Management De- partment	YW Lei				
	Assistant Vice President of Business Development	Hilda Peng				
	Head of Accounting	Ruby Hsiao				

### 2.2.4 Amount of compensation paid in the last 2 years by the Company and all companies included in the consolidated financial statements to the Company's directors, CEO, GM and vice presidents, and their respective proportions to standalone and consolidated net income, as well as the policies, standards, and packages by which they were paid, the procedures through which compensations were determined, and their association with business performance and future risks:

1. Directors', CEO's, GM's and vice presidents' compensations paid in the last two years as a percentage of net income

Position	Total compensation as a percentage of net income			
	2023		2024	
	The Com- pany	All compa- nies included in the finan- cial state- ments	The Com- pany	All compa- nies included in the finan- cial state- ments
Directors	9.02%	9.02%	6.70%	6.70%
CEO,GM and vice presidents	18.99%	18.99%	15.38%	15.38%

2. Compensation policies, standards, packages and procedures, and association with future risks and business performance:

(1) Directors' compensation package includes benefits, remuneration, and fees for services rendered:

A. Directors' compensation: According to Article 23 of the Articles of Incorporation, "The board of directors is authorized to determine compensation for all directors in reference to peer levels."

B. Directors' remuneration: According to Article 27 of the Articles of Incorporation, "Profits concluded in a given year shall have no more than 1.5% allocated as director remuneration. However, profits must first be

taken to offset against cumulative losses if any.”

C. Fees for services rendered: Consist mainly of travel allowance. Amounts are determined in reference to public listed companies or peers.

D. Directors’ benefits are determined by the Remuneration Committee after taking into account the level of participation and contribution value of each director, the rationality and fairness of benefits given the performance delivered and the risks borne, the overall operating performance of the Company, and peer standards. All proposals raised by the committee are presented for resolution by the board of directors.

- (2) Managers’ compensations comprise a fixed component and a variable component. The fixed component represents monthly salary; whereas the variable component includes employee remuneration, year-end bonus, and employee stock option, which are allocated based on the annual assessment of individual performance, the time committed, the responsibilities borne, attainment of personal targets, and performance in other job roles. As for employee remuneration, Article 27 of the Articles of Incorporation states that “Profits concluded from a financial year are subject to employee remuneration of no less than 3%. However, profits must first be taken to offset against cumulative losses if any.” Details and rationality of the compensation package are supported by the Remuneration Committee and resolved by the board of directors.
- (3) The remuneration procedures for directors and managerial officers are based on the evaluation results of the “Directors’ Performance Evaluation Regulations” and the “Performance Management Evaluation”, and reasonable remuneration is provided with reference to the industry’s standards and the Company’s operating performance, personal performance and individual contribution to the Company. The performance of the Company’s managerial officers for FY2024 has met the predetermined target requirements, and the results of the external evaluation of the Board of Directors and the self-evaluation of the performance of the members of the Board of Directors and functional committees have been above the standard required. The reasonableness of the remuneration system is reviewed in a timely manner depending on the actual business conditions and relevant laws and regulations, and is submitted to the Remuneration Committee and the Board of Directors for regular review.
- (4) The Company adopts a compensation policy that takes into account the organization’s current financial position, business performance, and future capital requirements. The Company also assesses future risk exposures and takes actions to minimize the chances of risk occurrence. As of the publication date of the annual report, there had been no occurrence that would give rise to future responsibilities, obligations, or liabilities for the Company.

## 2.3 Corporate governance

### 2.3.1 Functionality of the board of directors:

A total of 7 meetings (A) were held in the most recent year; below are directors' attendance records:

Position	Name	Attendance in person (B)	Attendance by proxy	Attendance rate in person (%) (B/A)	Footnote
Chairman	Jau Huang	7	0	100%	
Directors	ClinJeff Corp. Representative: Alice H. Chang	7	0	100%	
Directors	ClinJeff Corp. Representative: Ying-Lun Hai	7	0	100%	
Directors	Rocky Mountain Investment Ltd. Representative: Yi-Chen Huang	7	0	100%	
Independent director	Yean-Jen Shue	7	0	100%	
Independent director	Chien LEO Ming-TZ	7	0	100%	
Independent director	Yu Shen Lan	7	0	100%	

Other mandatory disclosures:

(1) For board of directors meetings that meet any of the following descriptions, state the date, session, the discussed topics, independent directors' opinions and how the Company has responded to such opinions.

(I) Conditions described in Article 14-3 of the Securities and Exchange Act.

Date of board meeting	Motion details and subsequent actions taken	Independent directors' opinions and the Company's response to all independent directors' opinions
4th meeting of the 10th board 2024.2.29	<ul style="list-style-type: none"> <li>● 2023 director's and employee's remuneration.</li> <li>● 2023 director remuneration.</li> <li>● Passed the 2023 Financial Statements and Business Report</li> <li>● Pass the Evaluation of the Independence and Competence of the CPA and the 2025 CPA Remuneration Proposal.</li> <li>● Lease of office from related party</li> </ul>	<p>Motion was supported unanimously by all independent directors, and no objection or reservation was expressed.</p> <p>Company's response to independent directors' opinions: None</p>
5th meeting of the 10th board 2024.3.27	<ul style="list-style-type: none"> <li>● Passed the 2023 Declaration of Internal Control System.</li> <li>● Passed the amendments to the Company's "Rules of Procedure for board of directors Meetings".</li> <li>● Amendments to the Company's "Rules of Procedure of Shareholders' Meeting".</li> </ul>	
6th meeting of the 10th board 2024.4.25	<ul style="list-style-type: none"> <li>● Passed the financial statements for the first quarter of 2024.</li> <li>● Passed the annual executive salary adjustment for 2024..</li> </ul>	
7th meeting of the 10th board 2024.7.25	<ul style="list-style-type: none"> <li>● Passed the financial statements for the first half of 2024.</li> </ul>	

	<ul style="list-style-type: none"> <li>● Passed the company's cash dividend distribution plan.</li> <li>● Passed the company's "Procedures for the Preparation and Verification of the ESG Report."</li> </ul>	
8th meeting of the 10th board 2024.10.30	<ul style="list-style-type: none"> <li>● Passed the financial statements for the first three quarters of 2024</li> <li>● Passed the Company's 2025 audit plan.</li> </ul>	
9th meeting of the 10th board 2025.2.27	<ul style="list-style-type: none"> <li>● 2024 director's and employee's remuneration.</li> <li>● 2024 director remuneration.</li> <li>● Passed the 2024 Financial Statements and Business Report</li> <li>● Pass the Evaluation of the Independence and Competence of the CPA and the 2025 CPA Remuneration Proposal.</li> <li>● Passed the Amendments to the Company's "Articles of Incorporation."</li> <li>● Passed the Amendments to the Company's Internal Control System and Internal Audit System.</li> </ul>	
10th meeting of the 10th board 2025.3.26	<ul style="list-style-type: none"> <li>● Passed the 2024 Earnings Distribution Plan.</li> <li>● Passed the 2024 Declaration of Internal Control System.</li> </ul>	

(II) Any other documented objections or reservations raised by independent directors against board resolution in relation to matters other than those described above: None.

(2) Disclosure regarding avoidance of interest-conflicting motions, including the names of directors concerned, the motions, the nature of conflicting interests, and the voting process: None.

(3) Information on the evaluation cycle, duration, scope, method, and detail of Board of Directors performance self (or peer) evaluations performed:

The Company has established a set of board performance evaluation policy and assessment methods, and completed the board performance evaluation for 2024. Details of the evaluation are as follows:

The board of directors has passed the establishment of the "Rules for Performance Evaluation of Board of Directors" in accordance with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies as a way to enforce sound corporate governance practices and improve board function. The policy introduces a set of performance targets that aim to increase the efficiency of board, and imposes rules that require the performance of the board to be evaluated on a yearly basis; furthermore, board performance has to be evaluated by independent institutions or experts/scholars from outside the organization at least once every three years.

A. Period of assessment: January 1, 2024 to December 31, 2024

The board is required to assess the performance of individual directors on a yearly basis using the procedures and indicators outlined in the policy.

B. Scope of assessment: Covers performance of the board as a whole, the individual directors, and functional committees.

C. Assessment method and procedures

The self-evaluation was conducted through the "Self-Evaluation Questionnaire for the Performance of the board of directors", "Self-Evaluation Questionnaire for the Performance of Directors", and "Self-Evaluation Questionnaire for the Performance of the Functional Committees".

D. Evaluation Indicators and Evaluation Results

Board performance evaluation	Board member performance self-assessment	Audit Committee Performance evaluation	Remuneration Committee Performance Evaluation
1. Level of participation in the Company's operations 2. Improvement of board decision quality 3. Composition of the board of directors 4. Election and continuing education of directors	1. Comprehension of the Company's targets and missions 2. Directors' duty awareness 3. Level of participation in the Company's operations 4. Management and communication of internal relations	1. Level of participation in the Company's operations 2. Awareness towards duties of the functional committee 3. Improvements to the quality of decisions made by functional committees 4. Composition of the	1. Level of participation in the Company's operations 2. Awareness towards duties of the functional committee 3. Improvements to the quality of decisions made by functional committees 4. Composition of the

5. Internal control	5. Professionalism and ongoing education of directors 6. Internal control	functional committee and selection of committee members 5. Internal control	functional committee and selection of committee members
34 assessment indicators	21 assessment indicators	18 assessment indicators	15 assessment indicators
4.97/5	4.95/5	5/5	5/5

Individual directors, Audit Committee and Remuneration committees averaged scores above 4.95 on all aspects of the performance evaluation in 2024, and rated themselves between 5 - “Strongly agree” and 4 - “Agree” across all performance indicators. Individual directors “Agreed” on most of the performance indicators, and the board of directors and functional committees are deemed to have functioned properly in line with corporate governance requirements.

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

The Company believes that sound corporate governance is made possible only with a strong and efficient board of directors. With this understanding in mind, the Company set the following objectives to improve the performance of the 10th board of directors in 2024 and the progress is as explained below:

Item No.	Objective	Execution progress
1	Improvement of information transparency	The Company makes announcement for material information on the day of board of directors meeting.
2	Directors are encouraged to undergo continuing education as a way to improve professional capacity	Directors of the Company are required by policy to complete at least 6 hours of continuing education.
3	Increase in board meeting attendance rate	The Company has increased the attendance rate of directors through advanced planning, advance notice or video conference. In 2024, the in-person attendance of directors reached 100%.
4	Enhancement of corporate governance by facilitating communication between directors and internal and external auditors	All directors of the Company would regularly follow up on the execution and improvement of internal control and internal audit practices. They also gain insight into the Company’s operations and governance practices through independent auditor’s report, correspondences, and one-on-one meetings.
5	Board performance evaluation	The Company’s 2024 performance evaluation results for directors and functional committees were all higher than 4.95, in the range of 5 for “strongly agree” and 4 for “agree”. Directors mostly agreed with the operation of various evaluation indicators.

## 2.3.2 Functionality of the Audit Committee:

### 1. Professional qualification and experience of Audit Committee members:

Criteria Name	Professional qualifications and experience
Independent director Yean-Jen Shue	Ph.D. University of Florida, Department of Electrical Engineering; a member of the Company's Audit Committee and Remuneration Committee, CTO and Senior VP of Pegatron Corporation; used to be Vice President of Pegatron Corporation and Associate Vice President of ASUS, possessing work experience necessary for the Company's business with insight into industry development and technology application.
Independent director Chien LEO Ming-TZ	Master's degree in electrical engineering from UCLA, USA, and is a member of the Company's Audit Committee and Remuneration Committee; Chairman of FIC Global, Chairman of Ubiqconn Technology, Inc, Vice Chairman of 3CEMS Group, and Independent Director of Promate Electronic Co., Ltd., possessing the experience necessary for the Company's business, finance, accounting, and corporate affairs, which can improve the overall development of the Company and the supervisory function of the Audit Committee.
Independent director Yu Shen Lan	Graduated from the Master's and Doctoral programs of the Institute of Human Resource Management of the National Central University, and is a member of the Company's Audit Committee and Remuneration Committee; used to work in the human resources department of Citibank, Taiwan Applied Materials, and Altek Corp., and possessing rich experience in the industry and is well connected with the industry-related contacts.

2. The Company assembled an Audit Committee to supersede supervisors on June 23, 2020. The committee comprises three independent directors, and at least one of whom has expertise in accounting or finance. The Committee convenes meetings at least one per quarter according to the "Audit Committee Charter"; its main responsibilities in 2024 were to review financial statements, supervise risk management issues, and discuss finance-related motions, specifically:

- (1) Financial reports, accounting and internal control systems, transaction of major assets or derivative, offering or issuance of securities, appointment/dismissal/compensation of financial statement auditors, matters concerning directors' personal interests, and appointment/dismissal of the head of finance, accounting, or internal audit.
- (2) Review of the financial report: The Company's business report, annual financial report, and earnings appropriation proposal are reviewed by the Audit Committee and subsequently resolved by the board of directors and presented for acknowledgment during the annual general meeting. The Company's 2024 financial statements have been reviewed by the Audit Committee and approved by the board of directors on February 27, 2025, and will be presented for acknowledgment during the 2025 annual general meeting. Quarterly financial statements have also been discussed and passed by the Audit Committee, and presented to the board of directors for final resolution.
- (3) Assessment of the internal control system: The Company conducts self-assessments of its internal control system and requires internal departments to complete their assessments according to the internal control

cycle. The Audit Committee then verifies whether the design and execution of the internal control system is effective and provides assurance with regard to business performance, target accomplishment, reliability, timeliness and transparency of reported financial information, and compliance with relevant laws. Outcomes of the 2024 internal control system self-assessment were reviewed and approved by the Audit Committee and the board of directors on March 26, 2025.

(4) Appointment and evaluation of financial statement auditor: The Audit Committee and the board of directors assess the professional capacity, independence, and compensation of the financial statement auditor regularly at the end of each year. Outcomes of the 2024 financial statement auditor evaluation were reviewed and approved by the Audit Committee on February 27, 2025.

3. The Audit Committee comprises 3 members; tenure of members began on June 20, 2023 and ends on June 19, 2026. A total of 7 Audit Committee meetings (A) were held in the most recent year; committee members' attendance records are summarized below:

Position	Name	Attendance in person (B)	Attendance by proxy	Attendance rate in person (%) (B/A)	Footnote
Convener	Yean-Jen Shue	7	0	100%	
Committee member	Chien LEO Ming-TZ	7	0	100%	
Committee member	Yu Shen Lan	7	0	100%	

Other mandatory disclosures:

(1) For Audit Committee meetings that meet any of the following descriptions, details such as the date and session of Audit Committee meeting held, the motions discussed, independent directors' objections, reservations, or key recommendations, the Audit Committee's resolution, and how the Company has responded to Audit Committee's opinions are disclosed in the chart below:

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

Date of board meeting	Motion details and subsequent actions taken	Audit Committee's resolution and the Company's response to Audit Committee's opinions
3rd meeting of the 10th committee 2024.2.29	<ul style="list-style-type: none"> <li>● Presentation of the Company's 2023 financial statements for review.</li> <li>● Independence assessment, suitability assessment.</li> <li>● Lease of office from related party</li> </ul>	All motions were supported unanimously by Audit Committee members, and subsequently approved by the board of directors as the Audit Committee had recommended.
4th meeting of the 10th committee 2024.3.27	<ul style="list-style-type: none"> <li>● Adoption of the Proposal for Distribution of 2023 Profits.</li> <li>● 2023 Declaration of Internal Control System.</li> </ul>	
5th meeting of the 10th committee 2024.4.25	<ul style="list-style-type: none"> <li>● Passed the financial statements for the first quarter of 2024.</li> </ul>	

6th meeting of the 10th committee 2024.7.25	<ul style="list-style-type: none"> <li>● Passed the financial statements for the first half of 2024.</li> <li>● Passed the company's "Procedures for the Preparation and Verification of the ESG Report."</li> </ul>
7th meeting of the 10th committee 2024.10.30	<ul style="list-style-type: none"> <li>● Passed the financial statements for the first three quarters of 2024</li> </ul>
8th meeting of the 10th committee 2025.2.27	<ul style="list-style-type: none"> <li>● Passed the 2024 Financial Statements and Business Report</li> <li>● Pass the Evaluation of the Independence and Competence of the CPA and the 2025 CPA Remuneration Proposal.</li> <li>● Passed the Amendments to the Company's "Articles of Incorporation."</li> <li>● Passed the Amendments to the Company's Internal Control System and Internal Audit System.</li> </ul>
9th meeting of the 10th committee 2025.3.26	<ul style="list-style-type: none"> <li>● Passed the 2024 Earnings Distribution Plan.</li> <li>● Passed the 2024 Declaration of Internal Control System.</li> </ul>

(II) Other than those described above, any resolutions unapproved by the Audit Committee but passed by more than two-thirds of directors: None.

(2) Avoidance of involvement in interest-conflicting motions by independent directors; state the names of independent directors, the motion discussed, the nature of conflicting interests, and the voting process: None

(3) Communication between independent directors and internal/external auditors (e.g. discussions concerning the Company's financial and business affairs, the method of communication used, and the outcome).

- (a) All independent directors of the Company would regularly follow up on the execution and improvement of internal control and internal audit practices.
- (b) Independent directors gain insight into the Company's operations through regular examination of CPA audit reports.
- (c) Communication between independent directors and internal auditors:

Date	Form of communication	Subject of communication
2024.2.29	One-on-one meeting (The internal audit officer reports to the independent directors separately)	Report on the execution of audit tasks
2024.3.27	Conference report	2023 Assessment of the Effectiveness of the Internal Control System and "Declaration of Internal Control System"
2025.2.27	One-on-one meeting (The internal audit officer reports to the independent directors separately)	Report on the execution of audit tasks
2025.3.26	Conference report	2024 Assessment of the Effectiveness of the Internal Control System and "Declaration of Internal Control System"

(4) Summary of communications between independent directors and external auditors

Date	Form of communication	Subject of communication
2024.2.29	One-on-one meeting	1.Independent auditor's report and conclusions on the 2023 financial statements 2.Description of audit quality indicators

			(AQIs)
	2025.2.27	One-on-one meeting	1.Independent auditor’s report and conclusions on the 2024 financial statements 2.Description of audit quality indicators (AQIs)

### 2.3.3 Corporate Governance Implementation as Required by the Taiwan Financial Supervisory Commission

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
1. Does the Company established and disclosed the Corporate Governance Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company established its Corporate Governance Code of Conduct on October 27, 2014 and disclosed it to the public. Relevant details can be found on the Company’s website.	None
2. Shareholding structure and shareholders’ interests (1) Does the Company implemented a set of internal procedures to handle shareholders’ suggestions, queries, disputes, and litigations? (2) Does the Company possess a list of major shareholders and beneficial owners of these major shareholders?  (3) Has the Company established and implemented risk management practices and firewalls for companies it is affiliated with?  (4) Has the Company established internal policies that prevent insiders from trading securities against non-public	✓		(1) The Company has assigned dedicated personnel to oversee shareholder service. All shareholders’ suggestions are handled by dedicated personnel.  (2) The management is duly informed of the identities of its major shareholders and maintains sound interaction with them. All directors of the Company are appointed by major shareholders. Board of directors meetings are convened on a regular basis to keep major shareholders and directors informed of the Company’s operations. Directors would provide the management with useful suggestions at appropriate times and all major motions are executed with the board of directors’ approval.  (3) Although the Company has dealings with related enterprises, all business relationships are considered to be independent and at arm’s length. All related enterprises are financially independent and do not provide joint guarantees to each other. Robust risk management practices and firewalls have been implemented, and no non-arms length transactions had taken place.  (4) The Company has established “Insider Trading Prevention Procedures” to serve as guidance for directors, managers, and employees. On July 26, 2022, the board of directors passed	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
information?			the establishment of “Material Insider Information Handling Procedures” to prohibit directors, managers, and employees from trading securities against non-public information. The procedures specifically prohibit insiders (including but not limited to directors) from trading the Company’s listed securities or any other securities with equity characteristics held in possession after gaining knowledge of financial statement or performance details, including the blackout period 30 days before publication of annual financial statements and 15 days before publication of quarterly financial statements. The procedures have been posted on the corporate website (www.cyberlink.com) for view by employees to avoid violation or occurrence of insider trading.	
<p>3. Composition and responsibilities of the board of directors</p> <p>(1) Does the board of directors have a diversity policy and management goals that are duly enforced?</p> <p>(2) Apart from the Remuneration Committee and Audit Committee, has the Company assembled other functional committees at its own discretion?</p> <p>(3) Has the Company established a set of policies and assessment tools for evaluating board performance, and conducted</p>	✓		<p>(1) The Company has implemented and enforced a diversity policy for board members as part of its Corporate Governance Code of Conduct. The 9th board of directors has a total of 7 members, including 3 independent directors and 4 non-independent directors (representing 43% and 57% of total board members, respectively); female directors represented 14% of the board. All directors possess adequate knowledge of the industry and global markets, and specialize in skills such as leadership, finance, accounting, decision-making, operational management, and crisis management.</p> <p>(2) The Company has assembled a Remuneration Committee and an Audit Committee, and set up a sustainability committee in 2024, with the chairman of the board of directors as the chairman to oversee the promotion of sustainable development affairs..</p> <p>(3) The Company has implemented Rules for Performance Evaluation of Board of Directors along with detailed assessment</p>	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
<p>performance evaluation on a yearly basis? Are performance evaluation results reported to the board of directors and used as reference for compensation and nomination decisions?</p> <p>(4) Does the Company regularly evaluate its external auditors' independence?</p>			<p>methods, and engages independent institutions, experts, and scholars from outside the organization to conduct evaluations at least once every three years. The Company has completed the performance evaluation of the board of directors in 2024, and the evaluation results were submitted to the board of directors on February 27, 2025, as the basis for review and improvement.</p> <p>(4) The Company evaluates the independence of its financial statement auditors on a regular basis, and adopts the practice of reappointing financial statement auditors every five years to ensure CPA's independence. The Company assesses the independence of its financial statement auditors on a regular basis. A shareholder service department has been assigned to make sure that the financial statement auditor neither holds shares in the Company nor assumes concurrent employment position in the Company. The Company evaluates the professional capacity, quality control, independence, and supervisory and innovative capabilities of its financial statement auditor based on the statement of CPA's role, responsibilities, and independence issued by PwC Taiwan and 13 AQIs. The CPA assessment was discussed and approved by the Audit Committee on February 27, 2025, and submitted to the board of directors for resolution on the same day.</p>	

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
4. Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors' compliance of law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings)?	✓		<p>The Company has designated the CEO Office as the concurrent corporate governance unit. On April 26, 2023, the Board appointed Manager Hsiao-Lin Chou as Head of Corporate Governance. Chou is responsible for matters related to corporate governance, including but not limited to providing directors with the information needed to perform their duties, handle matters related to the meetings of the Board of Directors and shareholders' meetings, register and change the registration of the Company, prepare minutes of the Board of Directors and shareholders' meetings, assist directors and supervisors in their appointment and continuing education, providing information necessary for directors and supervisors to perform their duties, and assist directors and supervisors in complying with laws and regulations.</p> <p>Business implementation in 2024 is as follows:</p> <ul style="list-style-type: none"> <li>● The Board members were regularly informed of the latest development of laws and regulations related to corporate governance.</li> <li>● The operation of the board of directors and various functional committees was carried out in accordance with the law.</li> <li>● Continuing education courses for directors were planned and executed.</li> <li>● Purchased and maintained liability insurance for directors.</li> <li>● Conducted the 2024 performance evaluation on the board of directors and each functional committee in accordance with the "Board of Directors Performance Evaluation Guidelines" established by the Company.</li> <li>● Responsible for shareholders' meetings.</li> <li>● Executed the annual corporate governance evaluation indicator projects, and proposed analysis, review, improvement plans and corresponding measures.</li> <li>● In 2024, the corporate governance officer has completed the required 12 hours of training in accordance with the law. The</li> </ul>	None

Assessment Item	Implementation Status			Reason for Non-implementation																
	Yes	No	Summary																	
			<p>details of the training are as follows:</p> <table border="1"> <thead> <tr> <th>Date of continuing education</th> <th>Organizer</th> <th>Course name</th> <th>Hours</th> </tr> </thead> <tbody> <tr> <td>2024.04.10</td> <td>BCSD Taiwan</td> <td>Create a new carbon era advocacy meeting with sustainable knowledge</td> <td>6</td> </tr> <tr> <td>2024.07.16</td> <td>Taiwan Corporate Governance Association Proudly</td> <td>Thinking about zero-carbon layout, ESG thinking and energy practices that enterprises should have</td> <td>3</td> </tr> <tr> <td>2024.08.27</td> <td>Taiwan Corporate Governance Association Proudly</td> <td>From the perspective of sustainable governance, we will talk about integrity management and anti-corruption</td> <td>3</td> </tr> </tbody> </table>	Date of continuing education	Organizer	Course name	Hours	2024.04.10	BCSD Taiwan	Create a new carbon era advocacy meeting with sustainable knowledge	6	2024.07.16	Taiwan Corporate Governance Association Proudly	Thinking about zero-carbon layout, ESG thinking and energy practices that enterprises should have	3	2024.08.27	Taiwan Corporate Governance Association Proudly	From the perspective of sustainable governance, we will talk about integrity management and anti-corruption	3	
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5. Has the Company provided proper communication channels and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	✓		The Company has established channels for communication with the stakeholders, and has set up a stakeholder section on its official website for proper response to stakeholders' concerns on issues related to corporate social responsibility. (Stakeholders' grievance channels can be found at: "https://tw.cyberlink.com/prog/company/ir-contact-details.jsp	None																
6. Does the Company engage a stock transfer agent to handle shareholders' meeting affairs?	✓		The Company has always engaged a professional stock transfer agent, the Share Administration Department of Yuanta Securities Co., Ltd., to handle matters relating to shareholders' meetings.	None																
7. Information disclosure (1) Has the Company established a website that discloses financial, business, and corporate governance-related information? (2) Has the Company adopted other means to disclose information (e.g. English website, assignment of dedicated	✓		<p>(1) The Company has created a website to make timely disclosure of financial, business, and corporate governance-related information.</p> <p>(2) The Company has created an English website, assigned dedicated personnel to gather and disclose company information, enforced a spokesperson system, and adopted the practice of</p>	None																

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
<p>personnel to collect and disclose corporate information, implementation of a spokesperson system, and broadcasting of investor conferences via the company website)?</p> <p>(3) Does the Company publish and make an official filing of the annual financial report within two months after the end of an accounting period, and publish/file Q1, Q2 and Q3 financial reports along with monthly business performance before the required due dates?</p>			<p>posting investor conferences on the company website for information disclosure.</p> <p>(3) The Company announced and reported the 2024 annual financial report on February 27, 2025, and announced the first, second, and third quarter and annual financial reports and the operating status of each month in accordance with the relevant regulations.</p>	
<p>8. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors/supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, and liability insurance for directors and supervisors)?</p>	✓		<p>(1) Protection of employees' interests: The Company has established a safety and health code in accordance with worker safety and health regulations, and assigned the Human Resources Department to oversee workplace safety and personnel safety. Health checkups are organized on a yearly basis to provide total protection for employees' health and safety.</p> <p>(2) Environmental protection: The Company operates in the information and software industry, and engages disc manufacturers and package manufacturers to produce discs and color packages for the products developed. The Company is not involved in manufacturing activities and therefore does not generate wastewater, exhaust, or industrial waste. Products of the Company are manufactured through subcontract arrangements. All suppliers have signed commitments not to use prohibited or restricted substances in their production activities, and to ensure that all final products provided to the Company have complied with environmental regulations in the EU.</p> <p>(3) Stakeholders' rights: In addition to appointing a spokesperson, the Company also discloses on its website the various</p>	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
			<p>grievance channels available to stakeholders. Furthermore, an Investors section has been created on the website to disclose financial, service, and product information (URL: <a href="http://www.cyberlink.com/">http://www.cyberlink.com/</a>).</p> <p>(4) Directors' ongoing education: All directors of the Company have completed ongoing education according to Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies.</p> <p>(5) All directors of the Company are able to uphold the integrity and exercise their duties as prudent managers.</p> <p>(6) The Company has been purchasing liability insurance for directors and supervisors since 2002. The purchase of directors' liability insurance for 2025 was reported during the board of directors meeting held on October 30, 2024.</p> <p>(7) The Company convenes board of directors meetings at least once a quarter as a means to enhance corporate governance.</p> <p>(8) The Company convenes Remuneration Committee meetings at least twice a year.</p>	

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
<p>9. Please explain the improvements made based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified. (Not required if the Company is not one of the evaluated subjects)</p> <p>(1) Improvement progress:</p> <p>(A) Board performance evaluation for 2024 has been completed</p> <p>(B) Uploaded the Shareholders' Meeting Handbook 30 days before the meeting, and uploaded the Annual Report 18 days before the meeting.</p> <p>(C) Internal rules have been established to prohibit directors, employees, and insiders from trading securities against non-public information; detailed terms and updates are being disclosed on the corporate website.</p> <p>(D) The Company will make detailed disclosure of employee welfare measures, pension system, and the implementation progress in annual reports and over the website</p> <p>(E) A whistleblowing system has been established to facilitate report of illegal and unethical conducts (including bribery) involving internal as well as external personnel; details of which have been disclosed on the corporate website</p> <p>(F) Depreciation method and useful years of property, plant, and equipment have been disclosed on the annual report</p> <p>(G) Performed early greenhouse gas inventory and external verification in advance</p> <p>(II) Priority enhancements and measures</p> <p>Enforcement of corporate governance practices in accordance with laws</p> <p>Early preparation of the Sustainability Report</p>				

### 2.3.4 Composition, Responsibilities, and Operation of the remuneration:

1. The Company has a Remuneration Committee that is responsible for the regular review of directors' and managers' performance evaluation, the compensation policy, system, standards, and structure, and regular assessment and determination of compensations for directors and managers. Background information of committee members is as follows:

Criteria		Professional qualifications and experience	Independence Analysis	Number of positions as Remuneration Committee member in other public companies
Role	Name			
Independent director (Convener)	Yu Shen Lan	Graduated from the Master's and Doctoral programs of the Institute of Human Resource Management of the National Central University, and is a member of the Company's Audit Committee and Remuneration Committee; used to work in the human resources department of Citibank, Taiwan Applied Materials, and Altek Corp., and possessing rich experience in the industry and is well connected with the industry-related contacts.	(1) Not employed by the Company or any of its affiliated companies. (2) Not a director or supervisor of the Company or any of its affiliates. (3) Does not hold more than 1% of the Company's outstanding shares in their own names or under the name of spouse, underage children, or proxy shareholder; nor is a top-10 natural-person shareholder of the Company. (4) Not a manager listed in (1), or a spouse, 2nd-degree relative or closer or 3rd-degree direct relative or closer to any personnel listed in (2) or (3).	0
Independent director	Yean-Jen Shue	Ph.D. University of Florida, Department of Electrical Engineering; a member of the Company's Audit Committee and Remuneration Committee, CTO and Senior VP of Pegatron Corporation; used to be Vice President of Pegatron Corporation and Associate Vice President of ASUS, possessing work experience necessary for the Company's business with insight into industry development and technology application.	(5) Not a director, supervisor or employee of any corporate shareholder that: 1. holds 5% or more of the Company's outstanding shares; 2. is a top-5 shareholder; or 3. appoints director/supervisor representative in the Company according to Paragraph 1 or 2, Article 27 of The Company Act. (6) Not a director, supervisor, or employee of any	0

Role	Criteria Name	Professional qualifications and experience	Independence Analysis	Number of positions as Remuneration Committee member in other public companies
Independent director	Chien LEO Ming-TZ	Master's degree in electrical engineering from UCLA, USA, and is a member of the Company's Audit Committee and Remuneration Committee; Chairman of FIC Global, Chairman of Ubiquconn Technology, Inc, Vice Chairman of 3CEMS Group, and Independent Director of Promate Electronic Co., Ltd., possessing the experience necessary for the Company's business, finance, accounting, and corporate affairs, which can improve the overall development of the Company and the supervisory function of the Audit Committee.	<p>other company that controls directorship in the Company or where more than half of total voting rights are controlled by a single party.</p> <p>(7) Does not assume concurrent duty as chairman, GM or equivalent role in the Company, and is not a director, supervisor, or employee of another company or institution owned by spouse.</p> <p>(8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any company or institution that has a financial or business relationship with the Company.</p> <p>(9) Not a professional who has provided audit services, or commercial, legal, financial, accounting or related services in the last 2 years, to the Company or its affiliate, nor is an owner, partner, director, supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or organization that provides the above service to the Company or its affiliated companies.</p> <p>(10) Not a spouse or relative of second degree or closer to any other directors.</p> <p>(11) Does not meet any of the conditions stated in Article 30 of The Company Act.</p> <p>(12) Not elected as a government or corporate representative according to Article 27 of The Company Act.</p>	0

2. Functionality of the Remuneration Committee:

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

(2) Duration of service: from June 20, 2023 to June 19, 2026. The Remuneration Committee held 3 meetings (A) in the most recent year; details of members' attendance are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate in person (%) (B/A)	Footnote
Convener	Yu Shen Lan	3	0	100%	
Committee member	Yean-Jen Shue	3	0	100%	
Committee member	Chien LEO Ming-TZ	3	0	100%	

Other mandatory disclosures:

(1) In the event where the Remuneration Committee's proposal is rejected or amended in a board of directors meeting, please describe the date and session of the meeting, details of the motion, the board's resolution, and how the Company had handled the Remuneration Committee's opinions (describe the differences and reasons, if any, should the board of directors approve a solution that was more favorable than the one proposed by the Remuneration Committee): None

(2) Should any member object or express reservations to the resolution made by the Remuneration Committee, whether on-record or in writing, please describe the date and session of the meeting, details of the motion, the entire members' opinions, and how their opinions were addressed: None

(3) Functionality of the Remuneration Committee in the most recent year:

Remuneration Committee Date/session	Motion details and subsequent actions taken	The final resolution and the Company's response to Remuneration Committee's opinions
2nd meeting of the 5th committee 2024.2.29	<ul style="list-style-type: none"> <li>● 2023 director remuneration and employee remuneration.</li> <li>● 2023 director remuneration.</li> </ul>	Passed as proposed without objection from attending members when inquired by the chairperson. The Company's response to committee members' opinions: Not applicable.
3rd meeting of the 5th committee 2024.4.25	<ul style="list-style-type: none"> <li>● 2024 Manager Compensation Adjustment Plan</li> </ul>	
4th meeting of the 5th committee 2025.2.27	<ul style="list-style-type: none"> <li>● 2024 director remuneration and employee remuneration.</li> <li>● 2024 director remuneration.</li> </ul>	

### 2.3.5 Sustainable development practices; deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
1. Has the Company implemented a governance framework that supports sustainable development, and designated a unit that specializes (or is involved) in the promotion of sustainable development? Is the unit empowered by the board of directors and run by senior management, and how does the board supervise progress?	✓		<p>In 2023, the company established the ESG Sustainability Committee and Sustainability Task Force, with the Board of Directors serving as the highest governing body. The Chairman of the Board acts as the Chief Committee Chair, and the General Manager serves as the Deputy Chair, overseeing the operations of the Sustainability Committee. The Sustainability Promotion Committee consists of senior executives from various departments, appointed by the Chairman, covering finance, legal, IT, sustainability, corporate governance, and human resources. This committee is responsible for advancing key sustainability initiatives and executing related projects.</p> <p>The ESG Sustainability Committee reports to the Board of Directors at least once a year on its progress and future plans. In 2024, the committee presented four reports to the Board, ensuring transparency and continuous improvement in sustainability strategies. These reports covered:</p> <ul style="list-style-type: none"> <li>● Materiality assessment and stakeholder engagement results</li> <li>● Greenhouse gas inventory, assurance data, and goal achievement status</li> <li>● Sustainability report and short-, medium-, and long-term goal progress</li> </ul> <p>The Board evaluates the feasibility of these strategies, regularly reviews their progress, and, when necessary, urges the management team to make adjustments to ensure the successful achievement of sustainability objectives.</p>	None

Assessment Item	Implementation Status			Reason for Non-implementation												
	Yes	No	Summary													
2. Has the Company conducted a risk assessment on environmental, social, and corporate governance issues that are relevant to its operations, and implemented risk management policies or strategies based on principles of materiality?	✓		<p>The company primarily focuses its risk assessment on its own operations and includes subsidiaries based on the significance of their impact on key topics.</p> <p>The Sustainability Committee conducts analysis based on the materiality principle outlined in the Sustainability Report. Through communication with internal and external stakeholders, it assesses key ESG issues and risks, formulating the following management policies:</p>	None												
			<table border="1"> <thead> <tr> <th>Key Issues</th> <th>Risk Items</th> <th>Strategies</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>           1. Energy and resource management            2. Greenhouse gas emissions            3. Impact of climate change         </td> <td> <ul style="list-style-type: none"> <li>Promote internal water and energy conservation policies</li> <li>Establish a greenhouse gas inventory management procedure and adopt TCFD (Task Force on Climate-related Financial Disclosures) guidelines to identify risks and set short-, medium-, and long-term targets</li> </ul> </td> </tr> <tr> <td>Social</td> <td>           1. Talent recruitment and retention,            2. Employee health and well-being,            3. Corporate social responsibility and community engagement         </td> <td> <ul style="list-style-type: none"> <li>Provide a competitive compensation and benefits package, ensuring a quality work environment and a harmonious workplace</li> <li>Foster a healthy and friendly workplace with professional medical services, health check-ups, and consultations</li> <li>Implement labor health protection programs, along with maternal care initiatives and a zero-violence workplace policy</li> </ul> </td> </tr> <tr> <td>Corporate</td> <td>           1. Information security            2. Customer         </td> <td> <ul style="list-style-type: none"> <li>Establish comprehensive cybersecurity protection measures</li> <li>Enhance customer service</li> </ul> </td> </tr> </tbody> </table>		Key Issues	Risk Items	Strategies	Environment	1. Energy and resource management 2. Greenhouse gas emissions 3. Impact of climate change	<ul style="list-style-type: none"> <li>Promote internal water and energy conservation policies</li> <li>Establish a greenhouse gas inventory management procedure and adopt TCFD (Task Force on Climate-related Financial Disclosures) guidelines to identify risks and set short-, medium-, and long-term targets</li> </ul>	Social	1. Talent recruitment and retention, 2. Employee health and well-being, 3. Corporate social responsibility and community engagement	<ul style="list-style-type: none"> <li>Provide a competitive compensation and benefits package, ensuring a quality work environment and a harmonious workplace</li> <li>Foster a healthy and friendly workplace with professional medical services, health check-ups, and consultations</li> <li>Implement labor health protection programs, along with maternal care initiatives and a zero-violence workplace policy</li> </ul>	Corporate	1. Information security 2. Customer	<ul style="list-style-type: none"> <li>Establish comprehensive cybersecurity protection measures</li> <li>Enhance customer service</li> </ul>
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<p>3. Environmental issues</p> <p>(1) Has the Company developed an appropriate environmental management system, given its distinctive characteristics?</p>	✓		<p>The Company operates in the information and software industry, and engages disc manufacturers and package manufacturers to produce discs and color packages for the products developed. The Company is not involved in manufacturing activities and therefore does not generate wastewater, exhaust, or industrial waste. Products of the Company are manufactured through subcontract arrangements. All suppliers have signed commitments not to use prohibited or restricted substances in their production activities, and to ensure that all final products provided to the Company have complied with environmental regulations in the EU.</p>	None						
<p>(2) Is the Company committed to making efficient use of energy, and using renewable materials that produce less impact on the environment?</p>	✓		<p>The Company engages certified vendors to recycle waste, and promotes digital processes that encourage employees to make use of electronic files and documents, thereby reducing the need for paper. Waste sorting, recycling, and reduction measures are persistently enforced for environmental protection and energy conservation. The Company works with Perfect CyberLink Education Foundation regularly to donate secondhand clothes and organize charity auctions, which optimizes the utilization of available resources.</p>	None						
<p>(3) Does the Company assess potential risks and opportunities associated with climate change, and undertake measures in response to climate issues?</p>	✓		<p>In addition to monitoring how climate change affects operations, the Company also reminds employees to turn off the power when appliances are not in use, reduce lighting in certain parts of the office, and adopt energy-efficient lighting where possible. Energy conservation practices are being enforced to minimize energy consumption and carbon footprint throughout the organization.</p>	None						

Assessment Item	Implementation Status			Reason for Non-implementation															
	Yes	No	Summary																
(4) Does the Company maintain statistics on greenhouse gas emission, water usage, and total waste volume in the last two years, and implement policies aimed at reducing greenhouse gas, water, and waste?	✓		<p>Since 2022, the company has conducted greenhouse gas inventories based on the ISO 14064-1:2018 standard. Starting in 2023, the inventory scope includes the parent company and subsidiaries (self-owned offices with complete energy usage data). As the company is not involved in production processes, there are no process-related or fixed emissions sources. The emissions sources in Scope 1 include only gasoline used by company vehicles (mobile emissions source) and refrigerants (fugitive emissions source). The company's main greenhouse gas emissions come from purchased electricity (Scope 2). The greenhouse gas emissions statistics for the parent company and subsidiaries over the past two years are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Item</th> <th>2023 (tC02e)</th> <th>2024(tC02e)</th> </tr> </thead> <tbody> <tr> <td>scope 1</td> <td style="text-align: center;">18.2505</td> <td style="text-align: center;">17.5776</td> </tr> <tr> <td>scope 2</td> <td style="text-align: center;">470.5045</td> <td style="text-align: center;">456.7806</td> </tr> <tr> <td>scope 3</td> <td style="text-align: center;">292.3495</td> <td style="text-align: center;">317.8387</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">781.1045</td> <td style="text-align: center;">792.1969</td> </tr> </tbody> </table> <p>The Scope 1 and Scope 2 greenhouse gas (GHG) emissions for 2023 and 2024 were verified in accordance with the ISO 14064-1:2018 standard by the third-party verification body, Grant Thornton Taiwan. The Company has obtained a reasonable assurance report.</p> <p>Since 2022, our company has been conducting a water usage inventory at our headquarters. As of 2024, the water intensity at our headquarters (tons per million in revenue) has decreased by 21.36% compared to 2022. The water intensity of our headquarters and subsidiaries has decreased by 6.91% compared to 2023.</p> <p>The water usage of the headquarters and subsidiaries in the past two years is as follows:</p>	Item	2023 (tC02e)	2024(tC02e)	scope 1	18.2505	17.5776	scope 2	470.5045	456.7806	scope 3	292.3495	317.8387	Total	781.1045	792.1969	None
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			<p>in retail packaging production and a 90% decrease in optical disc usage, making a significant contribution to environmental protection.</p> <p>The primary waste generated by our company comes from daily employee activities. While waste emissions are not a major issue, we remain dedicated to reduction goals. To achieve this, we have fully implemented digital systems and transitioned internal processes to a paperless workflow.</p> <p>The Company's waste volume is estimated based on the Environmental Protection Administration's average per capita daily general waste generation. The waste volume for the headquarters and subsidiaries over the past two years is as follows:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Waste (tons)</td> <td>About 92.5</td> <td>About 98</td> </tr> <tr> <td>Average waste generation (tons/Revenue in NT\$ million)</td> <td>0.0496</td> <td>0.0474</td> </tr> </tbody> </table> <p>In In 2024, waste intensity (tons per million in revenue) decreased by 4.44% compared to 2023, achieving the annual reduction target of 3%.</p>	Item	2023	2024	Waste (tons)	About 92.5	About 98	Average waste generation (tons/Revenue in NT\$ million)	0.0496	0.0474	
Item	2023	2024											
Waste (tons)	About 92.5	About 98											
Average waste generation (tons/Revenue in NT\$ million)	0.0496	0.0474											
<p>4. Social issues</p> <p>(1) Has the Company developed its policies and procedures in accordance with laws and the International Bill of Human Rights?</p>	✓		<p>The Company complies with employment regulations and observes international conventions on human rights issues such as gender equality and work rights. A set of “Human Rights Protection Policy” and work rules have been established for the protection of employees’ rights.</p>	None									

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
(2) Has the Company developed and implemented reasonable employee welfare measures (including compensation, leave of absence, and other benefits), and appropriately reflected business performance or outcome in employees' compensations?	✓		<p>The Company offers favorable compensations and benefits, and pays incentive bonuses and remuneration to employees depending on business performance. Stock options are sometimes issued to employees as an incentive. An Employee Welfare Committee has been assembled to arrange benefits such as wedding subsidies, funeral subsidies, childbirth subsidies, club subsidies, and festive gifts/gift vouchers.</p> <p>The Company values workplace diversity, gender equality, equal pay, and equal promotion opportunities. In 2024, females accounted for 33.8% of staff and 23.1% of managers.</p> <p>Top-performing employees are offered favorable promotion opportunities, whereas bonuses, remuneration, and stock options are granted in close association with individual work performance.</p>	None
(3) Does the Company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?	✓		<p>The Company has established a safety and health code in accordance with worker safety and health regulations to maintain workplace safety and personnel safety. The Company arranges annual health checkups to monitor employees' physical and mental health. Safety awareness campaigns and disaster prevention seminars are organized from time to time to ensure that the work environment conforms to safety standards. There were no occupational injuries or fire incidents for employees in 2024.</p> <p>The Company tests the concentration of carbon dioxide in the working environment of employees and the water quality of drinking fountains every year, with professional institutions issuing reports. In July 2024 and February 2025, SGS completed the testing and issued a test report.</p>	None
(4) Has the Company implemented an effective training program that helps employees develop skills over their careers?	✓		<p>The Company organizes suitable training courses and allocates budgets on a yearly basis depending on employees' current work requirements and career development needs. These training arrangements cover orientation, special skills, and managerial training.</p>	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
(5) Has the Company complied with laws and international standards with respect to customers' health, safety, and privacy, marketing and labeling in all products and services offered, and implemented consumer/customer protection policies and complaint procedures?	✓		<p>The company is committed to strictly adhering to EU regulations in product design, raw material selection, and the manufacturing process, ensuring that no prohibited substances are used while actively reducing the environmental footprint across all aspects of our supply chain. We recognize the importance of protecting our customers' personal data. As a global leader in digital media software and facial recognition technology, we have established comprehensive personal data protection and information security policies to ensure the highest level of security in data collection, processing, and storage.</p> <p>To effectively manage customer service quality, CyberLink evaluates the performance of its customer service center based on four key metrics for its primary service languages, Chinese and English: telephone service level, call drop rate, average call handling time, and email service level. We provide real-time assistance via telephone for customers in Taiwan and overseas, while also collecting global customer inquiries and feedback via company email to implement necessary improvements.</p> <p>Additionally, the CyberLink website offers detailed product guides, FAQs, and user manuals to help users resolve technical issues and better understand product features. Our community forum serves as a platform for users to exchange experiences, share insights, and seek assistance from other users or experts. We also share the latest regulatory and compliance updates through newsletters and have established a technical support center and customer service hotline on our website. By integrating multiple service channels—including phone, website, app, social media, and forums—we meet diverse customer interaction needs and provide comprehensive support and assurance.</p>	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
(6) Has the Company implemented a supplier management policy that regulates suppliers' conduct with respect to environmental protection, occupational safety and health or work rights/human rights issues, and tracked suppliers' performance on a regular basis?	✓		<p>The Company has established a "Supplier Management Policy," which requires suppliers to adhere to relevant regulations regarding environmental protection, integrity, occupational health and safety, and labor rights to enhance their social and environmental responsibilities. Major suppliers are also required to sign the "Corporate Social Responsibility Policy Statement," the "Integrity Commitment," and the "Guarantee of Non-Inclusion of Prohibited and Restricted Substances in Products."</p> <ul style="list-style-type: none"> <li>● Customer Communication Website: <a href="https://tw.cyber-link.com/support-center/home">https://tw.cyber-link.com/support-center/home</a></li> <li>● Technical Support Hotline: +886-2-86671298 Ext. 3333</li> </ul>	None
5. Does the Company prepare a sustainability report or any report of non-financial information based on international reporting standards or guidelines? Are the abovementioned reports supported by assurance or the opinion of a third-party certifier?	✓		<p>Starting in 2023 our company will compile and publish the Sustainability Report in accordance with international sustainability standards, including the GRI Standards, TCFD Climate-Related Financial Disclosures, and SASB Standards. This report primarily targets global stakeholders and discloses the company's relevant information in the field of sustainable development, as well as our commitments and practices regarding environmental, social, and corporate governance (ESG) issues. In the future, we will continue to advance the implementation of sustainability reporting as planned.</p>	None
6. If the Company has established sustainability policies in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe its current practices and any deviations from the Best Practice Principles: None				

Assessment Item	Implementation Status			Reason for Non-implementation								
	Yes	No	Summary									
7. Other information useful to the understanding of sustainable practice: The Company coordinates with Perfect CyberLink Education Foundation to give back to society through action, and in doing so, fulfills social responsibilities. In 2024, CyberLink and Perfect CyberLink Educational Foundation jointly conducted the following: “Blood Drive”, “Magical Creative Camps” project (where employees traveled to junior high schools and elementary schools in remote areas to help underprivileged students learn and use multimedia software, which in turn narrows the urban-suburban divide), as well as “various charitable events”. The main tasks are as follows:												
<table border="1"> <thead> <tr> <th>Item</th> <th>Key measurements</th> </tr> </thead> <tbody> <tr> <td>1. Blood drive (blood donation for uninterrupted love)</td> <td>971 people donated 1,416 bags of blood</td> </tr> <tr> <td>2. Arts, culture, and educational activities (including Magical Creative Camps)</td> <td>Participant count: 1,312</td> </tr> <tr> <td>3. Donations to New Taipei City Dream Fund, Kanner Foundation of Taiwan, Chin-Ai Music &amp; Culture Foundation, and BOYO Social Welfare Foundation.</td> <td>Total donations: NT\$2,544,830</td> </tr> </tbody> </table>					Item	Key measurements	1. Blood drive (blood donation for uninterrupted love)	971 people donated 1,416 bags of blood	2. Arts, culture, and educational activities (including Magical Creative Camps)	Participant count: 1,312	3. Donations to New Taipei City Dream Fund, Kanner Foundation of Taiwan, Chin-Ai Music & Culture Foundation, and BOYO Social Welfare Foundation.	Total donations: NT\$2,544,830
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<p>In addition to supporting disadvantaged groups and sponsoring campus cultural activities through the CyberLink Perfect Education Foundation, the Company aligns with government policies and upholds social responsibility by providing employment opportunities for individuals with disabilities. Furthermore, the Company remains committed to its core business, actively pursuing annual revenue and profit growth to ensure a high-quality work environment and favorable working conditions for its employees.</p>												

### 2.3.6 Implementation of climate-related information

Item	Execution status				
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and management.	The Company has instructed the Internal Audit, CEO Office and risk management representatives from various departments to form a main risk management organization, continue to pay attention to climate-related risks and opportunities, and report the status to the Board of Directors on a regular basis. The Board of Directors also authorizes senior management to be responsible for the implementation of climate-related strategies and plans, including climate risk assessment and progress reporting. By doing so, we are able to ensure that the Company has appropriate transparency and supervision in terms of climate governance.				
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).	The Company assesses and manages climate change-related risks from multiple perspectives to proactively respond to potential operational disruptions caused by future severe climate changes.				
	Risk Type		Short-Term	Medium-Term	Long-Term
	Physical Risks	Extreme Climate Events and Disasters	<ul style="list-style-type: none"> <li>● Increased frequency of typhoons/floods, leading to disruptions in data center equipment and operational losses.</li> <li>● The disaster response and recovery measures during and after the disaster lead to an increase in operational expenses.</li> </ul>	Increased electricity consumption, unstable energy supply, and rising global energy prices lead to higher operating costs.	Rising Average Temperatures
	Transition Risks	Policy and Regulations	Government mandate for companies to conduct inventories, submit reports, and verify emissions, leading to increased internal and external labor costs, and fines for late submissions.	Greenhouse gas emission cap regulations, carbon taxes, and carbon fees	Net-Zero Emission Trend
		Stakeholder Concerns and Negative Feedback	Changes in consumer preferences, leading to a decline in demand for high-carbon products.	Failure to Meet Carbon Reduction Commitments, Impact on Investor and Customer Trust	Stakeholders begin to favor or avoid specific products and services
	Opportunities		Development and Innovation of New Low-Carbon Products and Services	Improved Resource Efficiency	Enhance Corporate Reputation, Establish a Sustainable Brand Image

Item	Execution status			
	The assessment of the above risks identifies climate-related risks and opportunities that may have a significant financial impact, along with corresponding response strategies as follows:			
	Risk Type	Risk(R)/Opportunity(O)	Impact on business, strategy, and finances	Response strategies
	Physical Risks	<p>R: Increased frequency of typhoons/floods, leading to disruptions in data center equipment and operational losses.</p> <p>R: Disaster response and recovery measures during and after the disaster lead to increased operational expenses.</p> <p>R: Increased electricity consumption, unstable energy supply, and rising global energy prices leading to higher operating costs.</p> <p>R: Rising average temperatures.</p> <p>O: Improved resource usage efficiency.</p>	<p>—Asset damage or value reduction</p> <p>—Disruption of data center equipment leading to operational losses</p> <p>—Increased electricity consumption, leading to higher operating costs</p> <p>—Purchase of renewable energy certificates, leading to increased operating costs</p> <p>+ Decrease in electricity costs(O)</p>	<ul style="list-style-type: none"> <li>● Monitor weather information in real-time and plan corresponding preventive measures for different natural disasters.</li> <li>● Implement off-site backup equipment and continuous systems.</li> <li>● Seek affordable alternative energy sources and improve energy-saving measures.</li> <li>● Improve energy efficiency and invest in green energy equipment.</li> <li>● Use renewable energy</li> </ul>
Transition Risks	<p>R: Government mandates require the company to conduct inventories, submit reports, and undergo verification, resulting in increased internal and external labor costs for these processes, as well as fines for late submissions.</p> <p>R: Total greenhouse gas emission cap regulations, carbon</p>	<p>—Non-compliance with regulations requires fines, resulting in increased operating expenses.</p> <p>—Paying carbon fees leads to higher operating costs.</p>	<ul style="list-style-type: none"> <li>● Timely execution of greenhouse gas inventory and reporting</li> <li>● Continuously implement greenhouse gas reduction</li> </ul>	

Item	Execution status			
		<p>taxes, and carbon fees.  R: The trend toward net-zero emissions.</p> <p>R: Shifting consumer preferences leading to a decreased demand for high-carbon products.</p> <p>O: Research and innovation in new low-carbon products and services.</p> <p>R: Failure to meet carbon reduction commitments, which impacts investor and customer trust.</p> <p>R: Stakeholders beginning to favor or reject specific products and services.</p> <p>O: Enhancing corporate reputation and establishing a sustainable corporate image.</p>	<p>—Increased costs for installation and operation of carbon reduction equipment.</p> <p>—Sales decline, causing a drop in revenue.</p> <p>+ Increasing the sales ratio of low-carbon products to boost revenue (O).</p> <p>—Failure to meet customer expectations leads to reduced sales, resulting in revenue decline.</p> <p>+ A strong corporate reputation leads to increased market sales.(O)</p>	<p>actions</p> <ul style="list-style-type: none"> <li>● Continuously invest in the research and development of low-carbon products</li> <li>● Strengthen green research and innovation</li> <li>● Enhance the company's green image through transparent disclosure</li> <li>● Strengthen corporate governance to foster a culture that values and actively addresses climate-related issues</li> <li>● Improve sustainability ratings to build a positive image</li> </ul>

Item	Execution status		
<p>3. Describe the financial impact of extreme climate events and transformation actions.</p>	Extreme climate events:		
	Aspect	Climate risk	Financial impact
	Immediate risk	Extreme weather (flood, typhoon)	<ul style="list-style-type: none"> <li>• Flood and typhoon: Power interruption or non-operability of self-used generators, resulting in personnel unable to work normally and damage to machinery and equipment</li> <li>• High temperature and power shortage/fire: may cause damage to the office environment, resulting in damage to the equipment in the server room and interruption of related services.</li> </ul>
	Long-term risk	Chronic climate change (rise of temperature)	Increased electricity consumption - unstable energy supply will cause the global energy to rise, and thus the operating cost will increase.
	Transformation actions:		
	Aspect	Description	Financial impact
Policies and regulations	International or government regulations to control greenhouse gas emissions and compulsorily check, report, and verify the Company's greenhouse gas emissions.	<ul style="list-style-type: none"> <li>• Inventory and report internal and external manpower expenses</li> <li>• Penalty imposed for failure to report on time</li> </ul>	
Carbon tax	Tax system related to greenhouse gas emissions or climate change established internationally or by the government.	The government's proposed carbon fee will increase operating costs.	
Stakeholders	Stakeholder concerns and negative feedback	Given the global trend of net zero emissions, and the impact of government policies and regulations, stakeholders (e.g. customers) begin to prefer or reject specific products and services.	
<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>The highest decision-making body for risk management is the Board of Directors, which is responsible for reviewing and monitoring the operation of risk management. Each unit's risk management representatives and department heads conduct preliminary assessments on risk topics, propose corresponding strategies, and report them to the Internal Audit and the Chairman's Office. The CEO Office compiles risk management reports and reports them to the Board of Directors, where they are resolved and implemented.</p>		

Item	Execution status												
<p>5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.</p>	<p>Our company has not yet utilized scenario analysis to assess resilience in addressing climate change risks</p>												
<p>6. If there is a transformation plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.</p>	<p>To address associated risks and achieve transformation goals, our company has developed a comprehensive carbon emission reduction plan with the following key initiatives:  Promoting carbon reduction and green operations within internal departments: We are optimizing workflows by implementing paperless processes, digital signatures, and upgrading to high-efficiency, energy-saving office equipment to reduce energy consumption in daily operations.  Renewable energy supply plan: Since 2022, we have steadily increased the proportion of green electricity usage by 10% annually. By 2030, we aim to fully transition to renewable energy, replacing traditional energy sources and achieving a sustainable energy transformation for our operations.</p>												
<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.</p>	<p>The Company is a software industry, not a manufacturing industry, which belongs to a green industry. The main carbon emission is the daily waste generated by employees. Therefore, the internal carbon pricing is not used as a planning tool at present.</p>												
<p>8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon reduction credits or quantity or RECs offset should be explained.</p>	<p>1. Using 2023 as the baseline year, our company aims to achieve the following intensity reduction targets by 2030: a reduction of 7%~15% in water intensity (tons per NT\$ million in revenue), a 7% reduction in electricity intensity (MWh per NT\$ million in revenue), and a 5% reduction in waste intensity (tons per NT\$ million in revenue) across the parent company and subsidiaries.  2024 Progress: Water intensity has been reduced by 6.91% cumulatively, electricity intensity has been reduced by 11.87% cumulatively, and waste intensity has been reduced by 4.37% cumulatively.</p> <p>2. Since 2022, the proportion of green electricity has increased by 10% annually, aiming for 100% adoption of green electricity by 2030.  Progress in 2024: The usage of green electricity in 2024 has reached 30% (estimated purchase volume based on the previous year's electricity consumption.)</p> <table border="1" data-bbox="831 1157 1975 1369"> <thead> <tr> <th data-bbox="831 1157 1198 1227">Year</th> <th data-bbox="1198 1157 1456 1227">2022 (HQ)</th> <th data-bbox="1456 1157 1715 1227">2023 (HQ)</th> <th data-bbox="1715 1157 1975 1227">2024 (HQ)</th> </tr> </thead> <tbody> <tr> <td data-bbox="831 1227 1198 1297">Green Power Purchased</td> <td data-bbox="1198 1227 1456 1297">120.129 MWh</td> <td data-bbox="1456 1227 1715 1297">154.970 MWh</td> <td data-bbox="1715 1227 1975 1297">287.708 MWh</td> </tr> <tr> <td data-bbox="831 1297 1198 1369">Green Power Certificates</td> <td data-bbox="1198 1297 1456 1369">115</td> <td data-bbox="1456 1297 1715 1369">155</td> <td data-bbox="1715 1297 1975 1369">287</td> </tr> </tbody> </table>	Year	2022 (HQ)	2023 (HQ)	2024 (HQ)	Green Power Purchased	120.129 MWh	154.970 MWh	287.708 MWh	Green Power Certificates	115	155	287
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<b>9. Greenhouse Gas Inventory and Assurance Status, Reduction Targets, Strategies, and Specific Action Plans</b>	1. Greenhouse Gas Inventory Information:																														
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Item	Execution status
	<p>3. Greenhouse Gas Reduction Goals, Strategies, and Specific Action Plans</p> <p>The baseline year for greenhouse gas reduction is set to 2023, with the total carbon emission intensity of the parent company and subsidiaries in Scope 1 to Scope 3 being 0.4188 tCO<sub>2</sub>e. It is expected that by 2030, the cumulative total carbon emission intensity will be reduced by 10~15% compared to the baseline year. Additionally, the parent company will fully implement 100% green electricity to power its own offices.</p> <p><b>Reduction Strategy:</b> Expand the use of renewable energy and reduce energy consumption.</p> <p><b>Specific Action Plans:</b></p> <ol style="list-style-type: none"> <li>1. Increase the proportion of green electricity usage by 10%~15% annually.</li> <li>2. Replace lighting with energy-efficient LED lights and install energy-saving equipment.</li> <li>3. Promote a paperless office.</li> </ol> <p><b>Achievement Status:</b> In 2024, the total carbon emission intensity decreased by approximately 8.52% compared to the previous year. Moving forward, the company will continue to monitor and review progress to achieve the aforementioned goals.</p>

### 2.3.7 Performance of business integrity and differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
<p>1. Establishment of integrity policies and solutions</p> <p>(1) Has the Company established a set of board-approved business integrity policy, and stated in its Memorandum or external correspondence about the policies and practices it implements to maintain business integrity? Are the board of directors and the senior management committed to fulfilling this commitment?</p> <p>(2) Has the Company developed systematic practices for assessing integrity risks? Does the Company perform regular analyses and assessments on business activities that are prone to a higher risk of dishonesty, and implement preventions against dishonest conduct that include at least the measures mentioned in Paragraph 2, Article 7 of “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?</p> <p>(3) Has the Company defined and enforced operating procedures, behavioral guidelines, penalties, and grievance systems as part of its preventive measures against dishonest conduct? Are the above measures reviewed and revised on a regular basis?</p>	✓		<p>(1) The Company has established the “Corporate Governance Code of Conduct,” “Ethical Corporate Management Best Practice Principles,” “Employee Code of Conduct,” “Whistle-blowing Policy,” and “Insider Trading Prevention Procedures” to serve as guidance for employees. All business decisions are made in conformity with business integrity principles and in compliance with The Company Act, International Accounting Standards, International Financial Reporting Standards, Securities and Exchange Act, and regulations relevant to public listing.</p> <p>(2) The Company has established its own “Corporate Governance Code of Conduct” and “Ethical Corporate Management Best Practice Principles,” and has rules in place to regulate recusal from conflict of interest and prevent inappropriate dealings. Furthermore, awareness campaigns are organized on a regular basis to reinforce employees’ training.</p> <p>(3) The Company has also developed effective internal control systems and compliance practices to support business integrity.</p>	None
2. Enforcement of business integrity	✓			None

Assessment Item	Implementation Status			Reason for Non-implementation		
	Yes	No	Summary			
<p>(1) Does the Company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?</p> <p>(2) Does the Company have a unit that enforces business integrity directly under the board of directors? Does this unit report its progress (regarding implementation of business integrity policy and prevention against dishonest conduct) to the board of directors on a regular basis (at least once a year)?</p>			<p>(1) The Company is a global leader in AI multimedia solutions and digital creative editing software services. Our primary clients are internationally renowned corporations. The Company is committed to conducting business activities exclusively with entities that demonstrate integrity, avoiding transactions with those engaged in dishonest practices.</p> <p>(2) The Company has designated the CEO Office as a concurrent unit to promote corporate integrity management. In accordance with the duties and responsibilities of each unit, we assist the Board of Directors and the management in formulating integrity management policies and prevention plans and integrity policies. At present, the Company has formulated the “Corporate Governance Code of Conduct”, the “Ethical Corporate Management Best Practice Principles”, the “Employee Code of Conduct”, “Whistleblowing Management Regulations”, and the “Prevention of Insider Trading Procedures”, which are all publicly disclosed on the Company’s official website.</p> <p>The Company’s integrity management policy for 2024 and its implementation are as follows and were reported to the Board of Directors on February 27, 2025.</p>			
			Execution item		Execution policy	Execution status
			Education and training		Through regular education and integrity training courses, the Company has enhanced employees’ awareness of integrity matters.	As of 2024, a total of 485 people have participated in the Ethical Corporate Management Best Practice Principles training courses, with a total of 56.58 hours.

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
			Supplier Pledge	100% of the Company's major suppliers have signed the "Integrity Pledge" and "Environmental Pledge".
			Regular audits	No corruption or anti-competitive behavior occurred in 2024.

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
(3) Does the Company have any policy that prevents conflict of interest, and channels that facilitate the report of conflicting interests?			<p>Whistleblower System and Whistleblower Protection</p> <p>Formulate the “Whistleblowing Management Regulations” to specify the whistleblowing process and the review unit to encourage internal and external personnel to report dishonest behavior or misconduct. We have also established a whistleblower protection system to protect the identity and content of whistleblowers from being improperly disposed of because of their whistleblowing actions.</p>	
			<p>(3) The Company has outlined recusal rules as part of its “Ethical Corporate Management Best Practice Principles,” which state that directors are not allowed to participate in the discussion or voting of Board of Directors motions that concern their own interests or the interests of the corporate entities they represent. Not only are they required to recuse from discussion and voting, they must also refrain from exercising voting rights on behalf of other directors. Directors and managers of the Company must not exploit their vested authorities for improper gains, whether for themselves or for spouse, parents, children, or any other parties.</p>	
(4) Has the Company implemented an effective accounting policy and internal control			<p>(4) The Company has developed an effective accounting system and internal control system, and assigned an internal audit unit to conduct independent audits, enforce system function, and monitor/prevent dishonest conducts. Both systems and audit practices are being properly executed. Internal auditors would review the design and execution of the above systems</p>	

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
<p>system to maintain business integrity? Has an internal or external audit unit been assigned to devise audit plans based on the outcome of integrity risk assessment, and to audit employees' compliance with various preventions against dishonest conduct?</p> <p>(5) Does the Company organize internal or external training on a regular basis to maintain business integrity?</p>			<p>on a regular basis, and present relevant reports issuance by the Board of Directors.</p> <p>(5) All concerned personnel actively take part in internal and external business integrity training. In 2024, business integrity courses received 485 enrollments and delivered 56.58 hours of training in total.</p>	
<p>3. Whistleblowing system</p> <p>(1) Does the Company provide incentives and means for employees to report misconduct? Does the Company assign dedicated personnel to investigate the reported misconduct?</p> <p>(2) Has the Company implemented any standard procedures for handling reported misconduct, and subsequent actions and confidentiality measures to be undertaken upon completion of an investigation?</p> <p>(3) Has the Company provided proper whistleblower protection?</p>	✓		<p>(1) The Company has established a "Whistleblowing Policy" that outlines available whistleblowing channels as well as disciplinary actions against integrity violations and a grievance system. Dedicated personnel have been assigned to handle related requests.</p> <p>(2) The "Whistleblowing Policy" outlines standard procedures for handling reported misconducts and subsequent actions and confidentiality measures to be undertaken upon completion of an investigation</p> <p>(3) The Company's whistleblowing system is deemed to have been properly executed. Furthermore, measures have been taken to maintain the secrecy of whistleblower identities and to protect them from retaliation.</p>	None
<p>4. Enhanced information disclosure</p> <p>Has the Company disclosed integrity principles and progress on its website and MOPS?</p>	✓		The Company has disclosed the terms of its Business Integrity Code of Conduct and execution progress on the corporate website and MOPS.	None
<p>5. If the Company has established business integrity policies in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies," please describe its current practices and any deviations from the Best Practice Principles: None.</p>				

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary	
6. Other information useful to the understanding of integrity in business dealings:				
<p>The Company makes all business decisions in conformity with business integrity principles and in compliance with The Company Act, International Accounting Standards, International Financial Reporting Standards, Securities and Exchange Act, and regulations relevant to public listing. The Company has established its own Corporate Governance Code of Conduct and Ethical Corporate Management Best Practice Principles, and outlined recusal practices in “Rules of Procedure for Board of Directors’ Meeting” that allow directors to express opinions and answer queries, but prohibit them from discussing and voting, on any motion that poses a conflict between the Company’s interests and interests of the director or the corporate entity they represent. In which case, the directors concerned may not exercise voting rights on behalf of other directors. The Company has developed effective and sustainable internal controls and compliance systems to enforce business integrity. Internal auditors would review the design and execution of the above systems on a regular basis, and present relevant reports to the board of directors. External auditors (CPAs), too, issue internal control recommendations based on audit findings to provide a useful reference to the Company on the improvement of the internal control system.</p> <p>The Company has implemented a spokesperson system to ensure the consistency of messages communicated with the public, and to address the public’s queries regarding the Company’s operations in a complete and efficient manner. The Company’s directors, managers, employees, and controllers are prohibited from offering, committing, requesting or accepting any illegitimate benefits, or involving in any conduct that would be construed as dishonest, illegal or in breach of trust, whether directly or indirectly, while carrying out their duties. Parties referred to in the preceding paragraph include civil servants, election candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, managers, employees or substantive controllers or other stakeholders.</p>				

### 2.3.8 Other important information material to the understanding of corporate governance within the Company:

1. The board meeting organizer assigns employees to corporate governance courses from time to time, and provides directors and managers with information on the latest regulations.
2. The Company has the following employees that are relevant to the transparency of financial information: one IIA-affiliated Certified Internal Auditor (CIA), two Certified Public Accountant, two Securities Investment Analysts, one Futures Trading Analyst, one AML and CTF Specialist, one Trust Service Personnel, one Stock Affairs Specialist, one Certified Financial Planner, two Senior Securities Specialists, one Foreign Exchange Specialist.
3. The Company has developed robust practices on the handling and disclosure of material insider information to ensure the completeness and accuracy of information released to the outside world. A set of “Insider Trading Prevention Procedures” was established and was announced on July 26, 2022 for compliance by managers and staff. The terms of which are also being communicated to new recruits at a higher intensity.
4. Managers’ corporate governance training: Managers of the Company are given the option to choose training courses that best meet their professional requirements and the requirements of the authority. Managers’ participation in corporate governance training:

Name	Position	Training details	
		Training institution	Course name
Finance Manager and Head of Accounting Ruby Hsiao	Accounting Research and Development Foundation of the R.O.C.	International Trends in "Anti-Corruption" and Legal Responsibilities & Case Analysis of "Commercial Bribery"	3
		Application of IFRS Sustainability Disclosure Standards and Discussion on Internal Control Management Practices	3
		Latest Financial and Accounting Regulations, Q&A on Standards, and Analysis of Common Financial Report Deficiencies	3
		Concepts and Practical Issues of the "Assurance of Greenhouse Gas Statements" Standards (ISAE/TWSAE 3410)	3
Audit Manager Tzu-Chiang Cheng	The Institute of Internal Auditors-Chinese Taiwan	Practical Seminar on Digital Transformation in Internal Auditing	6
	Securities and Futures Institute	Strategies for Corporate Sustainable Transformation and Internal Audit Responses under ESG Trends	6

### 2.3.9 Execution of internal control system

1. Statement of Internal Control System: Market Observation Post System >> Individual Company > Corporate Governance > Company Regulations / Internal Controls > Statement on Internal Control, Company Code: 5203.

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



2. CPA's review of the internal control system: Not applicable.

### 2.3.10 Major resolutions passed in shareholders' meetings and board of directors meetings held in the most recent year up until the publication date of annual report:

1. The Company held its 2024 annual general meeting on June 19, 2024 at The Koos Suite located in Xindian. Resolutions passed by shareholders during the meeting and the execution progress:

Resolutions of Shareholder's Meeting	Execution status
<ol style="list-style-type: none"> <li>1. Acknowledgment of 2023 business report and year-end accounts.</li> <li>2. Acknowledgment of 2023 earnings appropriation.</li> <li>3. Passed Amendments the the Company's "Rules of Procedure of Shareholders' Meeting"</li> </ol>	<ol style="list-style-type: none"> <li>1. Minutes of the 2024 annual general meeting have been distributed to shareholders according to laws.</li> <li>2. The distribution of cash dividends was completed on August 30, 2024.</li> <li>3. Announcements have been made in accordance with laws</li> </ol>

2. Significant resolutions made by the board of directors in 2024 and up until the publication date of annual report are summarized below:

	Time of Meeting	Major resolutions
2024 1st meeting	February 29, 2024	<ol style="list-style-type: none"> <li>1. Passed 2023 director remuneration and employee remuneration.</li> <li>2. Passed the 2023 remuneration to directors.</li> <li>3. Passed review of the Company's 2023 financial statements and business report.</li> <li>4. Passed the Independence assessment, suitability assessment.</li> <li>5. Passed the lease of offices.</li> </ol>
2024 2nd meeting	March 27, 2024	<ol style="list-style-type: none"> <li>1. Passed the 2023 earnings distribution proposal.</li> <li>2. Passed the 2023 Declaration of Internal Control System.</li> <li>3. Passed the motion to amend the Company's "Audit Committee Charter".</li> <li>4. Passed the amendments to the Company's "Rules of Procedure for board of directors Meetings".</li> <li>5. Passed the Amendments to the Company's "Rules of Procedure of Shareholders' Meeting".</li> <li>6. Passed the date and details relating to the Company's 2024 annual general meeting.</li> </ol>
2024 3rd meetin	April 25, 2024	<ol style="list-style-type: none"> <li>1. Passed the Company's 2024 first quarter financial statements.</li> <li>2. Passed the Managers' salary adjustment.</li> </ol>

	Time of Meeting	Major resolutions
2024 4th meeting	July 25, 2024	<ol style="list-style-type: none"> <li>1. Passed the Company's 2024 first-half financial statements.</li> <li>2. Passed the distribution of cash dividends.</li> <li>3. Passed the Company's "Procedures for the Preparation and Verification of the ESG Report".</li> </ol>
2024 5th meeting	October 30, 2024	<ol style="list-style-type: none"> <li>1. Passed the Company's 2023 Q1-Q3 financial statements.</li> <li>2. Passed the Company's 2025 audit plan.</li> <li>3. Passed the decision to donate to Perfect Cyber-Link Education Foundation.</li> </ol>
2025 1st meeting	February 27, 2025	<ol style="list-style-type: none"> <li>1. 2024 director's and employee's remuneration.</li> <li>2. 2024 director remuneration.</li> <li>3. Passed the 2024 Financial Statements and Business Report</li> <li>4. Pass the Evaluation of the Independence and Competence of the CPA and the 2025 CPA Remuneration Proposal.</li> <li>5. Pass the company's definition of 'frontline employees'.</li> <li>6. Passed the Amendments to the Company's "Articles of Incorporation."</li> <li>7. Passed the Amendments to the Company's Internal Control System and Internal Audit System.</li> <li>8. Passed the "Tax Governance Policy."</li> </ol>
2025 2nd meeting	March 26, 2025	<ol style="list-style-type: none"> <li>1. Passed the 2024 earnings distribution proposal.</li> <li>2. Passed the 2024 Declaration of Internal Control System.</li> <li>3. Passed the date and details relating to the Company's 2024 annual general meeting.</li> </ol>

**2.3.11 Documented opinions or declarations made by directors against board resolutions in the most recent year, up until the publication date of the annual report:** None

## 2.4 Certified Public Accountant (CPA) Fees Information

### 2.4.1 Information on CPA's Fees

Unit: NT\$ thousands

Name of accounting firm	Name of CPA	Period of audit service	Auditing fee	Non-auditing fee	Total	Remarks
PwC Taiwan	Huang, Chin-Lien	2024Q1 to 2024Q4	3,765	1,085	4,850	The non-audit fee primarily consist of expenses related to tax compliance and certifications.
	Lai, Chung-Hsi					

**2.4.2 If the accounting firm changes, and the audit fee paid in the year of such change is reduced from the audit fee of the previous year, the amounts of the audit fees before and after such change and the reason of such change should be disclosed:** None.

**2.4.3 If the audit fee is reduced by more than 10% from the previous year, the amount, ratio, and reason for the reduction of the audit fee should be disclosed:** None.

## 2.5 Information on replacement of CPA in the past two years

**2.5.1. Information on replacement of CPA:** None.

### 2.5.2. Evaluation of the external auditor's independence

The Audit Committee annually monitors the independence of the Company's external by conducting the following evaluation standards and reports the same to the board of directors:

- (1) The auditor's independence declaration.
- (2) The auditor neither holds shares in the Company nor assumes concurrent employment position in the Company.
- (3) Audit Quality Indicators (AQIs)

## 2.6 Any of the Company's Chairman, CEO, GM or any manager involved in financial or accounting affairs being employed by the accounting firm or any of its affiliated company within the most recent year

None.

## 2.7 Details of shares transferred or pledged by directors, managers, and shareholders with more than 10% ownership interest in the last year, up until the publication date of annual report

(1) **Share Transfer Situation:** Please refer to the Public Information Observation Station >> Single Company >> Shareholder Changes/Securities Issuance >> Share Transfer Data Inquiry >> Insider Shareholding Change Post-Reporting Form , Company Code: 5203.

Inquiry URL: [https://mops.twse.com.tw/mops/#/web/query6\\_1](https://mops.twse.com.tw/mops/#/web/query6_1)



(2)**Share Pledge Change Situation:** Please refer to the Public Information Observation Station >> Single Company >> Shareholder Changes/Securities Issuance >> Insider Pledge and Release >> Insider Pledge and Release of Pledged Shares Announcement ,Company Code: 5203.

Inquiry URL: [https://mopsov.twse.com.tw/mops/web/STAMAK03\\_1](https://mopsov.twse.com.tw/mops/web/STAMAK03_1)



(3) **Share Transfer or Share Pledge Related Parties:** None.

## 2.8 Relationship among the Top Ten Shareholders

April 21, 2025

Name	Personal shareholding		Spouse & Minor Shareholding		Total shareholding in the name of a third party		Relationships characterized as spouse or second-degree relative or closer among top-ten shareholders		Note
	Shares (units)	%	Shares (units)	%	Shares (units)	%	Name (or Name)	Relationship with the counterparty	
ClinJeff Corp.	12,176,497	15.39%	0	0	0	0	Alice H. Chang	The subject company's major shareholder	
Alice H. Chang	7,862,716	9.94%	2,797,910	3.54%	0	0	ClinJeff Corp.	The subject company's major shareholder	
							Jau Huang	Spouse	
							Yi-Chen Huang	Mother-son	
Jau Huang	2,797,910	3.54%	7,862,716	9.94%	0	0	Alice H. Chang	Spouse	
							Yi-Chen Huang	Father-son	
UBS Europe SE	1,884,085	2.38%	0	0	0	0	None	None	
Yi-Chen Huang	1,756,615	2.22%	0	0	0	0	Jau Huang	Father-son	
							Alice H. Chang	Mother-son	
MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO. LTD.-- EQUITY TRADING DIVISION (PROPRIETARY TRADING DESK)	1,681,000	2.13%	0	0	0	0	None	None	
J.P.Morgan Securities plc	1,202,610	1.52%	0	0	0	0	None	None	
Jui-Hsing Huang	1,143,000	1.45%	0	0	0	0	None	None	
Rhine Investment Ltd.	1,016,424	1.29%	0	0	0	0	Alice H. Chang	The subject company's major shareholder	
Changbai Mountain Investment Ltd.	781,707	0.99%	0	0	0	0	Alice H. Chang	The subject company's major shareholder	

**2.9 Investments jointly held by the Company, the Company’s directors, managers, and enterprises directly or indirectly controlled by the Company; disclose shareholding in aggregate of the above parties**

Unit: shares; %

Business investments (Note)	Held by the Company		Held by directors, managers, and directly or indirectly controlled enterprises		Aggregate ownership	
	Number of shares	%	Number of shares	%	Number of shares	%
CyberLink.Com Corp.	4,000,000	100%	None	None	4,000,000	100%
CyberLink International Technology Corp.	44,000,000	100%	None	None	44,000,000	100%
CyberLink Inc.	1,900	100%	None	None	1,900	100%
Perfect Corp.	None	None	36,960,961	36.29%	36,960,961	36.29%

Note: Investments that the Company has accounted for using the equity method

## 3 Capital Overview

### 3.1. Capital and Shares

#### 3.1.1. Source of Capital:

##### 1. Source of share capital:

Unit: NT\$ thousands; thousand shares

Year/ month	Issued price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital Increase by As- sets Other than Cash	Others
1998.09	18.53	25,000	250,000	7,000	70,000	Cash and cash equivalents	None	None
1999.05	10	25,000	250,000	8,400	84,000	Capitalization of earnings	None	None
1999.05	10	25,000	250,000	11,900	119,000	Capitalization of capital surplus	None	None
2000.08	10	25,000	250,000	17,850	178,500	Capitalization of earnings	None	None
2000.08	10	25,000	250,000	19,314	193,137	Capitalization of capital surplus	None	None
2000.08	10	25,000	250,000	20,000	200,000	Capitalization of employee profit sharing	None	None
2001.01	210	25,000	250,000	22,685	226,850	Cash issue	None	November. 1, 2010 Tai-Tsai-Cheng-(1)-88178 Dec. 1, 2000 Tai-Tsai-Cheng-(1)-97357
2001.06	10	100,000	1,000,000	34,027.5	340,275	Capitalization of capital surplus	None	May 30, 2001 Tai-Tsai-Cheng-(1)-133405
2001.06	10	100,000	1,000,000	35,330	353,300	Capitalization of employee profit sharing	None	May 30, 2001 Tai-Tsai-Cheng-(1)-133405
2002.06	10	100,000	1,000,000	48,710	487,100	Capitalization of earnings, employee profit sharing, and capital surplus	None	June 27, 2002 Tai-Tsai-Cheng-(1)-0910135184
2003.03	90	100,000	1,000,000	48,713	487,133	Conversion of convertible bonds into shares	None	August 30, 2003 Jing-Shou-Shang-09201260800
2003.06	10 74.3	100,000	1,000,000	59,197	591,971	Conversion of earnings, employee profit sharing, and convertible bonds into shares	None	June 20, 2003 Tai-Tsai-Cheng-(1)-0920127506
2003.09	74.3	100,000	1,000,000	60,709	607,093	Conversion of convertible bonds into shares	None	September 15, 2003 Jing-Shou-Shang - 09201269190
2003.11	74.3	100,000	1,000,000	63,371	633,714	Conversion of convertible bonds into shares	None	November 12, 2003 Jing-Shou-Shang - 09201312100
2004.02	74.3	100,000	1,000,000	67,764	677,642	Conversion of convertible bonds into shares	None	February 23, 2004 Jing-Shou-Shang 09301027310
2004.05	74.3	100,000	1,000,000	68,521	685,219	Conversion of convertible bonds into shares	None	May 6, 2004 Jing-Shou-Shang 09301077220
2004.07	74.3	100,000	1,000,000	68,538	685,381	Conversion of convertible bonds into shares	None	July 29, 2004 Jing-Shou-Shang 09301132540
2004.10	74.3	100,000	1,000,000	84,861	848,606	Conversion of earnings, employee profit sharing, and convertible bonds into shares	None	October 19, 2004 Jing-Shou-Shang 09301197590
2005.07	58.6~62.2	101,000	1,010,000	85,740	857,395	Conversion of convertible bonds into shares and exercise of employee stock option	None	July 14, 2005 Jing-Shou-Shang 09401124820

Unit: NT\$ thousands; thousand shares

Year/ month	Issued price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital Increase by As- sets Other than Cash	Others
2005.10		140,000	1,400,000	96,651	966,518	Capitalization of earnings and employee profit sharing	None	October 6, 2005 Jing-Shou-Shang 09401195800
2005.12	48.3~65.1	140,000	1,400,000	97,215	972,150	Exercise of employee stock option	None	December 13, 2005 Jing-Shou-Shang 09401256770
2006.4	48.3~65.1	140,000	1,400,000	97,479	974,793	Exercise of employee stock option	None	April 28, 2006 Jing-Shou-Shang 09501078040
2006.9	48.3~54.0	140,000	1,400,000	97,798	977,982	Exercise of employee stock option	None	September 15, 2006 Jing-Shou-Shang 09501207510
2006.10	41.1~46.4	140,000	1,400,000	102,347	1,023,471	Capitalization of earnings and employee profit sharing	None	October 2, 2006 Jing-Shou-Shang 09501222330
2006.11	41.1~46.4	140,000	1,400,000	102,613	1,026,128	Exercise of employee stock option	None	November 10, 2006 Jing-Shou-Shang 09501253910
2007.4	41.1~46.4	140,000	1,400,000	102,833	1,028,333	Exercise of employee stock option	None	April 10, 2007 Jing-Shou-Shang 09601070800
2007.5	41.1~46.4	140,000	1,400,000	102,867	1,028,667	Exercise of employee stock option	None	May 22, 2007 Jing-Shou-Shang 09601103860
2007.8	41.1~46.4	140,000	1,400,000	103,146	1,031,462	Exercise of employee stock option	None	August 24, 2007 Jing-Shou-Shang 09601207310
2007.9		140,000	1,400,000	107,029	1,070,294	Capitalization of earnings and employee profit sharing	None	September 29, 2007 Jing-Shou-Shang 09601239270
2007.11	33.1~38.3	140,000	1,400,000	107,039	1,070,391	Exercise of employee stock option	None	November 14, 2007 Jing-Shou-Shang 09601277520
2008.3	33.1~38.3	140,000	1,400,000	107,225	1,072,253	Exercise of employee stock option	None	March 6, 2008 Jing-Shou-Shang 09701054930
2008.4	33.1~38.3	140,000	1,400,000	107,474	1,074,743	Exercise of employee stock option	None	May 15, 2008 Jing-Shou-Shang 09701112980
2008.7	33.1~38.3	140,000	1,400,000	107,516	1,075,159	Exercise of employee stock option	None	August 25, 2008 Jing-Shou-Shang 09701213670
2008.9		140,000	1,400,000	112,278	1,122,780	Capitalization of earnings and employee profit sharing	None	October 1, 2008 Jing-Shou-Shang 09701251350
2009.3	24.4~29.2	140,000	1,400,000	112,633	1,126,335	Exercise of employee stock option	None	March 12, 2009 Jing-Shou-Shang 09801046520
2009.4	24.4~29.2	140,000	1,400,000	112,952	1,129,516	Exercise of employee stock option	None	May 15, 2009 Jing-Shou-Shang 09801096950
2009.8	24.4~29.2	140,000	1,400,000	113,125	1,131,250	Exercise of employee stock option	None	August 6, 2009 Jing-Shou-Shang 09801176600
2009.9		140,000	1,400,000	115,596	1,155,964	Capitalization of earnings and employee profit sharing	None	September 25, 2009 Jing-Shou-Shang 09801221850
2009.11	21.2	140,000	1,400,000	115,627	1,156,267	Exercise of employee stock option	None	November 11, 2009 Jing-Shou-Shang 09801262570
2010.3	21.2	140,000	1,400,000	115,705	1,157,048	Exercise of employee stock option	None	March 16, 2010 Jing-Shou-Shang 09901049760
2010.4	21.2~1016	140,000	1,400,000	115,924	1,159,243	Exercise of employee stock option	None	May 18, 2010 Jing-Shou-Shang 09901101630
2010.6	21.2	161,000	1,610,000	116,305	1,163,045	Exercise of employee stock option	None	August 26, 2010 Jing-Shou-Shang 09901193810

Year/ month	Issued price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital Increase by As- sets Other than Cash	Others
2010.10		161,000	1,610,000	117,684	1,176,837	Capitalization of earnings and employee profit sharing	None	October 1, 2010 Jing-Shou-Shang 09901221660
2011.3	94.1	161,000	1,610,000	117,740	1,177,398	Exercise of employee stock option	None	April 15, 2011 Jing-Shou-Shang 10001075100
2011.8	54.8	161,000	1,610,000	117,899	1,178,990	Exercise of employee stock option	None	August 24, 2011 Jing-Shou-Shang 10001197630
2011.8		161,000	1,610,000	94,351	943,507	Capital reduction for cash	None	August 24, 2011 Jing-Shou-Shang 10001197630
2013.9		161,000	1,610,000	100,012	1,000,118	Capitalization of capital surplus	None	September 3, 2013 Jing-Shou-Shang 1020118106
2013.11	59.2	161,000	1,610,000	100,143	1,001,429	Exercise of employee stock option	None	November 12, 2013 Jing-Shou-Shang 10201231940
2014.4	59.2	161,000	1,610,000	100,147	1,001,473	Exercise of employee stock option	None	April 10, 2014 Jing-Shou-Shang 10301061700
2014.6	59.2	161,000	1,610,000	100,156	1,001,557	Exercise of employee stock option	None	June 6, 2014 Jing-Shou-Shang 10301103000
2014.11	55	161,000	1,610,000	100,171	1,001,706	Exercise of employee stock option	None	November 21, 2014 Jing-Shou-Shang 10301235600
2015.3	55	161,000	1,610,000	100,238	1,002,383	Exercise of employee stock option	None	March 16, 2015 Jing-Shou-Shang 10401046350
2015.5	55	161,000	1,610,000	100,380	1,003,802	Exercise of employee stock option	None	May 27, 2015 Jing-Shou-Shang 10401094400
2015.8	55	161,000	1,610,000	100,549	1,005,487	Exercise of employee stock option	None	August 13, 2015 Jing-Shou-Shang 10401168830
2015.11	49.8	161,000	1,610,000	101,144	1,011,443	Exercise of employee stock option	None	November 18, 2015 Jing-Shou-Shang 10401243820
2016.1		161,000	1,610,000	96,765	967,653	Retirement of treasury stock	None	January 15, 2016 Jing-Shou-Shang 10501006440
2016.3	49.8	161,000	1,610,000	96,795	967,950	Exercise of employee stock option	None	March 14, 2016 Jing-Shou-Shang 10501050150
2016.5	49.8	161,000	1,610,000	96,855	968,547	Exercise of employee stock option	None	May 17, 2016 Jing-Shou-Shang 1050199710
2016.8	49.8	161,000	1,610,000	96,880	968,797	Exercise of employee stock option	None	August 17, 2016 Jing-Shou-Shang 10501204050
2016.11	47	161,000	1,610,000	96,886	968,860	Exercise of employee stock option	None	November 16, 2016 Jing-Shou-Shang 10501267780
2017.3	47	161,000	1,610,000	92,359	923,590	Retirement of treasury stock, exercise of employee stock option	None	March 23, 2017 Jing-Shou-Shang 10601034470
2017.5	47	161,000	1,610,000	92,389	923,890	Exercise of employee stock option	None	May 18, 2017 Jing-Shou-Shang 10601064720
2017.8	47	161,000	1,610,000	86,915	869,150	Retirement of treasury stock, exercise of employee stock option	None	August 29, 2017 Jing-Shou-Shang 10601118910
2017.12	49.6	161,000	1,610,000	87,071	870,710	Exercise of employee stock option	None	December 5, 2017 Jing-Shou-Shang 10601161840

Unit: NT\$ thousands; thousand shares

Year/ month	Issued price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital Increase by As- sets Other than Cash	Others
2018.4	45.7~49.6	161,000	1,610,000	87,160	871,600	Exercise of employee stock option	None	April 3, 2018 Jing-Shou-Shang 10701030110
2018.4		161,000	1,610,000	84,161	841,610	Retirement of treasury stock	None	April 12, 2018 Jing-Shou-Shang 10701039050
2018.5	45.7~49.6	161,000	1,610,000	84,597	845,970	Exercise of employee stock option	None	May 29, 2018 Jing-Shou-Shang 10701057290
2018.9	45.7~49.6	161,000	1,610,000	84,769	847,690	Exercise of employee stock option	None	September 14, 2018 Jing-Shou-Shang 10701105310
2018.11	48.4	161,000	1,610,000	84,914	849,140	Exercise of employee stock option	None	November 21, 2018 Jing-Shou-Shang 10701142870
2019.3	48.4	161,000	1,610,000	83,585	835,850	Retirement of treasury stock, exercise of employee stock option	None	March 25, 2019 Jing-Shou-Shang 10801031280
2019.5	48.4	161,000	1,610,000	83,684	836,840	Exercise of employee stock option	None	May 21, 2019 Jing-Shou-Shang 10801058390
2019.9	48.4	161,000	1,610,000	83,858	838,580	Exercise of employee stock option	None	September 5, 2019 Jing-Shou-Shang 10801116230
2019.12	46.6	161,000	1,610,000	84,352	843,528	Exercise of employee stock option	None	December 2, 2019 Jing-Shou-Shang 10801168040
2020.3	46.6	161,000	1,610,000	84,656	846,565	Exercise of employee stock option	None	March 13, 2020 Jing-Shou-Shang 10901042150
2020.5	46.6	161,000	1,610,000	84,923	849,231	Exercise of employee stock option	None	May 22, 2020 Jing-Shou-Shang 10901083830
2020.8	46.6	161,000	1,610,000	83,918	839,183	Retirement of treasury stock, exercise of employee stock option	None	August 31, 2020 Jing-Shou-Shang 10901158060
2020.11		161,000	1,610,000	82,418	824,183	Retirement of treasury stock	None	November 9, 2020 Jing-Shou-Shang 10901207080
2020.11	45.2	161,000	1,610,000	82,485	824,853	Exercise of employee stock option	None	November 18, 2020 Jing-Shou-Shang 10901214560
2021.1		161,000	1,610,000	80,485	804,853	Retirement of treasury stock	None	January 21, 2021 Jing-Shou-Shang 11001011630
2021.3	45.2	161,000	1,610,000	80,636	806,363	Exercise of employee stock option	None	March 16, 2021 Jing-Shou-Shang 11001044700
2021.04		161,000	1,610,000	78,636	786,363	Retirement of treasury stock	None	April 19, 2021 Jing-Shou-Shang 11001065200
2021.05	45.2	161,000	1,610,000	78,793	787,933	Exercise of employee stock option	None	May 31, 2021 Jing-Shou-Shang 11001085870
2021.08	44	161,000	1,610,000	78,843	788,433	Exercise of employee stock option	None	August 30, 2021 Jing-Shou-Shang 11001151400
2021.12	44	161,000	1,610,000	77,088	770,883	Exercise of employee stock option Retirement of treasury stock	None	December 13, 2021 Jing-Shou-Shang 11001215710
2022.04	44	161,000	1,610,000	77,514	775,143	Exercise of employee stock option	None	April 7, 2022 Jing-Shou-Shang 11101052620
2022.05	44	161,000	1,610,000	78,801	788,008	Exercise of employee stock option	None	May 30, 2022 Jing-Shou-Shang 11101086440

Unit: NT\$ thousands; thousand shares

Year/ month	Issued price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital Increase by As- sets Other than Cash	Others
2022.09	44	161,000	1,610,000	78,942	789,418	Exercise of employee stock option	None	September 7, 2022 Jing-Shou-Shang 11101161690
2024.11	83.3	161,000	1,610,000	78,959	789,593	Exercise of employee stock option	None	November 28 , 2024 Jing-Shou-Shang 11330206080
2025.04	83.3	161,000	1,610,000	79,074	790,743	Exercise of employee stock option	None	April 2 , 2025 Jing-Shou-Shang 11430039400

## 2. Share category

Unit: thousand shares

Share category	Authorized capital			Footnote
	Outstanding shares (Note)	Unissued shares	Total	
Common shares	79,078	0	79,078	

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

## 3. Information relevant to the aggregate reporting policy: None.

### 3.1.2. Major shareholders:

April 21, 2025

Name of major shareholder	share	Number of shares held (Shares)	Shareholding ratio (%)
ClinJeff Corp.		12,176,497	15.39%
Alice H. Chang		7,862,716	9.94%
Jau Huang		2,797,910	3.54%
UBS Europe SE		1,884,085	2.38%
Yi-Chen Huang		1,756,615	2.22%
MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO. LTD.-- EQUITY TRADING DIVISION (PROPRI- ETARY TRADING DESK)		1,681,000	2.13%
J.P.Morgan Securities plc		1,202,610	1.52%
Jui-Hsing Huang		1,143,000	1.45%
Rhine Investment Ltd.		1,016,424	1.29%
Changbai Mountain Investment Ltd.		781,707	0.99%

### 3.1.3. Dividend policy and execution

#### 1. Dividend policies stated in the Company's Articles of Incorporation:

After closing of accounts, if there is earnings during this period, it shall make up for the cumulative losses of the previous years (including adjusted for the amount of undistributed surplus earnings); the remaining amount, if any, shall be used for an appropriation of 10% legal reserve in accordance with the law. However, this restriction shall not apply when the legal reserve has reached the total capital of the Company. Then, a special reserve shall be allocated or reversed according to laws or regulations or the provisions by the competent authority. The Board of Directors should present the distribution of the remaining earnings along with undistributed earnings at beginning of periods (including adjustment amount of undistributed earnings) for the approval of the shareholders.

The Company's dividend policy is aligned with the development plan for the present and the future taking into consideration investment environment, capital requirement, domestic and overseas competition condition and profit of shareholders. The annual dividend distribution to shareholders shall be based on the principle of not less than 50% of the distributable earnings for the current year, and the principle of matching stock dividends with cash dividends. Twenty percent is the principle in the current stage; however, if the Company

has major capital expenditure plans, the distribution of cash dividends may be less than 20% of the annual dividend with the approval of the shareholders' meeting. The Company's dividend policy is expected to have no significant change.

2. Dividends proposed for the current year: (approved by the board of directors but not yet resolved in a shareholders' meeting)

The Company intends to distribute cash dividends of NT\$308,485,320 from its net earnings for FY2024. The distribution of earnings is as follows:

CyberLink Corp.  
Earnings Distribution Schedule  
2024

Unit: NT\$

Item	Amount	
	Subtotal	Total
Net Income of 2024		314,594,499
Plus : Reversal of Special Surplus Reserve	130,666,627	
Plus : Actuarial Gains on Defined Benefit Plans for the Current Year	401,458	
Plus : Adjustment to Retained Earnings for the Current Year	370,106	
Earnings in 2024 Available for Distribution		446,032,690
Plus : Unappropriated Retained Earnings of Previous Years		100,625,038
Retained Earnings Available for Distribution as of December 31, 2024		546,657,728
Distribution items: :		
Cash dividend of ordinary shares (NT\$ 3.9 per share)		(308,485,320)
All distribution items:		(308,485,320)
Unappropriated Retained Earnings as of December 31, 2024		238,267,958

Note:

1. The cash dividend is NT\$3.9 per share, a total of NT\$308,485,320 was allocated, calculated based on 79,098,800 shares outstanding of March 25, 2024.
2. If the legal reserve has exceeded the paid-in capital, it is not required to set aside any further legal reserve according to law; therefore, it is not proposed to set aside any legal reserve this year.
3. In accordance with the provisions of the letter from the Ministry of Finance dated April 30, 1998 referenced Tai-Tsai-Shui No. 871941343, the surplus of 2022 will be distributed first; if there is any deficiency, the surplus will be distributed in the order of last in first out according to the year in which it is generated.
4. Cash dividends distributed to shareholders are calculated up to NT\$1 and rounded off below NT\$1. Any amount less than NT\$1 is transferred to the Company's Employee Welfare Committee. Therefore, the above is in line with the principle that the current cash dividend distribution shall not be less than 20% of the annual dividend distribution as required in the dividend policy of the Company.
5. However, if the total share capital changes due to the repurchase of shares of the Company or the implementation of employee stock options or other factors, it is proposed to request the shareholders' meeting to authorize the Chairman to handle the relevant changes, and an announcement will be made separately in due course.

**3.1.4. Impacts of proposed stock dividends on the Company's business performance and earnings per share: Not applicable as no stock dividend was proposed for 2024.**

**3.1.5. Employee and director remuneration:**

1. Percentage or range of employee/director remuneration stated in the Articles of Incorporation:

Profits concluded in a given year (profit before tax, employee remuneration, and director remuneration) shall have no less than 3% allocated as employee remuneration and no more than 1%. Allocated as director remuneration. However, profits must first be reserved to offset against cumulative losses (including adjustments to unappropriated earnings) if any.

A company may have the profit distributable as employees' compensation in the preceding paragraphs distributed in the form of shares or in cash; qualification requirements of employees who may receive employee compensation, including the employees of subsidiaries of the company meeting certain specific requirements.

A company shall only have the profit distributable as director's remuneration in the preceding paragraphs distributed in cash.

A company may, by a resolution adopted by a majority vote at a meeting of board of directors, have the profit distributable in the preceding two paragraphs; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

2. Basis for estimating employee/director remuneration and stock dividends, and accounting treatments for any discrepancies between the amounts estimated and the amounts paid:

Profits concluded in a given year (profit before tax, employee remuneration, and director remuneration) shall have no less than 3% allocated as employee remuneration and no more than 1%. Allocated as director remuneration. However, profits must first be reserved to offset against cumulative losses (including adjustments to unappropriated earnings) if any.

A company may have the profit distributable as employees' compensation in the preceding paragraphs distributed in the form of shares or in cash; qualification requirements of employees who may receive employee compensation, including the employees of subsidiaries of the company meeting certain specific requirements.

3. Information on the proposed allocation of remuneration as approved by the Board of Directors:

The board of directors passed a resolution on February 27, 2025 to pay NT\$4,900,000 of director remuneration (representing 1.07% of current year's profits); this amount is indifferent from the amount of director remuneration previously estimated. The board also resolved to pay NT\$87,123,000 of employee remuneration (in cash; representing 19.01% of current year's profits); this amount is indifferent from the amount of employee remuneration previously estimated.

4. Actual distribution of employees' compensation and director's remuneration recognized in the previous year:

	Previous year (2023)			
	Amount resolved in shareholders' meeting	Amount recognized in financial statements	Difference	Cause of difference
Actual payment:				
(一) Employees' remuneration in cash	72,311,000	72,311,000	None	None
(二) Directors' remuneration	3,500,000	3,500,000	None	None

**3.1.6. Buyback of company shares: None.**

**3.2. Corporate bonds**

None.

**3.3. Issuance of preferred shares**

None.

**3.4. Depository receipts**

None.

### 3.5. Employee stock options

The Company sought approval from the Financial Supervisory Commission in June 2022 to issue employee stock options (FSC approval reference: Correspondence Jin-Guan-Zheng-Fa No. 1110346790 dated June 20, 2022). This issue totaled 2,000,000 units; each unit was vested with the right to subscribe to one share for a total of 2,000,000 common shares, which shall be fulfilled by issuing new shares. The exercise price was determined as the closing price of underlying shares on the date of issuance. Employees may exercise the stock option according to the Company's "Employee Stock Option Issuance and Subscription Policy" two years after being granted the stock option.

Disclosure relating to stock options:

#### 3.5.1. Disclosure relating to stock options

March 31, 2025

Type of employee stock option	The 11th employee stock option offering
Announcement/effective date and total number of units	2022.6.20 2,000,000
Issuance (processing) date	2022.7.26
No. of units issued	2,000,000
Remaining units available for issuance	0
Exercisable shares as a percentage of total outstanding shares	2.53%
Duration of stock option	7 years
Method of delivery	Issuance of new shares
Period and percentage (%) of exercise restriction	50% exercisable after 2 years 75% exercisable after 3 years 100% exercisable after 4 years
No. of shares acquired through exercise	157,000
Amount of shares subscribed through exercise	13,078,100
No. of shares unexercised	1,843,000
Subscription price per unexercised share	83.30
Number of unexercised shares as a percentage of total outstanding shares (%)	2.33%
Effects on shareholders' equity	None

### 3.5.2. Names of managers receiving employee stock options, names of employees ranking top ten in terms of exercisable shares, amount acquired, and amount exercised:

March 31, 2025

	Title	Name	Exercisable shares (share in thousands)	Exercisable shares as a percentage of total out- standing shares (%)	Exercised			Not exercised				
					Quantity exercised (share in thousands)	Average subscription price (in dollars)	Subscription amount (in thousands)	Exercised shares as a percentage of total out- standing shares (%)	Quantity exercised (share in thousands)	Average subscription price (in dollars)	Subscription amount (in thousands)	Exercised shares as a percentage of total out- standing shares (%)
Manager	Chairman and CEO	Jau Huang	1,120	1.42%	-	-	-	-	1,120	83.3	93,296	1.42%
	Business Unit 1 GM	Vincent Lin										
	Business Unit 2 GM	Mei Guu										
	Senior Vice President	David Lee										
	Vice President	YW Lei										
Employees	Assistant Vice President	Hilda Peng	430	0.54%	157	83.3	13,078	0.20	273	83.3	22,740	0.35%
	Assistant Vice President	Ronald Yang										
	Director	Jeffy Chuang										
	Director	Michael Tsai										
	Director	Vinson Hsieh										
	Director	Max Yan										
	Director	Miracle Lin										
	Architect and Senior Manager	Allen Chen										
	Principal Archi- tect	Sherlock Chen										
	Principal Engi- neer & Senior Manager	BruceYL Tsai										

### 3.6. New issuance of employee restricted shares

None.

### 3.7. New shares issued for merger or acquisition

None.

### 3.8. Progress on the planned use of capital

Uncompleted securities offering or private securities placement or any capital plans completed in the last three years that have yet to yield the desired outcome: None.

## 4 Operational Overview

### 4.1. Business activities

#### 4.1.1. Business Scope

1. The Main Business business activities of Company
  - (1) Research, design, and sale of computer peripherals equipment, software, and hardware.
  - (2) Design of computer peripherals equipment, and design and maintenance of circuit boards services.
  - (3) Trading of computers, electronics, mechanical equipment, and books.
  - (4) Import, export, and trading of the aforementioned products.
  - (5) Planning of computer and electronic information systems and related consultancy services.
  - (6) I401010 General Advertising Services.
  - (7) I501010 Product Designing.
  - (8) ZZ99999 Other business not prohibited or restricted by law, except any business requiring special approval.
  
2. Current products (services) of the Company and revenue weight (worldwide, consolidated)

Unit: %

Product category/year	2023	2024
Media Creation	72	76
Media Experience and Entertainment and others	28	24
Total	100	100

3. Current products (services) of the Company:  
 Products of the Company can be divided into the five categories below:
  - (1) Media Entertainment software, including
    - PowerDVD
  - (2) Media Creation software, and online editing services, including
    - PowerDirector
    - PhotoDirector
    - Director Suite
    - Color Director
    - Audio Director
    - MyEdit.online
    - Promeo
    - Power2Go
    - YouCam
    - ScreenRecorder
    - ActionDirector
    - MakeupDirector

- (3) Work software, including
  - U Webinar
  - U Meeting
  - U Messenger
  - PerfectCam
  - PowerDirector 365 Business
- (4) Mobile App, including
  - PowerDirector
  - PhotoDirector
  - Promeo
  - Vivid AI
  - Vivid Cut
  - ActionDirector
  - U Meeting/ Messenger/ Webinar
- (5) AI-assisted facial recognition engine and solutions, including
  - FaceMe SDK
  - FaceMe® Security
  - FaceMe® Platform
  - FaceMe® eKYC & Fintech
  - FaceMe® TimeClock
  - FaceMe® Smart Retail
  - CyberLink People Tracker

#### 4. New product and service development plans

Cyberlink now leads global peers in digital multimedia solutions after accumulating success in multiple product lines. The Company will continue investing manpower into the development of new technologies and new products to sustain its existing competitive advantage. Below is a description of the Company's new product research and development plans:

Item	Expected time of completion	Project description			
2025 R&D projects	2025	<p>In addition to making version upgrades and user experience optimizations to existing products, research projects in 2025 will also focus on: Develop AI and generative AI algorithms to provide video and photo editing features and effects, enhance video and photo editing experiences on PCs and mobile devices, and advance technologies related to facial recognition software development kits (FR SDK) and facial recognition system implementation (FR System)</p> <p>The projected expenses, estimated timeline, and details of future R&amp;D projects are presented below:</p>			
		R&D projects	Expected project timeline	Required budget	Factors affecting the success of future R&D
		Core technology and product development of video, audio, and photo editing software	2025 full year	250,000 (in thousands)	1. Whether there is an adequate number of competent R&D personnel 2. Customers' requirements and market changes 3. Product development schedule of other competing companies
		Audiovisual software technology and App development on mobile devices	2025 full year	220,000 (in thousands)	
		Development of the video/audio editing service platform (My Edit)	2025 full year	120,000 (in thousands)	
		Development of AI and generative AI algorithms	2025 full year	120,000 (in thousands)	
		Development of face recognition software components (FR SDK) and system implementation (FR System)	2025 full year	40,000 (in thousands)	

## 4.1.2. Industry overview

### 1. Current overview and development

With the rapidly increasing demand for digital content, the video and image editing software industry is continuously growing, driven by diverse customer segments, including individual creators, corporate marketing departments, and educational institutions. According to the industry report by Business Research Insights, the global video editing software market is expected to reach US\$ 4.1 billion in 2024, with a projected compound annual growth rate (CAGR) of 6.2% from 2024 to 2033. The key driving factors include the proliferation of social media, increasing demand for video editing, and advancements in artificial intelligence (AI) and machine learning technologies fostering further innovations. The image editing software market is estimated to be US\$ 1.1 billion in 2024. It will grow with an expected CAGR of 4.9% from 2024 to 2032, driven by increasing smartphone and internet penetration, as well as expanding commercial applications such as e-commerce and digital marketing.

The subscription-based software-as-a-service (SaaS) model has become mainstream in the software market. This model allows users to access high-quality software services at a lower cost while enabling companies to generate stable revenue and continuously drive product innovation. Since September 2018, CyberLink has transitioned its creative editing software, including Director Suite, PowerDirector, and PhotoDirector, to adopt a subscription-based model, offering flexible pricing plans to attract subscribers. We have also continuously enhanced its products by integrating generative AI features, additional design kits, and extensive media libraries to increase user stickiness and subscription renewal rates. Software subscription revenue has become one of CyberLink's primary income sources.

According to Statista, the generative AI market is experiencing rapid growth, with an estimated market size of US\$ 62.7 billion by 2025 and a projected increase to US\$ 356.1 billion by 2030, reflecting a CAGR of 41.5% from 2025 to 2030. Statista highlights that the primary growth drivers include expanding application scenarios, increasing consumer acceptance of new technologies, optimizing production efficiency, and enhancing user experience. The breakthrough in generative AI in 2023 has propelled the video editing industry into a new era in 2024. AI tools significantly enhance content creation efficiency by enabling automated editing, digital material generation, and personalized video creation, simplifying previously time-consuming and complex workflows while lowering the barrier to entry for content creation. Leveraging years of accumulated expertise and talent, CyberLink has entered the generative AI field, investing in AI technology development and talent acquisition. We have launched over 30 generative AI applications, which have been well-received by users and have driven revenue growth.

As generative AI technology evolves rapidly, AI applications are experiencing explosive growth, prompting major chip companies and computer manufacturers to invest in AI PC development. By developing products specifically for AI computing needs, they plan to tap into the future personal computer market. With decades-long collaboration in the PC domain, CyberLink and Intel initiated the first AI PC cooperation in 2023, aiming to integrate generative AI and relevant multimedia applications into the local computing environment of PCs. In 2024, CyberLink continued collaborating with Intel to optimize its creative editing software for the latest Intel Core Ultra processor and jointly promote these solutions worldwide. Additionally, we are partnering with PC brands such as Acer, ASUS, and Dell to increase AI PC adoption and penetration, striving to provide users with a comprehensive AI solution covering both cloud and edge computing environments.

In the field of facial recognition, a research report by Statista indicates that the global facial recognition market is expected to reach US\$ 4.9 billion in 2024 and grow at a CAGR of 8.9%, reaching US\$ 8.4 billion by 2030. The report highlights three key trends in the facial recognition market. First, the widespread adoption across various industries, including security, marketing, and healthcare, is expected to drive market demand. Additionally, the growing need to enhance the accuracy and reliability of facial recognition systems is crucial in strengthening customer trust and satisfaction. Lastly, as consumer concerns regarding privacy and security continue to rise, the focus has shifted towards establishing ethical guidelines for facial recognition technology and formulating regulations to ensure data security and privacy protection.

## 2. Association between upstream, midstream, and downstream industry participants

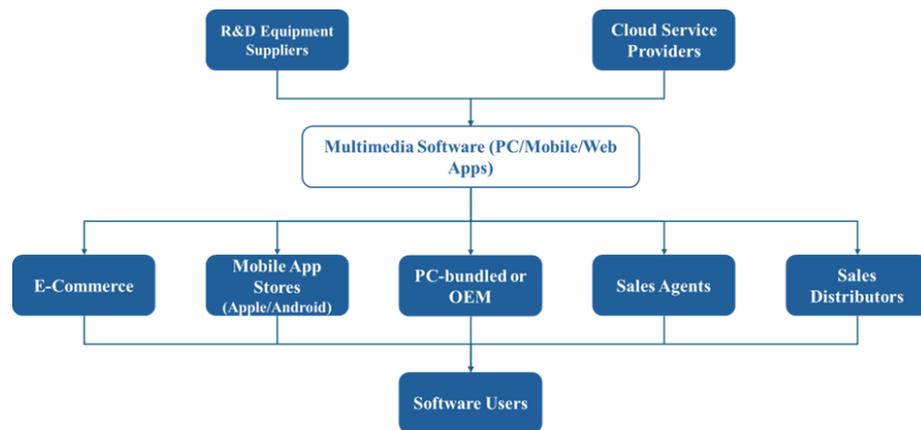
### (1) Digital Creative Editing Software

The technology industry is rapidly evolving, and a key distinction between the software and hardware sectors lies in the nature of their products—software has no physical form and can be iteratively updated to extend its lifecycle. As a result, the software industry emphasizes adapting to market changes and adjusting product strategies timely, including feature design, pricing models, sales channels, and promotional methods. Compared to the hardware industry, the software sector offers greater flexibility but requires a faster response to meet market demands.

CyberLink's headquarters and R&D center are in Taiwan, where we develop our software technologies and products independently. Our primary suppliers include cloud service providers as well as hardware suppliers for equipment like computers and servers. In our early years, our multimedia player products were primarily supplied to major PC and notebook brands through a pre-load model, in which PowerDVD software was pre-installed on devices before shipment. As

PowerDVD gained global market recognition through pre-load sales, we expanded our reach under our proprietary brand across multiple global distribution channels, including our online store, third-party marketplaces, physical retail stores, and strategic partnerships with PC brands.

With the widespread adoption of smartphones, we entered the multimedia creative editing app market, launching our products on the Apple App Store and Google Play Store for consumer downloads. In response to the rise of web applications, we further developed web-based multimedia editing software, enabling users to create content seamlessly across different platforms. By expanding our presence across multiple platforms, we aim to meet consumer demand for multimedia software on PCs, smartphones, and other devices. Our flagship products, PowerDirector (available on Windows, macOS, Android, and iOS) and PhotoDirector (available on Windows, macOS, Android, and iOS), have demonstrated strong sales performance across various channels, with key markets including Taiwan, the United States, Japan, South Korea, and Europe.



## (2) FaceMe

Leveraging years of expertise in artificial intelligence, video enhancement, video acceleration, and cross-platform optimization, CyberLink launched the FaceMe AI facial recognition engine in 2018. With outstanding accuracy, FaceMe has consistently ranked among the top in the globally recognized facial recognition tests conducted by the U.S. National Institute of Standards and Technology (NIST), making it one of the world's leading facial recognition engines. FaceMe supports multiple operating systems, including Windows, Linux, iOS, and Android, and has formed strategic alliances with leading semiconductor companies such as Intel, Nvidia, NXP, Qualcomm, and MediaTek. By optimizing our algorithms for different chipsets, we enable FaceMe to achieve optimal facial recognition performance

in edge computing environments, securing our position within the ecosystem.

Through integration, optimization, and strategic partnerships with top semiconductor companies, we provide a powerful facial recognition engine for IoT hardware manufacturers and system integrators. This allows customers to seamlessly integrate FaceMe into various hardware applications, including security systems, cameras, smart signage, smart PoS terminals, self-service kiosks, smart medicine cabinets, self-check-in counters, access control devices, and service robots—addressing the growing demand for AIoT applications across industries.

Additionally, we continue to strengthen our partnerships with leading video management systems (VMS) and security companies, such as Genetec, Milestone, Axis, Network Optix, Hanwha Vision, and Vivotek. Our FaceMe Security intelligent surveillance solution integrates deeply with VMS and access control systems, enabling system integrators to quickly deploy facial recognition-powered security solutions in factories, offices, and campuses. By collaborating with leading security system providers worldwide and working alongside regional system integrators, we are actively building localized solutions tailored to different markets.

### FaceMe's technology and security partners



In response to the growing demand for identity verification services from governments, enterprises, and financial institutions, we have developed advanced facial recognition solutions to enhance authentication mechanisms and mitigate fraud and cybersecurity risks. FaceMe eKYC, our flagship solution, integrates a facial recognition engine with liveness detection and deepfake prevention capabilities. Additionally, it offers a diverse range of functional modules, including identity document recognition, document anti-counterfeiting, and OCR (optical character recognition) text extraction, catering to various application scenarios. These capabilities have been adopted by financial institutions both domestically and internationally.

### 3. Product development trends

#### (1) Creative Editing Solution

With the widespread adoption of the internet and smartphones, consumer behavior has undergone a significant transformation. Media

and social platforms have become an integral part of daily life, fueling the rapid growth of the creator economy. This shift has redefined content creation demands and driven the evolution of multimedia editing software in recent years. As overall media consumption continues to rise, short-form videos have emerged as a dominant digital content format due to their rapid distribution, high engagement, and strong visual appeal. To meet this growing demand, video editing software has increasingly focused on user-friendly features, such as AI-powered content generation, pre-designed templates, media asset libraries, and advanced subtitle effects. These innovations empower users—even those without technical expertise—to create high-quality videos with ease. By enhancing efficiency and enabling more personalized storytelling, these tools help creators capture audience attention and expand their reach across social media platforms.

As the importance of digital marketing continues to rise, multimedia editing software is becoming a powerful tool for small and medium-sized businesses as well as individual entrepreneurs. Companies can leverage these tools to create promotional videos, product introductions, and social media ads, increasing the visibility of their products and services. At the same time, many editing software solutions now come with built-in marketing tools, such as copywriting assistants, branding kits, and advertisement templates. These features transform editing software from merely a creative tool into a business development accelerator.

The introduction of AI technology has significantly enhanced the efficiency and convenience of multimedia editing. For example, AI-powered auto-editing functions can quickly identify key segments, saving creators a substantial amount of time. AI-powered subtitle generation produces subtitles more accurately and promptly. In addition, AI can optimize details such as color correction and audio enhancement, reducing tedious manual adjustments and allowing creators to focus more on ideation and creativity. Behind generative AI features, some software developers have introduced a hybrid model combining cloud computing and edge computing, offering users more options. For tasks requiring high computational power, consumers can opt for cloud-based services, paying for access to greater processing capabilities. For simpler tasks, performing edge computing on personal devices can effectively reduce costs and operate without reliance on internet connectivity. This flexible computing approach not only meets the diverse needs of different use cases but also introduces new business models for software developers, such as pay-per-use systems based on credits, where users pay according to their consumption. This pricing model is still in its early stages but holds the potential to generate more diverse revenue streams for developers in the future.

## (2) Facial Recognition Solution

As AI and deep learning technologies continue to advance, facial recognition products worldwide are evolving towards higher accuracy and reliability. One of the key areas of development is improving algorithms to enhance adaptability under various recognition conditions, such as different angles, lighting, and obstructions. Many companies are also focused on optimizing the performance of their software on hardware devices to boost recognition speed and overall product efficiency.

Amid the growing awareness of information security and privacy protection, regulatory authorities are imposing stricter requirements on cybersecurity management. Facial recognition products have integrated more cybersecurity controls to ensure compliance with global data and privacy protection regulations. Furthermore, in response to the rising risks of fraud and deepfake technology, these products have adopted features like liveness detection and multimodal biometric recognition (combining voice, fingerprint, or other modalities), offering more reliable protection and solutions.

Currently, facial recognition technology is widely deployed across various industries, including retail, transportation, healthcare, financial institutions, surveillance and security, and smart cities. These applications not only enhance operational efficiency and user experience but also drive the digital transformation of various sectors. Facial recognition products are expected to continue permeating multiple industries and become more closely integrated with technologies such as the Internet of Things (IoT) and data analytics, enabling more precise and secure smart applications.

### (3) Video and Multimedia Solution

With the advancement of digital media and video technology, video playback software continues to add support for various video formats, including Blu-ray, 4K resolution, HDR, and streaming media content. The widespread use of smart devices has also driven many software solutions towards cross-platform integration, allowing users to seamlessly switch between computers, smartphones, tablets, and smart TVs, meeting diverse needs.

User interface and experience design is another area of ongoing improvement for these products. More and more video playback software now features intuitive interfaces and integrates various control functions, making it easier for users to navigate and operate. With the rise of cloud storage and streaming platforms, playback software has also introduced cloud streaming capabilities, enabling users to stream videos directly from the internet and share content with family and friends, offering an on-demand multimedia entertainment experience anytime and anywhere.

## 4. Product competition

CyberLink is one of Taiwan's few software companies that has successfully expanded internationally. Our core multimedia products include

PowerDirector, PhotoDirector, and PowerDVD, which span a wide range of applications across playback and content creation, covering functions like video playback, video editing, production, burning, and backup, as well as image and photo editing. In recent years, we have also actively developed FaceMe, a facial recognition solution, to grow into a scalable and expanding business unit.

Since its launch in 2001, PowerDirector has been available in various versions for Windows, Mac, Android, and iOS, meeting the diverse needs of users and consistently receiving global accolades. In 2024, PowerDirector 365 earned a 5-star rating in the video editing category from PC Magazine, a renowned American tech magazine. Additionally, our video software products (PowerDirector, PowerDVD, and Power2Go) have consecutively won the BCN Award for market share leader (53.8%) in Japan for nine years (2016–2024). The newly launched Promeo digital marketing design software and the online photo and audio editing tool MyEdit have also earned Taiwan Excellence Awards. As for competitors, in video editing software, CyberLink faces competition from companies like Adobe, ByteDance, and Wondershare, while in image editing software, the competition includes Adobe and Canva.

In the facial recognition product line, CyberLink's FaceMe service platform achieved ISO 27001:2022 certification for international information security management standards in 2024. Our facial recognition products have also earned the Taiwan Excellence Award for four consecutive years. The FaceMe facial recognition engine boasts a 99.83% accuracy rate and has earned several international certifications, including those from KISA (Korea Internet and Security Agency) and NIST (National Institute of Standards and Technology). It has also passed the iBeta PAD (Presentation Attack Detection) Level 2 certification, achieving 100% protection against liveness spoofing. It topped the global FATE (Face Analysis Technology Evaluation) for liveness spoofing attack detection. Key competitors in this field include international companies such as NEC, SenseTime, and VisionLabs.

#### 4.1.3. Technology and R&D overview:

1. R&D expenses made in the last year up until the publication date of annual report:

Unit: NT\$ thousands; %

Year	R&D expenses	As a percentage of operating revenues (%)
2024 (Note)	669,691	33
January 1 to February 28, 2025	114,408	30

Description: This chart represents audited or auditor-reviewed consolidated financial information.

2. R&D progress in the last year up until the publication date of annual report:

Year	R&D progress
2024	<p>(1) CyberLink completed several new products and version upgrades in 2024, and continued making updates to the product subscription service.</p> <p>(2) Several complete multimedia entertainment software packages, applications, and solutions were introduced during the year for different mobile multimedia platforms and devices, including new features, with multiple generative AI features launched, providing users with an excellent editing experience with powerful AI features.</p> <p>(3) CyberLink continued to introduce “FaceMe” and SDK as a solution for AI-assisted facial recognition. This engine has been adopted by many system vendors into solutions such as premise access control, bank eKYC, and cybersecurity.</p> <p>(4) Introduced the AI Magic Designer feature in Promeo, leveraging generative AI to create customized text and visual content, including posters, Instagram posts, invitations, and product advertisements, enhancing content creation efficiency.</p> <p>(5) Launched a fully upgraded MyEdit, a cloud-based photo and audio editing platform, integrating advanced AI-powered automatic editing and generative AI capabilities to provide a seamless end-to-end editing experience.</p> <p>(6) R&amp;D of generative AI technology, and gradually introduced the results into products, and launched functions such as Text-to-Image with Reference 、 Image Fusion 、 Talking Avatar.</p>
2025	<p>The Company completed several new products and version upgrades between January and February 2025, including:</p> <ul style="list-style-type: none"> <li>● Director Suite 365</li> <li>● Promeo</li> <li>● MyEdit</li> <li>● PowerDirector App for iOS and Android</li> <li>● PhotoDirector App for iOS and Android</li> <li>● FaceMe SDK, FaceMe SECURITY and FaceMe Platform</li> </ul>

#### 4.1.4. Long and short-term business plans:

Based on CyberLink's long-accumulated research and development achievements and market position, we have outlined the following future development plans:

1. Continue to focus on the two flagship products—PowerDirector and PhotoDirector—both of which have a stable and growing user base. Moving forward, we will concentrate on optimizing UX/UI (user experience and interface), developing innovative features, and deepening our digital marketing efforts to enhance user satisfaction and increase market share.

2. Seize opportunities in generative AI development: In 2024, CyberLink has launched over 30 generative AI features, integrating them into our various multimedia creative editing products. These features have been well-received by consumers, significantly boosting product subscription conversion rates and renewal rates. As the capabilities of generative AI models, such as text, speech, image, and video generation, rapidly advance, we will continue to invest in AI talent and technological research and development to enhance the multimedia creation experience for users further. Moreover, with the rise of AI PCs, we are collaborating with major chip companies and PC brands for joint marketing efforts while optimizing our software performance on AI PCs. We aim to integrate more AI features into AI PCs' edge systems and capture growth opportunities in the AI PC market.
3. Penetrate new markets and diverse user groups
  - (1) Promeo: A creative editing tool designed specifically for e-commerce and digital marketing professionals, offering a variety of convenient features, such as multiple design templates and one-click generative AI creation functions. This allows users without professional design expertise to quickly produce high-quality digital marketing materials. Promeo is a key strategic move for CyberLink's expansion into the business market, with 2024 revenues showing significant growth. In the future, we plan to continue enhancing its functionality and expanding its user base.
  - (2) MyEdit: A multifunctional online (web-based) editing platform built for business design, marketing, and multimedia content creators. It supports image and audio editing with powerful generative AI tools. As a one-stop web tool, MyEdit is not limited by device or location. It enables users to perform cross-platform editing. Since its launch, the product has been well received by consumers, with revenue continuing to grow in 2024. In the future, we will introduce more features on MyEdit to meet various business application scenarios.
  - (3) Vivid Glam: A mobile app that combines beauty camera features with AI-powered editing functions, targeting females who desire beauty. This app taps into a growing and promising market.
  - (4) Vivid AI: A mobile app focused on AI-driven photo generation and editing, catering to consumer demand for multimedia creation with generative AI.
4. FaceMe facial recognition: CyberLink's self-developed facial recognition system boasts world-class accuracy and supports cross-platform operating systems, providing clients with highly flexible solutions. As the product's features evolve, we will focus on enhancing value-added solutions for various vertical industries and strengthening its expansion into domestic and international markets. Our goal is to develop FaceMe into a product line with both scale and growth potential.

## **4.2. Market, production, and sales overview**

### **4.2.1. Market analysis:**

1. Locations where products were mainly sold in the last 2 years (global consolidated revenues)

Unit: NT\$ thousands; %

Location \ Year		2023		2024	
		Amount	%	Amount	%
Domestic sale		110,263	5.91	88,764	4.29
Export sale	America	1,122,484	60.18	1,340,457	64.81
	Asia	536,689	28.78	522,071	25.24
	Europe & Others	95,586	5.13	117,067	5.66
Total		1,865,022	100.00	2,068,359	100.00

2. Market share

According to the Japan BCN Award statistics, CyberLink maintained its position as the sales leader in the video software category in the Japanese retail market in 2024, achieving the highest market share for the ninth consecutive year. PhotoDirector also showed a steady increase in market share in Japan's retail market, securing the second position in the image editing software category in 2024. For mobile devices, both PowerDirector and PhotoDirector received excellent user ratings of over 4.5 stars on the Apple App Store and Google Play Store.

In 2024, CyberLink's FaceMe facial recognition business gained more key clients, indicating that the product has been reaching a mature stage. In the eKYC (electronic Know Your Customer) application within the financial industry, FaceMe was integrated into Generali Vietnam's life insurance service app. This collaboration enables new customers to use facial recognition for identity verification when applying for insurance services. Domestically, our solution has been adopted by a financial institution and implemented across hundreds of its branches, enhancing identity verification during in-person financial transactions. The institution is also testing our facial recognition solution for ATM withdrawals. In the security sector, FaceMe Security launched an advanced notification and monitoring kit designed for security personnel, helping them efficiently monitor blacklist information. A major shopping center in Northeast Asia has adopted this kit. Besides the aforementioned applications, CyberLink continued to explore potential scenarios, such as integrating FaceMe facial recognition into the world's leading dating app to help users select the best profile photos, as well as using it for thief detection in large department stores and visitor blacklist detection in government agencies.

At the same time, FaceMe enhanced its commercial partner ecosystem by adding support for the latest Nvidia Jetson AGX Orin edge computing module and MediaTek's new Genio 510 processor. These advancements significantly improved the product's performance and application scope, meeting the demands of complex and high-speed edge computing for smart homes, smart retail, and industrial applications.

### 3. Future market supply, demand, and growth

We leverage our existing strengths and continuously invest resources into new businesses with high growth potential while enhancing the scale and growth of our subscription-based services. In response to the rapid development of generative AI, we have adopted a credit-based pricing model for our generative AI features, which is expected to generate additional revenue. For future development, we will continue to focus on our expanding product lines, such as computer software, mobile apps, web applications, generative AI-related functions, and FaceMe.

#### (1) Creative Editing Software on PCs, mobile devices, and web

##### (A) Deliver an exceptional AI creative editing experience

CyberLink will continue to enhance product features and service offerings. In 2024, new generative AI features such as AI Image Fusion, AI Object Removal, Text-to-Image, and AI Magic Designer were launched. In 2025, we will introduce even more features and improve the quality of generated content to create the best user experience, increase customer acquisition, and boost user retention.

##### (B) Execute diverse marketing and channel strategies to drive subscription business

Digital marketing has brought high traffic from key overseas markets such as the U.S. and Japan. In 2025, we will continue investing in digital marketing resources to strengthen market share in existing markets and expand to more potential markets. By leveraging past successes, we will acquire new users and drive sales growth. Additionally, the B2B2C collaboration sales model, which has seen success with a major PC brand, will be expanded to more partners and markets to accelerate sales in North America, Japan, and Europe.

##### (C) Foster the web-based editing tool, MyEdit

MyEdit employs a freemium business model and has offered subscription upgrades since 2023. This platform has successfully attracted a large number of new users with its convenience of supporting cross-platform online editing and its continuous addition of image and audio editing features. In the future, MyEdit will provide more generative AI features and add video editing functionality to meet the growing demand for online editing.

##### (D) Develop the digital marketing design software, Promeo, and leverage AI PC market opportunities for global expansion

Since its launch in 2022, Promeo has been dedicated to helping small and medium businesses and social media creators easily create unique digital marketing materials. It continuously adds diverse design templates and materials alongside simple, intuitive editing functions. In 2024, in response to AI PC and generative AI advancements, new features like "AI Magic Designer" and "AI Cowriter" were introduced, and they support offline marketing material generation on AI PCs. Additionally, Promeo's powerful

functionality has been favored by Intel and other major PC brands, making it a co-marketing software product for AI PCs. Through the joint global marketing efforts, we expect to enhance our brand awareness and translate it into future growth momentum.

(2) FaceMe facial recognition and computer vision

(A) World-class facial recognition algorithm

With its exceptional recognition and anti-spoofing capabilities, FaceMe is leading in the globally renowned NIST (National Institute of Standards and Technology) facial recognition tests. By refining algorithms, CyberLink aims to further improve FaceMe's rankings in the NIST tests and positions FaceMe as a leading global brand in facial recognition technology.

(B) Counter new cybersecurity threats

As identity theft, impersonation, and deepfake frauds continue to rise, the importance of secure digital identity verification mechanisms grows. CyberLink will focus on advancing technologies like liveness detection and anti-deepfake capabilities to assist clients in protecting against evolving cybersecurity threats.

(C) Improve customer onboarding and deployment efficiency

CyberLink will gather customer feedback to optimize the PoC (proof of concept) and deployment process. We will also enhance FaceMe's compatibility with mainstream hardware and software platforms. Additionally, we will provide localized technical services in global markets, including standardized installation procedures, FAQs, database support, and expert technical assistance, to accelerate customer deployment and troubleshooting efficiency.

(D) Integrate channel resources to expand market opportunities

We will strengthen our global sales channel partnerships and integrate resources to increase brand visibility. For example, we will participate in industry exhibitions, co-marketing campaigns, and product demo events to explore new market opportunities. Building on success cases, we aim to increase market penetration in vertical markets like access control, security surveillance, financial services, and two-factor authentication solutions. Besides, we will expand sales and marketing teams for regions like the U.S., Japan, South Korea, Southeast Asia, and Taiwan to accelerate market expansion.

(E) Deepen strategic partner collaborations

FaceMe has supported mainstream chips from top companies like Intel, Nvidia, Qualcomm, and MediaTek and has built technical integrations with leading video management system (VMS) providers, such as Genetec, Milestone, Network Optix, Hanwha, AXIS, and VIVOTEK. In addition, it has established strategic partnerships with many system integrators. We will leverage our business partner and channel resources to further grow our global business.

#### 4. Competitive advantage

- (1) Comprehensive integration of R&D, technology, product development, and marketing resources  
CyberLink boasts a strong R&D team dedicated to software innovation for years, earning over 200 technical patents. Our deep understanding of market trends and consumer needs allows us to design, commercialize, and refine software products. With over 400 million copies of our PC software and mobile apps sold worldwide, we are one of Taiwan's few globally successful software companies.
- (2) Exceptional human resources and robust financial structure  
Unlike manufacturing industries that require substantial capital investment in facilities and inventory, the software industry relies on highly skilled talent to drive technology development, product innovation, and international marketing. Over the years, CyberLink has built a strong talent base, with an experienced management team and ongoing initiatives to nurture mid-level managers and professional engineers, as well as to recruit excellent talent. Thanks to our steady operations and strategic transformation toward a subscription-based model, we have brought in stable cash flows, supporting our long-term growth.
- (3) Internationally oriented strategy and proprietary brand  
The internet has removed geographical barriers and accelerated the expansion of multinational IT companies, leading many software firms to compete in global markets. Since our inception, we have adopted an international business strategy, leveraging our leading multimedia software technology to collaborate with world-renowned brands through an OEM/ODM model and build long-term partnerships. On the other hand, we have been developing our own brand, expanding across digital and physical sales channels. This strategic approach has resulted in strong brand recognition and customer loyalty worldwide.

## 5. Future opportunities, threats, and response strategies

- (1) Opportunities
  - (A) Our R&D team is persistent and competent at product and technology innovations.
  - (B) Rapid advancement of AI technology drives software and hardware demand and lowers the entry barrier for creators.
  - (C) Experienced management team
  - (D) Knowledge of industry dynamics
  - (E) Globalized business strategy and strategic partnerships
  - (F) Growth in short-form video, social media, and digital marketing drives demand for creative editing.
  - (G) High growth potential in the digital multimedia software industry
  - (H) Complete product lines and diverse development
  - (I) Highly compatible and useful products

- (J) Strong financial structure and ample capital
- (K) Comprehensive upstream and downstream supply chain for both software and hardware
- (L) Support of government policy
- (2) Threats
  - (A) Competition from freeware
  - (B) Slowing growth in personal computer demand
  - (C) Exchange losses caused by currency fluctuations
  - (D) Industry peers have significantly increased advertising expenses, posing additional competition
  - (E) Emerging business opportunities for AI products around the world, making it more difficult to hire additional professionals
- (3) Response strategies:
  - (A) Optimize product user experience and innovate more competitive products to increase our market shares
  - (B) Continuously monitor market demand and swiftly launch new products that align with emerging market needs, such as generative AI features, to attract new users and enhance product subscription renewal rates
  - (C) Continue to improve the accuracy and reliability of facial recognition algorithms and expand their applications across various vertical application scenarios
  - (D) Expand product offerings across multiple platforms (PC, Mobile App, and Web-based), increase revenue contributions from growth-oriented product lines, and accelerate global market expansion
  - (E) Strengthen research on exchange rate trends of major trading currencies and mitigate risks through diversification and foreign exchange hedging strategies
  - (F) Enhance marketing effectiveness through refined customer segmentation, in-depth user data analysis, and strengthened brand value strategies
  - (G) Develop diverse recruitment channels and provide better employee welfare and working environment to attract and retain professional talent

#### 4.2.2. Main products and purposes:

Media playback	
<p>PowerDVD 23</p> 	<p>Power DVD is the world's No.1 video/audio playback software, featuring 4K UHD and 8K video quality, optimized version of Blu-ray and DVD playback, full support for all major audio/video formats and YouTube online platforms, and high-quality DTS-HD, Dolby audio, and 7.1 high-quality track surround sound. This maximizes the benefits of the home theater system, so that users can enjoy the theater watching experience comfortably at home.</p>
<p>PowerPlayer</p> 	<p>PowerPlayer organizes all of your media files in one place, giving you easy access to your favorite shows and films wherever you go. The player supports playback of 8K, 4K, and HDR10 video and HiFi 5.1 surround audio for the best viewing and listening experience. Using CyberLink Cloud, users may even access, view, and share media files wherever they go.</p>
Video Clips & Expanded Content	
<p>PowerDirector 365</p> 	<p>PowerDirector 365 is a movie editing software equipped with cutting-edge AI technology. The software combines powerful audio/video editing features and easy-to-use tools to provide users with new eye-catching special effects. With a smooth user experience and an ever-growing library of clips, PowerDirector 365 is suitable for both novice and professional movie editing professionals, allowing all creatives to edit their works in their own style without much effort.</p>
<p>Director Suite 365</p> 	<p>Director Suite 365 provides subscribers with a full range of audio and video editing functions, and continues to evolve and update throughout the year! Director Suite 365 combines four professional tools: video editing, photo editing, audio post-production, and video color grading. The software also provides unlimited access to Getty Images' huge material library. Searching directly within the software and choosing from thousands of materials gives full control of post-production process, and complete masterpieces with ease!</p>
<p>ColorDirector 365</p> 	<p>ColorDirector is a professional video color grading software that precisely adjusts color details and features a built-in library of royalty-free licensed materials. Users can easily enhance the richness and professionalism of their work, creating outstanding videos with more layers.</p>
<p>AudioDirector365</p> 	<p>AudioDirector 365 is professional music editing software that perfectly edits, mixes, records and restores audio. The software applies world-class AI algorithm to delete or enhances the speech in the recording, and precisely removes the noise in the audio, so that you can easily achieve the sound you want.</p>

Photo editing	
PhotoDirector 365 	PhotoDirector 365 provides exclusive AI tools, new functions, and comprehensive format support. Subscription users can also enjoy a wealth of expanded contents and software packages, giving them the most complete image editing experience! PhotoDirector 365 is a powerful AI technology that selects objects in the picture with one click, quickly performs memorization, analyzes the photos intelligently, and converts the photos into master drawings with one click.
Video conferencing application & screen recording	
YouCam 10 	YouCam is an all-in-one video conferencing software that supports all online video applications from live streaming to business meeting. YouCam can be seamlessly integrated with Zoom, U Meeting, Microsoft Teams, Google Meet, Facebook, YouTube Live, Twitch, and popular live streaming software to provide skin smoothing, among other cosmetic filters, in real-time to look your best with just one click! At the same time, more than 200 types of augmented reality graphics or customized text and graphics can be used to add more wonderful elements to your meetings, video conferences or live broadcasts.
Disc-writing and backup	
Power2Go 13 	Power2Go is a comprehensive audio/video storage solution that satisfies the needs of CD burning, CD production, backup, and file conversion. With powerful support for all popular CD-ROM and video formats, you can easily drag and drop files and quickly complete data or video recording. Power2Go 13 is equipped with professional optical disc authoring functions and comprehensive menu editing tools, as well as free menu templates and background music, allowing you to create impressive DVD and Blue-ray discs with ease. Power2Go uses 256-bit military-grade encryption protection to ensure the safety of important data recorded to CD-ROM or USB.
Mobile Apps	
Promeo 	Promeo is a comprehensive marketing video production tool for corporate brands that helps you easily create eye-catching advertising videos. No design experience is required, and you can easily customize your own text and materials by applying thousands of high-quality video templates to easily enhance your branding power and interaction with fans.
PowerDirector 	PowerDirector 365 is loaded with all-round powerful creative tools, and uses intelligent assistant tools and eye-catching special effects to create amazing videos.

<p>PhotoDirector</p> 	<p>PhotoDirector is an easy-to-use photo editing software that uses high-quality AI special effects to inspire unlimited creativity. Even a novice user can instantly create wonderful creations that are comparable to digital cameras.</p>
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### 4.2.3. Supply of key materials

Name of key materials	Supplier	State of supply	Footnote
User manual, color box, and packaging	Kin-Shine Printing Corp.	Good	The Company provides the final design to be produced by the printing plant.
Discs	Kin-Shine Printing Corp.	Good	The Company provides a master disk of the software developed to be produced by the disc manufacturer.

#### 4.2.4. Names of customers accounting for more than 10% of the total sales in any of the previous two years

##### 1. Names of suppliers accounting for more than 10% of the total purchase in any of the previous two years

Unit: NT\$ thousands; %

Item	2023				2024			
	Name	Amount	% of annual net purchases	Relationship with the issuer	Name	Amount	% of annual net purchases	Relationship with the issuer
1	A	7,038	99.90	Not-related parties	A	7,158	99.47	Not-related parties
2	Others	7	0.10		Others	38	0.53	
	Net purchases	7,045	100.00		Net purchases	7,196	100.00	

Note: This chart represents audited consolidated financial information.

##### 2. Names of customers accounting for more than 10% of the total sales in any of the previous two years:

Unit: NT\$ thousands; %

Item	2023				2024			
	Name	Amount	% of annual net sales	Relationship with the issuer	Name	Amount	% of net sales (%) in the previous quarter of the current year	Relationship with the issuer
1	A	525,962	28.20	Not-related parties	A	96,137	4.65	Not-related parties
2	B	339,700	18.21	Not-related parties	B	345,755	16.72	Not-related parties
3	C	205,292	11.01	Not-related parties	C	257,351	12.44	Not-related parties
4	D	58,509	3.14	Not-related parties	D	345,336	16.70	Not-related parties
5	E	167,174	8.96	Not-related parties	E	328,833	15.90	Not-related parties
6	F	174,661	9.37	Not-related parties	F	321,011	15.52	Not-related parties
	Others	393,724	21.11		Others	373,936	18.07	
	Net sales	1,865,022	100.00		Net sales	2,068,359	100.00	

Note: This chart represents audited consolidated financial information.

### 4.3. Employee information in the last 2 years up until the publication date of annual report

#### 4.3.1. Employee information in the last 2 years up until the publication date of annual report

<Global consolidated> Unit: persons

Item	Year	2023	2024	2025/3/31
Employee size	Managerial personnel	24	23	23
	Technology and R&D personnel	259	289	298
	General staff	169	171	177
	Intern	43	34	37
	Total	495	517	535
Average age		35.56	35.56	35.63
Average years of service (years)		7.07	7.07	7.29
Analysis of employees' education	Doctoral Degree	5	5	5
	Master's Degree	286	309	318
	University (college)	203	202	211
	Senior high school	1	1	1
	Total	495	517	535

Note: Including employees of the company's headquarters and subsidiaries.

#### 4.3.2. Work environment and protection of employees' safety:

The Company has established a safety and health code in accordance with worker safety and health regulations to maintain workplace safety and personnel safety. The following measures have been taken in this regard:

Item	Specific Measures	Frequency
1	The Human Resources Department is the dedicated unit responsible for protecting the work environment and employee safety. It handles all matters related to the work environment and employee safety both within and outside the company. The company has established occupational safety and health management regulations, which include the formulation of measures such as [Human Factor Hazard Prevention], [Prevention of Diseases Induced by Abnormal Workloads], [Maternal Health Protection Management], [Prevention of Illegal Violations during Job Duties], and [Fire Protection Plans] to implement comprehensive workplace safety protection.	Annually
2	Strict Access Control Management: The company uses CyberLink's self-developed facial recognition FaceMe <sup>®</sup> smart security system to manage personnel identification, access control, mask-wearing compliance, and temperature screening. This system provides tight and real-time security control and emergency alert capabilities, ensuring a safe workplace. Additionally, the company has a Zhongxing Security access control system and a nighttime and holiday security system, which, through police-community connection	Daily

Item	Specific Measures	Frequency
	and other methods, safeguard the office environment and employee safety.	
3	Regular Office Environment Cleaning and Disinfection: The company conducts regular cleaning and disinfection of the office environment every year to maintain hygiene and cleanliness in the workplace	Daily cleaning and biannual deep disinfection
4	Night Shift Employee Safety: The company has an emergency security setup with police-community connection in the office and arranges designated taxi services for employees working late to ensure their safety.	Daily
5	Regular Office Safety and Disaster Prevention Inspections: The company conducts annual safety and disaster prevention inspections in collaboration with the building's safety inspection unit and organizes irregular safety and disaster prevention seminars and awareness campaigns to ensure the workplace meets safety and disaster prevention standards.	Twice a year
6	Annual Employee Health Checkups: The company conducts regular annual health checkups for employees to ensure their physical well-being.	Annually
7	Comprehensive Employee Insurance Coverage: In addition to providing mandatory labor and health insurance, the company also offers group insurance for employees, ensuring more comprehensive protection for their safety and health.	Annually

#### 4.4. Contribution to environmental protection

The Company has not suffered any losses or penalties due to environmental pollution since 2024.

CyberLink is an IT software manufacturer, and no one-time waste is generated during the development process. In 2018, the Company switched to the use of thin boxes for retail sales in Germany and Taiwan, reducing paper consumption by 13% and the shipping volume by 50% for packaging and materials, effectively reducing carbon emissions. In addition, with the transformation of major products shifted to subscription, the production volume of retail color boxes and the usage of optical discs have been decreasing year by year. As of 2023, the production volume of boxed products reduced by 53% and the usage of optical discs by 90%.

The Company's main emission source is purchased electricity. In 2024, the total electricity consumption of the parent and subsidiary companies in 2024 is approximately 933.29 MWh, equivalent to about 456 metric tCO<sub>2</sub> emissions. To support sustainability and environmental protection, CyberLink has been increasing the proportion of green electricity consumption by 10% year by year since 2021. By 2024, the proportion of green electricity consumption will reach 30%. At present, the electricity bill for green power is still higher than that for conventional power generation. In 2024, the company spent approximately 1.685 million NTD to purchase 288,000 kWh of green electricity, demonstrating CyberLink's dedication to promote global environmental protection and fulfill its social responsibilities.

## **4.5. Labor-management relations**

The Company has always valued good labor-management relations. In addition to complying with relevant laws and regulations, the employee welfare measures, continuing education, training, retirement system, and various employee rights protection measures are as follows:

### **4.5.1. Employee benefits:**

1. In order to attract outstanding talented people, the Company provides competitive remuneration packages, and makes annual salary adjustments based on the performance appraisal and future potential of employees, as well as economic inflation and the competitive market conditions in the same industry. In addition, the Company has also formulated incentive bonus measures for employees to enjoy the Company's earnings.
2. The Company provides comprehensive health and medical protection, including labor insurance, national health insurance, and group insurance. Group insurance includes life insurance, accident insurance, occupational disaster, critical illness, hospitalization and outpatient surgery medical insurance, accidental injury insurance, cancer insurance, and family members' insurance benefits.
3. Flexible working hours.
4. Employees are offered the option to work remotely or from home. They can apply for working from home if necessary.
5. The leave system is better than the statutory leave system (2 days of travel leave per year, 12 days of sick leave with full pay per year).
6. The health examination items are better than the statutory requirements.
7. Quarterly subsidy for departmental gatherings
8. Annual year-end activities.
9. An Employee Welfare Committee has been established to discuss meeting affairs and supervise the income and expenditure on a regular basis, and provide a number of recreational activities and subsidies for employees:
  - (1) Gifts/money for Dragon Boat Festival and Mid-Autumn Festival.
  - (2) Wedding subsidy, childbirth subsidy, funeral subsidy.
  - (3) Employee travel allowance.
  - (4) Regular subsidies are provided to employees for club activities, including childcare clubs, yoga clubs, running club, boxing & aerobics club, baseball club, etc., to enhance the friendship and emotional exchange among the Company's employees.
  - (5) A variety of activities are organized to build up cohesion among employees and help relieve stress. These included half-day parent-child trip, spring one-day trip, basketball and table tennis games, photo competitions, family day challenge, and parent-child road running activities.

### **4.5.2. Employee health care and work environment management:**

1. The Company has established sufficient recreational facilities, including yoga class, gymnasium, multi-functional karaoke room, and sky garden, providing employees with recreation, sports venues, and entertainment

venues.

2. A medical office and a lactation room have been established to provide employees with privacy and safety. Special contracts with neighboring child care institutions have been signed. Employees can send their children to the child care to reduce their burden.
3. We hire full-time occupational health nurses to conduct annual health checkups for employees, provide nursing guidance and consultation, work injury prevention and treatment, review health checkup reports for new employees, health management follow-up, and implementation and analysis of four major regulatory schemes. Furthermore, contracted medical specialists provide on-site health services every three months to offer medical and referral consultation, assist in the assessment and identification of workplace risks and hazards, and advice on the prevention of occupational injuries and diseases to ensure the physical and mental health of employees.
4. Disinfection, waxing, and cleaning of the office environment are carried out twice a year to provide employees with a comfortable and clean workplace. There is also a night shift security guard to maintain the safety of the office environment and strengthen the control of personnel access.
5. Carbon dioxide monitoring and water dispenser water test are arranged every six months to ensure that employees are in compliance with the standards required by laws and regulations, and provide employees with a safe workplace.
6. Occupational safety management regulations have been formulated to prevent occupational disasters and protect the safety and health of employees in accordance with the Occupational Safety and Health Act and related regulations. We also have a fire prevention administrator in place to formulate a safety and fire protection plan. Moreover, employee fire-fighting and alarm training, fire safety equipment maintenance, fire evacuation facilities and energy equipment use are implemented every six months to ensure the safety of the office premises.

#### **4.5.3. Continuing education and training:**

1. Management competency training
  - (1) For high-ranking managers, the Chairman chairs the meeting personally. Bi-weekly coffee meetings are used to pass on leadership and management experience and cultivate the innovative thinking ability of senior managers.
  - (2) For mid-level executives, education and training focuses on improving leadership, team management and communication skills to meet new business challenges.
  - (3) Basic management education courses are provided for junior managers to ensure that new managers have basic management knowledge to face new challenges.
2. Professional competency training
  - (1) Customized professional courses are arranged for each professional

function such as R&D, finance and accounting, legal affairs, marketing, human resources, project management, etc. Employees may also apply for external training.

- (2) Each department is encouraged to organize internal refresher programs according to their specific functions. Employees can improve their professional knowledge and skills through self-study and sharing in the form of reading clubs or professional theme sharing to establish a learning environment.
- (3) Unscheduled participation in international academic conferences and computer shows.
- (4) Scholars and experts are invited from time to time to give speeches at the company.

### 3. General education and training

- (1) Sexual harassment prevention courses are regularly arranged to prevent illegal violations in the workplace and establish a friendly workplace.
- (2) Information security training is periodically arranged to establish employees' awareness of information security and standard procedures.
- (3) Personal information protection education and training is arranged on a regular basis to enable employees to fully understand the importance of personal information and legal responsibilities for disclosure of personal information.

The total number of employees who completed the 2024 Annual Personal Data Protection Training course reached 426, with a total of 106.5 hours of training, accounting for 100% of the workforce. The passing rate for the post-training test was 100%.

- (4) Ethical management training is arranged regularly to enable employees to fully understand the Company's ethical management philosophy.

### 4. Training and care for new recruits

- (1) Monthly training for new recruits is conducted to help them understand the Company's organization and core values.
- (2) The Company will also assign a non-managerial colleague to serve as a new employee's little angel to increase the interaction between the new employee and other colleagues, enhance employee care, and help new employees quickly adapt to the Company's culture and procedures.

### 5. Language proficiency training

The Company values English communication skills and is committed to cultivating international talent. A variety of free English education and training courses are held every year.

The Company organized 784 sessions for a total of 1,062.6 hours in 2024. Course enrollment totaled 19,580, and training expenses amounted to NT\$753.715.

Course category	Sessions	Enrollments	Hours	Expenses (NT\$ thousands)
-----------------	----------	-------------	-------	------------------------------

Management training	26	343	35	196.441
Specialized training	641	15,119	769.5	424.508
Elite training	21	245	28	32.515
Language training	32	192	64	56
Others	64	3,681	166.1	44.251
Total	784	19,580	1,062.6	753.715

#### **4.5.4. Retirement system:**

1. In accordance with the provisions of the Labor Standards Act, the Company regularly allocates the labor pension reserve into a special account at the Bank of Taiwan, and convenes a meeting of the Labor Pension Reserve Supervisory Committee on a quarterly basis to ensure that the pension fund is adequate.
2. The new labor retirement system was implemented on July 1, 2005. According to the Labor Pension Act, for those who opt for the new system, the Company shall contribute no less than 6% of the employees' monthly wages to the labor pension account each month. Retirement-related matters are handled in accordance with the regulations of the Labor Pension Act.
3. The Company has established its own retirement system in accordance with the regulations related to retirement set forth in the "Labor Standards Act" and "Labor Pension Act".

#### **4.5.5. Coordination between labor and management and various measures to protect the rights and interests of employees:**

1. Labor-management meetings: The Company introduced labor-management meetings in July 2017; these meetings are held every three months to discuss employees' suggestions and improvements, and are intended to create a harmonic work environment.
2. Sexual harassment and stalking harassment complaint mailbox/hotline: to provide employees with a work environment free from sexual harassment, a dedicated complaint mailbox and hotline have been established to provide employees with a safe complaint channel.
3. Whistleblower complaint mailbox: In order to implement the Company's ethical corporate culture value, the Company has formulated the "Whistleblowing Policy" and has a dedicated whistle-blowing mailbox.

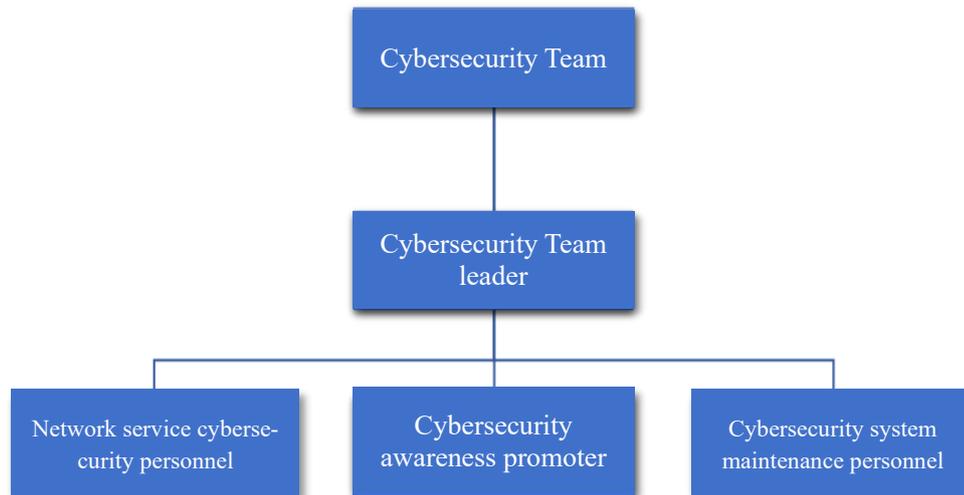
#### **4.5.6. The Company's losses due to labor disputes in the most recent year and up to the publication date of the annual report: None.**

### **4.6. Cybersecurity management**

The Company has developed its own cybersecurity risk management plan in accordance with government regulations and requirements to ensure the confidentiality, integrity, and availability of information held in possession.

#### **4.6.1. Cybersecurity risk management framework and cybersecurity policy**

A cybersecurity team has been assembled under the IT Department to oversee coordination and execution of the cybersecurity policy. The cybersecurity policy includes compliance guidelines for network service engineers and employees of the Company. The Company also provides cybersecurity training for network service engineers, so that they have the skills necessary to implement sophisticated cybersecurity protections for all of the Company's online services. Meanwhile, employees' cybersecurity training courses focus more on raising employees' cybersecurity awareness.



**Organizational chart for the Cybersecurity Team**

For network service engineers, the Cybersecurity Team gathers relevant information and takes protection measures immediately in response to cybersecurity incidents. Arrangements are also made to have engineers take part in cybersecurity seminars, where they can develop the skills needed to enhance cybersecurity in network service. With regards to the Company's network services, the Cybersecurity Team conducts vulnerability scans and source code scans regularly to ensure that all network services are adequately protected. In addition to internal vulnerability scans and source code scans, the Cybersecurity Team also engages third-party institutions to perform penetration tests and obtains test reports and certifications. These exercises help prevent leak of important data. Aside from system scans and tests, the Cybersecurity Team assigns a dedicated personnel to oversee cybersecurity of each network service, and creates a cybersecurity incident reporting group to ensure that the cybersecurity policy is duly enforced and that incidents are handled in a proper manner.

For employees of the Company, the Cybersecurity Team organizes regular programs to promote cybersecurity awareness, and makes tutorial videos to be used in the training of new recruits. Furthermore, the Cybersecurity Team forces employees to change passwords for internal systems in regular intervals, and ensures that protection software is installed on all workstations and are updated regularly. Employees are required to sign in to internal systems using multi-factor authentication. When accessing internal systems outside company premise, employees are required to use secured connection combined with two-factor authentication in order to connect to the Intranet. All remote connection attempts are recorded on system and notified to relevant personnel.

In addition to the above, the Cybersecurity Team is also responsible for maintaining the effectiveness of cybersecurity solutions and procedures. The Company

allocates cybersecurity budgets each year to enforce cybersecurity management and to provide the required technologies, hardware, and software so that network services, systems, and equipment are adequately protected to free of cybersecurity concern.

#### **4.6.2. Management solutions and commitment to cybersecurity management resources**

- (1) Internet security control: Firewall, real-time malware detection, intrusion detection and protection, and tracking of network anomaly.
- (2) Data access control: quarterly update of system password, rigorous control of access rights, control of remote logins to information system, and multi-factor authentication for internal information systems have all been adopted to prevent unexpected login due to account name and password leak.
- (3) Data backup and restoration drill: Corporate data is backed up daily to off-site facilities, and data restoration drills are organized to ensure that data is not lost in the event of an attack.
- (4) Cybersecurity training and promotion: Annually organizing participation of network service engineers in cybersecurity seminars, conducting quarterly information security awareness sessions for all employees, and regularly holding phishing email attack drills to enhance staff awareness of information security.
- (5) Renewal of cybersecurity software and hardware: Regularly inspecting and updating the company's information security software and hardware, including firewalls, endpoint detection systems, antivirus software, intrusion detection and prevention systems, anti-phishing software, spam filtering software, vulnerability scanning systems, system backup software, and both system backup software and hardware.
- (6) System Maintenance: Conducting weekly vulnerability scans and regularly performing source code scanning, as well as outsourcing penetration testing to external cybersecurity auditing agencies on an annual basis.

#### **4.6.3. Losses arising as a result of major cybersecurity incidents in the last year up until the publication date of annual report, and possible impacts and response measures; state the reasons if losses can not be reasonably estimated: None.**

## 4.7. Major contracts

March 31, 2025

Contract nature	Parties involved	Contract start/end date	Main details	Restrictions
Patent licensing	BHA	August 1, 2004 - now	CLIP Source code	None
Patent licensing	Via LA	20060101~20271231 (Automatically renewed for 5 years upon maturity)	VC-1 Patent Portfolio	None
Technology licensing	Dolby Laboratories	October 1, 2012 - now	Dolby Codec Program	None
Patent licensing	One-Blue, LLC	20110701~20260630 (Automatically renewed for 5 years upon maturity, until the patent expires)	Licensing of Blu-ray basic patent	None
Patent licensing (renewal)	Toshiba	20180101~20271231 (Automatically renewed for 5 years upon maturity)	Premier BD Patent License	None
Patent licensing	Via LA	20020801~20251231 (Automatically renewed for 5 years upon maturity)	H.264 (AVC) Patent Portfolio	None
Patent licensing	Via LA	20130501~20251231 (Automatically renewed for 5 years upon maturity)	H.265 (HEVC) Patent Portfolio	None
Patent licensing	Access Advance	20161101~20251231	H.265 (HEVC) Patent Portfolio	None
Patent licensing	DTS Licensing Limited	20130819~ now	DTS audio decoder/encoder	None

## 5 Review of Financial Position, Business Performance and Risk Management

### 5.1. Review and analysis of the financial position

#### 5.1.1. Comparative analysis of the financial position

Unit: NT\$ thousands; %

Item \ Year	2024	2023	Difference		
			Amount	%	Description
Current assets	2,485,661	2,199,897	285,764	12.99	
Long-term investment	1,885,220	1,777,835	107,385	6.04	
Property, plant and equipment, net	427,205	432,977	(5,772)	(1.33)	
Right-of-use assets	15,031	14,824	207	1.40	
Investment property	1,203,641	1,215,277	(11,636)	(0.96)	
Other assets	83,781	86,578	(2,797)	(3.23)	
<b>Total assets</b>	<b>6,100,539</b>	<b>5,727,388</b>	<b>373,151</b>	<b>6.52</b>	
Current liabilities	960,900	841,540	119,360	14.18	
Non-current liabilities	415,295	434,537	(19,242)	(4.43)	
<b>Total Liabilities</b>	<b>1,376,195</b>	<b>1,276,077</b>	<b>100,118</b>	<b>7.85</b>	
Capital Stock	789,593	789,418	175	0.02	
Capital surplus	2,295,299	2,247,436	47,863	2.13	
Retained earnings	1,695,088	1,600,760	94,328	5.89	
Other equity interest	(55,636)	(186,303)	130,667	(70.14)	1
<b>Total equity</b>	<b>4,724,344</b>	<b>4,451,311</b>	<b>273,033</b>	<b>6.13</b>	

#### 5.1.2. Analysis of deviation in financial position (for deviation over above 20%):

1. Other equity increases: Mainly due to exchange differences arising from the translation of financial statements of overseas operating entities.

## 5.2. Financial performance

### 5.2.1. Financial performance

Unit: NTD thousands; %

Item \ Year	2024	2023	Deviation	% of change	Description
Net revenue	2,068,359	1,865,022	203,337	10.90	
Operating costs	292,589	269,416	23,173	8.60	
Gross profit	1,775,770	1,595,606	180,164	11.29	
Operating expenses	1,600,202	1,445,491	154,711	10.70	
Operating income	175,568	150,115	25,453	16.96	
Non-operating income and expenses	200,856	155,763	45,093	28.95	1
Income before income tax	376,424	305,878	70,546	23.06	2
Income tax expenses	61,829	83,842	(22,013)	(26.26)	3
Net income for the year	314,595	222,036	92,559	41.69	4
Other comprehensive income (net of tax)	131,068	(17,381)	148,449	854.09	5
Total comprehensive income for the period	445,663	204,655	241,008	117.76	6
Net income attributable to owners of the parent company	314,595	222,036	92,559	41.69	4
Total comprehensive income attributable to owners of the parent company	445,663	204,655	241,008	117.76	6

### 5.2.2. Explanation of major deviation:

- 1. Non-operating income and expenses:** Primarily due to significant foreign exchange gains during the period.
- 2. Income before income tax:** Mainly driven by the increase in non-operating income.
- 3. Income tax expense:** Primarily due to the recognition of an underestimation of prior-year income tax in the previous year.
- 4. Net income for the year and Net income attributable to owners of the parent company:** Mainly due to the increase in non-operating income.
- 5. Other comprehensive income (net of tax):** Turned from a loss to a gain, primarily due to foreign exchange differences arising from the translation of financial statements of overseas operating entities and investments in associates during the year.
- 6. Total comprehensive income for the period and Total comprehensive income attributable to owners of the parent company:** Mainly due to foreign exchange differences arising from the translation of financial statements of overseas operating entities and investments in associates, as well as foreign exchange gains during the year.

### 5.2.3. Explanation of significant changes in income or cost: None.

### 5.3. Cash flow analysis

#### 5.3.1. Analysis of cash flow variations for the current year

Unit: NT\$ thousands

Cash balance at the beginning of the period	Net cash flow from operating activities for the year	Net cash flow from investing and financing activities for the year	Cash surplus (deficit)	Remedy for cash deficits	
				Investment plans	Financing plans
441,661	356,491	(210,434)	587,718	Not applicable.	Not applicable.

Analysis of cash flow for the year:

1. Cash inflows from operating activities of approximately NT\$356,491 thousand: Primarily due to net cash inflows generated from operations in 2024, after the payment of income tax and dividend distribution.
2. Cash outflows from investing activities of approximately NT\$207,269 thousand: Mainly due to an increase in time deposits with original maturities exceeding three months.
3. Cash outflows from financing activities of approximately NT\$4,630 thousand: Primarily due to cash outflows for lease principal repayments.

#### 5.3.2. Liquidity analysis for the next year:

Unit: Amounts expressed in thousands of New Taiwan Dollars

Cash balance at the beginning of the period	Projected net cash inflow from operating activities for the year	Expected cash inflow for the year	Expected cash surplus (deficit)	Remedy for cash deficits	
				Investment plans	Financing plans
587,718	256,000	(213,000)	630,718	Not applicable.	Not applicable.

1. Analysis of cash flow variation for the next year:
  - (A) Operating activities: The Company expects the operating revenue and profit to grow steadily.
  - (B) Investing activities: To meet business needs, data center equipment will be procured, and software will be upgraded. If there are idle funds, they are expected to be invested in time deposits with original maturities exceeding three months.
2. Response measures and liquidity analysis on expected cash flow deficits: Not applicable.

### 5.4. Material capital expenditures in the last year and impacts on the financial position and business performance:

None.

**5.5. Investment policy in the most recent year, causes of profit or loss incurred, improvement plans, and investments planned for the next year**

The Company’s equity-method investments are made for long-term strategic purposes. In the future, the Company will continue to evaluate its equity-method investments prudently, based on the principle of long-term strategic investments.

**5.6. Risk Disclosure**

**5.6.1. Risk management policy and risk management framework:**

1. Risk management policy: All major policies, investment projects, asset acquisitions/disposals, endorsements, guarantees, third-party lending, and bank borrowing that pose business risks to the Company are subject to comprehensive assessment and analysis by responsible departments in accordance with relevant rules of the authority and the Company, and executed with board’s resolution. Each department performs its own risk management process and is responsible for conducting preliminary assessments and making reports on risk management activities and outcomes.
2. Risk management organization:
  - (1) Organizational structure:

Name of organization	Responsibilities
Senior management (Chairman, GM)	Determines risk management goals, the decision-making process, and the feedback model to ensure the effectiveness of risk management practices
CEO Office	Executes risk management goals and decisions Consolidates risk management progress across departments Assists and coordinates departments in the execution of risk management tasks.
Internal Audit	Follows the annual audit plan and conducts objective and independent audits to ensure that the current risk management system continues to be effective.
Risk management representatives of various departments and projects	Executes risk management tasks and processes of various departments Conducts preliminary assessment and makes reports on risk management activities and outcomes
All employees	Adopt risk management practices in line with the Company’s policies, and report to the line manager on any possible major risk.

- (2) Description of responsibilities
  - (A) Senior management

The Risk Management Execution Committee is the primary enforcer of risk management practices within the Company. Members of the committee include the Chairman, the GM, and department heads. Responsible for determining risk management goals, the decision-making process, and the feedback model to ensure the effectiveness of risk management practices.

(B) CEO Office

Performs secretary duties in relation to risk management. Serves as the main contact for the risk management system, executes risk management goals and decisions, consolidates risk management progress across departments, assists and coordinates departments in the execution of risk management tasks, coordinates with Internal Audit to determine key audit points for the year, and prepares risk management execution reports to ensure that the risk management system remains effective.

(C) Internal Audit

Follows the annual audit plan and conducts objective and independent audits to ensure that the current risk management system continues to be effective.

(D) Risk management representatives of various departments and projects

Department risk management representatives are appointed by the head of department. They help identify, assess, handle, and monitor risks for their respective departments. They are also responsible for conveying relevant messages to department employees and helping the head of department consolidate data and make reports to the Risk Management Execution Committee.

Project risk management representatives are assumed by the respective project controllers. They are responsible for assisting project managers with risk identification, assessment, handling, and monitoring tasks, conveying relevant messages to department members, and gathering data to be reported to the assistant manager of the Project Office.

(E) All employees

Adopt risk management practices in line with the Company's policies, and report to the line manager on any possible major risk.

### **5.6.2. Analysis of various risks**

1. Impact of interest rate, exchange rate, and inflation on the Company's earnings, and response measures:

The Company has an abundant source of capital and is not in need of financing. For this reason, interest rate changes have a limited impact on the Company. Most of the Company's foreign currency assets and liabilities are denominated in USD. Any significant change in the exchange rate may adversely affect the Company's financial position, which is why the Company pays constant attention to market changes and adjusts the level of foreign currency cash held on hand accordingly. The Company also uses currency forwards to mitigate the effect of exchange rate changes on the

Company's profits. Inflation, too, has an immaterial impact on the Company.

2. Policies on high-risk and highly leveraged investments, loans to external parties, endorsements/guarantees, and trading of derivatives; describe the main causes of any profits or losses incurred and future response measures:

The Company makes conservative use of its capital and does not engage in high-risk or highly leveraged investments. The Company has complete policies and internal procedures in place to govern external party lending, endorsements, guarantees, and derivatives trading. Derivative transactions are undertaken mainly to hedge against exchange rate risks.

3. Future research and development plans and projected expenses:

CyberLink is committed to investing in research and development to continue our leadership position in technology and continue to refine our industry-leading video editing, photo editing, and audio/video playback software to enable creators from all walks of life to express their creativity and share their creative content with ease, with the goal of becoming the strongest support for our users. The Company expects to invest about NT\$750 million in R&D in 2024.

4. Financial impacts and response measures in the event of changes in local and foreign regulations:

The Company sells its products worldwide. Any change or new implementation of tax laws in countries or regions where products are sold may have adverse impacts on the profitability of the Company.

While conducting and expanding businesses around the world, the Company and its subsidiaries pay extra attention to ensure compliance with the tax laws of all countries that it operates. The Company operates mainly in Taiwan and is therefore subject to compliance with the tax laws of The Republic of China. Any adverse change in tax laws or regulations would increase the effective tax rate and have negative impacts.

For proper management of taxation risks, the Company has been paying close attention to any policies and regulations local and abroad that are likely to affect its financial performance, so that business and financial impacts can be determined with greater certainty.

5. Financial impacts and response measures in the event of technological or industrial changes (including cybersecurity risks):

The Company sells its products on a global scale, which is why technological and industrial changes have a significant impact on the Company's financial and business performance. The Company adopts the practice of actively gathering information on technological and industrial changes, and works with leading business partners to secure technological advantage in this industry and to maximize business opportunities.

6. Crisis management, impacts, and response measures in the event of a change in the corporate image:

The Company places great emphasis on the establishment and maintenance of corporate image; not only has it created a dedicated unit for this purpose and engages actively in charity activities, the multimedia software sold by the Company poses no concern of public hazard and should not

compromise corporate image in any way. In the last year and up until the publication date of annual report, the Company encountered no occurrence that affected corporate image.

7. Expected benefits, risks and response measures of planned mergers or acquisitions

There is no such plan at the moment.

8. Expected benefits, risks and response measures associated with plant expansion:

The Company has no plant expansion plan.

9. Risks and response measures associated with concentrated sales or purchases:

Due to the characteristics of the Company's industry, its products software downloads and subscriptions and software-as-a-service (SaaS), which are marketed globally without concentration of sales, and the suppliers are highly replaceable. Therefore, the Company is not exposed to risks of purchase or sales.

10. Impacts, risks and response measures following a major transfer of shareholding by directors or shareholders with more than 10% ownership interest.

Directors, major shareholders with more than 10% ownership interest, and management of the Company have been quite stable. There was no significant transfer of shareholding by the management, directors, or shareholders with more than 10% ownership interest and neither do they have any plan to do so. For this reason, the Company considers itself to be free from this risk.

11. Impacts, risks, and response measures associated with a change of management:

Management of the Company has been quite stable. There was no significant transfer of shareholding by the management, directors, or shareholders with more than 10% ownership interest and neither do they have any plan to do so. For this reason, the Company considers itself to be free from this risk.

12. Major litigations, non-contentious cases, or administrative litigations involving the Company or any director, GM, person-in-charge or major shareholder with more than 10% ownership interest, whether concluded or pending judgment, that are likely to pose a significant impact to shareholders or security prices of the Company. Disclose the nature of the dispute, the amount involved, the date the litigation first started, the key parties involved, and progress as of the publication date of this annual report:None.

13. Other key risks and response measures:None.

## **5.7. Other material issues**

1. Recoverability assessment of accounts receivable - bad debt provisions:

Customers are generally granted a credit term of 30 days after month-end; some customers are granted 45-90 days after month-end. Accounts receivable are evaluated by taking into account all reasonable and verifiable information (including prospective information). Assets that exhibit no significant increase in credit risk

after initial recognition will have impairment provisions measured based on 12-month expected credit loss, whereas those that exhibit a significant increase in credit risk after initial recognition will have impairment provisions measured based on expected credit loss over the remaining duration.

The Company generally makes 100% loss provision on balances that are overdue for more than 180 days, unless there is objective evidence to suggest recoverability of the receivable balance, in which case impairment provisions are made based on the possibility of recovery.

2. Likelihood of inventory devaluation - allowance for inventory devaluation:

Closing inventory is stated at the lower of cost or net realizable value. The lower of cost or net realizable value is compared separately across individual inventory categories. Net realizable value refers to the estimated selling price less all additional costs required and variable marketing expenses under normal circumstances. If the net realizable value falls below book value, inventory devaluation is recognized on the difference.

Any software product that is outdated by more than two versions at period-end is outright impaired. End-of-period inventory that has not been sold for more than six months is regarded as obsolete, for which a 100% devaluation loss is provided.

3. Impairment of financial assets:

The Group assesses at each balance sheet date the loss allowance for financial assets measured at amortized cost after considering all reasonable and supportable information (including forecasts). When the credit risk has not increased significantly since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss within 12 months after the reporting date. If, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from all possible default events over the expected life. For accounts receivable and contract assets that do not include significant financing components, a loss allowance is recognized at an amount equal to expected credit loss resulting from all possible default events over the expected life.

4. Impairment of non-financial assets:

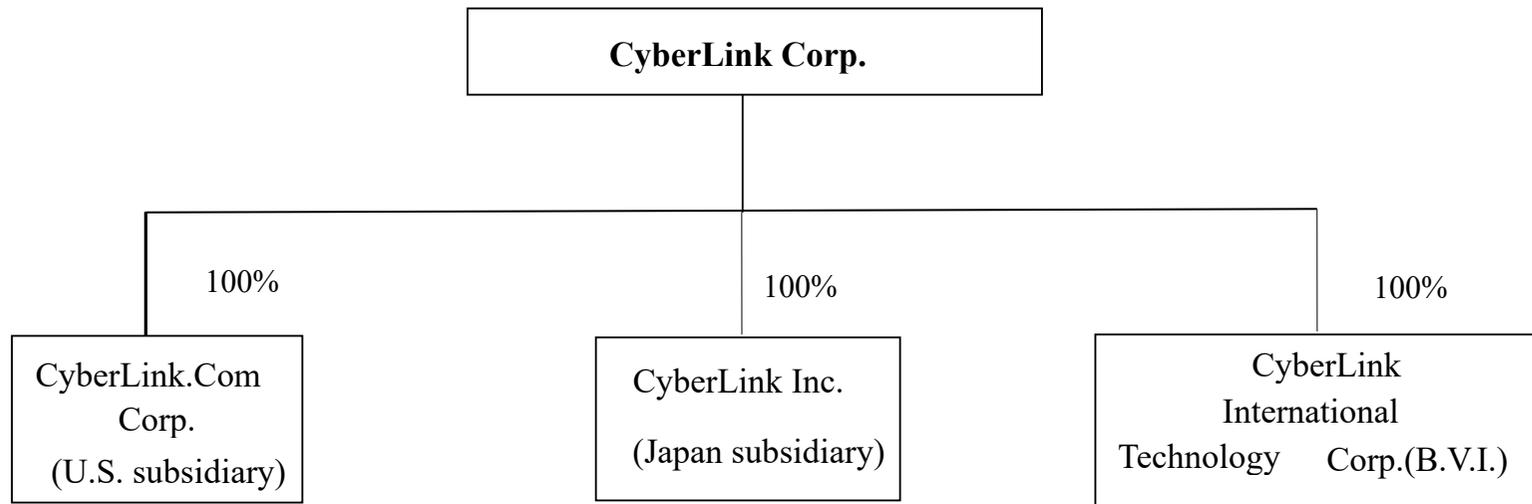
The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount refers to the higher of an asset's fair value net of disposal cost or its utilization value. Impairment losses previously recognized can be reversed if asset impairment no longer exists or has been reduced. However, the reversal of impairment loss shall not increase the asset's book value above the amount of book value after depreciation/amortization if the impairment loss had not occurred in the first place.

## 6 Special Disclosure

### 6.1. Summary of affiliated companies

#### 6.1.1. Consolidated business report

##### 1. Organization chart of affiliated enterprises



2. The entities shall be concluded as the existence of the controlling and subordinate relation, as defined in Article 369-3 of The Company Act: None.
3. Subordinate entities with the management of personnel, financial, or business operation directly or indirectly controlled by the Company, as defined in Paragraph 2, Article 369-3 of The Company Act: None.

### 6.1.2. Profile of affiliated companies

December 31, 2024

Unit: JPY thousands; USD thousands

Name of entity	Date of incorporation (acquisition)	Address	Paid-in capital	Main business activities or products
CyberLink.Com Corp.	1999.1.06	1150 South Olive Street Floor 10, Los Angeles, CA 90015, U.S.A.	USD4,000	Sale of software
CyberLink International Technology Corp	2004.4.16	Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands	USD44,000	Professional investment
CyberLink Inc.	2005.3.9	Shibadaimon 116 Bldg. 3F, 1-16-3, Shibadaimon, Minato-ku, Tokyo, JAPAN	JPY95,000	Sale of software

### 6.1.3. Common shareholders in controlling and subordinate relation companies: None.

### 6.1.4. Businesses activities covered by affiliated companies

The Company and affiliated enterprises are collectively involved in: programming and design, general investment, and general service.

### 6.1.5. Directors, supervisors, and GM of affiliated companies

December 31, 2024

Unit: shares; %

Name of entity	Position	Name or name of representative	Shareholding	
			Number of shares	Shareholding percentage
CyberLink.Com Corp.	Directors	Jau Huang	4,000,000	100.00%
CyberLink International Technology Corp.	Directors	Jau Huang	44,000,000	100.00%
CyberLink Inc.	Directors	Jau Huang	1,900	100.00%
	Directors	Alice H. Chang	1,900	100.00%
	Directors	Hilda Peng	1,900	100.00%
	Supervisor	Liang-Chu Sun	1,900	100.00%

### 6.1.6. Operational overview of affiliated enterprises

Financial position and business performance of affiliated enterprises:

December 31, 2024

Unit: USD thousands; JPY thousands

Name	Capital	Total as- sets	Total Lia- bilities	Net asset value	Net reve- nue	Operating income (loss)	Net in- come (loss)	Earnings per share (EPS)
								(in dollars)
								(after tax)
CyberLink Com Corp.	USD 4,000	USD 15,802	USD 4,567	USD 11,235	USD. 11,725	USD 112	USD 429	USD 0.11
CyberLink In- ternational Technology Corp.	USD 44,000	USD 57,100	USD 15	USD 57,085	-	USD (43)	USD (599)	USD (0.01)
CyberLink Inc.	JPY 95,000	JPY 1,200,749	JPY 118,439	JPY 1,082,310	JPY 1,067,376	JPY 37,868	JPY 25,829	JPY 13,594.21

### 6.1.7. Consolidated financial statements of affiliated companies

#### CyberLink Corp.

#### Declaration Concerning Consolidated Financial Statements of Affiliated Enterprises

Affiliated enterprises subject to the preparation of consolidated financial statements of affiliated enterprises under "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" were identical to the affiliated companies subject to the preparation of consolidated financial statements under International Financial Reporting Standards No. 10 (IFRS 10) for the FY2024 (from January 1 to December 31, 2024). All mandatory disclosures of the consolidated financial statements of affiliated enterprises have been disclosed in the consolidated financial statements. Therefore, no separate consolidated financial statements of affiliated enterprises were prepared.

This declaration is solemnly made by

Company name: CyberLink Corp.

Person-in-charge: Huang, Jau-Hsiung

February 27, 2025

### 6.1.8. Affiliation report: None.

**6.2. Private placement of securities in the last year up until the publication date of annual report; disclose the date of shareholders' or board of directors' approval, the basis and rationality for the volume and pricing, the method for choosing the designated subscribers, the reasons for private placement, any project completed with the capital proceeds received, how capital from private securities is used, and the execution progress**

None.

**6.3. Other supplementary information**

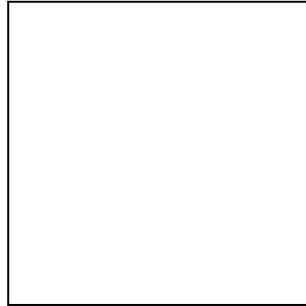
None.

**6.4. Occurrences significant to shareholders' equity or security price, as defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, in the last year up Until the publication date of annual report**

None.

# CyberLink Corp.

Company seal



Chairman: Jau Huang

