

Stock Code: 6261



2024

Annual Report

Printing Date: May 27, 2025

Website for the Annual Report: <http://mops.twse.com.tw>
Company's Website: <http://www.ytec.com.tw>

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Company's Spokesperson

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3. Stock Transfer Agency:

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

4. Latest Annual Financial Report Certified Public Accountants:

Firm Name: Deloitte & Touche

Name of Accountants: Ya-Yun Chang, Mei-Chen Tsai

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Tel: (03)666-9988

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5. Overseas Securities Listing Exchange and Information Inquiry Method: Not Applicable

6. Company's Website: <http://www.ytec.com.tw>

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Chapter 1. Letter to Shareholders

Dear Shareholders, Ladies and Gentlemen:

The year 2024 marks the 21st year since YoungTek Electronics Corp. was listed on the Taipei Exchange (TPEX). With the support and encouragement of all shareholders and the joint efforts of all employees, the consolidated and parent company only after-tax profits were NT\$488 million and NT\$522 million respectively, with an annual EPS of NT\$4.06 after tax. The key to this profitability was not only the continued benefits of self-manufactured equipment in the foundry sector and equipment sales market, but also the efforts of the professional R&D technical team and the management team's diversification strategy, which has enabled YoungTek to gradually bear fruit in related industries, becoming the main key to enhancing YoungTek's future profitability.

Looking back at 2024, in addition to actively investing in automotive and third-generation semiconductor development directions, the company also continued to work hard to expand into more overseas markets and opportunities. We hope that through diversified customer and product deployment, we can reduce the impact of geopolitics and counter economic fluctuations. In addition, facing issues such as climate change and energy conservation/carbon reduction, the company will continue to focus on green sustainability issues, actively implementing the three major ESG dimensions: corporate governance, sustainable environment development, and maintaining social welfare.

YoungTek Electronics Corp., which originated from semiconductor cutting and selection, aims to provide integrated back-end IC foundry services. The company mainly engages in foundry services such as cutting, polishing, selection, and testing of semiconductor and optoelectronic products, while also manufacturing and selling optoelectronic and semiconductor equipment. During the 33 years since the company's founding, it has upheld the "owner's management philosophy" and the belief in "treating every project as if it were for the customer." Each employee is able to treat their work as their own business to manage, maintaining a high degree of cohesion with the company, actively improving work processes in their positions to meet customer needs with low cost and high efficiency, and providing the best service quality. As a result, YoungTek Electronics has achieved outstanding performance in recent years in terms of operational growth and cost control, winning unanimous recognition from customers.

The company emphasizes work attitude: "Successful people find methods"; "Unsuccessful people find excuses." We only look for methods to succeed, not excuses for failure. Those who find methods to solve problems are definitely successful; those who make excuses and procrastinate are definitely unsuccessful. Methods are always more than problems, and success and victory always belong to those who find methods. With principles of "getting to the root of matters" and "pursuing excellence to perfection," we seek thorough understanding of any principle, find the root cause when handling issues, continuously improve, and strive for progress. Good should become better, and ultimately we can handle matters to the level of "perfection." We hope the enterprise will progress from excellence to distinction, operate sustainably, create more job opportunities, and give back to society.

In addition to foundry services, the company has always spared no effort in developing its own products. Not only does our testing technology have a high degree of autonomy and our production costs can be effectively controlled, but we also actively integrate existing technologies and resources, striving toward innovation and research and development, in order to create products with higher added value. In addition, the company has obtained multiple patents in semiconductor-related fields, especially in the research, development, and manufacturing of testing equipment. Not only does this provide the equipment needed for testing outsourcing services, thereby saving enormous production costs, but we also have a proven track record of selling self-developed equipment to related manufacturers in the semiconductor field. The full-function IC tester developed by the company has received project subsidies from the Industrial Development Bureau of the

Ministry of Economic Affairs, and has obtained affirmation and recognition from regulatory authorities and experts. It has become the industry's standard testing platform and has established an important milestone for testing solution development of SoC products, which are a focus of industrial development.

YoungTek has always adhered to a pragmatic management style and a step-by-step work attitude, continuously developing innovative and high value-added products. Through overall operational and profit growth, we seek to provide shareholders with stable returns on investment. We are pleased that YoungTek's management philosophy has gained the support and recognition of our shareholders, and we have also received affirmation and support from many customers and suppliers. Additionally, we have promoted ATE test platforms and AOI automation equipment for semiconductor, LED optoelectronic, passive components, and other related products. These efforts have gradually produced benefits, enhancing international competitiveness and creating advantages, allowing our core values to extend further and contributing to anticipated business performance improvements.

Due to the continued growth of semiconductor, optoelectronics, communications, passive components, IoT, automotive networking, and other related industries, the demand for back-end foundry services for these products continues to increase. Therefore, YoungTek Electronics continues to focus on expanding in the foundry sector and developing new products in the future market. The main directions include the following points:

1. Optical semiconductor foundry services: In addition to meeting the diversified specifications of existing PC peripherals, Logic, Mixed-signal, Non-volatile memory, MCU, USB, touch control, wireless remote control, and Analog power products foundry services, we have expanded into integrated testing and cutting inspection outsourcing services for CIS, MEMS, fingerprint recognition devices, RF communication products testing and LCD driver IC, in response to market and customer demands, to expand the scope of foundry services and increase industrial competitiveness.
2. Optoelectronic foundry services: In response to market demands, we continue to provide foundry services for optoelectronic, automotive products, optical communication products, FlipChip, RFID, passive component SMD, MiniLED, etc., delivering substantial benefits for business growth in a timely manner. We have successively obtained verification and mass production from many well-known foreign manufacturers, contributing to the company's revenue growth.
3. IC Test System and QFN Test Packaging Machine Development: successfully completed the development of a 100MHz 512/768 pins full-function IC tester for testing multimedia, Digital TV, and high-speed logic SOC products, and have introduced it into mass production. More advanced models will also be launched successively. Additionally, we have developed a QFN test packaging machine that can be applied to IC finished product testing production, featuring three-in-one functionality (testing, appearance inspection, and packaging). Moreover, newly developed products include the 100MHz upgraded to 1,536 pins full-function IC tester, RF test modules, LCDD test solutions, and higher-speed test systems, all of which enhance the competitive advantage of IC testing outsourcing services.
4. CIS, CCM, AOI, Inspection Equipment, MiniLED Backlight Equipment, etc. Development: We have successfully developed CIS (CMOS Image Sensor System) and CCM (Camera Module Test Equipment), which offer high-speed image processing and complete electrical testing solutions. The fastest test pattern generation frequency can reach 100MHz, the fastest image capture rate is 100MIPS, and the maximum image capture resolution is 16MPixels, applicable for verification and mass production testing of products with megapixel resolution and above. In response to market demand, we have further expanded the sales of AOI (Automated Optical Inspection System) six-sided inspection machines, which has immediately contributed to revenue through AOI equipment sales. The AOI equipment research and development aims to address visual blind spots in visual inspection

for semiconductor, optoelectronics, passive components, and other industries, which can significantly reduce labor costs. We have successfully combined optoelectronic technology with image analysis and automated equipment design to develop various types of appearance inspection machines, such as 2D AOI inspection machines (Auto Load/Unload) for LED and passive component heat sink substrates, mask inspection machines, solar panel dark crack detection machines, innovative silicon through-hole critical dimension measurement technology and system development, X-Ray Taping AOI, IC die bonders, IC sorters, RFID, MiniLED backlight equipment. Therefore, the outlook is optimistic.

Finally, on behalf of the management team of YoungTek Electronics Corp., we would like to express our most sincere gratitude to all shareholders. Looking forward to the new year, the company will continue to strive relentlessly, upholding our consistent philosophy of sustainable operations, striving for excellence, and fulfilling everyone's expectations for YoungTek.

Best wishes

Good health and aspirations fulfilled.

Chairman: Ping-Lung Wang



General Manager: Wei-Tang Hsiao



Accounting Supervisor: Chiao-Fen Chen



Chapter 2. Corporate Governance Report

I. Information on Directors, General Manager, Deputy General Manager, Associate Managers, and Heads of Department and Branch Organizations

(I) Directors' Information

April 29, 2025; Unit: Share ; %

Title	Nationality or Place of Registration	Name	Gender Age		Elected Date	Term	Date of First Election	Shares held at time of election		Shares currently held		Shares Currently Held by Spouse and Minor Children		Shares Held in the Name of Others		Main Experience (Academic) Background	Current Positions Held at the Company and Other Companies	Spouse or Relatives within the Second Degree of Kinship Who Are Managers, Directors or Supervisors		
								Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship
Chairman	R.O.C	Representative of IN & OUT Bio Beauty Corp.: Ping-Lung Wang	-	-	2024.06.19	3 years	2006.06.13	8,475,617	6.60%	8,475,617	6.60%	0	0%	0	0%			None	None	None
			Male	51-70				0	0%	4,796,175	3.73%	117,669	0.09%	0	0%	Department of Aviation Technology, Chiao Tung University Factory Manager of Unimicron Manager, UMC Founder, YoungTek	Chairman and General Manager, Harvatek Corporation	None	None	None
Director	R.O.C	Cheng-Kung Chang	Male	51-70	2024.06.19	3 years	1992.08.03	392,880	0.31%	372,880	0.29%	1,156	0%	0	0%	Department of Aeronautics, Cheng Kung University Deputy Manager, UMC Manager, Mosel Vitelic Inc. General Manager, YoungTek Electronics Corp.	Vice Chairman, YoungTek Electronics Corp. Corporate Director Representative, YTECH Holding (Samoa) Co., Ltd.	None	None	None
Director	R.O.C	Kuei-Piao Chen	Male	51-70	2024.06.19	3 years	2000.07.20	321,960	0.25%	321,960	0.25%	5,340	0%	0	0%	Department of Electronics, Taiwan Institute of Technology Manager, Hua Lung Microelectronics Associate Manager, Computer(FIC) General Manager, YoungTek Electronics Corp.	Vice Chairman, YoungTek Electronics Corp. Corporate Director Representative, Sissca Inc Co., Ltd	None	None	None
Director	R.O.C	Te-Chang Yao	Male	51-70	2024.06.19	3 years	2012.06.27	0	0%	0	0%	0	0%	0	0%	Master's Degree in Finance from National Taiwan University Master's degree in Electrical Engineering from University of Southern California Deputy General Manager, Sunbond Investment Consultants Co., Ltd. General Manager, Ta-Ya Venture Capital Co., Ltd.	Chairman, HUA, CHEN Investment Co., Ltd. Chairman, Yongchuang Investment Co., Ltd. Chairman, Success Innovations Management Consultants Co., Ltd. Chairman, Phoenix Innovation and Venture Capital Co., Ltd. Chairman, Phoenix II Innovation and Venture Capital Co., Ltd. Chairman, Phoenix III Innovation and Venture Capital Co., Ltd.	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age		Elected Date	Term	Date of First Election	Shares held at time of election		Shares currently held		Shares Currently Held by Spouse and Minor Children		Shares Held in the Name of Others		Main Experience (Academic) Background	Current Positions Held at the Company and Other Companies	Spouse or Relatives within the Second Degree of Kinship Who Are Managers, Directors or Supervisors		
								Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship
																	Chairman, Phoenix IV Innovation and Venture Capital Co., Ltd. Chairman, Phoenix V Innovation and Venture Capital Co., Ltd. Chairman, Phoenix VI Innovation and Venture Capital Co., Ltd. Chairman, Phoenix VIII Innovation and Venture Capital Co., Ltd. Director, ASIX Electronics Corporation Corporate Director Representative, Ledlink Optics, Inc. Director, TAITIEN ELECTRONICS CO., LTD. Director, ACTi Corporate Corporate Director Representative, Yong, De Electronics Co., Ltd. Director, SYNC-TECH SYSTEM CORP. Director, LeRain Technology Co., Ltd. Director, NCKU Venture Capital Co., Ltd. Director, GIGASTONE CORPORATION Independent Director, Jentech Precision Industrial Co., Ltd. Independent Director, Syntec Technology Co., Ltd.			
Director	R.O.C	Jung Wang	Female	31-40	2024.06.19	3 years	2024.06.19	206,695	0.16%	204,695	0.16%	0	0%	0	0%	Bachelor of Information Management and Finance, National Chiao Tung University Master of Economics, University of Southern California Manager, Huacheng Capital Co., Ltd.	Corporate Director Representative, Ledlink Optics, Inc. Corporate Director Representative, C.C.P. CONTACT PROBES CO., LTD. Supervisor, Himalaya Venture Fund Corp. Special Assistant to the Chairman, YoungTek Electronics Corp.	Corporate Director Representative	Ping-Lung Wang	Father and daughter
Director	R.O.C	Representative of IN & OUT Bio Beauty Corp.: Ming-Tsung Wang	-	-	2024.06.19	3 years	2024.06.19	8,475,617	6.60%	8,475,617	6.60%	0	0%	0	0%	-	-	None	None	None
			Male	51-70				0	0.00%	156	0.00%	0	0%	0	0%	Bachelor of Electronic Engineering, National Chiao Tung University Ph.D. in Electrical Engineering, State University of New York	-	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age		Elected Date	Term	Date of First Election	Shares held at time of election		Shares currently held		Shares Currently Held by Spouse and Minor Children		Shares Held in the Name of Others		Main Experience (Academic) Background	Current Positions Held at the Company and Other Companies	Spouse or Relatives within the Second Degree of Kinship Who Are Managers, Directors or Supervisors		
								Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship
																Deputy Manager of UMC Process Integration Development and Associate Professor at Minghsin University of Science and Technology Vice President of Macronix Electronics and Head of Communication Business Center Founder and CEO of Sentelic Semiconductor Founder and CEO of Sunplus Technology Chairman, Biolight Biotechnology Special Assistant to the Chairman, YoungTek Electronics Corp. Chief Consultant of Alfaplus semiconductor				
Independent Director	R.O.C	Meng-Hua Huang	Female	71-80	2024.06.19	3 years	2025.06.12	0	0%	0	0%	0	0%	0	0%	MBA from Tulane University in the USA Master's degree (EMBA) from National Taiwan University of Science and Technology Manager, Texas Instruments Taiwan Branch (U.S. company) Finance Director, Texas Instruments Taiwan Branch (U.S. company) Director of General Managers Office (Deputy General Manager) of Liteon Technology Corp. Senior Vice President, Lite On Technology Corp. Chief Audit Officer (Vice President), Lite-On Group Chief Legal Officer (Vice President) , Lite-On Group General Manager, Lite-On Electronics Co., Ltd. Member of Education Committee, Chinese Taipei Olympic Committee Independent Director, Audit Committee Member and Compensation Committee Member of Sino-American Silicon Products Inc. Supervisor, Prosperous Social Enterprise Co., Ltd.	Supervisor, Hereoner Optoelectronics Co., Ltd.	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age		Elected Date	Term	Date of First Election	Shares held at time of election		Shares currently held		Shares Currently Held by Spouse and Minor Children		Shares Held in the Name of Others		Main Experience (Academic) Background	Current Positions Held at the Company and Other Companies	Spouse or Relatives within the Second Degree of Kinship Who Are Managers, Directors or Supervisors		
								Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship
Independent Director	R.O.C	Chun-Ting Liu	Male	51-70	2024.06.19	3 years	2006.10.05	0	0%	0	0%	0	0%	0	0%	Ph.D. in Electrical Engineering from Princeton University, USA Master of Business Administration from Thunderbird School of Global Management, Arizona, USA Bachelor of Electrical Engineering from National Taiwan University Fellow of Chinese Society for Management of Technology Adjunct Professor at National Tsing Hua University Senior Director of TSMC Vice President at Industrial Technology Research Institute Chairman, Taiwan Japan Relations Association Vice Chairman, Monte Jade Science and Technology Association Chief Operating Officer, World Vision Taiwan Senior Advisor, Delta Electronics Senior Advisor, Everlight Chemical Industrial Corporation General Manager, Business Group at AU Optronics Fellow of Chinese Society for Management of Technology Adjunct Professor at National Tsing Hua University Department Manager at Bell Labs	Director of The Mustard Seed Mission	None	None	None
Independent Director	R.O.C	Chien-Kuo Yang	Male	51-70	2024.06.19	3 years	2024.06.19	0	0%	0	0%	0	0%	0	0%	Bachelor of International Trade, Tamkang University Practicing CPA at Ernst & Young Independent Director, Spirox Corporation Independent Director, M31 Technology Corporation Supervisor of YoungTek Electronics Corp.	Practicing CPA and Director of Diwan & Company Chairman, Diwan Financial Advisory Services Co., Ltd. Chairman, Tien Da Investment Co., Ltd. Independent Director, Leadtrend Technology Corporation Independent Director, Andes Technology Corporation Independent Director, Macronix Electronics Co., Ltd.	None	None	None

Note: The Company does not have a situation where the Chairman and the President or equivalent position (highest managerial officer) are the same person, spouses, or first-degree relatives of each other.

Table 1: Major Shareholders of Corporate Shareholders

April 29, 2025

Name of Corporate Shareholder	Major Shareholders of the Corporate Shareholder
IN & OUT Bio Beauty Corp.	Li Chi Capital Inc. (99.44%)

Table 2: Major Shareholders of the Legal Entities Listed in Table 1

April 29, 2025

Legal Entity Name	Major Shareholders of the Legal Entity
Li Chi Capital Inc.	Ping-Lung Wang (90%), Yu Wang (10%)

(II) Disclosure of Directors' Professional Qualifications and Independence

Criteria Name	Professional Qualifications and Experience	Independence Status	Number of Independent Director Positions Concurrently Held at Other Public Companies
Chairman Representative Ping-Lung Wang	Graduated from the Department of Aviation Technology, Chiao Tung University. Previously served as Manufacturing Department Manager at UMC and Factory Manager of Unimicron. Currently serving as the Chairman of the company and Harvatek. Possesses more than five years of work experience in business, finance, and company operations. Dedicated to the electronics industry for over thirty years, possessing professional leadership, operational management, and strategic planning capabilities. With keen insight into emerging technologies, leads the company to excel in its core business while continuously innovating. Does not have any of the circumstances stipulated in Article 30 of the Company Act.	<ol style="list-style-type: none"> Not a director, supervisor, or employee of another company where more than half of the company's director seats or voting shares are controlled by the same person. Not a director (board member), supervisor (inspector), or employee of another company or institution where the Chairman, General Manager, or equivalent position holder is the same person as or the spouse of the company's Chairman, General Manager, or equivalent position holder. Not a director (board member), supervisor (inspector), manager, or shareholder with 5% or more shares in a specific company or institution that has financial or business dealings with the company. Not a business owner, partner, director (board member), supervisor (inspector), manager, or spouse of such person of a sole proprietorship, partnership, company, or institution that 	0

Criteria Name	Professional Qualifications and Experience	Independence Status	Number of Independent Director Positions Concurrently Held at Other Public Companies
		<p>provides audit services to the company or its affiliates, or has received compensation for providing business, legal, financial, accounting, or related services in the past two years.</p> <p>5. Does not have a spouse or relative within the second degree of kinship relationship with other directors.</p>	
Director Cheng-Kung Chang	<p>Graduated from the Department of Aeronautics, Cheng Kung University. Previously served as Deputy Manager at UMC and Manager of Mosel Vitelic Inc. Currently serves as Vice Chairman of the company, possessing more than five years of work experience in business, finance, and company operations. Excels in leadership and business development. Successfully guided YoungTek Electronics Corp. to OTC listing during his tenure. Possesses rich experience in market competition assessment and business promotion. Does not have any of the circumstances stipulated in Article 30 of the Company Act.</p>	<p>1. Not a director, supervisor, or employee of a legal entity that directly holds more than 5% of the total issued shares of the company, is among the top five shareholders, or has appointed a representative to serve as a director or supervisor of the company pursuant to Article 27, Paragraph 1 or 2 of the Company Act.</p> <p>2. Not a director, supervisor, or employee of another company where more than half of the company's director seats or voting shares are controlled by the same person.</p> <p>3. Not a director (board member), supervisor (inspector), or employee of another company or institution where the Chairman, General Manager, or equivalent position holder is the same person as or the spouse of the company's Chairman, General Manager, or equivalent position holder.</p>	0
Director Kuei-Piao Chen	<p>Graduated from the Department of Electronics at National Taiwan University of Science and Technology, currently serving as Vice Chairman of the company, with more than five years of work experience in business, finance, and company operations as required. Dedicated to the development and innovation of self-manufactured equipment, providing professional advice on the company's product research and development innovation direction. Does not have any of the circumstances stipulated in Article 30 of the Company Act.</p>	<p>4. Not a director (board member), supervisor (inspector), manager, or shareholder with 5% or more shares in a specific company or institution that has financial or business dealings with the company.</p> <p>5. Not a business owner, partner, director (board member), supervisor (inspector), manager, or spouse of such person of a sole proprietorship, partnership, company, or institution that provides audit services to the company or its affiliates, or has received compensation for providing business, legal, financial, accounting, or related services in the past two years.</p> <p>6. Does not have a spouse or relative within the second degree of kinship relationship with other directors.</p>	0

Criteria Name	Professional Qualifications and Experience	Independence Status	Number of Independent Director Positions Concurrently Held at Other Public Companies
Director Te-Chang Yao	Graduated with a Master's degree in Finance from National Taiwan University and a Master's degree in Electrical Engineering from University of Southern California, has served as director and independent director for multiple listed companies, with more than five years of work experience in business, finance, and company operations as required. Rich management experience and financial background, capable of providing the company with professional advice in various aspects. Does not have any of the circumstances stipulated in Article 30 of the Company Act.	<ol style="list-style-type: none"> Not an employee of the company or its affiliated enterprises. Not a director or supervisor of the company or its affiliated enterprises. Neither the individual, nor their spouse, minor children, or natural person shareholders who hold more than 1% of the company's total issued shares or are among the top ten shareholders under another person's name. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of any manager listed in (1) or individuals listed in (2) or (3). 	2
Director Jung Wang	Graduated with a Bachelor's degree in Information Management and Finance from National Chiao Tung University and a Master's degree in Economics from the University of Southern California, USA. Has previously served as a director of other listed companies and possesses more than five years of work experience in commerce, finance, and company operations. Rich management experience and financial background, capable of providing the company with professional advice in various aspects. Does not have any of the circumstances stipulated in Article 30 of the Company Act.	<ol style="list-style-type: none"> Not a director, supervisor, or employee of a legal entity that directly holds more than 5% of the company's total issued shares, is among the top five shareholders, or appoints representatives to serve as company directors or supervisors pursuant to Article 27, Paragraph 1 or 2 of the Company Act. Not a director, supervisor, or employee of another company where more than half of the company's director seats or voting shares are controlled by the same person. Not a director (board member), supervisor (inspector), or employee of another company or institution where the Chairman, General Manager, or equivalent position holder is the same person as or the spouse of the company's Chairman, General Manager, or equivalent position holder. 	0
Director Ming-Tsung Wang	Graduated with a Bachelor's degree in Electronic Engineering from National Chiao Tung University and a Ph.D. in Electrical Engineering from the State University of New York, USA. Has previously served as Vice President of Macronix Electronics and possesses more than five years of work experience in commerce and company operations. Extensive knowledge and high sensitivity to the electronics industry, can provide professional advice on the company's product research and development and market development directions. Does not have any of the circumstances stipulated in Article 30 of the Company Act.	<ol style="list-style-type: none"> Not a director (board member), supervisor (inspector), manager, or shareholder with 5% or more shares in a specific company or institution that has financial or business dealings with the company. Not a business owner, partner, director (board member), supervisor (inspector), manager, or spouse of such person of a sole proprietorship, partnership, company, or institution that provides audit services to the company or its affiliates, or has 	0

Criteria Name	Professional Qualifications and Experience	Independence Status	Number of Independent Director Positions Concurrently Held at Other Public Companies
Independent Director Meng-Hua Huang	Graduated with an MBA from Tulane University in the USA. Has previously served as Finance Director of Texas Instruments Taiwan Branch (U.S. company), Senior Vice President of Lite On Technology Corp., and General Manager of Lite-On Electronics Co., Ltd. Possesses more than five years of work experience in commerce, finance, and company operations. Specializes in the fields of financial planning, accounting profession, and corporate governance, with extensive corporate management experience. Does not have any of the circumstances stipulated in Article 30 of the Company Act.	received compensation for providing business, legal, financial, accounting, or related services in the past two years. 10. Does not have a spouse or relative within the second degree of kinship relationship with other directors. 11. Not elected as a government, legal entity, or their representative pursuant to Article 27 of the Company Act.	0
Independent Director Chien-Kuo Yang	Graduated with a Bachelor's degree in International Trade from Tamkang University and passed the National CPA Examination. Has previously served as a practicing CPA at Ernst & Young. Currently serves as a practicing CPA at Diwan & Company, Chairman of Diwan Financial Advisory Services Co., Ltd., and Chairman of Tien Da Investment Co., Ltd.. Possesses a background in industrial technology and financial accounting, able to provide the company with professional advice in multiple areas. Does not have any of the circumstances stipulated in Article 30 of the Company Act.		3
Independent Director Chun-Ting Liu	Graduated with a Ph.D. in Electrical Engineering from Princeton University, USA. Has previously served as Vice President at Industrial Technology Research Institute and Senior Director of TSMC. Possesses more than five years of work experience in commerce, finance, and company operations. With extensive knowledge and high sensitivity in the electronics industry, can provide professional advice on product research and development as well as market development directions for the company. Does not have any of the circumstances stipulated in Article 30 of the Company Act.		0

(III) Diversity of Board of Directors:

According to Article 20 of the Company's "Corporate Governance Best Practice Principles," the composition of the Board of Directors should consider diversity. In addition to ensuring that directors who concurrently serve as company managers should not exceed one-third of the total number of director seats, the Company should formulate appropriate diversity policies based on its own operations, business model, and development needs. These policies should include, but not be limited to, standards in the following two major dimensions:

1. Basic Conditions and Values: gender, age, nationality, and culture, etc.
2. Professional Knowledge and Skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience, etc.

Members of the Board of Directors should generally possess the knowledge, skills, and competencies necessary to perform their duties. To achieve the ideal goals of corporate governance, the Board of Directors as a whole should possess the following capabilities:

1. Operational judgment ability.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Industry knowledge.
6. International market perspective.
7. Leadership ability.
8. Decision-making ability.

The Board of Directors of the company consists of 9 members in total, including 3 Independent Directors, representing 33% of the board. The members come from various professional fields including technology industry, manufacturing industry, finance and accounting, and academia, with age distribution ranging from 30 to 80 years old, including 2 females, representing 22% of the board. Regarding the term of the Independent Directors, one has served for more than 9 years, and two have served for more than 1 years. Their qualifications all comply with regulatory requirements. The company will continue to strive for diversity in gender, nationality, and industry representation. The implementation status is shown in the table below:

Name		Diversity Core	Nationality	Gender	Age		Independent Director's years of service			Concurrent Employee	Professional Background			Professional Knowledge and Skills						
					30 to 40 years old	30 to 40 years old	30 to 40 years old	Less than 3 years	3 to 9 years		More than 9 years	Manufacturing	Electronics and Technology	Finance and Accounting	Operational Judgment Ability	Financial and Accounting Analysis Ability	Business Management Ability	Risk Management Ability	Industry and Market Knowledge	Leadership and Decision-Making Ability
Director	Representative of IN & OUT Bio Beauty Corp.: Ping-Lung Wang	R.O.C	Male		✓							✓	✓		✓	✓	✓	✓	✓	
	Cheng-Kung Chang		Male		✓						✓	✓		✓	✓	✓	✓	✓		
	Kuei-Piao Chen		Male		✓							✓	✓		✓	✓	✓	✓		
	Te-Chang Yao		Male		✓							✓	✓	✓	✓	✓	✓	✓		
	Jung Wang		Female	✓							✓			✓	✓	✓	✓	✓		
	Representative of IN & OUT Bio Beauty Corp.: Ming-Tsung Wang		Male		✓							✓	✓		✓	✓		✓		
Independent Director	Meng-Hua Huang		Female			✓				✓			✓	✓	✓	✓	✓	✓	✓	
	Chien-Kuo Yang		Male		✓			✓					✓	✓	✓	✓	✓	✓	✓	
	Chun-Ting Liu		Male		✓				✓				✓	✓		✓	✓	✓	✓	

(IV) Specific Objectives and Achievement Status of the Board Diversity Policy:

Specific Objectives	Achievement Status
More than half of the independent directors shall not serve for more than three consecutive terms	Achieved
The Board of Directors shall include at least one female member	Achieved
Directors who concurrently serve as company employees shall not exceed one-third of the board seats	Achieved

(V) Information on General Manager, Deputy General Manager, Associate Managers, and Heads of Departments and Branch Organizations

April 29, 2025; Unit: Share; %

Title	Nationality	Name	Gender	Elected Date	Shares held		Shares Held by Spouse and Minor Children		Shares Held in the Name of Others		Main Experience (Academic) Background	Current Positions Held in Other Companies	Managers with Spousal or Second-Degree Kinship Relations		
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship
Vice Chairman	R.O.C	Cheng-Kung Chang	Male	2003.10.01	372,880	0.29%	1,156	0%	0	0%	Department of Aeronautics and Astronautics, National Cheng Kung University Deputy Manager, UMC Manager, Mosel Vitelic Inc.	Corporate Director Representative, YTECH Holding (Samoa) Co., Ltd.	None	None	None
Vice Chairman	R.O.C	Kuei-Piao Chen	Male	2004.02.18	321,960	0.25%	5,340	0%	0	0%	Department of Electronics, Taiwan Institute of Technology Manager, Hua Lung Microelectronics Associate Manager, Computer(FIC) Vice Chairman, YoungTek Electronics Corp.	Corporate Director Representative, Sissca Inc Co., Ltd	None	None	None
General Manager	R.O.C	Wei-Tang Hsiao	Male	2020.09.01	204,884	0.16%	0	0%	0	0%	Department of Electrical Engineering, Chung Hua University Hua Lung Microelectronics Test Engineer	Corporate Director Representative, CLEAR REACH Ltd. Corporate Representative, YoungTek Micro Electronics (Shenzhen) Ltd. Corporate Representative, Suzhou YoungTek Microelectronics Co., Ltd.	None	None	None

Title	Nationality	Name	Gender	Elected Date	Shares held		Shares Held by Spouse and Minor Children		Shares Held in the Name of Others		Main Experience (Academic) Background	Current Positions Held in Other Companies	Managers with Spousal or Second-Degree Kinship Relations		
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship
Deputy General Manager	R.O.C	Han-Tsung Hsiao	Male	2020.09.01	131,231	0.10%	0	0%	0	0%	Tunghai University, Department of Industrial Engineering Manager, UMC Deputy Manager, Lien Chen Electronics Supervisor, Macronix Electronics	Corporate Director Representative, YTEC (Hong Kong) Global Ltd. Corporate Representative, Yangzhou YoungTek Microelectronics Co., Ltd.	None	None	None
Financial and Accounting Supervisor and Corporate Governance Officer	R.O.C	Chiao-Fen Chen	Female	2011.01.01	20,564	0.02%	0	0%	0	0%	Institute of Management Science, National Chiao Tung University Assistant Manager, Deloitte & Touche		None	None	None

II. Remuneration of Directors, General Managers and Deputy General Managers

(I) Remuneration of Directors and Independent Directors in 2024

Unit: NT\$ thousand/share

Title	Name	Director's Remuneration								The sum of A, B, C and D, and the ratio to net income after tax		Remuneration for Concurrent Positions as Employee								The sum of A, B, C, D, E, F and G, and the ratio to net income after tax		Remuneration received from invested businesses other than subsidiaries or parent company
		Remuneration (A)		Retirement pension (B)		Director remuneration (C)		Business execution expenses (D)				Salary, bonuses and special allowances, etc. (E)		Retirement pension (F)		Employee remuneration (G)						
		The Company	All Companies Within The Financial Report	The Company	All Companies Within The Financial Report	The Company	All Companies Within The Financial Report	The Company	All Companies Within The Financial Report	The Company	All Companies Within The Financial Report	The Company	All Companies Within The Financial Report	The Company	All Companies Within The Financial Report	The Company		All Companies Within The Financial Report		The Company	All Companies Within The Financial Report	
																Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman	Representative of IN & OUT Bio Beauty Corp.: Ping-Lung Wang	0	0	0	0	3,813	3,813	0	0	3,813 0.78%	3,813 0.78%	765	765	0	0	0	0	0	0	4,578 0.94%	4,578 0.94%	None
Director	Cheng-Kung Chang																					
Director	Kuei-Piao Chen																					
Director	Te-Chang Yao																					
Director	Jung Wang																					
Director	Representative of IN & OUT Bio Beauty Corp.: Ming-Tsung Wang	0	0	0	0	1,507	1,507	0	0	1,507 0.31%	1,507 0.31%	0	0	0	0	0	0	0	0	1,507 0.31%	1,507 0.31%	None
Independent Director	Meng-Hua Huang																					
Independent Director	Chien-Kuo Yang																					
Independent Director	Chun-Ting Liu																					
1. Policy, system, standards and structure of Independent Directors' remuneration, and description of the correlation between the amount of remuneration and the factors such as responsibilities, risks, and time invested: The remuneration of the company's Independent Directors is based on Article 18 of the company's Articles of Incorporation, which authorizes the Board of Directors to determine their remuneration according to their level of participation in the company's operations and value of contribution, with reference to industry standards; remuneration is determined based on the results of director performance evaluations, which is reviewed by the Compensation Committee before being submitted to the Board of Directors for resolution and approval. 2. In addition to the disclosure in the table above, the remuneration received by the company's directors for providing services (such as serving as non-employee consultants for the parent company/all companies within the financial report/invested businesses) most recent year: None.																						

Remuneration Range Table

Unit: NT\$ thousand/share

Remuneration ranges for each director of the company	Director Name			
	Total of the first four items of remuneration (A+B+C+D)		Total of the first seven items of remuneration (A+B+C+D+E+F+G)	
	The Company	All companies in the financial report H	The Company	All companies in the financial report I
Less than NT\$1,000,000	Representatives of IN & OUT Bio Beauty Corp.: Ming-Tsung Wang, Cheng-Kung Chang, Kuei-Piao Chen, Te-Chang Yao, Jung Wang, Meng-Hua Huang, Chien-Kuo Yang, Chun-Ting Liu	Representatives of IN & OUT Bio Beauty Corp.: Ming-Tsung Wang, Cheng-Kung Chang, Kuei-Piao Chen, Te-Chang Yao, Jung Wang, Meng-Hua Huang, Chien-Kuo Yang, Chun-Ting Liu	Representatives of IN & OUT Bio Beauty Corp.: Ming-Tsung Wang, Cheng-Kung Chang, Te-Chang Yao, Jung Wang, Meng-Hua Huang, Chien-Kuo Yang, Chun-Ting Liu	Representatives of IN & OUT Bio Beauty Corp.: Ming-Tsung Wang, Cheng-Kung Chang, Te-Chang Yao, Jung Wang, Meng-Hua Huang, Chien-Kuo Yang, Chun-Ting Liu
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Representative of IN & OUT Bio Beauty Corp.: Ping-Lung Wang	Representative of IN & OUT Bio Beauty Corp.: Ping-Lung Wang	Representatives of IN & OUT Bio Beauty Corp.: Ping-Lung Wang, Kuei-Piao Chen	Representatives of IN & OUT Bio Beauty Corp.: Ping-Lung Wang, Kuei-Piao Chen
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	0	0	0	0
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	0	0	0	0
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	0	0	0	0
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	0	0	0	0
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	0	0	0	0
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	0	0	0	0
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	0	0	0	0
NT\$100,000,000 or above	0	0	0	0
Total	9	9	9	9

(II) Compensation of General Managers and Deputy General Managers for the year 2024

Title	Name	Salary (A)		Retirement pension (B)		Bonus and Special Allowances, etc. (C)		Employee Compensation Amount (D)				Total of A, B, C and D, and ratio (%) to Net Income		Remuneration received from invested businesses other than subsidiaries or parent company
		The Company	All companies within the financial report	The Company	All companies within the financial report	The Company	All companies within the financial report	The Company		All companies in the Financial Report (Note)		The Company	All companies within the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	Wei-Tang Hsiao	6,125	6,125	0	0	11,270	11,270	4,695	0	4,695	0	22,090 4.52%	22,090 4.52%	None
Deputy General Manager	Han-Tsung Hsiao													

Remuneration Range Table

Ompensation Range Paid to Each General Manager and Deputy General Manager of the Company	Names of President and Vice Presidents	
	The Company	All companies in the Financial Report E
Less than NT\$1,000,000	0	0
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	0	0
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	0	0
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	0	0
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Han-Tsung Hsiao	Han-Tsung Hsiao
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	Wei-Tang Hsiao	Wei-Tang Hsiao
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	0	0
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	0	0
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	0	0
NT\$100,000,000 or above	0	0
Total	2	2

(III) The Names of Managers and Distribution of Employee Compensation for the Year 2024

Unit: NT\$ thousand/share

	Title (Note 1)	Name (Note 1)	Stock amount	Cash amount	Total	Total amount as a percentage of net income after tax (%)
Manager	General Manager	Wei-Tang Hsiao	0	4,829	4,829	0.99%
	Deputy General Manager	Han-Tsung Hsiao				
	Financial and Accounting Supervisor and Corporate Governance Officer	Chiao-Fen Chen				

(IV) Analysis and comparison of the total remuneration paid to directors, General Managers and Deputy General Managers by the Company and all companies in the consolidated financial statements as a percentage of net income after tax in the parent company financial statements for the most recent two years, and explanation of the policies, standards and combinations for payment of remuneration, the procedures for determining remuneration, and its correlation with operating performance and future risk:

Title \ Items	The Company				All companies in the Financial Report			
	2024		2023		2024		2023	
	Total	Percentage of net income after tax (%)	Total	Percentage of net income after tax (%)	Total	Percentage of net income after tax (%)	Total	Percentage of net income after tax (%)
director	6,085	1.25%	8,557	1.63%	6,085	1.25%	8,557	1.63%
President and Vice Presidents	22,090	4.52%	21,835	4.17%	22,090	4.52%	21,835	4.17%
Net income after tax	488,312		523,953		488,312		523,953	

The remuneration paid by the company to directors is authorized by the Articles of Incorporation for the Board of Directors to determine based on their level of participation in the company's operations and value of contribution, with reference to industry standards. If there is a surplus in the annual closing, it shall be handled in accordance with Article 23 of the Articles of Incorporation, and directors' remuneration shall be distributed in cash. The remuneration for the General Managers and Deputy General Managers includes salary, bonuses, and employee compensation, which are determined based on the company's operational performance and their positions, authorized by the Chairman, and the remuneration system is reviewed from time to time according to actual operating conditions and relevant regulations, in order to balance the company's sustainable operation and risk management.

III. Corporate Governance Implementation

(I) Board of Directors' operations:

In 2024, the Board of Directors met 6 times (A), and the directors' attendance is as follows:

Title	Name	Number of Actual Attendance (B)	Number of Attendance by Proxy	Actual Attendance Rate (%) [B/A]	Remark
Chairman	Representative of IN & OUT Bio Beauty Corp.: Ping-Lung Wang	6	0	100%	Re-elected
Director	Cheng-Kung Chang	6	0	100%	Re-elected
Director	Kuei-Piao Chen	6	0	100%	Re-elected
Director	Te-Chang Yao	6	0	100%	Re-elected
Director	Jung Wang	3	0	100%	Newly appointed, should attend 3 meetings in 2024
Director	IN & OUT Bio Beauty Corp. Representative: Ming-Tsung Wang	3	0	100%	Newly appointed, should attend 3 meetings in 2024
Independent Director	Meng-Hua Huang	6	0	100%	Re-elected
Independent Director	Chun-Ting Liu	6	0	100%	Re-elected
Independent Director	Chien-Kuo Yang	3	0	100%	Newly appointed, should attend 3 meetings in 2024
Independent Director	Ya-Hsien Tsai	3	0	100%	Former appointee, should attend 3 meetings in 2024

Note: The date of directors' re-election was June 19, 2024.

Other matters to be recorded:

- If any of the following circumstances occur in the operation of the Board of Directors, the date of the board meeting, term, contents of the proposal, opinions of all independent directors, and the company's handling of the independent directors' opinions shall be specified:
 - Matters listed in Article 14-3 of the Securities and Exchange Act: Please refer to pages 67~71 for important resolutions of the Board of Directors.
 - Other than the aforementioned matters, other Board of Directors' resolutions where independent directors expressed opposing opinions or reservations that were recorded or stated in writing: None.
- Regarding the implementation of recusal by directors for proposals with conflicts of interest, the director's name, proposal content, reason for recusal due to conflict of interest, and

participation in voting should be specified: None.

3. According to the "Rules for Performance Evaluation of Board of Directors," the company conducts annual evaluations of the Board of Directors and its members, and based on the evaluation results, formulates improvement plans to strengthen the operational efficiency of the Board of Directors.

The performance evaluation of the Board of Directors for 2024 was completed in the first quarter of 2025, with the evaluation results as follows:

Evaluation period: January 1, 2024~December 31, 2024

Overall Board of Directors evaluation score: 4.77

Overall evaluation score for Board members: 4.85

Evaluation result: Relatively excellent, the directors have a certain level of recognition for the current operation of the Board of Directors.

4. The company's Board of Directors self (or peer) evaluation cycle and period, evaluation scope, methods, and evaluation content information, please see the following table:

Implementation status of Board of Directors evaluation

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	Performance evaluation from January 1 to December 31, 2024	Including the Board of Directors, individual directors, Compensation Committee, and Audit Committee	Board's internal self-evaluation and self-evaluation by individual directors	(1) Board of Directors performance evaluation, including: Participation in company operations, board decision-making quality, board composition and structure, director selection and continuing education, internal controls, etc. (2) Individual director performance evaluation, including: Understanding of company goals and mission, awareness of director responsibilities, participation in company operations, management of internal relationships and communication, director's professional expertise and continuing education, internal controls, etc. (3) Compensation Committee and Audit Committee performance evaluation, including: Participation in company operations, awareness of functional committee responsibilities, quality of functional committee decision-making, functional committee composition and member selection, internal controls, etc.

5. Goals for strengthening the functions of the Board of Directors in the current and most recent years (such as establishing an Audit Committee, enhancing information transparency, etc.) and evaluation of implementation:
- (1) The Company's self-prepared financial statements are regularly submitted to the Board of Directors and are regularly audited and certified by Deloitte & Touche. All information disclosures required by law are handled in accordance with regulations. Designated personnel are assigned to collect and disclose company information, and a spokesperson system has been established to ensure timely and appropriate disclosure of all material information.
 - (2) The Company established the Remuneration Committee on December 27, 2011, which evaluates the compensation policies and systems for the Company's directors and managers from a professional and objective position, and makes recommendations to

- the Board of Directors as a reference for their decision-making. From January 1 to December 31, 2024, the Remuneration Committee has met 3 times.
- (3) To strengthen corporate governance, the Company established the Audit Committee on August 12, 2021, which is responsible for reviewing the fair presentation of the Company's financial statements, the effectiveness of the Company's internal control system, the appointment (dismissal) and independence assessment of certified public accountants, the Company's compliance with relevant laws and regulations, and the management of existing or potential risks of the Company. The Audit Committee meets at least once per quarter and convenes meetings at any time as needed.

(II) Operation of the Audit Committee or participation of Supervisors in the Board of Directors:

1. Operation of the Audit Committee

- (1) The Company established the Audit Committee on August 12, 2021, which consists of all Independent Directors.

Professional qualifications and experience of Audit Committee members:

Title	Name	Professional qualifications and experience
Convenor	Meng-Hua Huang	Please refer to pages 14 for the Directors' professional qualifications and experience
Committee member	Chun-Ting Liu	
Committee member	Chien-Kuo Yang	

- (2) The Audit Committee held 5 meetings (A) in 2024, and the attendance of Independent Directors is as follows:

Title	Name	Number of Actual Attendance (B)	Number of Attendance by Proxy	Actual Attendance Rate (%) [B/A]	Remark
Independent Director	Meng-Hua Huang	5	0	100%	Re-elected
Independent Director	Chun-Ting Liu	5	0	100%	Re-elected
Independent Director	Chien-Kuo Yang	2	0	100%	Newly appointed, should attend 2 meetings in 2024
Independent Director	Ya-Hsien Tsai	3	0	100%	Former appointee, should attend 3 meetings in 2024

Note: The date of directors' re-election was June 19, 2024.

Other matters to be recorded:

- The Company's Audit Committee consists of all independent directors and operates in accordance with the "audit committee charter".
- Key focus of the Audit Committee in 2024: reviewing the Company's financial reports, internal control systems, audit plans and their implementation, as well as reviewing the appointment, remuneration, independence and competence of the certified public accountants, etc.

3. If any of the following circumstances occur in the operation of the Audit Committee, the date of the Audit Committee meeting, session number, resolution content, objections, reservations or major recommendations from Independent Directors, the resolution results of the Audit Committee, and the Company's response to the Audit Committee's opinions shall be specified.
 - (1) Matters listed in Article 14-5 of the Securities and Exchange Act: Please refer to pages 71~74 for important resolutions of the Audit Committee.
 - (2) Other resolutions that were not approved by the Audit Committee but were approved by more than two-thirds of all directors: None.
4. Implementation of recusal by Independent Directors for proposals with conflicts of interest, which should specify the name of the Independent Director, content of the proposal, reason for recusal due to conflict of interest, and their participation in voting: No such occurrence.
5. The performance evaluation of the Audit Committee for 2024 has been completed in the first quarter of 2025, with the assessment results as follows:
Evaluation period: January 1, 2024~December 31, 2024
Overall score of Audit Committee members: 4.98
Assessment result: Excellent.
6. Communication between Independent Directors and the Internal Audit Supervisor and CPA:
 - (1) The Company's audit supervisor personally attends the Audit Committee and Board of Directors meetings to report the implementation of internal audits to the Independent Directors. and submits audit reports and follow-up reports monthly. Independent Directors may request additional materials from the audit supervisor or convene formal meetings based on the content of these reports.
 - (2) The Company invites CPAs to attend the Audit Committee meetings or to hold separate meetings with the Independent Directors to report on the Company's financial status, audit results, key audit matters, the impact of IFRS pronouncement revisions or other regulatory changes on the Company. Both parties maintain smooth communication channels.

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

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
1. Has the Company established and disclosed its corporate governance principles based on "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has established "Corporate Governance Best Practice Principles," and all operations are conducted in accordance with these principles. To date, there have been no significant deviations.	No deviation
2. Company's Ownership Structure and Shareholders' Rights				
(1) Has the Company established and implemented internal operating procedures for handling shareholder proposals, inquiries, disputes and litigation matters?	✓		(1) The Company has appointed a spokesperson and deputy spokesperson, and has also established an investor email box to handle shareholder suggestions, disputes, and other related issues.	No deviation
(2) Does the Company maintain a list of major shareholders and their ultimate controllers who exercise effective control over the Company?	✓		(2) The Company has entrusted its stock affairs operations to a professional stock affairs agency, and has designated personnel to handle related matters. The Company maintains good relationships with major shareholders and can contact them at any time.	No deviation
(3) Has the Company established and implemented a risk	✓		(3) The Company treats all business dealings with affiliated companies as transactions with independent third parties, adhering to principles of fairness	No deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
management system and firewall mechanisms between the Company and its affiliated companies? (4) Has the Company established internal regulations prohibiting insiders from using undisclosed market information to trade securities?	✓		and reasonableness. For financial and business operations between the Company and its affiliates, the Company has established the "Procedures for Transactions with Related Parties, Specific Companies, and Group Enterprises" as regulatory guidelines, which are implemented accordingly. (4) The Company has established "Insider Trading Prevention and Management Procedures" and "Ethical Corporate Management Best Practice Principles" in accordance with regulatory requirements to maintain fairness in the securities trading market. These procedures are implemented accordingly.	No deviation
3. Composition and Responsibilities of the Board of Directors (1) Has the Board of Directors formulated a diversity policy, specific management objectives, and implemented them? (2) In addition to the statutorily required Remuneration Committee and Audit Committee, has the Company voluntarily established other types of functional committees?	✓ ✓		(1) The members of the Company's Board of Directors emphasize diversity elements and possess the professional knowledge, skills, and literacy necessary to perform their duties. (2) The Company has established the Remuneration Committee and Audit Committee as required by law. In order to actively promote and implement the principles of sustainable development, social responsibility, and ethical management, the Company has voluntarily established the Sustainability Development Committee in accordance with the Company's Corporate Social Responsibility Best Practice Principles and Ethical Corporate Management Best Practice Principles. Other types of functional committees will be evaluated for establishment based on the Company's operational status as necessary.	No deviation No deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(3) Has the Company established rules for performance evaluation of the Board of Directors and its evaluation methods, conducted performance evaluations regularly every year, submitted the evaluation results to the Board of Directors, and used them as reference for individual directors' remuneration and nomination for reappointment?	✓		(3) The Company has established "Rules for Performance Evaluation of Board of Directors and its Evaluation Methods" as required and implements them accordingly.	No deviation
(4) Does the Company regularly evaluate the independence of the CPAs?	✓		(4) The Company's Board of Directors regularly evaluates the independence and suitability of the CPAs by referring to the Audit Quality Indicators (AQIs) every year; the evaluation process and results for the year 2024 were submitted to and approved by the Board of Directors on March 12, 2025. Based on the evaluation by the Company's Board of Directors, CPA Ya-Yun Chang and CPA Mei-Chen Tsai of Deloitte & Touche both meet the Company's independence assessment criteria (see table below). The accounting firm provides a "Statement on Independence" signed by members of the audit service team each year.	No deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons		
	Yes	No	Summary			
			CPA Independence Assessment Criteria			
			Evaluation Item	Assessment Result	Whether the independence criteria is met	
			1. Whether the CPA has direct or significant indirect financial interests with the Company	No	Yes	
			2. Whether the CPA has financing or guarantee arrangements with the Company or the Company's directors	No	Yes	
			3. Whether the CPA has a close business relationship or potential employment relationship with the Company	No	Yes	
			4. Whether the CPA and their audit team members currently hold or have held within the past two years positions as directors, managers, or other positions that significantly influence the audit work in the Company	No	Yes	
			5. Whether the CPA and their audit team members hold shares in the Company	No	Yes	
			6. Whether the CPA has provided non-audit services to the Company that may directly affect the audit work	No	Yes	
			7. Whether the CPA concurrently performs regular work for the Company and receives fixed compensation	No	Yes	
			8. Whether the CPA has acted as an advocate for the Company or represented the Company in coordinating conflicts with other third parties	No	Yes	
			9. Whether the CPA has family relationships with the Company's directors, managers, or personnel who have significant influence on the audit case	No	Yes	
4. Whether the listed company has deployed qualified and	✓		The Company has appointed a corporate governance officer, and assigned Finance Department personnel to assist with corporate governance-related			No deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
appropriate number of corporate governance personnel, and designated a corporate governance officer responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with the information necessary for business execution, assisting directors and supervisors in legal compliance, legally handling Board of Directors and shareholders' meeting-related matters, preparing minutes of Board of Directors and shareholders' meetings, etc.)?			matters, provide directors and functional committees with the information necessary for business execution, draft Board of Directors and shareholders' meeting-related agendas and minutes, and handle company registration and registration changes, among other related matters.	
5. Whether the company has established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers, etc.), set up a stakeholder section on the company website, and	✓		The Company has set up a stakeholder section on the company website, providing stakeholders with communication methods and channels, handling and responding to important corporate social responsibility issues of concern to stakeholders.	No deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
appropriately responded to important corporate social responsibility issues of concern to stakeholders?				
6. Whether the company has appointed a professional shareholder services agent to handle shareholders' meeting affairs?	✓		The Company has appointed a professional shareholder services agent, "Capital Securities Corp.", to assist in handling shareholders' meetings and share-related affairs.	No deviation
7. Information Disclosure (1) Whether the company has established a website, disclosing financial, business, and corporate governance information?	✓		(1) In addition to disclosure on the Market Observation Post System, the Company has established a website to facilitate public access to the Company's financial, business, and corporate governance information.	No deviation
(2) Whether the company has adopted other means of information disclosure (such as establishing an English website, designating personnel responsible for the collection and disclosure of company information, implementing a spokesperson system, placing the proceedings of investor	✓		(2) The Company has designated personnel responsible for the collection and disclosure of company information according to their job responsibilities, and has implemented a spokesperson and deputy spokesperson system in accordance with regulations.	No deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
<p>conferences on the company website, etc.)?</p> <p>(3) Whether the company has announced and filed its annual financial reports within two months after the end of the fiscal year, and announced and filed the first, second, and third quarter financial reports and monthly operating conditions before the prescribed deadlines?</p>		✓	<p>(3) The Company currently complies with regulations by announcing and filing annual financial reports, first to third quarter financial reports, and monthly operating conditions before the prescribed deadlines, but has not yet announced and filed them ahead of schedule.</p>	Financial reports cannot be announced ahead of schedule
<p>8. Does the company have other important information that helps understand the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, training of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, purchase of liability</p>	✓		<p>(1) Employee rights: Handled in accordance with the Company's work rules.</p> <p>(2) Employee care: Handled in accordance with the Company's work rules.</p> <p>(3) Investor relations: The Company has established a spokesperson and deputy spokesperson to maintain relationships with investors.</p> <p>(4) Supplier relations: The Company has always maintained good relationships with its suppliers.</p> <p>(5) Rights of stakeholders: Stakeholders may communicate with and provide suggestions to the Company to maintain their legitimate rights and interests.</p> <p>(6) Training of directors and supervisors: The Company does not mandatorily require directors and supervisors to take professional courses, but actively encourages directors and supervisors to participate. For information on the training hours, courses, and organizing units for directors and supervisors in 2024, please refer to the table below: "2024 Managers' Participation in Corporate Governance-Related Education and Training".</p> <p>(7) Implementation of risk management policies and risk measurement standards: Not applicable.</p>	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
insurance for directors and supervisors by the company, etc.)?			(8) Implementation of customer policies: The Company signs contracts with all customers to provide them with relevant services and products. (9) Purchase of liability insurance for directors and supervisors: The Company has purchased liability insurance with coverage of USD3,000,000 for all directors and supervisors. (10) Employee code of conduct or ethics: Handled in accordance with the Company's work rules.	
9. Please explain the improvements made based on the corporate governance evaluation results released by the Taiwan Stock Exchange Corporation Governance Center in the most recent year, and provide priority items and measures for those issues that have not yet been improved. (1) Improvements that have been made are as follows: Continued enhancement of the company website - corporate governance information section. (2) Planned improvements for this year are explained as follows: The Chinese and English versions of the Sustainability Report will be announced publicly this year.				

Appendix: Managers' participation in corporate governance related education and training in 2024:

Title	Name	Training Date		Organizer	Course Title	Training Hours
		From	To			
Chairman	Representative of IN & OUT Bio Beauty Corp.: Ping-Lung Wang	August 9, 2024	August 9, 2024	Taiwan Corporate Governance Association	How the Board of Directors Can Supervise ESG Risks and Build Corporate Sustainable Competitiveness	3.0
		August 9, 2024	August 9, 2024	Taiwan Corporate Governance Association	ESG-Related Legal Issues That the Board of Directors Should Consider	3.0
Director	Cheng-Kung Chang	December 14, 2024	December 14, 2024	Accounting Research and Development Foundation	Corporate Financial Information Preparation and Internal Control Standards	3.0
		December 21, 2024	December 21, 2024	Accounting Research and Development Foundation	Effective Internal Control for Sustainability Reporting	3.0
Director	Kuei-Piao Chen	November 23, 2024	November 23, 2024	Accounting Research and Development Foundation	Effective Internal Control for Sustainability Reporting	3.0
		November 26, 2024	November 26, 2024	Accounting Research and Development Foundation	Common Deficiencies in Financial Report Reviews and Frequently Asked Questions on Acquisition/Disposal of Assets	3.0
Director	Te-Chang Yao	May 6, 2024	May 6, 2024	Securities and Futures Institute	Corporate Governance and Securities Regulations	3.0
		October 23, 2024	October 23, 2024	Importers and Exporters Association of Taipei	Understanding Global Economic Trade Situations and Industrial Development	3.0
		October 23, 2024	October 23, 2024	Importers and Exporters Association of Taipei	Understanding Gender Equality Laws from the Perspective of Directors and Supervisors	3.0
Director	Jung Wang	July 3, 2024	July 3, 2024	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6.0
Director	IN & OUT Bio Beauty Corp. Representative : Ming-Tsung Wang	July 23, 2024	July 23, 2024	Taiwan Corporate Governance Association	Development Trends of Technological Risks in the Cloud Era	3.0
		August 15, 2024	August 15, 2024	Insurance Institute of the Republic of China	Corporate Governance Seminar (2024 Sixth Session) - International Trends in Corporate Sustainability and Corporate Governance	3.0
		August 27, 2024	August 27, 2024	Taiwan Corporate Governance Association	Discussing Integrity Management and Anti-Corruption from a Sustainability Governance Perspective	3.0
		November 22, 2024	November 22, 2024	Insurance Institute of the Republic of China	Corporate Governance Seminar (2024 Fourteenth Session) - Analysis of the Principle of Fair Treatment of Customers	3.0
Independent Director	Meng-Hua Huang	November 26, 2024	November 26, 2024	Accounting Research and Development Foundation	Common Deficiencies in Financial Report Reviews and Frequently Asked Questions on Acquisition/Disposal of Assets	3.0
		November 26, 2024	November 26, 2024	Taiwan Corporate Governance Association	Analysis of Dishonest Management Responsibility and Securities Illegal Cases	3.0
Independent Director	Chien-Kuo Yang	February 27, 2024	February 27, 2024	Taiwan Institute of Directors	Global Economic Outlook	3.0
		May 9, 2024	May 9, 2024	Taiwan Corporate Governance Association	Intellectual Property Management and Corporate Governance	3.0
Independent Director	Chun-Ting Liu	May 10, 2024	May 10, 2024	Taiwan Corporate Governance Association	Introduction to Nomination and Remuneration Committees under U.S. Law: Case Analysis	3.0
		May 17, 2024	May 17, 2024	Taiwan Corporate Governance Association	Board of Directors' Information Security Governance Supervision Strategy	3.0

(IV) Remuneration Committee Operation Status:

1. The company's fifth Remuneration Committee consists of 3 members.

Title	Name	Professional qualifications and experience	Number of Independent Director Positions Concurrently Held at Other Public Companies
Convenor	Meng-Hua Huang	Please refer to pages 14 for directors' professional qualifications and experience	0
Committee member	Chun-Ting Liu		0
Committee member	Chien-Kuo Yang		0

Operation is conducted in accordance with the Company's Remuneration Committee Charter. Main responsibilities:

- (1) Establish and regularly review the performance evaluation, annual and long-term performance objectives for the company's directors and managers, as well as the policies, systems, standards, and structure of remuneration, and disclose the content of performance evaluation standards in the annual report.
- (2) Regularly assess and establish the achievement status of performance targets for the company's directors and managers, and based on the evaluation results obtained from performance assessment standards, determine the content and amount of their individual remuneration.

2. Information on the operation of the Remuneration Committee

The current committee members' term: June 19, 2024 to June 18, 2027. In the most recent year, the Remuneration Committee held 3 meetings (A). The qualifications and attendance of committee members are as follows:

Title	Name	Actual Attendance (B)	Number of Attendance by Proxy	Actual Attendance Rate (%) (B/A) (Note)	Remark
Convenor	Meng-Hua Huang	3	0	100%	-
Committee member	Chun-Ting Liu	3	0	100%	-
Committee member	Chien-Kuo Yang	1	0	100%	Newly appointed, should attend 1 meetings in 2024
Committee member	Ya-Hsien Tsai	2	0	100%	Former appointee, should attend 2 meetings in 2024
Other matters to be recorded:					
<p>1. If the Board of Directors does not adopt or modifies the recommendations of the Remuneration Committee, the date and session of the Board meeting, the content of the proposal, the resolution of the Board of Directors, and the company's handling of the Remuneration Committee's opinions should be specified (if the remuneration passed by the Board of Directors is better than the recommendation of the Remuneration Committee, the differences and reasons should be described): No such occurrence.</p> <p>2. For resolutions of the Remuneration Committee, if any member has objections or reservations and there are records or written statements, the date and session of the Remuneration Committee meeting, the content of the proposal, the opinions of all members, and the handling of such opinions should be specified: No such occurrence.</p> <p>3. The performance evaluation of the Remuneration Committee for 2024 was completed in the first quarter of 2025, and the evaluation results are as follows: Evaluation period: January 1, 2024~December 31, 2024 Overall score of Remuneration Committee members: 5.00 Assessment result: Excellent.</p>					

(V) Implementation status of sustainable development and differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons:

Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
1. Has the company established a governance structure for promoting sustainable development, set up a dedicated (or part-time) unit for promoting sustainable development that is authorized by the Board of Directors to be handled by senior management, and how does the Board supervise it?	✓		<p>In order to achieve its sustainable development goals and strengthen sustainable governance, YoungTek Electronics Corp. actively promotes and implements the spirit of sustainable operations, social responsibility, and ethical management. According to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," the company established a Sustainability Steering Committee in November 2024, comprised of individuals appointed by the Board of Directors who possess professional knowledge and capabilities in corporate sustainability, with one director appointed as chairperson. responsible for formulating the company's ESG vision and strategy, reviewing the company's sustainable development strategies, goals, and performance, and supervising the implementation status of the Sustainability Implementation Committee; the Sustainability Implementation Committee is composed of representatives from the internal management team, promoting three major areas including corporate governance (G), environment (E), and society (S), with the aim of strengthening the company's management system, committing to environmental conservation, and fulfilling social responsibilities.</p> <p>The Sustainability Implementation Committee is led by the General Manager and Deputy General Manager, who are appointed by the Chairman to serve as the ESG committee</p>	No significant deviations.

Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			chairperson and deputy chairperson, respectively. They lead department-level managers to promote sustainability activities and facilitate communication on sustainability issues across various aspects including corporate governance, environmental sustainability, friendly workplace, and social participation. The Sustainability Steering Committee holds regular quarterly meetings and reports to the Board of Directors quarterly on sustainable development promotion plans, annual goals, and implementation status. The Sustainability Implementation Committee holds regular meetings and reports regularly to the Sustainability Steering Committee. In 2024, it held a total of 4 meetings and reported to the Board of Directors quarterly, ensuring that Board members understand the company's sustainability program planning and implementation status, provide suggestions and feedback, to ensure the implementation of sustainability policies.	
2. Has the company conducted risk assessments on environmental, social, and corporate governance issues related to company operations in accordance with the materiality principle, and established relevant risk management policies or strategies?	✓		The company has established "Sustainable Development Best Practice Principles," and conducts relevant risk assessments on important issues according to the materiality principle of corporate social responsibility, and has established risk management policies or strategies. Risk assessment items cover environmental protection and ecological conservation, social issues, etc. The Sustainability Development Committee integrates assessment data from various departments to establish risk management measures for material ESG issues, reducing the	No significant deviations.

Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons						
	Yes	No	Summary							
			<p>impact of related risks. Based on the assessed risks, the following relevant management policies have been established:</p> <table> <tr> <th>Material Issues</th> <th>Risk Assessment Items</th> <th>Description</th> </tr> <tr> <td>Environment</td> <td>Environmental Impact and Management</td> <td> 1. The company effectively reduces pollution emissions and environmental impact through process management. 2. The company primarily focuses on the markets in Mainland China and Taiwan, where its production environments comply with the "ISO14001" environmental management system and continuously obtain regular certification. 3. Utilizing the TCFD framework to establish the company's climate risk identification process. Cross-departmental discussion of climate risks and opportunities. 4. Based on the international standard ISO14064-1, greenhouse gas inventory operations are conducted, with regular inventories of greenhouse gas emissions. According to the carbon inventory results, energy-saving control measures are continuously promoted, with regular reviews and tracking to enhance energy-saving performance. </td> </tr> </table>		Material Issues	Risk Assessment Items	Description	Environment	Environmental Impact and Management	1. The company effectively reduces pollution emissions and environmental impact through process management. 2. The company primarily focuses on the markets in Mainland China and Taiwan, where its production environments comply with the "ISO14001" environmental management system and continuously obtain regular certification. 3. Utilizing the TCFD framework to establish the company's climate risk identification process. Cross-departmental discussion of climate risks and opportunities. 4. Based on the international standard ISO14064-1, greenhouse gas inventory operations are conducted, with regular inventories of greenhouse gas emissions. According to the carbon inventory results, energy-saving control measures are continuously promoted, with regular reviews and tracking to enhance energy-saving performance.
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Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
				<p>5. Annual planning of internal audit programs to ensure the company's compliance with all relevant environmental regulations, and to audit various operational processes to meet requirements.</p> <p>6. Regularly evaluate whether the insurance coverage for relevant natural disasters is adequate.</p>
			Society	<p>Occupational Safety</p> <p>1. Comply with "ISO45001 Occupational Health and Safety Management System".</p> <p>2. Regular fire safety training and enhanced industrial safety education are conducted annually to develop employees' emergency response capabilities and self-safety management skills.</p> <p>3. Require thorough compliance with all work SOPs.</p>
				<p>Product Safety</p> <p>1. The company complies with all government regulations and meets EU RoHS standards. In addition to continuously monitoring external regulatory requirements for hazardous substances, the company has also obtained IECQQC080000 system certification since January 2011, establishing control operations for hazardous substance management and pollution prevention to ensure the continued provision of products that meet customer requirements.</p>

Implementation items	Implementation status				Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary		
					And in October 2016, the company passed the new version of the ISO14001:2015 Environmental Management System certification, which is considered a new benchmark for implementing the spirit of continuous improvement in ISO and advancing toward sustainable operations. At the same time, to ensure customer service quality and enhance customer satisfaction, dedicated customer service hotlines and mailboxes have been established. Annual customer satisfaction surveys are proactively conducted to strengthen cooperative relationships with customers. 2. To transfer the risk of product transportation responsibilities and reduce property loss, cargo transportation insurance has also been purchased.
			Corporate Governance	Socioeconomic and Legal Compliance	1. Review compliance with relevant operational regulations to ensure full adherence to relevant legal requirements. 2. Through regular business management meetings, necessary strategic adjustments are made in response to changes in the industry environment. 3. When necessary, the company applies for patents for its developed

Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<div>products to protect the company's interests.</div> <div>Strengthen Director Functions <ol style="list-style-type: none"> 1. Implement board diversity policies. 2. Plan relevant training courses for directors annually, providing directors with various management practices, latest regulations, system developments, and policies each year. 3. Purchase liability insurance for directors and supervisors. </div> <div>Stakeholder Communication <ol style="list-style-type: none"> 1. Each year, the company incorporates important issues concerned by key stakeholders into discussions and plans implementation programs. 2. Establish various communication channels, enhance information disclosure transparency, and actively communicate to reduce misunderstandings. Set up contact numbers with designated personnel responsible for handling and responding. </div>	
3. Environmental Issues (1) Has the company established an appropriate environmental management system according to its industry characteristics?	✓		(1) Since its establishment, the company has upheld the concepts of fulfilling corporate social responsibility and sustainable development, committed to environmental protection, occupational safety and health promotion, energy management, and greenhouse gas inventory improvement. Therefore, it has actively established and implemented related environmental, safety, and health management systems, such as ISO14001, ISO45001,	No significant deviations.

Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons										
	Yes	No	Summary											
			<p>ISO50001 & ISO14064-1; and completed TOSHMS verification in 2024 to ensure that the company's environmental management and occupational safety and health-related management activities comply with international trends and developments.</p> <p>The validity periods of the latest ISO14001, ISO45001, TOSHMS & ISO50001 certificates are as follows:</p> <table><tr><th>Certification Certificate</th><th>Certification Validity Period</th></tr><tr><td>ISO14001</td><td>2024/11/25~2027/11/24</td></tr><tr><td>ISO45001</td><td>2025/01/18~2028/01/17</td></tr><tr><td>TOSHMS</td><td>2024/10/25~2027/10/24</td></tr><tr><td>ISO50001</td><td>2023/01/19~2026/01/18</td></tr></table> <p>The operation of the company's environmental safety and health management system follows the environmental safety and health policy issued by the management representative or General Manager, and plans environmental safety and health management promotion work according to the existing organizational structure. Each year, based on the corporate social responsibility material issue screening procedure and results, the significant risk impact directions related to environmental safety and health issues are determined. After the management representative or General Manager approves the annual strategic objectives for relevant environmental safety and health issues, each department formulates concrete and feasible work objectives based on their risk and opportunity assessment results, implements them, and tracks progress. Through annual internal environmental</p>	Certification Certificate	Certification Validity Period	ISO14001	2024/11/25~2027/11/24	ISO45001	2025/01/18~2028/01/17	TOSHMS	2024/10/25~2027/10/24	ISO50001	2023/01/19~2026/01/18	
Certification Certificate	Certification Validity Period													
ISO14001	2024/11/25~2027/11/24													
ISO45001	2025/01/18~2028/01/17													
TOSHMS	2024/10/25~2027/10/24													
ISO50001	2023/01/19~2026/01/18													

Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(2) Has the company dedicated efforts to improve energy efficiency and the use of renewable materials with low environmental impact?	✓		<p>safety and health audits, the overall system operation status is inspected and corrected, and the audit results and system implementation effectiveness are reported to the Environmental Safety and Health Management Committee for review, joint discussion and revision, to achieve the purpose of continuous improvement.</p> <p>(2) In response to the issues of climate change mitigation and adaptation and sustainable resource use, implementing energy conservation and carbon reduction, and promoting resource utilization are important environmental concepts and guidelines in the company's environmental safety and health policy; we review environmental safety and health management objectives annually to reduce pollution and energy consumption while enhancing corporate social responsibility.</p>	No significant deviations.
(3) Has the company assessed the potential risks and opportunities of climate change on the business now and in the future, and taken corresponding response measures?	✓		<p>(3) Due to the long-term neglect of global warming, energy crises, ozone depletion, and other international environmental issues by countries worldwide, climate change has become increasingly serious. As a result, international environmental protection treaties and domestic legal requirements are becoming more stringent, and reducing greenhouse gas emissions has become the primary task of climate change management. In addition to complying with relevant government environmental regulations and obtaining various environmental management system certifications, YoungTek Electronics Corp. responds to global climate change and the</p>	No significant deviations.

Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>characteristics of its industry chain by reviewing its overall operational processes, conducting greenhouse gas self-inventory and reduction, resource inventory management, waste reduction and recycling, and implementing various environmental sustainability review and improvement measures to achieve environmental sustainability goals. In 2022, we initially implemented international management systems such as ISO50001 & ISO14064-1 to evaluate the potential risks and opportunities that climate change poses to the company now and in the future, while simultaneously considering relevant regulations from environmental regulatory authorities and the requirements of stakeholders.</p> <p>Purchased electricity is the company's main source of greenhouse gas emissions; the most effective way to save energy and reduce electricity consumption is to implement energy-saving projects. In addition to adopting administrative management measures to reduce electricity usage, it is also necessary to conduct energy consumption inventory and improvement benefit assessments for overall power equipment such as air conditioning systems, and subsequently implement various energy-saving projects to effectively reduce electricity usage and achieve the goal of greenhouse gas reduction. Each plant continues to implement energy-saving projects. For detailed information, please refer to the company's website -</p>	

Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons																															
	Yes	No	Summary																																
(4) Has the company compiled statistics on greenhouse gas emissions, water consumption, and total waste weight for the past two years, and established policies for greenhouse gas reduction, water conservation, or other waste management?	✓		<p>Environmental Protection section: https://www.ytec.com.tw/csr/environment</p> <p>(4) The company's Taiwan plants have completed the ISO14064-1 inventory, and the inventory results for the past two years are as follows:</p> <table><tr><th rowspan="2">Inventory year</th><th colspan="4">Greenhouse gas emission equivalent (tons CO2e/year)</th></tr><tr><th>Scope 1</th><th>Scope 2</th><th>Scope 3</th><th>Total</th></tr><tr><td>2023</td><td>184.3590</td><td>20,801.5164</td><td>81,126.7432</td><td>102,112.619</td></tr><tr><td>2024</td><td>196.5393</td><td>21177.0305</td><td>211,319.7300</td><td>232693.300</td></tr></table> <p>The company changed the base year for inventory in 2023, adding the top ten customers by revenue and employee commuting to the Scope 3.1, 3.2, and 4.1 inventory content. Therefore, the total carbon emissions for Taiwan plants in 2023 was 102,112.619 tons CO2e; the total carbon emissions for Taiwan plants in 2024 was 233,586.845 tons CO2e.</p> <table><tr><th>Inventory year</th><th>Equivalent water usage (kiloliter)</th><th>Total equivalent weight of hazardous waste (tons)</th><th>Total equivalent weight of non-hazardous waste (tons)</th></tr><tr><td>2023</td><td>193,410</td><td>0</td><td>98</td></tr><tr><td>2024</td><td>204,448</td><td>0</td><td>118</td></tr></table> <p>➤ Greenhouse gas emissions YoungTek Electronics' greenhouse gas emission sources can be divided into three parts: Scope 1 refers to YoungTek Electronics' direct emission sources, including generator fuel, company vehicle fuel, refrigerants, and fire extinguisher fugitive emissions; Scope 2 mainly comes</p>	Inventory year	Greenhouse gas emission equivalent (tons CO2e/year)				Scope 1	Scope 2	Scope 3	Total	2023	184.3590	20,801.5164	81,126.7432	102,112.619	2024	196.5393	21177.0305	211,319.7300	232693.300	Inventory year	Equivalent water usage (kiloliter)	Total equivalent weight of hazardous waste (tons)	Total equivalent weight of non-hazardous waste (tons)	2023	193,410	0	98	2024	204,448	0	118	No significant deviations.
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Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>from purchased electricity, which accounted for 9.10% of YoungTek Electronics Taiwan plants' carbon emissions in 2024; Scope 3 mainly comes from indirect emissions such as raw materials and waste transportation.</p> <p>➤ Water resources Water resource management is also one of the important keys to corporate and environmental sustainable development. In recent years, the rapid changes in the water environment brought about by extreme climate change have greatly affected both corporate and domestic water use. YoungTek Electronics has implemented various policies to utilize and cherish every drop of water resources. Even though the total water consumption of Taiwan plants is not high and has little impact on existing water sources, YoungTek Electronics has always been working toward the direction of "reduction, recycling, and reuse," and continues to promote various water conservation measures.</p> <p>YoungTek continuously improves the waste water recycling treatment guidelines for plant manufacturing processes, using UF (Ultra Filtration) machines to filter out non-dissolved solids from silicon-containing sludge produced by cutting and grinding procedures through hollow fiber filtration membranes, in order to recycle and reuse the waste water from the plant's cutting and grinding processes. In recent years, YoungTek has consistently maintained a wastewater recycling rate of over 85%.</p>	

Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>➤ Waste To move towards environmental protection of the Earth, YoungTek Electronics emphasizes the environmental impact of materials used in its own products and equipment. For the outsourcing service part, we focus on protecting customers' green products and providing green manufacturing processes to avoid product contamination. YoungTek has established the IECQQC080000 system under the existing quality management system, with the management regulations for restricted substances in green products (YT03-QA-016) as the main document. Starting from customer or external requirements, we implement planning for green product design, green process control, and green procurement, allowing YoungTek to provide appropriate protection for customers and the environment.</p> <p>➤ Energy and Carbon Reduction Policy</p> <ol style="list-style-type: none"> 1. With the "owner's management philosophy," we create an excellent working environment. 2. Comply with energy regulations to reduce pollution and greenhouse gas emissions. 3. Use green materials and energy-saving products to provide green products and low-carbon services. 4. Continuously improve energy efficiency and provide necessary resources to achieve energy goals. 	

Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons												
	Yes	No	Summary													
			<div>5. Enhance employees' knowledge of environmental safety, health, and green environmental protection, with the goal of zero pollution and zero accidents.</div> <div>6. Continuously maintain employee health and improve the working environment, implementing environmental safety, health, and energy management systems.</div> <table><tr><th>Energy-saving projects</th><th>Energy-saving results</th><th>Energy-saving measures</th></tr><tr><td>Cooling tower heat dissipation efficiency improvement</td><td><div>1. Saved 259,000 kWh of electricity/year</div><div>2. Carbon reduction of 130,000t/ CO₂e</div></td><td><div>1. Replacement of old and damaged fins</div><div>2. Improve heat dissipation efficiency</div></td></tr><tr><td>Chiller performance improvement</td><td><div>1. Saved 149,997 kWh of electricity/year</div><div>2. Carbon reduction of 76,348t/ CO₂e</div></td><td><div>1. Replacement of new energy-efficient chiller</div><div>2. Improved efficiency by 43.2% in coordination with Industrial Technology Research Institute's clean energy project</div></td></tr><tr><td>Installation of variable frequency air compressor</td><td><div>1. Saved 92,242 kWh of electricity/year</div><div>2. Carbon reduction of 46951, t/ CO₂e</div></td><td>Replaced old air compressors with variable frequency air compressors</td></tr></table> <div>Company website - Environmental Protection Section: https://www.ytec.com.tw/csr/environment</div>	Energy-saving projects	Energy-saving results	Energy-saving measures	Cooling tower heat dissipation efficiency improvement	<div>1. Saved 259,000 kWh of electricity/year</div> <div>2. Carbon reduction of 130,000t/ CO₂e</div>	<div>1. Replacement of old and damaged fins</div> <div>2. Improve heat dissipation efficiency</div>	Chiller performance improvement	<div>1. Saved 149,997 kWh of electricity/year</div> <div>2. Carbon reduction of 76,348t/ CO₂e</div>	<div>1. Replacement of new energy-efficient chiller</div> <div>2. Improved efficiency by 43.2% in coordination with Industrial Technology Research Institute's clean energy project</div>	Installation of variable frequency air compressor	<div>1. Saved 92,242 kWh of electricity/year</div> <div>2. Carbon reduction of 46951, t/ CO₂e</div>	Replaced old air compressors with variable frequency air compressors	
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Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons												
	Yes	No	Summary													
			<div>Goals for 2025</div> <table><thead><tr><th>Energy-saving projects</th><th>Energy-saving results</th><th>Energy-saving measures</th></tr></thead><tbody><tr><td>ROR water recycling rate improvement project</td><td>1. Monthly water usage reduction of 1,500 tons 2. Recycled water introduced to cooling towers and toilets, reaching 30%</td><td>1. ROR recycled water introduced to collection tanks 2. Recycled water introduced for use in toilets and cooling towers</td></tr><tr><td>Air compressor replacement project</td><td>Improve overall air compressor efficiency by 3-5%</td><td>Replace old air compressor equipment with new energy-efficient air compressors</td></tr><tr><td>LED lighting fixture replacement</td><td>Lighting fixture replacement project to achieve energy-saving effects</td><td>1. Purchase energy-efficient lighting fixtures 2. Replace one T8 fluorescent tube (36W) with one LED tube (13W)</td></tr></tbody></table>	Energy-saving projects	Energy-saving results	Energy-saving measures	ROR water recycling rate improvement project	1. Monthly water usage reduction of 1,500 tons 2. Recycled water introduced to cooling towers and toilets, reaching 30%	1. ROR recycled water introduced to collection tanks 2. Recycled water introduced for use in toilets and cooling towers	Air compressor replacement project	Improve overall air compressor efficiency by 3-5%	Replace old air compressor equipment with new energy-efficient air compressors	LED lighting fixture replacement	Lighting fixture replacement project to achieve energy-saving effects	1. Purchase energy-efficient lighting fixtures 2. Replace one T8 fluorescent tube (36W) with one LED tube (13W)	
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4. Social Issues (1) Has the company established relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?	✓		(1) The company abides by relevant labor laws and respects internationally recognized basic labor rights principles. We have established "RBA Policy", "Human Rights Commitment and Code of Ethics", "Principles for Managing Anti-Disciplinary Measures, Slave Labor, Forced Labor, Prison Labor, and Human Trafficking" and "Principles for Managing Anti-Discrimination and Anti Harassment". Relevant regulations on employee	No significant deviations.												

Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(2) Has the company established and implemented reasonable employee welfare measures (including compensation, leave, and other benefits), and appropriately reflected operational performance or results in employee compensation?	✓		<p>appointment and dismissal, compensation, and codes of conduct have been formulated. In accordance with the company's internal control management regulations, we fully protect employees' rights, conduct regular reviews, and implement continuous improvements. Furthermore, we also require that the business activities of our suppliers and partners ensure they do not violate basic human rights, and that everyone receives fair and dignified treatment. In 2024, there were no major complaint incidents.</p> <p>(2) The company has established an employee handbook, salary management regulations, performance management regulations, position management regulations, and overtime management principles. Every year, we consider industry salary levels and prices, and adjust salaries according to performance. In addition, based on the company's operational performance and individual performance, we provide employee compensation and training development, and allocate bonuses according to profitability, with profit-sharing bonuses distributed quarterly and in the following year.</p> <p>The company allocates 0.1% of monthly revenue and 40% of scrap sales income to the Employee Welfare Committee, which serves as the funding for the Employee Welfare Committee. The Employee Welfare Committee, in addition to regularly distributing birthday and holiday vouchers, also subsidizes the establishment of clubs such as badminton club, board game club, pop music club, and</p>	No significant deviations.

Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(3) Has the company provided a safe and healthy work environment, and regularly implemented safety and health education for employees?	✓		<p>swimming club. The company provides annual funding to encourage club participation and organizes various activities such as employee trips and evening parties.</p> <p>(3) The company conducts annual employee health examinations and various health promotion activities, providing individual care and health education information for employees with physical abnormalities and pregnant employees.</p> <p>The company has established Workplace Sexual Harassment Prevention, Appeal, and Disciplinary Measures, and Prevention Plan for Illegal Infringement during Job Duties to prevent all employees from suffering physical or mental harm from others while performing their duties in the workplace. These measures properly prevent and address workplace violence incidents, ensuring employees' physical and mental health.</p> <p>The company has established the "Labor Maternity Health Protection Implementation Measures" to provide a safe, hygienic, healthy, and friendly workplace environment for employees before and after pregnancy and during breastfeeding, to ensure the physical and mental health of female employees during pregnancy, after childbirth, and while breastfeeding, in order to achieve maternity health protection for female workers.</p> <p>The company's office environment and all hardware and software facilities are designed with employee safety as the first consideration, ensuring that employees receive</p>	No significant deviations.

Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(4) Has the company established effective career development and training programs for employees?	✓		<p>maximum protection while working. The company has installed card access systems and surveillance cameras at all entrance and exit points on each floor, and security personnel guard the main building entrance 24 hours a day to ensure employee safety.</p> <p>The company performs regular maintenance or repairs on all mechanical, electrical, and fire safety equipment (such as fire alarms or fire extinguishers) according to their specified schedules to ensure they are in optimal working condition at all times. The company has also established emergency response procedure management to reduce potential injuries caused by accidents that might occur within the company.</p> <p>The company had no fire incidents in 2024, and in accordance with the law, implements fire evacuation drills and occupational safety and health training lectures for all employees annually, promoting safety knowledge to safeguard employee safety.</p> <p>(4) The company has established an education and training system for all levels and positions, and each year, based on employee needs, conducts annual training planning and implementation, including new employee training (pre-employment training) and on-the-job training (skill upgrading and reinforcement training).</p> <p>A. New Employee Training: To help new employees quickly understand the company and the knowledge required for their work, the training unit arranges</p>	No significant deviations.

Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(5) Regarding issues of customer health and safety, customer privacy, marketing and labeling of products and services, has the company followed relevant regulations and international standards, and established relevant policies and grievance procedures to protect consumer or customer rights?	✓		<p>common educational training on company organization, policies, management philosophy, company products, quality policies, environmental considerations, as well as labor safety and health education, and fire safety awareness training. Each department also conducts pre-employment training according to job requirements.</p> <p>B. On-the-job Training: Direct supervisors provide timely guidance and instruction to their subordinates in the workplace. Additionally, all employees are arranged for internal and external training according to their job requirements. The company also periodically holds management courses, professional courses, and general education course seminars, and provides subsidies for colleagues' foreign language studies to enhance employees' comprehensive knowledge and work capabilities.</p> <p>(5) The company complies with relevant intellectual property regulations and international standards regarding customer health and safety, customer privacy, marketing, and labeling of products and services. The company also values customer feedback, has established a customer service contact point to promptly address customer opinions, and periodically conducts customer satisfaction surveys to ensure optimal service performance and protect customer interests.</p>	No significant deviations.
















Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(6) Has the company established supplier management policies, requiring suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights, and what is the implementation status?	✓		(6) The company has established a "Supplier Management Procedure," through which a cross-departmental supply chain management team regularly conducts supplier audits. Factors such as supplier quality, price cost, service level, environmental protection, work safety and health, technology, and labor human rights are incorporated into the evaluation items. In addition to ensuring quality standards, the company provides necessary guidance when appropriate, maintaining YoungTek's supply chain at its optimal competitiveness. Suppliers are required to sign the "Responsible Business Alliance Code of Conduct." To ensure sustainable management performance of suppliers, they are required to use environmentally friendly materials, their manufacturing processes must comply with ISO14001 and local environmental regulations, and they must adhere to sustainable development standards.	No significant deviations.
5. Does the company prepare sustainability reports or other reports disclosing non-financial information with reference to internationally accepted reporting standards or guidelines? Has the aforementioned report obtained assurance or certification opinion from a third-party verification organization?		✓	The company did not prepare a sustainability report for the year 2024, but has established "Corporate Social Responsibility Best Practice Principles" and disclosed corporate social responsibility-related issues on its website. The company will begin preparing a sustainability report in 2025 and plans to obtain assurance from a third-party verification organization.	No significant deviations.
6. If the company has established its own corporate social responsibility guidelines in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe any differences between its implementation and the established guidelines: The company has established "Sustainable Development Best Practice Principles," and there are no significant differences between its implementation and the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.				

Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
7. Other important information that helps to understand the implementation of sustainable development:				
(1) The company complies with and respects relevant labor regulations and internationally recognized basic labor rights principles to fully protect the legitimate rights and interests of employees, ensuring that labor, health and safety, environment, and ethical performance are all thoroughly and effectively managed and continuously improved. This year, the company was further awarded the Excellence Award for Outstanding Manufacturers Promoting Workplace Equality by the Hsinchu Science Park, Ministry of Science and Technology.				
(2) The company continues to give back to society by visiting Guanpu Elementary School to provide environmental and health education, using learning through play to guide students in understanding the importance of environment and hygiene.				
(3) The company's facilities include a breastfeeding room which has consecutively received the Excellence Certification for Breastfeeding Rooms from the Hsinchu City Government.				
(4) The company pays attention to vulnerable groups around the world, sponsoring Chung Hua University's International Volunteer Society to go to Nepal to help local children improve their living and educational environments.				
(5) Continuing to engage in charitable activities, in 2024 the company organized donation for used clothes, shoes, bags, and a Christmas Warmth program to fulfill long-term dreams, aiming to help more disadvantaged groups.				
(6) The company spares no effort on environmental issues. In 2024, the company organized a beach cleaning activity with 36 participants (21 employees and 15 family members), contributing 72 hours of community service and removing 226 kilograms of beach waste to protect the marine environment.				
(7) The company has established a dedicated Occupational Safety and Health Management Unit, and has obtained ISO14001, ISO45001, IECQQC080000, and ISO50001 certifications, as well as completed greenhouse gas inventory and verification ahead of schedule. Environmental, safety, health, and energy reduction policies include: (a) Creating a high-quality work environment based on the "owner's management philosophy"; (b) Complying with energy regulations to reduce pollution and greenhouse gas emissions; (c) Using green materials and energy-efficient products to provide green products and low-carbon services; (d) Continuously improving energy efficiency and providing necessary resources to achieve energy goals; (e) Enhancing employees' knowledge of environmental safety, health, and green environmental protection, with the goal of zero pollution and zero accidents; (f) Continuously maintaining employee health and improving the work environment, implementing environmental safety, health, and energy management systems.				
(8) Participating in industry-academia collaboration/internship programs, the company has hired several university interns to help them gain early workplace experience and enhance their employment competitiveness. The company hopes to collaborate with academia by providing				

Implementation items	Implementation status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons	
	Yes	No	Summary		
industry resources, allowing close cooperation between industry practical experience and academic research capabilities, creating a win-win situation for businesses, schools, and students.					
(9) To fulfill corporate social responsibility, the company invited employees and their family members to participate in charitable activities. In 2024, they participated in the Syinlu Foundation's "Good Day Walk" charity event, Jen-Ai Foundation charity sales booth activities, "Mid-Autumn Festival Warmth" corporate volunteer program, and Hsinchu City Zoo's Mid-Autumn Festival ESG activities. A total of 77 participants (49 employees + 28 family members) contributed a cumulative 176 hours of community service.					
(10) The list of current certifications is as follows:					
System	Certificate Registration No.	Certification Body	Valid period	Scope	Remark
ISO9001:2015	44100112018	TUVNORD	2023/01/11-2026/01/10	Design and Manufacturing of Semiconductor Equipment and Automatic Equipment Wafer Sorting, Grinding, Sawing, IC and Module Testing, and Turn-key Services Substrate Sawing Services LED Sorting, AOI and RFID Sorting Services IC Testing Services	-
ISO14001:2015	44104102115	TUVNORD	2024/11/25-2027/11/24	Design and Manufacturing of Semiconductor Equipment and Automatic Equipment Wafer Sorting, Grinding, Sawing, IC and Module Testing, and Turn-key Services LED Sorting, AOI and Sorting Services RFID Assembly Services IC Testing Services	-
ISO45001:2018	66108241734	TUVNORD	2025/01/18-2028/01/17	Design and Manufacturing of Semiconductor Equipment and Automatic Equipment Wafer Sorting, Grinding, Sawing, IC and Module Testing, and Turn-key Services LED Sorting, AOI and Sorting Services RFID Assembly Services IC Testing Services	-
ISO 50001:2018	44764222173	TUVNORD	2023/01/19~2026/01/18	Design and Manufacturing of Semiconductor Equipment and Automatic Optical Inspection Equipment	-

Implementation items				Implementation status		Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
				Yes	No	
						Summary
						Wafer Sorting, Grinding, Sawing, IC testing, Turn-key Services and SLT testing, LED testing, AOI and Sorting services, RFID testing, IC Testing, Substrate Sawing Services
IATF 16949:2016	44111087141 IATFReg.No:0483730	TUVNORD	2023/09/23~2026/9/22			Wafer Grinding and Sawing of Semiconductors
ISO26262:2018	ZP/C003/23	DEKRA	2022/10/11~2026/1/18			IC Testing Services
IECQ QC080000:2017	TW-HSPM-1445 IECQCert:IECQ-HTUVNTW11.0002	TUVNORD	2023/01/24-2026/01/23			Design and Manufacturing of Semiconductor Equipment Wafer Sorting, Grinding, Sawing, IC and Module Testing, and Turn-key Services Substrate Sawing Services LED Sorting and AOI Service Design and Manufacturing of RFID IC Testing Services
ANSI ESD20.20	TW22/10046	SGS	2025/1/31~2026/01/30			Wafer Sorting, Grinding, Sawing, IC and Module Testing, and Turn-key Services

Implementation of Climate-related Information

Items	Implementation status																																												
1. Describe the supervision and governance of the Board of Directors and management regarding climate-related risks and opportunities.	1-1. In order to actively promote the implementation of sustainable development, social responsibility, and ethical management, in accordance with the Company's Corporate Social Responsibility Best Practice Principles and Ethical Corporate Management Best Practice Principles, a Sustainability Development Committee has been established. The Chairman appoints the General Manager to serve as the committee chair and the Deputy General Manager to serve as the deputy chair. The head of the Resource Services Office serves as the secretary-general, with department-level and above managers from Finance and Accounting, Environmental Safety, and Human Resources departments serving as committee members. 1-2. The committee holds quarterly meetings to review the operation and implementation of sustainability development, corporate social responsibility, and climate change issues, and reports important information and implementation status to the Board of Directors quarterly, including energy-saving and carbon reduction implementation results, greenhouse gas emission management, climate impact assessment, and progress towards sustainability goals.																																												
2. Describe how the identified climate risks and opportunities affect the company's business, strategy, and finances (short-term, medium-term, long-term).	2-1. In the short term, climate-related opportunities and risks do not have particularly significant impacts on the industry in which the company operates, but in the long term, the impact of climate-related issues is expected to gradually increase. 2-2. In the medium term, the company has established relevant management procedures to regularly assess operational, financial, management, environmental, and climate-related opportunities and risks. 2-3. For the long-term impact of climate-related issues, in addition to strengthening various climate resilience measures, the company will design future new factory buildings toward green building standards and reduced resource consumption. The buildings themselves will also have elevated and enlarged water storage facilities to withstand natural disasters such as floods and droughts.																																												
3. Describe the financial impact of extreme climate events and transition actions.	3 <div><div>Climate Change Risks and Opportunities</div><table><tr><th></th><th>Climate risk</th><th>Potential financial impact</th><th>Climate opportunity</th><th>Potential financial impact</th><th>Countermeasures</th></tr><tr><td rowspan="3">Transition risks</td><td>Total greenhouse gas control and carbon trading system</td><td>Production capacity expansion is limited, operating costs are increasing</td><td>Participate in renewable energy projects and carbon trading markets</td><td>Construction of energy storage facilities and purchase of green electricity</td><td>Set carbon reduction targets, committing to zero greenhouse gas emissions from operations by 2040. Actively building energy storage and negotiating green electricity purchases.</td></tr><tr><td>Not aware transition costs increase</td><td>Installation of energy-saving and carbon reducing equipment, increase in production costs</td><td>Obtain national awards and cooperation opportunities</td><td>Purchase or accumulate carbon credits to meet future needs</td><td>Conduct long-term planning for carbon credit purchases</td></tr><tr><td>The water and electricity supply is unstable.</td><td>Production affected, production costs increased</td><td>Improve water resource usage efficiency and recycle production wastewater</td><td>Strengthen climate impact response and reduce the effects of disasters on production</td><td>Continue to promote water conservation measures. Continue to use reclaimed water</td></tr><tr><td rowspan="3">Physical risks</td><td>Corporate image impact</td><td>Production is affected, revenue declines, unable to meet stakeholders' expectations</td><td>Enhance stakeholders' willingness to support</td><td>Stabilize stock market values and reduce significant fluctuations</td><td>Gradually increase the use of electricity generation, enhance corporate image</td></tr><tr><td>Typhoon, flood</td><td>Production was affected, leading to a decline in revenue</td><td>Enhance disaster resilience</td><td>Strengthen climate resilience, reduce the chances of production interruptions</td><td>Estimate disaster response plans and increase production water storage capacity</td></tr><tr><td>Drought</td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>Temperature rises</td><td>Increase in electricity usage and carbon emissions</td><td>Transformation to green production</td><td>Save electricity, reduce costs</td><td>Implement various energy-saving projects</td></tr></table></div>		 Climate risk	 Potential financial impact	 Climate opportunity	 Potential financial impact	 Countermeasures	Transition risks	Total greenhouse gas control and carbon trading system	Production capacity expansion is limited, operating costs are increasing	Participate in renewable energy projects and carbon trading markets	Construction of energy storage facilities and purchase of green electricity	Set carbon reduction targets, committing to zero greenhouse gas emissions from operations by 2040. Actively building energy storage and negotiating green electricity purchases.	Not aware transition costs increase	Installation of energy-saving and carbon reducing equipment, increase in production costs	Obtain national awards and cooperation opportunities	Purchase or accumulate carbon credits to meet future needs	Conduct long-term planning for carbon credit purchases	The water and electricity supply is unstable.	Production affected, production costs increased	Improve water resource usage efficiency and recycle production wastewater	Strengthen climate impact response and reduce the effects of disasters on production	Continue to promote water conservation measures. Continue to use reclaimed water	Physical risks	Corporate image impact	Production is affected, revenue declines, unable to meet stakeholders' expectations	Enhance stakeholders' willingness to support	Stabilize stock market values and reduce significant fluctuations	Gradually increase the use of electricity generation, enhance corporate image	Typhoon, flood	Production was affected, leading to a decline in revenue	Enhance disaster resilience	Strengthen climate resilience, reduce the chances of production interruptions	Estimate disaster response plans and increase production water storage capacity	Drought						Temperature rises	Increase in electricity usage and carbon emissions	Transformation to green production	Save electricity, reduce costs	Implement various energy-saving projects
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4. Describe how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.	4-1. The company has established risk hazard assessment operating procedures, which include the assessment of sources of environmental and climate risks. 4-2. The process is carried out according to the risk hazard assessment operating procedures. Initiate risk assessment -> Risk control -> Risk communication -> Risk management results output -> Review and approval -> Implement risk prevention management activities.																																												
5. If scenario analysis is used to assess resilience to climate change risks, please explain the scenarios, parameters, assumptions, analysis factors, and main financial impacts used.	5. In the inventory of the status of each plant (including overseas subsidiaries), there are currently no relevant transition plans.																																												
6. If there is a transition plan to address and manage climate-related risks, explain the contents of the plan, and the indicators and targets used to	6. Currently, all plants in Taiwan have completed greenhouse gas inventory verification. Starting from 2025, we will assist overseas subsidiaries in completing related greenhouse gas inventory verification work. After taking inventory of the status of each plant, we will then comprehensively establish relevant risk transition targets.																																												

Items	Implementation status
identify and manage physical risks and transition risks.	
7. If internal carbon pricing is used as a planning tool, please explain the basis for price setting.	7. Have not reached the collection threshold of 25,000 tons, so there is no such plan for the time being.
8. If climate-related targets are set, please explain the activities covered, greenhouse gas emission scopes, planned timeline, annual progress, and other information; if carbon offsets or renewable energy certificates (RECs) are used to achieve related targets, please explain the sources and quantities of the offset carbon credits or the quantity of renewable energy certificates (RECs).	8. Currently, no climate-related targets have been set.
9. Greenhouse gas inventory and assurance status, and reduction targets, strategies, and specific action plans (to be filled separately in 1-1 and 1-2).	9. Please refer to Appendices 1-1-1, 1-1-2, and 1-2.

1-1 Greenhouse gas inventory and assurance status of the company in the past two years

1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emissions (tonnes CO2e), emission intensity (tonnes CO2e/million dollars), and data coverage scope for the past two years.				
Year	2023 (Voluntary Inventory)	2024 (Third-party Verification by TUVNORD)	Assurance Organization	Description of Assurance Status
Scope 1	84.3590	196.5393	-	As the company is a listed parent company with paid-in capital less than NT\$2 billion, we are required to complete inventory information disclosure starting from 2026, and assurance information disclosure starting from 2028. In 2023, due to the group's plan to implement a digital inventory information system, we temporarily adopted a voluntary inventory approach, and since 2024, we have had annual assurance conducted by an assurance organization in accordance with ISO14064-3 standards.
Scope 2	20,801.5164	21,177.0305		
Scope 3	81,126.7432	211,319.7300		
Total	102,112.619	232,693.300		
Emission Intensity (tCO2e/million NTD revenue)	6.148	5.961		
Description				
1. Unit: Metric ton CO2e.				
2. Emission Intensity: Scope 1 + 2 greenhouse gas emissions (metric ton CO2e)/Revenue (NTD million).				
3. Scope 3: Other indirect emissions (indirect emissions from transportation, indirect emissions from product use)				

1-1-2 Greenhouse Gas Assurance Information: Not Applicable.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans: Not Applicable.

(VI) Implementation of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
1. Formulation of Ethical Corporate Management Policy and Programs				
(1) Has the company formulated an ethical corporate management policy approved by the Board of Directors, and clearly stated the policy and practices of ethical corporate management in its regulations and external documents, as well as the commitment of the Board of Directors and senior management to actively implement the management policy?	✓		(1) The company has established the "Ethical Corporate Management Best Practice Principles" approved by the Board of Directors on March 10, 2016, and disclosed its ethical corporate management policy in internal regulations, company website, annual reports, or other promotional materials. Board members also uphold the principles of integrity in performing their duties.	No significant deviations.
(2) Has the company established a risk assessment mechanism for unethical behavior, regularly analyzing and evaluating business activities with higher risks of unethical behavior within its scope of business, and accordingly formulated programs to prevent unethical behavior, which at least cover preventive measures for various conducts mentioned in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		(2) The company has clearly stipulated prevention programs and handling procedures for "Prohibition of Bribery and Acceptance of Bribes," "Prohibition of Providing Illegal Political Contributions," "Prohibition of Improper Charitable Donations or Sponsorships," and "Prohibition of Unreasonable Gifts, Hospitality, or Other Improper Benefits" in its "Ethical Corporate Management Best Practice Principles" and "Codes of Ethical Conduct," and implements them accordingly. When company personnel violate the principles, in addition to being handled in accordance with laws or relevant company regulations, it should be announced immediately to serve as a warning.	No significant deviations.
(3) Has the company specified operating procedures, guidelines for conduct, disciplinary and grievance	✓		(3) The company conducts business activities in a fair and transparent manner. Before engaging in commercial	No significant deviations.

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
systems for violations in its unethical behavior prevention program, implemented them effectively, and regularly reviewed and amended the aforementioned program?			transactions, it considers the legality of agents, suppliers, customers, or other business transaction partners and whether they have records of dishonest behavior, and strictly prohibits kickbacks, bribery, or other improper benefits. To ensure the implementation of ethical corporate management, the company has established effective accounting systems, internal control systems, and "Codes of Ethical Conduct." Internal auditors regularly examine compliance with these systems.	
2. Implementation of Ethical Corporate Management				
(1) Does the company evaluate the integrity records of its business partners and explicitly include integrity conduct clauses in contracts signed with these transaction partners?	✓		(1) The Company has established "Ethical Corporate Management Best Practice Principles," which clearly prohibit giving and taking bribes, and ensure that those engaging in commercial activities with the company fully understand the company's ethical management policies, determination, preventive measures, and the consequences of violating ethical conduct.	No significant deviations.
(2) Does the company have a dedicated unit for promoting ethical corporate management that reports directly to the Board of Directors, and does it regularly (at least once a year) report to the Board regarding its ethical management policies, programs for preventing dishonest conduct, and supervision of implementation?	✓		(2) The Company's Administrative Management Department serves concurrently as the unit responsible for promoting ethical corporate management under the Board of Directors. Through organizational structure, they maintain mutual supervision, and the Board of Directors delegates authority and distributes responsibilities. The unit reports to the Board of Directors regularly, at least once a year.	No significant deviations.
(3) Has the company established policies to prevent conflicts of interest, provided appropriate	✓		(3) The Company has established the "Code of Ethical Conduct for Directors, Managers, and Employees" and "Employee Code of Conduct," which clearly stipulate	No significant deviations.

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
channels for disclosure, and effectively implemented these policies?			policies to prevent conflicts of interest and provide appropriate channels for disclosure, and these are implemented accordingly.	
(4) Has the company established effective accounting systems and internal control systems to implement ethical corporate management, and does the internal audit unit formulate relevant audit plans based on the risk assessment results of dishonest behavior to examine compliance with programs preventing dishonest conduct, or engage certified public accountants to perform such audits?	✓		(4) To ensure the implementation of ethical corporate management, the Company has established effective accounting and internal control systems, and internal auditors regularly examine compliance with these systems.	No significant deviations.
(5) Does the company regularly conduct internal and external training on ethical corporate management?	✓		(5) The Company regularly conducts ethical corporate management education and training, and promotes corporate culture and ethical management obligations through various meetings. In 2023, all employees participated in education and training courses related to integrity and ethical conduct (including: Corporate Social Responsibility and Employee Code of Ethics, Guidelines for Employee Ethical Conduct, Confidential Information Protection Awareness Training, RBA Training, etc.), with a total of 968 participants and 968 training hours, achieving a 100% completion rate company-wide.	No significant deviations.
3. Operation of the Company's Whistleblowing System				
(1) Has the Company established specific whistleblowing and reward systems, implemented convenient whistleblowing channels, and	✓		The Company has established a dedicated hotline and mailbox for reporting violations of integrity, and currently no violations of integrity have been found.	No significant deviations.

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
designated appropriate personnel to handle reported cases?				
(2) Has the Company established standard operating procedures for investigating reported matters, follow-up measures to be taken after investigations are completed, and related confidentiality mechanisms?	✓		The Company has established a dedicated hotline and mailbox for reporting violations of integrity, and currently no violations of integrity have been found.	No significant deviations.
(3) Has the Company adopted measures to protect whistleblowers from improper treatment as a result of their whistleblowing?	✓		The Company has established a dedicated hotline and mailbox for reporting violations of integrity, and currently no violations of integrity have been found.	No significant deviations.
4. Strengthening Information Disclosure Has the Company disclosed the content of its Ethical Corporate Management Best Practice Principles and implementation results on its website and the Market Observation Post System?	✓		The Company has a website that discloses information related to corporate culture and management policies, and discloses the implementation status of the Ethical Corporate Management Best Practice Principles in its annual report and on the Market Observation Post System.	No significant deviations.
5. If the Company has established its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," please describe any differences between its operation and the established principles: The Company has established the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," and there are no significant differences in its operation.				
6. Other important information that helps to understand the Company's ethical corporate management operation (such as the Company's review and revision of its established Ethical Corporate Management Best Practice Principles): The Company upholds ethical business conduct in its dealings with all vendors, and also communicates its commitment to ethical corporate management to vendors.				

(VII) Other important information that may enhance the understanding of the Company's corporate governance operations may also be disclosed: On March 15, 2023, the Board of Directors resolved to establish and complete the appointment of a corporate governance officer.

(VIII) The implementation status of the internal control system should disclose the following matters:

1. Internal Control Statement: Please refer to page 76.
2. If the internal control system is reviewed by a CPA, the CPA's review report should be disclosed: None.

(IX) Major resolutions of the Shareholders' Meeting and Board of Directors in the most recent year and up to the date of the annual report's printing:

1. Resolutions of the Shareholders' Meeting and their implementation status:

Date	Summary of Major Resolutions	Resolution Results	Implementation status
June 19, 2024	1. The Company's 2023 Business Report and Financial Statements are submitted for ratification.	The resolution was passed as proposed after a vote.	Implementing the resolution result as required.
	2. The Company's 2023 profit distribution proposal is submitted for acknowledgment.	The resolution was passed as proposed after a vote.	Implementation of the resolution completed, with September 3, 2024 set as the ex-dividend date. Cash dividend distribution from profits: NT\$513,991,956, allocating NT\$4.00 per share.
	3. Discussion on amending the Company's "Procedures for Derivative Products Trading".	The resolution was passed as proposed after a vote.	Implementing the resolution result as required.
	4. Re-election of the Company's directors	The resolution was passed as proposed after a vote.	Implementing the resolution result as required.
	5. Discussion on lifting the non-competition restrictions for newly elected directors and their representatives	The resolution was passed as proposed after a vote.	Implementing the resolution result as required.

2. Important resolutions of the Board of Directors and their implementation status:

Board of Directors meeting Session/date	Resolution content	Independent directors' opinions and the Company's response to independent directors' opinions
The 14th Meeting of the 11th Term January 31, 2024	<p>Matter of Reports :</p> <ol style="list-style-type: none"> Minutes of the previous meeting and implementation status. Important financial and business reports. Internal audit business report. Report on the operation and implementation status of promoting ESG sustainable development. <p>Matters of Discussion :</p> <ol style="list-style-type: none"> Discuss the employee bonus amount for managers of the company in 2023 approved by the Remuneration Committee, please review and approve. The company's operational plan for 2024, please review and approve. Proposal to purchase the 1st and 2nd floor factory space at No. 8, Xin'an Road, Hsinchu Science Park from Kest Systems & Service Ltd., please review and approve. 	None
The 15th Meeting of the 11th Term March 14, 2024	<p>Matter of Reports :</p> <ol style="list-style-type: none"> Minutes of the previous meeting and implementation status. Report on the company's liability insurance coverage for directors, supervisors, and managers. Report on the performance evaluation results of the company's Board of Directors and functional committees. Progress report on "Enhancing the Company's Ability to Prepare Financial Reports Independently". <p>Matters of Discussion :</p> <ol style="list-style-type: none"> Proposal to determine the distribution of directors' compensation and employee compensation for the company's 2023 fiscal year, please review and approve. The company's 2023 annual business report and financial statements, please review and approve. The company's 2023 earnings distribution proposal, please review and approve. The company's 2023 "Evaluation of the Effectiveness of the Internal Control System" and "Statement on the Internal Control System", please review and approve. The regular evaluation of the independence and suitability of the CPAs, please review and approve. The amount of accounts receivable reclassified as loans to others as of December 31, 2023, please review and approve. Re-election of the company's directors. Convening the 2024 Annual General Meeting of Shareholders, please review and approve. Proposed increase in the company's credit limit for derivative financial products (forward exchange), please review and approve. Proposed establishment of a new 100% reinvested U.S. subsidiary project, please review and approve. Proposed sale of the company's indirectly reinvested 100% owned mainland China subsidiary "Xiamen YoungTek Electronics Co., Ltd." 	None

Board of Directors meeting Session/date	Resolution content	Independent directors' opinions and the Company's response to independent directors' opinions
The 16th Meeting of the 11th Term May 8, 2024	<p>Matter of Reports :</p> <ol style="list-style-type: none"> Minutes of the previous meeting and implementation status. Important financial and business reports. Internal audit business report. Progress report on "Enhancing the Company's Ability to Prepare Financial Reports Independently". Report on the operation and implementation status of promoting ESG sustainable development. <p>Matters of Discussion :</p> <ol style="list-style-type: none"> Approval of the company's consolidated financial statements for the first quarter of 2024, please resolve. The amount of the company's accounts receivable as of March 31, 2024 to be reclassified as loans to others, please review and approve. Nomination and resolution of the list of directors (including independent directors) to be elected in 2024, please review and approve. Removal of non-competition restrictions for newly appointed directors and their representatives, please review and approve. Amendment to the company's "Procedures for Derivative Products Trading", please review and approve. Based on the internal rotation adjustment mechanism of the accounting firm, starting from the first quarter of 2024, the company will change its co-signing accountant, from CPA Tung-Hui Yeh to CPA Mei-Chen Tsai. 	None
The 1st meeting of the 12th Term June 19, 2024	<p>Matters of Discussion :</p> <ol style="list-style-type: none"> Election of the Chairman of the 12th Board of Directors. Proposal to appoint members of the 6th Remuneration Committee, please review and approve. 	None
The 2nd Meeting of the 12th Term August 7, 2024	<p>Matter of Reports :</p> <ol style="list-style-type: none"> Minutes of the previous meeting and implementation status. Important financial and business reports. Internal audit business report. Progress report on "Enhancing the Company's Ability to Prepare Financial Reports Independently". Report on the operation and implementation status of promoting ESG sustainable development. <p>Matters of Discussion :</p> <ol style="list-style-type: none"> Discussion on the directors' compensation and manager's employee compensation distribution amount from the 2023 profit allocation plan approved by the Remuneration Committee, please review and approve. Approval of the company's consolidated financial statements for the second quarter of 2024, please review and approve. Setting the company's 2024 ex-dividend record date and cash dividend payment date, please review and approve. Drafting the company's 2024 interim profit distribution plan, please review and approve. Renewal of comprehensive credit agreements with banks, please review and approve. 	None

Board of Directors meeting Session/date	Resolution content	Independent directors' opinions and the Company's response to independent directors' opinions
	6. The amount of accounts receivable converted to loans to others as of June 30, 2024, please review and approve. 7. The project of 100% reinvestment company YTEC Samoa providing loans to Suzhou YoungTek Microelectronics Co., Ltd., please review and approve. 8. The project of 100% reinvestment subsidiary YTEC Hong Kong providing loans to Xiamen YoungTek Electronics Co., Ltd., please review and approve. 9. Amendment to the company's "Insider Trading Prevention and Management Procedures", please review and approve. 10. Amendment to the company's "Procedures for Financial and Business Transactions Between Related Parties", please review and approve. 11. Proposed new participation in the "ARK Semiconductor Inc." investment project, please review and approve.	
The 3rd Meeting of the 12th Term November 6, 2024	Matter of Reports : 1. Minutes of the previous meeting and implementation status. 2. Important financial and business reports. 3. Internal audit business report. 4. Progress report on "Enhancing the Company's Ability to Prepare Financial Reports Independently". 5. Report on the operation and implementation of ESG sustainable development. Matters of Discussion : 1. Approval of the company's consolidated financial statements for the third quarter of 2024, please review and approve. 2. The amount of the company's accounts receivable to be reclassified as loans to others as of September 30, 2025, please review and approve. 3. Addition of "Sustainable Information Management Measures", please review and approve. 4. Approval of the establishment of the Sustainability Steering Committee and the formulation of the "Sustainability Steering Committee Charter", please review and approve. 5. Proposal to appoint Director Cheng-Kung Chang, General Manager Wei-Tang Hsiao, Deputy General Manager Han-Tsung Hsiao, and Ms. Shu-Yuan Lin as members of the Sustainability Steering Committee, please review and approve. 6. Amendment of the "Corporate Social Responsibility Best Practice Principles" and renaming it to "Sustainable Development Best Practice Principles", please review and approve. 7. Proposed amendments to certain sections of the "Internal Control System" and the "Internal Audit Implementation Rules", please review and approve. 8. Formulation of the company's audit plan for 2025.	None
The 4th Meeting of the 12th Term January 15, 2025	Matter of Reports : 1. Minutes of the previous meeting and implementation status. 2. Important financial and business reports. 3. Progress report on "Enhancing the Company's Ability to Prepare Financial Reports Independently".	None

Board of Directors meeting Session/date	Resolution content	Independent directors' opinions and the Company's response to independent directors' opinions
	<p>4. Report on the operation and implementation of ESG sustainable development.</p> <p>Matters of Discussion :</p> <p>1. Discussion on the year-end bonus distribution for managers of the company for the year 2024 as approved by the Remuneration Committee, please review and approve.</p> <p>2. The Company's operational plan for the year 2025, please review and approve.</p>	
The 5th Meeting of the 12th Term March 12, 2025	<p>Matter of Reports :</p> <p>1. Minutes of the previous meeting and implementation status.</p> <p>2. Status of the Company's directors and managers liability insurance.</p> <p>3. Report on the performance evaluation results of the company's Board of Directors and functional committees.</p> <p>4. Internal audit business report.</p> <p>Matters of Discussion :</p> <p>1. Determining the amount of directors' compensation and employees' compensation for the Company for the year 2024, please review and approve.</p> <p>2. The Company's business report and financial statements for the year 2024, please review and approve.</p> <p>3. The Company's profit distribution plan for the year 2024, please review and approve.</p> <p>4. The Company's "Evaluation of the Effectiveness of the Internal Control System" and "Statement on the Internal Control System" for the year 2024, please review and approve.</p> <p>5. The regular evaluation of the independence and suitability of the CPAs, please review and approve.</p> <p>6. The amount of accounts receivable reclassified as loans to others as of December 31, 2023, please review and approve.</p> <p>7. Convening the 2025 Annual Meeting of Shareholders, please review and approve.</p> <p>8. Amendment to the Company's "Articles of Incorporation", please review and approve.</p> <p>9. Review the scope of entry-level employees, please review and approve.</p> <p>10. Proposal to add participation in the mainland investment project "Shanghai Jiuxi Testing Technology Co., Ltd.", please review and approve.</p>	None
The 6th Meeting of the 12th Term May 9, 2025	<p>Matter of Reports :</p> <p>1. Minutes of the previous meeting and implementation status.</p> <p>2. Important financial and business reports.</p> <p>3. Internal audit business report.</p> <p>4. Progress report on "Enhancing the Company's Ability to Prepare Financial Reports Independently".</p> <p>5. Report on the operation and implementation status of promoting ESG sustainable development.</p> <p>Matters of Discussion :</p> <p>1. Approval of the Company's consolidated financial statements for the first quarter of 2025, please resolve.</p>	None

Board of Directors meeting Session/date	Resolution content	Independent directors' opinions and the Company's response to independent directors' opinions
	2. The amount of the Company's accounts receivable as of March 31, 2025, that is to be reclassified as loans to others, please review and approve. 3. Amendment to the Company's "Articles of Incorporation", submitted for review and approval.	

3. Important resolutions and implementation status of the Audit Committee:

Audit Committee Session Date	Content of Resolution	Independent Director's Objections, Reservations, or Major Recommendations	Audit Committee Resolution Result	Company's Response to the Audit Committee's Opinion
The 12th Meeting of the 1st Term January 31, 2024	Matter of Reports : 1. Minutes of the previous meeting and implementation status. 2. Important financial and business reports. 3. Internal audit business report. Matters of Discussion : 1. The company's operational plan for 2024, please review and approve. 2. Proposal to purchase the 1st and 2nd floor factory space at No. 8, Xin'an Road, Hsinchu Science Park from Kest Systems & Service Ltd., please review and approve.	None	All attending committee members unanimously approved	All attending committee members unanimously approved
The 13th Meeting of the 1st Term March 14, 2024	Matter of Reports : 1. Minutes of the previous meeting and implementation status. Matters of Discussion : 1. Proposal to determine the distribution of directors' compensation and employee compensation for the company's 2023 fiscal year, please review and approve. 2. The company's 2023 annual business report and financial statements, please review and approve. 3. The company's 2023 earnings distribution proposal, please review and approve. 4. The company's 2023 "Evaluation of the Effectiveness of the Internal Control System" and "Statement on the Internal Control System", please review and approve. 5. The amount of accounts receivable reclassified as loans to others as of December 31, 2023, please review and approve. 6. Proposed increase in the company's credit limit for derivative financial products (forward exchange), please review and approve.	None	All attending committee members unanimously approved	All attending committee members unanimously approved

Audit Committee Session Date	Content of Resolution	Independent Director's Objections, Reservations, or Major Recommendations	Audit Committee Resolution Result	Company's Response to the Audit Committee's Opinion
	7. Proposed establishment of a new 100% reinvested U.S. subsidiary project, please review and approve. 8. Proposed sale of the company's indirectly reinvested 100% owned mainland China subsidiary "Xiamen YoungTek Electronics Co., Ltd.".			
The 14th Meeting of the 1st Term May 8, 2024	Matter of Reports : 1. Minutes of the previous meeting and implementation status. 2. Important financial and business reports. 3. Internal audit business report. Matters of Discussion : 1. Approve the company's consolidated financial statements for the first quarter of 2024, submitted for review and approval. 2. The amount of the company's accounts receivable as of March 31, 2024, to be reclassified as loans to others, is submitted for review and approval. 3. Proposal to lift the non-competition restrictions on newly appointed directors and their representatives, submitted for review and approval. 4. Proposal to amend the company's "Procedures for Derivative Products Trading", submitted for review and approval. 5. Based on the accounting firm's internal rotation adjustment mechanism, starting from the first quarter of 2024, the company has changed its co-signing accountant, with the co-signing accountant being changed from Tung-Hui Yeh to Mei-Chen Tsai.	None	All attending committee members unanimously approved	All attending committee members unanimously approved
The 1st Meeting of the 2nd Term August 7, 2024	Matter of Reports : 1. Minutes of the previous meeting and implementation status. 2. Important financial and business reports. 3. Internal audit business report. Matters of Discussion : 1. Discussion on the Convenor and the Chair of the Audit Committee of the company, submitted for review and approval. 2. Discussion on the directors' compensation and manager's employee compensation distribution amount from the 2023 profit allocation plan approved by the Remuneration Committee, please review and approve. 3. Approval of the company's consolidated financial statements for the second quarter of 2024, please review and approve.	None	All attending committee members unanimously approved	All attending committee members unanimously approved

Audit Committee Session Date	Content of Resolution	Independent Director's Objections, Reservations, or Major Recommendations	Audit Committee Resolution Result	Company's Response to the Audit Committee's Opinion
	4. Setting the company's 2024 ex-dividend record date and cash dividend payment date, please review and approve. 5. Drafting the company's 2024 interim profit distribution plan, please review and approve. 6. Renewal of the comprehensive credit agreement with banks, submitted for review and approval. 7. The amount of accounts receivable transferred to loans to others as of June 30, 2024, submitted for review and approval. 8. The company's 100% invested subsidiary YTEC Samoa's proposal to provide loans to Suzhou YoungTek Microelectronics Co., Ltd., submitted for review and approval. 9. The project of 100% reinvestment subsidiary YTEC Hong Kong providing loans to Xiamen YoungTek Electronics Co., Ltd., please review and approve. 10. Proposed new participation in the "ARK Semiconductor Inc." investment project, please review and approve.			
The 2nd Meeting of the 2nd Term November 6, 2024	Matter of Reports : 1. Minutes of the previous meeting and implementation status. 2. Important financial and business reports. 3. Internal audit business report. Matters of Discussion : 1. Reporting of the Company's consolidated financial statements for the third quarter of 2024, submitted for review and approval. 2. The amount of accounts receivable transferred to loans to others as of September 30, 2024, submitted for review and approval. 3. Addition of "Sustainable Information Management Measures", please review and approve. 4. Proposed amendments to certain sections of the "Internal Control System" and the "Internal Audit Implementation Rules", please review and approve. 5. Formulation of the Company's audit plan for 2025.	None	All attending committee members unanimously approved	All attending committee members unanimously approved
The 3rd Meeting of the 2nd Term January 31, 2025	Matter of Reports : 1. Minutes of the previous meeting and implementation status. 2. Important financial and business reports. Matters of Discussion : 1. The Company's 2025 operational plan, submitted for review and approval.	None	All attending committee members unanimously approved	All attending committee members unanimously approved

Audit Committee Session Date	Content of Resolution	Independent Director's Objections, Reservations, or Major Recommendations	Audit Committee Resolution Result	Company's Response to the Audit Committee's Opinion
The 4th Meeting of the 2nd Term March 12, 2025	<p>Matter of Reports :</p> <ol style="list-style-type: none"> Minutes of the previous meeting and implementation status. <p>Matters of Discussion :</p> <ol style="list-style-type: none"> The Company's business report and financial statements for the year 2024, please review and approve. The Company's profit distribution plan for the year 2024, please review and approve. The company's 2023 "Evaluation of the Effectiveness of the Internal Control System" and "Statement on the Internal Control System", please review and approve. The amount of accounts receivable reclassified as loans to others as of December 31, 2023, please review and approve. Amendment to the Company's "Articles of Incorporation", please review and approve. Review the scope of entry-level employees, please review and approve. Proposal to add participation in the mainland investment project "Shanghai Jiuxi Testing Technology Co., Ltd.", please review and approve. 	None	All attending committee members unanimously approved	All attending committee members unanimously approved
The 5th Meeting of the 2nd Term May 9, 2025	<p>Matter of Reports :</p> <ol style="list-style-type: none"> Minutes of the previous meeting and implementation status. Important financial and business reports. Internal audit business report. <p>Matters of Discussion :</p> <ol style="list-style-type: none"> Approval of the Company's consolidated financial statements for the first quarter of 2025, submitted for review and approval. The amount of the Company's accounts receivable as of March 31, 2025, that is to be reclassified as loans to others, please review and approve. Amendment to the Company's "Articles of Incorporation", submitted for review and approval. 	None	All attending committee members unanimously approved	All attending committee members unanimously approved

4. Important resolutions and implementation status of the Remuneration Committee:

Remuneration Committee Session Date	Content of Resolution	Remuneration Committee Resolution Result
The 7th Meeting of the 5th Term January 31, 2024	Matters of Discussion : 1. The case of year-end bonus distribution for the Company's managers in 2023, submitted for review and approval.	1. The year-end bonus case for managers was unanimously approved by all attending committee members. 2. The average number of months for all employees was adjusted to 1.73 months after approval by the committee.
The 8th Meeting of the 5th Term March 14, 2024	Matters of Discussion : 1. The case of the amount of director compensation (including Independent Directors) and employee compensation for the Company in 2023, submitted for review and approval.	All attending committee members unanimously approved
The 1st Meeting of the 6th Term August 7, 2024	Matters of Discussion : 1. The case of the amount of director compensation (including Independent Directors) and manager employee compensation distribution for the Company in 2023, submitted for review and approval.	All attending committee members unanimously approved
The 2nd Meeting of the 6th Term January 15, 2025	Matters of Discussion : 1. The case of year-end bonus distribution for managers of the Company in 2024, submitted for review and approval.	The case of year-end bonus for managers was approved as proposed by all attending committee members.
The 3rd Meeting of the 6th Term March 12, 2025	Matters of Discussion : 1. The case of the amount of director compensation (including Independent Directors) and employee compensation for the Company in 2024, submitted for review and approval. 2. Legally stipulate the allocation of a certain percentage of annual profits for salary adjustments of base-level employees or distribution of compensation and related matters, submitted for review and approval.	All attending committee members unanimously approved

(X) In the most recent year and up to the date of printing of the annual report, where any director or supervisor has expressed a dissenting opinion on any important resolution passed by the Board of Directors, and such dissenting opinion has been recorded or expressed in writing, the main content of such opinion: Not applicable.

YOUNGTEK ELECTRONICS CORP.

Statement on the Internal Control System

Date: March 12, 2025

Based on the results of self-inspection, the Company hereby declares the following regarding its internal control system for the year 2024:

1. The Company acknowledges that it is the responsibility of the Board of Directors and Managers to establish, implement, and maintain the internal control system, and the Company has established such a system. Its purpose is to provide reasonable assurance regarding the achievement of objectives in the following areas: effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable regulations and laws.
2. Internal control systems have inherent limitations. No matter how well designed, an effective internal control system can only provide reasonable assurance regarding the achievement of the three objectives mentioned above. Furthermore, the effectiveness of the internal control system may change due to changes in the environment and circumstances. However, the Company's internal control system has a self-monitoring mechanism in place, and once deficiencies are identified, the Company immediately takes corrective actions.
3. The Company evaluates the effectiveness of the design and implementation of its internal control system based on the assessment criteria established in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "the Regulations"). The assessment criteria adopted in "the Regulations" divide the internal control system into five components according to the process of management control: 1. Control Environment, 2. Risk Assessment, 3. Control Activities, 4. Information and Communication, and 5. Monitoring Activities. Each component further includes several items. Please refer to the provisions of "the Regulations" for the aforementioned items.
4. The Company has adopted the above-mentioned internal control system assessment criteria to evaluate the effectiveness of the design and implementation of its internal control system.
5. Based on the results of the assessment mentioned in the preceding paragraph, the Company believes that, as of December 31, 2024, its internal control system (including supervision and management of subsidiaries), including the design and implementation of internal controls related to understanding the degree to which operational effectiveness and efficiency objectives have been achieved, ensuring reliable, timely, and transparent reporting that complies with applicable standards, and adherence to relevant laws and regulations, is effective and can reasonably ensure the achievement of the above objectives.
6. This Statement will be included as the main content in the Company's annual report and prospectus, and will be disclosed to the public. Any false or concealed illegal matters in the above disclosed content will involve legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement was approved by the Company's Board of Directors on March 12, 2025. Of the nine directors present, none expressed opposing opinions, and all others agreed to the content of this Statement, which is hereby declared.

YoungTek Electronics Corp.

Chairman: Ping-Lung Wang

General Manager: Wei-Tang Hsiao



IV. CPA Fees Information:

Unit: NT\$ thousand

Name of Accounting Firm	Name of Accountant	Audit Period of Accountant	Audit Fees	Non-audit Fees (Note)	Total
Deloitte & Touche	Ya-Yun Chang Mei-Chen, Tsai	January 1, 2024 to December 31, 2024	3,630	520	4,150

Note: This refers to salary information review for full-time employees who are not in managerial positions and certification of profit-seeking enterprise income tax returns.

- (I) Where the company has changed its accounting firm and the audit fees paid for the year of such change are lower than those for the previous year, the amount, percentage, and reason for the reduction in audit fees shall be disclosed: Not applicable.
- (II) Where the audit fees paid for the current year are lower than those for the previous year by 10 percent or more, the amount, percentage, and reason for the reduction in audit fees shall be disclosed: Not applicable.

V. Information on Change of CPAs:

- (I) Regarding the Former CPA

Date of Change	Approved by the Board of Directors on May 8, 2024 to change the co-signing accountant		
Reason and Explanation for the Change	Due to the internal operations and personnel adjustments of Deloitte & Touche, starting from 2024, the Company's CPAs have been changed from the original Ya-Yun Chang and Tung-Hui Yeh to Ya-Yun Chang and Mei-Chen Tsai.		
Explanation of whether the client or the accountant terminated or did not accept the appointment	Parties Involved		
	Situation	Accountant	Client
	Voluntarily terminated the appointment	-	-
	No longer accepting (continuing) the appointment	-	-
Reasons and opinions for audit reports issued other than unqualified opinions within the last two years	None		
Whether there are any disagreements with the issuer	Yes		Accounting principles or practices
			Financial report disclosure
			Audit scope or procedures
			Other
	None	✓	
	Description		
Other disclosure matters (Items that should be disclosed in accordance with Article 10, Paragraph 6, Subparagraph 1, Items 4 to 7 of this Standard)	None		

(II) Regarding the successor CPA

Name of the accounting firm	Deloitte & Touche
Name of Accountant	Ya-Yun Chang and Mei-Chen Tsai
Date of appointment	Approved by the Board of Directors on May 8, 2024 to change the co-signing accountant
Prior to the appointment, consultation matters and results regarding the accounting treatment method or accounting principles for specific transactions and the possible opinions that may be issued on the financial reports	None
The successor CPA's opinion regarding the predecessor CPA Written opinions on matters of disagreement	None

(III) The predecessor CPA's response to the three matters in Article 10, Paragraph 6, Subparagraph 1, Item 1 and Item 2 of these Standards: Not applicable

VI. The Company's Chairman, General Manager, or managers responsible for financial or accounting affairs who have, within the past year, been employed by the accounting firm of the certifying CPA or its affiliated companies shall disclose their names, positions, and the periods of their employment at the accounting firm of the certifying CPA or its affiliated companies. The term "affiliated enterprises of the accounting firm to which the certifying CPA belongs" refers to companies or institutions where the CPAs of the certifying accounting firm hold more than fifty percent of the shares or have obtained a majority of the board seats, or companies or institutions that are listed as affiliated enterprises in materials released or published by the accounting firm to which the certifying CPA belongs: Not applicable.

VII. Changes in the shareholding and pledge status of directors, supervisors, managers, and shareholders holding more than 10% of shares during the most recent fiscal year and up to the printing date of the annual report:

(I) Changes in shareholding of directors, supervisors, managers, and major shareholders

Unit: Share

Title (Note 1)	Name	2024		As of April 30, 2025	
		Number of shares held increase (decrease)	Number of pledged shares increase (decrease)	Number of shares held increase (decrease)	Number of pledged shares increase (decrease)
Director and Chairman	IN & OUT Bio Beauty Corp. Representative: Ping-Lung Wang	0	0	0	0
		0	0	0	0
Director and Vice Chairman	Cheng-Kung Chang	(20,000)	0	0	0
director	Kuei-Piao Chen	0	0	0	0
Director (Note 4)	Te-Chang Yao	0	0	0	0
Director (Note 4)	Jung Wang	0	0	0	0
Director (Note 4)	IN & OUT Bio Beauty Corp. Representative: Ming-Tsung Wang	0	0	0	0
Independent Director (Note 4)	Meng-Hua Huang	0	0	0	0
Independent Director (Note 4)	Ya-Hsien Tsai	0	0	0	0
Independent Director (Note 4)	Chun-Ting Liu	0	0	0	0
General Manager (Note 5)	Wei-Tang Hsiao	14,953	0	14,245	0
Deputy General Manager (Note 5)	Han-Tsung Hsiao	14,953	0	14,245	0
Financial, Accounting Supervisor and Corporate Governance Officer (Note 3)	Chiao-Fen Chen	5,785	0	1,772	0

Note 1: Shareholders who hold more than ten percent of the total shares of the company should be noted as major shareholders and listed separately.

Note 2: If the counterparty of share transfer or share pledge is a related party, the following table should also be completed.

Note 3: Assumed office on January 1, 2011.

Note 4: Elected on June 19, 2024.

Note 5: Assumed office on September 1, 2020.

(II) Share Transfer Information: Not applicable.

(III) Share Pledge Information: Not applicable.

VIII. Information on the relationship between the top ten shareholders, whether they are related parties as defined in Statement of Financial Accounting Standards No. 6, or spouses or relatives within the second degree of kinship

April 29, 2025; Unit: Share ; %

Name (Note 1)	Shares Held by Individual		Shares Held by Spouse and Minor Children		Shares Held in the Name of Others		The top ten shareholders who are related parties, spouses, or relatives within the second degree of kinship to each other, and their names and relationships. (Note 3)		Remark
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Name (or Title)	Relationship	
IN & OUT Bio Beauty Corp. Representative: Yu Wang	8,475,617	6.60%	0	0%	0	0%	Li Chi Capital Inc.	Major Shareholders	None
	706,882	0.55%	0	0%	0	0%	Li Chi Capital Inc.	Major Shareholders	
Li Chi Capital Inc. Representative: Yu Wang	6,328,937	4.93%	0	0%	0	0%	Ping-Lung Wang	The company representative is a relative within the second degree of kinship	None
	706,882	0.55%	0	0%	0	0%	Ping-Lung Wang	The company representative is a relative within the second degree of kinship	
Li Yang Investment Corp. Representative: Tsui-Fang Tsai	6,218,705	4.84%	0	0%	0	0%	Ping-Lung Wang	The company director is a relative within the second degree of kinship	None
	6,099	0.00%	0	0%	0	0%	None	None	
Ping-Lung Wang	4,796,175	3.73%	117,669	0.09%	0	0%	Li Chi Capital Inc.	The company representative is a relative within the second degree of kinship	None
Hung Cheng Investment Corp. Representative: Li Fa Capital Inc.	2,575,200	2.00%	0	0%	0	0%	Li Chi Capital Inc. Li Fa Capital Inc.	Major Shareholders	None
	1,906,775	1.48%	0	0%	0	0%	Li Yang Investment Corp.	Major Shareholders	
Li Wei Capital Inc. Representative: Pei-Shin Chen	2,486,190	1.94%	0	0%	0	0%	None	None	None
	7,738	0.00%	0	0%	0	0%	None	None	
Li Fa Capital Inc. Representative: Pei-Shin Chen	1,906,775	1.48%	0	0%	0	0%	Li Yang Investment Corp.	Major Shareholders	None
	7,738	0.00%	0	0%	0	0%	None	None	

Name (Note 1)	Shares Held by Individual		Shares Held by Spouse and Minor Children		Shares Held in the Name of Others		The top ten shareholders who are related parties, spouses, or relatives within the second degree of kinship to each other, and their names and relationships. (Note 3)		Remark
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Name (or Title)	Relationship	
Gallant Precision Machining Co., Ltd.	1,518,000	1.18%	0	0%	0	0%	None	None	None
CTBC Bank received from the YoungTek Electronics Co., Ltd. Employee Stock Ownership Association	1,349,693	1.05%	0	0%	0	0%	None	None	None
Yu Wang	706,882	0.55%	0	0%	0	0%	None	None	None

IX. The number of shares in the same reinvestment business held by the Company, its directors, supervisors, managers, and businesses directly or indirectly controlled by the Company, and the calculation of the combined comprehensive shareholding ratio:

December 31, 2024; Unit: Thousand shares; %

Reinvestment Business (Note 1)	The Company's Investment		Investment by Directors, Supervisors, Managers, and Directly or Indirectly Controlled Businesses		Comprehensive Investment	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
YTEC Holding (Samoa) Co. Ltd	1,967,924 (Note 2)	100.00	0	0	1,967,924 (Note 2)	100.00
YOUNG TEK ELECTRONICS CORPORATION USA, INC	1.5	100.00	0	0	1.5	100.00
Wecon Limited (Samoa)	23,738 (Note 2)	100.00	0	0	23,738 (Note 2)	100.00
Wecon Automation Machinery Corp.	100	100.00	0	0	100	100.00
Tian Zheng International Precision Machinery Co., Ltd.	5,395	14.60	0	0	5,395	14.60
Sissca Inc Co., Ltd	3,371	15.52	0	0	3,371	15.52

Note 1: This represents the Company's long-term investments accounted for using the equity method.

Note 2: This is a limited company with only capital contribution and no shares.

Chapter 3. Fundraising Status

I. Capital and Shares

(I) Source of Capital

1. Please describe the types of shares issued by the company in the most recent fiscal year and up to the date of the printing of the annual report:

Year/ Month	Issue Price	Authorized Capital		Paid-in Capital		Remark		
		Number of Shares (in thousands)	Amount (in thousands)	Number of Shares (in thousands)	Amount (in thousands)	Source of Capital	Compensation for Shares Using Non-Cash Assets	Other
1991.07	10	500	5,000	500	5,000	Initial Capital at Establishment	None	-
1994.05	10	1,500	15,000	1,500	15,000	Cash Capital Increase NT\$10,000 thousand	None	-
1997.08	10	2,800	28,000	2,800	28,000	Cash Capital Increase NT\$13,000 thousand	None	-
1998.03	10	15,800	158,000	8,000	80,000	Cash Capital Increase NT\$52,000 thousand	None	-
1999.10	10	15,800	158,000	12,000	120,000	Cash Capital Increase NT\$40,000 thousand	None	(Note 1)
2000.04	15	15,800	158,000	13,000	130,000	Cash Capital Increase NT\$10,000 thousand	None	(Note 2)
2000.05	35	16,500	165,000	16,500	165,000	Cash Capital Increase NT\$35,000 thousand	None	(Note 3)
2000.08	10	19,000	190,000	19,000	190,000	Surplus Transferred to Capital Increase NT\$25,000 thousand (Including Employee Bonus NT\$2,200 thousand)	None	(Note 4)
2001.10	10	37,000	370,000	23,500	235,000	Surplus Transferred to Capital Increase NT\$45,000 thousand (Including Employee Bonus NT\$5,000 thousand)	None	(Note 5)
2002.06	10	47,000	470,000	28,700	287,000	Capital Surplus Transferred to Capital Increase NT\$11,750 thousand Surplus Transferred to Capital Increase NT\$40,250 thousand (Including Employee Bonus NT\$5,000 thousand)	None	(Note 6)
2003.10	10	47,000	470,000	36,083	360,826	Surplus Transferred to Capital Increase NT\$73,826 thousand (Including Employee Bonus NT\$16,426 thousand)	None	(Note 7)

Year/ Month	Issue Price	Authorized Capital		Paid-in Capital		Remark		
		Number of Shares (in thousands)	Amount (in thousands)	Number of Shares (in thousands)	Amount (in thousands)	Source of Capital	Compensation for Shares Using Non-Cash Assets	Other
2004.10	10	78,000	780,000	45,200	452,000	Surplus Transferred to Capital Increase NT\$91,174 thousand (Including Employee Bonus NT\$19,008 thousand)	None	(Note 8)
2005.08	10	78,000	780,000	56,520	565,200	Surplus Transferred to Capital Increase NT\$113,200 thousand (Including Employee Bonus NT\$22,800 thousand)	None	(Note 9)
2006.04	10	78,000	780,000	56,963	569,630	Employee Stock Option Conversion NT\$4,430 thousand	None	(Note 10)
2006.07	10	78,000	780,000	64,963	649,630	Cash Capital Increase NT\$80,000 thousand	None	(Note 11)
2006.09	10	88,000	880,000	72,643	726,430	Earnings Converted to Capital Increase NT\$76,800 thousand (Including Employee Bonus NT\$20,280 thousand)	None	(Note 12)
2007.05	10	88,000	880,000	72,868	728,680	Employee Stock Options Converted NT\$2,250 thousand	None	(Note 13)
2007.08	10	100,000	1,000,000	83,132	831,323	Earnings Converted to Capital Increase NT\$102,643 thousand (Including Employee Bonus NT\$30,000 thousand)	None	(Note 14)
2008.01	10	100,000	1,000,000	84,132	841,323	Merger Converted to Capital Increase NT\$10,000 thousand	None	(Note 15)
2008.04	10	100,000	1,000,000	84,307	843,073	Employee Stock Options Converted NT\$1,750 thousand	None	(Note 16)
2008.08	10	120,000	1,200,000	92,000	920,000	Earnings Converted to Capital Increase NT\$76,197 thousand (Including Employee Bonus NT\$34,007 thousand) Employee Stock Options Converted NT\$730 thousand	None	(Note 17)
2009.09	10	120,000	1,200,000	94,002	940,022	Earnings Converted to Capital Increase NT\$20,022 thousand (Including Employee Bonus NT\$10,822 thousand)	None	(Note 18)
2009.12	10	120,000	1,200,000	94,655	946,546	Corporate Bonds Converted NT\$6,524 thousand	None	(Note 19)

Year/ Month	Issue Price	Authorized Capital		Paid-in Capital		Remark		
		Number of Shares (in thousands)	Amount (in thousands)	Number of Shares (in thousands)	Amount (in thousands)	Source of Capital	Compensation for Shares Using Non-Cash Assets	Other
2010.08	10	120,000	1,200,000	95,601	956,011	Earnings Converted to Capital Increase NT\$9,465 thousand	None	(Note 20)
2010.11	10	120,000	1,200,000	97,342	973,417	Corporate Bonds Converted NT\$17,406 thousand	None	(Note 21)
2010.12	10	120,000	1,200,000	97,895	978,949	Corporate Bonds Converted NT\$5,532 thousand	None	(Note 22)
2011.05	10	120,000	1,200,000	101,370	1,013,705	Corporate Bonds Converted NT\$34,756 thousand	None	(Note 23)
2011.08	10	120,000	1,200,000	104,555	1,045,552	Corporate Bonds Converted NT\$31,847 thousand	None	(Note 24)
2011.08	10	120,000	1,200,000	105,534	1,055,341	Capital Surplus Transferred to Capital NT\$9,789 thousand	None	(Note 25)
2011.11	10	120,000	1,200,000	106,489	1,064,890	Corporate Bonds Converted NT\$9,549 thousand	None	(Note 26)
2012.05	10	120,000	1,200,000	110,907	1,109,065	Corporate Bonds Converted NT\$44,175 thousand	None	(Note 27)
2012.08	10	120,000	1,200,000	111,810	1,118,097	Corporate Bonds Converted NT\$9,032 thousand	None	(Note 28)
2012.09	10	120,000	1,200,000	112,875	1,128,746	Retained Earnings Transferred to Capital NT\$10,649 thousand	None	(Note 29)
2012.11	10	120,000	1,200,000	114,226	1,142,259	Corporate Bonds Converted NT\$13,513 thousand	None	(Note 30)
2013.05	10	120,000	1,200,000	115,526	1,155,256	Corporate Bonds Converted NT\$12,997 thousand	None	(Note 31)
2013.08	10	120,000	1,200,000	116,442	1,164,417	Corporate Bonds Converted NT\$9,161 thousand	None	(Note 32)
2013.09	10	120,000	1,200,000	117,584	1,175,840	Earnings Transferred to Capital NT\$11,423 thousand	None	(Note 33)
2014.05	10	120,000	1,200,000	117,614	1,176,143	Corporate Bonds Converted NT\$303 thousand	None	(Note 34)
2014.08	10	120,000	1,200,000	118,120	1,181,202	Corporate Bonds Converted NT\$5,059 thousand	None	(Note 35)
2014.09	10	120,000	1,200,000	119,296	1,192,960	Earnings Transferred to Capital NT\$11,758 thousand	None	(Note 36)
2014.11	10	150,000	1,500,000	125,523	1,255,230	Corporate Bonds Converted NT\$62,270 thousand	None	(Note 37)

Year/ Month	Issue Price	Authorized Capital		Paid-in Capital		Remark		
		Number of Shares (in thousands)	Amount (in thousands)	Number of Shares (in thousands)	Amount (in thousands)	Source of Capital	Compensation for Shares Using Non-Cash Assets	Other
2015.02	10	150,000	1,500,000	127,226	1,272,257	Corporate Bonds Converted NT\$17,027 thousand	None	(Note 38)
2015.09	10	150,000	1,500,000	128,498	1,284,980	Earnings Transferred to Capital NT\$12,723 thousand	None	(Note 39)

Note 1: Approved by Letter No. 119083 of the Ministry of Economic Affairs dated July 29, 1998.
Note 2: Approved by Letter No. 111950 of the Ministry of Economic Affairs dated April 24, 2000.
Note 3: Approved by Letter No. 115573 of the Ministry of Economic Affairs dated May 19, 2000.
Note 4: Approved by Letter No. 125728 of the Ministry of Economic Affairs dated August 1, 2000.
Note 5: Approved by Letter No. 09001392810 of the Ministry of Economic Affairs dated October 8, 2001.
Note 6: Approved by Letter No. 09101293080 of the Ministry of Economic Affairs dated July 24, 2002.
Note 7: Approved by Letter No. 09232764220 of the Ministry of Economic Affairs dated October 8, 2003.
Note 8: Approved by Letter No. 09332805900 of the Ministry of Economic Affairs dated October 5, 2004.
Note 9: Approved by Letter No. 09401165320 of the Ministry of Economic Affairs dated August 23, 2005.
Note 10: Approved by Letter No. 09501066930 of the Ministry of Economic Affairs dated April 14, 2006.
Note 11: Approved by Letter No. 09501156760 of the Ministry of Economic Affairs dated July 24, 2006.
Note 12: Approved by Letter No. 09501207620 of the Ministry of Economic Affairs dated September 15, 2006.
Note 13: Approved by Letter No. 09601104080 of the Ministry of Economic Affairs dated May 14, 2007.
Note 14: Approved by Letter No. 09601205530 of the Ministry of Economic Affairs dated August 24, 2007.
Note 15: Approved by Letter No. 09601319410 of the Ministry of Economic Affairs dated January 18, 2008.
Note 16: Approved by Letter No. 09701089710 of the Ministry of Economic Affairs dated April 18, 2008.
Note 17: Approved by Letter No. 09701209920 of the Ministry of Economic Affairs dated August 26, 2008.
Note 18: Approved by Letter No. 09801209300 of the Ministry of Economic Affairs dated September 9, 2009.
Note 19: Approved by Letter No. 09901011630 of the Ministry of Economic Affairs dated January 18, 2010.
Note 20: Approved by Letter No. 09901186600 of the Ministry of Economic Affairs dated August 18, 2010.
Note 21: Approved by Letter No. 09901250270 of the Ministry of Economic Affairs dated November 9, 2010.
Note 22: Approved by Letter No. 10001007940 of the Ministry of Economic Affairs dated January 12, 2011.
Note 23: Approved by Letter No. 10001093930 of the Ministry of Economic Affairs dated May 10, 2011.
Note 24: Approved by Letter No. 10001176930 of the Ministry of Economic Affairs dated August 2, 2011.
Note 25: Approved by Letter No. 10001195820 of the Ministry of Economic Affairs dated August 24, 2011.
Note 26: Approved by Letter No. 10001259710 of the Ministry of Economic Affairs dated November 17, 2011.
Note 27: Approved by Letter No. 10101083900 of the Ministry of Economic Affairs dated May 11, 2012.
Note 28: Approved by Letter No. 10101160580 of the Ministry of Economic Affairs dated August 6, 2012.
Note 29: Approved by Letter No. 10101184000 of the Ministry of Economic Affairs dated September 5, 2012.
Note 30: Approved by Letter No. 10101233500 of the Ministry of Economic Affairs dated November 12, 2012.
Note 31: Approved by Letter No. 10201088990 of the Ministry of Economic Affairs dated May 14, 2013.
Note 32: Approved by Letter No. 10201158050 of the Ministry of Economic Affairs dated August 1, 2013.
Note 33: Approved by Letter No. 10201180200 of the Ministry of Economic Affairs dated August 30, 2013.
Note 34: Approved by Letter No. 10301092290 of the Ministry of Economic Affairs dated May 23, 2014.
Note 35: Approved by Letter No. 10301175700 of the Ministry of Economic Affairs dated August 22, 2014.
Note 36: Approved by Letter No. 10301194790 of the Ministry of Economic Affairs dated September 16, 2014.
Note 37: Approved by Letter No. 10301245050 of the Ministry of Economic Affairs dated November 26, 2014.
Note 38: Approved by Letter No. 10401011370 of the Ministry of Economic Affairs dated February 12, 2015.
Note 39: Approved by Letter No. 10401196850 of the Ministry of Economic Affairs dated September 17, 2015.

Type of Shares	Authorized Capital			Remark
	Outstanding Shares (TPEX-listed)	Unissued Shares	Total	
Common Shares	128,497,989	21,502,011	150,000,000	Five hundred million New Taiwan Dollars of the authorized capital is reserved for the issuance of employee stock options. The unissued shares are authorized to be issued by the Board of Directors in installments.

2. For those approved to issue securities through the shelf registration system, additional disclosure is required regarding the approved amount, planned issuance, and information about securities already issued: Not applicable.

- (II) Major Shareholders List: Names, shareholding amounts, and shareholding percentages of shareholders with 5% or more shareholding ratio or the top ten shareholders by shareholding ratio

April 29, 2025

Major Shareholders	Shares	Number of shares held (shares)	Shareholding Ratio(%)
IN & OUT Bio Beauty Corp.		8,475,617	6.60%
Li Chi Capital Inc.		6,328,937	4.93%
Li Yang Investment Corp.		6,218,705	4.84%
Ping-Lung Wang		4,796,175	3.73%
Hung Cheng Investment Corp.		2,575,200	2.00%
Li Wei Capital Inc.		2,486,190	1.94%
Li Fa Capital Inc.		1,906,775	1.48%
Jun Hong Precision Industry Co., Ltd.		1,518,000	1.18%
CTBC Bank received from the YoungTek Electronics Co. Ltd. Employee Stock Ownership Association		1,349,693	1.05%
Yu Wang		706,882	0.55%

(III) Company Dividend Policy and Implementation Status

1. Dividend Policy:

Article 23-1 of the Company's Articles of Incorporation stipulates: If the Company has profits after the closing of accounts for each half of the fiscal year, it shall first pay taxes, make up for accumulated losses, and then set aside 10% as legal reserve; provided that this shall not apply when the legal reserve has reached the Company's paid-in capital. After setting aside or reversing special reserve in accordance with relevant laws or regulations or as required by the competent authority, if there are still profits, such profits, together with accumulated undistributed earnings, shall be proposed by the Board of Directors in accordance with the Company's dividend

policy for distribution. If the distribution is to be made by issuing new shares, it shall be submitted to the shareholders' meeting for resolution.

If the earnings, legal reserve, and capital reserve in the preceding paragraph are to be distributed in cash, the Board of Directors is authorized to resolve the distribution with the attendance of more than two-thirds of the directors and the approval of more than half of the attending directors, and report to the shareholders' meeting.

The Company considers future capital requirements and long-term financial planning, while also satisfying shareholders' needs for cash inflows. From the above distributable earnings, the Board of Directors shall prepare a distribution proposal annually in accordance with the law and submit it to the shareholders' meeting for resolution. The distribution of shareholder dividends may be made in cash or stock, provided that the cash dividends distribution shall not be less than twenty percent (20%) of the total dividends.

2. The dividend distribution proposed for this shareholders' meeting:

The Board of Directors of the Company has approved the cash dividend amount for 2024 as follows:

Unit: NT\$

Board Approval Date	Cash Dividend Per Share	Total Cash Dividend Amount	Cash Dividend/Distributable Earnings Ratio
March 12, 2025	4.00	513,991,956	30%

(IV) The impact of the proposed stock dividend without compensation on the Company's operating performance and earnings per share at this shareholders' meeting: None.

(V) Compensation of Employees and Directors

1. The percentage or range of employee compensation and director compensation as stipulated in the Articles of Incorporation:

If the Company has profits for the year, no less than 2% shall be allocated as employees' compensation, which shall be distributed in the form of shares or cash as resolved by the Board of Directors. The recipients may include employees of subsidiaries who meet certain conditions, with such conditions to be determined by the Board of Directors; the Company may, from the aforementioned profit amount, allocate no more than 5% as directors' compensation as resolved by the Board of Directors. Directors' compensation shall be paid in cash. The distribution of employees' compensation and directors' compensation shall be reported to the shareholders' meeting. However, if the Company still has accumulated losses, it shall reserve the amount for offsetting losses before allocating employees' compensation and directors' compensation according to the ratio in the preceding paragraph.

2. The proposed employee compensation passed by the Board of Directors and the Company's profit distribution for the year 2024, which was approved by the Board of Directors on March 12, 2025, to distribute a cash dividend of NT\$4.00.
 - (1) Employee compensation of NT\$55,400,000, director compensation of NT\$5,300,000.
 - (2) The proposed amount of employee stock compensation and the proportion it represents of the sum of the current after-tax net profit and total employee compensation: None.
 - (3) The calculated earnings per share after considering the proposed employee compensation and director compensation is NT\$3.59.
3. The actual distribution of employee compensation and director compensation for the previous year:
 - (1) Employee compensation was NT\$59,000,000, director compensation was NT\$5,320,000.
 - (2) The actual distribution of employee compensation and director compensation from the 2023 profit is identical to the original proposal approved by the Board of Directors, with no difference.

(VI) The company's repurchase of its own shares: None.

II. Status of Corporate Bond Issuance: None.

III. Status of Preferred Stock Issuance: None.

IV. Status of Participation in Overseas Depositary Receipt Issuance: None.

V. Status of Employee Stock Option Certificates: None.

VI. Status of Restricted Employee Shares: None.

VII. Status of Merger or Acquisition of Other Companies' Shares Resulting in New Share Issuance: None.

VIII. Capital Utilization Plans and Implementation Status:

As of the quarter preceding the printing date of this annual report, the company has had no securities issuance or private placement that remains incomplete, or has been completed within the past three years but with benefits not yet manifested: None.

Chapter 4. Operational Overview

I. Business Content

(I) Business Scope

1. Main Content of Business Operations:

- (1) Electronic components manufacturing industry.
- (2) Machinery and equipment manufacturing industry.
- (3) Manufacturing export industry.
- (4) Telecommunications equipment retail industry.
- (5) Telecommunications equipment wholesale industry.
- (6) Wireless communication machinery and equipment manufacturing industry.
- (7) In addition to licensed businesses, may engage in businesses that are not prohibited or restricted by laws and regulations.

2. The current main products of the company and their proportion of consolidated operations:

Unit: NT\$ thousand

Business items	Revenue for the year 2024	Proportion of operations %
Test outsourcing income	\$2,063,505	52.02%
Outsourced cutting and inspection income	484,824	12.22%
Sales of assembly and other products	1,427,276	35.98%
Less: Sales returns and allowances	(8,797)	(0.22%)
Net operating revenue	\$3,966,808	100.00%

3. Current company product items:

The company is a professional service provider for outsourcing and development, manufacturing, and sales of its own semiconductor and LED (optoelectronic) products. Its main service items include finished product testing, wafer testing, grinding, cutting, inspection; LED product testing, grinding, cutting, inspection and other special cutting, such as PCB substrates, quartz and LED, as well as research, development, manufacturing and sales of semiconductor and optoelectronic product-related test systems and automation equipment. The company is actively advancing toward developing new products through its own research and development, such as IC test system development, optoelectronic automation equipment development

(such as AOI automatic optical inspection systems), and module product development.

4. Planned new product development:

- (1) DPBfunctionboard
- (2) NewSocTesterSystem
- (3) MVIfunctionboard
- (4) RFProtocolWi-Sun
- (5) YT6190-TrayHandler
- (6) FR30MP-ICBonder
- (7) MB-121-ICBonder

(II) Industry Overview

1. Current Status and Development of the Industry

(1) Test Outsourcing Services

In the twenty-first century, with the booming development of information technology, mobile communications, digital audio-visual entertainment, internet and other related applications, semiconductors (active components) and passive components have become ubiquitous in various electronic system products. Based on the functional characteristics of semiconductor products, they can be mainly divided into four major IC products: Micro, Logic, Analog, Memory, as well as Discrete and Optoelectronic components, totaling six major categories. Among the six major categories of semiconductor products, except for memory products that require concentrated mass production due to economies of scale, and analog components, discrete components, and optical components that require special production due to their unique manufacturing processes, other microcontrollers and logic components have become the mainstream foundry product items for specialized wafer fabrication plants due to their small-volume and diversified application demands. While passive component products can be categorized by functional characteristics mainly into four major categories: resistors, capacitors, inductors, and filters. Among these, filters are essential for 5G equipment, which is why Mainland China has heavily invested in and subsidized filter manufacturing companies in recent years.

In terms of the semiconductor industry's performance in 2020, 2021, and 2022, Taiwan has outperformed the global market for three consecutive years; furthermore, it has played a crucial role as an important link between the two powers in the US-China technology war, reflecting the transformation of our

country's semiconductor industry. Especially under the leadership of TSMC, the entire industry has transformed from focusing on capacity to winning through quality. In 2023 and 2024, global semiconductor sales fell into a recession, primarily due to the ongoing impacts of the Russia-Ukraine war and US-China trade war, along with significantly reduced global macroeconomic conditions and end-user demand. Looking ahead to the IC packaging and testing industry for the entire year of 2025, as the COVID-19 pandemic is expected to stabilize, demand for application products such as 5G, artificial intelligence (AI), high-performance computing (HPC), and automotive electronics is gradually warming up. Additionally, sales of electronic end products are gradually recovering. Taiwan possesses the world's most advanced packaging and testing capabilities and heterogeneous chip integration technologies, enabling it to meet the high integration and high-performance chip requirements for global electronic end products. However, variables still exist in the global macroeconomy and end-user demand due to the continuing effects of the Russia-Ukraine war and US-China trade war.

(2) Dicing and Inspection Outsourcing Services

LED

According to TrendForce's latest report "2025 Global LED Lighting Market Trends - Database and Manufacturer Strategies," analysis indicates that in 2024, the LED general lighting market was affected by sluggish demand in the three major markets of Europe, America, and China, resulting in negative market value growth and an overall decline in revenue for leading lighting enterprises.

However, the LED smart lighting and niche LED plant lighting markets are showing growth against the prevailing trend. Looking ahead to 2025, the LED general lighting market's value is expected to return to positive growth, primarily driven by demand for renovation and replacement of LEDs in existing markets, as well as increased demand for high-quality LED lighting, healthy and comfortable lighting, and smart lighting products. Meanwhile, LED plant lighting is likely to enter its next growth phase as vertical farms make a comeback.

Furthermore, the application of LEDs in automotive ambient lighting is also expanding, with the market expected to grow at a compound annual growth rate of 6.8% between 2025 and 2033.

The LED market is expected to recover from the sluggish demand in 2024 and show positive growth. This growth is primarily driven by renovation demands in existing markets, as well as increased demand for high-quality lighting, healthy and comfortable lighting, and smart lighting products.

RFID

According to forecasts from market research organizations IDTechEx, Allied Market Research, and Statista, the global passive RFID UHF market will continue to grow, with an estimated compound annual growth rate (CAGR) of

approximately 10-15% from 2025-2030, driven primarily by the following factors:

1. Retail industry expanding RFID applications (such as Zara, Nike, and Walmart continuing to implement RFID for inventory management)
2. Increased demand for logistics and supply chain management automation (continued investment from large companies such as UPS, Amazon, FedEx, DHL, etc.)
3. Growth in Industry 4.0 and AIoT applications (integration of RFID+AI into smart factories and smart warehousing)
4. Global government regulations promoting RFID traceability management (such as RFID regulatory requirements in food, medical devices, and other fields by China, the United States, and the European Union)

RFID electronic tags

According to data from organizations such as IDTechEx, ABI Research, and Statista, the global RFID UHF Inlay market will maintain a 12-15% annual growth rate from 2025-2030, with the market size projected to reach \$8-10 billion by 2030.

Main market growth drivers

Retail industry expanding RFID deployment: Brands such as Zara, Uniqlo, Nike, Decathlon, Walmart, etc. are implementing RFID on a large scale for inventory management, driving demand for Inlays.

Logistics and supply chain application growth: Companies such as DHL, FedEx, Amazon, Alibaba, etc. are expanding RFID tracking applications to improve supply chain visibility.

Government regulations promoting RFID traceability management: China, the United States, and the European Union mandate the use of RFID for tracking management of products such as food, pharmaceuticals, and medical devices. Technological advances and cost reduction: New materials and manufacturing technologies have reduced RFID Inlay costs (expected to be \$0.02-0.03 per piece by 2030), promoting increased market adoption.

(3) Machine assembly and product sales

In 2023, the momentum of the global semiconductor testing economy slowed down, affected by high global inflation and major countries' tight monetary policies, along with high interest rates suppressing global end-user demand. In addition, the escalation of geopolitical conflicts has led to countries forming semiconductor alliances, implementing banned trade equipment lists, and China supporting domestic equipment through internal demand. These factors require semiconductor testing equipment to adopt more flexible business models, resulting in testing equipment manufacturers emerging like bamboo shoots after a spring rain.

In the semiconductor testing machine field, the main leaders are Japanese and American manufacturers. In 2022, Teradyne and Advantest had market shares

of 34% and 33% respectively, while Cohu accounted for 7%, primarily in SoC and memory testing systems. US-based Teradyne has positioned itself across the semiconductor testing field, from discrete components, RF components, memory chips, analog chips to SoC chips, and holds an absolute advantage in global markets, especially in Europe and America; Japan's Advantest mainly focuses on SoC chip and memory chip testers as well as handlers.

Basically, Advantest and Teradyne have secured the major orders from semiconductor giants. Advantest has mainly captured testing equipment orders from NVIDIA, AMD, Intel, and Samsung, while Teradyne has long controlled over 68% of European and American customer orders and maintains close cooperation with TSMC. Cohu primarily handles Intel's orders.

Since the transition of testing platforms requires at least 6 months and the identity as a test definer for advanced processes, testing equipment suppliers always collaborate with important customers starting from test specifications and process planning. As long as the semiconductor giants maintain their position in the industry, it is difficult for newcomers to compete.

On the other hand, Chinese government is fully subsidizing domestic semiconductor equipment manufacturers in China. Equipment vendors such as Beijing Huafeng Test & Control (AccoTEST) and Hangzhou Changchuan are capturing market share with low-price strategies and by using analog technology to enter the digital market. This will make sales in China more difficult for Taiwanese testing equipment manufacturers, including YoungTek. However, on the other hand, as regional competition intensifies, in order to overcome potential future challenges, YoungTek will continue to develop more advanced testing platforms, expand into new application product lines, and actively pursue market development beyond Taiwan and mainland China.

2. Relationship between Upstream, Midstream, and Downstream Industries

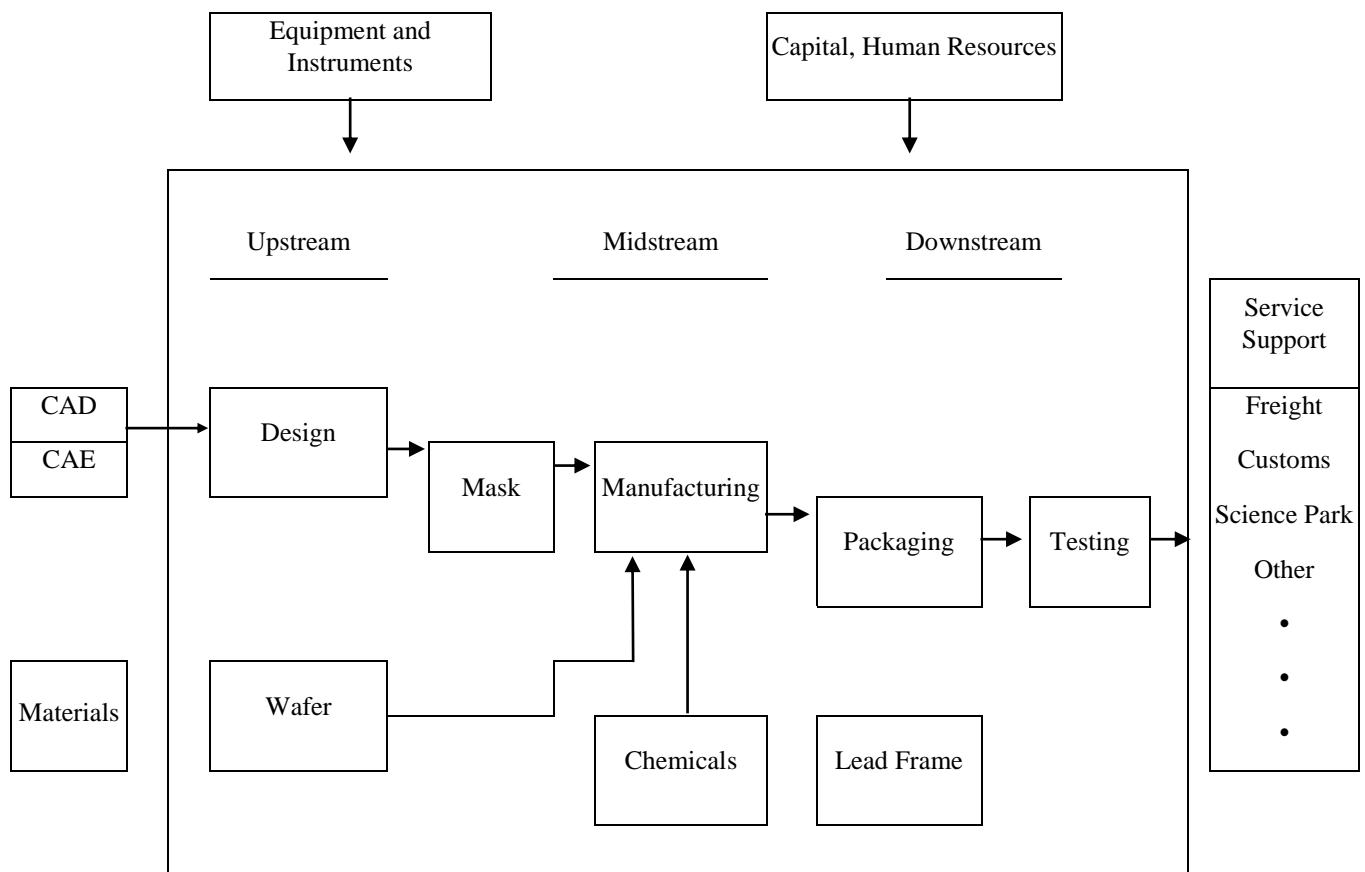
(1) Test Outsourcing Services

After years of development, Taiwan's semiconductor industry has established a unique vertical division of labor system, consisting of a series of IC manufacturing processes from IC design to mask production, wafer manufacturing, packaging, and testing, with vertical specialization from upstream to downstream. Through the independence of each production department, professional specialization and precision can be improved, reducing operational management difficulties; production cycles can be shortened, inventory significantly reduced, and costs lowered; simultaneously, production departments directly face international competitors, helping to enhance the overall industry's competitive ability.

The entire IC manufacturing process begins with IC design. After the IC design is completed, it is handed over to a mask company which, according to the predetermined chip manufacturing steps, transfers the IC circuit layout onto a flat glass surface, which is the so-called mask. After the IC mask is completed,

the IC manufacturing plant uses photolithography technology with photoresist and other chemical materials to replicate the extremely fine circuit patterns from the mask onto the silicon wafer, and then uses chemicals such as nitric acid for cleaning and etching to complete the wafer manufacturing process. Next, the wafer is cut into individual dies, which are connected to the leadframe using gold wires, then packaged in insulating plastic or ceramic casings, and finally tested to ensure the IC functions properly, thus completing the IC manufacturing process.

The IC design industry is the foremost part of the IC industry system (as shown in the figure below), which sequentially includes mask production, wafer manufacturing, packaging, and testing. This forms a unique professional division of labor system, with a massive and closely interconnected peripheral support network that differs from the vertical integration business model of international conglomerates. The upstream and downstream relationships in Taiwan's IC industry are listed as follows:



(2) Selection inspection and RFID OEM services

LED

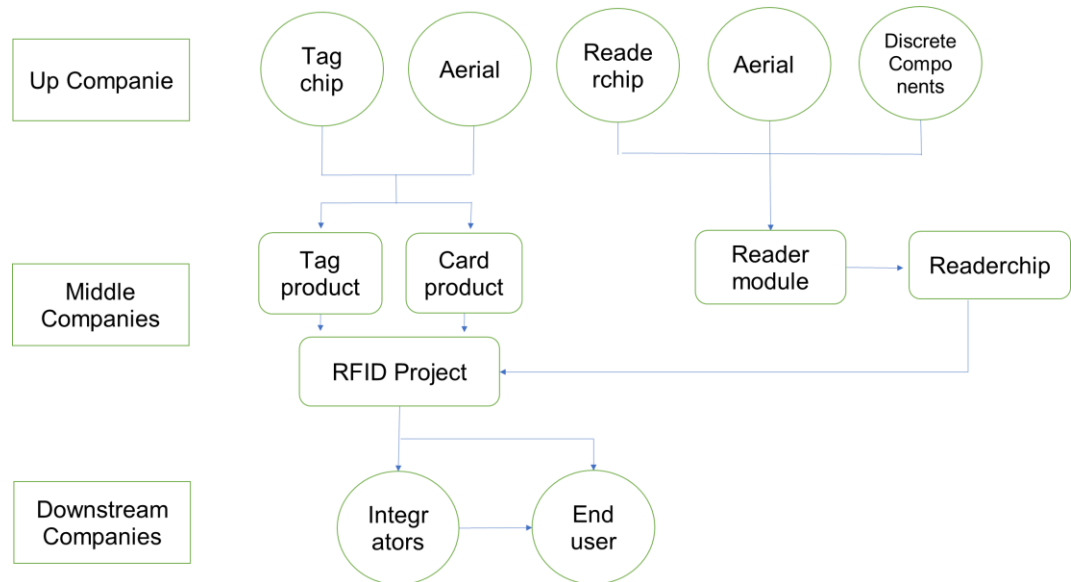
Brand	LED Chip	Encapsulation	Transfer process and equipment	Detection and sorting equipment	Backplane	Backlight module	Drive	Panel
Apple	Epistar	Everlight	Yenrich	FitTech	Zhen Ding	Radiant	TI	AUO
	Nichia							Innolux
ASUS	Cree	AOT	TSMT	SaulTech	YP Electronics			BOE
Acer	Osram	Lextar	K&S	YTEC	Uniflex	Heesung	Macroblock	LG
	Lextar							Sharp
Lenovo	Epileds	Harvatek	GIS-KY					
MSI	Sanan	Nationstar	ASM pacific	MPI	Unimicron	Qisda	Novatek	CSOT
	HC Semitek							

RFID

Tag chip	Tag antenna	Tag material	Tag vendor	Packaging equipment	Compound equipment	Testing equipment
NXP	Novatron	3M	AVY	Muhibauer	Muhibauer	Voyantic
			EAS			
IMPINJ	Globals		Arizon	YTEC	Xin Jung Lu	Xin Jung Lu
			Sinda	Xin Jung Lu	Yuanmingjie	
Kiloway	Ontime	UPM	YTEC	Yuanmingjie	Valorx Weichu	Yuanmingjie
			Soaring			

RFID electronic tags

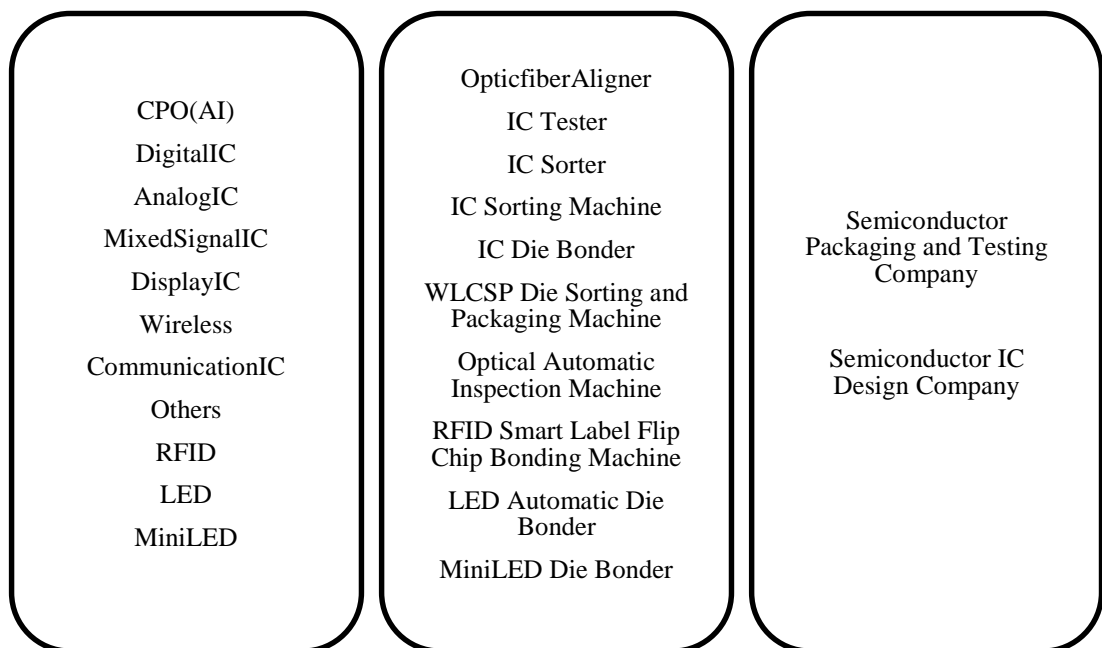
The upstream segment is mainly composed of chip and antenna manufacturers, the midstream segment is mainly composed of suppliers of tag and reader finished products and overall solution providers, and the downstream segment is mainly composed of various end users in the application market and integrators for end users.



(3) Machine assembly and product sales

According to various types of semiconductor ICs, YoungTek provides suitable equipment to semiconductor packaging and testing companies and IC design companies.

IC under test YoungTek Electronics Corp. users



3. Product Development Trends

The company has already laid out its testing industry in mainland China, bringing customers more convenience and complete and effective manufacturing solutions. Through YoungTek's many years of experience and research capabilities in the test outsourcing field, we can gain a deeper understanding of customers and push testing services into a new milestone. Additionally, IC product generations are changing rapidly, and equipment investment is also showing a polarizing trend. IDM companies with substantial capital, considering that test equipment investment can account for 20% or even more of the total investment, are releasing outsourcing orders to professional testing factories. These products are mainly Memory and Logic products. As for smaller Fabless companies (Design Houses), due to operational cost and risk considerations, they are outsourcing their diversified products to competitive small testing factories, focusing primarily on niche products. In terms of the development trends of IC product outsourcing, delivery time, service, quality, and cost are all key factors for business success. Furthermore, professional testing talent with specialized capabilities can promptly respond to the rapid changes and increasing complexity of product life cycles. These are the essential elements for the success of professional test outsourcing factories. The main services provided by the company:

(1) Test Outsourcing Services

4"~12" wafer testing, IC finished product electrical testing, Logic, Analog, Mixed-signal, Non-volatile memory, MCU, LCD driver IC, High speed/High pin count products and CIS, RF, MES, fingerprint recognition sensors, SoC... and other product testing.

(2) Selection inspection and RFID OEM services

LED

The LED lighting market is mainly divided into general lighting, smart lighting, and plant lighting, as described below:

A. General Lighting:

With the increase in investment in infrastructure, municipal sports and entertainment areas, as well as the growing number of electric vehicle charging installations, there will be opportunities to reconfigure outdoor lighting. Therefore, it is expected to continuously drive the growth of outdoor lighting products, including LED street lights, LED floodlights, and LED parking lot lights. In the medium to long-term outlook, it is expected that after 2026, the residential and non-residential building markets, including healthcare, new manufacturing, and infrastructure segments, will be driven by sustainable development activities including carbon reduction efforts. This is expected to drive significant growth in the LED lighting industry in 2026.

B. Smart Lighting:

Mainly benefiting from the decreasing costs of smart lighting products and the increasing demand for energy-saving solutions in professional lighting markets (including commercial, outdoor, and industrial), driving growth in the IoT lighting market, especially in the outdoor and industrial lighting sectors. Looking ahead to 2025, consumer market demand is expected to improve, with the smart home lighting market rebounding. Smart home lighting products include bulbs, filament lamps, ceiling lights, and more. Additionally, spotlights, downlights, and light strip products are gradually penetrating into the smart home lighting sector, enabling rapid growth.

C. Horticultural Lighting:

In the context of food safety and global climate change, smart agriculture is increasingly being prioritized by governments worldwide, driving demand in the LED horticultural lighting market. With Europe lacking sufficient fertile agricultural land and people's awareness of alternative agriculture continuing to grow, it is expected that by 2037, Europe will become the largest market, with a market share reaching 28%.

RFID

RFID electronic tags: Electronic tags are widely used in access cards, key fobs, animal foot rings, geographic tags, etc.; high-frequency RFID tags focus on production, have relatively lower technical barriers, and include products such as inlays, semi-finished labels, and finished labels. RFID product application scenarios are gradually becoming more widespread, and as data volumes continue to increase, RFID needs to have stronger data processing capabilities. RFID systems combined with other advanced technologies such as GPS and biometric identification will gradually enable cross-regional and cross-industry applications.

In the post-pandemic era, the global healthcare market is projected to reach approximately \$12 billion by 2027, with a compound annual growth rate (CAGR) of about 21% during the period from 2020 to 2027. Food & drug safety traceability management demands are surging. In recent years, the consumption of labels in healthcare has been continuously increasing, with RFID technology being used for more intelligent and efficient management in the pharmaceutical field. Traceability management systems based on RFID technology can track and control the entire life cycle, making a significant contribution to epidemic prevention and control.

RFID electronic tags:

- A. Chip technology upgrade. The new generation of chips such as Impinj M800 and NXP UCODE 9 have been launched, capable of improving reading sensitivity and reducing power consumption. Reading distance

can reach 15-20 meters, suitable for warehousing, logistics, retail and other scenarios.

- B. Environmental protection and sustainable development: recyclable, plastic-free RFID inlays. PET-free/plastic-free RFID Inlays use paper antennas and conductive ink, reducing environmental pollution. Printed Electronics technology is developing, and carbon-based or biodegradable RFID Inlays may appear in the future. Energy-saving, low-consumption RFID: New generation RFID chips reduce energy consumption, extend tag life, suitable for long-term tracking (such as asset management, smart agriculture).

Customization and miniaturization: more diverse application scenarios. The new generation of chip and antenna design allows RFID Inlays to be made smaller, such as less than 10mm x 10mm, suitable for medical equipment, jewelry tags, and smart tool management. Washable RFID inlays suitable for smart laundry and hotel linen management.

(3) Machine assembly and product sales

Traditional IC test systems are limited by technology and material costs. In terms of functionality, they are divided into Logic, Memory, and Mixed-Signal Testers. As IC functions continue to evolve, SOC (System on Chip) and SiP applications are becoming increasingly popular, and single-function test systems can no longer meet market demands. In recent years, thanks to the increasingly advanced development of IC functions, test equipment with multiple capabilities has emerged and is trending toward low power consumption, high precision, high reliability, and compact size. Requirements for test speed and accuracy are also increasing.

The company is currently dedicated to the research and development of related machines, divided into the following categories:

1. Optical fiber aligner: For automatic coupling of optical guides in CPO products and testing machines.
2. IC Tray handler: Equipped with industry standard test machines (ATE), testing ICs through GPIB connection and sorting products (JDEC Tray in/out).
3. IC TR handler: Equipped with industry standard test machines (ATE), testing ICs through GPIB connection and sorting products (Tape Reel out).
4. WLCSP handler: Equipped with industry standard test machines (ATE), testing and sorting products through GPIB connection (wafer in, tape out).
5. IC die bonding machine: Capable of automatically identifying and picking up cut chips (die) from a maximum 8-inch wafer on UV/Blue Tape, and precisely bonding the chips to substrates that have been automatically applied with adhesive.
6. LED die bonding machine: After film expansion, it is installed on the die bonding machine, which achieves the bonding of multiple LED chips onto LED frames through CCD, computer control and other means.

7. AOI: Features high-speed and stable inspection capability for product appearance (six sides). Its maximum inspection speed can reach 12,000 units per minute, and it can classify good and defective products according to the set product appearance specifications.
8. IC test machine:
 - S-series (logic and mixed signal test machine):
Equipped with logic, analog, and mixed-signal test cards to provide diverse testing solutions with parallel testing capability (256 sites), and offering various complete and user-friendly test development tools, delivering testing solutions that combine both performance and cost-effectiveness.
 - Gen.3 (Driver IC test machine):
Equipped with multiple RVS and HSIF high-speed channels as well as CPHY functionality, supporting high-speed interface mLVDS/P2P/MIPI testing requirements, and providing cost-effective testing solutions for large, medium, and small size COG/COF applications.
 - T-series (RF test instruments):
Equipped with multiple (4 sets) VSG and VSA, supporting signal source half-duplex testing, and can simultaneously support 8 or 16 ports. Supports wireless communication protocols including various WiFi & BT, 5G_NR1, 4G_LTE, NB-IoT, offering cost-effective integrated RF testing solutions.
 - YT8K-series (Burn-In test machine):
Diverse burn-in test machine products, featuring both high-wattage independent temperature control (normal to high temperature) and non-independent temperature control (low to normal to high temperature) models. Leveraging YoungTek's experience and capabilities in the ATE testing field to provide more reliable and user-friendly solutions. These machines can also meet higher-level or more flexible configurations for various test specifications, such as IO channels, VIH levels, Timing Resolution, etc.

4. Competitive Situation

Company's Overall Competitive Advantages:

Strong and stable management team

The company's management team has remained largely unchanged since its establishment, maintaining a high level of cohesion. This has led to increasingly stable customer and labor relations, establishing a good reputation and positive word-of-mouth.

Excellent R&D capabilities and possession of independent R&D technology

As IC functions become increasingly complex, the design of test programs and the application of test equipment are becoming more important. The company is committed to independently developing test equipment. Since successfully developing the "Full-Function Automatic Test Equipment" in 2001 and completing

relevant verifications, the company has significantly improved test cost control and established a solid R&D foundation in the testing field.

Management level possesses excellent cost control capabilities

Since its establishment, the company's management has consistently placed a high emphasis on cost control, with capital expenditures relatively lower than industry peers, thus yielding relatively better returns. Looking at global business operation models, supply exceeding demand has become the greatest concern for corporate profitability. The company continuously maintains high sensitivity to cost control and pursues ongoing improvements.

Low-cost advantage of mass production

After establishing considerable market recognition by providing customers with the best quality, delivery times, and prices, the company has achieved economies of scale through mass production. Additionally, benefiting from continuously improving cost control capabilities, the overall operational benefits are readily apparent.

Emphasis on complementary balanced product lines

Within an annual cycle, the distinction between peak and off-peak seasons for products can easily lead to dramatic revenue fluctuations, causing changes in cash flow and operational planning. The company maintains a broad order acceptance approach for consumer product testing and cutting services, ensuring high equipment utilization rates. Additionally, during off-peak seasons, the company strengthens sales of its self-developed testing equipment, balancing revenue fluctuations and enhancing profitability.

(1) Test Outsourcing Services

In the testing service industry, domestic companies of the same tier include Greatek, King Yuan, SIGURD, Winstek, and Powertech. When customers select partner manufacturers, they distribute their products among several testing partners based on risk diversification considerations. Manufacturers with competitive advantages (such as engineering capabilities, process cycle time, pricing, and service quality) undoubtedly secure stable orders. The company possesses the capability to manufacture its own testing equipment, giving it a high degree of autonomy in testing technology. This allows the company to meet customers' capacity requirements while reducing production costs, enhancing the competitive advantages of both the company and its customers. At the same time, the company maintains flexible service capabilities to address customers' diverse needs. In addition, the company has also expanded into the optoelectronics industry, achieving significant results in the development of LED product testing and sorting technologies.

(2) Selection inspection and RFID OEM services

LED

In terms of equipment sales and OEM services, both FitTech and MPI are competitors in Taiwan's LED industry.

RFID

Label and equipment manufacturers: Avery Dennison (Smartrac), Zebra, SML, Arizona RFID, Invengo, etc., have competitive advantages in specific markets.

RFID electronic tags

- A. Currently, the market is divided into the ARC market (North America & Japan) - although the Japanese market doesn't strongly require ARC certification, having ARC certification makes it easier to enter the Japanese market - and the non-ARC market (mainly China and Europe). Since approximately 70% of global RFID electronic tag production bases are in China, and due to the tariff policies implemented after President Trump took office in the United States, the US market has shifted to purchasing tags from non-Chinese producers (such as Taiwan, Vietnam, Malaysia, etc.). As a result, tags produced in China have been redirected to the European market, consequently causing the European market to face more disruptive price competition in the foreseeable future.
- B. The cost of RFID electronic tags is closely related to chip and raw material prices (paper materials, adhesive materials), and therefore the ability to negotiate prices for chips and raw materials is extremely important. This negotiating power is inseparably linked to volume, so a future "the big get bigger" market situation in the RFID industry is foreseeable. Joint procurement of chip raw materials with upstream and downstream suppliers or acquiring smaller manufacturers in the market (or transferring orders to be produced by our company) has already begun in the market.

(3) Machine assembly and product sales

All YoungTek automated equipment can be equipped with testing machines developed by the company, and can test products covering seven major functions including Logic, Mixed-Signal, Power, LCD Driver, Sensor, Burn-In, and RF. Depending on the characteristics of the products to be tested, it can be combined with various Power Supplies & Instruments, making it a truly comprehensive IC testing machine. By integrating testing machines with automated equipment, we provide customers with a complete testing platform that optimizes the stability of product testing. Currently, they have been sold to domestic and international Design Houses and IDM companies with remarkable results.

(III) Technology and Research & Development Overview

The company's research expenditure for the last 4 years and up to the first quarter report of 2025, as well as its proportion of total revenue, is shown in the table below. All R&D plans are primarily focused on providing advanced technology and enhancing customer satisfaction, while also expected to promote overall growth in enterprise operations.

1. R&D expenses and their proportion of total revenue for the last 4 years and up to the first quarter report of 2024

Unit: NT\$ thousand

Items \ Year	2021	2022	2023	2024	March 31, 2025
Net Revenue	5,221,420	4,600,042	3,710,597	3,966,808	944,046
Research and Development Expenses	341,476	361,065	328,373	354,570	93,264
Research and Development Expenses as a Percentage of Net Revenue	6.54%	7.85%	8.85%	8.94%	9.88%

In 2025, the company plans to invest approximately NT\$414,131 thousand in R&D expenses. However, this will be adjusted as appropriate based on global market conditions and the company's actual operational situation.

2. Successfully Developed Technologies or Products

Year	Research and Development Results	Year	Research and Development Results
2019	<ol style="list-style-type: none"> 1. High-resolution high-precision timing edge generator 2. AI technology application in appearance defect inspection machine 3. PKB70 (Three-in-one) Integrated Sub-millimeter LED High-Speed Die Bonding Machine 4. SB400G fully automatic chip flip chip bonder 5. Medium and high power brushless DC motor driver module 6. Artificial intelligence automatic optical inspection and sorting module 7. PowerSiP advanced packaging process development 	2020	<ol style="list-style-type: none"> 1. YT5520 burn-in machine testing logic unit design 2. RFID radio frequency wide-range multi-row pick and place machine (FR10MP) 3. Fully automatic chip sorting machine (IS706) 4. Testing and sorting machine (YT6180) 5. Innovative advanced semiconductor packaging technology
2021	<ol style="list-style-type: none"> 1. Basic technology development project for high-tech testing systems 2. High-speed high-resolution multi-channel mixed signal analysis functional board 3. Wireless communication IC physical layer mass production testing solutions 4. Programmable DC power supply unit design for semiconductor burn-in testing 5. Wafer-level encapsulated IC testing and sorting packaging machine 	2022	<ol style="list-style-type: none"> 1. Programmable power supply (DPB) 2. Serial vector control module (SPM) 3. Wireless communication IC physical layer mass production testing solution 4. RFID wireless RF high productivity multi-lane chip mounter (FR10MP) 5. Fully automatic vision adjustment system 6. Sub-millimeter LED high-speed die bonding machine

Year	Research and Development Results	Year	Research and Development Results
	6. High-speed non-telecentric multi-sided inspection technology machine 7. Sub-millimeter LED high-speed die bonding machine		
2023	1. High-speed test instrument for LCD driver components 2. Arithmetic Logic Pattern Generator (ALPG) 3. Highly efficient automotive diode rectifier full automatic assembly machine 4. RFID wireless RF high productivity multi-lane chip mounter (FR10MP) 5. Light sensor 5-side Synchronous Vision Inspection System	2024	1. Multi-Channel High-Precision Power Parameter Measurement Technology for Power Management IC Test Systems 2. Programmable High-Current Power Supply Module for Semiconductor Burn-In Testing 3. Micro LED Laser Mass Transfer and Die Bonding System 4. Wide-Width Multi-Row Pick-and-Place Machine for RFID Wireless RF Components with 30% Increased Productivity 5. 8-Channel Photodetector Test System

(IV) Long and Short-term Business Development Plans

1. Short-term Business Development Plans

- (1) Diversify product sales markets to reduce dependence on a single customer.
- (2) Effectively monitor product manufacturing progress and implement flexible scheduling to shorten delivery times and increase customer satisfaction.
- (3) Effectively implement ISO quality management, establish a comprehensive and efficient quality assurance system, and expand the market with a high-quality image.
- (4) Maintain close contact with material suppliers, increase support from raw material suppliers to shorten procurement cycles, accelerate in-factory production speed, meet customer delivery requirements, and increase customer satisfaction.
- (5) Continue to develop new Design House customers with ATE's existing product line, assist in providing solutions and competitive proposals, increase the user base for testing platforms, and integrate upstream and downstream connections between Design Houses and OSAT.
- (6) Develop different customer segments with ATE's new product lines (S300, MIX2, AVI80, etc.), providing customers with competitive solutions.
- (7) Strengthen positioning in the Japanese market, leveraging new colleagues' resources and networks to expand customer base.
- (8) Establish presence in Southeast Asian markets (Malaysia, Vietnam, Thailand, etc.), preparing in advance for industry chain migration trends.
- (9) Develop products adapted for vertical applications in logistics, retail, Industry 4.0, medical, aviation, and other sectors.

- (10) Participate in more international exhibitions (such as RFID Journal LIVE, IOTE, LogiMAT), and enhance marketing content, such as white papers, case studies, technical seminars, etc.
- (11) Promote the technological advantages of semiconductor-grade Bonder to increase market awareness.
- (12) Promotion and continuous development of new product line (Burn-In Tester), collaborating with domestic Tier One reliability laboratories on the Burn-in Tester product line.
- (13) Actively establish partnerships with Southeast Asian and overseas OSAT factories in response to geopolitical influences.
- (14) Establish localized production and manufacturing in mainland China to prevent risks of export disruption to the mainland due to geopolitical instability.

2. Long-term Business Development Plan

- (1) Strengthen customer support operations, assist customers in solving problems, in order to maintain long-term collaborative relationships with customers.
- (2) In response to rapid product changes, expand foundry service items (test standard platform, SLT, Burn-in Oven) implementation, and develop customers in other industries to expand operational scale.
- (3) Continue to develop Taiwan's IC semiconductor testing and expand to foreign customers in Europe, America, Japan, and other countries.
- (4) Establish global supply chains and production bases, evaluate the planning and construction of new factories in Southeast Asia, reduce geopolitical risks, establish a global supply chain layout, and ensure supply chain stability.
- (5) Develop new-generation high-performance RFID INLAY, such as ultra-thin flexible antennas, ultra-thin anti-metal tags, etc., and research the integration of RFID with other technologies (such as BLE, sensing technology).
- (6) Deepen strategic cooperation, form deep partnerships with industry alliances and chip manufacturers (such as Impinj, NXP, Alien, AP Memory), join international standards organizations (GS1, DPP, ARC, etc.), and enhance brand influence.
- (7) Expand the business scope of electronic tag manufacturing services, such as printing and coding. Provide customers with comprehensive solutions to maintain long-term cooperative relationships with customers.
- (8) Increase equipment, expand operational scale, and achieve stable growth in gross profit margin.

- (9) Development partners for third-generation semiconductor testing equipment, accelerating the development of high-voltage, high-current solutions, and expanding the testing capabilities of existing ATE Testers.
- (10) Continue to develop high-speed testing equipment to meet the increasing computing and transmission speeds of high-end products such as GPU, CPU, AI, and various interface ports.
- (11) Obtain support from domestic and international first-tier customers to jointly verify high-wattage Burn-in Testers, and after successful verification, introduce the equipment to partnered reliability laboratories and OSAT factories.
- (12) Establish overseas sales teams, actively and continuously visit high-end product customers, to promote and strategically position the upcoming high-frequency ATE Testers and high-wattage Burn-in Testers.
- (13) Leveraging in-house manufacturing experience, combined with ATE equipment communication capabilities (SECS/GEM) construction, develop automated production and unmanned factory solutions, thereby providing complete turnkey sales solutions.

In the medium to long term, aside from the ongoing impact of the US-China trade war, there are still variables in the global macroeconomy, end-user demand, and the development of semiconductor strategies in Europe, America, and China that require continuous observation of subsequent effects.

II. Market and Production-Sales Overview

(I) Market Analysis

1. Main Product Sales Regions

Unit: NT\$ thousand

Sales Regions	2022		2023		2024	
	Sales Amount	%	Sales Amount	%	Sales Amount	%
Domestic Sales	3,250,739	70.67	1,916,933	51.66	2,128,754	53.66
Export Sales	1,349,303	29.33	1,793,664	48.34	1,838,054	46.34
Total	4,600,042	100.00	3,710,597	100.00	3,966,808	100.00

The company's products sales and processing services are mainly provided to domestic semiconductor packaging and testing factories and passive component manufacturers, etc.. Due to the nature of the products belonging to the IC design industry for consumer electronics, which is mostly distributed domestically, the majority of the company's customers are domestic companies and those in mainland China. However, with the trend towards internationalization in the semiconductor

market, expanding the proportion of overseas customers is the direction of future efforts.

2. Market's Future Supply and Demand Situation and Growth Potential

(1) Test Outsourcing Services

Well-known industry research unit TSIA estimates that in 2024, Taiwan's IC industry output value will reach NT\$53,151 billion (USD\$165.6B), a growth of 22.4% compared to 2023. Among them, the IC testing industry is valued at NT\$2,002 billion (USD\$6.2B), a growth of 5.0% compared to 2023.

In 2025, with demand stabilizing, IC design customers have been cautiously placing orders since 2023. Now the market is actively securing orders to ensure smooth inventory sales. Moving forward, under conservative production, operating at peak levels in 2025 may face pressure, and maintaining volume growth with stable prices will already be challenging. But with the rise of 5G, automotive, AI, and IoT applications, demand is also quite strong, which has filled some of the gaps in moderate corrections for certain product applications. Therefore, with varying demand across different products, combined with the impact of external environmental uncertainties, the semiconductor industry in 2025 still requires continuous observation of subsequent impacts.

(2) Selection inspection and RFID OEM services

LED

The LED market will continue to grow in the future, with supply and demand conditions and growth potential showing positive trends. Global LED Lighting Market: The market size in 2024 is \$96.47 billion, and is expected to exceed \$542.98 billion by 2037, with a compound annual growth rate of over 14.1%. LED Packaging Market: The market size in 2021 was \$7 billion, and is expected to reach \$27 billion by 2031, with a compound annual growth rate of approximately 7%. As global demand for energy-efficient lighting increases, the penetration rate of LEDs in the lighting market is expected to reach 75.8%. Currently, the LED industry has a relatively low market concentration with numerous competitors. Leading companies have limited control over the market, resulting in intense market competition. With the popularity of smart lighting systems and technological advancements, the LED market will continue to expand, supply and demand relationships will tend toward balance, and market competition will further intensify.

RFID

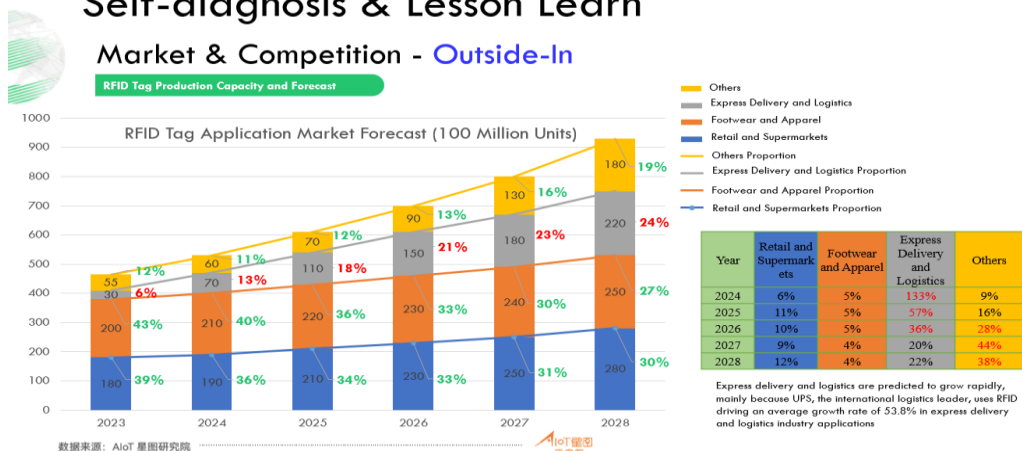
Self-diagnosis & Lesson Learn

Market & Competition - Outside-In



Self-diagnosis & Lesson Learn

Market & Competition - Outside-In



RFID electronic tags

- A. The RFID industry continues to grow, with the application market value far exceeding the tag market value. Both the tag market and application market are growing at a stable rate, with tag quantities increasing at a 15% compound annual growth rate (CAGR), while the application market value is growing at a 14.7% CAGR. By 2028, the RFID application market value is expected to reach 465.8 billion (NTD), far exceeding the tag market value of 93 billion (NTD). The application market value is more than five times the tag price, indicating that the value of RFID comes more from the added value of application scenarios rather than just the tags themselves. Express logistics is the RFID application market with the most growth potential. Express logistics applications are growing the fastest, with an average growth rate of 53.8% from 2023-2028, far exceeding other application areas. This trend is primarily driven by UPS and other leading international logistics companies, and the penetration rate of RFID in express delivery and supply chain management will further increase in the future. Other application markets (such as retail, footwear and apparel, healthcare, etc.) also maintain steady growth, but at a more moderate pace compared to express logistics.

- B. The demand for RFID tags market is steadily growing, with changing proportions of demand across industries. The proportion of express logistics tag demand will increase from 12% in 2023 to 24% in 2028, becoming the fastest-growing application area. Retail supermarkets and footwear/apparel still account for a large proportion (about 30-36% each), with relatively stable growth rates. Other applications (such as healthcare, industrial) are also gradually increasing RFID usage, and although their market share remains relatively small, they are still areas worth investing in.

(3) Testing Equipment

Impact of geopolitics, countries continue to implement various measures:

United States: CHIPS and Science Act in August 2022, new ban announced by the Department of Commerce in October 2022, Expansion of the CHIPS Act in October 2023 (estimated) while strengthening controls on sales of advanced chip manufacturing equipment and graphics chips to Chinese enterprises.

European Union: EU Chips Act officially took effect in September 2023.

South Korea: K-Semiconductor Strategy in May 2022.

Japan: Semiconductor Strategy Revival Plan in June 2021, long-term tax reduction measures for semiconductor and other fields in December 2023.

China: 200 billion RMB (28.5 billion USD) Phase II Integrated Circuit Industry Investment Fund, New Infrastructure Initiative, STAR Market, Various policies for promoting high-quality development of integrated circuit and software industries in the new era, 14th Five-Year Plan (promoting R&D and industrialization of large-size silicon wafers for integrated circuits, focusing on third-generation semiconductors and energy electronics, advancing upstream electronic-grade polysilicon manufacturing, and addressing shortcomings in key areas of basic components including integrated circuit wafers)

- A. The overall IC manufacturing industry is benefiting from demand driven by AI, high-performance computing, and automotive applications, and is expected to get back on track in 2024. Taiwan's IC manufacturing industry output value is estimated to grow by 14.3% in 2024. Q1 2024 is still in the low season, with April being a key observation point to confirm whether preparations will be made for the peak season in May and June. However, it's still necessary to monitor the strength of market demand recovery as well as developments in inflation, geopolitics, and other situations.
- B. With the increased use of GPUs, ASICs, communication equipment, and high-bandwidth DRAM, AI semiconductor sales are rapidly growing in downstream industrial, consumer electronics, and computing sectors.
- C. Advanced Driver Assistance Systems (ADAS) and automotive infotainment systems will be the two major driving forces for automotive semiconductor development. ADAS compound annual growth rate will

reach 19.8%, accounting for 30% of the automotive semiconductor market in 2023. Infotainment ranks second in the automotive semiconductor market share. Overall, more and more automotive electronics will rely on chips, creating a long-term and stable demand for semiconductors.

- D. The memory market will demonstrate strong recovery momentum in 2024. The memory market has declined for two consecutive years, with a nearly 40% drop in 2023, but will show strong rebound momentum in 2024. It is estimated that by 2027, the average annual compound growth rate will still exceed 5%.
- E. OLED panel driver IC inventory is very low, these ICs are moving from 40nm to 28nm production, and 28nm is the mature process with the strongest capacity demand.
- F. Mainland China accounts for a high proportion of global semiconductor packaging and testing output, offering significant opportunities for domestic testing equipment production. According to the data of SIA 2021, mainland China accounted for 38% of the global semiconductor packaging and testing segment. Compared to weaker areas such as wafer fabrication and chip design, this represents a more significant market position and offers substantial potential for the localization of testing equipment.
- G. Some IDM manufacturers are facing chip inventory issues in automotive and industrial control fields, therefore, industry inventory reduction may continue until the second quarter of 2024.

(II) Important uses and manufacturing processes of main products

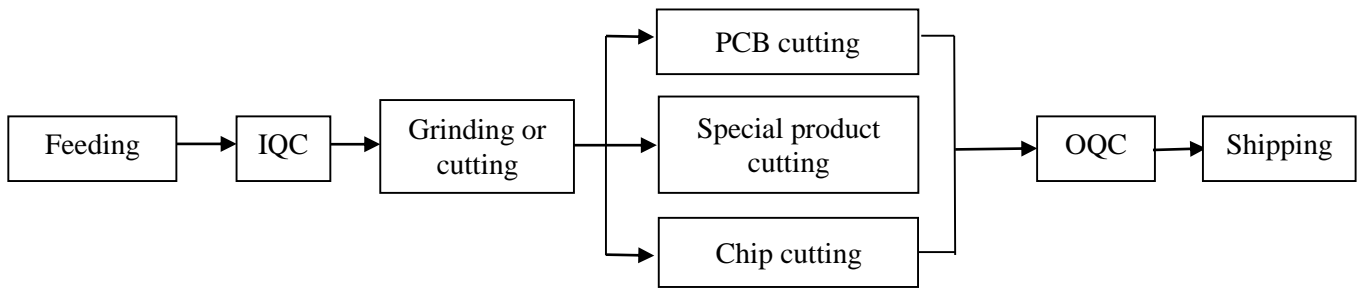
1. Important uses of main products

Main products or service items	Important uses or functions
Wafers dicing and inspection services	Processing wafers by dicing them into chips and then screening and inspecting them.
Substrate dicing services	It mainly involves dicing substrates used in the production of LED and PPTC into particles to meet subsequent process requirements.
Wafer packaging and testing services	Mainly involves IC inspection and testing the wafer itself for defects.
Final product testing services	Mainly to verify whether the semiconductor component's functionality, speed, tolerance, power consumption, electronic emissions, and other attributes meet the standards.
Inspection services	Processing services for AOI & inspection of LED & VSCEL products.
RFID manufacturing services	RFID Dry Inlay & Wet Inlay manufacturing services.

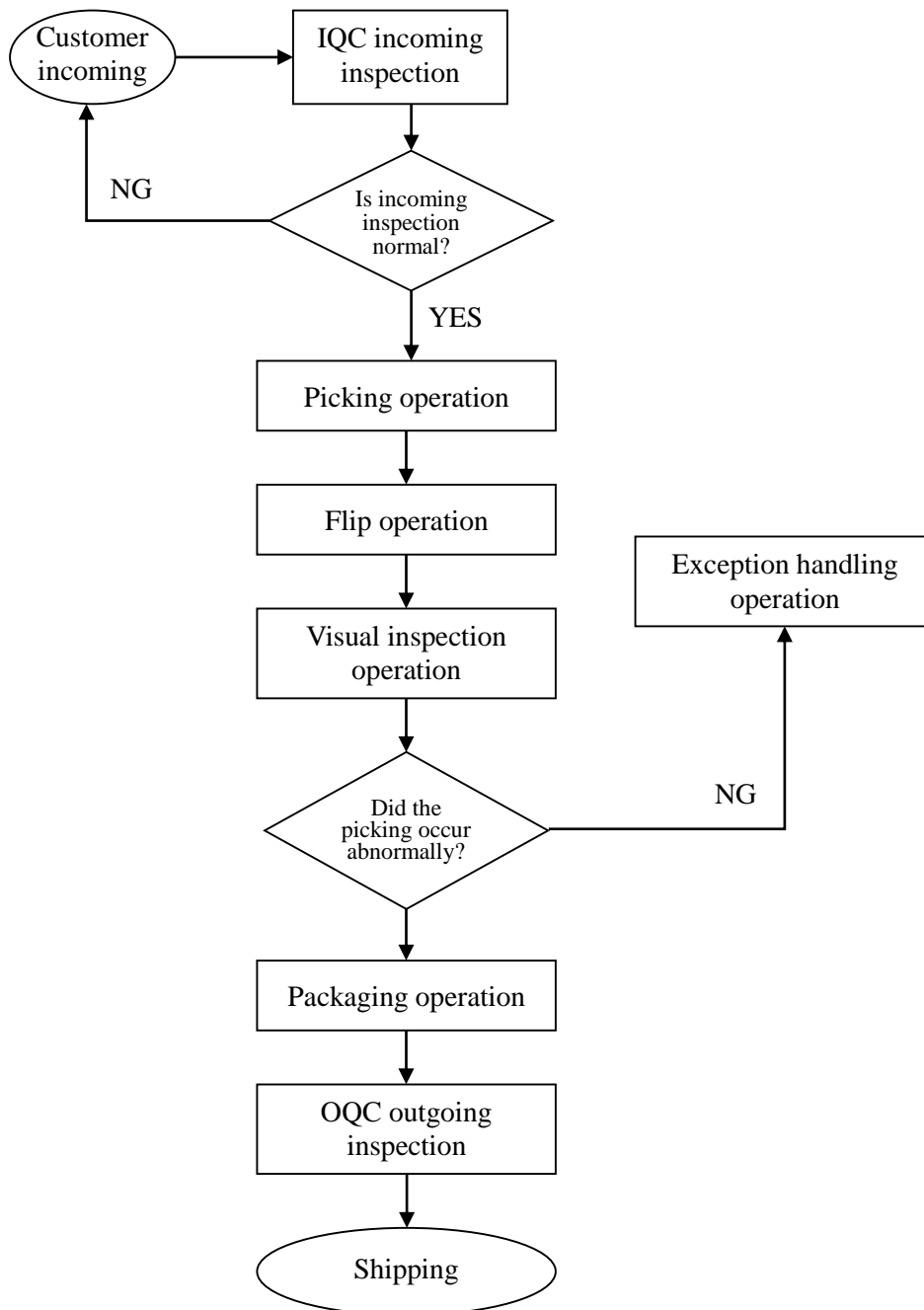
Main products or service items	Important uses or functions
RFID electronic tags	<ol style="list-style-type: none"> 1. Anti-counterfeiting: Each product has a unique RFID electronic tag that records all information about the product from the original manufacturer to the sales terminal. By scanning, a detailed information record is generated. 2. Production line management: RFID electronic tags can conveniently and accurately record process information and manufacturing operation information on the production line, meeting the requirements of flexible production. Recording workers' ID numbers, time, operations, and quality inspection results can fully achieve production traceability. It can also prevent errors caused by handwriting and visual information in the production environment. 3. Warehouse management: RFID electronic tags effectively solve the information management of warehouse goods. It allows users to understand the location and storage status of goods in real time. It plays an important role in improving warehouse efficiency and guiding production. 4. Valuable item management: Used for anti-theft protection, checkout, and after-sales guarantee of valuable items such as cameras, video cameras, laptop computers, CD players, jewelry, etc. RFID tags are attached to or embedded inside item packaging. Specialized shelf scanners perform real-time scanning of goods, providing immediate inventory records. 5. Book management and rental product management: By placing electronic tags in books, book information can be conveniently received, and books can be organized without moving them, which improves work efficiency and avoids work errors.
Machinery and equipment	<ol style="list-style-type: none"> 1. Full-function IC test machines are mainly suitable for engineering and mass production testing, with features including Function Pattern, DC and AC parameter measurement, test statistical reports, and other functions. 2. Fiber optic automatic alignment module: For automatic coupling of optical waveguides between CPO products and test equipment 3. IC & optoelectronic sorting machines select through image data after wafer testing. Their multiple detection systems provide advanced die inspection, then identify and automatically collect good and bad dies using precise sorting and arrangement systems. 4. IC test and packaging machines (WLCSP) select through wafer image data. Their multiple detection systems provide die appearance inspection (6 sides), then identify good and bad dies using precise testing systems, and package the good dies in various forms (Reel & Tray) according to customer requirements. 5. Six-sided external inspection machines (AOI) use six or eight sets of CCDs to inspect the six sides of products, and classify products (passive components/LEDs) according to the customer's appearance specifications.

2. Manufacturing process

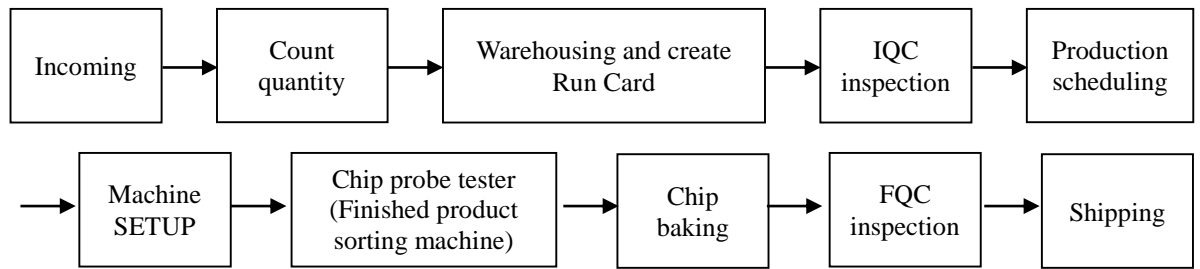
(1) Cutting:



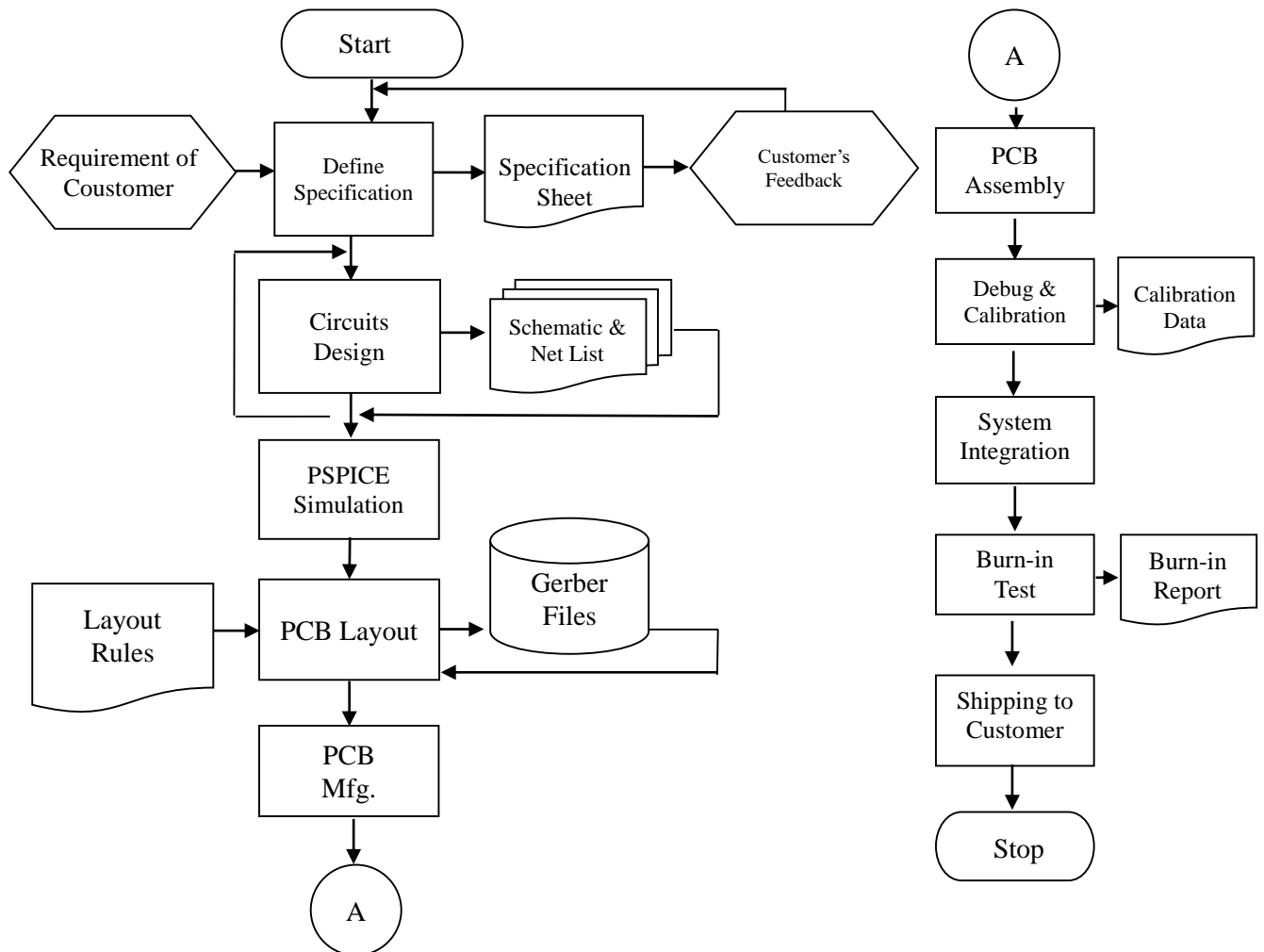
(2) Inspection:



(3) Testing:



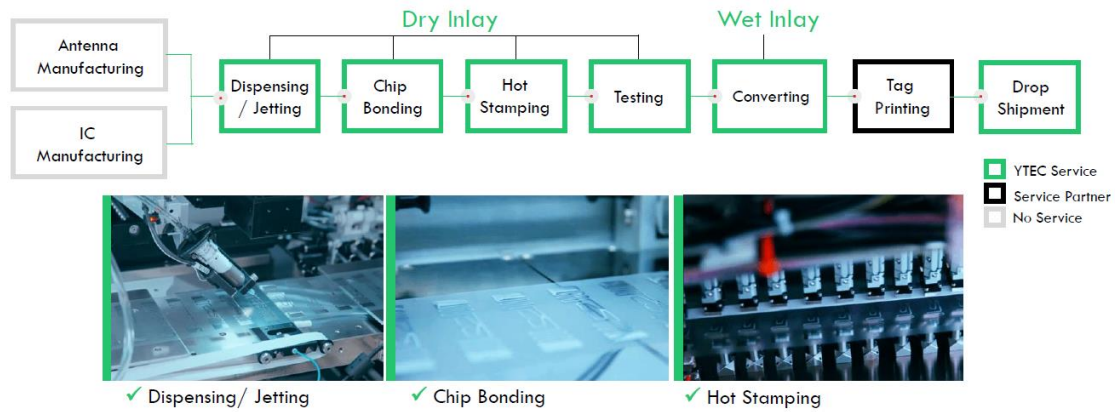
(4) Machinery and equipment:



RFID:

RFID inlays, labels and tags OEM flow

YTEC offers etching and electroplating and paper-based inkjet-printed antennas to provide various RFID-related services, such as dispensing, chip bonding, hot-stamping, testing, and converting, which are applied in many advanced areas and emerging industries, thus providing abundant OEM capabilities in the IoT industry.



(III) Supply Status of Main Materials

The main raw materials used by the company include ICs, capacitors, resistors, printed circuit boards, power supplies, and mechanical components for machine assembly. All materials are sourced from stable suppliers with whom we have cooperated for many years, so the quality of purchases and delivery schedule coordination are both good.

(IV) Customers Accounting for More Than 10% of Total Purchase or Sales in Either of the Last Two Years

1. Main Suppliers

Unit: NT\$ thousand

2023				2024				2025 Fiscal Year through the Previous Quarter			
Name	Amount	Percentage of Annual Net Purchases (%)	Relationship with the Issuer	Name	Amount	Percentage of Annual Net Purchases (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Purchases through the Previous Quarter of the Current Year (%)	Relationship with the Issuer
Company A	56,900	7.93	-	Company B	261,558	20.51	-	Company B	127,661	41.70	-
Company B	54,680	7.62	-	Company C	186,105	14.60	-	Company C	5,542	1.81	-
Company C	102,495	14.29	-	Company A	11,817	0.93	-	Company A	-	-	-
Other	503,130	70.16	-	Other	815,601	63.96	-	Other	172,962	56.49	-
Net Purchases	717,205	100.00			1,275,081	100.00		Net Purchases	306,165	100.00	

2. Main Sales Customers

Unit: NT\$ thousand

2023				2024				2025 Fiscal Year through the Previous Quarter			
Name	Amount	Percentage of Annual Net Sales (%)	Relationship with the Issuer	Name	Amount	Percentage of Annual Net Sales (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Sales in the Current Year up to the Previous Quarter (%)	Relationship with the Issuer
Other	3,710,597	100.00		Other	3,966,808	100.00		Other	994,046	100.00	-
Net Sales	3,710,597	100.00		Net Sales	3,966,808	100.00		Net Sales	994,046	100.00	

The company has not had any customers accounting for more than 10% of total sales in the last two years.

III. Employee Information

Information on Employees for the Last Two Years and up to the Date of the Annual Report Printing

Unit: person

Year		2023	2024	As of April 30, 2025
Number of Employees	Manager	56	40	38
	R&D Personnel	163	186	194
	Sales Personnel	40	49	51
	General Staff	430	426	414
	Direct Personnel	553	551	539
	Total	1,242	1,252	1,236
Average Age (years old)		38.2	38.5	38.78
Average Service Years (years)		7.63	7.83	7.99
Education Distribution Ratio	PhD	0.2%	0.1%	0.1%
	Master	12.4%	12.9%	13.1%
	College	63.2%	65.7%	66.1%
	High School	20.1%	17.7%	17.0%
	Below High School	4.1%	3.8%	3.7%

IV. Environmental Protection Expenditure Information

- (I) According to legal requirements, for those who must apply for pollution facility installation permits or pollution emission permits, or who must pay pollution prevention fees, or who must establish dedicated environmental protection units or personnel, an explanation of their application, payment, or establishment status:

The water pollution prevention permit of the company's technology plant's will expire on July 14, 2025, and preparation of relevant documents for extension began on November 27, 2024.

- (II) The company's investment in major equipment for environmental pollution prevention, their purposes and potential benefits: None.

- (III) For the past two years and up to the date of the annual report's printing, the company's progress in improving environmental pollution; for any pollution disputes, an explanation of how they were handled:

The company has had no pollution disputes in the past two years and up to the date of the annual report's printing.

- (IV) For the past two years and up to the date of the annual report's printing, the total amount of losses and penalties the company has suffered due to environmental pollution, future response policies and possible expenditures (including estimated amounts of potential losses, penalties, and compensation if countermeasures are not taken; if a reasonable estimate cannot be made, the fact that it cannot be reasonably estimated should be explained):

The company has had no environmental pollution incidents in the past two years and up to the date of the annual report's printing.

- (V) Current pollution status and how its improvement affects the company's profit, competitive position or capital expenditures, and major environmental protection capital expenditures anticipated for the next two years: None.

- (VI) Information regarding compliance with the European Union's Restriction of Hazardous Substances (RoHS) Directive:

YoungTek Electronics Corp. takes satisfying customers as its primary objective. In addition to continuously monitoring external regulations on hazardous substances, the company has also obtained IECQ QC080000 system certification since January 2011, establishing control operations for hazardous substance management and pollution prevention to ensure the continuous provision of products that meet customer requirements. The company has already introduced production processes in accordance with the European Union's environmental directives (RoHS) to comply with customer requirements and international environmental regulations.

V. Labor Relations

- (I) The company's various employee welfare measures, retirement system and their implementation status, as well as the status of labor-management agreements and measures to protect employee rights:

1. In accordance with the "Labor Pension Act", the company contributes 6% of employees' monthly salaries to their individual retirement accounts at the Bureau of Labor Insurance (new system); in addition to the employer's fixed monthly contribution of 6%, employees may also choose to make additional voluntary contributions to their personal retirement accounts. The company's total contribution amount for the year 2024 was NT\$46,386 thousand.
2. The company has established retirement regulations in accordance with the provisions of the "Labor Standards Act". These regulations apply to the years of

service of all formal employees prior to the implementation of the new system on July 1, 2005, as well as those who choose to continue calculating their subsequent years of service under the old system after the implementation of the new system. The company makes monthly contributions of 2% of total wages to a retirement fund that is deposited in a special account under the name of the Labor Retirement Reserve Supervision Committee at the Bank of Taiwan. At the end of each fiscal year, the company estimates the balance of the labor retirement reserve account. If the balance is insufficient to pay the estimated retirement amount for the following year, the company will make a one-time contribution to cover the difference by the end of March in the following year. The company's total contribution to the retirement fund for the year 2024 was NT\$11,613 thousand.

3. The company has established retirement conditions in accordance with the Labor Standards Act. Employees may request retirement under any of the following circumstances: (a) Those who have worked for more than fifteen years and have reached the age of fifty-five. (b) Those who have worked for more than twenty-five years. (c) Those who have worked for more than ten years and have reached the age of sixty; employees may not be forced to retire unless under one of the following circumstances: (a) Those who have reached the age of sixty-five. (b) Those who have lost mental faculties or have physical disabilities that render them unable to perform their duties. The age stipulated in Paragraph 1, Item 1 above may be postponed through mutual agreement between the employer and employee; for employees engaged in work of a special nature requiring dangerous conditions or strong physical strength, the company may apply to the central competent authority for approval to adjust the retirement age, but it shall not be less than fifty-five years old.
4. The company has established a "Labor Retirement Reserve Supervision Committee" in accordance with the Organizational Rules for the Labor Retirement Reserve Supervision Committee of Business Entities. The committee consists of ten members (1 representative from management and 9 representatives from labor), with a term of 4 years after which re-election is conducted, ensuring the protection of workers' rights.
5. The company provides labor insurance, health insurance, and retirement benefits in accordance with the law, as well as paid leave; free group insurance, health examinations; quarterly bonuses, year-end bonuses, employee profit-sharing, subsidies for weddings and funerals, annual trips, year-end parties with lucky draws, department meal subsidies, and family days.
6. The company issues year-end bonuses and performance bonuses based on the company's overall operations, departmental performance, and individual performance evaluations.
7. The company has established an Employee Welfare Committee in accordance with the Employee Welfare Fund Act, regularly allocating welfare funds to handle employee welfare matters, including: holiday gift vouchers, birthday gift vouchers, subsidies for weddings, funerals and celebrations, and has established clubs such as

badminton club, basketball club, board game club, pop music club, and swimming club, with annual funding provided by the company to encourage club participation and organization of various activities.

8. The company holds a labor-management meeting once every three months, providing a channel for expressing opinions, to promote positive communication between labor and management, and to jointly maintain a good labor-management relationship.
9. To safeguard employees' personal safety and workplace security, in addition to regularly holding Occupational Safety and Health Committee meetings, the company has established "Workplace Sexual Harassment Prevention, Appeal, and Disciplinary Measures" and "Prevention Plan for Illegal Infringement during Job Duties" to prevent all company employees from suffering physical or mental illegal infringement by others in the workplace while performing their duties, and to properly prevent and handle workplace violence incidents, ensuring employees' physical and mental health. The company has established "Labor Maternity Health Protection Implementation Measures" for colleagues during pregnancy and breastfeeding periods, providing safe, hygienic, healthy, and friendly workplace environments for employees before and after pregnancy and during breastfeeding, to ensure the physical and mental health of female employees during pregnancy, after childbirth, and while breastfeeding, in order to achieve maternal worker health protection.

- (II) For the past two years and up to the printing date of the annual report, losses incurred by the company due to labor-management disputes, and disclosure of current and potential estimated amounts and responsive measures:

The company's management recognizes that employees are the foundation for creating profits, and has always valued labor-management relations. Therefore, the company has never experienced any labor-management disputes or suffered losses due to such disputes, and it is anticipated that there will be no possibility of labor-management disputes or losses occurring in the future.

- (III) Employee education and training expenses:

1. The company establishes annual training plans based on employee, management, and company needs each year, including new employee training (pre-employment training) and on-the-job training (skill upgrading and reinforcement training).
 - (1) New Employee Training: To help new employees quickly understand the company and the knowledge required for their work, the training unit arranges common educational training on company organization, policies, management philosophy, company products, quality policies, environmental considerations, as well as labor safety and health education, and fire safety awareness training. Each department also conducts pre-employment training according to job requirements.

- (2) On-the-job Training: Direct supervisors provide timely guidance and instruction to their subordinates in the workplace. Additionally, all employees are arranged for internal and external training according to their job requirements. The company also periodically holds management courses, professional courses, and general education course seminars, and provides subsidies for colleagues' foreign language studies to enhance employees' comprehensive knowledge and work capabilities.

2. Statistics and expenses for employee education and training in 2024 are as follows:

Type of Education and Training	Internal Training	External Training
Number of Trainees	10,057 (persons)	193 (persons)
Expenditure	2,396 (NT\$ thousand)	498 (NT\$ thousand)
Main Course Names	<ol style="list-style-type: none"> 1. AEO Quality Enterprise Supply Chain Security 2. YSS Proposal Introduction and YKM Writing Skills 3. New Employee General Education Training 4. Sexual Harassment Prevention Education Training 5. Quality Awareness Enhancement Course 6. VDA6.3 Process Audit Details and Clause Explanation 7. EZ Project Management Skills (Two-Day Class) 8. Insomnia and Sleep Hygiene Education 9. ISO14001 & 45001 Internal Audit Training 10. VDA6.3 Clause Practical Application and Practice 11. Internal Instructor Training 12. Performance Management and Goal Setting 13. VDA6.3 Tool Application (Turtle Diagram, Risk Assessment) 14. FFA/NTF/Escalation Procedure Document Establishment Guidance Training 15. RBA Clauses 16. Disaster Prevention and Response Education Training 17. VDA6.3 Audit Technique Education Training 18. CIT-Improvement Tools 19. IATF16949 Five Core Tools Training 20. IATF16949/ISO9001 Clauses and Internal Audit Training 21. EZ Project Skills (One-Day Class) 22. Supervisor Personnel Education Training 23. IECQQC080000 Risk Identification and Regulatory Interpretation Training 	<ol style="list-style-type: none"> 1. 2024 Low-Carbon Net-Zero Personnel Training "Carbon Footprint Two-Day Advanced Class" (Taoyuan Session) 2. 2024SemiconTaiwan 3. 2024 Taipei International Automation Industry Exhibition 4. 2024 Labor Law Seminar 5. AI Procurement Practical Application - Procurement Process Automation 6. CQI&IRCA Approved ISO9001:2015 Lead Auditor Training Course 7. ESG Carbon Management Practitioner 8. IECQQC080000:2017 Auditor Training 9. ISO9001:2015 Quality Management System Lead Auditor Training Course 10. ISO9001 Gauge Instrument Calibration and Management Practices 11. Python and AI Image Recognition Application Class 12. Working Capital Management and Banking Financing Practices (Finance) 13. TTQS Corporate Version Case Analysis and Implementation Workshop 14. TTQS Gold Medal Special Training Practice 15. Artificial Intelligence Drives the Innovation Revolution of GlobalWafers 16. Company Act Regulations and Corporate Registration Practical Analysis 17. Legal Responsibilities and Case Analysis of Corporate Insiders' Illegal "Insider Trading" 18. How Much Do You Know About Business Merger Accounting (Accounting) 19. Overall Framework and Preparation Techniques for Corporate Budget Planning

Type of Education and Training	Internal Training	External Training
	24. AEO Auditor Refresher Training 25. IECQQC080000 Clauses and Internal Audit Training 26. Green Regulations Education Training 27. ISO9001:2015 Clauses and Basic Internal Audit Training 28. Hazardous Chemical Labeling and Communication Rules 29. CIT Guidance 30. DISC Personality Trait Application 31. RBA Responsible Business Alliance Code of Conduct 32. Aerobic/Strength Training or Fascia Release Related Exercise Programs 33. Performance Management and Interview 34. High-Performance Meeting Techniques 35. Supervisor Personnel Education Training 36. Situational Leadership 37. 8D Method for Problem Analysis and Resolution 38. Health or Weight Loss Diet Related Courses 39. Measurement Instrument Calibration Practices and Management 40. FSC Audit and Verification 41. APQP/PPAP Course 42. FMEA Course 43. Occupational Safety and Health On-the-job Training	20. Corporate Working Capital Control and Planning (Part 1)(Part 2) 21. Advanced Testing Forum 22. Optical Lens and CMOS Module Selection and Matching 23. Practical Skills and Important Considerations for Contract Review 24. Contract Negotiation Skills Sharing (II) - Starting with Procurement (Purchase) and Supply Contracts 25. Contract Negotiation Skills Sharing - Starting with Non-Disclosure, Distribution Agency, Purchase, and Supply Contracts 26. How to Comprehensively Assess Corporate Operational Performance from Financial Statement Data 27. Practical Management of Annual Planning and Budget Allocation 28. Various Effective Methods and Implementation Power for Cost Control 29. Automotive Industry Core Tools - Training for Process and System Auditors 30. Persuasiveness - Negotiation Strategies (Part I) (Part II) 31. Research and Development Investment Tax Credits and AI, ESG Application Practical Seminar 32. English Business Contract Key Terms and Practical Negotiation Techniques 33. Practical Planning, Allocation, and Banking Relations for Financial Stability (Finance) 34. Analysis of Common Deficiencies in Financial Statement Audits and Practical Interpretation of Key Internal Control Regulations 35. Procurement Conflict Management and Negotiation Techniques 36. Software Architect Training Course 37. Trade Accounting and Tax Filing Practices 38. Microelectronic Packaging Technology 39. Practical Analysis of Regulations on Fund Lending, Endorsements, Guarantees, and Asset Acquisition and Disposal 40. Manufacturing Business Cost Control and Profit Analysis 41. Process Equipment SECS and GEM Connection Technology 42. Value Creation and Cost Analysis Control Practices

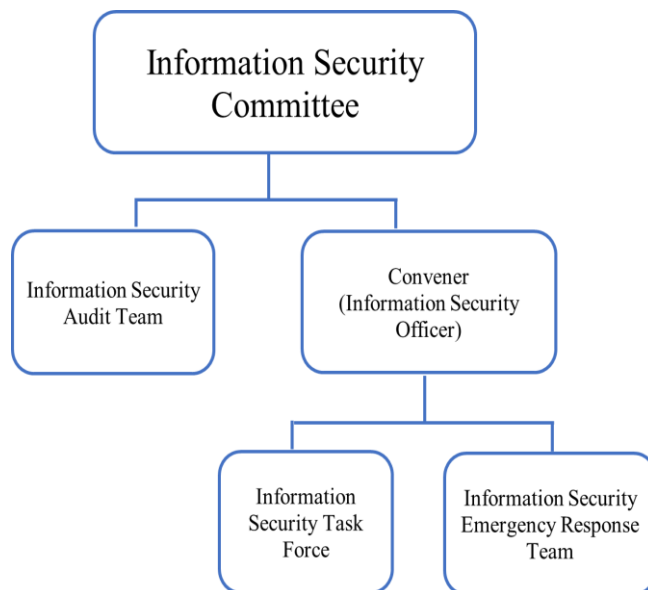
Type of Education and Training	Internal Training	External Training
		43. Principles of Image Processing and Applications of Measurement Technology (Including Intelligent Inspection) 44. Key Elements of Internal Audit for Sales and Collection Cycles and Regulatory Compliance Matters 45. Common Disputes in Profit-Seeking Enterprise Income Tax and Business Tax 46. The Way and Art of Compensation Management - Constructing a Business-Oriented Perspective on Compensation

VI. Information Security Management:

- (I) Describe the information security risk management framework, information security policies, specific management plans, and resources invested in information security management.

1. Information Security Risk Management Framework:

According to ISO/IEC 27001:2022 Document Number: ISMS-B-001 Information Security Organization Management Procedure



The (InfoSec) Information Technology Department is responsible for coordinating and implementing the company's information security policies, promoting information security awareness, enhancing employees' information security and self-protection awareness, and regularly reporting information security results to the Deputy General Manager. They evaluate the effectiveness of the company's information operation internal controls, and to protect the confidentiality, integrity, and availability of information, they have established a "Proactive Information

Security Detection and Defense" framework to prevent risks of unauthorized use, destruction, or leakage of information.

2. Information Security Policy: Strengthen personnel awareness, prevent data leakage, implement daily maintenance and operations, ensure service availability.

According to the purpose of the information security policy, the information security objectives are as follows:

- (1) Promote information security education and training through quarterly new employee training conducted by the Management Department.
 - (2) Regularly conduct information security education and training for all employees (for AEO), promote and strengthen employees' awareness of information security and their understanding of related responsibilities.
 - (3) Protect important company information, prevent unauthorized access and modification, and ensure its accuracy and integrity.
 - (4) Conduct regular internal audits to ensure that all related operations are effectively implemented.
 - (5) Ensure that the company's critical core systems maintain a certain level of system availability.
3. The specific management programs and resources invested in information security management are as follows:
 - (1) Network hardware equipment such as firewalls, email anti-virus, spam filtering, malicious website and message blocking, website filtering, manageable network switches, etc.
 - (2) Software systems such as endpoint protection systems, backup management software, VPN authentication and encryption software, etc.
 - (3) Telecommunications services such as multiple lines, off-site backup services, intrusion prevention services, etc.
 - (4) Investment in human resources for daily system status checks, weekly regular backups and off-site storage of backup media, at least four information security awareness education courses annually, annual system disaster recovery drills, and annual internal and external (CPA firm: Deloitte & Touche) audits of the information cycle.
 - (5) Information security personnel: One information security supervisor and two information security staff members, responsible for information security architecture design, information security operation and monitoring, information security incident response and investigation, information security policy review

and revision. The Information Technology Department supervisor regularly reports to the Deputy General Manager.

- (II) List the losses suffered due to major information security incidents, their potential impacts, and response measures in the most recent fiscal year and up to the printing date of the annual report. If reasonable estimation is not possible, explain the facts making such estimation impossible: None.

VII. Important contracts: Apart from general commercial transactions, the company has not signed any other important contracts at present.

Chapter 5. Review and Analysis of Financial Status, Financial Performance, and Risk Issues

I. Financial Status

Financial Status Comparative Analysis Table

Unit: NT\$ thousand

Item \ Year	2024 Amount	2023 Amount	Difference	
			Amount	Change Percentage %
Current Assets	5,209,507	5,100,076	109,431	2.15%
Non-current Assets	3,316,203	3,207,565	108,638	3.39%
Total Assets	8,525,710	8,307,641	218,069	2.62%
Current Liabilities	1,370,990	1,088,226	282,764	25.98%
Non-current Liabilities	252,495	303,698	(51,203)	(16.86%)
Total Liabilities	1,623,485	1,391,924	231,561	16.64%
Share Capital	1,284,980	1,284,980	0	0.00%
Capital Reserve	2,439,404	2,439,724	(320)	(0.01%)
Retained Earnings	3,012,857	2,992,423	20,434	0.68%
Other Equity	(28,548)	(17,785)	(10,763)	60.52%
Non-controlling Interests	193,532	216,375	(22,843)	(10.56%)
Total Equity	6,902,225	6,915,717	(13,492)	(0.20%)
<p>I. For items with changes exceeding 20% and amounts over NT\$10 million in the last two years, the analysis is as follows:</p> <ol style="list-style-type: none"> Current liabilities increased: This is mainly due to increased purchases in 2024, resulting in an increase in accounts payable. Other equity increased: This is mainly due to the increase in unrealized gains and losses on financial assets at fair value through other comprehensive income. <p>II. Future response plan: The above changes in proportions are due to normal operating conditions, and there are no special response plans.</p>				

II. Financial Performance

Financial Performance Comparative Analysis Table

Unit: NT\$ thousand

Item \ Year	2024 Amount	2023 Amount	Increase (Decrease) Amount	Change Percentage %
Operating revenue	3,966,808	3,710,597	256,211	6.90%
Gross profit from operations	1,194,928	1,054,613	140,315	13.30%
Net operating income	458,869	578,181	(119,312)	(20.64%)
Non-operating income and expenses	170,725	20,767	149,958	722.10%
Income before income tax	629,594	598,948	30,646	5.12%
Net income for the period	488,312	523,953	(35,641)	(6.80%)
Comprehensive income for the period	500,820	535,875	(35,055)	(6.54%)
<p>I. For items with changes exceeding 20% and amounts over NT\$10 million in the last two years, the analysis is as follows:</p> <ol style="list-style-type: none"> Decrease in net operating income: Mainly due to the increase in expected credit impairment losses during this period. Increase in non-operating income and expenses: Mainly due to the gain on disposal of subsidiaries and the increase in foreign exchange gains. <p>II. Future response plan: The above changes in proportions are due to normal operating conditions, and there are no special response plans.</p>				

III. Cash Flow

(I) Analysis of Cash Flow for the Past Two Years

Items \ Year	2024 Amount	2023 Amount	Increase (Decrease) Change	
			Amount	Change Percentage %
Operating activities	714,754	519,253	195,501	37.65%
Investment activities	(475,452)	(131,670)	(343,782)	261.09%
Financing activities	(485,893)	(833,105)	347,212	(41.68%)
Exchange rate fluctuations	4,619	(2,344)	6,963	(297.06%)
Net cash inflow (outflow)	(241,972)	(447,866)	205,894	(45.97%)
Description of analysis of proportional change in increase/decrease:				
1. The net cash inflow from operating activities increased, mainly due to the decrease in cash outflow for accounts payable in 2024.				
2. The net cash outflow from investment activities increased, mainly due to the increase in equipment purchase payments.				
3. The net cash outflow from financing activities decreased, mainly due to the repayment of short-term borrowings in 2023.				
4. The net cash inflow from exchange rate fluctuations increased, mainly due to the increase in unrealized exchange losses from foreign currency exchange rate fluctuations.				

(II) Analysis of cash liquidity for the coming year

Consolidated Cash Flow Analysis Table

Unit: NT\$ thousand

Beginning cash balance	Expected net cash flow from operating activities for the whole year	Expected cash outflow for the whole year	Expected cash surplus (deficit) amount	Remedial measures for expected cash deficit	
a	b	c	a + b - c	Investment plan	Financial management plan
2,398,287	617,000	915,000	2,100,287	-	-
(1) Remedial measures for expected cash deficit and liquidity analysis: Not applicable.					
(2) Analysis of cash flow changes:					
Operating activities: Mainly due to revenue and profit in 2025 generating net cash inflow from operating activities.					
Investment activities: Mainly due to equipment renewal plan in 2025 generating net cash outflow from investing activities.					
Financing activities: Mainly due to the expected distribution of cash dividends in 2025 generating cash outflow from financing activities.					

IV. Impact of significant capital expenditure in the most recent year on finance and business

(I) Utilization and source of funds for significant capital expenditure:

Unit: NT\$ thousand

Project Item	Actual or expected source of funds	Expected completion date	Total capital required	Actual or expected fund utilization progress	
				2024	2025
Fixed Assets	Own funds	December, 2025	1,106,592	376,012	730,580

(II) Estimated potential benefits

To accommodate the group's business innovation and development while reducing production costs, and in consideration of the dramatic changes in the market environment, capital expenditures for future years will be strictly controlled to ensure that every investment effectively increases the group's revenue and profit contribution, which is beneficial for future strategic positioning.

V. Investment Policy, Main Reasons for Profit or Loss, Improvement Plans for the Most Recent Year, and Investment Plan for the Coming Year

(I) Investment Policy: Implemented in accordance with the Company's long-term and short-term equity investment operational procedures.

(II) Main Reasons for Investment Profit or Loss and Improvement Plans: The operational overview of the four invested subsidiaries in mainland China for the most recent year is as follows:

1. Xiamen YoungTek Electronics Co., Ltd.: In recent years, due to the impact of intense competition in the LED industry market, operations have faced challenges. In response to the development situation in the mainland market, and after combining appropriate partners and formulating transaction terms, on March 14, 2024, the disposal of 100% equity in Xiamen YoungTek Electronics Co., Ltd. was submitted to the Audit Committee for review and to the Board of Directors for discussion and approval. The equity transfer registration was completed on November 27, 2024.
2. YoungTek Micro Electronics (Shenzhen) Ltd.: After merging with Weikong Trading (Shenzhen) Co., Ltd. in 2020, it has focused on adjusting its products and operational strategies, and is currently maintaining stable operations.
3. Yangzhou YoungTek Microelectronics Co., Ltd.: Yangzhou YoungTek was established in September 2016, engaging in the research and development, production, and processing services of RFID wireless frequency tags and related equipment. Currently, operations are affected by AED certification, and the company is actively expanding its customer base, with the expectation that it will contribute positive energy to overall operations in the future.
4. Suzhou YoungTek Microelectronics Co., Ltd.: Suzhou YoungTek was established in May 2019, engaging in "integrated circuit design; chip testing, packaging, and

processing; technology development, technical services, and technical consultation in the field of semiconductors and integrated circuits; computer software design and development; sales of semiconductors, electronic products, electromechanical equipment, and electronic components; mechanical equipment repair, leasing, and sales; and the import and export business of various goods and technologies, both self-operated and as an agent." Current operations and profitability are stable.

(III) Investment Plan for the Coming Year: None.

VI. Risk Management and Assessment for the Most Recent Year and as of the Date of the Annual Report Printing

(I) Impact of Interest Rate, Exchange Rate Fluctuations, and Inflation on Company Profits and Losses, and Future Response Measures

1. Impact of Interest Rate Fluctuations on Company Profits and Losses for the Most Recent Year and Future Response Measures

(1) Impact of Interest Rate Fluctuations on the Company's Profits and Losses

To meet operational funding requirements, the company has obtained purchase loans and long-term mortgage loans from banking institutions. Therefore, interest rate fluctuations will affect current profitability. However, the net interest income and expenses for 2024 and 2023 only accounted for 7.35% and 7.45% of pre-tax net profit respectively, so the impact of interest rate fluctuations on the company is minimal.

Items	2024	2023 (Restated)
Interest Income (Expense) (A)	46,253	44,619
Pre-tax Net Profit (B)	629,594	598,948
Interest Income and Expense as a Percentage of Pre-tax Net Profit (A/B) (%)	7.35%	7.45%

(2) Specific Measures in Response to Interest Rate Fluctuations

- A. Collect information on interest rate changes daily to timely adopt appropriate response measures.
- B. If interest rates decrease, we will timely adjust to acquire lower-interest loans to repay higher-interest loans; if interest rates increase, potentially eroding the company's overall profitability, we will evaluate obtaining necessary funds through premium cash capital increases.

2. Impact of Exchange Rate Fluctuations on the Company's Profit and Loss in the Most Recent Year and Future Response Measures

(1) Impact of Exchange Gains and Losses on Revenue and Pre-tax Net Profit for the Past Two Years

Unit: NT\$ thousand

Analysis Items\Year	2024	2023 (Restated)
Exchange (Losses) Gains	64,978	(22,082)
Net Operating Revenue	3,966,808	3,710,597
Pre-tax Net Profit	629,594	598,948
Exchange (Losses) Gains as a Percentage of Net Operating Revenue	1.64%	-0.60%
Exchange (Losses) Gains as a Percentage of Pre-tax Net Profit	10.32%	-3.69%

(2) Specific Measures to Address Future Exchange Rate Fluctuations

The company constantly monitors exchange rate fluctuations, plans hedging strategies in advance, and has established "Procedures for Acquisition or Disposal of Assets" and "Procedures for Derivative Products Trading" as control measures to mitigate potential exchange rate risks in operations.

3. Impact of Inflation

In response to the impact of inflation, the company actively improves production processes to increase unit output, expands equipment to increase mass production capacity to accelerate the reduction of unit costs, and focuses on Cost Down cost management to enhance operational advantages.

(II) Policies on High-Risk and Highly Leveraged Investments, Lending Funds to Others, Endorsements and Guarantees, and Derivative Financial Instruments Trading; Main Reasons for Profits or Losses Thereof; and Future Response Measures

1. The company has not engaged in high-risk or highly leveraged investments in the most recent fiscal year.
2. The company has established "Procedures for Lending Funds to Others" and "Regulations for Endorsements and Guarantees," and when executing fund lending and endorsements/guarantees, appropriate risk assessment operations have been implemented, with no instances of losses occurring.
3. Response measures: The company has established relevant regulations including "Procedures for Acquisition or Disposal of Assets," "Procedures for Lending Funds to Others," and "Regulations for Endorsements and Guarantees," which will provide guidelines for related operations.

(III) Future R&D Plans and Estimated R&D Expenses

1. Current Progress of Future R&D Plans Unit: New Taiwan Dollar

R&D Plans	Current Progress	Estimated Additional Expenses	Estimated Completion Time
AVI function board	30%, Function Board Development	NT\$5,000 thousand	2025/12
New Soc Tester System	60%, Function Board Development	NT\$30,000 thousand	2026/12
150W Burn-in System Development	50%, Development	NT\$10,000 thousand	2025/12
YT6210M Light Sensor Handler	95%, Customer Implementation and Verification in Progress	NT\$1,200 thousand	2025/07
FR30M-RFID Dry Inlay Bonder	95%, at Customer Site Field Trial/Demo	NT\$1,000 thousand	2025/08
MB121-IC Bonder	100%, Customer Implementation and Mass Production in Progress	NT\$1,600 thousand	2025/09
	Estimated Total Investment Amount for the Next Two Years	NT\$48,800 thousand	

2. Key Factors Affecting Future R&D Success

Since its establishment, the company has placed great emphasis on investing in R&D personnel and related equipment. Through internal education and training, experience sharing, and collaboration with research institutions, we have accumulated the strength of our R&D team. We are also actively recruiting experienced R&D talents from the industry to enhance our product planning and innovation capabilities. In recent years, the new product development projects that we have invested in have been successively completed. In the future, the company will continue to invest in R&D, and R&D expenses will grow with the increase in sales revenue.

The key factors affecting the success of the company's research and development are the quality of R&D personnel and the mastery of software and hardware technologies. We believe that with the experience accumulated by our R&D team over the years, we will be able to successively develop products with market competitiveness.

(IV) Impact of Major Domestic and Foreign Policy and Legal Changes on the Company's Finance and Business, and Response Measures

The company has taken appropriate measures to respond to major domestic and foreign policy and legal changes, which are not expected to have a significant impact on the company's finances and operations.

(V) Impact of Technological Changes and Industry Changes on the Company's Finance and Business, and Response Measures

In the most recent year, technological changes have not had a significant impact on the company's finances and operations. Continuous quality improvement and innovation activities are the company's response methods.

(VI) Impact of Corporate Image Change on Corporate Crisis Management and Response Measures

The company has a good corporate image, and there have been no significant changes in the most recent year that would cause corporate crisis management issues.

(VII) Expected Benefits and Potential Risks of Mergers and Acquisitions

The company has not engaged in any merger and acquisition plans from the most recent year to the printing date of the annual report, so there are no potential risks in this regard.

(VIII) Expected Benefits and Potential Risks of Plant Expansion

Please refer to page 125 for the impact of major capital expenditures on financial operations.

(IX) Risks Faced from Concentrated Purchases or Sales

The company strives to diversify its suppliers and customers, so there are no risks that may arise from excessive concentration of purchases or sales.

(X) Impact and Risks of Large-Scale Transfers or Changes in Shareholding by Directors, Supervisors, or Major Shareholders Holding More Than 10% of Shares, and Countermeasures

As of the printing date of the annual report, there has been no large-scale transfer or change in shareholding by the company's directors, supervisors, or major shareholders holding more than 10% of shares.

(XI) Impact, Risks, and Countermeasures for Changes in Management Control

The company's management team is focused on business operations, with the assistance and support of directors and supervisors, and there are no existing risks that may arise from changes in management control.

(XII) Litigation or Non-Litigious Matters

1. For any litigation, non-litigation, or administrative disputes that have been definitively adjudicated in the past two years up to the printing date of the prospectus, or those that are currently pending, where the outcome may have a significant impact on shareholder equity or securities prices, the company should disclose the disputed

facts, monetary amount involved, commencement date of litigation, main parties involved, and current status: None.

2. For any litigation, non-litigation, or administrative disputes involving the company's directors, supervisors, General Manager, de facto responsible persons, major shareholders with shareholding exceeding 10%, and subsidiaries, that have been definitively adjudicated in the past two years up to the printing date of the prospectus, or those that are currently pending, where the outcome may have a significant impact on the company's shareholder equity or securities prices: None.
3. For any incidents involving the company's directors, supervisors, managers, and major shareholders with shareholding exceeding 10%, that fall under Article 157 of the Securities and Exchange Act in the past two years up to the printing date of the prospectus, and the company's current handling of such matters: None.

(XIII) If the company's directors, supervisors, managers, and major shareholders with shareholding exceeding 10% have experienced financial difficulties or loss of credit standing in the past two years up to the printing date of the prospectus, the impact on the company's financial status should be specified: None.

(XIV) Assessment Basis and Foundation for the Provision of Asset and Liability Valuation Items in Financial Statements:

Item No.	Asset and Liability Valuation Items	Assessment Basis	Assessment Foundation
1	Allowance for Doubtful Accounts	Allowance for doubtful accounts is provided based on the aging of receivables and the assessment of their recoverability	<p>OEM:</p> <p>A For accounts receivable with aging 1-90 days, provision rate 0%</p> <p>B For accounts receivable with aging 91-180 days, provision rate 5%</p> <p>C For accounts receivable with aging 181-365 days, provision rate 15%</p> <p>D For accounts receivable with aging over one year, provision rate 50%</p> <p>E For accounts receivable with aging over two years, provision rate 100%</p> <p>Own equipment:</p> <p>A For accounts receivable with aging 1-90 days, provision rate 0%</p> <p>B For accounts receivable with aging 91-180 days, provision rate 10%</p> <p>C For accounts receivable with aging 181-365 days, provision rate 30%</p> <p>D For accounts receivable with aging over one year, provision rate 50%</p> <p>E For accounts receivable with aging over two years, provision rate 100%</p>
2	Allowance for inventory obsolescence	Allowance for obsolescence is provided based on inventory aging	<p>OEM:</p> <p>A For inventory with aging 1-90 days, provision rate 0%</p> <p>B For inventory with aging 91-180 days, provision rate 5%</p>

Item No.	Asset and Liability Valuation Items	Assessment Basis	Assessment Foundation
		and possibility of use Assessed based on net realizable value of inventory	<p>C For inventory with aging 181-365 days, provision rate 15%</p> <p>D For inventory with aging over one year, provision rate 50%</p> <p>E For inventory with aging over two years, provision rate 100%</p> <p>Own equipment:</p> <p>A For inventory with aging 1-180 days, provision rate 0%</p> <p>B For inventory with aging 181-365 days, provision rate 10%</p> <p>C For inventory with aging over one year, provision rate 50%</p> <p>D For inventory with aging over two years, provision rate 100%</p> <p>Net realizable value refers to the balance after deducting the estimated costs to complete and the selling expenses from the estimated selling price under normal circumstances.</p>

(XV) The company's key performance indicators (KPI):

KPI	Formula	KPI Indicator	2023	2024
New Product Development Achievement Rate Performance Indicator	$1 - (\text{Number of New Product Failures} / \text{Number of New Product Developments}) \times 100\%$	$\geq 100\%$	100%	100%
Delivery Date Achievement Rate Performance Indicator	$(\text{Number of Batches Delivered on Time} / \text{Total Number of Shipped Batches}) \times 100\%$	$\geq 100\%$	100%	100%
Warehouse Receipt On-Time Delivery Rate Performance Indicator (CP)	$(\text{Number of Actual Warehouse Receipts} / \text{Number of Monthly Offline Batches}) \times 100\%$	$\geq 98.95\%$	98.97%	98.96%
Warehouse Receipt On-Time Delivery Rate Performance Indicator (FT)	$(\text{Number of Actual Warehouse Receipts} / \text{Number of Monthly Offline Batches}) \times 100\%$	$\geq 99.25\%$	99.26%	99.27%
Research Cutting and Selection Manufacturing Yield Performance Indicator - Monthly Proportion of Batches with Chip Cutting and Selection Yield Below 99%	$(\text{Number of Low Yield (Yield} < 99\%) \text{ Batches} / \text{Total Number of Batches}) \times 100\%$	$< 0.03\%$	0.06%	0.06%
Test Outsourcing Production Achievement Rate Performance Indicator (CP)	$(\text{Total Testing Time} / \text{Machine Work Time})$	$> 90\%$	91.24%	94.4%

(XVI) Other significant risks: None.

VII. Other important matters: None.

Chapter 6. Special Notes

I. Information on Affiliated Companies:

The company has submitted information on affiliated companies before March 31, 2025. Please refer to the Market Observation Post System (MOPS) for this information (Path: MOPS > Single Company > Electronic Document Download > Affiliated Companies Three Statements Section) Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10.

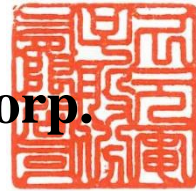
II. Status of private placement of securities in the most recent year and up to the date of the annual report printing: Not applicable.

III. The holding or disposal of the company's shares by subsidiaries in the most recent year and up to the date of the annual report printing: None.

IV. Other necessary supplementary information: None.

Chapter 7. In the most recent year and up to the date of the annual report printing, matters specified in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act that may have a significant impact on shareholders' equity or securities prices: None.

YoungTek Electronics Corp.



Chairman: Ping-Lung Wang

