Stock Code: 3622

Young Fast Optoelectronics Co., Ltd.

2025 Annual Report

(Translation)

This annual report is available at: http://MOPS.TWSE.COM.TW (Market Observation Post System)
http://www.yfo.com.tw (company website)

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Notice to Readers:
For the convenience of readers, the Meeting Handbook has been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.

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

Spokesman: Sharon Ho

Title: Vice president

Telephone number: (03)4833665

E-mail address: 3622@yfo.com.tw

Acting spokesman: Eric Hsu

Title：President

Telephone number：(03)4833665

E-mail address：3622@yfo.com.tw

2.The address and telephone number of the company's headquarters, branch offices, and factories.

Head office address: No. 31, Jingjian 1st Rd., Guanyin Dist., Taoyuan City.

TEL: (03)483-3665

Optoelectronics Business Group: No. 31, Jingjian 1st Rd., Guanyin Dist., Taoyuan City.

TEL: (03)483-3665

Electromechanical Business Group: No. 22, Jingjian 5th Rd., Guanyin Dist., Taoyuan City.

TEL: (03)483-6219

3.The name, address, e-mail address, and telephone number of the agency handling shares transfer.

Name: Concord Securities Group, Stock Affairs

Address: B1F., No. 176, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City.

Website: http://www.6016.com.tw

TEL: (02)8787-1118

4.The name of the certified public accountant who duly audited the annual financial report for the most recent fiscal year, and the name, address and telephone number of the accounting firm to which they belong.

Name: Aaron Chiang and Lisa Kuang

CPA firm: KPMG

Address: 68F., No. 7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City.

TEL: (02)8101-6666

Website: https://kpmg.com/tw

5.The name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities: None.

6.The address of the company's website: http://www.yfo.com.tw

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One. Letter to Shareholders

Ladies and Gentlemen:

It is my honor that you took the time to attend the 2024 Annual Shareholders' Meeting of Young Fast Optoelectronics Co., Ltd., and I would like to thank you on behalf the Company and our staff for your support and love for the Company. Below is the report on our business performance for 2023 and future business plans:

I. 2024 Business Performance

(1) Business Strategy and It's Implementation Status

Over the past few years, the Company's Optoelectronics Business Group has been actively engaged in the research and development of functional touch panel sensors, and the surface printing, profiling, and processing (stain-resistance; anti-glare; anti-reflection; anti-bacteria) for our self-developed glass cover. Meanwhile, we have also expanded our business of edge lamination and full lamination of touch modules and different displays, developed the production capacity for Touch Monitor and FATP and PMOLED and electronic paper module bonding, to protect our R&D achievements, actively filed for patent protection at home and abroad. We have branched out into the markets for industrial control, sports equipment, in-vehicle applications, and medium and large size advertising guide electronic paper module. The glass production line began to mass produce cover glass and surface coating products, and the Company continues to cultivate and stabilize the sales market through vertical integration.

In addition, our Electromechanical Business Group, given its major customer being the Taiwan Power Company, greatly valued product quality, safety, and ability to adapt; as so, it had established a high market entry barrier with its technologies and specifications certification, and therefore derived a stable gross profit. In 2024, the production capacity of the new factory for mechanical and electrical products operated smoothly, and was able to meet the needs of future market growth. To assist customers in solving the current shortage of manpower in the market for equipment installation and construction, meanwhile, we actively integrates equipment engineering resources, joins long-term partners in strategic alliances to provide installation and construction services, and cooperates with various downstream engineering companies to train technicians and purchase relevant equipment to provide partial installation and construction, so that customers can receive a complete installation construction services; additionally, to meet the needs of Taipower's power grid, different types of terminal equipment products have been introduced and relevant tests are conducted in cooperation with customers.

Due to the continuous gains derived by our large- and medium-size touch panels from non-consumer markets such as industrial control, in-vehicle applications, and sports equipment, and also due to stable gains from the domestic market, our electromechanical products derived handsome profits. Meanwhile, we also focused on asset revitalization to diversify our income sources, and in doing so coped with the volatile international market, thereby lowering risk and boosting steady income. Furthermore, striving to implement the sustainable operation (ESG), the the solar roof at the Guanyin Plant III started generating electricity in 2024, a total of 465,718 kWh was generated, reducing approximately 230 tons CO2e.

(2) Implementation results of business plan

In 2024, the global economy was affected by the combined effects of slowing inflation and geopolitics, which was similar to that of the previous year. However, the overall industry is concentrated in the AI technology-related supply chain, resulting in the demand for other electronic products and related parts not growing much or even slowing down, photoelectric products were continue to be affected by factors such as the slowdown in demand and inventory consumption, the business turnover is 24.99% less than the 2023 level. In addition, our electromechanical products were all for domestic use, we benefited from the domestic energy policy and the increase in power facilities projects of TaiPower in 2023, deriving a revenue that was 2.84% higher than the 2023 level during at nearly full capacity. Coupled with steady non-operating income (i.e., investment income), our overall profits grew from last year. In 2024, the annual consolidated operating revenue stood at NTD 1,577,292 thousand, down 3.76% from last year; net income after taxes attributable to the Company at NTD 720,443 thousand, up NTD 567,534 thousand, or 26.94%, from last year; and earnings per share at NTD 4.76.

(3) Budget Implementation Status

The 2024 financial forecast was not made public, so there is no question of whether the budget was achieved or not.

(4) Financial income and expenses; profitability analysis

1. Analysis of receipts and expenditures

The ratio of long-term capital to fixed assets was 861.53%, and the debt ratio was 9.48% in 2024, attesting to the Company’s good capital structure. mainly due to that the cash inflows from operating activities are used to repay short-term borrowings. Liquidity ratio and quick ratio in 2024 were 1,244.89% and 1,171.36%, respectively, attesting to the Company’s good solvency.

2. Analysis of Profitability

The Company’s annual consolidated gross profit and annual consolidated operating income in 2024 were NT$723,825 thousand and NT$469,348 thousand, respectively, an increase of 21% and 31.76%, respectively, from 2023. These were mainly due to the growth of business scale from high margin products of electromechanical and the continuous implementation of cost reduction measures. In terms of non-operating income was NT$338,122 thousand, it was mainly from the flexible use of idle assets of the Company and continuous injection of income such as rent and dividends. In 2024, the net income after taxes stood at NT$769,908 thousand, net income after taxes that is attributable to the Company at NT$720,443 thousand, and earnings per share at NT$4.76.

Analysis		2023	2024
Capital Structure analysis	Debt Ratio	10.43%	9.48%
	Long term funds to fix asset	821.60%	861.53%
Liquidity analysis	Current ratio	1,077.17%	1,244.89%
	Quick ratio	1,024.21%	1,171.36%
Profitability analysis	Return on total assets (%)	8.93%	10.02%
	Return on equity (%)	9.24%	10.37%
	Operation income to capital	23.56%	31.02%
	Net income before tax to capital	38.63%	53.36%
	Profit ratio	37.19%	48.81%
	Earnings per share (NT$)	3.75	4.76

(5) Research and Development

A touch panel mainly serves the role that makes a human-machine interface more convenient. It is developed to suit different applications at different premises and under different environments, and towards a trend that features more a compact body and an even thinner bezel. The films on the surface of our touch control modules are self-developed. In terms of membranes and glass sensors, we adopt metallized films and lithography to effectively produce ultra-thin touch products. In terms of ultra-thin bezel, we use advanced laser processes such as precision exposure and CCD alignment, so as to provide customers with a high-end product that features both a thinner bezel and a higher sensitivity. Our UV-resistant membranes and glass sensor process production lines can meet the requirements for in-vehicle applications, and for products to be used by our end customers under a lengthy exposure to sunshine. We also develop stain-resistant/anti-glare/anti-reflection/anti-bacteria coating technologies. In addition, we newly perform full lamination of cover glass and touch module for our LCM and PMOLES for use of industrial control, and advance the technology for lamination of electronics paper modules, to satisfy the diverse applications at the customer end.

The Electromechanical Business Group: To meet the needs of power grid replacement, Taipower has introduced different types of terminal boxes to cooperate with customers to conduct tests on different items of physical test circuits to meet more comprehensive product needs of customers; in addition, taking advantage of the international division of of labor and OEM, the Company has won orders for metal parts applied to ultra-high voltage grade terminals and connection equipment. It is expected that the manufacturing and processing capabilities of metal parts of ultra-high voltage electrical equipment will be upgraded to a higher level.

II. Summary of the Business Plan for 2025

(I) Summary of the Business Plan

1. Optoelectronic BG

The Company’s touch panel products are non-consumer products, such as the industrial control products, medical products, in-vehicle products, sports products, and the lamination and assembly of electronics paper for indoor and outdoor use. As a result of market changes and customer needs, large- and medium-size products have become the major products and, along with FATP consolidation and total productive maintenance (TPM) of vertical production, are the critical items that we aim to develop and promote. In addition, the Company also strives to improve the stack-up yield rate for our touch and non-touch display applications and expand the applications of new materials, to provide customers with a complete and competitive solution, and in doing so sharpen our competitive edges. Meanwhile, the Company actively applies for patents at home and abroad and implements subsequent patent protection measures in order to ensure the Company’s interest.

In response to international geopolitical developments, the Company has strategically leveraged its overseas manufacturing sites, integrating service industry resources with upstream and downstream partners to establish a production base for related products at its Vietnam facility. The Company continues to invest in research and development for new applications, including electronic paper products, PMOLED displays, and components related to electric vehicles. Control of raw materials, production capacity allocation, cost control, and human resources arrangement will become the Optoelectronic Business Group’s major goals this year. To cope with the volatile market, the Company will leverage our accumulated operational and R&D strength to be deeply engaged in the market and provide customers with consolidated services, control of raw materials, production capacity allocation, cost control, and human resources arrangement will become the Optoelectronic Business Group’s major goals this year. To cope with the volatile market, the Company will leverage our accumulated operational and R&D strength to be deeply engaged in the market and provide customers with consolidated services.

2. Electromechanical BG

Aligned with government initiatives promoting green energy and strengthening power grid resilience, public power infrastructure projects and domestic demand have shown significant growth in recent years. In light of the robust demand in the power sector, the Electromechanical Business Group has completed the plant relocation and capacity expansion, ensuring sufficient production capacity to meet the demand for high-voltage power transmission and distribution equipment. Additionally, the Company has collaborated with multiple strategic engineering partners to integrate installation services, addressing the shortage of skilled installation personnel by supporting downstream installation contractors, thereby enhancing the overall capacity for engineering projects. This allows the Company to provide one-stop service solutions, enhance its competitive advantage, and better meet the needs of both customers and the market.

(II) Future Development Strategy

1. Optoelectronic BG

(1) Develop cost-competitive niche products

Continue to cooperate with upstream and downstream manufacturers in technology research and production; develop new materials and technologies to provide touch solutions of high cost-performance ratio; and establish closer cooperative relations with customers and suppliers.

(2) Provide product integration services

The Company expands the business from production and sale of cover glass and its surface coating, touch panels, to LCM lamination, and then to FATP services, constantly improving product compulsivity to seize more opportunities, thereby creating a win-win situation with customers.

(3) Develop more diversified product applications

Touch panels are ubiquitous in daily life, and even so when the pandemic has changed peoples' living patterns and therefore created a new business model and new demands. Facing an ever-changing environment, the Company will diversify its product applications to avoid the risk of concentration of product applications.

2. Electromechanical BG

(1) The Company will continue to work with vendors to jointly develop precision machining parts and components; expand factory premises and invest in advanced equipment; scale up collaboration with the original providers of technologies and supply them with crucial parts; divide the labors required for sales in domestic and foreign markets;

(2) Cement the relationship with downstream installation service providers, maintain a good collaboration model with them , and form a long-term collaboration strategic alliance partner ; in order to strengthen the team's competitive advantage, the Company will assist their installation technicians with the technical training and the maintenance of installation machines , in order to provide customers with better quality installation services ;

(3) Develop and manufacture other electric product parts by using currently available equipment, so as to expand our product portfolio.

(4) Introduce different types of terminal boxes to satisfy the needs of power grid replacement.

The Company's strategy on the macro-economic side is as follows:

1. Revitalize idle assets to increase income

Adhere to the business plan to consolidate idle assets and use them flexibly, to increase fixed income.

2. Comply with local laws and regulations to lower operational risks

Continue employee education and training; consult advisers and professionals to understand the influence of local laws and regulations of a country on the Company's various business activities early on, so as to plan ahead and in doing so avoid operational risk.

3. Enhance environmental protection and public health management

Being the most important topic in the world, environmental protection and public health has a significant impact, both in scale and in depth. The Company continues to implement environmental protection and public health management and provide education and training in this regard in order to ensure smooth operations and lower the impact.

4. Implement sustainable operation (ESG)

Through the development of renewable energy, such as the construction of solar roofs, the Company can create stable income and indirectly generate benefits from carbon emission reduction.

Despite ongoing geopolitical tensions, shifts in the international political and economic landscape, uncertainties in global trade policies, and persistent inflationary pressures, the global economy in 2025 is expected to demonstrate a stable growth trend, supported by the commencement of interest rate cuts by major economies beginning in 2024. This growth is projected to concentrate primarily in sectors such as artificial intelligence (AI), environmental, social, and governance (ESG), and green energy. Nevertheless, the Company's Optoelectronics Business Group continues to face challenges stemming from inventory destocking and heightened price competition. Fortunately, benefited from the growth in domestic electric projects and the diversification of the Company's revenue sources, the Company still reaped a profit in 2024 over 2023. This year, though challenges and variables are expected, the Company will leverage our sound financial structure, solid R&D strength, and business development ambition to improve the Company's value as well as shareholder return. We sincerely urge that you continue giving your support and guidance to us to jointly create a bright future.

We wish you healthy fortunate and lucky

Chairperson Chihchiang Pai

Two. Corporate Governance Report

I. Information about Directors, President, Vice President, Assistant Vice President, and Head of Department and Branch

(I) Information about Board Members

1. Board Members

March 25, 2025

Title	Nationality	Name	Gender /Age	Date elected	Term of office	Date first elected	Shareholding when Elected		Shareholding Now		Shareholding of spouse and minor children now		Shareholding in the name of others		Major educations and experiences	Concurrent positions in the Company and other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors of the Company			Remark
							Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding %			Title	Name	Relation	
Chairman	ROC	Chihchiang Pai	Male/68	2023.05.31	3	2007.12.24	137,245	0.09	137,245	0.09	68,897	0.05	0	0.00	University of Lowell, USA- Master of Plastics Engineering Special assistant, Hold-Key Electric Wire & Cable Co., Ltd. Factory Director, Bond-Galv Industrial Co., Ltd. President of the Company	Director, Taiwan SRU Co., Ltd.	None	None	None	None
Director	ROC	Soy Young Enterprise Co., Ltd.	-	2023.05.31	3	2007.12.24	30,841,114	20.38	32,102,114	21.21	0	0.00	0	0.00	-	-	None	None	None	None
	ROC	Representative: Shujuan Xu	Female/ 64	2023.05.31		2007.12.24	0	0.00	0	0.00	0	0.00	0	0.00	Provincial Chiayi Business School Chairman, Soy Young Enterprise Co., Ltd.	Chair, Soy Young Enterprise Co., Ltd. Director, Luminous Optical Technology Co., Ltd. Director, Taiwan Flex Electronics Co., Ltd. Director, Jianshuo Industrial Co., Ltd.	None	None	None	None

Title	Nationality	Name	Gender /Age	Date elected	Term of office	Date first elected	Shareholding when Elected		Shareholding Now		Shareholding of spouse and minor children now		Shareholding in the name of others		Major educations and experiences	Concurrent positions in the Company and other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors of the Company			Remark
							Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding %			Title	Name	Relation	
Director	ROC	Hold-Key Electric Wire & Cable Co., Ltd.	-	2023.05.31	3	2020.06.30	20,414,832	13.49	20,414,832	13.49	0	0.00	0	0.00	-	-	None	None	None	None
	ROC	Representative: Xinzheng Li	Male/63	2023.05.31		2014.06.27	452	0.00	452	0.00	0	0.00	0	0.00	Department of Electrical Engineering, Chien Hsin University of Science and Technology Vice- Factory Director, China Wire & Cable Co., Ltd.	President, Electromechanical BG of the Company President, Hold-Key Electric Wire & Cable Co., Ltd. Director & President, Taiwan SRU Co., Ltd. Chairperson, Muchon Farm Co., Ltd.	None	None	None	None
Director	ROC	Yichuan Hsu	Male/53	2023.05.31	3	2011.06.15	1,820	0.00	1,820	0.00	0	0.00	0	0.00	Graduated from Department of Accounting, National Chung Hsing University Assistant Officer, Deloitte & Touche. Section Manager, Hold-Key Electric Wire & Cable Co., Ltd. Business Division, deputy general manager of the Company	President of the Company	None	None	None	None
Director	ROC	Fengyu Ho	Female 59	2023.05.31	3	2014.06.27	512	0.00	512	0.00	0	0.00	0	0.00	Tulane University, USA - MBA Deputy assistant general manager, Esun Security Co., Ltd. Assistant vice president, Masterlink Security Co., Ltd. Supervisor, KPMG	Vice president of the Company Chairman, Young Fast (SAMOA) Co., Ltd.	None	None	None	None
Director	Taiwan	Menggui Lin	Male/55	2023.05.31	3	2015.06.18	0	0.00	0	0.00	0	0.00	0	0.00	Department of Electrical Engineering, Chung Yuan Christian University Senior Manager, Novatek Microelectronics Corp. Senior Manager, Taiding Microelectronics Co., Ltd.	Vice president of the Company	None	None	None	None

Title	Nationality	Name	Gender /Age	Date elected	Term of office	Date first elected	Shareholding when Elected		Shareholding Now		Shareholding of spouse and minor children now		Shareholding in the name of others		Major educations and experiences	Concurrent positions in the Company and other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors of the Company			Remark
							Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding %			Title	Name	Relation	
Independent Director	Taiwan	Wenxiu Zhang (note)	Male/70	2023.05.31	3	2020.06.30	0	0.00	0	0.00	0	0.00	0	0.00	Department of Accounting, National Chengchi University Graduate Accounting Institute, National Chengchi University Studied at New York University Passed Second Class Special Examination of the Central Bank Passed accountancy college entrance examination Deputy Manager, CTBC Bank Vice President, Taishin Bank Vice Presiden, Hwatai Bank Independent Director and Member of Remuneration Committee, Luminous Optical Technology Co., Ltd. Independent Director, David Electronics Co., Ltd. Chief Financial Officer, Taiwan International Ports Corporation, Ltd.	Independent Director, Lukas Biomedical Inc.	None	None	None	None

Title	Nationality	Name	Gender /Age	Date elected	Term of office	Date first elected	Shareholding when Elected		Shareholding Now		Shareholding of spouse and minor children now		Shareholding in the name of others		Major educations and experiences	Concurrent positions in the Company and other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors of the Company			Remark
							Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding %			Title	Name	Relation	
Independent Director	Taiwan	Xiege Hao	Male/55	2023.05.31	3	2020.06.30	0	0.00	0	0.00	0	0.00	0	0.00	Bachelor of Law, National Chung Hsing University Taipei Institute of Law and Business (now renamed as National Taipei University) LL.M., Washington and Lee University School of Law, Virginia, USA Passed college entrance examination for civil servants in finance and law Passed special magistrate examination of the Judicial Yuan Judge of Criminal Court, Taiwan Kaohsiung District Court; Criminal and Civil Judge, Kaohsiung Summary Court Judge, Civil Division, Hualien District Court, Taiwan; Judge and Director of Civil Enforcement Division and Depository, Hualien Summary Court/Fenglin Summary Court/Yuli Summary Court Senior Attorney, Lee and Li Attorneys at Law Presiding Attorney, Throne Attorneys at Law	Senior Attorney, Meridian Attorneys-at-Law	None	None	None	None

Title	Nationality	Name	Gender /Age	Date elected	Term of office	Date first elected	Shareholding when Elected		Shareholding Now		Shareholding of spouse and minor children now		Shareholding in the name of others		Major educations and experiences	Concurrent positions in the Company and other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors of the Company			Remark
							Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding %			Title	Name	Relation	
Independent Director	Taiwan	Xiuhui Ye	Female/ 67	2023.05.31	3	2023.05.31	0	0.00	0	0.00	0	0.00	0	0.00	Master of Accounting, National Chengchi University Ph.D. Business Administration, Renmin University, China First Auditor Team, Securities and Futures Commission of the Ministry of Finance Team Leader, Listing Department and Finance Department of Taiwan Stock Exchange Corporation Senior Vice President, Investment Banking Department, Fubon Securities Director, Comprehensive Planning Office, Fubon Financial Holding Co., Ltd. Senior Executive Vice President, Corporate Finance Department, Capital Securities Corp. President, Concord Securities Co., Ltd. Director, Mega Financial Holding Company Limited Independent Director, Shin Shin Co., Ltd. Director, Taichung Commercial Bank Substantive Person in Charge, Yiteng Management Consultancy Co., Ltd. Chairman of Taichung Bank Securities Co., Ltd. Director, Taiwan Corporate Governance Association Supervisor and Convener of Underwriting Business Committee, Taiwan Securities Association Chairman, Chinese 8-Cross Business Model Society	Chairman of Taichung Bank Securities Co., Ltd. Director, Taiwan Corporate Governance Association Supervisor and Convener of Underwriting Business Committee, Taiwan Securities Association Chairman, Chinese 8-Cross Business Model Society	None	None	None	None

Note: Discharged due to death on December 2, 2024

2. Major Shareholders of the Corporate Shareholders

March 25, 2025

Name of Corporate Shareholder	Major Shareholders of the Corporate Shareholders
Sol Young Enterprise Co., Ltd.	Zhangmiao Development Co., Ltd. (16.14%), Yusheng Asset Development Co., Ltd. (7.92%), Bond-Galv Industrial Co., Ltd. (7.24%), Shuli Xu (6.19%), Hold-Key Electric Wire & Cable Co., Ltd. (5.60%), Huan Yi Development Co., Ltd. (4.45%), Jianhe Zeng (2.76%), Young Ssuh Wong Internation Developer Co., Ltd. (3.13%), Fenggen Development Co., Ltd. (2.05%), Yangheng Chen (1.85%)
Hold-Key Electric Wire & Cable Co., Ltd.(Note)	Sol Young Enterprise Co., Ltd. (32.20%)、Young Fast Optoelectronics C., Ltd.(5.49%)、Zhangmiao Development Co., Ltd. (4.13%)、Yecheng Yang(1.59%)、Zhijie Yang(1.58%)、Huan Yi Development Co., Ltd. (1.34%)、Bond-Galv Industrial Co., Ltd. (1.21%)、Fenggen Development Co., Ltd. (1.17%)、Shuli Xu(1.09%)、Yusheng Asset Development Co., Ltd. (0.94%)

Note: The source of the information is the company's last shareholder register (2024.7.28).

3. Where the Major Shareholders of a Corporate Shareholder are Juristic Persons, the Major Shareholders

March 25, 2025

The Name of Corporation	Major Shareholders of Corporation
Zhangmiao Development Co., Ltd.	Shufen Xu (94.24%), Weizhi Lai (2.00%), Yanan Lai (1.38%), Yanxin Lai (1.38%), Yisen Lai (1.00%)
Yusheng Asset Development Co., Ltd.	Shuli Xu (63.60%), Zhijie Yang (14%), Yecheng Yang (13.98%), Kaiti Yang (8.38%), Shujuan Xu (0.02%), Shumei Xu (0.02%)
Bond-Galv Industrial Co., Ltd.	Sol Young Enterprise Co., Ltd. (34.51%)、Hold-Key Electric Wire & Cable Co., Ltd. (11.46%)、Zhangmiao Development Co., Ltd. (11.07%)、Yusheng Asset Development Co., Ltd. (4.58%)、Jianhe Zeng(3.46%)、Huan Yi Development Co., Ltd. (3.06%)、Autotech Auotparts Ent. Co., Ltd. (2.62%)、Mingzong Wang(2.28%)、Liangxu Lai(1.86%)、CABLES HOUSE Co., Ltd. (1.88%)
Huan Yi Development Co., Ltd.	Suyuan Yu (60.91%), Peizhu Huang (34.05%), Xueqing Huang (5.00%), Sulian Yu (0.02%), Zhongyu Xu (0.02%)
Young Ssuh Wong Internation Developer Co., Ltd.	Yuling Yang(47.35%)、Zhenxiu Yang(31.69%)、Xiangyun Yang(11.28%)、ZitingYang(8.81%)、Jiachang Yang(0.87%)
Fenggen Development Co., Ltd.	Shufen Xu (93.19%), Yan’an Lai (3.06%), Yanxin Lai (3.06%), Weizhi Lai (0.33%), Yisen Lai (0.36%)

4. Information on Directors' Independence

March 25, 2025

Criteria / Name	Work Experience and Professional Qualifications	Independence Criteria	Concurrently Employed by Other Public Company Number of Independent directors
Chihchiang Pai	University of Lowell, USA- Master of Plastics Engineering Special Assistant, Hold-Key Electric Wire & Cable Co., Ltd. Factory Director, Bond-Galv Industrial Co., Ltd. President for the Company	Not independent director	0
Soy Young Enterprise Co., Ltd.	NA		0
Hold-Key Electric Wire & Cable Co., Ltd.	NA		0
Yichuan Hsu	Graduated from Department of Accounting, National Chung Hsing University Assistant Officer, Deloitte & Touche. Section Manager, Hold-Key Electric Wire & Cable Co., Ltd. Business Division, VP of the Company		0
Fengyu Ho	Tulane University, USA -MBA Assistant VP, E.Sun Security Co., Ltd. Assistant VP, Masterlink Security Co., Ltd. Supervisor, KPMG		0
Menggui Lin	Department of Electrical Engineering, Chung Yuan Christian University Senior Manager, Novatek Microelectronics Corp. Senior Manager, Taiding Microelectronics Co., Ltd.		0

Criteria / Name	Work Experience and Professional Qualifications	Independence Criteria	Concurrently Employed by Other Public Company Number of Independent directors
Wenxiu Zhang(Note)	Department of Accounting, National Chengchi University Graduate Accounting Institute, National Chengchi University Studied at New York University Passed Second Class Special Examination of the Central Bank Passed Accountancy College Entrance Examination Deputy Manager, CTBC Bank VP, Taishin Bank VP, Hwatai Bank Independent Director and Member of Remuneration Committee, Luminous Optical Technology Co., Ltd. Independent Director, David Electronics Co., Ltd. Chief Financial Officer, Taiwan International Ports Corporation, Ltd.	1. The individual, or the spouse thereof, or a relative within two degree of kinship thereof did not serve as a director, supervisor, or employee of the Company or any of the Company's affiliates. 2. The individual, or the spouse thereof, or a relative within two degree of kinship thereof (or other person) did not hold the Company's shares. 3. The individual, or the spouse thereof, or a relative within two degree of kinship thereof did not serve as a director, supervisor, or employee of the Company or any company having a specific relationship with the Company. 4. The individual did not provide the Company or any of its affiliates with commerce, legal, financial or accounting services or receive any compensation therefrom in the past two years. As required by the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the Company has obtained an independent statement from each independent director at the time when they were elected, and has reviewed and confirmed their independence qualifications and criteria.	0
Xiege Hao	Bachelor of Law, National Chung Hsing University Taipei Institute of Law and Business (now renamed as National Taipei University) LL.M., Washington and Lee University School of Law, Virginia, USA Passed college entrance examination for civil servants in finance and law Passed special magistrate examination of the Judicial Yuan Judge of Criminal Court, Taiwan Kaohsiung District Court; Criminal and Civil Judge, Kaohsiung Summary Court Judge, Civil Division, Hualien District Court, Taiwan; Judge and Director of Civil Enforcement Division and Depository, Hualien Summary Court/Fenglin Summary Court/Yuli Summary Court Senior Attorney, Lee and Li Attorneys at Law Presiding Attorney, Throne Attorneys at Law		0

Criteria / Name	Work Experience and Professional Qualifications	Independence Criteria	Concurrently Employed by Other Public Company Number of Independent directors
Xiuhui Ye	Master of Accounting, National Chengchi University Ph.D. Business Administration, Renmin University, China First Auditor Team, Securities and Futures Commission of the Ministry of Finance Team Leader, Listing Department and Finance Department of Taiwan Stock Exchange Corporation Senior Vice President, Investment Banking Department, Fubon Securities Director, Comprehensive Planning Office, Fubon Financial Holding Co., Ltd. Senior Executive Vice President, Corporate Finance Department, Capital Securities Corp. President, Concord Securities Co., Ltd. Director, Mega Financial Holding Company Limited Independent Director, Shin Shin Co., Ltd. Director, Taichung Commercial Bank Substantive Person in Charge, Yiteng Management Consultancy Co., Ltd. Chairman of Taichung Bank Securities Co., Ltd. Director, Taiwan Corporate Governance Association Supervisor and Convener of Underwriting Business Committee, Taiwan Securities Association Chairman, Chinese 8-Cross Business Model Society	1. The individual, or the spouse thereof, or a relative within two degree of kinship thereof did not serve as a director, supervisor, or employee of the Company or any of the Company’s affiliates. 2. The individual, or the spouse thereof, or a relative within two degree of kinship thereof (or other person) did not hold the Company’s shares. 3. The individual, or the spouse thereof, or a relative within two degree of kinship thereof did not serve as a director, supervisor, or employee of the Company or any company having a specific relationship with the Company. 4. The individual did not provide the Company or any of its affiliates with commerce, legal, financial or accounting services or receive any compensation therefrom in the past two years. As required by the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, the Company has obtained an independent statement from each independent director at the time when they were elected, and has reviewed and confirmed their independence qualifications and criteria.	1

Note: Discharged due to death on December 2, 2024

5. The diversity and status of independence of the board of directors

(1) The diversity of the board of directors

The Company has established a policy of diversity in the composition of members in the selection process of directors , currently without regard to gender, religion, age and so on and having their own expertise in industry matters, marketing, accounting, finance, law, technology and so on. The diversity of members of the eighth session of the Board of Directors of the Company is shown in Table 1 below.

Table 1

Young Fast Optoelectronics Co., Ltd.

Membership diversification among the 8th Board of Directors

Core Item / Name	Gender	Nationality	Management	Leadership	Industry knowledge	Finance & Accounting	Law	Technology	Marketing
Chihchiang Pai	Male	ROC	V	V	V			V	
Yichuan Hsu	Male	ROC	V	V	V				V
Fengyu Ho	Female	ROC	V	V	V	V			
Menggui Lin	Male	ROC	V	V	V			V	
Hold-Key Electric Wire & Cable Co., Ltd. Representative: Xinzheng Li	Male	ROC	V	V	V				V
Soy Young Enterprise Co., Ltd. Representative: Shujuan Xu	Female	ROC	V	V	V				
Wenxiu Zhang	Male	ROC	V	V		V			
Xiege Hao	Male	ROC	V	V			V		
Xiuhui Ye	Female	ROC	V	V		V			

Among the nine directors, 55% are directors with employee status, 33% are independent directors, and 33% are female directors. Nine out of nine directors have expertise in business management and leadership decision-making; seven out of nine have industry knowledge; three out of nine have majored in financial accounting; one out of nine has majored in legal affairs; two out of nine have majored in technology and environmental protection; and two out of nine have majored in marketing. The Company pays attention to gender equality in the composition of the Board of Directors; The target for the ratio of female directors is 30% or more at the 8th Board meeting, and the percentage of female directors in the 8th Board of Directors has reached 30% or more.

(2) The status of independence of the board of directors

The Company has nine directors, three are independent directors, accounting for one thirds of total seats of the Board of Directors. Each independent director meets the independence criteria, and does not have any relationship set out in Article 26-3, Paragraph 3 and Paragraph 4 of the Securities and Exchange Act. with other board members.

(II) Information on President, Vice President and Assistant Vice President, and the Head of all the Company's Divisions and Branch

March 25, 2025

Title	Nationality	Name	Gender	Date of assuming office	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Major educations and experiences	Concurrent positions in the Company and other companies	Managerial officers with spouses or relatives with second degree of kinship			Note
					Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding %			Title	Name	Relation	
President	ROC	Yichuan Hsu	Male	2013.06.28	1,820	0.00	0	0.00	0	0.00	Graduated from Department of Accounting, National Chung Hsing University Assistant Officer, Deloitte & Touche. Section Manager, Hold-Key Electric Wire & Cable Co., Ltd. Business Division, VP of the Company	None	None	None	None	None
President, Electromechanical BG	ROC	Xinzheng Li	Male	2006.06.22	452	0.00	0	0.00	0	0.00	Department of Electrical Engineering, Chien Hsin University of Science and Technology Deputy plant manager, China Wire & Cable Co., Ltd.	Director and President, Hold-Key Electric Wire & Cable Co., Ltd., Director and President, Taiwan SRU Co., Ltd Chairman, Muchon Farm Co., Ltd	None	None	None	None
Vice President	ROC	Fengyu Ho	Female	2007.12.24	512	0.00	0	0.00	0	0.00	Tulane University ,USA-MBA Assistant VP, E.sun Security Co., Ltd. Assistant VP, Masterlink Security Co., Supervisor, KPMG	Chairman, Young Fast (SAMOA) Co., Ltd.	None	None	None	None
Vice President, Optoelectronic BG	ROC	Menggui Lin	Male	2014.12.24	0	0.00	0	0.00	0	0.00	Department of Electrical Engineering, Chung Yuan Christian University Senior Manager, Novatek Microelectronics Corp. Senior Manager, Taiding Microelectronics Co., Ltd.	None	None	None	None	None

March 25, 2025

Title	Nationality	Name	Gender	Date of assuming office	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Major educations and experiences	Concurrent positions in the Company and other companies	Managerial officers with spouses or relatives with second degree of kinship			Note
					Number of shares	Share-holding %	Number of shares	Share-holding %	Number of shares	Share-holding %			Title	Name	Relation	
Senior Assistant VP, Optoelectronic BG	ROC	Sechin Wu	Female	2007.12.24	284	0.00	0	0.00	0	0.00	Graduated from Department of Economics, Yuan Ze University Production Supervisor, Farsonics Solid State Co., Ltd. Supervisor, CJW International Co., Ltd.	None	None	None	None	None
Assistant VP, Optoelectronic BG	ROC	Hsunkuo Lee	Male	2007.12.24	0	0.00	0	0.00	0	0.00	Graduated from Chemical Engineering Department, Chien Hsin Engineering College Foreman, Faithful Technology Co., Ltd.	Corporate Representative, Turn Young Optoelectronics (Huizhou) Co., Ltd.	None	None	None	None
Assistant VP,	ROC	Tehsiu Shen	Male	2010.10.01	0	0.00	0	0.00	0	0.00	I-Shou University,MBA Assistant manager, Esun Security Co., Ltd. Junior Manager, Masterlink Security Co., Ltd.	None	None	None	None	None
Assistant VP,	ROC	Weiju Hsu	Female	2021.07.15	0	0.00	0	0.00	0	0.00	Department of Accounting, Aletheia University Manager, Deloitte & Touche.	None	None	None	None	None
Assistant VP, Optoelectronic BG	ROC	Lichen Chin	Female	2024.07.01	7,099	0.01	0	0.00	0	0.00	Finance Manager, Quande Electronics Co., Ltd. Finance & Accounting Manager, Loyal Motion Optoelectronics Co., Ltd. Finance & Accounting ,Young Fast Optoelectronics (Vietnam) Co., Ltd.	Corporate Representative and President, Young Fast Optoelectronics (Vietnam) Co., Ltd.	None	None	None	None
Assistant VP, Electromechanical BG	ROC	Zongwei Zhu	Male	2021.11.10	0	0.00	0	0.00	0	0.00	Bachelor of Law, NTU College of LAW Manager of the Global Customer Service Department, TFT-LCD Industry Manager of the Business Department, INCLINE GLOBAL TECHNOLOGY SERVICES LIMITED.	None	None	None	None	None

II. Remuneration for Directors, President, Vice President and Assistant Vice President for the most recent year

(I) Remuneration for Directors (Including Independent Directors)

Unit: Thousand NT$; shares; %

Title	Name	Remuneration for directors								A, B, C and D as a % of the net profits after tax		Remuneration for employees with concurrent positions in the Company and other companies								A, B, C, D, E, F and G as a % of the net profits after tax		Remuneration from reinvested enterprises outside subsidiaries or from the parent company
		Base remuneration (A)		Severance and pension (B)		Remuneration for directors (C) (Note)		Business execution expenses (D)				Remuneration, bonus, allowance (E)		Severance and pension (F)		Remuneration for employees (G)(Note)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
																Cash amoun	Stock amount	Cash amoun	Stock amount			
Chairman	Chihchiang Pai	4,807	4,807	0	0	1,534	1,534	0	0	0.88%	0.88%	0	0	0	0	0	0	0	0	0.88%	0.88%	0
Director	Soy Young Enterprise Co., Ltd.	0	0	0	0	1,235	1,235	0	0	0.17%	0.17%	NA	NA	0	0	0	0	0	0	0.17%	0.17%	0
	Representative: Shujuan Xu											0	0									
Director	Hold-Key Electric Wire & Cable Co., Ltd.	0	0	0	0	1,235	1,235	0	0	0.17%	0.17%	NA	NA	0	0	0	0	0	0	0.17%	0.17%	0
	Representative: Xinzheng Li											8,974	8,974							1.25%	1.25%	
Director	Yichuan Hsu	0	0	0	0	1,235	1,235	0	0	0.17%	0.17%	4,504	4,504	0	0	0	0	0	0	0.80%	0.80%	0
Director	Fengyu Ho	0	0	0	0	1,235	1,235	0	0	0.17%	0.17%	3,524	3,524	0	0	0	0	0	0	0.66%	0.66%	0
Director	Menggui Lin	0	0	0	0	1,235	1,235	0	0	0.17%	0.17%	4,365	4,365	0	0	0	0	0	0	0.78%	0.78%	0
Independent director	Wenxiu Zhang (Note2)	440	440	0	0	1,132	1,132	60	60	0.23%	0.23%			0	0	0	0	0	0	0.23%	0.23%	0
Independent director	Xiege Hao	480	480	0	0	1,235	1,235	50	50	0.25%	0.25%			0	0	0	0	0	0	0.25%	0.25%	0
Independent director	Xiuhui Ye (Note2)	480	480	0	0	1,235	1,235	50	50	0.25%	0.25%			0	0	0	0	0	0	0.25%	0.25%	0

1. Please describe the policy, system, criteria and structure for the remuneration for independent directors, and the correlation to the amount of remuneration in terms of their responsibilities, risks, time spent and other factors:
   Handled in accordance with the provisions of the Company's Measures for the Administration of Remuneration of Directors, Functional Committee Members and Managers. Independent directors may receive a fixed remuneration of NT$40,000 per month during their terms of office as well as NT$10,000 per trip in attending the Board of Directors. Remuneration of directors is based on factors such as tenure and responsibilities, and is submitted to the Remuneration Committee and the Board of Directors for approval.
2. Except as disclosed above, the remuneration for the directors of the Company for providing services to all companies in the financial statements (such as serving as a non-employee consultant, etc.) in the most recent year: None.

Note 1: Approved by the Board of Directors on February 27, 2025 to distribute director remuneration of NT$11,311 thousand and employee remuneration of NT$15,082 thousand, both are estimated based on the proportion of the actual distribution amount for 2023 in 2024.

Note 2: Resigned due to death on December 2, 2024

Remuneration ranges for the directors of the Company	Director's name			
	Total amount of the first four remunerations (A+B+C+D)		Total amount of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company	All companies in the financial statements(I)	The Company	All companies in the financial statements (J)
Less than NT$1,000,000	N/A	N/A	N/A	N/A
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)	Soy Young Enterprise Co., Ltd., Hold-Key Electric Wire & Cable Co., Ltd., Yichuan Hsu, Fengyu Ho, Menggui Lin, Wenxiu Zhang, Xiuhui Ye,Xiege Hao	Soy Young Enterprise Co., Ltd., Hold-Key Electric Wire & Cable Co., Ltd., Yichuan Hsu, Fengyu Ho, Menggui Lin, Wenxiu Zhang, Xiuhui Ye,Xiege Hao	Soy Young Enterprise Co., Ltd., Hold-Key Electric Wire & Cable Co., Ltd. , Wenxiu Zhang , Xiuhui Ye, Xiege Hao	Soy Young Enterprise Co., Ltd., Hold-Key Electric Wire & Cable Co., Ltd. , Wenxiu Zhang , Xiuhui Ye, Xiege Hao
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)	N/A	N/A	N/A	N/A
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)	N/A	N/A	Fengyu Ho,	Fengyu Ho,
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	Chihchiang Pai	Chihchiang Pai	Chihchiang Pai , Yichuan Hsu, Menggui Lin	Chihchiang Pai , Yichuan Hsu, Menggui Lin
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)	N/A	N/A	N/A	N/A
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)	N/A	N/A	N/A	N/A
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)	N/A	N/A	N/A	N/A
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)	N/A	N/A	N/A	N/A
More than NT$100,000,000	N/A	N/A	N/A	N/A
Total	Chihchiang Pai , Soy Young Enterprise Co., Ltd., Hold-Key Electric Wire & Cable Co., Ltd., Yichuan Hsu, Fengyu Ho, Menggui Lin, Wenxiu Zhang , Xiege Hao, Xiuhui Ye	Chihchiang Pai , Soy Young Enterprise Co., Ltd., Hold-Key Electric Wire & Cable Co., Ltd., Yichuan Hsu, Fengyu Ho, Menggui Lin, Wenxiu Zhang , Xiege Hao, Xiuhui Ye	Chihchiang Pai , Soy Young Enterprise Co., Ltd., Hold-Key Electric Wire & Cable Co., Ltd., Yichuan Hsu, Fengyu Ho, Menggui Lin, Wenxiu Zhang , Xiege Hao, Xiuhui Ye	Chihchiang Pai , Soy Young Enterprise Co., Ltd., Hold-Key Electric Wire & Cable Co., Ltd., Yichuan Hsu, Fengyu Ho, Menggui Lin, Wenxiu Zhang , Xiege Hao, Xiuhui Ye

(II) Remuneration of the President and Vice President

Unit: Thousand NT$%

Title	Name	Salary (A)		Severance and pension (B)		Bonus and Allowance (C)		Amount of employee remuneration (D) (註 1)				A, B, C and D as a % of the net profits after tax (%)		Remuneration from reinvested enterprises outside subsidiaries or from the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amoun	Stock amount	Cash amoun	Stock amount			
President	Yichuan Hsu	2,606	2,606	0	0	1,898	1,898	0	0	0	0	0.59%	0.59%	0
President	Xinzheng Li	1,070	1,070	0	0	7,904	7,904	0	0	0	0	1.17%	1.17%	0
Vice President	Fengyu Ho	1,900	1,900	0	0	1,624	1,624	0	0	0	0	0.46%	0.46%	0
Vice President	Menggui Lin	1,665	1,665	0	0	2,700	2,700	0	0	0	0	0.57%	0.57%	0

Note : Approved by the Board of Directors on February 27, 2025 to distribute employee remuneration of NT$15,082 thousand is estimated based on the proportion of the actual distribution amount for 2023 in 2024.

Remuneration Ranges for President and Vice President of the Company	Name of President and Vice President	
	The Company	All Companies in the Financial Statements（E）
Less than NT$1,000,000	N/A	N/A
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)	N/A	N/A
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)	N/A	N/A
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)	Yichuan Hsu, Menggui Lin ,Fengyu Ho	Yichuan Hsu, Menggui Lin ,Fengyu Ho
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	Xinzheng Li,	Xinzheng Li,
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)	N/A	N/A
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)	N/A	N/A
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)	N/A	N/A
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)	N/A	N/A
More than NT$100,000,000	N/A	N/A
Total	Yichuan Hsu, Xinzheng Li, Fengyu Ho , Menggui Lin	Yichuan Hsu, Xinzheng Li, Fengyu Ho , Menggui Lin

Name of Managerial Officers and the Distribution of Employee Bonus

Dec 31, 2024

Unit: Thousand NT$;%

<table>
<tr><th></th><th>Title</th><th>Name</th><th>Stock amount</th><th>Cash amount (Note1)</th><th>Total</th><th>Total as a % of the net profits after tax (%)</th></tr>
<tr><td rowspan="10">Officer</td><td>President</td><td>Yichuan Hsu</td><td rowspan="10">0</td><td rowspan="10">0</td><td rowspan="10">0</td><td rowspan="10">0</td></tr>
<tr><td>President , Electromechanical BG</td><td>Xinzheng Li</td></tr>
<tr><td>Vice President</td><td>Fengyu Ho</td></tr>
<tr><td>Vice President</td><td>Menggui Lin</td></tr>
<tr><td>Senior Assistant Vice President, Optoelectronic BG</td><td>Sechin Wu</td></tr>
<tr><td>Assistant Vice President, Optoelectronic BG</td><td>Hsunkuo Lee</td></tr>
<tr><td>Assistant Vice President,</td><td>Tehsiu Shen</td></tr>
<tr><td>Assistant Vice President Optoelectronic BG</td><td>Lichen Chin</td></tr>
<tr><td>Assistant Vice President, Electromechanical BG</td><td>Zongwei Zhu</td></tr>
<tr><td>Assistant Vice President</td><td>Weiju Hsu</td></tr>
</table>

Note 1: Approved by the Board of Directors on February 27, 2025 to distribute employee remuneration of NT$15,082 thousand is estimated based on the proportion of the actual distribution amount for 2023 in 2024

(III) Compare and The Total Remuneration Paid to Directors, President and Vice President the most recent 2 years by the Company and All Companies in the Consolidated Financial Statements as a % of the Net Profits After Tax, and Explain the Policies, Criteria, Combination, the Procedures for Determining Remuneration and the Correlation to Operating Performances and Future Risks

1. Analysis of the Total Remuneration Paid to the Directors, President and Vice President by the Company as a % of the net profits after tax for the most recent 2 years

Unit: Thousand NT$

Year / Item	2023		2024	
	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements
The remuneration for directors	14,556	14,556	17,678	17,678
The remuneration for directors as a % of the net profits after tax for the most recent 2 years	2.56%	2.56%	2.30%	2.30%
The remuneration for president and vice president	19,321	19,321	21,367	21,367
The remuneration for president and vice president as a % of the net profits after tax for the most recent 2 years	3.40%	3.40%	2.78%	2.78%

Note : Approved by the Board of Directors on February 27, 2025 to distribute director remuneration of NT$11,311 thousand; employee remuneration of NT$15,082 thousand is estimated based on the proportion of the actual distribution amount for 2023 in 2024.

2. The Company’s Policy, Criteria, and Combination of the Remuneration for Directors, President and Vice President, the Procedures for Determining Remuneration and the Correlation to Operating Performances and Future Risks.

(1) Directors

In accordance with Article 24 of the Company's Articles of Incorporation, no more than 1.5% of the profit of the current year should be allocated as the remuneration of directors of the current year, in accordance with Article 24 of the Company's Articles of Incorporation, no more than 1.5% of the current year's profits shall be allocated as directors' remuneration. Furthermore, pursuant to the Company's "Regulations for the Remuneration of Directors, Functional Committee Members, and Managers" and the "Guidelines for the Allocation Standards of Directors' and Employees' Remuneration and the Distribution Criteria for Individual Directors and Managers," the basis for allocating directors' remuneration is determined by the Company's operating performance and benchmarked against industry peers. If the Company's performance exceeds the industry average, the allocation rate will be adjusted down to the industry average; if it is below the average, the original rate will be maintained. The final allocation rate is further adjusted based on external evaluations, such as corporate governance assessment results. The remuneration for each individual director is then distributed based on a weighted score, calculated using self-assessment scores (50%) and the number of board meetings attended during the year (50%), according to designated scoring tiers. In 2024, the Company achieved a growth rate of 8.11% in profit before tax, 31.67% in operating profit, and 12.23% in return on equity. Taking into consideration the industry average and the Company's corporate governance evaluation results, the Remuneration Committee resolved to allocate NT$11,311,251 (1.5% of the annual profit before tax, excluding employee and director remuneration) as directors' remuneration after discussion. This proposal was subsequently approved by the Board of Directors.

(2) President and Vice President

In accordance with Article 24 of the Company's Articles of Incorporation, not less than 2 percent of the current year's profits shall be allocated as employee remuneration. Furthermore, pursuant to the Company's Regulations for the Remuneration of Directors, Functional Committee Members, and Managers and the Guidelines for the Allocation Standards of Directors' and Employees' Remuneration and the Distribution Criteria for Individual Directors and Managers, the basis for allocating employee remuneration is determined by the Company's operating performance with reference to the industry standard. If the Company's performance exceeds the industry average, the original allocation rate will be maintained. If it falls below the industry average, the total remuneration, after including separately allocated bonuses, shall be adjusted to match the industry average.

The remuneration of the Company's President and Vice Presidents includes salary, bonuses, and employee remuneration. Each year, assessments are conducted in accordance with the Company's "Regulations for the Remuneration of Directors, Functional Committee Members, and Managers" and the "Guidelines for the Allocation Standards of Directors' and Employees' Remuneration and the Distribution Criteria for Individual Directors and Managers," as reviewed by the Remuneration Committee. Salaries are determined based on the pay scale at the time of employment, while subsequent salary adjustments, bonuses, and employee remuneration are based on annual performance evaluations. These evaluations consider contributions to the Company (50 percent), risk management of future industry operations (25 percent), and ESG performance (25 percent), with ESG performance assessed through compliance with relevant regulations, sustainability risk identification and management, achievement of sustainability targets, innovation in sustainable practices, and participation in training. Reasonable remuneration is granted based on a comprehensive assessment of these criteria, and all performance evaluations and compensation decisions are reviewed by the Remuneration Committee and the Board of Directors. The Company regularly reviews these practices in light of actual operational conditions and regulatory changes to ensure alignment with the goals of

sustainable development and balanced risk management.
In 2024, the Company achieved a growth rate of 8.11% in profit before tax, 31.67% in operating profit, and 12.23% in return on equity. Taking into consideration the industry average, the Remuneration Committee resolved to allocate NT$15,081,668 (2% of the annual profit before tax, excluding employee and director remuneration) as employees' remuneration after discussion. This proposal was subsequently approved by the Board of Directors.

III. The Company's Implementation of Corporate Governance

(I) The operations of the Board of Directors

1.The Board of Directors held 5(A) meetings in the most recent year, and the attendance of directors and supervisors is as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	ttendance in person 〔B/A〕	Note
Chairperson	Chihchiang Pai	4	1	800%	
Director	Soy Young Enterprise Co., Ltd. Representative: Shujuan Xu	5	0	100%	
Director	Hold-Key Electric Wire & Cable Co., Ltd. Representative: Xinzheng Li	5	0	100%	
Director	Yichuan Hsu	5	0	100%	
Director	Fengyu Ho	5	0	100%	
Director	Menggui Lin	5	0	100%	
Independent director	Wenxiu Zhang	5	0	100%	Discharged due to death on December 2, 2024
Independent director	Xiege Hao	5	0	100%	
Independent director	Xiuhui Ye	5	0	100%	

2. Evaluation of Targets for Strengthening of the Functions of the Board during the Current and Immediately Preceding Fiscal Years, and Measures Taken Toward Achievement thereof.

(1) The Board of Directors of the Company has approved the Ethical Code of Conduct, Corporate Governance Best Practice Principles, Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, Corporate Social Responsibility Best Practice Principles, Standard Operating Procedures for Handling Directors' Requests, and so on in order to strengthen the functions of the Board of Directors and improve the transparency of information.

(2) On August 13, 2013, the Board of Directors of the Company approved the Board of Directors Performance Evaluation Measures. The results of the Board of Directors performance evaluation for 2022 was reported to the Board of Directors on Feb. 27, 2025. In addition, please refer to the web page at www.yfo.com.tw/Investor Center/Corporate Governance/Board of Directors Performance Evaluation Measures for the Board of Directors Performance Evaluation Measures and the assessment results for 2023.

(3) The Company follows the Regulations Governing Procedure for Board of Directors Meetings of Public Companies to formulate meeting procedures for the Company's Board of Directors. It also discloses the attendance of directors at the Board of Directors

on the Market Post Observation System and it discloses important resolutions of the Board of Directors and information on the selection and appointment of independent directors on the Company's website. All are related measures taken by the Company in attaching importance to corporate governance.

(4) The Audit Committee of the Company was established on June 30, 2020.

3. Other matters to be recorded

(1) Matters listed in Article 14-3 of the Securities and Exchange Act and other board meeting resolutions that have been opposed or reserved by independent directors with records or written statements: All proposals were passed without objection as follows:

A. Matters listed in Article 14-3 of the Securities and Exchange Act:

Date Term	Proposal Content	Independent Directors' Opinions& The Company's Handling of Their Opinions
2024.2.27 3th term - 8th session	1. Approved the assessment of the effectiveness of the internal control system completed by the Company in 2023 and issued an "Internal Control Statement." 2. Approved assessment and appointment remuneration of the competency and independence of CPAs 3. Approved evaluation of whether or not the aging of the Company's accounts receivable and other receivables other than accounts receivable might constitute a lending of funds in hidden form. 4. Approved the proposal on Purchase and Sale Transactions between the Company and its subsidiary Hold-Key Electric Wire & Cable Co., Ltd. in 2024.	All Independent directors: Passed without objection
2024.5.8 4th term - 8th session	1. Approved evaluation of whether the aging of the Company's accounts receivable and other receivables other than accounts receivable might constitute a lending of funds in hidden form. 2. Adjusted the proposal on Transactions between the Company and the related party Hold-key Electric Wire & Cable Co., Ltd.in 2024.	All Independent directors: Passed without objection
2024.8.8 5th term - 8th session	1. Approved evaluation of whether the aging of the Company's accounts receivable and other receivables other than accounts receivable might constitute a lending of funds in hidden form.	All Independent directors: Passed without objection
2024.9.24 2nd extraordinary - 8th session	Approved the company purchase dormitory	All Independent directors: Passed without objection
2024.11.6 6th term - 8th session	1. Approved the Company's 2025 audit plan. 2. Approved evaluation of whether the aging of the Company's accounts receivable and other receivables other than accounts receivable might constitute a lending of funds in hidden form. 3. Approved amendment of some provisions of the "Internal Control System" and "Internal Audit Implementation Rules" .	All Independent directors: Passed without objection

B. In addition to the previous matters, other board meeting resolutions that have been opposed or reserved by independent directors with records or written statements: No such situation.

(2) In the implementation of a director’s recusal for being an interested party in a proposal, the director’s name, the proposal content, the recusal reasons and his or her participation in voting should be stated：On February 27, 2024, the Board of Directors of the Company discussed the proposal on Purchase and Sale Transactions between the Company and Hold-Key in 2024, On May 8 ,2024, the Board of Directors discussed the adjustment of the transaction amount in 2024 with the related party Hold-Key. Since HOLD-KEY is the Company’s director, thus an interested party, representatives of HOLD-KEY all recused themselves from the discussion and voting of this proposal.；On May 8, 2024, the Board of Directors of the Company discussed the remuneration of directors; and on Autumn 8, 2024, the Board of Directors discussed the allocation of performance bonuses to the Company's managers. Due to the status of some directors and managers, when discussing and voting on the relevant proposals, directors who have an interest in the discussion and voting shall, respectively, abstain from the discussion and voting.

(3) Evaluation of the Board of Directors

Evaluation Frequency	Evaluation Period	Evaluation Scope	Evaluation Method/Score	Evaluation Content
Once a year	2024/1/1~ 2024/12/31	The operations of the Board of Directors	Internal self-evaluation (Questionary)of the board /97.78	1. The extent of participation in the Company's operations. 2. Improvement in the quality of the board's decision-making. 3. Composition and structure of the board. 4. Election and continuing education of directors. 5. Internal control
		Performance evaluation of individual board members	Internal self-evaluation (Questionary)of the board members /94.57	1. Mastery of the Company's objectives and tasks. 2. Perception of directors’ responsibilities. 3. The extent of participation in the Company's operations. 4. Internal relationship management and communication. 5. Professionalism and continuing education of directors. 6. Internal control
		The operations of the functional committees	Internal self-evaluation (Questionary) of functional committees Audit Committee /100 remuneration committee/97.89	1. The extent of participation in the Company's operations. 2. Perception of functional committees’ responsibilities. 3. Improvement in the quality of the functional committee's decision-making. 4. Composition and member appointment of functional committees. 5. Internal control

(II) The Operations of the Audit Committee

1. The Audit Committee established on 2020.06.30 and held 4 meetings (A) in the most recent year, and the attendance of independent directors is as follows:

Title	Name	Number of Attendance in Person (B)	Number of Attendance by Proxy	% of Attendance in Person 〔B/A〕	Remark
Independent director (Convener)	Wenxiu Zhang	4	0	100%	Discharged due to death on December 2, 2024
Independent director	Xiege Hao	4	0	100%	None
Independent director	Xiuhui Ye	4	0	100%	None

2. Other matters to be recorded:

A. Working priorities of the Audit Committee

The Audit Committee of the Company consists of three independent directors. The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight of the quality and integrity of the Company's implementation of accounting, auditing, financial reporting processes and financial controls.

Matters reviewed by the Audit Committee primarily include:

(A) Financial statement audits and accounting policies and procedures
(B) Internal control systems and related policies and procedures
(C) Significant asset or derivative transactions
(D) Material loans of funds, endorsements or guarantees.
(E) Offers or issues of securities
(F) Derivative financial products and cash investments
(G) Regulatory compliance
(H) Whether managers and directors have related party transactions and possible conflicts of interest
(I) Qualifications, independence, and performance measurement of certified public accountants
(J) Appointment, dismissal or remuneration of certified public accountants
(K) Appointment and removal of financial, accounting or internal audit supervisors
(L) Performance of the Audit Committee's responsibilities

B. If the operation of the Audit Committee is under any of the following circumstances, the date, period, proposal content, resolution of the Audit Committee and the Company’s handling of the Audit Committee’s opinions should be described:

(A) The state of the operations and matters listed in Article 14-5 of the Securities and Exchange Act:

Date	Proposal Content	Independent Director’s Opinions or Suggestion	Audit Committee’s Opinions& the Company’s Handling of the Audit Committee’s Opinions
2024.2.27	1. Approved the Company’s 2023 financial statements and consolidated financial statements 2. Approved the assessment of the effectiveness of the internal control system completed by the Company in 2023 and issued an "Internal Control Statement." 3. Approved assessment and appointment remuneration of the competency and independence of CPAs	None	Passed without objection

Date	Proposal Content	Independent Director's Opinions or Suggestion	Audit Committee's Opinions& the Company's Handling of the Audit Committee's Opinions
	4. Approved evaluation of whether or not the aging of the Company's accounts receivable and other receivables other than accounts receivable might constitute a lending of funds in hidden form. 5. Approved the proposal on Purchase and Sale Transactions between the Company and its subsidiary Hold-Key Electric Wire & Cable Co., Ltd. in 2024.		
2024.5.8	1. Approved the Company's 2024 Q1 consolidated financial statements. 2. Approved evaluation of whether the Company has engaged in lending of funds in hidden form. 3. Approved adjusted the proposal on Transactions between the Company and the related party Hold-key Electric Wire & Cable Co., Ltd.in 2024.	None	Passed without objection
2024.8.8	1. Approved the Company's 2024 Q2 consolidated financial statements. 2. Approved evaluation of whether the aging of the Company's accounts receivable and other receivables other than accounts receivable might constitute a lending of funds in hidden form.	None	Passed without objection
2024.11.6	1. Approved the Company's 2024 Q3 consolidated financial statements. 2. Approved the Company's 2025audit plan. 3. Approved evaluation of whether the aging of the Company's accounts receivable and other receivables other than accounts receivable might constitute a lending of funds in hidden form. 4. Approved amendment of some provisions of the "Internal Control System" and "Internal Audit Implementation Rules" .	None	Passed without objection

(B) In addition to the previous matters, other matters that have not been approved by the Audit Committee but approved by more than two-thirds of all directors: None.

C. In the implementation of an independent director's recusal for being an interested party in a proposal, the independent director's name, the proposal content, the recusal reasons and his or her participation in voting should be stated: No such situation.

D. Communication between independent directors, internal audit officer and CPA (major matters, methods and results of communication on the Company's financial and business conditions, etc. should be included):

(A) The Audit Office regularly delivers monthly audit reports to independent directors for approval. The independent directors will communicate with the Audit Supervisor from time to time regarding the audit report and give suggestions.

(B) The Audit Supervisor regularly attends meetings of the Audit Committee and the

Board of Directors of the Company and also makes audit business reports and communicates with independent directors.

(C) Accountants regularly communicate with the independent directors at meetings on governance matters on matters that come to their attention in performing audits or reviews of the financial statements.

(D) The Company discloses communications between independent directors, accountants and audit supervisors on the Company's website/investor center.

(III) The Company's implementation of corporate governance and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor.

Evaluation Items	The state of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor.
	yes	no	Summary description	
I. Has the Company formulated and disclosed its corporate governance practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company has formulated a set of corporate governance practice principles and disclosed it on the home page of the Company website/Investor Relations/Corporate Governance/Practice Principles for Corporate Governance.	There is no difference from the spirit of the principles.
II. The Company's equity structure and shareholder equity (I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations, and implemented them in accordance with the procedures? (II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders? (III) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies? (IV) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?	✓		(I) The Company has a spokesperson who is responsible for handling shareholders' recommendations, doubts, disputes and litigation matters. (II) In addition to collecting relevant information on the Internet, the Company's major corporate shareholders regularly provide lists of their major shareholders. (III) The Company and its affiliated companies have implemented an internal control system and relevant rules and measures to reduce operational risks, and have established a firewall mechanism. (IV) The Company has established internal major information processing procedures and it regularly disseminates information to insiders to avoid accidental infringement of related laws and regulations such as insider trading.	There is no difference from the spirit of the principles.

Evaluation Items	The state of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor.
	yes	no	Summary description	
III. Composition and responsibilities of the Board of Directors (I) Has the Board of Directors formulated diversity policies, specific management objectives and corresponding implementation? (II) In addition to the Remuneration Committee and the Audit Committee established in accordance with law, has the Company voluntarily set up other functional committees? (III) Whether the Company has formulated board performance evaluation measures and methods, conducts performance evaluations annually and regularly, and reports the results of performance evaluations to the Board of Directors, and uses them as a reference for individual directors' remuneration and nomination for reappointment? (IV) Does the Company regularly evaluate the independence of the attesting CPA?	✓		(I) The Company has established a policy of diversity in the composition of members in the selection process of directors and supervisors, currently without regard to gender, religion, age and so on and having their own expertise in industry matters, marketing, accounting, finance, law, technology and so on. The diversity of members of the seventh session of the Board of Directors of the Company is shown in Table 1 on P.15. Among the nine directors, 55.56% are directors with employee status, 33% are independent directors, and 33% are female directors. Nine out of nine directors have expertise in business management and leadership decision-making; s out of nine have industry knowledge; three out of nine have majored in financial accounting; one out of nine has majored in legal affairs; two out of nine have majored in technology and environmental protection; and two out of nine have majored in marketing. The Company pays attention to gender equality in the composition of the Board of Directors: The percentage of female directors in the 8th Board of Directors has reached 1/3. Relevant diversification policies and their implementation are disclosed on the Company's website and in its annual report. (II) The Company has set up a Remuneration	There is no difference from the spirit of the principles.

Evaluation Items	The state of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor.
	yes	no	Summary description	
			Committee, an Audit Committee and a Sustainable Development Committee ,and will set up other functional committees in the future depending on actual operating needs. (III) The Company has established its Board of Directors Performance Evaluation Measures. The overall performance self-assessment of the Board of Directors of the Company covers the following five aspects: 1. Degree of participation in Company operations 2. Improving the quality of board decisions 3. Board composition and structure 4. Selection and continuous training of directors 5. Internal control Board member performance evaluation measurement items should cover at least the following six aspects: 1. Mastering the Company's goals and tasks 2. Awareness of directors' responsibilities 3. Degree of participation in Company operations 4. Internal relationship management and communication 5. Directors' professional and continuous education 6. Internal control The Company issues a questionnaire every year based on the Board of Directors Performance	

Evaluation Items	The state of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor.
	yes	no	Summary description	
			Evaluation Measures. After all the questionnaires are collected, the results will be reported to the Board of Directors and improvement suggestions will be put forward for areas that can be strengthened. The results of the performance evaluation for 2024 for the Board of Directors and the Remuneration and Audit Committees were reported to the Board of Directors on Feb. 27, 2025. The overall operations of the Board of Directors and the Remuneration Committee were still good. Please refer to the web page at www.yfo.com.tw/Investor Center/Corporate Governance/Board of Directors Performance Evaluation Measures for the Board of Directors Performance Evaluation Measures and the assessment results for 2024. The Company refers to the performance evaluation results of directors every year as a reference for remuneration payments and for nominations of directors . (IV) The Company regularly evaluates the independence and competency of CPAs every year. (Assessment items include self-interest, self-assessment, arguments in defense, familiarity, coercion, certification period not exceeding seven years, and so on.). In addition, the accounting firm issues a statement of independence and Provide audit quality	

Evaluation Items	The state of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor.
	yes	no	Summary description	
			indicators (AQIs) to the company for evaluation that is approved after the first Audit Committee and Board of Directors discussion of each year. For 2025, the Audit Committee and Board of Directors of the Company passed the assessment of the independence and competency of CPAs on Feb. 27, 2025.	
IV. Does the Company have suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors to comply with laws and regulations, conducting board meeting and shareholder meeting related matters in accordance with law, handling company registration and alteration registration, and preparing minutes of board meetings and shareholder meetings, etc.)?	✓		The Company's ESG team serves as a full-time corporate governance unit. The ESG team is led by President, Assistant general manager of the Management Office, who is responsible for coordinating corporate governance-related affairs. The main responsibilities of the ESG team members are to provide directors and supervisors with the information they need to execute their business, assist directors and supervisors in complying with laws and regulations and handle matters related to the Board of Directors and shareholders' meetings in accordance with the law. Business implementation in 2024 was as follows: I. Assisted independent directors and ordinary directors in performing their duties, providing required information and arranging for further education for directors: (I) Regularly reported to the Board of Directors on the latest revisions and development of laws and regulations	There is no difference from the spirit of the principles.

Evaluation Items	The state of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor.
	yes	no	Summary description	
			related to the Company's areas of business and corporate governance. (II) In accordance with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, independent directors and supervisors regularly arranged meetings with the internal Audit Supervisor and with CPAs to understand the company's financial business status. (III) Assisted in arranging annual training programs and courses for independent directors and ordinary directors. II. Assisted in compliance with the procedures and resolutions of the Board of Directors and shareholder meetings: (I) Regularly reported the Company's corporate governance operations to the Board of Directors to confirm whether the Company's shareholders' meetings and Board of Directors meetings were in compliance with relevant laws and corporate governance codes. (II) Assisted and reminded directors of laws and regulations to be complied with when conducting business or making formal resolutions of the Board of Directors, and	

Evaluation Items	The state of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor.
	yes	no	Summary description	
			put forward suggestions when the Board of Directors would make resolutions contrary to the law. (III) Took post-meeting responsibility for reviewing the release of important information on important resolutions of the Board of Directors to ensure the legality and correctness of the reposted content to ensure the equality of investor trading information. III. Maintained investor relations: arranged corporate briefings as needed, with the management team communicating and exchanging information with institutional investors or ordinary shareholders so that investors could obtain sufficient information and so that shareholders' rights and interests were well maintained. IV. Drew up the agenda of the Board of Directors, notified the directors seven days in advance, convened meetings, and provided meeting materials; if recusals were necessitated by interests at stake, reminders were to be given in advance; and the minutes of Board of Directors meetings were to be completed within 20 days after a meeting. V. Handled the pre-registration of the dates of	

Evaluation Items	The state of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor.
	yes	no	Summary description	
			shareholders' meetings in accordance with the law; prepared meeting notices, meeting manuals and minutes within the statutory time limits; and handled the registration of changes in amendments to the Articles of Association or for the elections of directors.	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.) and a special section for stakeholders on the Company's website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?	✓		The Company has set up a stakeholder area, an investor center and contact information on the Company's website to appropriately respond to important corporate social responsibility issues of concern to stakeholders as shown in Table 2.	There is no difference from the spirit of the principles.
VI. Has the Company appointed a professional stock affairs agency to handle matters for shareholder meetings?	✓		The Company entrusts the Stock Agency Department of Concord Securities to handle matters connected to the Shareholders' Meeting.	There is no difference from the spirit of the principles.
VII. Information Disclosure (I) Has the Company set up a website to disclose finance and business matters and corporate governance information? (II) Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information,	✓		(I) The Company has set up a website and relevant company information will continue to be disclosed. In addition, the Market Observation Post System can be inquired regarding the Company's related financial business and corporate governance information. (II) The Company has dedicated personnel responsible for the collection of relevant information, the disclosure of major Company	There is no difference from the spirit of the principles.

Evaluation Items	The state of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor.
	yes	no	Summary description	
implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)? (III) Does the Company publicly announce and file annual financial statements within two months after the end of the fiscal year, and the financial statements for the first, second and third quarters and the monthly operating status before the prescribed deadline?			events and the implementation of the spokesperson system. (III) The Company has announced and declared its annual financial report within two months after the end of the fiscal year for 2024, and announced and declared the first, second and third quarter financial reports and the monthly operating situation on the specified deadlines.	
VIII. Does the Company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, Implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors and supervisors, etc.)?	✓		(I) Implementation of employee rights and employee care: the Company offers employee group insurance (including allowed participation of employee dependents, spouses, and immediate family members and encompassing accident insurance, accident medical insurance, hospital medical insurance and so on) as well as employee health checks, year-end bonuses and employee stock subscription dividends. In addition, a staff restaurant is set up in Guanyin No. 3 Factory and serves Chinese food or dinner for free and the space of the adjacent factory is rented as a staff parking lot. Separately, the Company employee welfare committee to coordinate various welfare matters for employees, including annual travel, subsidies for weddings and funerals, maternity subsidies, gifts for three festivals, gifts for birthdays and arrangements for festivals	There is no difference from the spirit of the principles.

Evaluation Items	The state of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor.
	yes	no	Summary description	
			activities. (II) Implementation status of investor relations, supplier relations and rights of stakeholders: with the protection of shareholders' rights and interests as its paramount goal, the Company immediately announces major Company information such as financial matters, business and insider shareholding changes on the Market Observation Post System in accordance with the regulations. At the same time, the Company has spokespersons, acting spokespersons and the Company's stock agency (Concord Securities Co., Ltd. Stock Agency Department) to provide shareholders and investors with information on relevant issues for the Company. There is also a Supplier Management Program, through which appropriate supplier management operations are handled. In addition to maintaining the quality of procurement, it also establishes close working relationships. Separately, the Company requires suppliers to sign a statement of ethics and integrity, and requires them to use conflict-free minerals as well as adhering to specifications mandated by RBA (ESG) requirements. At the same time, there are Transaction Procedures for Specific Group Companies and Related Parties to be followed in transactions involving specific companies or related parties in order to protect the rights and interests of the Company, its	

Evaluation Items	The state of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor.
	yes	no	Summary description	
			shareholders, and relevant stakeholders. (III) Continuing education of directors and supervisors: the Company encourages directors and supervisors to actively participate in refresher courses. Directors and supervisors of the Company are required to study and report in accordance with the law each year, in compliance with the provisions of the Main Points of Advanced Training Implementation for Directors of Listed Companies. For detailed information on the training of directors and supervisors, please refer to Appendix 3 or go to the Corporate Governance section of the Market Observation Post System. (IV) Implementation of risk management policies and risk measurement standards: The Company has been aggressively implementing its risk management mechanism since 2021 under the supervision of the Board of Directors. The “Risk Management Policy and Procedures” was approved at the 7th meeting of the 7th Board of Directors on November 10, 2021. The state of implementation of risk management is reported annually at a Board of Directors’ meeting. The state of implementation of risk management in 2023 was already reported at the 6th meeting of the 8th Board of Directors on November 6, 2024. (V) Implementation of customer policy: The	

Evaluation Items	The state of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor.
	yes	no	Summary description	
			Company maintains a stable and good relationships with customers to generate corporate profits. (VI) The Company's purchase of professional liability insurance coverage for the directors and supervisors: the Company has purchased liability insurance for directors, supervisors and managers.	
IX. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved: The Company was ranked among the top 21%~35% in the 11th Corporate Governance Evaluation for 2024.				

Table 2

Interest Party	Issue	Communication and Response	2024Actual performance
Employees	● Labor relations ● Occupational health and safety ● Non-discrimination ● Anti-corruption ● No forced labor ● Diversity and equal opportunity ● Compliance	Contact: Administrative Department personnel: Ms. Chang EMAIL：YFO_HR@yfo.com.tw TEL: (03)4833665#8128 ● Regularly hold employer-employee meetings ● Arrange a health checkup or health consultation for employees every year ● Set up an employee suggestion box ● Publicize and announce the sexual harassment complaints filing channel.	1. Held 4 employer-employee meetings in 2024. 2. Arranged a health checkup or health consultation for employees 3. Responded to employees' inquiry for about 16 times
Customers	● Non-discrimination ● Anti-corruption ● No forced labor ● Diversity and equal opportunity ● Compliance ● Customer privacy ● Labor relations ● Occupational health and safety	Contact: Sales Department: Ms. Chang EMAIL：service@yfo.com.tw TEL: (03)4833665#8606 ● Be cooperative with customers in terms of their product or environment requirements or audit, and assist in prevention and continuous improvement. ● Attend technology seminars at irregular intervals ● Comply with information disclosure requirements; hold education and training on confidentiality.	1. Cooperated with customers on audit for at least 11 times. 2. Signed 3 NDA with new customers in 2024.
Suppliers and Contractors	● Market Presence ● Compliance ● Non-discrimination ● Anti-corruption ● No forced labor ● Diversity and equal opportunity ● Supplier employee assessment ● Labor relations ● Occupational health and safety	Contact: Administrative Department general affairs personnel: Mr. Guo EMAIL：service@yfo.com.tw TEL: (03)4833665#8115 ● Sign Contractor Environment, Health, and Safety Undertakings ● Publicize and sign Ethics and Integrity Declarations ● Annual audit conducted on suppliers and contractors	1. Signed 11 Contractor Environment, Health, and Safety Undertakings in 2024. 2. Signed 23 Ethics and Integrity Declarations.
Investors	● Market Presence ● Business Performance ● Compliance ● Investment ● Labor relations ● Customer relation and supplier relation ● Occupational health and safety ● Environment	Contact: Spokesperson Assistant general manager: Ho Feng-Yo EMAIL：3622@yfo.com.tw TEL:(02)23970585 ● Annual Shareholders' Meeting ● Non-periodic investor conference ● Regularly disclose financial statements and related operating information ● Material information is disclosed on the Market Observation Post System (MOPS)	1. Held an investor conference 2 times in 2024. 2. Disclosed 21 pieces of material information in 2024.

<table>
<tr><th>Interest Party</th><th>Issue</th><th>Communication and Response</th><th>2024Actual performance</th></tr>
<tr><td></td><td>assessment</td><td>and, if required, in the form of a press release or at a press conference.
● Disclose email and phone number on the Company’s website to provide a smooth communication channel between investors and the Company.</td><td></td></tr>
<tr><td>community</td><td>● Labor relations
● Compliance
● Environment assessment
● Occupational health and safety
● Market presence
● Diversity and equal opportunity
● Non-discrimination
● Anti-corruption
● No forced labor</td><td>Contact: Administrative Department general affairs personnel: Mr. Guo
EMAIL：3622@yfo.com.tw
TEL: (03)4833665#8115
● Periodically participate in community activities
● Regularly attend the various dissemination meetings held by the Bureau of Industrial Park</td><td>1. Attended the 8 dissemination meetings held by the Bureau of Industrial Park
2. Sponsored the Caota Fire Brigade and the Volunteer Firefighter Squad of the Fire Agency for their Year-end Evening Party for Annual Review and Fire Prevention Dissemination</td></tr>
</table>

Table 3 Continuing education of directors 2023

Name	Date	Organizer	Course	Hours
Chihchiang Pai	2024/06/06	BCSD Taiwan	Corporate Standard and Scope 3 Standard of the GHG Protocol: Awareness and Implementation Training	7
Yichuan Hsu	2024/06/06	BCSD Taiwan	Corporate Standard and Scope 3 Standard of the GHG Protocol: Awareness and Implementation Training	7
Soy Young Enterprise Co., Ltd. Representative: Shujuan Xu	2024/03/22	BCSD Taiwan	CDP Taiwan Forum – "Building a New Carbon Era Through Sustainability Knowledge" Promotion Conference	3
	2024/09/06	Securities & Futures Institute	The 2024 Dissemination Meeting for Legal Compliance When Engaging in an Insider Equity Transaction	3
Fengyu Ho	2024/03/22	BCSD Taiwan	CDP Taiwan Forum – "Building a New Carbon Era Through Sustainability Knowledge" Promotion Conference	3
	2024/04/10	Securities & Futures Institute	A Company's Fight over the Management Rights and an Introduction to the Commercial Case Adjudication Act	3
	2024/04/16	Securities & Futures Institute	How Board Directors and Supervisors Should Oversee Corporate Risk Management and Crisis Response	3
	2024/04/17	Securities & Futures Institute	Economic Condition and Market Opportunities in New Southbound Policy Countries	3
Menggui Lin	2024/07/03	Taiwan Stock Exchange Corporation	Cathy Sustainable Finance and Climate Change Summit 2024	6
Hold-Key Electric Wire & Cable Co., Ltd. Representative: Xinzheng Li	2024/07/09	Taiwan Corporate Governance Association	Talent Development for Sustainable Operation	3
			Employee Incentive Instruments and Related Taxation Issues: Case Study on CFC	3
Wenxiu Zhang	2024/07/10	Securities & Futures Institute	How the Board Can Ensure Corporate Sustainability-Talent Identification and	3

Name	Date	Organizer	Course	Hours
			Development Strategies	
	2024/07/11	Securities & Futures Institute	Corporate Governance Trend and Sustainable Development of the Company	3
Xiege Hao	2024/03/22	BCSD Taiwan	CDP Taiwan Forum – "Building a New Carbon Era Through Sustainability Knowledge" Promotion Conference	3
	2024/09/30	Taiwan Institute of Directors	Smart Guidance: Pioneering New AI Governance Frameworks	3
Xiuhui Ye	2024/03/06	Taiwan Corporate Governance Association	Global Economic Prospects for 2024	1
	2024/05/07	Taiwan Academy of Banking and Finance	Board of Directors and Supervisory Board Operational Practices and Corporate Governance Workshop – Anti-money Laundering and Fair Treatment Principles	3.5
	2024/06/26	Taiwan Corporate Governance Association	2024 Seminar on Best Practices for Board Performance Evaluation	3
	2024/07/30	Taiwan Corporate Governance Association	Vision and Trend for ESG Evaluation	1
	2024/07/30	Taiwan Academy of Banking and Finance	Board and Supervisor Operational Practices and Corporate Governance Workshop – Trends in Fintech and Cybersecurity Risks	3
	2024/09/24	Taiwan Academy of Banking and Finance	Board and Supervisor Operational Practices and Corporate Governance Workshop – Sustainable Development, ESG, and Resource Circularity	3
	2024/10/16	Taiwan Corporate Governance Association	20th (2024) Corporate Governance International Summit – Focusing Governance on Talent Development for Competitive Advantage	6

(IV)If the Company has a remuneration committee, it should disclose its composition, responsibilities and operations:

1. Information on the numbers of the Remuneration Committee

Criteria Position	Name	work experience and professional qualifications	independence criteria	Concurrently employed by other public company Number of remuneration committee
Independent Director /Convener	Xiege Hao	Please refer to page8-10 and page13-14		0
Independent Director(Note1)	Wenxiu Zhang			1
Independent Director	Xiuhui Ye			0

Note1: Discharged due to death on December 2, 2024.

2. Information on the operations of the Remuneration Committee

(1) There are 3 members in the Company's Remuneration Committee

(2) The term of office of the current members: May 31, 2023 to May 30, 2026, with 4 (A) meetings in the most recent year of 2024.

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	% of attendance in person(B/A)	Note
Convener	Xiege Hao	4	0	100%	None
Member	Wenxiu Zhang	4	0	100%	Discharged due to death on December 2, 2024
Member	Xiuhui Ye	4	0	100%	None

Other matters to be recorded:

I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, period, proposal content, resolution of the board, and its handling of the committee's opinions (if the remuneration approved by the board is better than the recommendation proposed by the committee, the difference and reasons should be stated): No such situation.

II. For the proposals by the Remuneration Committee. If any members have objections or reservations with records or written statements, the date, period, proposal content, the opinions of all members, its handling of the members' opinions should be stated: No such situation.

(3) The opinions by the Remuneration Committee and the company's handling of the Remuneration Committee's opinions

Date	Proposal content	opinions	The Company's handling of the Remuneration Committee's opinions
2024.2.27	1. The Company's 2024 annual remuneration distribution plan for employees and directors. 2. Review of salary adjustment for managers of the Electromechanical Business Group	Passed without objection	Passed without objection
2024.5.8	1.Review of the amendments to partial articles of the "Regulations Governing the Remuneration to Directors, Functional Committees and Managers 2.The Company's 2024 remuneration distribution for directors.	Passed without objection	Passed without objection
2024.8.8	1.Performance bonus distribution for managers of the Company. 2. Review of the proposal for manager salary.	Passed without objection	Passed without objection
2024.11.6	1.Establishment of the Allocation Standard for Directors' and Employees' Remuneration and the Implementation Rules for the Allocation Standard for Individual Directors and Managers 2.Amendments to partial provision for Article 4 of the "Regulations Governing the Remuneration to Directors, Functional Committees and Managers	Passed without objection	Passed without objection

3. Responsibilities of the Remuneration Committee: The Committee should faithfully perform the following duties with the attention of a good managerial officer and submit its recommendations to the Board of Directors for discussion.

(1) Formulate and regularly review policies, systems, standards and structures for annual and long-term performance objectives and remuneration for directors, supervisors and managerial officers of the Company.

(2) Regularly evaluate the achievement of the performance objectives of the Company's directors, supervisors and managerial officers, and determine the content and amount of their individual remuneration.

(V) The fulfillment of Sustainable Development and the differences from the Sustainable Development Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:

Item promoted	The state of operations			The differences from the Sustainable Development Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters? How well is such a unit supervised by the board?	✓		The Company has established Sustainable Development Committee under the Board of Directors, the director and general manager serves as the convener and ESG team with the head of the Administration Division being the person in executive charge At the RBA Management Review Meeting in 2024, the ESG committee reviews the results of implementation of the planned sustainable development and ethical management and formulates the implementation direction and measures for the following year. The CSR team also periodically reports the implementation status to the Board of Directors. The results of implementing Sustainable Development (ESG) in 2024 will be reported to the Board of Directors meeting of Q2 2025. The Board of Directors also supervises the progress of various sustainable development measures proposed by the ESG team and makes adjustments and recommendations as appropriate.	There is no difference from the spirit of the principles.
II. Does the Company conduct risk evaluations on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		Boundary of risk assessment: The boundary of risk assessment is based on the Company, and includes the subsidiary, Young Fast Optoelectronics (Vietnam) Co., Ltd., based on its relevance to the Company’s core business and the degree of impact on material topics.	There is no difference from the spirit of the principles.

<table>
<tr><th rowspan="2">Item promoted</th><th colspan="3">The state of operations</th><th rowspan="2">The differences from the Sustainable Development Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>The Company has formulated risk managemen policy or strategy respecting environmental, social and corporate governance, which is stated as follows
<table>
<tr><th>Material topics</th><th>Risk evaluation items</th><th>Risk management policy or strategy</th></tr>
<tr><td>Environ-mental</td><td>Environmental Protection</td><td>The Company passed the ISO 14001 Environmental manage-ment systems , and has since maintained its functioning in our operations. The Company continues to launch several energy conservation and carbon reduction projects to improve our environmental performance.
The Company’s policy for the environment and safety and health is as follows:
1. Abide by environmental/ safe-ty and health laws and regulations.
2. Continue to improve the quality of environment and safety and health.
3. Reduce environmental hazards and employee safety and health risks
4. Implement environment / safety and health education
5. Implement environment/safety and</td></tr>
</table></td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Item promoted</th><th colspan="3">The state of operations</th><th rowspan="2">The differences from the Sustainable Development Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td></td><td></td><td>health consultation and communication.
6. Periodically review the effectiveness of systems operation</td></tr>
<tr><td>Social</td><td>Enterprise commitments</td><td>The Company continues to implement the various management policy of our safety and health policy and abides by laws and regulations, to protect employees’ physical and mental health and implement industrial safety. The Company signed the human rights policy in 2018 to establish a friendly workplace.</td></tr>
<tr><td>Corporate governance</td><td>Compliance</td><td>The Company ensures the legal compliance of all of its staff and operations through establishing a Company governance organization and implementing the internal control system.</td></tr>
</table></td><td></td></tr>
<tr><td>III. Environmental Issues
(I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?
(II) Is the Company committed to improving the efficiency of energy utilization and using recycled materials with low impact on the</td><td>✓</td><td></td><td>The Company has set up the Occupational Health and Safety Office, which is in charge of matters respecting the Company’s occupational health and safety and environmental management. We both BG all have also obtained the ISO 14001 certificate. In 2023, Electromechanical BG obtained the ISO45001 certificate, Optoelectronics BG conducted our</td><td>There is no difference from the spirit of the principles.</td></tr>
</table>

<table>
<tr><th rowspan="2">Item promoted</th><th colspan="3">The state of operations</th><th rowspan="2">The differences from the Sustainable Development Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>environment?
(III) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take corresponding measures to respond to related issues?
(IV) Does the Company make statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?</td><td></td><td></td><td>occupational health and safety operation in accordance with ISO45001.
In addition, the Company always attends to the latest changes in environment laws and occupational safety and health laws and international environmental protection trend in order to obtain a basis for the Company’s formulating our environment/occupational safety and health strategy.
Implementation of climate-related information of the Company, refer to P.53-61.
The Company has calculated the amount of greenhouse gas emission, water consumption, and waste production in the past two years , see table below for details and implemented policies to cut down energy and water consumptions, carbon and greenhouse gas emissions, and waste production in the past two years. For details, refer to P.62-P.65.
<table><tr><th>Year</th><th>2023</th><th>2024</th><th>%</th></tr><tr><td>Total KKWh</td><td>2,982</td><td>2,634</td><td>(11.79)</td></tr><tr><td>water consumption (k)</td><td>10,515</td><td>8,948</td><td>(14.90)</td></tr><tr><td>Industrial Waste Disposal Volume (ton)</td><td>59.4</td><td>43.2</td><td>(27.27)</td></tr><tr><td>- hazardous industrial waste</td><td>8.4</td><td>1.1</td><td>(86.90)</td></tr><tr><td>- general industrial waste</td><td>51.0</td><td>42.1</td><td>(17.45)</td></tr></table>Note: The scope of the investigation: Factory in Taiwan(Plant2 and Plant3) and Taipei Office</td><td></td></tr>
</table>

Item promoted	The state of operations			The differences from the Sustainable Development Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			The solar rooftop installation at the Company's Guanyin Plant No. 3, with an installed capacity of 996.45 kW, commenced official power generation in August 2024. During the year, it generated a total of 465,720 kWh of green electricity, with an estimated annual generation of approximately 1,091KkWh.	
IV. Social Issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights? (II) Whether the Company has formulated and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflects operating performance or results in employee remuneration? (III) Does the Company provide employees with a safe and healthy working environment, and related education? (IV) Has the Company established an effective career development training program for employees? (V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and	✓		(I) The Company ensures labors' legal rights by adhering to the Labor Standard Act and other relevant acts and, by referencing the International Bill of Human Rights, formulates our human rights policy and discloses the same on our website. (II) The Company already has reasonable employee welfare measures (e.g., year-end bonus; employee group insurance; employee children scholarships; cash gifts for the three festivals; employee travel subsidies, and so on). Each year, the Company also distributes performance bonuses based on our profits and employees' individual performance. (III) The Company has provided employees with a safe and healthy work environment, in that we implement an employee health checkup, work environment monitoring, and health education and dissemination every year, and that we promote employee health-promoting measures and health seminars in support of government	There is no difference from the spirit of the principles.

Item promoted	The state of operations			The differences from the Sustainable Development Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
labeling of products and services, and establish relevant customer rights protection policies and complaint procedures? (VI) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and monitor their implementation?			policy. For details, refer to P.65-P.68 . In addition, there is no fire incidents in 2024. (IV) The Company arranges training programs tailored to employees' needs every year. (V) Our products and services are not in direct contact with customers (i.e., we do not sell products or services directly to them). However, we will meet our clients' requirements in terms of customer privacy and product safety. (VI) The Company already demanded that our suppliers sign the "Supplier Corporate Social Responsibility Undertaking" to show their commitment to abiding by the Company's policy, the RBA standard or their corporate social responsibility.	
V. Does the Company make reference to international reporting standards or guidelines to prepare corporate social responsibility or other reports that disclose non-financial information about the Company? Has the assurance or opinion from third-party certifying institutions been obtained for the reports of the preceding paragraph?		✓	The Company has yet to compile a Corporate Social Responsibility Report, nor has it obtained an assurance or guarantee from a third-party certification institution.	Not being legally required to compile a Corporate Social Responsibility Report or obtain an assurance or guarantee from a third-party certification institution, the Company decides not to do so temporarily after considerations.
VI. If the Company has related practice principles of its own in accordance with the " Sustainable Development Practice Principles for TWSE/GTSM Listed Companies", please state the differences between the two and the state of implementation: The Company's Board meeting dated March 25, 2015 passed the "Corporate Social Responsibility Best Practice Principles", which was renamed "Sustainable Development Best Practice Principles" on March 11, 2022, with some clauses amended. We have conducted our business by adhering to the spirit and regulations of such principles.				

1. Implementation of climate-related information

<table>
<tr><th>Item</th><th>Status of implementation</th></tr>
<tr><td>1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.</td><td>The Company assessed the risks associated with climate change and proposed countermeasures in the report at the 7th Board of Directors' meeting on climate change on November 9, 2022. At the 2nd meeting of the 8th Board of Directors on November 6, 2024, the Company conducted emergency response tests for risk events incurred from climate change.</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the Company (short, medium, and long term).</td><td>
<table>
<tr><th colspan="2">Risk type and opportunities</th><th rowspan="2">Short term (1–3 years)</th><th rowspan="2">Interim (3–5 years)</th><th rowspan="2">Long term (over 5 years)</th><th rowspan="2">Financial impact</th><th rowspan="2">Countermeasures</th></tr>
<tr><td rowspan="7">Risks</td><td>Transformation risks</td></tr>
<tr><td>1. Regulations and policies
- Carbon pricing
- Intensified reporting requirements
- Changes in regulations</td><td>*Greenhouse gas emission cap control
*Carbon tax/carbon fee</td><td rowspan="3">*Introduction of new renewable energy regulations may lead to insufficient climate action, resulting in reputational damage
*Changes in consumer demands and preferences.
*Shift to low-carbon products.</td><td rowspan="3">Net zero emission trends</td><td>*Increased operating costs due to payment of carbon taxes/fees
*Higher operational expenses from purchasing Renewable Energy Certificates
*Violations of the law are subject to fines, resulting in increased operating expenses
*Installation and operation of carbon reduction equipment resulting in cost increases</td><td>*Enhance energy efficiency
*Invest in green energy equipment
*Continue to implement greenhouse gas reduction initiatives</td></tr>
<tr><td>2. Supply chain and raw materials
- Changes in key materials</td><td>*Growth in demand for some key materials
*Increase in production cost for key materials
*Supply chain is affected by extreme climate events</td><td>Cost increase for key materials</td><td>*Development of alternative raw materials
*Looking for suppliers in other regions</td></tr>
<tr><td>3. Company image
- Customer sustainability awareness increased</td><td>*Increasing demand for low-carbon or green products</td><td>Decline in market sales led to a decrease in revenue</td><td>*Continue to invest in R&D of low-carbon products
*Using raw materials with low-carbon footprint to reconfigure product ingredients
*R&D and innovation of green products</td></tr>
<tr><td colspan="6">Physical risk</td></tr>
<tr><td>Immediately
- Intensifying natural disasters
Long-term</td><td>Increase in natural disasters that damage operating assets</td><td>Supply chain disrupted caused by natural disasters</td><td>Average temperature rise</td><td>*Revenue declined caused by suspension of business in operating office
*Damage to machinery and equipment resulted in property</td><td>*Site selection for new operational locations takes into account the risk of natural disasters
*Assess natural disaster risks at production sites and implement</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Item</th><th>Status of implementation</th></tr>
<tr><td></td><td>
<table>
<tr><td></td><td>- Extreme climate change</td><td></td><td></td><td></td><td>loss
*Rising raw material prices led to an increase in operating costs
*Reduced product output led to a decline in revenue
*Increased electricity consumption resulted in higher operating expenses</td><td>risk mitigation measures
*Looking for suppliers in other regions</td></tr>
<tr><td rowspan="4">Opportunity</td><td>Energy conservation</td><td colspan="2" rowspan="3">*Enhance energy efficiency</td><td rowspan="4">Enhance corporate reputation</td><td rowspan="3">*Reduced electricity cost
*Decrease in operating expenses</td><td rowspan="3">*Using renewable energy
*Development of alternative raw materials
*Purchase of energy-saving equipment
*Implement an environmental management system to monitor energy usage</td></tr>
<tr><td>Resource recycling</td></tr>
<tr><td>Use of alternative energy</td></tr>
<tr><td>Low-carbon services and products</td><td colspan="2">R&D and innovation of new low-carbon products and services</td><td>Increase sales ratio of low-carbon products to increase revenue</td><td>* Continue to invest in R&D of low-carbon products
*Using raw materials with low-carbon footprint to reconfigure product ingredients
*R&D and innovation of green products</td></tr>
</table>
</td></tr>
<tr><td>3. Describe the financial impact of extreme climate events and transformation actions.</td><td>Disasters caused by extreme climate events, such as typhoons, floods, and droughts, may result in direct property damage, operational interruption losses, equipment maintenance costs, increased water and electricity bills, and any capital expenditure or expenses required for transformation action, which will have an impact on finance.</td></tr>
<tr><td>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</td><td>The Company has formulated the “Risk Management Policies and Procedures” to conduct risk management against the uncertain factors that may threaten corporate operations, including the risk assessment of climate change.
(1) Risk identification: Climate-related risks and opportunities that affect the Company’s operations and businesses are compiled annually.
(2) Risk assessment: Assess the impact of each climate risk and opportunity on the business development strategy and financial planning of the department as the basis for judging the degree of financial impact. Conduct risk analysis taking into account the possibility of risks and opportunities.
(3) Risk treatment: After identifying major climate risks and opportunities, relevant departments will formulate control measures for individual projects to reduce the likelihood of risks and their impact on the Company. The response strategies adopted by the Company include
A. Risk avoidance: Stop engaging in risk-generating activities;</td></tr>
</table>

Item	Status of implementation
	B. Risk reduction: Reducing the likelihood and impact of risks; C. Risk transfer: Transfer the loss when the risk occurs; D. Risk acceptance: Accept the loss incurred by the risk. (4) Risk monitoring: The CSR personnel will compile the contents of risk identification, major risks and opportunities identified by risk assessment, and risk management strategies, and then formulate the policies, monitoring indicators and targets of overall climate risk and opportunity of the Company, and escalate them to the Board of Directors.
5. If a scenario analysis is used to evaluate the resilience in the face of climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used shall be explained.	The Company has assessed the potential impact of future carbon pricing changes on its transitional and physical risks. For transitional risks, we adopted two climate scenarios proposed by the International Energy Agency (IEA): the Net Zero Emissions by 2050 Scenario (NZE), which outlines a global pathway for the energy sector to achieve net zero emissions by 2050, and the Announced Pledges Scenario (APS), which assumes that countries fully meet their stated climate commitments. These scenarios were used to evaluate whether operations under each pathway may lead to significant financial implications for the Company. For physical risks, the Company referred to the Representative Concentration Pathways (RCPs) defined in the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5). These were used to assess potential climate extremes such as sea level rise, water scarcity, and changes in precipitation patterns, and their impacts on the operations of Young Fast Optoelectronics. Through climate scenario analysis, the Company aims to formulate effective adaptation strategies and plans to reduce overall financial risk. **(1) Transition risk scenario analysis: Carbon pricing** Carbon pricing is a key policy tool for addressing climate change and has become an increasingly significant factor influencing corporate policy and financial operations globally. In 2023, the Company's total greenhouse gas emissions from Scope 1 and Scope 2 sources amounted to 8,307.63 metric tons of CO_2e. Using the carbon pricing projections under Taiwan's net zero pathway (NT$300 per metric ton from 2021 to 2050), the potential carbon tax or carbon fee is estimated to be approximately NT$2.49 million. This constitutes a material financial risk for the company. **(2) Physical risk scenario analysis: Long term – water shortage risk** Water shortage risk was assessed using the World Resources Institute (WRI) Aqueduct Water Risk Atlas, which projects stress levels for water shortages for the years 2030 and 2050 under two climate scenarios: RCP 2.6 (a low greenhouse gas emissions scenario, considered optimistic) and RCP 8.5 (a high emissions scenario, considered pessimistic). Historical data were used to estimate the number of days of potential

Item	Status of implementation
	water supply disruption resulting from stress on water resources in order to evaluate the corresponding financial impact. According to the data, the Company's operational sites fall within a "low to medium" water stress category (10–20%) under both optimistic and pessimistic scenarios, indicating a generally stable water supply. However, mild water shortages may still occur during dry seasons.

Water shortage pressure	Water demand (Million liters/year)	Water tariff (million liters/NTD)	Loss from operational shutdown (NTD/day)	Number of operational shutdown days (day)	Financial impact (NTD)
Low-Medium (10-20%)	10.515	14,880	116,548	0	219,048

Note 1: Based on the water withdrawal volume in 2023; the scope includes Taiwan (excluding overseas subsidiaries).

Note 2: Financial impact = (Annual water demand × water tariff × increase in water tariff rate) + (Loss from operational shutdown × projected number of shutdown days). The variation in water tariffs is projected based on water shortage stress levels. The number of operational shutdown days is calculated using the average number of water supply interruptions over the past three years, with an assumed probability of increase based on projected water stress.

Although the assumed scenarios indicate relatively low water resource risk, the Company remains proactive in mitigating potential threats by implementing corresponding measures. For example, underground water storage tanks have been installed at each plant site to ensure a sufficient water supply during short-term shortages. Water-saving equipment is being gradually installed to optimize water use efficiency across office spaces and plant areas, including the replacement of faucets with water-saving valves and the use of certified water-efficient bathroom fixtures. Additionally, water usage is regularly monitored and managed, with periodic reviews of water consumption at each stage of the production process to assess whether reasonable adjustments can be made without impacting operations. In addition, the Company will continue to monitor climate change developments in order to strengthen its adaptive capacity to climate-related risks.

Item	Status of implementation
	(3) Physical risk scenario analysis: Long term – changes in rainfall patterns may cause flood in the plant area The analysis of changes in rainfall patterns adopts the 1.5°C and 2°C warming scenarios, using the annual maximum five-day cumulative rainfall as the analysis indicator. Projections are based on the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), with the historical baseline set at 259.2 mm. The projected average variation rates are 7.8% and 10.1%, respectively, resulting in an estimated increase of 20–30 mm, indicating a limited impact on the Company's facilities. In response to the flood risks brought by changing rainfall patterns, the Company continues to monitor the water levels of surrounding river basins and track rainfall fluctuations. An annual emergency response drill is conducted to ensure that employees are familiar with evacuation procedures and equipment protection protocols. In addition, the Company has enhanced protective measures for key production equipment by relocating critical instruments and machinery to elevated positions and ensuring proper insulation of power sources to prevent the risk of electrical leakage in the event of water exposure. In the future, the Company will also evaluate the need for installing a flood barrier system at its facilities and will allocate water pumps and emergency power supply equipment accordingly. Through the aforementioned response plans, the Company is actively enhancing its climate resilience to be well-prepared for the various challenges posed by climate change.
6. If there is a transformation plan in response to the management of climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.	To achieve net zero emissions, the Company has formulated a low-carbon transition plan, which will target emissions reduction across three categories: direct emissions from operational activities (Scope 1), indirect emissions from energy consumption (Scope 2), and indirect emissions generated throughout the value chain (Scope 3). The implementation includes: 1. Continue proactive and voluntary carbon reduction: enhance energy productivity and efficiency to minimize carbon emissions during the manufacturing process and product usage stages. 2. Adoption of renewable energy: increase the proportion of renewable energy usage and gradually promote its adoption throughout the supply chain. 3. Investment in net zero technologies: invest in net zero emission technologies and participate in carbon offset projects to compensate for unavoidable emissions or those currently limited by reduction technology constraints.

Item	Status of implementation
	The Company uses the year 2023 as the base year for comparison to identify greenhouse gas emission indicators and targets. For further details, please refer to Section 9.
7. If the internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	The Company adopts a shadow carbon pricing mechanism as its carbon pricing approach, which is used to assess the financial impact of carbon emissions arising from major investments and to incorporate the carbon price into investment decision-making. The pricing basis is determined in accordance with Article 56 of the Climate Change Response Act, which stipulates that a fine of three times the carbon market price shall be imposed for each metric ton of excess emissions, with a maximum fine of NT$1,500 per metric ton.
8. If climate-related goals have been set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained. If carbon offsets or Renewable Energy Certificates (RECs) were used to achieve the goals, the source and quantity of carbon reduction credits or quantity of RECs for which they are offset shall be explained.	The Company will disclose the greenhouse gas inventory data in 2025 in accordance with the requirements of the FSC in 2026. Currently, there is no plan to use carbon offsets or RECs. The Company has established climate-related targets, defined the scopes of greenhouse gas emissions, planned implementation timelines, and tracks annual progress toward these goals. For detailed information, please refer to Item 9, Sections 1 and 2 below.
9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies and concrete action plans (filled in 1-1 and 1-2 separately).	The Company has conducted its own greenhouse gas inventory. Please refer to 1-1-1 for the relevant inventory data. In accordance with the requirements of the FSC, in 2026, the Company will disclose the information on the greenhouse gas inspection of the privately owned company in 2025, the inventory data of the Group in 2028, the inventory data and assurance of the privately owned company in 2027, and the inspection information and assurance of the Group in 2029.

1-1 The Company’s greenhouse gas inspection and assurance in the last two years (not applicable)

1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emission volume (metric tons CO2e), intensity (metric tons CO2e/NTD million), and data coverage for the most recent two years.

Scope	Emission sources	2023	2024
Scope1	Direct emission sources mean the GHG emission sources owned or controlled by the factory (fuel combustion in stationary sources, transportation emissions, process emissions, and fugitive emissions).	6,835.74	3,433.34
Scope2	Indirect emissions are mainly due to purchased electricity.	1,473.23	1,301.35
Total emissions		8,308.97	4,734.69

Note: The scope of the investigation: Factory in Taiwan(Plant2 and Plant3) and Taipei Office

Note 1: Direct emissions (scope 1, directly from emission sources owned or controlled by the Company), indirect energy emissions (scope 2, indirect greenhouse gas emissions from imported electricity, heat or steam) and other indirect emissions (scope 3, emissions generated from corporate activities that are not indirect emissions from energy sources but come from sources owned or controlled by other companies).

Note 2: The data coverage of direct emissions and indirect energy emissions shall be handled in accordance with the schedule prescribed in Article 10, Paragraph 2 of the Standard. Other indirect emissions information may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or turnover, but at least the data calculated in terms of turnover (NTD million) shall be stated.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance in the last two years up to the date of publication of the annual report, including the scope of assurance, institutions of assurance, standards on assurance, and opinions of assurance.	Not applicable.

Note 1: The process shall be conducted in accordance with the schedule specified in Article 10, Paragraph 2 of the Standard. If the company has not obtained the full opinions of assurance on greenhouse gas before the publication date of the annual report, it is necessary to indicate that “complete assurance information will be disclosed in the sustainability report.” If the Company does not prepare a sustainability report, it should be noted that “complete assurance information will be disclosed on the Market Observation Post System.” The Company will disclose complete assurance information in the next annual report.

Note 2: The institution of assurance shall comply with the relevant requirements of assurance institutions for sustainability reports specified by Taiwan Stock Exchange Corporation and the Taipei Exchange.

Note 3: Please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of Taiwan Stock Exchange for the disclosure content.

1-2 Greenhouse gas reduction goals, strategies and concrete action plans

Describe the base year and data of greenhouse gas reduction, reduction goals, strategies, and concrete action plans and achievement of the reduction goals.

The Company has **designated 2023 as the base year for greenhouse gas (GHG) emissions reduction**. In that year, the Scope 1 and Scope 2 emissions were 6,835.74 metric tons of CO_2e and 1,471.89 metric tons of CO_2e, respectively. The Company will conduct annual GHG inventories to track emission reduction performance and publicly disclose the results. Additionally, starting in 2025, the Company will obtain ISO 14064-1 GHG verification statements.

In order to fulfill its corporate social responsibility and reduce operational costs and risks, the Company has adopted the methodology and principles of the internationally recognized Science Based Targets initiative (SBTi) to establish clear and practical targets as follows:

(1) Using 2023 as the base year, the Company aims to reduce combined Scope 1 and Scope 2 greenhouse gas emissions by 20% by 2030.

(2) In addition, the Company continues to monitor Scope 3 emissions and will commence inventory and verification in 2025. Accordingly, using 2024 as the base year, the Company targets a 10–20% reduction in Scope 3 emissions by 2030.

Strategy

(1) Starting in 2025, the Company will adopt the international standard ISO 14064-1 for organizational greenhouse gas inventory and conduct third-party verification to ensure data quality.

(2) The Company will continuously optimize the inventory methodology and expand the scope of coverage.

(3) In 2024, the rooftop solar power installation at Guanyin Plant 3 was completed with a capacity of 996.45 kW. The construction cost was approximately NT$34.5 million, and it generated about 465,000 kWh of electricity during the year.

(4) The Company has set carbon reduction targets for Categories 3 to 6 under Scope 3 and will gradually increase emission reduction measures.

Specific action plans:

(1) Saving energy and improving energy efficiency:

Target: Reduce the carbon emission from Scope 2 purchased energy by 10–15% by 2030

Plan: Conduct regular maintenance and updates of all cooling systems (including chilled water systems and server room air conditioning); continuously promote energy-saving measures in office environments by replacing or upgrading to energy-efficient lighting, air conditioning, and electrical equipment.

(2) SF6 reduction and recovery

Target: Achieve a 5–10% reduction in carbon emissions through SF6 recovery or destruction by 2030.

Plan: Install SF6 recovery systems or thermal destruction equipment.

(3) Optimization of traffic and transportation

Target: By 2030, the fuel consumption for business vehicles in the Scope 1 shall be reduced by 3-5%; the scope 3 carbon emission shall be reduced by 5-10%.

Plan:

A. Upon expiration of official vehicles, more environmentally friendly and fuel-efficient options will be selected, including hybrid or electric vehicles.

B. Employees are encouraged to use energy-saving modes of transportation such as public transit, bicycles, walking, or electric vehicles and scooters.

C. Appropriately promote remote working measures when suitable, in order to reduce carbon emissions from employee commuting and business travel.

(4) Procurement of green energy

Goal: By 2030, at least 1–3% of the Company's electricity will come from green energy

Plan:

A. Convert the rooftop solar power system at Guanyin Plant No. 3 to a self-consumption with surplus feed-in model at an appropriate time.

B. Building rooftop solar power at the Vietnam plant.

VII. Other important information that is helpful to understand the implementation of Sustainable Development:

(I) Environmental management and implementation of energy conservation measures

1. Environmental Management System

To fulfill our corporate social responsibility and in doing so meet our environmental protection targets, Optoelectronics BG launched ISO -14001 Environmental Management System in 2009, which was transitioned to ISO14001:2015 by the Company in 2016 and officially certified in 2017 when the international community just began adopting such a new ISO standard. In 2023, Electromechanical BG obtained the ISO14001 certificate. We have since then demonstrated our commitment to the system and continuous improvement, and in doing so facilitated employees' understanding and implementing our environmental protection policy. In addition, the Company obtained the EcoVadis Silver Medal for Corporate Social Responsibility in 2019.

(1) Greenhouse gas inventory and emission reduction targets and measures

To implement carbon reduction management, Young Fast inventories greenhouse gases every year in order to disclose to stakeholders our greenhouse gas management. The Company had aimed to reduce its carbon emissions in 2024 by 1% of its GHG emissions in 2023. However, since the Electromechanical Business Group SF purchase quantity reduced in 2024, emissions in 2024 were 3.00KG per thousand dollars of revenue, a mild reduction of 40.83% from 5.07KG per thousand dollars of revenue in 2023. As the Company's current greenhouse gas emissions are primarily affected by SF6, efforts will be focused on the reduction and recovery of SF6 to minimize overall greenhouse gas emissions. Nonetheless, since the reduction measures have been implemented for years, they are expected to reduce emissions in the future. Therefore, the target of reduction in carbon emission per thousand dollars of revenue for 2025 was set to 1%.

CO2 emission figure derived from the inventory of greenhouse gas emissions for 2024 and 2023.

Unit:(ton CO2/year)

Scope	Emission sources	2023	2024
Scope1	Direct emission sources mean the GHG emission sources owned or controlled by the factory (fuel combustion in stationary sources, transportation emissions, process emissions, and fugitive emissions).	6,835.74	3,433.34
Scope2	Indirect emissions are mainly due to purchased electricity.	1,473.23	1,301.35
Total emissions		8,308.97	4,734.69

Note1: The scope of the investigation: Factory in Taiwan(Plant2 and Plant3) and Taipei office

(2) Water resource management

Climate change has caused alternating floods and droughts around the world. Unfortunately, the touch panel industry has immense demands for water. As so, the Company strives to reduce process water consumption and recycle and reuse water in order to lower the risks arising from short supply of water.

Taiwan factory: The focus of water conservation will be management of water and reduction in the water consumed by air conditioners. After adjusting the temperature setting and running time of air conditioners, water consumption has been adjusted.

Vietnam factory: Since the factory runs the whole production processes, the focus of water conservation will be management of water and reduction in process water. By adjusting the amount of water consumed by machinery, by optimizing the management of the water for maintenance use and for use when machinery is in sleep mode, and by recycling the hard water generated in the water purification process for domestic use, we have effectively reduced the city water consumption in the factory.

(3) Wastewater treatment

Taiwan factory: The wastewater mainly comes from the domestic sewage generated from the use of domestic water by employees. The wastewater is treated to a level meeting the Industrial Park Controlled Effluent Discharge Standard before being discharged.

Vietnam factory: Since the factory was expected to run the Touch Panel whole production processes, we planned, designed, and constructed the factory upholding the philosophy of environmental care and sustainable development from the onset. We also chose our treatment equipment using a standard higher than the effluent discharge standard stipulated by the local environmental competent authority in Vietnam. Over the past years, we have invested substantially in wastewater treatment facilities, in terms of both construction work and equipment. We have applied for and obtained discharge licenses as required by law. The wastewater treated by the Company, if seen by type of water quality, can be divided into domestic sewage, organic wastewater, and non-organic wastewater. The wastewater is treated to a level meeting the Controlled Effluent Discharge Standard of Vietnam before being discharged.

(4) Waste management

The Company believes it true that only through green design and production and making improvements at the source end can resources consumption be effectively reduced. In addition, the Company hopes to avoid the direct environmental impact resulted from minerals mining and the waste generation therefrom at the back end by means of developing environmentally friendly products and recycling and reusing the various materials within the factory, so as to align ourselves with the world’s trend of sustainable development and resources recycling and reuse. The Company abides by environmental laws in that we adhere to the spirit of 4R, namely reduce, recycle, reuse, and replace, when treating our waste. Priority will be given to reducing resources consumption at the source end using either of the 4R methods. Only when it is not possible to apply either of the 4R methods to a type of waste will the waste be landfill or incinerated. After proper management and treatment, the waste can be divided into “Treatment-Required Waste” (general/hazardous industrial waste), “Recyclable Waste”, and “Resources Waste”. We have obtained an approval from the competent authority for our Waste Management Plans for each type of waste as required by law, and treated or recycled the waste accordingly.

(5) Air pollution prevention

Taiwan factory: Plant2 and plant3 both are no production process that causes air pollutions.

Vietnam factory:

Since the factory runs the Touch Panel whole production processes, there are still pollutive gases resulting from the production processes that we have to address. Acid and alkaline gas treatment: The pollutive gas emissions from production processes are mainly the fugitive gases generated from the etching and development process. By having the acid or alkaline agent fully contact and mix with water, we dissolve the acid and alkaline molecules of the gases into water. The water generated in this way is discharged to the wastewater treatment plant for treatment. As for the gases of which the acid and alkaline molecules were removed, they are released into the atmosphere at pH7~9. The rinsing tower in the factory is equipped with an automatic agents feed system and a monitoring system, so as to monitor the pH value of gases emitted and ensure the effective of the rinsing tower. We have applied for and obtained the Pollutive Sources Emission Permit as required by law, and conduct operation and periodic testing work in accordance with the Air Pollution Control and Emission Standards. The testing results all indicate a level of air pollutants that is way lower the that required by law.

2. Energy Management

The Company actively promotes various energy reduction initiatives, including the gradual replacement of energy-intensive equipment with high-efficiency, energy-saving alternatives to reduce overall energy consumption. Electricity consumed by the company in 2024 reached 2,634Kkw, down 348Kkw, or 11.67%, from 2,982Kkw in 2023. The decrease in electricity consumption is mainly due to the revenue decrease and replace energy-saving equipment. As such, the electricity consumed target for 2025 is to reduce electricity consumed by 1% for per thousand dollars of revenue from the 2024 level. In addition to the solar rooftop project at Guanyin Plant No. 3, it generated a total of 465,720 kWh of green electricity in 2024.

3. Targets and implementation measures

(1) Water conservation target:

Water consumed by the company in 2024 reached 8,948 Ton, down 1,567 Tons, or 14.90%, from 10,515 Tons in 2023. This evidences the effectiveness of our water conservation targets and measures. As such, the water conservation target for 2025 is to reduce water consumption by 1.0% from the 2024 level.

(2) Waste:

The amount of waste generation by the company in 2024 reached 43.227 Ton, down 16.162 Tons, or 27.21%, from 59.389 Tons in 2023. The increase in waste generation is mainly due to the revenue increase and most of the defective products in the Optoelectronic Business Group were scrapped were made of glass. As such, the amount of waste generation target for 2025 is to reduce water consumption by 1% from the 2024 level.

(3) implementation measures:

A. Manage by area; for areas not employed at the moment, shut down the electricity and turn off the water, so as to improve the use effectiveness.

B. Manage wastes by type by means of reduction, classification, or commissioning a licensed waste disposal vendor to treat the wastes.

C. Multi function peripherals (MFPs) and printers are installed with an energy-saving device, which automatically turns the energy-saving mode on when the equipment is not in use.

D. Continue to promote and disseminate the idea of water conservation and "turning off the light when leaving" so that the individual can foster a good personal habit and apply it at home and in public premises.

E. The Company has upgraded lighting in office and production areas to LED and replaced major equipment such as air conditioners, chillers, and air compressors with high energy efficiency models.

(II) Employees' physical safety; protection measures at the work environment; and implementation

1. Based on the Occupational Safety and Health Management Program formulated in every given year, the Company reviews the suitability of the policy and purpose stated thereon and sets the targets for the following year. The policy, purpose, and targets of the labor safety policy of Young Fast Optoelectronics are as follows:

(1) Occupational safety and health policy:

A. Abide by occupational safety and health laws and regulations.
B. Continue to improve the quality of safety and health.
C. Reduce employee safety and health risks
D. Implement occupational safety and health education
E. Implement safety and health consultation and communication.

(2) Purpose:

A. Comply with relevant occupational safety laws and regulations, as well as ISO45001 standard.
B. Improve the awareness of occupational safety of employees and contractors.
C. Achieve the goal of zero incident.

(3) Targets: Bring the annual in-factory occupational incident rate down by 0.05 % or more.

2. Implementation results of the occupational safety and health management system:

To fulfill our corporate social responsibility through a good occupational safety and health management, Optoelectronics BG though yet to be certified against the ISO45001 Occupational safety and health management system, aligns our occupational safety and health management with ISO45001, and Electromechanical BG obtained the ISO45001 certificate in 2023. The Company also always attends to the latest update of occupational safety and health laws and regulations in order to formulate a basis for our formulating the labor safety policy. In the future, with the determination to realize our occupational safety and health commitments and continuous improvement, the Company aims to make employees fully understand and implement our occupational safety and health protection policy.

3. Contents of the occupational safety and health implementation

(1) We review the implementation results as well as non-conformities through a report at an annual management review meeting for our Occupational Safety and Health Management System. Upholding the spirit of continuous improvement and optimization, we will continue safety observation, perform occupational health and safety management plans, regularly implement occupational safety and health inspection and audit, and conduct a review and a report at the quarterly Occupational Health and Safety Committee meeting. In addition, we also regularly negotiate employer-employee issues with union representatives to keep the employer-employee communication channel clear.

(2) Every year we regularly implement an employee health checkup, labor work environment monitoring, fire safety equipment inspection, maintenance, and filing, a safety inspection for the public space of a building, safety and health

education and dissemination, and maintain the effectiveness of the Badge of Accredited Health Workplace - Health Initiation Label granted by the Health Promotion Administration, MOHW, Executive Yuan.

(3) For management of machinery, equipment, or tools, we have established the “Hazardous Machinery and Equipment List” for control purpose. For hazardous machinery and equipment (e.g., lifting equipment), we have obtained relevant licenses, entrust professional institutions to inspect, repair, and maintain it on site every year and, at the year when licenses are about to expire, apply to the competent authority for regular inspection and hence new licenses, so as to ensure the safety of the lifting equipment when being used. Forklift operators are allowed to operate the forklift only after they have attended occupational safety and health training as required by law and obtained a license. The labor safety units and personnel units establish the “Special-purpose Machinery and Equipment Operator License List” and adjust such a list accordingly to personnel turnover. In case of vacancies due to resignation or any other causes, the Company shall fill such vacancies by recruiting licensed personnel or dispatching personnel to attend training and obtain a license.

(4) Procurement management/contractor management/ modification management: Procurement management and contractor management are conducted in accordance with the contents of the “Environmental Safety Contractor Management Directions”; modification management is conducted inn accordance with the “Environmental Operation Control Procedures”, with all control measures being audited for management purpose.

(5) Compiling, sharing, and application of safety and health information: We disseminate laws and regulations, amendments, and safety and health communication matters by means of email, announcement, poster, slogan, or meeting; persist in launching activities that aim to achieve zero incident; and set up a bulletin board for posting occupational safety information, and a website for safety and education and health care, so as to disseminate safety and health and healthcare and promote health-promoting items.

(6) Emergency response and preparedness: To make employees remain calm upon the occurrence of an emergency so that they can make correct judgments and take appropriate actions, each unit regularly holds an emergency drill on the contents specified on the “Emergency Response Operating Procedures” and “Emergency Response Operation Instructions”. The contents of drill include:

A. Relevant units hold a drill in accordance with the “Annual Emergency Response Test Plan”.

B. A fire safety drill is held semiannually.

(7) Investigation and settlement and statistical analysis of occupational accidents, near misses, events that affect the physical and mental health;

To avoid recurrence of the same incidents, and to alert others by the victim’s sharing his/her experience, each unit investigates and analyzes the accidents/incidents according to the “Industrial Safety and Health Management Procedures”, and reports at the quarterly Labor Safety and Health Committee meeting the causes, circumstances, and situations of the incident, so as to review and improve personnel protection gears, machine guards, facilities at the environment, or operation methods, thereby preventing the recurrence of the same incident.

A. Make statistics of accidents occurred in a given month on a monthly basis and file the same with the competent authority within the first ten days of the following month.

B. The unit where an occupational incident occurs shall conduct an investigation, analysis, and review, and submit the records to the labor safety unit for future references.

C. The labor safety unit shall make statistics of every incident, and shall analyze the same for analysis evidence and data based on which improvements can be made, either in terms of personal protection gears, machine guards, facilities at the environment, or operation method.

(8) Record of safety and health management and performance:

There was no occupational incident in the factories during the period between January 2024 and December 2024.

(III) Engagement in community services and other charitable events

In 2024, the Company continued to participate in community care services in Guanyin District, Taoyuan City, where the factory is located. The Company sponsored NT$2,000 to the year-end review (dinner) party and fire prevention awareness party organized by the Cauluo Branch of the Fire Department. Donated the income derived from sale of recycled toner cartridges to Syin-Lu Social Welfare Foundation; and once again obtained the Health Promotion Label – Accredited Healthy Workplace from the Health Promotion Administration, MOHW; We used the FSC-accredited paper for our annual shareholders' meeting handbook and annual report for 2024, and entrusted a printing plant who is accredited with a Gold-level Green Mark Lithographic Printing certificate to publish the said handbook and report.

(IV) Human rights policy and management projects

To fulfill corporate social responsibility and ensure the basic human rights of employees, customers, and stakeholders, the Company has formulated the Human Rights Policy by referencing the principles of Responsible Business Alliance and the International Bill of Human Rights to demonstrate our respect for internationally-recognized basic human rights, including freedom of association, care for the vulnerable, prohibition of child labor, elimination of the various types of forced labor, elimination of employment discrimination, and abidance of labor laws applicable to the place where the company operates.

Human rights assessment and human rights risk mitigation measures: As a professional panel manufacturer and therefore a constituent of the human-machine interface, the Company goes beyond pursuing sustainable development to commit to ensuring that employees and employees of the supply chain enjoy a safe work environment and that personnel are respected and enjoy dignity; to promoting environmental protection; to raising the awareness of care for people and environment; and to abiding by relevant ethical rules, so as to fulfill our social responsibility for employees, consumers, communities, and the environment. As so, the Company references the regulations of the Responsible Business Alliance standard and regularly implements an internal risk-identification assessment and an external audit, and submits the audit results to our customers. Internal and external trainings on human right issues held in 2024 totaled 123 man-hour.

Human rights concerns and actions

1. Workplace safety and health

(1) The Company both all BG have passed the review and certification against ISO 14001 Environmental management systems , Electromechanical BG obtained the ISO45001 certificate in 2023 and Optoelectronics BG by referencing the

regulations of ISO45001 Occupational Safety and Health Systems. while providing a safe workplace to employees

(2) The Company has a nursery room to satisfy female colleagues' needs, and provides a health checkup for all in-service colleagues.

2. Eliminate unlawful discrimination and ensure equal employment

According to our "Recruitment and Appointment Regulations", the recruitment process and decision shall not discriminate based on various factors such as race, religion, belief, gender, marital or reproductive status, age, political affiliation, nationality, disability, sexual orientation, zodiac sign, blood type, etc.

3. Prohibition of child labor: In order to ensure compliance with our corporate social responsibility and ethics rules, we only recruit adults at or the age of 18 or above.

4. Prohibition of forced labor: The Company shall not use any form of slavery or coercion to force involuntary labor.

5. Diversified workplace:

The Company is committed to providing employees with a dignified, safe workplace. We practice employment diversity, provide equal opportunities for remuneration and promotion, and ensure that employees will not be discriminated against, harassed, or unfairly treated on the grounds of race, gender, religion, age, political affiliation, or any other circumstance specified in applicable laws and regulations.

6. Concrete measures:

(1) New employee orientation:

Prohibition of forced labor; prohibition of child labor; anti-discrimination; anti-harassment; promotion of working hour management; guarantee of humane treatment; provision of a safe and healthy workplace.

(2) Prevention of workplace violence:

Make use of the channels, such as EIP/Bulletin Board, a physical bulletin board, a dissemination meeting, education and training, to make employees aware of their responsibility to help prevent unlawful infringement at a workplace when they are performing their duties, and disclose on the said channels the complaints hotline, so as to build a friendly workplace.

(3) Occupational safety training courses:

Including health promotion dissemination, training on labor safety and health and fire safety, and emergency aid training.

(4) Signed the Statement of Prevention of Workplace Violence, and formulated sexual harassment control measures, and the regulations for grievance filing and punishment.

Corporate social responsibility (CSR) has gradually become the key performance indicators for measuring an enterprise's sustainable development. The Company has been attending to social and environmental responsibility and abide by RBA regulations. Aside from the environment management aspect already in place, we further include assessment of the risks of labor safety and health and actions to be taken; promotion of labor rights; encouragement of work-life balance; dissemination of the awareness of sexual harassment; occupational safety and care for employees' physical and mental health; compliance with business ethics; and protection of intellectual property rights and business secretes.

(VI) The Company's implementation of ethical corporate management and the differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor

Evaluation Items	The state of operations			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
I. Formulate ethical corporate management policy and plan (I) Has the Company formulated an ethical corporate management policy approved by the Board of Directors, and are the policy and practice of ethical corporate management stated in the Company's regulations and external documents, as well as the commitment of the Board of Directors and the senior management to actively implement the policy? (II) Whether the Company has established a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the activities in the scope of business with a higher risk of unethical conduct, and on the basis of this, has formulated a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"? (III) Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?	✓		(I) The Company's Board of Directors has passed the "Ethical Corporate Management Best Practice Principles" and the "Ethical Corporate Management Operating Procedures and Code of Conduct", and has established the ESG team direct under it to take charge of promoting and implementing CSR-related matters. (II) The Company has specified the regulations on our Work Rules and other documents to prevent unethical conduct. (III) The Company prevents unethical conduct in daily operations by implementing our "Approval Authorization Regulations", job rotation, and internal audit, and so on.	There is no difference from the spirit of the principles.

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">The state of operations</th><th rowspan="2">The differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>II. The implementation of ethical corporate management
(I) Does the Company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?
(II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policy and plan to prevent unethical conduct and monitor their implementation?
(III) Does the Company have a policy to prevent conflict of interest, provide appropriate channels for explanation, and implement it?
(IV) Whether the Company has established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit draws up relevant audit plans based on the evaluation results of risk of unethical conduct, and audits the compliance of the plan to prevent unethical conduct or entrusts a CPA to perform the audit?
(V) Does the Company regularly organize internal and external education and training on ethical corporate management?</td><td>✓</td><td></td><td>(I) The Company demands that major suppliers sign the Ethics, Integrity, and Confidentiality Undertaking.
(II) The Company has established the ESG team directly under the Board of Directors to take charge of promoting corporate social responsibility and ethical corporate management, and to report the progress to the Board of Directors. The results of implementing ethical corporate management in 2024 have been reported to the Board of Directors meeting dated Feb. 27, 2025.
(III) The Company has provided proper communication channels for insiders to communicate with the top-level management at any time through email, hotline, or other channels.
(IV) The Company’s internal auditors audit the compliance with our internal control system against the annual audit plan; compile an audit report,; submit the same to independent directors for their reference; and regularly report to the Board of Directors.
(V) The Company regularly disseminates information on ethical corporate management to employees and trains them in this regard every year. Internal and external trainings on ethical</td><td>There is no difference from the spirit of the principles.</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">The state of operations</th><th rowspan="2">The differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>corporate management held in 2024 (including compliance with laws and regulations respecting ethical corporate management, accounting system, and internal control) totaled 28.5 hours.</td><td></td></tr>
<tr><td>III. The operation of the Company's whistleblower reporting system
(I) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters?
(II) Has the Company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms?
(III) Whether the Company takes measures to protect whistleblowers from being improperly handled due to reporting?</td><td>✓</td><td></td><td>The Company has specified a concrete reporting and rewards system on our Ethical Corporate Management Operating Procedures and Code of Conduct; we also set up an employee suggestion box and make available on our website the contact number and email of managers at each level. Employees may fully use such information. In addition, employee may file their complaints by requesting the convention of the Personnel Evaluation Committee.</td><td>There is no difference from the spirit of the principles.</td></tr>
<tr><td>IV. Enhance Information Disclosure Does the Company disclose the content and effectiveness of its Ethical Corporate Management Principles on its website and the Market Observation Post System?</td><td>✓</td><td></td><td>The Company has disclosed information on our ethical corporate management on our website.</td><td>There is no difference from the spirit of the principles.</td></tr>
<tr><td colspan="5">V. If the Company has related practice principles of its own in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please state the differences between the two and the state of implementation: no difference.</td></tr>
<tr><td colspan="5">VI. Other important information that is helpful to understand the implementation of ethical corporate management (For example, if the Company reviews and amends its ethical corporate management principles.):The Board of Directors revised the “Ethical Corporate Management Operating Procedures and Code of Conduct” on march 25, 2020, and passed the “Implementation Rules for the Whistle-blower System” on November 11, 2020.</td></tr>
</table>

(VII)Other important information that is helpful to understand the Company's implementation of corporate governance may also be disclosed.

1. The Company has passed the “Code of Ethics” that governs employees’ conduct and ethics. please refer to the web page at www.yfo.com.tw/Investor Center/Corporate Governance /Code of Ethical Conduct.
2. The Company has formulated the “Procedures for Handling Material Inside Information”. All employees from all departments shall abide by such regulations and relevant laws when they are dealing with or disclosing potentially material information, please refer to the web page at www.yfo.com.tw /Investor Center/Corporate Governance /Procedures for handling inside information.

(VIII) The implementation of internal control system

1. Statement of internal control: Please refer to P.73.
2. Where a CPA was entrusted to review the internal control system, the review report should be disclosed: None.

YOUNG FAST OPTOELECTRONICS CO., LTD.

Statement of internal control system

Date: February 27, 2025

The Company states the following for its 2023 internal control system based on the results of self-evaluation,

I. The Company knows that establishing, implementing and maintaining an internal control system is the responsibility of the Company's Board of Directors and managerial officers, and the Company has established this system. Its purpose is to provide reasonable assurance of the achievement of objectives such as the effectiveness and efficiency of operations (including profitability, performance and asset security, etc.), the reliability, timeliness, and transparency of reporting, as well as compliance with relevant rulings, laws and regulations, etc.

II. Internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide a reasonable assurance of the achievement of the above three objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism. Once a defect is identified, the Company will take corrective actions.

III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the criteria of the effectiveness of the internal control system stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria of internal control system adopted in the "Regulations” are based on the process of managerial control and divide internal control system into five components: 1. control environment, 2. risk evaluation, 3. control operations, 4. Information and communication, and 5. Monitoring operations. Each component consists of a number of items. Please refer to the "Regulations" for these items.

IV. The Company has adopted the aforementioned criteria of internal control system to evaluate the effectiveness of the design and implementation of its internal control system.

V. Based on the evaluation results of the preceding paragraph, the Company believed that the design and implementation of its internal control system was effective as of December 31, 2022 (including the supervision and management of subsidiaries), with a understanding of the extent to which the objectives of effectiveness and efficiency of operations were achieved, whether the reporting was reliable, timely, transparent, and if the compliance with relevant rulings, laws and regulations is met, and a reasonable assurance of the achievement of these objectives.

VI. This statement will become the main content of the Company's annual report and prospectus, and will be made public. If the above-mentioned disclosures have falsehood or concealment, legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act will be incurred.

This statement was approved by the Company’s Board of Directors on February 27, 2025. The content of this Statement was approved by all eight directors present and declare here.

YOUNG FAST OPTOELECTRONICS CO., LTD.

Chairman: Chihchiang Pai

President: Yichuan Hsu

(X) Important resolutions of the shareholder meeting and board meeting during the most recent year or during the current year up to the date of publication of the annual report:

1. shareholder meeting

Date	Important resolution
May 27, 2024 Annual shareholders' meeting	1. Ratification of the 2023 business report and financial statements Implementation status: This Business Report and Financial Statements were adopted as proposed through a vote by all shareholders present, with 87,558,879 votes voted in favor (including 29,453,155 votes cast electronically), accounting for 96.3% of total votes present; 20,465 votes voted against (including 20,465 votes cast electronically), accounting for 0.02% of total votes present; 3,345,541 votes abstained or not casted (including 3,345,541 votes cast electronically), accounting for 3.68% of total votes present; and 0 vote deemed invalid. 2. Ratification of the 2023 earnings distribution proposal Implementation status: This Earnings Distribution Proposal was adopted as proposed through a vote by all shareholders present, with 87,582,878 votes voted in favor (including 29,477,154 votes cast electronically), accounting for 96.32 % of total votes present; 23,464 votes voted against (including 23,464 votes cast electronically), accounting for 0.03% of total votes present; 3,318,543 votes abstained or not casted (including 3,318,543 votes cast electronically), accounting for 3.65% of total votes present; and 0 vote deemed invalid. Subsequently, the Company set the ex-dividend date on September 3, 2024, and completed distribution of all dividends on September 20, 2024 (NTD2.0 cash dividend for each share). 3. Approved the release of legal persons as corporate director's representative from the non-compete restriction Implementation status: This proposal was adopted as proposed through a vote by all shareholders present, with 87,561,899 votes voted in favor (including 29,456,175 votes cast electronically), accounting for 96.3% of total votes present; 42,804 votes voted against (including 42,804 votes cast electronically), accounting for 0.05% of total votes present;3,320,182 votes abstained or not casted (including 3,320,182 votes cast electronically), accounting for 3.65% of total votes present; and 0 vote deemed invalid. The Company has already release of legal persons as corporate director's representative from the non-compete restriction

2. The Board of Directors:

Date	Important resolution
2024.2.27	1. Approved the Company's 2023 financial statements and consolidated financial statements. 2. Approved the Company's 2023 business plan. 3. Approved the Company's 2023 annual remuneration distribution plan for employees and directors . 4. Approved 2023 profit distribution plan. 5. Approved 2023 issuance of cash from additional paid-in capital. 6. Approved the Company's 2024 business plan. 7. Approved the Company's 2024 budget. 8. Approved release of legal persons as corporate director's representative from the non-compete restriction. 9. Approved the date, time, and venue of the 2024 General Meeting of Shareholders and the period for accepting shareholder proposals and nominations. 10. Approved the assessment of the effectiveness of the internal control system completed by the Company in 2023 and issued an "Internal Control Statement."

Date	Important resolution
	11. Approved inventory write-off for Company. 12. Approved amendment of some provisions of the Company's "Rules of Procedure for Board of Directors Meetings." 13. Approved assessment and appointment remuneration of the competency and independence of CPAs. 14. Approved evaluation of whether or not the aging of the Company's accounts receivable and other receivables other than accounts receivable might constitute a lending of funds in hidden form. 15. Approved the proposal on Purchase and Sale Transactions between the Company and its subsidiary Hold-Key Electric Wire & Cable Co., Ltd. in 2024. 16. Approved to proposal to adjust the salary of the Electromechanical BG's managers.
2024.5.8	1. Approved the Company's 2024Q1 consolidated financial statements. 2. Approved inventory write-off for Company. 3. Approved evaluation of whether the Company has engaged in lending of funds in hidden form. 4. Approved the amendments to partial articles of the "Regulations Governing the Remuneration to Directors, Functional Committees and Managers. 5. Approved the proposal for the distribution of remuneration to individual director for 2023. 6. Approved adjusted the proposal on Transactions between the Company and the related party Hold-key Electric Wire & Cable Co., Ltd.in 2024.
2024.8.8	1. Approved the Company's 2023Q2 consolidated financial statements. 2. Approved inventory write-off for Company. 3. Approved evaluation of whether or not the aging of the Company's accounts receivable and other receivables other than accounts receivable might constitute a lending of funds in hidden form. 4. Approved the amendments to partial articles of the Company's "Corporate Governance Principles." 5. Approved the application for investment in gold. 6. Approved performance bonus distribution for managers of the Company. 7. Approved the proposal for manager salary.
2024.9.24	Approved the proposal for dormitory procurement.
2024.11.6	1. Approved the Company's 2023Q3 consolidated financial statements. 2. Approved the Company's 2024 audit plan. 3. Approved inventory write-off for Company. 4. Approved evaluation of whether or not the aging of the Company's accounts receivable and other receivables other than accounts receivable might constitute a lending of funds in hidden form. 5. Approved the amendments to the "Internal Control System" and partial articles of the "Enforcement Rules of Internal Audit" 6. Approved the establishment of the "Operating Procedures for Preparation and Assurance of the Sustainability Report" of the Company. 7. Approved the establishment of the Sustainable Development Committee and the formulation of the Company's "Sustainable Development Committee Charter. ◦ 8. Approved the amendments to the "Audit Committee Charter." 9. Approved the amendments to the "Risk Management Policy and Procedures" of the Company. 10. Approved the amendments to the general principles for the Company's pre-approval of non-assurance services. 11. Approved the application for extension of the investment in securities. 12. Approved establishment of the Allocation Standard for Directors' and Employees' Remuneration and the Implementation Rules for the Allocation Standard for Individual Directors and Managers 13. Approved the amendments to partial articles of the "Regulations Governing the Remuneration to Directors, Functional Committees and Managers.
2025.2.27	1. Approved the Company's 2024 financial statements and consolidated financial

Date	Important resolution
	statements. 2. Approved the Company's 2024 business plan. 3. Approved the Company's 2024 annual remuneration distribution plan for employees and directors . 4. Approved 2024 profit distribution plan. 5. Approved 2024 issuance of cash from additional paid-in capital. 6. Approved the Company's 2025 business plan. 7. Approved the Company's 2024 budget 8. Approved amendment to the Company's "Article of Incorporation". 9. Approved By-election of one independent director. 10. Approved the date, time, and venue of the 2025 General Meeting of Shareholders and the period for accepting shareholder proposals and nominations. 11. Approved the assessment of the effectiveness of the internal control system completed by the Company in 2024 and issued an "Internal Control Statement." 12. Approved inventory write-off for Company. 13. Approved the amendments to the "Internal Control System" and partial articles of the "Enforcement Rules of Internal Audit" 14. Approved the definition of the Company's non-executive employees. 15. Approved the proposal to replace the CPAs from KPMG who would attest the Company's financial statements for Q1 2025 and thereafter. 16. Approved assessment and appointment remuneration of the competency and independence of CPAs. 17. Approved evaluation of whether or not the aging of the Company's accounts receivable and other receivables other than accounts receivable might constitute a lending of funds in hidden form. 18. Approved the proposal on Purchase and Sale Transactions between the Company and its subsidiary Hold-Key Electric Wire & Cable Co., Ltd. in 2025. 19. Approved to proposal to adjust the salary of the Electromechanical BG's managers. 20. Approved the amendments to partial articles of the Company's "Corporate Governance Principles."

(XI) During the most recent year or during the current year up to the date of publication of the annual report, if board directors or supervisors had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions: None.

IV. Information on CPA Professional Fee

Amount unit: Thousand NT$

Name of CPA firm	The name of CPA	Audit period	Audit Fee	Non-Audit Fee	Total	Remark
KPMG	Jiaqi Jiang Chunxiu Guan	1130101~1131231	3,470	165	3,635	None

Non-Audit fees content is as follows:

1. Miscellaneous expense for transportation, typing, printing of financial statements, and consultation: NTD155 thousand.
2. Secondary review of the statement of salary of full-time employee not in managerial positions: NTD10 thousand.

(I) Where the audit fee paid in the year of the replacement of CPA firm is less than the audit fee in the year before the change, the amount of the audit fee before and after the replacement and the reasons therefor should be disclosed: None.

(II) Where the audit fee has decreased by 10% or more from the previous year, the amount, percentage and reasons therefor should be disclosed: None.

V. Information on the Replacement of CPA: NA

VI. If the Company's Chairman, President, or any Managerial Officer in charge of Finance or Accounting Affairs has in the Most Recent Year Held a Position at the Accounting Firm of Its Attesting CPA or an Affiliate of the Accounting Firm, the Name and Position of the Person, and the Period during which the Position was Held, Should be Disclosed: None.

VII. Any Equity Transfer or Change in Equity Pledge by a Director, Supervisor, Managerial Officer, or Shareholder with 10% Stake or more during the Most Recent Year or during the Current Year up to the Date of Publication of the Annual Report.

(I) Changes in equity

UNIT:share

Title	Name	2024		2025 up to March 25	
		Change in shares held	Change in shares pledged	Change in shares held	Change in shares pledged
Chairperson	Chihchiang Pai	0	0	0	0
Director and shareholders with 10% stake or more	Soy Young Enterprise Co., Ltd.	0	0	0	0
Director(Gerenal Manager)	Yichuan Hsu	0	0	0	0
Director and shareholders with 10% stake or more	Hold-Key Electric Wire & Cable Co., Ltd.	0	0	0	0
Director(Assistant general manager)	Fengyu Ho	0	0	0	0
Director(Assistant general manager)	Menggui Lin	0	0	0	0
Independent Director(Note)	Wenxiu Zhang	0	0	0	0
Independent Director	Xiege Hao	0	0	0	0
Independent Director	Xiuhui Ye	0	0	0	0
President , Electromechanical BG	Xinzheng Li	0	0	0	0
Senior assistant Vice President Optoelectronic BG	Sechin Wu	0	0	0	0
Senior assistant Vice President Optoelectronic BG	Hsunkuo Lee	0	0	0	0
Assistant Vice President	Tehsiu Shen	0	0	0	0
Assistant Vice President, Electromechanical BG	Zongwei Zhu	0	0	0	0
Assistant Vice President Optoelectronic BG	Lichen Chin	0	0	0	0
Assistant Vice President	Weiju Hsu	0	0	0	0

Note: Discharged due to death on December 2, 2024

(II) Information of the equity transfer: Not applicable because the counterparties to the equity transfer or equity pledge are not a related party.

(III) Information of the equity pledge: None.

VIII. Information on the Relationship Among the Top 10 Shareholders

March 25,2025

Name	Shareholding by the individual		Shareholding of spouse and minor children		Total shareholding in the name of others		The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another.		Note
	Number of shares	Share holding %	Number of shares	Share holding %	Number of shares	Share holding %	Name (or alias)	Relation	
Soy Young Enterprise Co., Ltd.	32,102,114	21.21%	0	0	0	0	Hold-Key Electric Wire & Cable Co., Ltd.	Investments accounted for using equity method	None
Soy Young Enterprise Co., Ltd. Representative: Shujuan Xu	0	0	0	0	0	0	Shuli Xu Kaiti Yang Biqi Yang	Relatives within second degree of kinship	None
Hold-Key Electric Wire & Cable Co., Ltd.	20,414,832	13.49%	0	0	0	0	Soy Young Enterprise Co., Ltd.	Investments accounted for using equity method	None
Hold-Key Electric Wire & Cable Co., Ltd. Representative: Biqi Yang	0	0	0	0	0	0	Shuli Xu Kaiti Yang Biqi Yang	Relatives within second degree of kinship	None
Zhangmiao Development Co., Ltd.	9,404,000	6.21%	0	0	0	0	None	None	None
Zhangmiao Development Co., Ltd. Responsible person: Shufen Xu	295,849	0.20%	47,487	0.03%	0	0	Yuanhong Huang	Relatives within second degree of kinship	None
BOND-GALV INDUSTRIAL CO., LTD.	7,200,323	4.76%	0	0	0	0	None	None	None
BOND-GALV INDUSTRIAL CO., LTD. Responsible person: Yuanhong Huang	206,000	0.14%	232,000	0.1%	0	0	Shufen Xu	Relatives within second degree of kinship	None
Yusheng Asset Development Co., Ltd.	4,405,000	2.91%	0	0	0	0	None	None	None
Yusheng Asset Development Co., Ltd. Responsible person: Shuli Xu	906,000	0.60%	2,221,000	1.47%	0	0	Shujuan Xu Kaiti Yang Biqi Yang	Relatives within second degree of kinship	None
Kaiti Yang	2,221,000	1.47%	906,000	0.60%	0	0	Shujuan Xu Biqi Yang Shuli Xu	Relatives within second degree of kinship	None
Peizhu Huang	2,000,000	1.32%	0	0	0	0	Hsuehching Huang	Relatives within second degree of kinship	None
Young Ssuh Wong Internation Developer Co., Ltd.	1,474,140	0.97%	0	0	0	0	None	None	None
Young Ssuh Wong Internation Developer Co., Ltd. Responsible person:Zhenxiu Yang	0	0	0	0	0	0	None	None	None
Hsuehching Huang	1,000,000	0.66%	15,000	0.01%	0	0	Peizhu Huang	Relatives within second degree of kinship	None
Shuli Xu	906,000	0.60%	2,221,000	1.47%	0	0	Shujuan Xu Kaiti Yang Biqi Yang	Relatives within second degree of kinship	None

IX. The Total Number of Shares and the Consolidated Equity Stake Percentage Held in any Single invested Enterprise by the Company, its Directors, Supervisors, Managerial Officers, or any Companies Controlled Either Directly or Indirectly by the Company

December 31, 2024 Unit: shares; %

Reinvested enterprise (Note 1)	Investment by the Company		Directors, supervisors, managerial officers, and investments controlled either directly or indirectly		Total investment	
	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %
Taiwan SRU Co., Ltd.	3,096	51%	0	0	3,096	51%
Young Fast (SAMOA) Co.,Ltd.	57,195	100%	0	0	57,195	100%
Epoch Chemtronics CORP.	8,080	23.75%	0	0	8,080	23.75%
Turn Young Optoelectronics Co., Ltd. (Note2)	150	100%	0	0	150	100%

Note1: Investment by the Company using equity method.

Three. Capital Raising

I. Capital and Shares

(I) Source of capital

1. Share type

Unit: shares

Share type	Authorized capital			Remark
	Outstanding shares (note)	Unissued shares	Total	
Common shares	151,327,600	48,672,400	200,000,000	

2. Process of paid-in capital

Unit:Thousand NT$/Thousand shares

Year and month	Issue price (NT$)	Authorized capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Using property other than cash as payment of shares	Others
91.07	10	500	5,000	500	5,000	Cash	None	Note1
92.07	10	6,000	60,000	2,160	21,600	Cash	None	Note2
92.12	10	6,000	60,000	4,140	41,400	Cash	None	Note3
93.06	10	6,000	60,000	6,000	60,000	Cash	None	Note4
95.03	15	30,000	300,000	10,000	100,000	Cash	None	Note5
97.01	10	150,000	1,500,000	94,000	940,000	Merge	None	Note6
97.06	110	150,000	1,500,000	101,000	1,010,000	Cash	None	Note7
97.08	10	150,000	1,500,000	105,700	1,057,000	Earnings and capital surplus	None	Note8
98.03	87	150,000	1,500,000	115,788	1,157,880	Cash	None	Note9
98.05	10	150,000	1,500,000	131,643	1,316,430	Capital surplus	None	Note10
99.01	10	150,000	1,500,000	132,042	1,320,425	Employee stock option	None	Note11
99.04	10	150,000	1,500,000	133,000	1,330,000	Employee stock option	None	Note12
99.07	10	150,000	1,500,000	133,305	1,333,050	Employee stock option	None	Note13
99.11	288	150,000	1,500,000	141,805	1,418,050	Cash	None	Note14
100.01	10	150,000	1,500,000	142,109	1,421,095	Employee stock option	None	Note15
100.04	10	150,000	1,500,000	142,342	1,423,420	Employee stock option	None	Note16
100.07	10	150,000	1,500,000	142,705.5	1,427,055	Employee stock option	None	Note17
100.08	10	200,000	2,000,000	149,823.85	1,498,238.5	Earnings and capital surplus	None	Note18
100.11	10	200,000	2,000,000	150,114.85	1,501,148.5	Employee stock option	None	Note19
101.04	10	200,000	2,000,000	150,620.35	1,506,203.5	Employee stock option	None	Note20
101.09	10	200,000	2,000,000	150,988.35	1,509,883.5	Employee stock option	None	Note21
101.12	10	200,000	2,000,000	151,003.85	1,510,038.5	Employee stock option	None	Note22

Year and month	Issue price (NT$)	Authorized capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Using property other than cash as payment of shares	Others
102.02	10	200,000	2,000,000	151,162.35	1,511,623.5	Employee stock option	None	Note23
102.04	10	200,000	2,000,000	151,245.35	1,512,453.5	Employee stock option	None	Note24
102.12	10	200,000	2,000,000	151,278.35	1,512,783.5	Employee stock option	None	Note25
103.05	10	200,000	2,000,000	151,282.85	1,512,828.5	Employee stock option	None	Note26
103.11	10	200,000	2,000,000	151,327.60	1,513,276.0	Employee stock option	None	Note27

Note1: Approved on 2002.7.30 with Order No. 091165455 by Taipei City Government.

Note2: Approved on 2003.7.28 with Order No. 09213394700 by Taipei City Government.

Note3: Approved on 2003.12.1 with Order No. 09226288400 by Taipei City Government.

Note4: Approved on 2004.6.3 with Order No. 09311764300 by Taipei City Government.

Note5: Approved on 2006.3.14 with Order No. 09573862310 by Taipei City Government.

Note6: Approved on 2008.1.24 with Order No. 09701015050 by MOEA.

Note7: Approved on 2008.5.12 with Order No. 0970020487 by FSC.
Approved on 2008.7.16 with Order No. 09701164240 by MOEA.

Note8: Approved on 2008.6.11 with Order No. 0970029195 by FSC.
Approved on 2008.8.5 with Order No. 09701193170 by MOEA.

Note9: Approved on 2009.1.10 with Order No. 0970072115 by FSC.
Approved on 2009.4.6 with Order No. 09801065010 by MOEA.

Note10: Approved on 2009.4.28 with Order No. 0980017634 by FSC.
Approved on 2009.6.12 with Order No. 09801119490 by MOEA.

Note11: Approved on 2010.1.29 with Order No. 09901021410 by MOEA.

Note12: Approved on 2010.4.12 with Order No. 09901068980 by MOEA.

Note13: Approved on 2010.7.19 with Order No. 09901161260 by MOEA.

Note14: Approved on 2010.9.7 with Order No. 0990045980 by FSC.
Approved on 2010.11.19 with Order No. 0990125350 by MOEA.

Note15: Approved on 2011.1.19 with Order No. 10001011060 by MOEA.

Note16: Approved on 2011.5.12 with Order No. 10001096270 by MOEA.

Note17: Approved on 2011.7.20 with Order No. 10001165050 by MOEA.

Note18: Approved on 2011.8.19 with Order No. 10001192820 by MOEA.

Note19: Approved on 2011.11.17 with Order No. 10001261080 by MOEA.

Note20: Approved on 2012.4.13 with Order No. 10101065490 by MOEA.

Note21: Approved on 2012.9.11 with Order No. 10101189040 by MOEA.

Note22: Approved on 2012.12.24 with Order No. 10101263820 by MOEA.

Note23: Approved on 2013.2.20 with Order No. 10201029300 by MOEA.

Note24: Approved on 2013.4.10 with Order No. 10201064780 by MOEA.

Note25: Approved on 2013.12.2 with Order No. 10201242380 by MOEA.

Note26: Approved on 2014.5.26 with Order No. 10301094780 by MOEA.

Note27: Approved on 2014.11.28 with Order No. 10301247690 by MOEA.

3. Information on shelf registration system: Not applicable.

(II) Major shareholders (with more than 5% stake and among top 10)

March 25, 2025 Unit: share/%

shares / Name of major shareholder	Shareholding	Shareholding %
Soy Young Enterprise Co., Ltd.	32,102,114	21.21%
Hold-Key Electric Wire & Cable Co., Ltd.	20,414,832	13.49%
Zhangmiao Development Co., Ltd.	9,404,000	6.21%
BOND-GALV INDUSTRIAL CO., LTD.	7,200,323	4.76%
Yusheng Asset Development Co., Ltd.	4,405,000	2.91%
Kaiti Yang	2,221,000	1.47%
Peizhu Huang	2,000,000	1.32%
Young Ssuh Wong Internation Developer Co., Ltd.	1,474,140	0.97%
Hsuehching Huang	1,000,000	0.66%
Shuli Xu	906,000	0.60%

(III) Company dividend policy and implementation

1. Dividend policy：The dividend policy in the compamy Article of Incorporation, below:

If the Company makes a profit during the year (i.e., pre-tax profit before deducting the remuneration of employees and of directors and supervisors), no less than 2% of the current year's profit shall be allocated for employee remuneration and no more than 1.5% shall be allocated to remuneration of directors and supervisors. However, when the Company still has accumulated losses, it should reserve the compensation amount in advance. In addition, employee remuneration can be paid in stock or cash, and the recipients may include employees of controlling or affiliated companies who meet certain conditions.

If a surplus exists in the Company's yearly final accounts, taxes should first be paid to offset any prior deficits and 10% of the current surplus is to be set aside as legal reserve. In addition and in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act, for net deductions in other shareholders' equity incurred in the current year (such as exchange differences on translation of foreign financial statements, unrealized gains and losses of financial assets available for sale, benefits from hedging tools that are used in effective cash flow hedging, accumulated balance of losses, etc.) a special reserve is provided withdrawing the same amount of the current year's after-tax surplus and previous undistributed surplus. For the amount of other deductions from the shareholders' equity accumulated in previous periods, distribution shall not be made of the same amount of special reserve from the undistributed surplus from the previous periods. If there is a subsequent reversal of the amount of deduction from the shareholders' equity, the reversed portion of the surplus may be distributed.

The dividends policy of the Company aligns with current and future development plans and considers the investment environment, capital needs and domestic and foreign competition and takes into account the interests of shareholders and other factors. No less than 20% of the available surplus shall be allocated to distribute shareholder dividends each year. However, if the cumulative distributable surplus is less than 100% of the paid-in share capital, distribution may not be made.

The Company shall consider the environment and growth stage of the company, respond to future capital needs and long-term financial planning and meet shareholders' demand for cash inflows in formulating a surplus distribution plan based on the distributable surplus as stipulated in Article 24 and this shall be submitted to the Shareholders' Meeting for resolution. The total amount of cash dividends shall not be less than 10% of the total amount of dividends issued to shareholders and the maximum shall be 100%.

2. The proposed dividend distribution in the shareholder meeting

The Company's Earnings Distribution Proposal for 2024 as passed through a vote at the Board of Directors meeting dated February 27, 2025 is stated as follows:

Unit:NT$

NOTES	AMOUNT
Unappropriated retained earnings, beginning of period	907,671,270
Add: Remeasurement of the defined benefit plan	1,417,687
Add: Reversal of appropriated retained earnings	720,443,309
Less: Provision for legal reserve（10%）	(72,186,100)
Net profits for the period	1,557,346,166
Distribution items:	
Shareholder cash dividends	(226,991,400)
Unappropriated retained earnings, end of period	1,330,354,766

(IV) The impact of the proposed stock dividend in the shareholder meeting on the Company's operating performance and earnings per share: None.

(V) Remuneration for employees, directors, and supervisors

1. The percentages or ranges with respect to employee, director, and supervisor compensation, as set forth in the Articles of incorporation.

The Company's earning distribution may be made only after an earnings distribution proposal is drafted by the Board of Directors, and submitted to and approved by the Shareholders' Meeting. No less than 2% of the current year's profit shall be allocated for employee remuneration and no more than 1.5% shall be allocated to remuneration of directors and supervisors

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

The employee remuneration and director remuneration for 2024 stated on the financial statements was estimated based on the net profit before tax and employee remuneration and director remuneration in the amount of NTD754,083,396 of which NTD15,081,668 was appropriated as employee remuneration and NTD11,311,251 as director remuneration as required by Article 24 of the Articles of Incorporation, . If the actually distributed amount differs from the estimated amount, the differences are accounted for as a change in accounting estimates, and are recognized in profit or loss for 2025.

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

(1) The amount of any employee compensation distributed in cash or stocks and compensation for directors . If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed.

Unit:NTD$

Item	Amount distributed proposed by Board of Directors(A)	Amount estimated at the year in which expenses were recognized(B)	Discrepancy (A-B)
Cash for employee	15,081,668	15,081,668	0
Compensation for directors	11,311,251	11,311,251	0

As passed at the Board of Directors meeting dated February 27, 2025, the employee remuneration distributed was NTD15,081,668 and the director remuneration distributed was NTD11,311,251. There is no discrepancy from the amount recognized in the 2024 financial report.

(2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: None.

4. The actual distribution of employee, director, and supervisor compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated.

Unit:NTD$

Distribution of compensation in 2023				
Item	The amount of actual distribution	Amount estimated at the year in which expenses were recognized	Discrepancy	The reason of discrepancy
Employee compensation	10,751,154	10,751,154	0	None
Directors and supervisors compensation	8,063,365	8,063,365	0	None

The employee remuneration distributed and the director/supervisor remuneration distributed for 2022 were the same as the amounts estimated on the financial statements for 2022.

5. Policy and procedures for remuneration of individual director/supervisor: The standard for determining the remuneration of individual director is based on an evaluation carried out based on the Company’s Board of Directors Performance Evaluation Guidelines and the Regulations for Management of Remuneration of Director, and Manager. The evaluation criteria include the score of a director’s self-evaluation, times of participating in Board of Directors meeting, and the extent of contribution to the Company’s performance. Reasonable remuneration is determined based on the evaluation results, and will be distributed after being approved by the Remuneration Committee and the Board of Directors.

(VI) Buy-back of the Company's shares: None

II. Issuance of Corporate Bonds: None

III. Preferred Shares: None

IV. Issuance of Global Depository Receipts: None

V. Employee Stock Option Plan: None

VI. Employee Restricted Stock: None

VII. Issuance of New Shares in Connection with Mergers or Acquisitions of Shares of Other Companies: None

VIII. Financing Planning and Implementation The Company has not issued or privately placed securities to for any financial plans in the most recent year.

Four. Operation Overview

I. Business Activities

(I) Business scope

1. The Company's main business activities

The Company’s main business activities are the development, design, production, and sale of touch panels; the trades that the Company engages in as indicated on our business registration license are as follows:

CC01110	Computer and Peripheral Equipment Manufacturing
CC01120	Data Storage Media Manufacturing and Duplicating
CC01080	Electronics Components Manufacturing
F119010	Wholesale of Electronic Materials
F219010	Retail Sale of Electronic Materials
E603050	Automatic Control Equipment Engineering
CB01010	Mechanical Equipment Manufacturing
CC01010	Manufacture of Power Generation, Transmission and Distribution Machinery
CC01020	Electric Wires and Cables Manufacturing
CC01070	Wireless Communication Mechanical Equipment Manufacturing
E603010	Cable Installation Engineering
E604010	Machinery Installation
F113010	Wholesale of Machinery
F113020	Wholesale of Electrical Appliances
F106010	Wholesale of Hardware
F206010	Retail Sale of Hardware
F213010	Retail Sale of Electrical Appliances
F213060	Retail Sale of Telecommunication Apparatus
F213080	Retail Sale of Machinery and Tools
F401010	International Trade
D101060	Renewable energy self-use power generation equipment industry

All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. The proportion of the Company’s current products in consolidated revenues:

Unit: Thousand NT$

Year / Item	2023		2024	
	Net Revenue	%	Net Revenue	%
Touch Panel	389,064	23.74	291,840	18.50
Electromechanical Products	1,249,915	76.26	1,285,452	81.50
Total	1,638,979	100.00	1,577,292	100.00

3. The Company's current major products:

(1) Projected capacitive touch panel (include GFF、G1F、GF1、G1、G1G、GG2)

(2) 4-Wire Resistive touch panel (include GF、IFFP)

(3) 5-Wire Resistive touch panel

(4) Touch Panel/Display Module Lamination
(5) Touch Monitor
(6) Electronics Paper Display Module Lamination
(7) In-vehicle touch screen button/heating film
(8) Cover Glass
(9) The above products are equipped with anti-reflective function and anti-glare function, and so are sunlight readable.
(10) Various cable joints for 69kV and 161kV XLPE cables
(11) Various cable terminations for 69kV and 161kV XLPE cables
(12) Various sheaths for 69kV and 161kV XLPE cables
(13) Various 69kV and 161 kV switchgear insulators

4. New products under plan to be developed:

(1) Development of electronic paper displays
(2) Processing and manufacturing of complete machine modules
(3) Various cable joints and terminations for 345kV and 500kV XLPE cables

(II) Industry overview

1. Current state and development of the industry:

(1)Optoelectronic BG

The prevailing touch panel applications can be seen in consumer electronics. Among such consumer products, those having greatest demands for touch panels are smart phones, tablet PCs, and particularly the increasingly popular wearable devices. According to the latest market research, global smartphone shipments reached approximately 1.22 billion units in 2024, representing a 7% increase compared to 2023. In 2025, global smartphone shipments are expected to reach 1.26 billion units, with a year-over-year growth rate of 2.3%. Tablet shipments are also expected to reach approximately 141 million units in 2024, reflecting a 9% year-on-year growth, and this volume is projected to remain stable in 2025.And in non-consumer electronics, respectively as follows:

A. In-vehicle touch control:

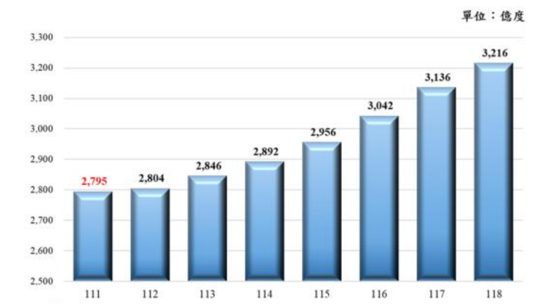
Additionally, the global automotive touch module shipments in 2024 are forecasted to reach approximately 70 million units. This growth is primarily driven by the expansion of Advanced Driver Assistance Systems (ADAS) and in-vehicle infotainment systems. In 2025, growth momentum is expected to strengthen further, fueled not only by increasing vehicle sales but also by rising adoption rates of head-up displays and smart mirrors. The ongoing advancement of smart technologies such as electric vehicles and autonomous driving continues to promote the introduction of innovative display technologies, including curved, integrated, and spliced displays, smart cockpits, OLED, and Mini LED automotive panels. These developments are expected to drive an increase in the per-vehicle usage of automotive display panels and further boost demand for automotive touch panels.

B. Touch panels for other uses:

Thanks to notable increase in the demand for emerging electronic products, the digitalization of the catering industry, and the digitization of web advertisements, the market for new applications, including smartphones, smart speakers with a screen, smart vending machines, self-ordering kiosks, self-checkout POS systems, interactive billboards, and fitness mirrors, has boomed. The increase in such a diverse range of new products has driven up the demand for, and shipment volume of, touch control panels for other uses.

(2) Electromechanical BG

The 2023 National Electricity Supply and Demand Report issued by the Ministry of Economic Affairs indicated: In 2023, although global inflation showed signs of easing and monetary tightening policies were gradually relaxed, the lingering effects of interest rate hikes continued to suppress consumption and investment. Additionally, adverse factors such as U.S.–China tensions, extreme weather, and geopolitical instability contributed to weak end-market demand and dampened Taiwan’s overall economic activity. The national electricity consumption in 2023 decreased by about 1.04% compared to 2022. The average annual growth rate of national electricity consumption from 2024 to 2033 is estimated to be 2.8%, as shown in Figure 3-2.



註：111 年為實績值。

圖 3-2 民國112~118年全國用電量預測結果

Therefore, on the supply side, the government is aggressively promoting the installation of renewable energy capacity in line with its energy transition policy. The government aims to supply 20 GW of photovoltaic capacity and 5.6 GW of offshore wind capacity by 2025. To echo the 2050 net zero emissions target, the government plans to add 3 GW of photovoltaic capacity in 2026 and add 2 GW of photovoltaic capacity per annum starting from 2027. The government aims to supply 886 MW of wind capacity and 5.6 GW of offshore wind capacity in 2025. The overall goal of wind capacity in total is 6.5 GW. Starting in 2026, the goal will be 1.5 GW per annum. It is expected that renewable energy will make up 20% of the energy portfolio starting from October 2026. Starting from 2027, the photovoltaic capacity will increase by 2 GW each year, and the offshore wind power will increase by 1.5 GW. With the plan to install 2 GW of photovoltaic capacity and 1.5 GW of offshore wind capacity per annum, the ratio of renewable energy is expected to reach 22% in 2027 and 26% in 2029.

Taiwan’s renewable energy generation increased significantly from 12.73 billion kWh in 2016 to 26.87 billion kWh in 2023. Notably, the combined annual output from wind and solar power rose from 2.57 billion kWh to 19.15 billion kWh over the same period. Given the intermittent nature of solar and wind energy, the government has also planned to ensure system stability by supplementing it with fast-response hydropower and gas-fired units. Among these, gas-fired units are favored for their smaller land requirements and shorter construction timelines, making them well suited to meet the rapidly growing electricity demand. In the future, the government will continue to expand the deployment of fast-start gas-fired generator as part of its energy transition and net-zero emission strategies, while actively accelerating the development of green energy..

The overall power supply plan schedule from 2024 to 2033 is shown in Figure 3-3. An additional 30.922 GW of capacity from new gas-fired generators is planned. After accounting for the decommissioning of approximately 13.062 GW of large-scale nuclear, coal-fired, oil-fired, and gas-fired units, the net increase in capacity is estimated to be around 17.86 GW.

註：能量型儲能設備合計 100 萬瓩，納入供電能力中估算。

圖 3-3 民國113~122年未來電力供給規劃

Table3-3: Execution Targets of the Distribution System Upgrade Plan from 2023 to 2029

In line with Taipower's Grid Resilience Plan, a total of NT$16.2 billion was invested between 2018 and 2022 to implement the "Distribution System Resilience Program," focusing on four major areas: distribution line upgrades, secondary substation equipment renewal, feeder automation expansion, and smart substation construction. Furthermore, from 2023 to 2027, Taipower plans to invest an additional NT$33.4 billion in the "Distribution System Upgrade Program," as detailed in Table 3-3.

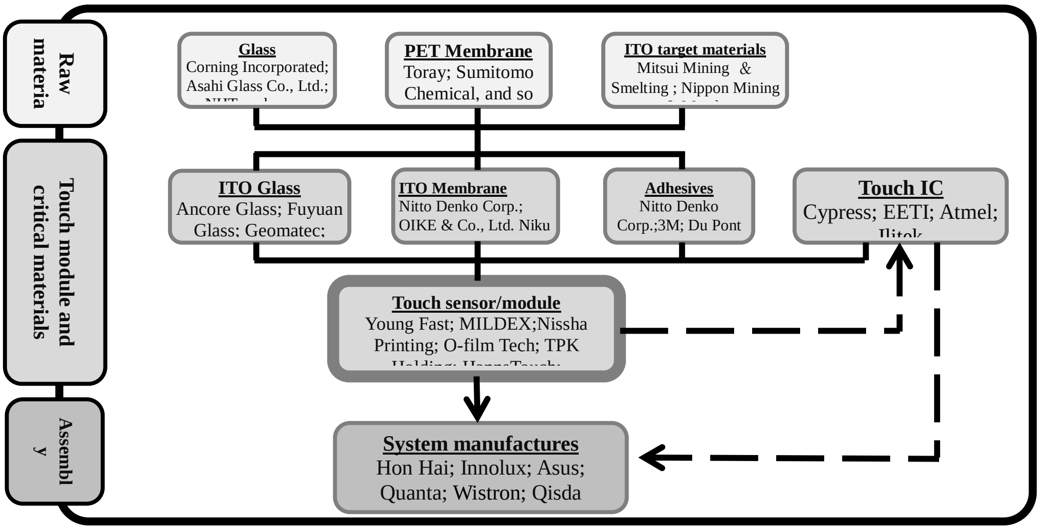
ITEM	Implementation goals
Distribution line Equipment replacement	*Replace 3087 KM for old, coated wires * Replace 802 KM of high-voltage cables * Replace 8799 units of high-voltage switches * Replace 238,794 units of outdated transformers
Secondary substation	*Replace 138 sets of metal-clad switchgear (MCSG) with 23kV gas insulated switchgear (GIS) * Replace 69 kV bare equipment with gas insulated switchgear (GIS) for 30 substations *Replace 153 sets of main transformers
System improvement	*7,499 units of automatic circuit switch is integrated in the monitoring system *Disaster-resilient underground distribution line construction for 113 KM * Voltage conversion projects for distribution feeders for 123 KM * 182 lines of load adjustment and tie-line construction for distribution feeders
Renewable energy	* Construction of 78 new feeder lines *Expansion of main transformers in existing secondary substations for 3 units *Expansion of GIS in existing secondary substations for 11 units

Source: Taiwan Power Company (Taipower)

2. The correlation among the upstream, midstream and downstream industries:

(1)Optoelectronic BG

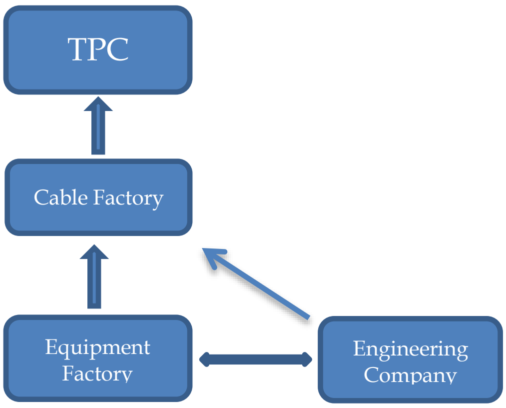
The touch industry supply chain can be illustrated in the following diagram:



The materials required for a touch panel include glass, PET membrane, ITO target materials, adhesives, and touch IC. By using such materials, touch panel manufacturers make touch sensors or touch modules and hand them to module manufacturers; or touch panel manufacturers delivery touch sensors to an IC foundry to make touch modules, which later are conveyed to module manufacturers for assembly. Either way, the end customer is the system manufacturer.

(2)Electromechanical BG

The industrial chain of power transmission and distribution equipment for high voltage cables is as follows:



Supply of power transmission and distribution equipment for high voltage cables is mainly for a procurement project of a power company, usually in the form of a tender for installation of cable, equipment, and wiring for which cable manufacturers bid. Therefore, equipment manufacturers will satisfy the needs of a cable manufacturer by offering a quotation inclusive of both labor cost and materials cost, i.e. they will fulfill the work undertaken by collaborating with engineering companies where necessary in response to various types of market demand.

3. Development trend and competition landscape:

(1) Replace ITO with new materials:

Although mobile devices are trending toward compactness, their screen size becomes even larger. Not only does the smart phone screen become larger, touch application is increasingly seen in notebook computers and AIO. In addition, as wearable devices become popular, their curved interface requires a touch panel material of which the resistivity and pliability requirements are higher than ITO while costs are lower than ITO.

Comparing ITO substitute materials

Touch sensor	**Metal mesh**	**Nano-Silver yarns**
Sensor materials	Silver, copper	Silver
Sensor substrate	PET; COP; Glass	PET; Glass
Unit sensor graphics	Rectangle, rhombus, honeycomb, random	Random segmented wires
Addition - Display graphics	Exposure, lithography, electroplating, gravure printing	Not available
Subtraction - Display graphics	Lithography	Spray painting plus lithography development
Sensor stack-up	GFF; GF2	GFF; GIF; GF

(2) On-cell Touch AMOLED:

As smart hand-held devices flourish, their applications also trend toward light-weight, thinness, impact-resistance, and foldable. As wearable devices emerge, flexible display technology becomes one of the critical technologies, especially flexible AMOLED that attracts most attention, helping achieve lighter, thinner, and more energy efficient.

(3) Booming demands for 5D and 3D lamination:

Shapes become varying in the development of mobile phones, wearable devices, in-vehicle shape design, and lamination of touch sensors and 2.5D and 3D covers. For touch manufacturers, being capable of performing curved lamination enables comprehensive products and services for customers, and may earns the Company more orders if we develop business via vertical integration.

4. Competition overview

As the supply chain in China rose in recent years, the touch panel market became even heating, dragging down profits; quite a few medium- and small-size manufactures withdrew from the market, as were some medium- and large-size manufacturers. Heating competition in the touch panel market is expected to persist. Meanwhile, add-on touch panel manufacturers were facing competition from LCD panel manufacturers having the capacity to produce INCEE/ONCELL products. Only when the market mechanism of survival of the fittest is fully completed will the overall touch panel market return to a rational competition pattern.

The market of power transmission and distribution equipment for high voltage cables is an oligarchy market in Taiwan. In addition, a stringent certification process is required for each type of product, erecting a high entry barrier.

(III) Technology and R&D

1. R&D expenses invested during the most recent year or during the current year up to the date of publication of the annual report.

Unit: Thousand NT$;%

Item	2024
R&D expense(A)	41,304
Revenue(B)	1,577,292
(A)／(B)%	2.62%

2. Technology or product successfully developed

Our critical product development results in the past year are as follows:

A. In terms of R&D, the Company has completed the development of an enhanced optical bonding solution for self-emissive e-paper displays. By utilizing the refractive index of an air gap, this solution significantly improves luminous efficiency and uniformity. The structure has been reinforced with additional supporting glass to meet performance and reliability requirements, and related patent applications have been filed.

B. The development of the automotive transparent defogging heater solution is completed. The solution has been introduced by the customer and is expected to be mass-produced this year.

C. The camera heater development program is completed, and the customer has been introduced to the development project.

D. Successfully completed framed LCD panel full lamination (sandwich structure) samples, along with the related patent applications.

E. Successfully developed frameless full lamination samples for framed LCD panels.

(IV) Long-term and short-term business development plans

1. Short-term business plan

(1) Business strategy

Also, make all employees aware of ESG and get a grasp of ESG issues of concern to ensure implementation of ESG; enhance company cyber-security and control measures and actively cultivate information security talents to lower the impact of information security risk on operations.

A. Optoelectronics BG

Developed new touch extension products and enhanced vertical integration to increase the proportion of non-consumer products, leveraging advanced process capabilities to promote products and strengthen competitive advantages.

B. Electromechanical BG

(A)The Company will continue to work with vendors to jointly develop precision machining parts and components, expand factory premises and invest in advanced equipment; scale up collaboration with the original providers of technologies and supply them with crucial parts; divide the labors required for sales in domestic and foreign markets;

(B)Cement the relationship with downstream installation service providers, maintain a good collaboration model with them , and form a long-term collaboration strategic alliance partner ; in order to strengthen the team’s competitive advantage, the Company will assist their installation technicians with the technical training and the maintenance of installation machines , in order to provide customers with better quality installation services ;

(C)Develop and manufacture other electric product parts by using currently available equipment, so as to expand our product portfolio.

(D) Introduce different types of terminal boxes to satisfy the needs of power grid replacement.

(2) Manufacturing strategy

Aside from industry-leading membrane touch products production technology, the Company also provides the industry with glass touch products, full lamination of touch screen, touch screen FATP and self-developed glass cover surface anti-glare and anti-reflection treatment, so as to provide industrial customers with a one-stop service that features high flexibility, little quantity, and diverse pattern.

Being a standardized product of TPC, electromechanical products are produced under a set schedule which satisfies the requirements of delivery date by factoring in the plan set out in a TPC tender, clients' requirements, and clients' manufacturing and delivery schedule.

In response to the strong demand in the electricity market , the Electromechanical Business Group has completed the relocation/expansion of the plants. In addition to increasing the production capacity of the equipment, the operation space for manufacturing, quality inspection, and warehousing has been expanded at the same time, so that it will be able to respond to market demand of high-voltage transmission and distribution equipment with sufficient capacity.

(3) Marketing strategy

Develop toward medium- and large-size products and non-consumer customers; diversity customer segments in the consumer market. Concentrate technologies and processes on our already competitive ultra-thin bezel metal membrane products, which may be shipped with some of the single-layer multi-point touch designs to enable highly customized products for customers. Integrate upstream and downstream manufacturers into cooperating with the Company in production at existing production bases, so as to provide a full range of services.

In response to the shortage of equipment installation personnel, the Electromechanical Business Group has invested in the integration of resources for equipment installation engineering since 2022. It has successively assisted numerous downstream installation service providers to increase the overall capacity of installation and provide customers with one-stop services. The Electromechanical Business Group endeavors to increase its competitive advantage.

(4) Finance strategy

The Company's financial planning adopts a principle of stability, mainly aiming to meet our business requirements of risk hedging and funds allocation. Risk hedging mainly hedges exchange rate risks in order to lower the impact of exchange rate changes on the Company's profitability; we also effectively use idle funds for a diverse range of investment.

2. Long-term business plan

(1) Business strategy

With a sound business foundation, the Company persists in diversified development, pursues operating and non-operating opportunities for growth; Meanwhile, we also implement and value ESG performance to create long-term value for stakeholders, to best lower the risk facing the Company due to market environment changes, and to achieve the goal of sustainable development.

(2) Manufacturing strategy

Actively apply for patents for touch products; form a strategic alliance with upstream and downstream manufacturers to jointly produce and develop new materials and new technologies; provide services that are more flexible and more highly integrated than those available on the market; and seek technological breakthrough that would bring opportunities on new markets.

(3) Marketing strategy

Transition product sales to medium- and large-size products and non-consumer customers; focus on the opportunities arising from in-vehicle applications, electronics paper, and stay-at-home economy; enhance the scope of joint development with customers to be close to the global market, thereby strengthening competitive edges and improving profits.

(4) Finance strategy

Effectively manage assets to improve investment gains; refine financial structure to improve the Company's capability of providing the funds required for long-term business development, so as to enrich the Company's business strength.

II. Market and Production and Sales Overview

(I) Market analysis

1. Sales area of the Company's major products

Unit: Thousand NT$

Sales Area	2023		202	
	Amount	%	Amount	%
Domestic sales	1,442,725	88.03	1,403,009	88.95
Export	196,254	11.97	174,283	11.05
Total	1,638,979	100.00	1,577,292	100.00

2. Market share

Although the mobile phone market is the largest market for touch panels, the Company only took orders for strategic purpose in the past few years, lowering the weight of revenue derived from such a market. Total shipments of touch panels not for mobile phone's use account only a small percentage of global shipments.

3. Future supply and demand of the market

Smart phones and tablet PCs will underpin the shipments of the touch industry in the future. In 2025, the global market for smart phones and tablet computers will dip slightly compared with 2024 while the global market for in-vehicle applications and industrial control applications will maintain its growth.

4. Competitive Niche

(1) High-end advanced process

The continuous roll-to-roll lithography process can effectively and steadily produce a membrane sensing layer with a linewidth (space width) at 15μm(10um); complemented by automatic CCD alignment for the membrane laser process, the production capacity for products with a linewidth (space width) at 25μm(25um) will be improved; the automatic typesetting monolithic glass process enables the equipment to automatically seize the glass and align it with the large typography glass, thereby improving the efficiency in producing monolithic glass sensors; automatic optical inspection (AOI) equipment detects the circuit of sensors with a graphic system, reducing human errors.

(2) Stabilize the financial structure

Operating under the philosophy of sustainable management, the Company prudentially reviews accounts, gets a good grasp to cash flows, and addresses destabilizing factors in real time, so as to maintain a good financial credit, reduce financial abnormality, and become and reliable partner to our customers and suppliers.

5. Competitive edge and favorable and unfavorable factors of development and corresponding tactics.

(1) Favorable:

A. Advantages of membrane touch panels

The membrane products that the Company focuses on, due to their compactness and flexibility that fit the development trend of the terminal product market, have become one major option for touch panel applications.

B. Co-prosper with strategic partners

The Company is able to tap into more areas and consolidate our market presence, given our development in new materials such as metal mesh and nano-Silver yarns and touch ICs as well as our strategic alliance with upstream and downstream suppliers.

(2) Unfavorable & Corresponding tactics

A. Excessive investment in the touch market

Because over the past few years competitors from different industries (e.g., glass manufacturers and LCD manufacturers) have branched out into the touch panel market, resulting in excessive investment in the touch market, dragging down the unit price of product on the market. The Company also adjusted our business scale by embracing advanced processes, targeting high-end product markets, and reducing the percentage of products already facing excessive competition.

B. The technology for INCELL and ONCELL embedded touch panels gradually matures

Due to technological materiality, posting a competition threat to add-on touch panel manufacturers. As so, aside from focusing on the processes we are good at, the Company engages in development of new technologies, avoids the risk of engaging in unfamiliar touch technologies, and taps into the market for large- and medium-size non-consumer products.

C. Foreign exchange fluctuation

The Company’s trade receivables are mainly denominated in USD. As such, any change in the exchange rate will impact our revenue and cost, thereby is a risk factor for our profitability. Given that, the Company uses exchange rate hedging tools and increases our position of natural hedging in the hope to reduce exchange rate risk.

(II) Important application and production processes of major products

1. Important application of major products

Touch products have a variety of applications. In addition to being compatible with smart mobile devices, such as smart watches, smart phones, tablet computers, notebook computers, digital cameras, mobile video games, navigation devices, etc., they also go with stationary devices, such as credit card readers, AOI, medical equipment, industrial control equipment, automatic teller machines, ticket machines, sports equipment, printers and photocopiers, etc.

Electromechanical products are mainly used as cable joints, cable terminations, and protection gears for high voltage cables, and supplied as whole-unit equipment.

2. Production processes of major products

In terms of production, the Company produces membrane sensors using the roll to roll lithography process. Below is an example using GFF metal membrane products.

From raw materials to a conductive pattern, each layer of conductive film undergoes the ITO etching and metal circuit etching. Each complete etching process involves photoresist, exposure, development, and etching. After both layer of conductive films are completed, they are roll cut into large pieces for lamination with the other; after lamination, they are pressed fit with the FPC, the component that connects the conductive circuit of a sensor to a product's driver. Lastly, they are laminated to a cover glass using OCA, a highly-transparent optical adhesive; an additional process that further laminates them to LCM is optional, and hence there is the touch module.

In terms of electromechanical products, raw materials are imported from Japan and manufactured into cable terminations, cable joints, and protection gears through various processes (e.g. casting, hardening, grinding, diameter expansion, insulation molding, semiconductor molding, and various tests).

(III) Supply of major raw materials

Major raw materials	Supplier	Supply situation
ITO Film, METAL Film	Nitto, OIKE, Rijiu	Good
Glass	KARMA,CHENGDA	Good
Epoxy resin; rubber raw materials for stress cones; silicon rubber for rubber components	Furukawa Electric Co.,Ltd	Good

(IV) The names of suppliers and customers

1. The names of suppliers who have accounted for more than 10% of the total purchases in any of the most recent 2 years, their purchases amount and proportion, and the reasons for the increase or decrease.

Unit: Thousand NT$；%

Item	2023				2024			
	Name	Amount	As a percentage of net purchases for the year [%].	relationship with the issuer	Name	Amount	As a percentage of net purchases for the year [%].	relationship with the issuer
1	A	207,763	34.81%	None	A	200,557	37.89%	None
2	B	151,109	25.32%	None	B	157,691	29.79%	None
3	Other	237,894	39.87%	None	Other	171,026	32.32%	None
	Net purchases	596,766	100.00%		Net purchases	529,274	100.00%	

<u>The reasons for the increase or decrease:</u>

In 2024, there were no changes in suppliers accounting for over 10% of the total purchase amount, all of which were suppliers of the Electromechanical Business Group, mainly supplies the Company with CSJ rubber components for the electromechanical products.

2. The names of customers who have accounted for more than 10% of the total sales in any of the most recent 2 years, their sales amount and proportion, and the reasons for the increase or decrease.

Unit: Thousand NT$；%

Item	2023				2024			
	Name	Amount	As a percentage of net sales for the year [%].	relationship with the issuer	Name	Amount	As a percentage of net sales for the year [%].	relationship with the issuer
1	A	266,638	16.27%	Related party	C	257,160	16.30%	None

2	B	234,647	14.32%	None	B	254,598	16.14%	None
3	C	212,948	12.99%	None	E	215,366	13.65%	None
4	D	181,815	11.09%	None	A	186,500	11.82%	Related party
5	E	174,775	10.66%	None				
6	Other	568,156	34.67%		Other	663,668	42.09%	
	Net sales	1,638,979	100.00%		Net sales	1,577,292	100.00%	

<u>The reasons for the increase or decrease:</u>

Customers to which the Company's sales accounted for more than 10% of the Company's total sales in 2024 were all customers of the Electromechanical Business Group. This is mainly due to electromechanical products continued to benefit from domestic energy policies and the increase in Taiwan Power Company infrastructure projects.

III. The Number of Employees for the Most Recent 2 Years, and during the Current Year up to the Date of Publication of the Annual Report, Their Average Years of Service, Age, and the Distribution of Education.

Year		2023	2024	Current year up to March 31, 2025
Number of employees	Direct Labor	42	42	42
	Non-direct Labor	89	91	92
	RD	20	20	19
	Total	151	153	153
Average age		44.30	45.17	44.99
Average years of service		12.05	12.71	12.62
Distribution of Education %	Doctorate	0	0	0
	Master	5.29	5.88	7.20
	University and college	55.64	55.56	53.59
	High school	25.81	31.37	31.37
	Below high school	13.26	7.19	7.84

IV. Information on Environmental Protection Expenditure:

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

V. Labor Relation

(I) Employee welfare programs, continuing education, training, retirement systems and their implementation, as well as labor-management agreements and various employee rights protection measures.

1. Employee welfare programs

The welfare measures provided by the Company include employee group insurance (which may cover employee dependents, spouses, and immediate family members, and comprises accident insurance, accident medical insurance, and hospitalization insurance, etc.), employee health check, year-end bonus, and employee stock options. In addition, an employee restaurant is set up to serves Chinese food or dinner for free. We also rent the basement of the adjacent plant for use of an employee parking lot. The Company has also established the Employee Welfare Committee, which is in charge of matters related to employee welfares, such as subsidies for marriage and funeral and childbirth; and bonuses for the three festivals and for birthday.

2. Employee continuing education and training

(1) Employee continuing education: We encourage employee to learn and develop their potentials in order to improve employee quality; establish and share organized education courses; and value and cultivate talents, so as to achieve sustainable development for the Company.

(2) Education and training: The Company provides employees with diverse training courses and good in-service education, including new employee orientation, on-job training courses, professional courses, and internal training courses or external training courses that are related to job duties, so as to cultivate talents who abound with professional competencies and embrace challenges.

A. Summary of employee continuing education and training in 2024

Type of Course	Hours	Expense(Thousand NT$)
1.Operation Management 2.EHS 3.Inventory Management 4.Information Management 5.Reguration of Listing Company 6.Professional Technology	2,214	284

B. The managers continuing education and training overview in 2024(Excluding the on-the-job training courses for managers who concurrently serve as a director.)

Tltle/Name	Date	Organizer	Course	Hours
Vice president Fengyu Ho	2024/05/09	Internal training /Attorney-at-law Bai-Lin Ge	Practical Dispute Resolution in Labor Relations and Introduction to the Latest Amendments to the Gender Equality Act	4
Vice president Menggui Lin	2024/05/09	Internal training /Attorney-at-law Bai-Lin Ge	Practical Dispute Resolution in Labor Relations and Introduction to the Latest Amendments to the Gender Equality Act	4
	2024/05/16	Internal training	Potential Failure Mode and Effects Analysis (FMEA)	6
Assistant VP Zongwei Zhu	2024/05/09	Internal training /Attorney-at-law Bai-Lin Ge	Practical Dispute Resolution in Labor Relations and Introduction to the Latest Amendments to the Gender Equality Act	4
Assistant VP/ Accountant Weiju Hsu	2024/05/09	Internal training /Attorney-at-law Bai-Lin Ge	Practical Dispute Resolution in Labor Relations and Introduction to the Latest Amendments to the Gender Equality Act	4
	2024/10/17	Accounting Research and	Continuing Education Course for Issuers, Securities Firms, and Stock Exchange Accounting	12

Tltle/Name	Date	Organizer	Course	Hours
	2024/10/18	development Foundation	Supervisors	
	2024/12/19	Securities & Futures Institute	2024 IFRS Adoption Promotion in Taiwan Seminar	4
Assistant VP/ Audit room Tehsiu Shen	2024/05/09	Internal training /Attorney-at-law Bai-Lin Ge	Practical Dispute Resolution in Labor Relations and Introduction to the Latest Amendments to the Gender Equality Act	4
	2024/09/13	The Institute of Internal Auditors-Chinese Taiwan	Analysis of Sustainability Information Disclosure Policy and Key Points in Internal Control and Auditing	6
	2024/09/26	The Institute of Internal Auditors-Chinese Taiwan	Cybersecurity Protection and Cloud Security Audit Workshop	6

C. Information on personnel having to do with financial transparency who have acquired related licenses as required by the competent authority: The Company's personnel having to do with financial transparency have all acquired the Competency Test Qualification Certificate from the Accounting Research and Development Foundation, The Institute of Internal Audit - Chinese Taiwan, and the Securities Development Foundation.

3. Retirement systems and implementation

To give employee a peaceful retirement life, the Company has established the Employee Retirement Regulations and the Supervisory Committees of Workers' Retirement Reserve Funds. As required by the Labor Standards Act, the Company regularly makes a contribution equal to 2% of employees monthly salary to a dedicated account with the Bank of Taiwan (formerly known as Central Trust of China). At the end of each year, we commission an actuary to perform an appraisal to ensure that the pension is sufficient to meet liabilities. The Labor Pension Act was effective on July 1, 2005. For those elected to apply the Labor Pension Act, the Company makes a monthly contribution of no less than 6% of an employee's monthly salary to the retirement fund account, and handles retirement matters according to the Labor Pension Act. As of the end of December 2024, the cumulative amount in the retirement reserve funds was NTD11,539 thousand; in addition, the pension allocated as required by the Labor Pension Act in 2024 totaled NTD5,116 thousand.

4. Labor-management agreements

All of the Company's regulations are in line with the Labor Standards Act. We also regularly hold employer-employee meetings to actively negotiate employer-employee matters with the union of each factory.

5. Employee rights protection measures:

The Company has a complete documentation system, which makes available the various internal regulations stipulating employee's rights, obligations, and welfares. The contents of welfare are regularly reviewed to ensure employees' rights.

(II) Losses incurred due to labor-management disputes in the most recent year and in the current year up to the date of the publication of the annual report (including violations of the Labor Standards Act resulted from labor inspection, the date, content, and reference number of the penalty, the provisions and contents of the laws and regulations violated should be listed) and disclose the estimated amount and corresponding measures that may occur at present and in the future : None.

VI. Cyber Security Management

(I) The cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

To ensure that all information security risks facing the Company can be effectively identified and controlled, the Company formulated information security policy in our Information Security Regulations in April 2019, and established the Information Security team in February 2022, which takes charge of coordinating the formulation and implementation, of policy regarding information security and protection, and managing relevant risks. In November 2023, the Board of Directors approved the establishment of dedicated information security officers and personnel.. In addition, the President regularly reports the status of information security to the Board of Directors every year. From 2022 on, information security personnel shall receive no less than 6 hours of professional information security trainings every year. We also regularly disseminate our information security requirements and require that all employee receive at least 1 hour of information security training every year.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

The Company's information system was attacked by hackers during the Spring festival in 2022, though resulting in no significant impact on our business of financial matters because we instantly initiated related protection mechanism, back-up operation, and recovery operation. However, after that incident, the Company has reviewed and enhanced existing information security structure and fully upgraded our cyber-security levels to protect the safety and integrity of our data.

VII. Important Contracts:

March 31, 2025

Nature of the contracts	The parties involved	Contract start and end date	Main content	Restriction clause
Lease	Hold-Key Electric Wire & Cable Co., Ltd.	2022.4.1~ 2026.12.31	Factory lease (LRM)	None
		2023.3.1~ 2026.12.31	Parking lots	

Five. Review and Analysis of Financial Status and Financial Performance and Risk

I. Financial Status

Unit: Thousand NT$

Item \ Year	2023	2024	Difference	
			Amount	%
Current assets	5,202,663	5,613,651	410,988	8
Property, plant and equipment	843,121	877,445	34,324	4
Intangible assets	4,284	4,551	267	6
Other assets	1,360,001	1,514,746	154,745	11
Total assets	7,410,069	8,010,393	600,324	8
Current liabilities	482,993	450,937	(32,056)	(7)
Non-current liabilities	289,610	308,413	18,803	6
Total liabilities	772,603	759,350	(13,253)	(2)
Equity attributable to shareholders of the parent company	6,553,760	5,591,333	(962,427)	(15)
Capital stock	1,513,276	1,513,276	0	0
Capital surplus	1,925,860	1,850,197	(75,663)	(4)
Retained earnings	1,304,528	1,799,397	494,869	38
Other equity	1,810,096	2,004,089	193,993	11
Treasury stock	0	0	0	0
Non-controlling interests	83,706	84,084	378	0
Total equity	6,637,466	7,251,043	613,577	9

The explanation is as follows: items with a more than 20% change and the amount of the change is more than NT$10 million between the previous and the current period

1. Retained earnings: Mainly due to increase in net profit after tax in 2024.

II. Financial Performance

(I) The main reasons for any material change in operating revenues, operating income, or income before tax during the past 2 fiscal years

Unit: Thousand NT$

Item \ Year	2023	2024	Increase (decrease) amount	Change (%)
Net operating revenues	1,638,979	1,577,292	(61,687)	(4)
Operating gross profits	598,178	723,825	125,647	21
Operating profits	356,453	469,348	112,895	32
Non-operating income and expense	228,188	338,122	109,934	48
Profits before tax	584,641	807,470	222,829	38
Net profits (losses) for the period from continuing operations	609,554	769,908	160,354	26
Profits (losses) from discontinued operations	0	0	0	0
Net profits (losses)	609,554	769,908	160,354	26
Net other comprehensive income	621,877	195,411	(426,466)	(69)
Comprehensive income for the period	1,231,431	965,319	(266,112)	(22)

Item / Year	2023	2024	Increase (decrease) amount	Change (%)
Net profits attributable to shareholders of the parent company	567,534	720,443	152,909	27
Net profits attributable to non-controlling interests	42,020	49,465	7,445	18
Comprehensive income attributable to shareholders of the parent	1,189,411	915,854	(273,557)	(23)
Comprehensive income attributable to non-controlling interests	42,020	49,465	7,445	18
Earnings per share	3.75	4.76	1	27

Analysis and explanation of increase or decrease % (items with a more than 20% change and the amount of the change is more than NT$10 million between the previous and the current period)

1. Operating gross profits& Operating profits& Profits before tax& Net profits for the period from continuing operations& Net profits& Net profits attributable to shareholders of the parent company : Mainly due to increase in high gross profit product.
2. Non-operating income and expense: Mainly due to the increase in dividend and gains on financial assets at fair value through profit or loss in 2024.
3. Net other comprehensive income for the period& Comprehensive income for the period& Comprehensive income attributable to shareholders of the parent: Mainly due to the decrease in unrealized valuation loss (gain) on investments in an equity instrument measured at fair value through other comprehensive income in 2024.

(II) Provide a sales volume forecast and the basis therefor, and the effect upon the company's financial operations as well as measures to be taken in response: The Company's Optoelectronic Business Group has been actively developing the non-consumer market focusing on medium and large sizes and cover glass. As the global economy has not yet recovered, it is expected that the sales volume of touch panels in 2025 will be affected. However, due to the government's energy policy and Taipower's power grid strengthening project, the sales volume will increase compared to 2024, refer to Chapter 5, I, (II) Industry Overview 1. The industry's current state and development (Page 85).

III. Cash Flow

(I) Analysis of changes in cash flow for the most recent year

Unit: Thousand NT$

Cash balance as of 2022.12.31(a)	Net cash flow from operating activities(b)	Net cash flow from investing and financing activities(c)	Exchange Rate Impact(d)	Cash flow from financing activities(e)	Cash surplus (insufficient) amount a+b+c+d+e
535,160	637,934	(71,519)	13,411	(328,837)	786,149

In 2024, the Company's cash inflow from operating activities stood at NTD637,934 thousand. The net cash outflow from investing activities was NTD71,519 thousand, mainly due to received dividends of NTD173,871 thousand and time deposits with maturities over three months amounted to NT$133,011 thousand. and investment in marketable securities is NTD47,758 thousand; The net cash outflow from financing activities stood at NTD328,837 thousand was mainly due to distribution of cash dividends in the amount of NTD302,655 thousand. The cash balance at the end of year was NTD786,149 thousand.

(II) Analysis of changes in cash flow for the most recent year

Unit:%

Item \ Year	2023	2024	Increase (decrease)%
Cash flow ratio	74.63	141.47	66.84
Cash flow adequacy ratio	99.20	121.44	22.24
Cash flow reinvestment ratio	1.29	3.15	1.86
Analysis and explanation of increase or decrease %: 1. Increase in cash flow ratio and cash reinvestment ratio and cash flow adequacy ratio: Due to increase in cash inflow from operating activities in 2024.			

(III) Corrective measures to be taken in response to illiquidity : None.

(IV) Analysis of cash liquidity for the coming year

Unit: Thousand NT$

Cash balance as of 2023.12.31	Estimated net cash flow from operating and investing activities	Estimated cash remaining (insufficient) amount
786,149	10,874	797,023

1. Net cash flow from operating and investing activities: Calculated based on the estimated net cash inflow from operating activities in the following year; on the cash outflow from investing activities such as planned investment in marketable securities, equipment expenditure, and capital expenditure, and the expected cash dividends from investment; and on the expected shareholder dividends in 2025. It is expected that the cash inflow for the year will be NTD10 million.
2. Remedies for estimated cash shortfall: None.

IV. Effect of Major Capital Expenditures on Finance and Business Matters in the Most Recent Year: No major capital expenditure plans in 2024.

V. Reinvestment Policy for the Most Recent Year, the Main Reasons for Profits or Losses, Improvement Plan and Investment Plan for the Coming Year.

The Company's reinvestment policy mainly focuses on long-term investment in enterprises related to the industries in which the Company is in, and in other quality enterprise. In 2024, the revenue from investees did not change mush; the mainly profits came from the entities consolidated into the consolidated statements, and from Epoch Chemtronics Corp. The investment plan of the following year does not include any significant investment plan.

VI. Risk

(I) The impact of the changes in interest rate and exchange rate, and inflation on the Company's profitability and future corresponding measures

Unit: Thousand NT$

Item	2023		2024	
	Amount	Revenue%	Amount	Revenue%
Interest revenue	5,336	0.33%	9,250	0.58%
Interest expense	0	0%	595	0.04%
Exchange gain (loss)	(2,507)	(0.15%)	1,791	0.11%

1. The impact of the changes in interest rate on the Company's profitability and future corresponding measures

   The Company borrowed NTD 35,000 thousand from banks in 2024, which is mainly for the construction of solar power equipment. The interest expense generated in the current year is NTD 595 thousand. Interest income for 2024 and 2023 stood at NTD9,250 thousand and NTD5,336, respectively, roughly accounting for 0.58% and 0.33%, respectively, of net operating revenue. As such, the fluctuation in interest rate wouldn't significantly impact the Company's overall profits.

   Our financial structure is sufficient enoughs to cover daily operational needs. Despite so, we still maintain a good relationship with banks, so as to get a good grasp of the market at any time to obtain a reference for future financing facilitates.

2. The impact of the changes in exchange rate on the Company's profitability and future corresponding measures

   The Company had an exchange losses of NTD1,791 thousand in 2024, accounting for 0.11% of total annual operating revenue. This was mainly due to the appreciation in USD.

   Since the Company's income are mainly in USD and the payments are mainly in NTD, JPY, and USD, we strive to hold a position that is sufficient enough to achieve a natural hedging effect; in doing so, part of the exchange risks can be offset. In addition, the Company will always attend to the effect of macro economy on exchange rate for us to adopt necessary measures. When the exchange rate changes are relative large, we will adjust our prices appropriately and reallocate foreign currency deposits to other assets, so as to mitigate the effect of exchange rate changes on our profits.

3. The impact of the changes in inflation on the Company's profitability and future corresponding measures

   Inflation will impact product cost and operating cost. However, since our products are mainly for the use of consumer electronics, they are less subject to the economic cycle. In addition, the Company maintains a good cooperative relationship with customers and suppliers, and always attends to the fluctuation in raw materials prices on the market. As such, inflation so far does not have a significant impact on our profit or loss.

   Some of the Company's raw materials contain precious metal. Despite so , their cost accounts for only a mild ratio of the Company's total production cost, and so wont' be significantly affected by inflation. However, the Company will always attend to the raw material prices, and will adjust our products prices where necessary or use substitute raw materials, so as to lower the impact on the Company's operations.

(II) Policies on high-risk, highly-leveraged investments, lending funds others, endorsement and guarantee, and derivatives transactions, major reasons for gain or loss, and future corresponding measures:

1. The Company focuses on our main business activities and does not engage in any high-risk or highly-leverage investments.
2. The endorsements, guarantees, and loaning of funds to others that were made by the Company in 2024 were made in accordance with the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees” based on considerations of business needs and capital coast, and were timely and correctly disclosed.
3. The Company did not engage in any derivatives trading in 2024.

(III) Future R&D plans and estimated R&D expenses:

1. Future R&D plans
   (1) Development of electronic paper displays
   (2) Processing and manufacturing of complete machine modules
   (3) Various cable joints and terminations for 345KV and 500KV cables.
2. Estimated R&D expenses

   The Company’s research and development expenses for 2025 are estimated to be NTD45 million.

(IV) The impact of important domestic and foreign policy and legal changes on the Company's finance and business and corresponding measures

Aside from abiding by domestic laws and regulations, the Company also always attends to changes in policy and laws at home and abroad. As so the publication of this annual report, there was no change in laws or policy at home or abroad that had significantly impacted the Company's business or finance.

(V) The impact of important changes in technology or industry (include Cyber Security Risk) on the Company's finance and business and corresponding measures

1. Changes in technology or industry
   Profit margin in the touch panel market continued shrinking, given the price competition from the consumer products market. We are transitioning to products with high profit margins, such as medium- and large-size consumer electronics, high performance products, special performance products, ultra-large size products, and vertically integrated products. Though patent protection, factory capacity allocation, and resources consolidation, we strive to improve the Company's competitiveness, and to cope with the effect of industrial changes on the Company.
2. Cyber Security Risk
   The Company has an Information Security Team in charge of formulating and implementing information security and protection policy and managing risks. Aside from that, in terms of hardware, we have enhanced existing network infrastructure and fully upgrade cyber-security levels, to protect the safety and integrity of our data. In terms of software, we actively train related information security personnel, have them receive professional information security training ever year, regularly disseminate information security requirements, and train all employees on information security, so as to lower information security risk and reduce the impact on company’s finance and business with a comprehensive response plan.

(VI) The impact of change in corporate image on corporate crisis management and corresponding measures: None.

(VII) Expected benefits and possible risks of mergers and acquisitions in the most recent year and in the current year up to the date of publication of the annual report and corresponding measures: None.

(VIII) Expected benefits and possible risks of plant expansion in the most recent year and in the current year up to the date of publication of the annual report and corresponding measures: None.

(IX) Risks of concentrations of purchases or sales in the most recent year and in the current year up to the date of publication of the annual report and corresponding measures: None.

(X) The impact on the Company and risks of the massive transfer or change of shares of directors, supervisors or major shareholders with 10% stake or more in the most recent year and in the current year up to the date of publication of the annual report and corresponding measures: None.

(XI) The impact on the Company and risks of change in management rights in the most recent year and in the current year up to the date of publication of the annual report and corresponding measures: None.

(XII) Litigation or non-litigation events

List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report:

In October 2014, the Company filed a lawsuit with Taichung District for a provisional attachment to be imposed on WINTEK CORP. who was delinquent in the payment due to the Company. The court granted its approval; the amount to be attached was NTD180,000 thousand. However, in October 2014, WINTEK CORP. applied to Taichung District Court for reorganization on ground of financial difficulties. On October 5, 20, Taiwan High Court Taichung Branch Court rendered a final ruling that approved the reorganization. WINTEK CORP. obtained the Certificate of Final Ruling on December 13, 2018 for its reorganization plan. The reorganization was conducted according to the reorganization plan currently. In addition, the Company received the 1st, 2nd, 3rd and 4th round of debt distribution proceeds in the amount of 16%, 6%, 10% and 8%, respectively, of total debtor’s right on January 10, 2019, November 25, 2019, November 25, 2021, and September 20, 2024, respectively.

(XIII) Other major risks: None.

VII. Other Important Matters: None.

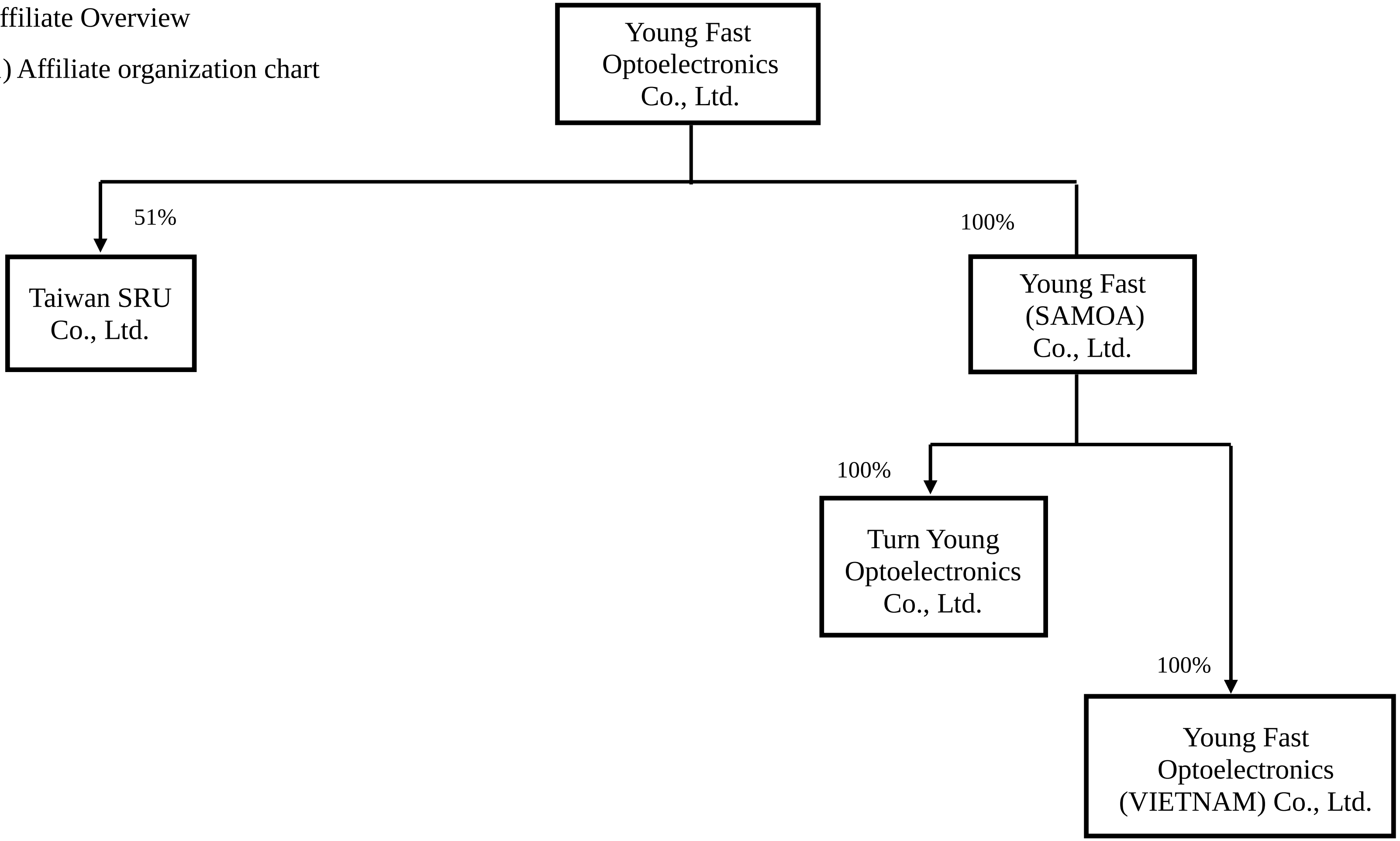
Six. Special Matters

I. Information on the Company's Affiliates

(I) The consolidated business report of affiliates

1. Affiliate Overview

(1) Affiliate organization chart



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(2) Information on affiliates

December 31, 2024 Unit: Thousand NT$

Enterprise name	Date of Incorporation	Address	Paid-in capital	Major business and production items
Taiwan SRU Co., Ltd.	2007.04.18	No. 24, Jingjian 5th Rd., Guanyin Dist., Taoyuan City.,Taiwan	NTD60,710	Wire and cable auxiliary equipment
Young Fast Optoelectronics (VIETNAM) Co., Ltd.	2007.12.31	LOT CN8, Thach That- Quoc Oai Industrial Park, Phung Xa Commune, Thach That Dist., HANOI, Vietnam	USD115,700	Manufacturing and sales for touch panel
Young Fast (SAMOA) Co., Ltd.	2012.11.02	Le Sanalele Complex, Ground Floor, Vaea Street, Saleufi, P.O.Box 1868,Apia Samoa	USD57,195	Investment
Turn Young Optoelectronics Co., Ltd.	2019.05.21	No. 16, 8F, Junhao International Commercial and Residential Building, No.2, 51 Avenue, Chenjiang Street Office, Zhongkai High-tech Zone, Huizhou, Guangdong, China.	USD150	After-sales service for touch panel

(3) Information on the shareholders in common of the Company and affiliates presumed to be in a controlling and subordinate relation: None.

(4) Industries covered by the business of the overall affiliates: Mainly engaged in the production, sale, and services of touch panel and high-voltage wire and cable auxiliary equipment, investment holdings.

(5) Directors, Supervisors and the Head of affiliates

December 31, 2024 Unit: shares; %

Enterprise name	Title	Name or representative	Shareholding	
			Capital	Shareholding %
Taiwan SRU Co., Ltd.	Chairman	FURUKAWA ELECTRIC CO., LTD.. Representative: Ishii Noboru	NTD29,750	49%
	Director	FURUKAWA ELECTRIC CO., LTD. Representative: Ito Yukikazu	NTD29,750	49%
	Director	Young Fast Optoelectronics Co., Ltd. Representative: Xinzheng Li	NTD30,960	51%
	Director	Young Fast Optoelectronics Co., Ltd. Representative: Chihchiang Pai	NTD30,960	51%
	Supervisor	FURUKAWA ELECTRIC CO., LTD. Representative: Kota Sagae	NTD29,750	49%
Young Fast Optoelectronics (VIETNAM) Co., Ltd.	Chairman	Young Fast (SAMOA) Co., Ltd. Representative: Lichen Chin	USD115,700	100%
Young Fast (SAMOA) Co., Ltd.	Chairman	Young Fast Optoelectronics Co., Ltd. Representative: Fengyu Ho	USD57,195	100%
Turn Young Optoelectronics Co., Ltd.	Chairman	Young Fast (SAMOA) Co., Ltd. Representative: Hsunkuo Lee	USD150	100%

Affiliate Operations Overview：

December 31, 2024 Unit: shares; %

Enterprise name	Currency	Capital	Total assets	Total liabilities	Net worth	Revenues	Operating profits (losses)	Net profits (losses) after tax
Taiwan SRU Co., Ltd.	NTD	60,710	307,938	103,364	204,574	276,522	139,363	108,821
Young Fast Optoelectronics (VIETNAM) Co., Ltd.	NTD	3,519,766	915,556	76,419	839,137	215,380	(64,466)	(4,990)
Young Fast (SAMOA) Co., Ltd.	NTD	1,667,947	929,344	2,705	926,639	0	(55)	2,048
Turn Young Optoelectronics Co., Ltd.	NTD	4,660	3,353	1,703	1,650	4,248	(470)	(267)

(II) Consolidated financial statement: None.

(III) Affiliation report: None.

II. Private Placement of Securities during the Most Recent Year or during the Current Year up to the Date of Publication of the Annual Report: None.

III. Other Matters that Require Additional Explanation: None.

IV. If any of the Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, which Might Materially Affect Shareholder Equity or the Price of the Company's Securities, has Occurred during the Most Recent Year or during the Current Year up to the Date of Publication of the Annual Report: None.

Young Fast Optoelectronics Co., Ltd.

Chairman：Chihchiang Pai