



**YEN SUN TECHNOLOGY CORP.
2024 Annual Report**

Printed Date: April 30, 2025

Market Observation Post System: <http://mops.twse.com.tw>

Company Website: <http://www.ystech.com.tw>

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

A. Name, title, phone number and email of spokesperson and acting spokesperson

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Title : General Manager
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Email : robert@ystech.com.tw

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Title : Department of Operation Management, Vice President
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Email : joyce_liang@ystech.com.tw

C. Location and phone number of Headquarter, branch offices and factories

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D. Name, location, website and phone of share-transferring institution

Name : Grand Fortunes Securities Co., Ltd Transfer Agency Department
Address : 6F., No. 6, Section 1, Zhongxiao West Road., Zhongzheng District., Taipei City 10041, Taiwan (R.O.C.)
Tel. : 886-2-23711658
Website : <http://www.gfortune.com.tw/>

E. Name of the certified public accountant who duly audited the annual financial report for the most recent fiscal year, and the name, location, website and telephone number of said person's accounting firm.

Name of the accountant: Chen-Lung, Hsu, and Yung-Hsiang, Chen.
Name of the accounting firm: KPMG Certified Public Accountants
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F. Name of overseas stock exchange and method for accessing information on overseas negotiable securities: None.

G. Company website : www.ystech.com.tw

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1. Letter to Shareholders

(1) 2024 Business Report

Founded in 1987, YEN SUN TECHNOLOGY CORP. has been a leading manufacturer of a variety of household and commercial appliances, notably DC brushless cooling fans, thermal modules, RO water purifiers, air purifiers, dehumidifier, water generators, and tap machines. The company has made its brand: "Y.S. Tech" resonate internationally as a well-known professional manufacturer thanks to the continuous effort and achievement by the R&D team. Moreover, the recent successful integration of the company's six core technology, including "hydrodynamic", "thermodynamic analysis and heat dissipation solutions", "psychoacoustics and vibration analysis", "environmental purification and comfort", "phase change heat transfer technology" and "IoT and BLDC smart motor control technology", has brought fruitful results in strategizing differentiated products to consumers in a competitive market.

In terms of the outlook of its ventilation & thermal solution business, the company continues to be a pioneer in global automotive electronics and also an outstanding tier-one provider for major car manufacturers, to jointly develop a series of automotive comfort technology, power/power management and automotive information system cooling fans and thermal modules. In addition, the Company actively expanding into high-end computing fields (e-sports, industrial computers, and data center server cooling), industrial equipment and the medical industry; continuously building momentum for future growth.

In terms of the development of intelligent living technology system, the company is actively deploying in three directions:

(1) In private brand, with "quality water purification life" as the core, it actively develops water purifier machine and drinking machine system with the nature of "purification, convenience, and life". Take technology and aesthetic life as the connotation to enhance the product and market value. (2) In the ODM/OEM business, by integration of core technologies to enhance the value and transformation of cooperative products as the main axis. On this main axis, not only cooperate with well-known Japanese brands that have deepened the relationship for many years, it also expanded the customers and projects of international living technology commercial systems. (3) Implement the M2C strategy, actively expand the cooperation energy between new media and international marketing. Based on the existing basis, let brand image, technology, and products be directly promoted by manufacturing to international consumers.

In 2024, the company has simultaneously promoted digital transformation and net-zero carbon emission program. Introduced AIoT modules in high-end household technology systems (e.g.: water generator), and introduced digital transformation strategies in business models, products and manufacturing at the same time. In addition, cooperate with the digital transformation to improve the information security mechanism in ESG work promotion, The company also launched the organization and products carbon footprint verification, each factory in the Group has completed ISO 14064-1 inspection and certification., and supported global customers to implement net-zero carbon emissions actions (for example: Completed the marine recycled materials verification program and PIR industrial plastic recycled materials certification, etc.).To align with the goal of operation and sustainable development, the company has strictly required the certification of IATF16949, ISO9001, ISO14001, and ISO45001 by German TUV Rheinland to make sure quality, environmental protection, occupational safety and health, information security management is in line with international quality and social responsibility requirements. Moreover, the Company is also committed to legal compliance in corporate governance and internal management, completed TISAX certification for information security management, and continuous improvement in investor relationship management, so as to lay a stable foundation for a sound and sustainable

development of the company.

In terms of the operating performance in 2024, the net revenue was NT\$3,863,430 thousand - an annual increase of 6.35%. Thermal solution products accounted for 84%, whereas living technology products accounted for 16%. Growth momentum mainly comes from 3 fields: automotive electronics, high-end computing, and industrial equipment. Living technology products have undergone product line realignment and focused on water purification and air purification product since 2021. The main operating results are as follows:

A. Operating results of 2024:

Unit: NT \$ in Thousands				
Item	2024	2023	Increase(decrease) amount	Increase(decrease) percent
Operating Revenue	3,863,430	3,632,719	230,711	6.35
Net Profit	199,355	53,120	146,235	275.29
Total	220,706	291,790	(71,084)	(24.36)

B. Budget:

The company's net revenue for 2024 was NT\$3,863,430 thousand and the budget was NT\$4,154,380 thousand, with an achievement rate was 93%.

C. Profitability analysis:

Item	2024	2023(Note)	2022
ROA (%)	6.44	9.38	6.80
ROE (%)	13.78	20.49	15.65
Pretax Income/Capital (%)	33.63	45.61	35.02
Net Profit Margin (%)	5.71	8.03	5.34
EPS (NT\$)	2.87	4.08	2.80

Note: In 2023, the Company disposed of its subsidiary SHANGHAI YENSUN's equity and recognized a gain on investment disposal in the amount of NT\$268,256 thousand.

Looking forward to the future, the company will continue its strategy of specialization, globalization and servitization based on operating results of 2024, continue to integrate the company's internal and external resources, and kept focused on 6 major markets: automotive electronics, high-end computing, industrial equipment, medical equipment, high-quality water purification, and commercial living technology systems and continue to generate revenue, increase profits, and accumulate momentum for global competition and sustainable development.

(2) Status of Research & Development

The company's core technology areas cover "hydrodynamic", "thermodynamic analysis and heat dissipation solutions", "psychoacoustics and vibration analysis", "environmental purification and comfort", "phase change heat exchange technology" and "IoT and BLDC smart motor control technology". In recent years, the company has integrated core technologies in various fields, and focusing on research and development in 6 major markets: automotive electronics, high-end computing, industrial equipment, medical equipment, high-quality water purification, and commercial living technology systems. The specific results are as follows:

In the fields of automotive electronics, high-end computing, and industrial equipment, DC brushless cooling fans not only emphasize high performance, high reliability, and high electromagnetic compatibility, but also target future market demands in full-vehicle thermal management and AI data center High Performance Computing (HPC). Starting in 2024, The Company has invested in core water-cooling technologies and processes, such as high-efficiency composite cold plates, 120kW side cars, 1.4MW IN-ROW CDUs, RPU's, and HMIs. In the realm of vibration and noise reduction, as well as intelligent control technology, the Company continues to develop and mass-produce solutions including "noise/vibration-reducing asymmetric dynamic and static impellers," "mechanical active noise suppression," "vibration-damping absorbers for fans," "composite overlapping high-performance vibration-reduction fans," "LIN/CAM-controlled smart cooling fans," and "low electromagnetic interference-controlled cooling fans.". In addition to deploying patents across major economic regions around the world, in the rapidly growing automotive electronics region of Greater China, two "Seat Ventilation Testing Labs" were completed, which can support the automotive OEMs and tier 1 car factory customers that locate in the Pearl River Delta and Yangtze River Delta major regions raising the bar for competition. Internally, we have successfully developed a smart automated process that meets the flexible production pattern to improve the quality and enhance the soft power of competition by improving the basic operations and technology.

In the application of living technology products, special emphasis is placed on the research, development and integration of energy efficiency, two-phase flow system, water and air quality filtration, heating and cooling, liquid volume control, smart interface and IoT control. In the development of private brand business, the company integrates the existing drinking machine market and products with smart interfaces such as water filtration, heating and cooling, and liquid volume control; by new ID, to innovatively launch a series of energy-efficient water machine system and RO drinking machine systems products that meet energy efficiency standards and have the properties of "purification, convenience, and good life". In ODM/OEM business, the Company integrates technologies such as water and air quality filtration, heating and cooling, liquid volume control, smart interfaces, and IoT control. In addition to developing high-end air purification and atmospheric water generation equipment in collaboration with premium brand customers, the company is also actively developing commercial-grade systems for international commercial system clients. Through the continuous development and integration of core technologies, the company is strategically shifting toward high-price, high-value-added solutions, aiming to establish a solid foundation for global competitiveness in its living technology business.

(3) The implementation and the result of management guidelines

A. Business operation

(a) Automotive electronics:

In 2024, the revenue of automotive electronics accounted for 49%, of which in-vehicle electronics accounted for about 70%. The development of the electric vehicle market is mainly based on fast-growing China market, and the joint development with international car manufacturers' demands. In the future, the company will continuously cooperate with global automobile brands and their supply chain to develop interior and comfort system electronics, in-car electronics, car body electronics and smart driving.

(b) High-end computing

The high-end computing includes AI HPC data center server with water cooling system (e.g.: Side Car, IN-ROW CDU, RPU), e-sports, and industrial computers and high-end personal computers. In 2024, the field of high-end computing still impacted by the tightening of the IT industry, the revenue performed poorly, the water cooling system is still in its infancy and has yet to generate revenue, accounting for 28% of the overall revenue. However, in the development of high-end computing market, specialization and servitization will be continued to be the core value of the Company. Cooling fans will focus on high-performance, noise and vibration suppression; for thermal modules and systems, in addition to ongoing development in high-end heat dissipation, precision machining (cold plates), Side Car, IN-ROW CDU, RPU, and HMI, the company is also integrating water cooling with phase-change heat transfer technologies to target the higher-end AI HPC data center server and water-cooled thermal systems market.

(c) Living technology:

The business in living technology continues the core technology of the original home appliance business to integrate product lines and processes, accounting for 16% of revenue. In the future, Company will focus on the development of its own brands in the development of purifiers and drink dispenser systems with the characteristics of "energy saving, purification, and good life", technology and aesthetic life will be used as the connotation to enhance product and market value. In the ODM/OEM business, the integration of core technologies to actively enhance the value and transformation of cooperative products is the main business axis. On this axis, in addition to deepening cooperation with well-known Japanese brands for years, it has also expanded its cooperative international customers and projects of living technology commercial systems.

B. Operating of factory:

- (a) Company's main production sites include the Kaohsiung Plant, Guantian Plant, Darson Plant, Tagang Plant, and Jiaoshe Plant. Among them, the Guantian Plant focuses primarily on lifestyle technology system products, while the others specialize in the production of cooling fans and modules. All plants have obtained international certifications such as TÜV Rheinland IATF16949, ISO 9001, ISO 14001, and ISO 45001, aligning their systems in quality, environmental protection, occupational safety, and health with international standards and corporate social responsibility. The Taiwan plants have also completed TISAX certification for automotive information security management.
- (b) The Kaohsiung, Dashen, and Tagang plants primarily produce DC brushless cooling fan products or provide customized automotive ventilation system integration services. Combined, their standard cooling fan production capacity reaches 3,000,000 units per month. The Jiaoshe Plant focuses on thermal module production, equipped with a range of precision machining tools, reflow soldering, assembly, and thermal module testing equipment. Its monthly production capacity for thermal modules reaches up to 500,000 units.
- (c) The Kaohsiung, Dashen, Tagang, and Jiaoshe plants have all made significant annual investments in automation equipment. The Company continues to improve in automation and is also actively implementing smart manufacturing management systems to enhance operational efficiency.
- (d) The new headquarters and Taiwan production base are located in the Renwu Industrial Park in Kaohsiung. The facility will serve as the global operations headquarters, R&D center, and advanced laboratory, with a next-generation smart automated production line for cooling fans and modules planned to reach a capacity of 1,200,000 million units per month. It is expected to be operational by the Q3, 2025.

As above, report to all shareholders the overview of YEN SUN TECHNOLOGY CORP's 2024 operating results and the direction of development. On behalf of all colleagues, we sincerely thank all shareholders for your encouragement, and present our best wishes.

Chairman : *CHEN, KUAN-HUNG*

2. CORPORATE GOVERNANCE

(1) Directors and Management Team:

(a) Information of directors

March 30, 2025; Units: shares;

Title	National	Name	Gender Age	Date Elected	Term (Years)	Date (First Elected)	shareholding when elected		Current shareholding		Current shared held by spouse and children of minor age		Shareholding under the name of a third party		Experience (Education)	Other Position	Other chiefs, supervisors or directors with spouses or relatives within the second degree of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C	CHEN, KUAN-HUNG	Male 41-50	2024.05.31	3	2015.06.26	2,500,477	3.24%	2,608,077	3.31%	320,000	0.41%	0	0	Chairman of Yen Sun Technology CORP.	-Chairman of Yen Jiu Technology CORP	Director	CHEN, YI-JUN	Second degree relatives	
Director	R.O.C	CHEN, YI-JUN	Female 51-60	2024.05.31	3	2024.05.31	1,770,816	2.29%	1,770,816	2.25%	0	0	0	0	San Francisco State University, MBA	-Special Assistant to CEO	Chairman	CHEN, KUAN-HUNG	Second degree relatives	
Director	R.O.C	LI, YING-CHEN	Male 71-80	2024.05.31	3	2003.06.24	1,000	0	1,000	0	0	0	0	0	- Doctor of science in electrical engineer, NTU - Chairperson of Litemax Electronics Inc - CSO of AAEON Technology Inc.	- Chairman of Litemax Electronics Inc. - CSO of AAEON Technology Inc. - Director (Legal Representative) of AAEON Technology Inc. - Director of AAEON Technology (Suzhou) Inc. (Legal representative) - Director of Litemax Technology, Inc. - Director of Eutech Microelectronics Inc. - Independent Director of Arcadyan Technology Corporation - Independent Director of axis Corporation Director of IBASE Technology Inc. -Executive	None	None	None	

Title	National	Name	Gender Age	Date Elected	Term (Years)	Date (First Elected)	shareholding when elected		Current shareholding		Current shared held by spouse and children of minor age		Shareholding under the name of a third party		Experience (Education)	Other Position	Other chiefs, supervisors or directors with spouses or relatives within the second degree of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
																Director of Litemax Technology, Inc.				
Director	R.O.C	Liyuan Investment Co., Ltd	-	2024.05.31	3	2024.05.31	2,191,000	2.84%	2,192,000	2.78%	0	0	0	0	None	None	None	None	None	
		Representative : XIE, TENG-LONG	Male 71-80	2024.05.31	3	2015.06.26	0	0	0	0	52,037	0.07%	0	0	- Bachelor of the Department of Insurance and Finance. - General Manager Of Bank of Taiwan	None	None	None	None	
Independent Director	R.O.C	FANG, ZHI-MIN	Male 61-70	2024.05.31	3	2018.06.14	0	0	0	0	0	0	0	0	Professor of the Department of Business Administration, NSYSU	-Independent Director of NEW ADVANCED ELECTRONICS TECHNOLOGIES COMPANY LIMITED. -Independent Director of Jong Shyn Shipbuilding Company -Independent Director of WALRUS PUMP Co., Ltd.	None	None	None	
Independent Director	R.O.C	CHEN, GUAN-LIANG	Male 41-50	2024.05.31	3	2018.06.14	0	0	0	0	0	0	0	0	-CPA of PKF Taiwan -Supervisor of HC PHOTONICS CORPORATION (Legal Representative) - Chairman of KAO CHIAO company management corp. - Director of LIANG-YU Establishment, Ltd. (Legal Representative)		None	None	None	
Independent Director	R.O.C	CHIU, CHI-CHUN	Male 61-70	2024.05.31	3	2024.05.31	0	0	0	0	0	0	0	0	PhD of Juridical Science University of Tübingen Judge of Kaohsiung District Court Adjunct Assistant Professor, Department of Law, National Kaohsiung University	Attorney-at-Law, Partners, CLASSIC AND SUPERIOR	None	None	None	

Note: The chairman of the board of directors and the president or person of an equivalent post of a listed company are the same person: None.

(b) Major Shareholders of Major Corporate Shareholders:

March 30, 2025

Major Corporate Shareholders	Major Shareholders
Liyuan Investment Co., Ltd	CHEN, YI-JUN(55%), LIN, JUI-MING (27.50%), LIN BI-CHU(12.50%) ,LIN, HSIU-JUNG (5%)

(c) Major Shareholders of Corporate Shareholders is Corporate Shareholders: None.

(d) Information on Directors in Professionalism and impartiality

Condition Name	Professional qualifications and Experience	Status of independence	Number of public companies where the person holds the title as independent director
Chairman CHEN, KUAN-HUNG	<ul style="list-style-type: none"> For Directors' Professional qualifications and Experience, please refers to page 12-13 None of the directors has any of the conditions of Article 30 of the Company Law (Note 1) 	Not applicable	0
Director CHEN, YI-JUN			0
Director LI, YING-CHEN			2
Director Liyuan Investment Co., Ltd Representative :XIE, TENG-LONG			0
Independent Director FANG, ZHI-MIN		All independent directors meet the following conditions: <ul style="list-style-type: none"> Comply with the relevant provisions of Article 14-2 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2) The person (or in the name of others), spouse and minor children do not hold any shares of the company None amount of remuneration received from providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years 	3
Independent Director CHEN, GUAN-LIANG			0
Independent Director CHIU, CHI-CHUN			0

Note1: A person who is under any of the following circumstances shall not act as a managerial personnel of a company. If he has been appointed as such, he shall certainly be discharged:

- (1) Having committed an offence as specified in the Statute for Prevention of Organizational Crimes and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
- (2) Having committed the offence in terms of fraud, breach of trust or misappropriation and subsequently convicted with imprisonment for a term of more than one year, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;

- (3) Having committed the offense as specified in the Anti-corruption Act and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
- (4) Having been adjudicated bankrupt or adjudicated of the commencement of liquidation process by a court, and having not been reinstated to his rights and privileges;
- (5) Having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
- (6) Having no or only limited disposing capacity.
- (7) Having been adjudicated of the commencement of assistantship and such assistantship having not been revoked yet.

Note2: (1) Not a government, a juristic person, or a representative thereof in Article 27 of the Company Act

- (2) No independent director of a public company may concurrently serve as an independent director of more than three other public companies.
- (3) During the two years before being elected or during the term of office, an independent director of a public company may not have been or be any of the following:
 - a. An employee of the company or any of its affiliates.
 - b. A director or supervisor of the company or any of its affiliates.
 - c. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
 - d. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
 - e. A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
 - f. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
 - g. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
 - h. A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
 - i. A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

(e) Diversity and Independence of the Board:

- i. The company has established the "Code of Corporate Governance" to regulate the diversity policy of board members. The nomination and selection of board members of are in accordance with the provisions of the company's articles of association. And comply with the "Director Election Method" and "Code of Corporate Governance" to ensure the diversity and independence of board members.
- ii. The members of the board shall generally possess the knowledge, skills and qualities necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the board of directors should have the following capabilities as a whole: A. Operational judgment. B. Accounting and financial analysis skills. C. Management ability. D. Crisis handling capacity. E. Industry knowledge. F. International Market View. G. Leadership. H. Decision-making capability.
- iii. The company currently has 7 directors (including 3 independent directors) with professional backgrounds which cover industry, academia, finance, accounting, business management and other fields to implement the policy of diversifying the composition of the board of directors.

Title	Chairman	Director			Independent Director		
Name	CHEN, KUAN-HUNG	CHEN, YI-JUN	LI, YING-CHEN	XIE, TENG-LONG	FANG, ZHI-MIN	CHEN, GUAN-LIANG	CHIU, CHI-CHUN
Nationality	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C
Gender	Male	Female	Male	Male	Male	Male	Male
Age	41-50	51-60	71-80	71-80	61-70	41-50	51-60
Concurrently employee of the Company	V	V					
Professional qualifications and Experience							
Management, Leadership & Decision-making	V	V	V	V	V	V	V
Decision making	V	V	V	V		V	V
Finance				V		V	
Accounting				V		V	
Industry knowledge	V	V	V		V		V
Environment			V				

iv. Diversity management objectives:

The company currently has 3 independent directors, with the proportion of independent directors accounting for 42.85%. The term of office of the 3 independent directors is less than 3 years, and the term of office has not exceeded 3 consecutive terms. In order to fulfill the goal of diversity industry knowledge of board, the target ratio of professionals in the field is above 40%. The Company values gender equality in the composition of its Board of Directors. Currently, the Board consists of 7 members, including 1 female director, accounting for 14.29% of the total. The company's 7 directors include 5 professionals in the field of industry knowledge, with a ratio of 71.42%. The members of the board of directors actively attended the board meetings. In 2024, 7 directors attended the meeting with 98% attendance rate, and effectively monitored and understood the implementation of the business plan.

(2) Information of management team:

March 30, 2025 ; Units: shares

Title	Nationality or Registry	Name	Gender	Date Effective	Status of Shareholding (Note 1)		Current Shares Held by Children of Minor Age (Note 1)		Shareholding Under the Name of A Third Party (Note 1)		Experience (Education)	Other Position	Managerial Officers with Spouses or Relatives Within the Second Degree of Kinship			Note
					Shares	Ratio for shareholding (%)	Shares	Ratio for shareholding (%)	Shares	Ratio for shareholding (%)			Title	Name	Relation	
General Manager	R.O.C	LIU, HSIEN-WEN	Male	2020.06.01	301,352	0.38%	69,052	0.09%	0	0	- Doctor of Psychology, FJU. - Electronics Cooling Division R&D Director - Electronics Cooling Division Sales Director	None	None	None	None	
Thermal Module Business Vice General Manager	R.O.C	SUN, XIN-CHENG	Male	2010.01.14	165	0	987	0	0	0	- Bachelor of Dept. of Electronic Engineering ,Tung Fang Design University -Manager of Liang Herng Elec. Mach. Co Ltd -R&D Managerof Y.S. Tech Electronics Cooling Division	None	None	None	None	
Thermal Module Business Director	R.O.C	ZHANG, ZHENG-DA	Male	2011.11.24	26,976	0.03%	0	0	0	0	Department of mechanical engineering,St. John's University -Marketing Director of Abyte Electronics Limited -Marketing Director of AMA PRECISION INC.	None	None	None	None	
Chief financial officer /Operation Management Manager	R.O.C	LIANG, HSIANG-YI	Female	2008.12.26	110,627	0.14%	0	0	0	0	-Master department of Administration,YunTech. -Finance Manager of Sino-American Electronics Co., Ltd.	-Supervisor of Yen Jiu Technology Corp. -Independent Director of DONUTES INTERNATIONAL CO.,LTD.	None	None	None	

(2) Remuneration paid during the most recent fiscal year to directors (Independent Director), the general manager, and assistant general managers

A. Remuneration paid to directors

Unit: NT\$ thousands

Title	Name	Remuneration to Directors								The sum of A, B, C and D in proportion to Earnings After Tax		Remuneration in the capacity as employees								The sum of A, B, C, D, E, F and G to Earnings after Tax (%)		Remuneration received from invested companies other than subsidiaries or the parent company
		Remuneration(A)		Pension(B)		Bonus to Directors(C)		Allowances (D)				Salaries, bonus and special subsidies(E)		Pension(F)		Repay for employee(G)						
		The Company	All companies included into the financial statement	The Company	All companies included into the financial statement	The Company	All companies included into the financial statement	The Company	All companies included into the financial statement	The Company	All companies included into the financial statement	The Company	All companies included into the financial statement	The Company	All companies included into the financial statement	The Company		All companies included into the financial statement		The Company	All companies included into the financial statement	
Cash dividend	Stock dividend															Cash dividend	Stock dividend					
Chairman	CHEN, KUAN-HUNG	0	0	0	0	1,525	1,525	648	648	0.98%	0.98%	3,318	3,318	0	0	0	0	0	0	2.49%	2.49%	None
Director	CHEN, CHIEN-JUNG (Note 1)																					
Director	LI, YING-ZHEN																					
Director	Liyuan Investment Co., Ltd Representative : XIE, TENG-LONG																					
Director	CHEN, YI-JUN (Note 2)																					
Independent Director	CHEN, GUAN-LIANG	0	0	0	0	1,144	1,144	516	516	0.75%	0.75%	0	0	0	0	0	0	0	0	0.75%	0.75%	None
Independent Director	FANG, ZHI-MIN																					
Independent Director	LI, WEN-BAR (Note 1)																					
Independent Director	CHIU, CHI-CHUN (Note 2)																					

Note 1: Resigned upon re-election on May 31, 2024.

Note 2: Newly appointed upon re-election on May 31, 2024.

- The policy, system, standard, and structure of remuneration for independent directors should be stated, and the amount of remuneration should be justified with an illustration of the person's duty, risk, and devoted time: The evaluation of the company's independent directors is proposed by remuneration committee and resolved by the Board of Directors with consideration of the director's performance and devotion to the company.
- Other than the content revealed in the table above, any remuneration received by the chairperson of the company for offering service (e.g. serving as an external consultant) to any company mentioned in the financial statement: None.

Range of Remuneration	Name of Directors			
	Total of A, B, C and D		Total of A, B, C, D, E, F and G	
	The Company	All companies included into the financial statement	The Company	All companies included into the financial statement
Less than NT\$1,000,000	CHEN, CHIEN-JUNG/ CHEN, KUAN-HUNG/ LI, YING-ZHEN / Liyuan Investment Co., Ltd/ CHEN, YI-JUN/CHEN, GUAN-LIANGG/FANG, ZHI-MIN/LI, WEN-BAR/ CHIU, CHI-CHUN	CHEN, CHIEN-JUNG/ CHEN, KUAN-HUNG/ LI, YING-ZHEN / Liyuan Investment Co., Ltd/ CHEN, YI-JUN/CHEN, GUAN-LIANGG/FANG, ZHI-MIN/LI, WEN-BAR/ CHIU, CHI-CHUN	LI, YING-ZHEN / Liyuan Investment Co., Ltd/CHEN, GUAN-LIANGG/FANG, ZHI-MIN/LI, WEN-BAR/ CHIU, CHI-CHUN	LI, YING-ZHEN / Liyuan Investment Co., Ltd/CHEN, GUAN-LIANGG/FANG, ZHI-MIN/LI, WEN-BAR/ CHIU, CHI-CHUN
NT\$1,000,000 thousand (inclusive) ~ NT\$2,000,000 (exclusive)				
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)			CHEN, KUAN-HUNG / CHEN, CHIEN-JUNG/ CHEN, YI-JUN	CHEN, KUAN-HUNG / CHEN, CHIEN-JUNG/ CHEN, YI-JUN
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)				
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)				
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)				
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)				
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)				
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)				
NT\$100,000,000 or more				
Total	9	9	9	9

B. Remuneration paid to general manager and vice general manager

Unit: NT\$ thousands

Unit: NT\$ thousands

Title	Name	Salaries(A)		Pension (B)		Cash incentives and special discretionary allowance etc.(C)		The amount of employee repay(D)				The sum of A, B, C and D in proportion to Earnings After Tax (%)		Remuneration received from invested companies other than subsidiaries or the parent company
		The Company	All companies included into the financial statement	The Company	All companies included into the financial statement	The Company	All companies included into the financial statement	The Company		All companies included into the financial statement		The Company	All companies included into the financial statement	
								Cash dividend	Stock dividend	Cash dividend	Stock dividend			
General Manager	LIU, HSIEN-WEN	2,514	2,514	-	-	3,000	3,000	0	0	0	0	2.50%	2.50%	None

C. Name of managers distributing remunerations to employees and the distribution of remunerations

March 31, 2025; Unit: NT\$ thousands

Title	Name	Stock dividend	Cash dividend (Note 1)	Total	Proportion to Earnings After Tax (%)
General Manger	LIU, HSIEN-WEN	0	469	469	0.21%
Electronics Cooling Division Deputy Director	SUN, XIN-CHENG				
Thermal Module Business Director	ZHANG, ZHENG-DA				
Chief financial officer /Operation Management Manager	LIANG, HSIANG-YI				

Note : Which indicates the remuneration for employee (shares and cash), distributed to managers which approved by the board of directors.

- D. The following section illustrates the ratios of remuneration paid to directors, supervisors, general managers and Deputy General Managers of the Company and the companies in the consolidated financial statements in the last two years, to net income. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance and the risk in future are also illustrated in this section.

- (a) Analysis on the ratios of remuneration paid to directors, general managers and Deputy General Managers of the Company and the companies in the consolidated financial statements to net income in the financial statements in the last two years:

Item		2024	2023
The remuneration paid to Directors (Independent Directors)	Amount (NT\$ thousands)	3,833	4,692
	In proportion to Earnings After Tax (%)	1.74%	1.61%
The remuneration paid to presidents and vice presidents	Amount (NT\$ thousands)	5,514	4,378
	In proportion to Earnings After Tax (%)	2.50%	1.50%
Total	Amount (NT\$ thousands)	9,347	9,070
	In proportion to Earnings After Tax (%)	4.24%	3.11%

- (b) The policies, standards, combinations, procedure of decision-making of remunerations and their relation to business performance and future risk.

- i. The remuneration for the Company's directors includes business execution expenses and director compensation. Business execution expenses are paid based on industry standards and the actual situation of attendance at board meetings. Director compensation is handled in accordance with Article 29-1 of the Company's Articles of Incorporation, in which no more than 5% of the annual profits may be allocated. Distribution is based on each director's level of involvement and contribution to company operations and must be approved by the Board of Directors.
- ii. The general manager's and vice general manager's remunerations are divided into salary, awards, and employee compensation; the policies are as follows:
 - Position Salary
 - A. Calculation Method: Based on professional qualifications, education and experience, and internal position/grade, calculated according to the Company's "Salary Management Guidelines."
 - B. Calculation Parameters: Position grade chart, internal salary for similar roles, and market salary benchmarks.
 - Year-end Bonus

Paid proportionally according to actual days worked, based on the "Salary Management Guidelines."
 - Employee Compensation
 - A. Calculation Method:
 - a. Article 29-1 of the Articles of Incorporation stipulates 1% to 10% of annual profits be allocated to employee compensation. The exact ratio is determined by the Board, and the payout for executives must be approved by the Compensation Committee.
 - b. Bonus amounts are determined based on the company's overall profitability, achievement of objectives, and individual contributions.
 - B. Distribution Basis:

Based on the Company's performance evaluation system. Executive evaluation includes: 50% from annual work goals (e.g., personal work performance, revenue and operating profit achievement, product yield rate, new tech development progress, ESG implementation, etc.), and 50% from competency assessment (e.g., talent development, leadership, strategic planning), with annual reviews conducted.
- iii. All remuneration matters are reviewed by the Compensation Committee and Board of Directors. The remuneration system is reviewed periodically based on the company's actual performance and relevant legal requirements to ensure a balance between sustainable operation and risk management.

(3) Implementation of Corporate Governance

A. Board of Directors

A total of 8 meetings of the Board of Directors were held in 2024. The attendance of directors was as follows:

Title	Name	Actual attendance	By proxy	Actual attendance rate (%)	Remarks
Chairman	CHEN, KUAN-HUNG	8	0	100%	Continue in office
Director	CHEN, CHIEN-JUNG	4	0	100%	Resigned upon re-election on May 31, 2024. The Board meetings required to attend during the term was 4.
Director	LI, YING-ZHEN	8	0	100%	Continue in office
Director	XIE, TENG-LONG	8	0	100%	Resigned upon re-election on May 31, 2024, and was appointed by Liyuan Investment Co., Ltd. as the representative of the corporate director.
Director	CHEN, YI-JUN	4	0	100%	Newly appointed upon re-election on May 31, 2024. The Board meetings required to attend during the term was 4.
Independent Director	CHEN, GUAN-LIANG	8	0	100%	Continue in office
Independent Director	FANG, ZHI-MIN	7	1	88%	Continue in office
Independent Director	LI, WEN-BAR	4	0	100%	Resigned upon re-election on May 31, 2024. The Board meetings required to attend during the term was 4.
Independent Director	CHIU, CHI-CHUN	4	0	100%	Newly appointed upon re-election on May 31, 2024. The Board meetings required to attend during the term was 4.

Other mentionable items:

(1) If there are circumstances as follows, the date on which the meetings, sessions, contents of motion, all independent director's opinions and the company's responses should be specified:

A. Matters specified in Article 14-3 of the Securities and Exchange Act: The Company has established an audit committee; therefore, Article 14-3 of the Securities and Exchange Act is not applicable.

For matters specified in Article 14-5 of the Securities and Exchange Act, please refer to the operation of the audit committee in this annual report.

B. Except for the above-mentioned matters, other directors' meeting resolutions opposed or reserved by independent directors with records or written statements: None.

(2) The measure for directors' withdrawal from conflict of interest:

Board of directors	Content of the motion	Directors' name	Reasons of withdrawal from conflict of interest and participation in voting
The first regular meeting in 2024. February 6, 2024	The Company's 2023 manager bonus distribution.	CHEN, KUAN-HUNG CHEN, CHIEN-JUNG	According to the Article 206 of the Company Act, except for directors who have a conflict of interest in the motion and have withdrawn according to law, the remaining present directors agreed to approve it.
The first regular meeting in 2025. January 23, 2025	The Company's 2024 manager bonus distribution.	CHEN, KUAN-HUNG CHEN, YI-JUN	According to the Article 206 of the Company Act, except for directors who have a conflict of interest in the motion and have withdrawn according to law, the remaining present directors agreed to approve it.

(3) The board of directors' evaluation:

A. The company has established "Guidelines for Evaluation of the Board's Performance", which is implemented in 2020.05.13.

B. The evaluation was completed in 2025.03.06, the result was as follow:

Evaluation cycle	Period of Evaluation	Evaluation Range	Evaluation Method	Content of evaluation
Once a year	January 1, 2024-December 31, 2024	Board of Directors	Internal evaluation by the board of	1. The degrees of participation in the company's operations; 2. Improve the quality of board's

				directors	decision-making; 3. The composition and structure of the board of directors; 4. The election and continuing education of directors; 5. Internal control.	
	Once a year	January 1, 2024-December 31, 2024	Individual members of the board	Self-evaluation by board member	1. Acknowledge the company's goals and tasks; 2. Awareness of directors' duties; 3. The degree of participation in the company's operations; 4. Internal relationship management and communication; 5. Professional and continuous education of directors; 6. Internal control.	
	Once a year	January 1, 2024-December 31, 2024	Functional committee	Self-evaluation by board member	1. Acknowledge the company's goals and tasks; 2. The degree of participation in the company's operations; 3. Internal relationship management and communication; 4. Professional and continuous education of directors; 5. Internal control.	

The evaluation method is carried out by questionnaire, including the internal self-evaluation of the board of directors and the self-evaluation of board members. The results of the 2024 annual board performance self-evaluation were reported to the board of directors on March 6, 2025. The rate of achievement of the evaluation results was over 90%.

- (4) Implementation and Assessment of measures to enhance functionality of the Board (e.g. the foundation of Audit Committee, enhancement of information transparency, etc.)
- A. The company has established audit committee to replace the system of supervisors in conducts to follow regulations in Securities and Exchange Act, Company Law, and other relevant laws.
 - B. The company has established “Management of Operation of Board Meeting” to improve professional competence of the Board, and enhance the positive effectiveness of the Board’s participation in decision making.
 - C. The company’s directors fulfill the requirement of authorities regarding minimum on-the-job training hours.
 - D. The company has designated personnel to reveal corporate information, update data on the official website, and deal with other relevant matters.

B. Audit Committee

A total of 6 meetings of Audit Committee were held in 2024. The attendance of independent directors was as follows:

Title	Name	Attendance in Person (B)	Delegated attendance	Attendance rate (%) (B/A)	Note
Independent Director	CHEN, GUAN-LIANG	6	0	100%	-
Independent Director	FANG, ZHI-MIN	5	1	83%	-
Independent Director	LI, WEN-BAR	3	0	100%	Resigned upon re-election on May 31, 2024; during the term, should have attended 3 audit committee meetings.
Independent Director	CHIU, CHI-CHUN	3	0	100%	Appointed as new member on May 31, 2024; during the term, should have attended 3 audit

					committee meetings.
<p>Other mentionable items:</p> <p>(1) If there are circumstances as follows, it should be specified: the date on which the audit committee meetings held, sessions, contents of motion, objections of independent directors', reservations or major proposals, audit committee's result and the company's responses based on the suggestion.</p> <p>A. Matters that were referred to in Article 14-5 of the Securities and Exchange Act.</p>					
Audit Committee	Contents	Matters listed in Article 14-5 of Securities and Exchange Law	Result	Treatment of the Board to the opinion of the Audit Committee:	
The 18 th meeting of the 2 nd session March 4, 2024	1. The company's 2023 annual business report and financial statement 2. The company's 2024 annual operating plans. 3. Evaluation of the Independence and Competency of CPA and Appointment Remuneration 4. The company's 2023 "Internal Control System Effectiveness Assessment" and "Internal Control System Statement" 5. The proposal of "Is it a capital loan when the account receivable and the amount other than the account receivable that have not been collected by the company within 3 months of the normal credit extension period and the amount is significant?" 6. The case of issuance of sixth domestic secured convertible bonds in 2024	V	No objection	The proposals were adopted by all attendees with unanimous consent.	
The 19 th meeting of the 2 nd session April 8, 2024	The Company plans to conduct private placement of common shares through cash capital increase	V	No objection	The proposals were adopted by all attendees with unanimous consent.	
The 20 th meeting of the 2 nd session May 8, 2024	1. 2024 Q1 Consolidated Financial Report 2. Proposal for the amendment of the Company's "Audit Committee Charter"	V	No objection	The proposals were adopted by all attendees with unanimous consent.	
The 1 st meeting of the 3 rd session August 6, 2024	1. 2024 Q2 Consolidated Financial Report 2. The case of issuance of sixth domestic secured convertible bonds in 2024 3. The Company proposes to increase its investment in YEN GIANT METAL (DONGGUAN) CO., LTD. through a third-region investment enterprise, LUCRATIVE INT'L GROUP INC	V	No objection	The proposals were adopted by all attendees with unanimous consent.	
The 2 nd meeting of the 3 rd session November 1, 2024	1. 2024 Q3 Consolidated Financial Report t 2. Proposal for additional construction funding for the Renwu Industrial Park factory project	V	No objection	The proposals were adopted by all attendees with unanimous consent.	
The 3 rd meeting of the 3 rd session December 13, 2024	1. Proposal to amend the Company's internal control system by adding a new section titled "Sustainability Information Management" and establishing the "Procedures for the Preparation and Assurance of Sustainability Reports." 2. The Company's 2025 Audit Plan. 3. The case of issuance of sixth domestic secured convertible bonds in 2024 4. Amendment to the general principles of the Company's pre-approval policy for non-assurance services. 5. The Company proposes to increase its investment in YEN GIANT METAL (DONGGUAN) CO., LTD. through a third-region investment enterprise, LUCRATIVE INT'L GROUP INC	V	No objection	The proposals were adopted by all attendees with unanimous consent.	
The 4 th meeting of the 3 rd session March 6, 2025	1. The company's 2024 annual business report and financial statement 2. Resolution from the 2024 Annual General Shareholders' Meeting approving a private placement of common shares through cash capital increase, with a proposal not to proceed with the remaining portion within the designated	V	No objection	The proposals were adopted by all attendees with unanimous consent.	

	period 3. Proposal for a new private placement of common shares through cash capital increase 4. The company's 2024 annual operating plans. 5. The company appointed KPMG Accounting Firm to handle the 2025 financial report verification visa, remuneration and independence evaluation case 6. The company's 2024 "Internal Control System Effectiveness Assessment" and "Internal Control System Statement"			
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B. Other than the above-mentioned matters, the matters which have not been adopted by the audit committee but resolved with consent of over two-thirds of all members of the board of directors: None

(2) Considering the measure for withdrawal from conflict of interest, the names of directors, contents of proposals, reasons to avoid conflict interest, and participation for voting should be specified: None.

(3) The communication between independent directors and director of internal audit as well as the CPAs (aspects such as the company's finance, significant matters, methods, and outcomes regarding business communication should be included).

A. According to the audit plan, when the audit project is completed, the audit supervisor will deliver the audit report and follow-up report to independent directors, and communicate and discuss the internal audit execution status and internal control status with the independent directors through email, telephone or meeting, and attend the audit committee and regularly of the board of directors to report the implementation of the audit. The following is the communicating matters between the Audit Committee and the Audit Supervisor in 2024 and up to the printing date of the annual report:

- (a) Before the end of each fiscal year, the audit plan for the following year will be submitted to the board of directors for resolution after the audit committee approves.
- (b) Report to the Audit Committee on the implementation of audit business quarterly.
- (c) Submit the internal audit report to the audit committee (independent director) for review from the end of the audit to the end of the following month.
- (d) The audit office and the internal unit shall self-check the inspection opinions or lack of verification, and the internal control system statement shall strengthen the management and improvement matters, continue to follow up and review, and deliver the tracking and improvement management situation to the audit committee in writing.
- (e) The company's annual internal control system effectiveness evaluation and internal control system statement are submitted to the audit committee for review.
- (f) 2024 and as of the date of publication of the annual report, the summary of previous is as follows:

Date	Meeting	Matters to be communicated	Outcome of communication
March 4, 2024	Audit Committee	1. Report on implementation of audit in October, 2023 to January, 2024. 2. Report of internal system control statement.	No objection opinion.
May 8, 2024	Audit Committee	Report on implementation of audit in February and March, 2024.	No objection opinion.
August 6, 2024	Audit Committee	Report on implementation of audit in April to June, 2024.	No objection opinion.

December 13, 2024	Audit Committee	Report on implementation of audit in July and October, 2024.	No objection opinion.
March 6, 2025	Audit Committee	1. Report on implementation of audit in November, 2024 to January, 2025. 2. Report of internal system control statement.	No objection opinion.

C. The company's CPA regularly attend audit committee meetings and report to committee the results of the financial statements and other matters required by relevant laws and regulations. If there are special circumstances, they will immediately report to the audit committee. As of the publication date of the annual report, there is no such special circumstances. The interactive status and discussion topics in 2024 are as follows:

Date	Meeting	Matters to be communicated	Outcome of communication
November 1, 2024	Audit Committee	2024 Q3 financial report review results report, 2024 annual review plan	No objection opinion.

4. Important tasks of the audit committee of the year :

- (1) The audit committee aims to assist the Board of directors in implementing procedures for accounting, auditing, and financial statement; it also deals with the quality and integrity in matters of financial control.
- (2) The major matters to be reviewed on the audit committee meeting are as below:
 - A. To review the financial statement: The Board has prepared the company's business report, financial statement, and proposal for allocation of remuneration in 2024. KPMG Taiwan was entrusted to review the financial statement of the company and compile an audit report. The above-mentioned business report, financial statement, and the proposal for allocation of remuneration have been reviewed by the audit committee, and nothing inappropriate was detected.
 - B. The audit and accounting policy and procedure.
 - C. The internal control system and relevant policies and procedures; to evaluate the effectiveness of the company's policy and procedure of internal control system (including the control measures of financing, operation, risk management, information security, observation of laws, etc.), and to review the regular report compiled by the company's audit sector, CPAs, and managerial personnel, including reports on the risk management and observation of laws.
 - D. Transaction of major assets.
 - E. Transaction of financial derivatives.
 - F. Observation of laws.
 - G. The evaluations on the CPAs' experience, independence, and performance;
 - H. The appointment, demission, or remuneration of CPAs.
 - I. Fulfillment of the duties of audit committee.

C. Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
(1) Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company observes “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” to establish practice principles of governance and publicized it on official website http://www.ystech.com.tw	None
(2) Shareholding structure & shareholders’ rights A. Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		The company has established “Rules of Procedure for Shareholders Meetings” and accordingly convenes shareholders’ meetings each year as a channel for shareholders’ committee and shareholders to communicate with each other regularly. To build an immediate and healthy communication mechanism with the investors, the company has designated a spokesperson and deputy person. It also reveals the contact information on the company’s official website and the Market Observation Post System. Shareholders can send their opinions by phone or email, and the company would deal with the case according to relevant principles.	None
B. Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		The company has designated to stock transfer agents to deal with affairs related to shareholders. It has mastered the major shareholder through name list of the stock agents and learned about the person in ultimate charge of the stocks. The company also observes the laws and reports any change in shareholding conditions of the directors, managers, and shareholders possessing 10% of the stocks.	None
C. Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		The company has stipulated the " Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises ", and related personnel are responsible	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			for the matters needing attention of related companies.	
D. Does the company establish internal rules against insiders trading with undisclosed information?	✓		The company has stipulated the "Procedures of Crucial Internal Information Control and Insider Trading Prevent ", and has disclosed at public information observatories in accordance with the regulations. It is forbidden for insiders of the company to use unpublished information in the market to buy or to sell marketable securities, or use known non-disclosed information is leaked to others to engage in insider trading; And will be disseminate internal every year.	None
(3) Composition and Responsibilities of the Board of Directors A. Does the Board draw up and implement the diversified policy and specific management target for the composition of its members?	✓		(a) The company has a “Corporate Governance Best Practice Principles” to regulate the diversity of board members. The nomination and selection of members are in accordance with the company's articles of association. The nomination system for candidates is adopted to evaluate the qualifications of each candidate's academic experience and comply with “Procedures for Election of Directors” and "Corporate Governance Best Practice Principles" to ensure the diversity and independence of board members. (b) The company has established 7 directors (including 3 independent directors). The expertise of the directors’ ranges from industrial, academic, financial, accounting, managing professions, which manifests the principle of forming a Board with diversity.	None

Evaluation Item	Implementation Status								Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons		
	Yes	No	Summary								
			Name	Gender	Management	Leadership	Industry knowledge	Financial Accounting		Law	Environmental protection
			CHEN, KUAN-HUNG	Male	✓	✓				✓	
			LI, YING-ZHEN	Male	✓	✓				✓	✓
			XIE, TENG-LONG	Male	✓	✓	✓	✓			
			CHEN, YI-JUN	Female	✓	✓				✓	
			CHIU, CHI-CHUN	Male	✓	✓				✓	
			CHEN, GUAN-LIANG	Male	✓	✓		✓			
			FANG, ZHI-MIN	Male	✓					✓	
			(c) The policy for diversity in Board of Director members is revealed in the Company’s official website and Market Observation Post System.								
(d) The company currently has 3 independent directors, with the proportion of independent directors accounting for 42.85%, none of the three independent directors has served more than three consecutive terms. In order to fulfill the goal of diversity industry knowledge of board, the target ratio of professionals in the field is above 40%. The Company values gender equality in the composition of its Board of Directors. Currently, the Board consists of 7 members, including 1 female director, accounting for 14.29% of the total. The company's 7 directors include 5 professionals in the field of industry knowledge, with a ratio of 71.42%.											
B. Does the company voluntarily establish other functional committees in addition to the	✓		(a) The company has established a remuneration committee and an audit committee in accordance with						None		

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
Remuneration Committee and the Audit Committee?			<p>relevant regulations, and operates in accordance with organizational procedures. Other functional committees such as Corporation Sustainable Development Committee was established on November 10, 2020; in order to promote and enhance the function of sustainable development and social responsibility for the company.</p> <p>(b) To strengthen corporate governance, the Company plans to establish a Nomination Committee in 2025. The main responsibilities of the committee will include selecting and reviewing suitable candidates for directors, managerial officers, and members of the board’s various committees; formulating and reviewing the structure and operations of these committees; and planning continuing education programs for directors.</p>	
C. Does the company establish a standard to measure the performance of the Board, and implement it annually?	✓		<p>The company has a "Guidelines for Evaluation of the Board’s Performance", which stipulates that the board of directors should perform an internal board performance evaluation at least once a year and an external evaluation every three years. The company has completed the 2024 internal board performance evaluation on March 6, 2025, and the 2022 external board performance evaluation on March 8, 2023.</p> <p>The board of directors will use the performance evaluation results as a reference basis for the selection or nomination of directors and individual directors' remuneration in the future to implement corporate governance and enhance the participation and communication channels of directors' operations. °</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
D. Does the company regularly evaluate the independence of Certified Public Accountants (CPAs)?	✓		In accordance with Article 29 of the Regulation of Corporate Governance Best Principles for TWSE/TPEX Listed Companies, the independence and competency of CPA are regularly assessed every year. The most recent annual assessment of the independence and competency of the appointed CPA was reviewed and approved by the Audit Committee and the Board of Directors on March 6, 2025. The Company referred to KPMG’s most recent Audit Quality Index (AQI), through 13 indicators in 5 major aspects, to confirm the performance of accountants and firms in terms of professionalism, quality control, independence, supervision and innovation capabilities, etc., in order to evaluate the independence and competency of CPA. For specific evaluation content, please refer to the following Note 1 table "Assessment Form for Independency and Competency of CPA".	None
(4) Does the listed company appoint unit or personnel to be responsible for affairs related to governance (including but not limited to providing information for business of Directors, handling affairs for Board of Directors Meeting and Shareholders’ Meeting in accordance with lawful regulations, registering and altering the Company’s information, making minutes for Board of Directors Meetings and Shareholders’ Meetings, etc.)?	✓		Approved by the board, the company has designated the chief financial officer LIANG, HSIANG-YI as director of corporate governance on November 10, 2020. Primarily in charge of the affairs related to governance. Including organizing the director’s meetings and the shareholders’ meetings, compiling minutes for the BOD meetings and shareholders’ meetings, assisting directors for taking the position and on-the-job training, offering necessary information for the directors to perform their duty, assisting the directors to follow relevant laws. The situation of implementing relevant tasks in 2024 is as below:	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons									
	Yes	No	Summary										
			<div><div><div>(a) To be the contact window between the Company and the directors.</div><div>(b) To assist the director for performing their duty. To offer information about the Company which may be required on the meeting; such as to keep smooth communication between the directors and the leaders of different departments.</div><div>(c) To offer information of on-the-job training courses and make relevant arrangement.</div><div>(d) To arrange affairs to enhance communication between the audit committee members and the CPAs as well as the audit supervisors.</div><div>(e) To draft the agenda for the meetings of the Board, inform each director about the meeting, convene the meeting and offer relevant information, send reminders about conflict interest avoidance issues, and complete the memorandum of the Board’s meeting within 20 days after the convention was over.</div><div>(f) To deal with relevant affairs of the shareholder’s meeting.</div></div><div>The status of managers’ further studies</div><table><thead><tr><th>Lesson content</th><th>Date</th><th>Lesson times</th></tr></thead><tbody><tr><td>Navigating the course of corporate intelligence, driven by strong corporate governance.</td><td>April 12, 2024</td><td>3 hours</td></tr><tr><td>Corporate Governance Forum</td><td>April 17, 2024</td><td>3 hours</td></tr></tbody></table></div>	Lesson content	Date	Lesson times	Navigating the course of corporate intelligence, driven by strong corporate governance.	April 12, 2024	3 hours	Corporate Governance Forum	April 17, 2024	3 hours	
Lesson content	Date	Lesson times											
Navigating the course of corporate intelligence, driven by strong corporate governance.	April 12, 2024	3 hours											
Corporate Governance Forum	April 17, 2024	3 hours											

Evaluation Item	Implementation Status					Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary			
			2024 Cathay Sustainable Finance and Climate Change Summit	July 3, 2024	6 hours	
(5) Does the company establish a communication channel with its stakeholders (including but not limited to shareholders, employees, clients, and suppliers) and build a designated section on its website for stakeholders, as well as handle all issues they care for in terms of corporate social responsibilities?	✓		(a) The company values its stakeholders (including the shareholders, clients, employees, suppliers, etc.). It has proper communication with the stakeholders, and the “designated section for stakeholders” is established on the official website to publicize all the communication channels for the stakeholders. (b) The company convenes various meetings for encouraging employees to communicate with the managerial level. Also, the Human Resource section of the company’s website has a designated mailbox for employees and a channel for whistle blowers so that the employees can express their opinions and offer suggestions as well as stay connected with the employer. (c) The company holds investor conference to provide shareholders a communication channel and respond to issues of concern. (d) The company regularly reports to the board of directors on communicated with various stakeholders.			None
(6) Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The company has entrusted the stock agent department of Grand Fortune Securities Co., Ltd to deal with affairs related to the shareholders’ meetings and the shares.			None
(7) Information disclosure A. Does the company have a corporate website to disclose both financial standings and the status of corporate	✓		The company has a designated section for investors on its official website. Shareholders and investors can access information related to the company’s financial business and corporate governance.			None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
governance?			(http://www.ystech.com.tw)	
B. Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		(a) Company provide website with Chinese, English and Japanese versions for users. (b) The company has appointed commissioner to be responsible for the information collection and disclosure and established a spokesperson system. Implemented the spokesperson system in accordance with the regulations and placed the investor conference briefing report on the company's website.	None
C. Does the company complete and publicize the annual financial statement within 2 months after the fiscal year ends, then publicize and register the financial statements of the first, second, and third quarters as well as the operation report of each month?	✓		The company reported the financial statement of each quarter as well as the operation situations of each month have been submitted to regulatory authorities.	None
(8) Is there any other information to facilitate a better understanding of the company’s corporate governance practices (e.g. including but not limited to employee rights employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies,	✓		(a) Employee Rights and Employee Care: The company always attached great importance to the working environment and rights of employees. Not only establishing employee welfare committee to fully promote and implement various employee welfare matters, it also organizes education and training actively to enable employees to grow together with the company. And according to law, allocating pensions allows employees to work with peaceful mind while on duty and ensure their life after retirement.	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
and purchasing insurance for directors and supervisors)			<p>(b) Investor relation: The company has designated spokesperson to reveal its operation conditions to investors. It also follows relevant laws and publicizes significant information of financing, business, changes in shareholding conditions of the staff on “Market Observation Post System.” There is also a designated section on the Company’s official website to reveal information about the Company’s finance and corporate governance to investors.</p> <p>(c) Relationship with supplier : The company understands the development of the industry that cooperate and work hard with all suppliers is necessary Therefore, the company adheres to the principle of mutual benefit in order to create industrial development, enhance self-competitiveness and the maximum profit of shareholders. °</p> <p>(d) Stakeholders’ right: the company offers multiple channels for the stakeholders to communicate with or offer advice to the company, which can protect the legal rights of both parties.</p> <p>(e) On-the-job training of the directors: the directors are all equipped with professional competence, and they attend seminars about security regulations according to relevant laws and obtained a certificate of completion.</p> <p>(f) Implementation of the risk management policies and risk estimation criterion: the company follows the analysis of authorized sections and resolutions of the Board while dealing with major issues such as</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>significant operational policies, investment projects, endorsement and loans.</p> <p>(g) Implementation of client policies: The company follows terms in the contract with its clients and relevant regulations to assure clients’ rights and offer quality service; Set up relevant policy to handling customer complaints, in order to protect consumers.</p> <p>(h) Liability insurance for the directors: the company has purchased liability insurance for directors and managers. The company’s “liability insurance for directors” has been revealed on the Market Observation Post System according to relevant laws.</p> <p>(i) Current directors and general managers of the company are the important decision-making and management talents of the company. The company has drawn up an appropriate succession plan. After long-term work rotation training, Mr. LIU, HSIEN-WEN the general manager of Electronics Cooling Division was promoted as Company general manager on June 1, 2020.</p>	
<p>(9) Please offer illustrations improvement on the aspects pointed out by the evaluation of governance by Taiwan Stock Exchange TWSE and explanation for matters and measures as prioritized items to improve. :</p> <p>A. In the 11th Corporate Governance Evaluation in 2024, the company’s improvement is excerpted as follows:</p> <p>a. The board of directors was fully re-elected upon term expiration, and 1 female director was elected.</p> <p>b. The Company completed the preparation of the sustainability report, which was approved by the board of directors and subsequently published.</p> <p>B. Prioritize improvement and measures for unscored indicators as follows:</p> <p>a. Plans to publish an English version of the sustainability report and obtain third-party assurance in the future.</p>				

Note 1: "Assessment Form for Independency and Competency of CPA"

Item	I. Review of Criteria for independence	Yes	No
01	The CPA or the spouse / minors of the CPA is not an investor and is not a stakeholder of the company.	✓	
02	The CPA of the spouse / minors of the CPA does not loan from the company. (Not applicable when the entrusting party is in normal affiliation with the company.	✓	
03	The CPA agency does not offer the report for service of assuring effective operation in the financing system it designs or assists in implementation.	✓	
04	The CPA or the audit team members do not serve as the Company's directors, managers, or take other positions that have major impact on the audit cases.	✓	
05	The service offered to the Company, which are not related to auditing matters, does not directly influence the important items of the audit cases.	✓	
06	The CPA or the audit team members are not involved in promotion or transaction of the Company's shares or other forms of securities.	✓	
07	The CPA or the audit team members only deals with affairs according to relevant legal regulations and not involved in the defensive matters for legal cases or other controversies between the Company and the third parties.	✓	
08	The CPA or audit team members are not the spouse, direct blood relatives, direct relative in-laws, or of kinship within the second degree with the Company's directors, managers, or persons of other positions that have significant impact on the audit cases.	✓	
09	The associate CPA who resigns from the position within one year do not serve as the Company's directors, managers, or take other positions that have significant influence on the audit case.	✓	
10	The CPA or audit team members do not take gifts or receive favors with great values from the Company's directors, managers, or major shareholders.	✓	
11	The CPA is not a regular employee of the current consignee, receive remuneration regularly, or take the position of a director or a supervisor.	✓	
12	Before the company's IPO: The CPA has not offered auditing service to the Company for 7 consecutive years. After the Company's IPO: The CPA has not offered auditing service to the Company for 10 consecutive years.	✓	
Item	II. Review for Independent Operation		
01	Does the CPA avoid undertaking a case that is directly or significantly related to his/her own interests, which would influence the fairness and independence?	✓	
02	Does the CPA remain formally and substantially independent when reviewing, censoring, or conducting professional inspections on the financial report, and when compiling opinion letters?	✓	
03	Do the audit team members, other associate CPAs, or corporate shareholders of the CPA agency, the CPA agency, its affiliates, and its alliance remain independent from the company?	✓	
04	Does the CPA offer professional service with meticulousness and integrity?	✓	
05	Does the CPA remain objective and disinterested when offering professional service; avoid being biased or having the professional decisions influenced by conflict of interests?	✓	
06	Does the CPA refrain from being biased or lack of independence, which may influence their integrity or objectiveness?	✓	
Item	III. Review for competency of Certified Public Accountant		
01	The accountant has no disciplinary record for the accountant disciplinary committee in the past two years. This accounting firm has not involved litigation in the last two years.	✓	
02	Does the accounting firm have sufficient scale, resources and regional coverage in handling company audit services?	✓	
03	Does the accounting firm have clear quality control procedures? Does the coverage include the level and main point of the verification procedure, the way to deal with audit issues and judgments, independent quality control inspection and risk management?	✓	
04	Has the accounting firm notified the audit committee of any significant issues and developments in terms of risk management, corporate governance, financial accounting, and related risk control?	✓	

D. Establishment, functions, and operations of Remuneration Committee of the Company

(a) Information regarding Remuneration Committee members

March 31, 2025

Position	Criteria	Professional qualifications and Experience	Status of independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
	Name			
Independent director	FANG, ZHI-MIN	The Company's Remuneration Committee members is formed by 3 Independent directors. For Directors's Professional qualifications and Experience, please refers to page 9	All independent directors meet the following conditions: <ul style="list-style-type: none"> Comply with the relevant provisions of Article 14-6 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission and "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange " (Note) The person(or in the name of others), spouse and minor children do not hold any shares of the company None amount of remuneration received from providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years 	3
Independent director	CHEN, GUAN-LIANG			0
Independent director	CHIU, CHI-CHUN			0

Note: Respective Please tick the corresponding boxes that apply to a member during the two years prior to being elected or during the term(s) of office.

- (1) An employee of the company or any of its affiliates.
- (2) A director or supervisor of the company or any of its affiliates.
- (3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under any other's name, in an aggregate amount of 1 percent or more of the total number of issued shares of the company or ranking in the top 10 in shareholding.
- (4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
- (5) A director, supervisor, or employee of a corporate shareholder that directly holds 5 percent or more of the total number of issued shares of the company, or that ranks in the top 5 in shareholding, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
- (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
- (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
- (8) A director, supervisor, managerial officer, or shareholder holding 5 percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
- (9) A professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided that this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations or an employee of the Company or any of its affiliates.

(b) Information about operation of Remuneration Committee

(i) There are 3 members in the Remuneration Committee of the Company.

(ii) Term of the session of remuneration committee members: from May 31, 2024 to May 30, 2027, a total of 3 (A) Remuneration Committee meetings. The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in person (B)	Delegated attendance	Attendance Rate (%) (B/A)	Remarks
Convener	LI, WEN-BAR	3	0	100%	May 31, 2024: Term expired and dismissed
Convener	CHIU, CHI-CHUN	0	0	100%	May 31, 2024: Newly appointed, with 0 meetings required to attend during tenure
Member	FANG, ZHI-MIN	3	0	100%	Reappointed
Member	CHEN, GUAN-LIANG	3	0	100%	Reappointed

Other mentionable items:

(1) The situation where the board of directors declines to adopt or modifies a recommendation of the remuneration committee: None.

(2) Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

(3) As of the date of publication of the annual report, the contents of proposal are as follows:

Remuneration Committee	Content of motion and follow up treatment	Resolution	The company's responses to the opinion of remuneration committee
The 1st meeting, February 6, 2024	The Company's 2023 year-end bonus payment case	The proposals were unanimously adopted by all committee members.	The proposal was unanimously adopted by all attendees at the Board of Directors meeting.
The 2nd meeting, March 4, 2024	The 2023 distribution of remuneration for employees and the board is submitted for approval	The proposals were unanimously adopted by all committee members.	The proposal was unanimously adopted by all attendees at the Board of Directors meeting.
The 3rd meeting, April 8, 2024	The 2023 distribution of remuneration for employees and the board is submitted for approval	The proposals were unanimously adopted by all committee members.	The proposal was unanimously adopted by all attendees at the Board of Directors meeting.
The 1st meeting, January 23, 2025	The Company's 2024 year-end bonus payment case	The proposals were unanimously adopted by all committee members.	The proposal was unanimously adopted by all attendees at the Board of Directors meeting.
The 2nd meeting, March 6, 2025	The 2024 distribution of remuneration for employees and the board is submitted for approval	The proposals were unanimously adopted by all committee members.	The proposal was unanimously adopted by all attendees at the Board of Directors meeting.

E. Fulfillment status of corporate social responsibility and sustainable development :

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility & sustainable development for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
(1) Does the company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit for sustainable development, which is senior management that authorized by the board of directors to handle, and supervises the situation?	✓		<p>In order to actively promote and strengthen the corporate governance function related to sustainable operation and corporate social responsibility, the board of directors of the company set up a corporate sustainable development committee in November 2020, with the honorary chairman as the chairman, aiming at the company's relevant sustainable issues strategies and goals. Formulate medium and long-term sustainable development plans and provide ESG promotion consultation.</p> <p>The company has set up a part-time unit to promote sustainable development as the Operation Management Office, which is responsible for the formulation and implementation of corporate sustainable development policies, systems or related management guidelines and specific promotion plans, and regularly reports to the board of directors at least once a year.</p> <p>Implement status of 2024:</p> <p>1. The operation sites in Taiwan and China have completed ISO 14064-1 verification. Currently, the Kaohsiung Plant, Guantian Plant, Darson Plant, Tagang Plant, and Jiaoshe Plant have obtained verification statements certified by third parties.</p> <p>2. Social charity sponsorship: Community care: The Company builds a canteen for the elderly to sponsor the Guantian Community Development Association in Guantian District, Tainan, directly taking care of the elderly.</p>	None

		<p>Vulnerable care: Purchasing sheltered workshop products and giving them to customers from time to time, provide employment to epilepsy patients to solve their employment difficulties. Regularly donated household appliances to the Genesis Social Welfare Foundation and the Eden Social Welfare Foundation.</p> <p>Charity sponsorship: Donate various disaster response equipment to firefighters of the Fire Bureau, Kaohsiung City Government to strengthen the protection of firefighters and improve the rescue efficiency in emergency situations.</p> <p>3. Reported to the Board of Directors on December 13, 2024.</p>							
(2) Does the company follow the significance principle, conduce risk evaluation related to environmental, social, and corporate governance issues, and figure out relevant risk management policies or strategies?	✓	<p>This disclosure covers the company's sustainable development performance at its main bases from January 2024 to December 2024. The risk assessment boundary is mainly based on the company's operating scope in Taiwan and China, including the Kaohsiung Plant, Guantian Plant, Darson Plant, Tagang Plant, and Jiaoshe Plant.</p> <p>The structure of the company’s risk management units includes the board of directors, general managers, internal audit and other supervisory departments. The company evaluates the risks annually, make risk management plans, and keep the operational risks under control to prevent potential losses.</p> <p>The company follows the CSR Materiality Principle, conduct risk evaluation of relevant issues, and figure out relevant policies or strategies as below:</p> <table><tr><th>Major issues</th><th>Risk Evaluation Item</th><th>Risk management or strategies</th></tr><tr><td>Environmental issues</td><td>Environmental Protection</td><td>(i) The company's environmental management system not only complies with the environmental protection regulations of the competent authorities but has also passed the ISO14001 environmental management system certification. (ii) The company makes energy saving and carbon emission reduction plans every year</td></tr></table>	Major issues	Risk Evaluation Item	Risk management or strategies	Environmental issues	Environmental Protection	(i) The company's environmental management system not only complies with the environmental protection regulations of the competent authorities but has also passed the ISO14001 environmental management system certification. (ii) The company makes energy saving and carbon emission reduction plans every year	None
Major issues	Risk Evaluation Item	Risk management or strategies							
Environmental issues	Environmental Protection	(i) The company's environmental management system not only complies with the environmental protection regulations of the competent authorities but has also passed the ISO14001 environmental management system certification. (ii) The company makes energy saving and carbon emission reduction plans every year							

					and regularly review the implementation condition of each sub- project in the plan.	
			Social issues	Secured and healthy workplace	(i) In terms of occupational safety and health system, our company has passed the ISO 45001 certification (ii) The company takes security measures in each aspect and strictly requires all employees to follow the rules to prevent any possible workplace damages. (iii) Inspections for securities is regularly conducted in all of the office, and the company periodically conducts drills emergency evacuation during a fire, an earthquake, or leak of toxic chemicals. (iv) Regularly health check for employees.	
			Corporate governance	Observing laws	(i) The company has comprehensible internal control system to ensure that each task of the company is conducted according to relevant laws. (ii) Strengthening the functions of the board of directors, implementing director responsibilities, and providing directors with the latest legal and regulatory developments and policies through training planning. (iii) Analyzing important stakeholders and their concerns, establishing various communication channels, and actively communicating to reduce confrontation and misunderstanding.	
(3) Environmental Issues A. Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		1. The company follows the environmental protection regulations of the authorities to establish environmental management system. In addition, it is certified by the ISO 14001 environment management system. The Contract shall become effective as of March 31, 2023 and remain valid until March 30, 2026. The environmental protection regulations as follow: Save waste and cherish resources Prevent pollution and care for the environment Compliance with regulations and continuous improvement			None

			<p>Full participation, sustainable operation.</p> <p>2. The Company has been conducting greenhouse gas inspections in accordance with ISO14064-1 specifications since 2021 years, and will by plant promote ISO14064-1 greenhouse gas inspections and third-party verification in the future; so far, the Kaohsiung Plant, Guantian Plant, Darson Plant, Tagang Plant, and Jiaoshe Plant have obtained verification statements certified by third parties.</p>	
<p>B. Does the company devote itself in improving the efficiency of each resource and use renewable ingredients to minimize the impact on the environment?</p>	✓		<p>1. The company publicizes that turning off the non-necessary power to reduce the power consumption, and promote the paperless operation process, by adding an authority card system on photocopying machines to control paper consumption. In addition, Seasonal air conditioning restrictions and other measures are also been adopted, in order to reduce the impact on the environment.</p> <p>2. The company has set up solar power generation facilities to increase the proportion of renewable energy applications within the company.</p> <p>3. The company's production process is mostly assembly, which is less likely to produce pollution and waste that will cause environmental load.</p>	None

C. Does the company evaluate the present and future potential risks and chances at that climate change brought on the company and take measures accordingly?	✓		The company shows care about climate changes and pays attention to changes in the domestic and foreign laws. Meanwhile, it refers to the structure of Task Force on Climate-related Financial Disclosures (TCFD), which was publicized by Financial Stability Board (FSB), to make plans in response to the risk of climate change as below:			None
			Climate Change Risks	Potential Impact on Finance	Responsive planning	
			Limit in total amount of greenhouse gas emissions, taxation of carbon emissions, energy taxes	Increase in the operating cost, limited the capacity expansion	Investigate the current status of greenhouse gas emissions. Formulate annual energy conservation management goals.	
			Unstable water and electricity supply	Increase in the operating cost, occur impact in production	Reduce cost on water and electricity expense	
			More electricity would be consumed due to temperature rising	Increase in the operating cost and carbon emissions	Promoting low carbon manufacture, reduce usage of electricity and cost	
			The disrupted supply chain that impacts the production procedure	Decrease in the operating revenue	Established the mechanism for alternative suppliers	
			Natural disasters could result in damage of the factory area	Increase in the operating cost	The company establishes response mechanisms for torrential rains, earthquakes, and other disasters; it also organizes drills for emergency response regularly	

D. Does the company record the mass of greenhouse gas emission, water consumption amount, and total weight of its waste over the past two years and formulate policies to reduce carbon emission, reduce greenhouse mission, conserve water, and manage other waste items?	✓		(a) The greenhouse emission (CO2) amounted to approximately 3,725.2984 tons and 4,241.2384 tons in 2023 and 2024 respectively, which is illustrated as below:						None
			Year		2023		2024		
			Category	Source	Carbon dioxide equivalent (tons of CO2e/ year)	Percentage (%)	Carbon dioxide equivalent (tons of CO2e/ year)	Percentage (%)	
			Scope1 (Tons/ CO2e) Direct Emissions	Official car, Fire facilities	121.9536	3.27%	157.9918	3.72%	
			Scope2 (Tons/ CO2e) Indirect emissions	Electricity	2,113.2566	56.73%	2,373.1856	55.96%	
			Scope3 (Tons/ CO2e) Other indirect emission sources:	Emissions originating from sources owned or controlled by other companies	1,490.0882	40.00%	1,710.0610	40.32%	
			Total carbon dioxide equivalent (Tons/ CO2e)		3,725.2984	100.00%	4,241.2384	100.00%	
(b) The company’s water consumption over the past 2 years:									
Year		2023		2024					
Consumption of tap water		36,999.21 tons		35,500.86 tons					

		<p>(c) The total weight of the company’s waste over the past two years:</p> <table><tr><td></td><td>2023</td><td>2024</td></tr><tr><td>Hazardous Industrial Waste</td><td>10.92 tons</td><td>15.01 tons</td></tr><tr><td>Industrial Waste</td><td>149.00 tons</td><td>165.45 tons</td></tr></table> <p>Note: The company’s greenhouse emission, water consumption, and total waste weight generation for the years 2024 and 2023 encompass data from the Kaohsiung Plant, Guantian Plant, Darson Plant, Tagang Plant, and Jiaoshe Plant.</p> <p>(d) The company has established goals for reduction of carbon emissions as below :</p> <p>(i) Monthly average water consumption ≤ 1.26 degrees/person</p> <p>(ii) Monthly average power consumption ≤ 0.28 degrees/PCS</p> <p>(e) Specific achievements:</p> <p>(i) Regularly track the amount of paper used in the factory, and promote the paperless process and set permissions to photocopying machine to control the amount of paper used, so as to achieve a 20% reduction in paper consumption every year.</p> <p>(ii) The minimum limit for summer air-conditioning is 27 degrees.</p> <p>(iii) Promote employees to turn off lights and save water to achieve energy saving and carbon reduction.</p> <p>(iv) The company’s total annual greenhouse gas emissions in 2024 increased by 13.85% compared to 2023, primarily due to continued revenue growth and the resulting increase in production volume.</p>		2023	2024	Hazardous Industrial Waste	10.92 tons	15.01 tons	Industrial Waste	149.00 tons	165.45 tons	
	2023	2024										
Hazardous Industrial Waste	10.92 tons	15.01 tons										
Industrial Waste	149.00 tons	165.45 tons										

<p>(4) Social Issues</p> <p>A. Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	<p>✓</p>	<p>In order to protect the legitimate rights and interests of employees and the non-discriminatory treatment of employment policies, the company has complied with labor-related regulations and respected and supported internationally recognized human rights norms and principles, including the "United Nations Universal Declaration of Human Rights" and the "Declaration of Basic Principles and Rights at Work" of the International Labor Organization. To prevent any violation and violation of human rights, the company's labor policy is formulated as follows:</p> <p>Protection principle:</p> <ul style="list-style-type: none"> •Do not use forced, debt bondage, bond or involuntary Internationally recognized basic labor human rights •Do not use child labor •Working and rest time comply with labor laws •Salaries and benefits paid to employees comply with all applicable laws <p>Respect principle:</p> <ul style="list-style-type: none"> •Treat and respect each employee fairly and do not treat employees inhumanely, such as brutality, insult, abuse, etc. •Provide equal job opportunities to job applicants and every employee, without discriminating employees on the basis of race, color, age, gender, sexual orientation, race, disability, pregnancy, belief, political affiliation, club membership or marital status, etc. <p>Remedy principle:</p> <ul style="list-style-type: none"> •Respect the rights of employees to freedom of association granted by law, and protect employees from being able to communicate openly with management regarding working conditions without fear of retaliation, threats or harassment. •Executed "Directions for Prevention and Management of Unlawful Infringement in the Performance of Duties" in accordance with ISO 45001. •Organize workplace illegal abuse education and training, assist colleagues to ensure workplace free from illegal abuse, and advocate that employees who witness and hear workplace illegal abuse should immediately notify the 	<p>None</p>
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			<p>company's occupational safety department or call the employee complaint hotline.</p> <p>Management principle:</p> <ul style="list-style-type: none"> •Regularly hold seminars and establish a complaint mechanism. If human rights violations occur, immediate remedial and improvement measures will be taken. •Regularly hold self-assessments by supervisors and employees and report the results to senior supervisors, and disclose them to the public at the same time. •In 2024, The Company did not have any complaints about forced labor, employee rights violations or human rights violations. 	
<p>B. Does the company establish and implement reasonable employee compensation policies (including the remuneration, leave policies, and other welfares) and offer incentives according to operational performance or outcome?</p>	✓		<p>The company stipulates various employee welfare measures according to law (including different bonuses, birthday gifts, special leave, parental leave, etc.), and the company has also established an employee welfare committee to handle employee travel, group health activities, and regularly health checks. For detailed of welfare policy description, please refer to page 86.</p> <p>The annual earning distribution is determined by the management based on the operating results include individual employees' work responsibilities, contributions and performance evaluation result; and bonus in due course to encourage employees.</p>	None

<p>C. Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?</p>	<p>✓</p>	<p>(a) In terms of occupational safety and health system, the company has passed the verification of the following standards:</p> <ul style="list-style-type: none"> — OHSAS 18001 — ISO 45001 <p>(b) The company provides employees with a comfortable, safe and healthy working environment; including the implementation of access control measures, safety measurement of the operating environment, regular labor safety education and training, full indoor smoking ban, establishment of employee lounges, and free laundry for workers etc.</p> <p>(c) For employee health, the company regularly organizes employee health checkups. In order to promote the labor health service system and protect workers' safety and health, in accordance with the "Labor Health Protection Rules", hiring professional specialist doctor and nursing staff to serve in the factory area to conduct employee health consultations , Health care, analysis of special hazard operations, evaluation and consultation of health inspection projects and other health management and health promotion work.</p> <p>(d) The company's security measures in the office are detailed as follows:</p> <ul style="list-style-type: none"> • Every three months for the detection of E. coli in drinking water. • Regular inspection of fire facility and equipment every month (fire extinguishers, emergency lights, fire detectors, fire alarm voice broadcast systems, etc.). • Regularly entrust qualified inspection agencies to conduct operating environment measurement every six months (chemicals, noise, carbon dioxide, illumination, etc.). • Regularly handle emergency evacuation drills every six months. • Carry out disinfection of vector mosquitoes throughout the plant regularly every six months. • Regularly inspect and report on the safety of building fire facilities and equipment every year. • Control high-risk areas such as electrical equipment rooms to prevent non-related personnel from entering. 	<p>None</p>
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			(e) The Company's fire and occupational disaster situations in 2024 are as follows: <table><tr><td>2024</td><td>Fire</td><td>Occupational disaster</td></tr><tr><td>Occurrences</td><td>0</td><td>0</td></tr><tr><td>Casualties</td><td>0</td><td>0</td></tr><tr><td>Ratio of casualties to employee number</td><td>Not applicable</td><td>Not applicable</td></tr></table>	2024	Fire	Occupational disaster	Occurrences	0	0	Casualties	0	0	Ratio of casualties to employee number	Not applicable	Not applicable	
2024	Fire	Occupational disaster														
Occurrences	0	0														
Casualties	0	0														
Ratio of casualties to employee number	Not applicable	Not applicable														
D. Does the company provide its employees with career development and training sessions?	✓		The company conducts various OJT and OFF-JT education and training in accordance with the needs of various departments and functions. By participates in the enterprise human resources improvement plan held by the Workforce Development Agency, to continuously improve the professionalism of employees.	None												
E. Regarding issues such as customer health and safety, customer privacy, marketing and labelling of products and services, does the company follow relevant regulations and international standards, and formulate relevant consumer protection policies and complaint procedures?	✓		The company has passed ISO 9001, ISO 14001 and TS16949 quality certification, and in line with the "customer first" quality policy, committed to producing products that meet customer needs, and at the same time formulate procedures to handle customer complaints. The company has dedicated person and e-mail mailbox to handle with issues related to the company's consumer complaints, fairly and immediately. In addition, the company's marketing and labeling of products and services comply with relevant laws and international standards.	None												
F. Does the company refer to the internationally accepted reporting standards or guidelines to prepare reports that disclose non-financial information of the	✓		The company follows the ISO9001 management system and must conduct supplier evaluations before and after dealing with suppliers. It annually selects excellent manufacturers and lists those need to be improved as the basis for the next transaction evaluation; By communicate issues on environmental protection, safety and health issues with encourage them to improve environmental protection, safety and health performance to	None												

company, such as sustainability reports? Has the previous disclosure report obtained the assurance or opinion of the third-party verification unit?			implement the implementation of corporate social responsibility.	
(5) Does the company compile ESG report to reveal the non-financial information following the guidelines for internally-accepted report format? Is the above-mentioned report assured or certified by a third-party inspector?	✓		The Company issued the 2023 ESG report which is compiled in the format of the GRI Standards publicized by the Global Reporting Initiative, and has not yet obtained external certification. In the future, the Corporate Sustainability report will be assessed in a timely manner to obtain the assurance or assurance opinion of a third-party verification unit.	None
<p>(6) Corporate Governance Implementation Status Deviations from “the Corporate Governance Sustainable Development Practice Principles for TWSE/TPEX Listed Companies”, and the reasons as following:</p> <p>The company has established the “Corporate social responsibility principals.” The Company takes CSR issues into consideration when designing the corporate system or planning for the operational strategies. It has devoted positive devotions in implement proper measures in terms of corporate governance, sustainable development, social welfare, and revelation of the Company’s corporate social responsibility. The company also incorporate positive and humane perspectives into the corporate culture. Therefore, there is no significant deviation from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”</p>				
<p>(7) Other important information to facilitate a better understanding of the company’s sustainable development practice:</p> <p>(a) The company fully accordance with laws and regulations on environmental protection; detailed information on environmental protection expenditure on page 86.</p> <p>(b) The waste generated in the manufacturing procedure is transported and treated by qualified institutes according to the environmental protection regulations</p> <p>(c) The Company is certified by the ISO14001 environment management system, and it adopts comprehensive operational mechanism regarding the industrial impact on the environment as well as sorting, managing, and reusing the industrial waste.</p> <p>(d) The Company has adopted the government electronic document exchange system to save time on transmitting messages, reduce paperwork, and eliminate postage expenses. The white side of the abandoned document is reused to reduce the consumption of paper.</p> <p>(e) The Company has control over temperature to make effective energy to reduce carbon emission.</p> <p>(f) The company has established the Committee of Employee’s Welfare to organize various events, such as employee travel and other employee welfare activities. The company signed contracts with chartered stores and organizes club activities such as badminton club to enhance the</p>				

life-work balance of the employees.

- (g) Human right: The Company respects human rights of all colleagues. It offers fair and suitable job opportunities for all job applicants and employees regardless of their ethnicity, religious beliefs, political parties, gender, marital status, physical challenges, and other factors that is regulated to be non-discriminatory factors in relevant laws. The principle is applicable to recruitment, appointment, training, promotion, remuneration, and welfare of the employees.
- (h) Purchasing sheltered workshop products and giving them to customers from time to time, provide employment to epilepsy patients to solve their employment difficulties.
- (i) The company participates the garden party which held by the Genesis Social Welfare Foundation. Electrical products were present by the company to the association, and assists disadvantaged groups in raising funds.
- (j) The company builds a canteen for the elderly to sponsor the Guantian Community Development Association in Guantian District, Tainan, directly taking care of the elderly and supporting local agricultural products indirectly.
- (k) Donate various disaster response equipment annually, to firefighters of the Fire Bureau, Kaohsiung City Government to strengthen the protection of firefighters and improve the rescue efficiency in emergency situations.
- (l) The company collaborate with the university and recruit students to participate company's operation with total 122 people.
- (m) The declaration to Market Observation Post System will be assigned to whom should be responsible for collection and disclosure of company information; to ensure information that may affect the decisions of shareholders and stakeholders can be promptly disclosed.

F. Ethical Corporate Management Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
(1) Establishment of ethical corporate management policies and programs A. Does the company declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?	✓		The Company has established “Ethical Corporate Management Best Practice Principles” and revealed on the company’s website. It has also established the protocols for internal operation and internal control system. The inspections on various tasks are conducted periodically and such conditions have been reported to the Board of Directors’ meeting. The above-mentioned practice is taken as the reference for ethical operation, which manifests the commitment of the Board as well as the managerial staff to realize ethical business operation.	None
B. Does the company establish appropriate system to analyze risks of unethical conducts, periodically analyze and evaluate business activities with high potential for unethical conducts and establish prevent measures accordingly, or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has stipulated prevent measures in various internal control regulations against the unethical and risky business activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.	None
C. Does the Company establish and implement the operational procedures, conduct guidelines, penalty for violation of rules, and complaint mechanism to prevent unethical behaviors and regularly review and amend the existing practice?	✓		The company has distributed the card of corporate policies to the employees, and the following ethical policies have been specified: • All business dealings should be performed transparently and honestly. • Any conflict-of-interest activities should be strictly forbidden.	None

			<ul style="list-style-type: none"> • Obtaining or giving improper gift or advantage should be avoided. • Any bribery, corruption, extortion and embezzlement should be strictly prohibited. • The publicly-disclosed information should be honest and intact. • Any personal privacy and business information from customers or suppliers should be well protected. • Maintain the confidentiality of company sensitive information and data. • Respect the intellectual property rights. • Zero tolerance to retaliation. • Enhance our ethical quality. • Comply with applicable local laws, regulations, international standards and customer requirements. <p>Any case of violating the legal regulations or the guidelines and protocols should be reported through the established channel, and penalty would be imposed on the violators accordingly.</p>	
(2) Fulfill operations integrity policy				
A. Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		The company conducts credit investigations before dealing with important customers and first-time purchasers to avoid transactions with those who have a record of dishonesty. And step by step to promote the contract with the counterparty of the transaction and specify the terms of good faith.	None
B. Does the company establish an exclusively dedicated unit supervised by the Board to be in charge of corporate integrity, and periodically (at least once a year) report to the Board about its integral policy for management, the policy to prevent unethical conducts, and how the implementation is being supervised?	✓		<p>The Department of Operation Management is concurrently in charge of promotion of corporate ethical operation affairs. Report of implementing corporate ethical operation is made to the Board of Directors, which mainly covers the following content in 2024:</p> <p>1. On December 10, 2024, invited the Ministry of Justice Investigation Bureau to conduct education training of Trade Secrets Act.</p> <p>2. Establishment of whistle-blowing system: The Company has established opinion boxes, a designated phone line, and a special email box (publicized on the Company's official website) for receiving complaints have been established; the reporter and the content of the complaint would not be revealed.</p>	None

		<p>3. Effective operation of the preventive measures to ensure ethical operation. A section of the Company's official website is designated for stakeholders including the employees, shareholders, and other stakeholders as a communication channel regarding illegal and unethical conducts.</p> <p>4. Establish trade secret marking/storage/transmission mechanism and establish trade secret management related policies.</p> <p>5. Implement the effective operation of the preventive measures established by the business secret protection institution.</p> <p>6. No case of violating ethical operation principles have been detected in 2024, and no internal / external report letter or legal cases have been received.</p> <p>7. Reported to the board of directors on December 13, 2024.</p>	
C. Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓	<p>The company has established "Management of Operation of Board Meeting" which specify the principles for directors to avoid conflict of interest. The directors can state opinions and make responses to questions about motions on the BOD meeting, but they should refrain from any discussion about affairs related to interest of the person or the corporate shareholder represented by the director. Neither could a director vote on behalf of other directors for any of such issues.</p>	None
D. Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?	✓	<p>The Company has established and implemented the accounting and internal control system. The internal audit staff would review the risk evaluation result annually, strengthen the preventive measure accordingly, review whether the audit system is appropriately followed regularly, and report such conditions to the audit committee and the Board periodically. The Company also reviewed and amended the system as well as relevant practice to ensure proper corporate governance and internal risk control. Such conditions would be referred to when evaluating the effectiveness of internal control system and compiling statement for implementation of internal control system.</p>	None

E. Does the company regularly hold internal and external educational trainings on operational integrity?	✓		The Company regularly held educational trainings. In 2024, a total of 40 persons, 80 hours of educational training, organized inside and outside the Company (including the training sessions regarding conducts to follow the ethical management regulations, Briefing of Ministry of Justice Investigation Bureau, and other courses related to accounting and internal control system), have been taken by the employees of the Company.	None
(3) Operation of the integrity channel A. Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		The Company has established the report channel and reveals in its ethical corporate management best practice principles as well as the employee code of conduct that any case that is reported to violate the above-mentioned principles will be investigated. The accused individual is allowed to appeal, while the convicted individual will receive penalty according to the above-mentioned principles.	None
B. Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	✓		The Company has established a system to receive report about violations, to record the investigation process, and retain such records. The reporters' identity and the content will be kept secret. Necessary follow-up procedures will be taken according to the seriousness of the case. Major cases will be reported to the authorities or be reported to the judiciary system.	None
C. Does the company provide proper whistleblower protection?	✓		The company has stated the measures to protect reporters of inappropriate conducts from mistreatment.	None
(4) Strengthening information disclosure A. Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	✓		The Company has established the ethical corporate management best practice principles, and such principles have been publicized in the section designation for "Investors/ Corporate governance" on the Company's official website so as to promote the ethical ideas about proper management.	None
(5) If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation. The Company observes the established the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and relevant regulations to establish the "Ethical Corporate Management Best Principles."				
(6) Other important information which helps to understand the implementation of the Company's ethical management: (E.g. the Review and amendment of				

the Company's Ethical Management Best Practice Principles):

- (a) The Company observes Company Law, Securities and Exchange Act, Business Entity Accounting Act, relevant regulations for TWSE/TPEX Listed Companies, and other business-related laws to implement ethical management practices. The company keeps up with the development of ethical management norms in the domestic and overseas environment and encourages the directors, managers, and employees to offer suggestions for better measures to promote the policies of ethical management to enhance effectiveness of such policies.
- (b) The "Regulations Governing Procedure for Board of Directors Meetings" specifies that directors should avoid conflicts of interest. A director can state their opinions about issues of which he is a stakeholder or has impact on the company's profits, but cannot participate in the discussion or vote about such issues. They could not vote on behalf of other directors, either. Also, independent directors' opinions should be considered; such opinions should be retained and recorded in the memorandum of the BOD meeting.
- (c) The Company has established the "Procedures of Crucial Internal Information Control and Insider Trading Prevent" with provisions state that directors, managers, and employees should not reveal the confidential internal information to others, inquire about the unpublicized information of the company which is not related to the individual's job from the person who is acquainted with the information, or reveal to others the Company's unpublicized confidential internal information which is acquired outside the business-related occasions.

G. Other important information about the corporate governance of the Company:

- (a) The company makes timely disclosure of significant information to investors, and conventions for corporate shareholders are held regularly for explanation about the condition of the Company's operation.
- (b) Information about the operation of remuneration committee, audit committee, and the Board of Directors has been revealed on the company's official website (<http://www.ystech.com.tw/>)

H. Implementation of internal control system

(a) Statement of Internal Control

YEN SUN TECHNOLOGY CORP. Statement of Internal Control System

Date: March 6, 2025

YEN SUN TECHNOLOGY CORP. had inspected the 2024 internal control system autonomously with the results illustrated as follows:

- (1) YEN SUN TECHNOLOGY CORP. is fully aware that the board of directors and the management are responsible for the establishment, implementation, and maintenance of the internal control system and it is established accordingly. The purpose of establishing the internal control system is to reasonably ensure the fulfillment of operation effect and efficiency (including profit, performance, and protection of assets safety), financial report reliability, and compliance.
- (2) The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes of environment and circumstances. The internal control system of YEN SUN Optoelectronics Corporation is designed with a self-monitoring mechanism; therefore, corrective actions will be activated upon identifying any nonconformity.
- (3) YEN SUN TECHNOLOGY CORP. has assessed the effectiveness of the internal control system design and implementation in accordance with the criteria provided in the “Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets” (referred to as “the Regulations” hereinafter). The criteria defined in “the Regulations” include five elements depending on the management control process: (a) environment control, (b) risk assessment, (c) control process, (d) information and communication, and (e) supervision. Each of the five elements is then divided into a sub-category. Please refer to “the Regulations” for details.
- (4) YEN SUN TECHNOLOGY CORP. has implemented the criteria of the internal control system referred to above to inspect the effectiveness of internal control system design and implementation.
- (5) YEN SUN TECHNOLOGY CORP. based on the inspection result referred to above has concluded that the internal control system (including the supervision and management toward its subsidiaries) on December 31, 2024 is reasonably effective in achieving the objectives of operation effect and efficiency, financial report reliability, and compliance.
- (6) The statement of Internal Control System is the main content of the Company’s annual report and published prospectus. Any falsification and concealment of the published content referred to above involves the liability illustrated in Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
- (7) The statement of Internal Control System was resolved in the board meeting with the objection of 0 board directors out of the 6 attending board directors on March 6, 2025. The content of the statement has been accepted without any objection.

YEN SUN TECHNOLOGY CORP.

Chairman: *CHEN, KUAN-HUNG*

General Manager: *LIU, HSIEN-WEN*

- (b) On condition that the Company designates a CPA to audit the internal control system, the CPA's audit report should be revealed: None.

I. Important resolutions on meetings of Shareholders and the Board in the most recent fiscal year until the printing date of the annual report:

(a) Shareholders' meeting

Date	Important resolutions	Status
May 31, 2024	<p>Proposed Resolutions</p> <ol style="list-style-type: none"> Adoption of the 2023 Business Report and Financial Statements. Adoption of the Proposal for Surplus Distribution of 2023. The Company plans to conduct a cash capital increase private placement of ordinary share. The Election of Directors (including independent directors). Proposal for Release the Prohibition on Directors from Participation in Competitive Business. 	<ol style="list-style-type: none"> Has been announced and declared in accordance with relevant regulations and disclosed on the company's website. The proposal was passed; the cash dividends were distributed to shareholders on April 26, 2024. Resolution approved and disclosed in accordance with relevant regulations. Approved and registered by the Ministry of Economic Affairs on July 10, 2024, and disclosed in accordance with relevant regulations. Resolution approved and disclosed in accordance with relevant regulations.

(b) Board of Directors' meeting

Date	Major resolutions
February 6, 2024	The remuneration distribution of Manager for 2023 is submitted for approval.
March 4, 2024	<ol style="list-style-type: none"> The salary distribution proposal for employees and directors in 2023. 2023 Annual Business Report, Financial Statements and Earnings Distribution Proposal. 2023 cash dividend distribution proposal. Capital surplus distribution proposal. The Election of Directors and Supervisors Convene the company's 2024 shareholders' meeting. The company's 2024 annual operating plans. The company appointed KPMG Accounting Firm to handle the 2024 financial report verification visa, remuneration and independence evaluation case. 2023 "Internal Control System Effectiveness Assessment" and "Internal Control System Statement" case. The case of "Company conduct issuance of new common shares convert from domestic sixth secured convertible bonds, 2024". Apply to the bank for a comprehensive financing quota. Air-conditioning project of the Company's new factory in Renwu Industrial Park The proposal of "Is it a capital loan when the account receivable and the amount other than the account receivable that have not been collected by the company within 3 months of the normal credit extension period and the amount is significant?"
April 10, 2024	<ol style="list-style-type: none"> Nomination of candidates for directors (including independent directors). Proposal for release the prohibition on directors from participation in competitive business.

	<ul style="list-style-type: none"> (iii) Proposal for a private placement of common shares through cash capital increase. (iv) Proposal to amend the agenda items for the 2024 Annual General Meeting of Shareholders. (v) Apply to the bank for a comprehensive financing quota. (vi) The salary distribution proposal for employees and directors in 2023.
May 8, 2024	<ul style="list-style-type: none"> (i) 2024 Q1 Consolidated Financial Report (ii) The proposal of intends applying to the bank for comprehensive financing quota. (iii) Proposal to amend the Company's "Audit Committee Charter."
May 31, 2024	Proposal for the election of the Chairman of the Board.
August 6, 2024	<ul style="list-style-type: none"> (i) Appointment of members for the Company's 6th Compensation Committee. (ii) 2024 Q2 Consolidated Financial Report (iii) The proposal of "Company conduct issuance of new common shares convert from domestic sixth secured convertible bonds, 2024". (iv) Apply to the bank for a comprehensive financing quota. (v) The Company proposes to increase its investment in YEN GIANT METAL (DONGGUAN) CO., LTD. through a third-region investment enterprise, LUCRATIVE INT'L GROUP INC
November 1, 2024	<ul style="list-style-type: none"> (i) 2024 Q3 Consolidated Financial Report (ii) Proposal for additional construction funding for the Renwu Industrial Park factory project
December 13, 2024	<ul style="list-style-type: none"> (i) Appointment of members for the Company's Sustainability Development Committee. (ii) The Company's 2023 Sustainability Report. (iii) Amendment to the Company's internal control system to include "Sustainability Information Management" and establish the "Sustainability Report Preparation and Assurance Procedures." (iv) The Company's 2025 Audit Plan. (v) The case of "Company conduct issuance of new common shares convert from domestic sixth secured convertible bonds, 2024". (vi) Apply to the bank for a comprehensive financing quota. (vii) Amendment to the general principles of the Company's pre-approval policy for non-assurance services. (viii) The Company proposes to increase its investment in YEN GIANT METAL (DONGGUAN) CO., LTD. through a third-region investment enterprise, LUCRATIVE INT'L GROUP INC
January 23, 2025	<ul style="list-style-type: none"> (i) The remuneration distribution of Manager for 2024 is submitted for approval. (ii) Apply to the bank for a comprehensive financing quota.
March 6, 2025	<ul style="list-style-type: none"> (i) The salary distribution proposal for employees and directors in 2024. (ii) 2024 Annual Business Report, Financial Statements and Earnings Distribution Proposal. (iii) 2024 cash dividend distribution proposal. (iv) Capital surplus distribution proposal. (v) Proposal to amend the Company's Articles of Incorporation. (vi) The cash capital increase through private placement of common shares approved by the 2024 Annual Shareholders' Meeting is to be canceled for the remaining period. (vii) Proposal for a private placement of common shares through cash capital increase. (viii) Proposal to convene the 2025 Annual Shareholders' Meeting and related matters. (ix) The company's 2025 annual operating plans. (x) The company appointed KPMG Accounting Firm to handle the 2025 financial report verification visa, remuneration and independence evaluation case. (xi) 2024 "Internal Control System Effectiveness Assessment" and "Internal Control System Statement" case.

- J. If the directors' or supervisors have objective opinion on important resolutions of the Board's meeting which have been documented or made into written statements in the last year and in the current year up to the printing date of annual report, the important content should be reported: None.

(4) **Information on CPA professional fees:**

A. professional fees

Units: NT\$ thousands

Title of the accounting firm	Name of CPA	Audit Period	Audit fee	Non-Audit fee	Total	Note
KPMG Taiwan	HSU, CHEN-LUNG	January 1, 2024	2,510	751	3,261	-
	CHEN, YUNG-HSIANG	- December 31, 2024				

Note: Other services under non-audit fees include Tax Compliance Audit, information checklist, financial statement typing fees and expenses on duty.

- (a) If the Company changes the accounting firm and the audit fee is lower than the previous year, the amount of audits before and after changing the accounting firm and reasons for changing the accounting firm should be disclosed: None.
- (b) If the audit fee is reduced by more than 10% compared with the previous year, the amount, proportion and reason for the reduction of the public audit fee shall be disclosed: None.

(5) **Information on replacement of certified public accountant: The Company didn't changed the accounting firm.**

- (6) The Company's chairman, general manager, or any managerial officer in charge of finance or accounting matters who has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliate enterprise of such accounting firm: None.

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

A. Changes in equity of Directors, Supervisors, Managers and Major Shareholders with more than 10% shareholdings.

Unit : Shares

Title	Name	2024		2025 (as of March 30)	
		Increase (reduction) in the number of shares in possession	Increase (reduction) in the number of pledged stocks.	Increase (reduction) in the number of shares in possession	Increase (reduction) in the number of pledged stocks.
Chairman	CHEN, KUAN-HUNG	-	-	107,600	-
Director	CHEN, YI-JUN	-	-	-	-
Director	Liyuan Investment Co., Ltd	-	-	-	-
Director	LI, YING-ZHEN	-	-	-	-
Independent Director	CHEN, GUAN-LIANG	-	-	-	-
Independent Director	FANG, ZHI-MIN	-	-	-	-
Independent Director	CHIU, CHI-CHUN	-	-	-	-
General Manager	LIU, HSIEN-WEN	60,203	-	-	-
Electronics Cooling Division Deputy Director	SUN, XIN-CHENG	(322)	-	-	-
Thermal Module Business Director	ZHANG, ZHENG-DA	16,186	-	10,790	-
Chief financial officer /Operation Management Manager	LIANG, HSIANG-YI	10,212	-	23,827	-
Major shareholder	CHEN, CHIEN-JUNG			(53,800)	

B. The situation where recipient of the transferred equity is a related parson:

Name	Reason for Transfer	Date of Transaction	Transferee	Relationship between Transferee and the Company, Directors, Supervisors, Managers and Major Shareholders holding over 10%	Shares	Transaction Price (NT\$)
CHEN, KUAN HUNG	Gift (Assign)	January 13, 2025	CHEN LIN, XIU-FEN	Mother & Son	53,800	45.35
CHEN, KUAN HUNG	Gift (Assign))	January 13, 2025	CHEN, CHIEN JUNG	Father & Son	53,800	45.35
CHEN, CHIEN JUNG	Gift	January 13, 2025	CHEN, KUAN HUNG	Father & Son	53,800	45.35

C. The situation where recipient of the transferred pledge is a related person: None.

(8) Top 10 shareholders relation

March 30, 2025

Name	Shares in possession of the person		Shares in possession of the person's spouse or children who are minors		Shares in possession of the person registered under the name of a third-party		Names and relations of top 10 shareholders who are related persons specified in article no. 6 of the Statement of Accounting Principles, spouses, or relatives within two degrees to each other		Note
	Shares	Shareholding rate (%)	Shares	Shareholding rate (%)	Shares	Shareholding rate (%)	Shares	Shareholding rate (%)	
CHEN, CHIEN-JUNG	6,052,939	7.68%	2,200,444	2.79%	-	-	CHEN LIN, XIU-FEN	Spouse	
							CHEN, KUANG-HUNG	First degree of kinship	
							CHEN, YI-JUN	First degree of kinship	
CHEN, KUANG-HUNG	2,608,077	3.31%	320,000	0.41%	-	-	CHEN, CHIEN-JUNG	First degree of kinship	
							CHEN LIN, XIU-FEN	Lineal descendants	
							CHEN, YI-JUN	Second degree of kinship	
CHEN LIN, XIU-FEN	2,200,444	2.79%	6,052,939	7.68%	-	-	CHEN, CHIEN-JUNG	Spouse	
							CHEN, KUANG-HUNG	First degree of kinship	
							CHEN, YI-JUN	First degree of kinship	
LI YEN INVESTMENT Co., Ltd. Representative : Lin, Rui-Ming	2,192,000	2.78%	-	-	-	-	-	-	
CHEN, YI-JUN	1,770,816	2.25%	-	-	-	-	CHEN, CHIEN-JUNG	First degree of kinship	
							CHEN LIN, XIU-FEN	First degree of kinship	
							CHEN, KUANG-HUNG	Second degree of kinship	
SHUN CHENG ENTERPRISE CO., LTD. Representative: LIN, YUAN-FENG	1,734,000	2.20%	-	-	-	-	-	-	
SING H-Y MACHINERY CO., LTD. Representative: CHEN, CHUN-SHENG	782,000	0.99%	-	-	-	-	-	-	
WU, TE-SHIH	616,000	0.78%	-	-	-	-	-	-	
LIN, YU-HUA	464,405	0.59%	-	-	-	-	-	-	

Taiwan Cooperative Bank – Trust Property Account for Y.S. TECH Employees' Stock Ownership Trust	449,919	0.58%	-	-	-	-	-	-	
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- (9) **The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company:**

March 31, 2025 Unit: Shares

Long-Term Investment	Ownership by YS		Direct/Indirect Ownership by Directors, Supervisors, and Management		Total Ownership	
	shares	Shareholding rate (%)	shares	Shareholding rate (%)	shares	Shareholding rate (%)
LUCRATIVE INT'L GROUP INC.(Note)	1,000,000	100%	-	-	1,000,000	100%
YEN SUN TECH INTERNATIONAL (SAMOA) CORP.	1,000,000	100%	-	-	1,000,000	100%
YEN JIU TECHNOLOGY CORP.	11,050,000	100%	-	-	11,050,000	100%
YEN HUNG INTERNATIONAL CORP.	-	-	1,000,000	100%	1,000,000	100%
YH TECH INTERNATIONAL CORP.	-	-	1,000,000	100%	1,000,000	100%
DARSON ELECTRONIC (DONGGUAN) LTD.	-	-	-	100%	-	100%
YEN GIANT METAL (DONGGUAN) CO., LTD.	-	-	-	100%	-	100%
Y.S. Europe GmbH	260,000	81.25%	-	-	260,000	81.25%
Y.S. TECH U.S.A. INC.	114,000	19%	-	-	114,000	19%
CHENG TA HSIUNG CONSTRUCTION & DEVELOPMENT CO., LTD.	2,250,000	5%	-	-	2,250,000	5%

3. Capital Overview

(1) Capital and shareholding

A. Source of Capital

March 31, 2025

Year and Month	Issuing Price	Authorized Capital		Paid-in Capital		Remark		
		Quantity (thousands of shares)	Amount (NT\$ thousands)	Quantity (thousands of shares)	Amount (NT\$ thousands)	Source of Capital	Capital Increased by Assets Other than Cash	Others
1987/03	1,000	28	28,000	28	28,000	Establishment of share capital	None	
1997/04	1,000	51	51,000	51	51,000	Capital increase 23,000,000 by cash	None	
1998/08	10	8,100	81,000	8,100	81,000	Capital increase 30,000,000 by cash	None	At January 9, 1998 the company changed the share face value by a resolution of the shareholders' meeting, from NT\$ 1,000 per share to NT\$ 10 per share.
1998/10	10	15,100	151,000	15,100	151,000	Capital increase 70,000,000 by cash	None	-
1998/12	10	19,800	198,000	19,800	198,000	Capital increase 47,000,000 by cash	None	-
1999/07	10	32,000	320,000	32,000	320,000	Capital increase 122,000,000 by cash	None	-
2005/09	10	60,000	600,000	32,000	320,000	Increase in Authorized capital		
2006/09	10	60,000	600,000	34,029	340,289	Capital increase 20,288,920 by earnings	None	Approved by July 12, 2006, JGZYZ No. 0950130020
2007/10	10	60,000	600,000	35,181	351,807	Capital increase 11,518,220 by earnings	None	Approved by July 18, 2007, JGZYZ No. 0960037514
2008/10	10	60,000	600,000	36,620	366,199	Capital increase 14,392,230 by earnings	None	Approved by August 11, 2008, JGZYZ No. 0970040480
2010/02	10	60,000	600,000	38,168	381,677	Converse 1,547,810 shares convertible bond	None	Approved by the Ministry of Economic Affairs, February 22, 2010 MOE No. 09931693390

Year and Month	Issuing Price	Authorized Capital		Paid-in Capital		Remark		
		Quantity (thousands of shares)	Amount (NT\$ thousands)	Quantity (thousands of shares)	Amount (NT\$ thousands)	Source of Capital	Capital Increased by Assets Other than Cash	Others
2010/04	10	70,000	700,000	42,994	429,938	Converse 4,826,029 shares convertible bond	None	Approved by the Ministry of Economic Affairs, May 19, 2010, MOE No. 09932057510
2010/07	10	70,000	700,000	43,811	438,111	Converse 817,374 shares convertible bond	None	Approved by the Ministry of Economic Affairs, August 18, 2010, MOE No. 09932457120
2010/10	10	70,000	700,000	47,055	470,546	Converse 3,243,468 shares convertible bond	None	Approved by the Ministry of Economic Affairs, November 19, 2010, MOE No. 09932851000
2011/01	10	70,000	700,000	47,351	473,509	Converse 296,292 shares convertible bond	None	Approved by the Economic development bureau of Kaohsiung, March 9, 2011, GON NO10001079650
2011/03	10	70,000	700,000	47,647	476,472	Converse 296,292 shares convertible bond	None	Approved by the Economic development bureau of Kaohsiung, May 9, 2011, GON NO10001176450
2014/05	10	70,000	700,000	49,769	497,686	Converse 2,121,400 shares convertible bond	None	Approved by the Economic development bureau of Kaohsiung, October 20, 2014, GON NO10353871510
2015/03	10	70,000	700,000	49,647	496,471	Converse 28,570 shares convertible bond Treasury stocks cancellation NT\$150,000	None	Approved by the Economic development bureau of Kaohsiung, March 16, 2015, GON NO10450725310

Year and Month	Issuing Price	Authorized Capital		Paid-in Capital		Remark		
		Quantity (thousands of shares)	Amount (NT\$ thousands)	Quantity (thousands of shares)	Amount (NT\$ thousands)	Source of Capital	Capital Increased by Assets Other than Cash	Others
2015/08	10	70,000	700,000	53,097	530,971	Converse 3,449,959 shares convertible bond	None	Approved by the Ministry of Economic Affairs, August 28, 2015 Shou-Shang No. 10401161370.
2016/12	10	70,000	700,000	54,431	544,313	Converse 1,334,163 shares convertible bond	None	Approved by the Ministry of Economic Affairs, December 27, 2016 Shou-Shang No. 10501297620.
2017/05	10	70,000	700,000	56,462	564,616	Converse 2,030,276 shares convertible bond	None	Approved by the Ministry of Economic Affairs, May 24, 2017 Shou-Shang No. 10601065660.
2017/12	10	70,000	700,000	61,684	616,839	Converse 5,222,369 shares convertible bond	None	Approved by the Ministry of Economic Affairs, December 6, 2017 Shou-Shang No. 10601162800.
2018/04	10	70,000	700,000	66,999	669,989	Converse 5,314,957 shares convertible bond	None	Approved by the Ministry of Economic Affairs, April 2, 2018 Shou-Shang No. 10701035200.
2018/08	10	70,000	700,000	67,267	672,666	Converse 267,716 shares convertible bond	None	Approved by the Ministry of Economic Affairs, August 24, 2018 Shou-Shang No. 10701109650.
2019/04	10	70,000	700,000	69,787	697,869	Converse 2,520,313 shares convertible bond	None	Approved by the Ministry of Economic Affairs, April 15, 2019 Shou-Shang No. 10801043050.
2022/08	10	150,000	1,500,000	70,167	701,669	Converse 379,994 shares convertible bond	None	Approved by the Ministry of Economic Affairs, August 25, 2022 Shou-Shang No. 11101162770.

Year and Month	Issuing Price	Authorized Capital		Paid-in Capital		Remark		
		Quantity (thousands of shares)	Amount (NT\$ thousands)	Quantity (thousands of shares)	Amount (NT\$ thousands)	Source of Capital	Capital Increased by Assets Other than Cash	Others
2023/09	10	150,000	1,500,000	72,884	728,837	Converse 2,716,802 shares convertible bond	None	Approved by the Ministry of Economic Affairs, September 5, 2023 Shou-Shang No. 11230168330.
2023/12	10	150,000	1,500,000	75,519	755,193	Converse 2,635,603 shares convertible bond	None	Approved by the Ministry of Economic Affairs, December 5, 2023 Shou-Shang No. 11230225790.
2024/04	10	150,000	1,500,000	76,598	765,982	Converse 1,078,917 shares convertible bond	None	Approved by the Ministry of Economic Affairs, April 1, 2024 Shou-Shang No. 1130044450.
2024/08	10	150,000	1,500,000	78,031	780,310	Converse 1,432,760 shares convertible bond	None	Approved by the Ministry of Economic Affairs, August 28, 2024 Shou-Shang No. 11330154500.
2025/01	10	150,000	1,500,000	78,636	786,357	Converse 604,732 shares convertible bond	None	Approved by the Ministry of Economic Affairs, January 7, 2025 Shou-Shang No. 11330225850.
	10	150,000	1,500,000	78,869	788,689	Converse 233,195 shares convertible bond	None	As of the publication date, the change registration has not been completed.

March 31, 2025 Unit: Shares

Types of shares	Authorized capital stock			Note
	Outstanding shares	Unissued shares	Total	
Common stock	78,868,928(Note)	71,131,072	150,000,000	Listed Company
Note: As of the publication date, there were 233,195 shares has not completed change registration.				

Information about shelf registration system: None.

B. List of Major Shareholders (top 10 shareholding)

March 30, 2025 Unit: Shares

Name of Major Shareholders	Shares	Shareholding	Shareholding ratio (%)
CHEN, CHIEN-JUNG		6,052,939	7.68%
CHEN, KUAN-HUNG		2,608,077	3.31%
CHEN LIN, XIU-FEN		2,200,444	2.79%
LI YEN INVESTMENT Co., Ltd. Representative : Lin, Rui-Ming		2,192,000	2.78%
CHEN, YI-JUN		1,770,816	2.25%
SHUN CHENG ENTERPRISE CO., LTD. Representative: LIN, YUAN-FENG		1,734,000	2.20%
SING H-Y MACHINERY CO., LTD. Representative: CHEN, CHUN-SHENG		782,000	0.99%
WU, TE-SHIH		616,000	0.78%
LIN, YU-HUA		464,405	0.59%
Taiwan Cooperative Bank – Trust Property Account for Y.S. TECH Employees' Stock Ownership Trust		449,919	0.58%

C. Dividend policy and implementation status.

(a) Dividend policy and implementation status

The Company's article of incorporation stipulate that Company's net earnings should first be used to paying any income taxes and offset the prior years' deficits. 10% of the remaining balance is to be appropriated as legal reserve. However, it is not applicable if the statutory surplus reserve has reached our Group's paid-up capital. Also based on the Company's operational needs and regulatory requirements, provisions shall be made for special reserve. If there are still surplus, the board of directors shall draft a surplus distribution proposal by combining it with the undistributed surplus at the beginning of period and submit to the shareholders meeting for approval. If all or part of the company's distribution of dividends and bonuses or statutory surplus reserves and capital reserves is made in the form of cash, the board of directors is authorized to be present with more than two-thirds, and agreed by more than half of the directors. And the information will be report to the shareholders meeting.

The dividends policy shall first take into consideration its operating environment, financial plan, Group's sustainable operation and development and the maximum interests of stockholders as follows:

(i) The conditions and timing

The Company is currently in the stage of active market development. In order to support the growth of the company, the distribution of dividends should consider the continuing operation in the future as the principle, and after comprehensively considering and improving the financial structure, maintaining stable dividends and protecting shareholders' reasonable compensation and other conditions, the board of directors prepare a plan in accordance with the articles of association and deliver it after approval by the shareholders' general meeting and the competent authority.

(ii) Distribution ratio of cash dividends and stock dividends

The distribution of dividends of the company's shareholders will be based on the stock dividends, cash dividends, or both two ways of issuance. When dividends being distribute, an appropriate ratio of cash and stock dividends shall be set up. Only cash dividends shall be paid at a rate not less than 10% of the current year's distribution.

- (b) Allocation of dividend to be resolved by the Shareholders' meeting in 2025:

The Board of Directors has approved cash dividend distributions & capital reserve distributions on March 6, 2025 for \$1.6 per share, and an additional \$0.7 per share from capital surplus derived from stock issuance premiums exceeding par value; this will be report to the shareholders meeting in accordance with the law.

- (c) Any predictable major change in the dividend policy should be illustrated: None.

- D. Effect impact of shareholder meeting's resolution for distributing stock grants on the company's performance and the earnings per share: Not applicable

- E. Remuneration paid to the employees, directors.

- (a) The percentage or scope of employee and director compensation included in the company's articles of association:

The company shall distribute employees' compensation by 1% to 10% based on the current year's profit status; directors and supervisors based on the current year's profit status of no more than 5%. However, when company still has accumulated losses, it should be make up for it. The remuneration of employees shall be based on stocks or cash, and the objects issued to stocks or cash include employees of companies who meet certain conditions, and the conditions shall be authorized by the board of directors. The profit status in the first item referred to the pre-tax profit for the current year after deducting the distribution of employee compensation and director compensation.

The distribution of employee remuneration and directors' remuneration shall be implemented by the board of directors with a resolution of more than two-thirds of the directors attending and more than half of the directors agree, and report to the shareholders' meeting.

- (b) Accounting treatment when accrual allocated amount differs from the estimated amount of remuneration for employees, directors of the year, and the stock compensation for employees:

- (i) The estimate of the remuneration of employees and directors is based on the estimates within the scope of the company's articles of association.
- (ii) Stocks distribution amount based on employee compensation for calculation basis: Not applicable.
- (iii) When the actual amount of distribution and estimate amount differs from the result by the shareholders' meeting, it will be changed according to the accounting estimate and adjusted in the shareholders' meeting.

- (c) The remuneration proposal adopted by the Board of Directors' meeting:

- (i) Employee compensation and director's compensation distributed in cash or stocks: The employees and directors' remuneration distribution plan of 2024 was approved by the board of directors on March 6, 2025. It is proposed to set aside for directors' compensation of NT\$2,668,934 and for employees' compensation of NT\$5,337,868 in cash. The amount is the same as the estimate of the 2024.
- (ii) The proportion of stock remuneration for employees in the total amount of net income after tax and employee remuneration: Not applicable.

- (d) The actual condition of distributing remuneration for employees, directors, and supervisors in the previous year (including number of shares, denomination, and price per share), the difference from registered amount of remuneration for employees, directors, and supervisors, the reasons, and follow-ups:

In 2024, the board of directors approved the 2023 employee cash compensation for NT\$ 6,935,684 and NT\$ 3,467,842 thousand for directors. There is no difference between the actual distribution amount and the recognized amount.

F. Share Repurchase: :

Numbering of repurchase	The 6th
Purpose of repurchase	Transfer of shares to employees
Repurchased share type	Common stock
Amount limit of repurchase	NT\$184,884,150
Buyback period	From March 25, 2020 to May 24, 2020
Estimated price range of buyback	NT\$10 to NT\$23.5
Estimated quantity to buyback	1,500,000 shares
Price range of buyback	NT\$12.7 to NT\$17.45
Repurchased share type and amount	Common stock of 766,000 shares
Repurchased share value	NT\$11,773,175
The ratio of the actual repurchased to the estimated to repurchase (%)	51.07%

(1) Outstanding Corporate Bonds:

Type of Corporate Bonds (Note 2)	Sixth Domestic Secured Convertible Bonds (Note 5)
Issued date	September 30, 2021
Denomination	NT\$100 thousand
Issued and transaction location	Not Applicable
Issued price	issued at 110.95% of par value
Total issuance	NT\$300,000 thousand; Total raised amount: NT\$332,852 thousand
Interest rate	0%
Issued period:	5 years, expired date will be at September 30, 2026
Guarantee agency	First Commercial Bank
Trustee	Department of Trusts, Hua Nan Commercial Bank, Ltd.
Underwriting agency	First Securities Inc. Grand Fortune Securities Co., Ltd. Taishin Securities Co., Ltd. Hua Nan Securities Co., Ltd.
Certified Attorney	Ding He Law Firm, Attorney KE, YUAN-PO
Certified Accountant	KPMG Accounting Firm, Accountant YANG, PO-JEN & CHEN, KUO-TSUNG
Repayment at maturity	Except the convertible bonds that have been redeemed, sold back, converted or purchased and cancelled, interest compensation will be added as bond's nominal value at maturity which will be repaid in lump sum.
Outstanding Capital	NT\$300,000 thousand
Terms of redemption or advance settlement	Please refer to the prospectus of the company's issuance of the Sixth Domestic Secured Convertible Bonds.
Restrictions (Note 4)	Please refer to the prospectus of the company's issuance of the Sixth Domestic Secured Convertible Bonds.
Name of credit rating agency, rating date & result	Not Applicable
Additional rights	Amount of ordinary shares, overseas depositary receipts or other marketable securities that have been converted (exchange or subscribed) as of the date of publication of the annual report. NT\$244,700 thousand was converted.

	Issuance and conversion (exchange or subscription) approach	Please refer to the prospectus of the company's issuance of the Sixth Domestic Secured Convertible Bonds.
Issuance, conversion, exchange or share subscription method and issuance conditions that may dilute the equity and impact on existing shareholders' rights and interests		Please refer to the prospectus of the company's issuance of the Sixth Domestic Secured Convertible Bonds.
The name of custodian institution for the exchange target		None

Note 1: The corporate bonds include public offering and private placement of corporate bonds that are in process. Publicly offered corporate bonds in process refer to those that have been valid (approved) by the Association; privately offered corporate bonds in process refer to those that have been approved by the board of directors.

Note 2: The number of column is adjusted according to the actual number of transactions.

Note 3: Fill in for the overseas corporate bonds.

Note 4: Such as restrictions on the distribution of cash dividends, foreign investment or the requirement to maintain a certain proportion of assets, etc.

Note 5: For private placements, it should be marked in a prominent way.

Note 6: If it belongs to convertible bonds, exchangeable bonds, declaration accompanying corporate bonds or corporate bonds with warrants; it should be disclosed in tabular format according to its nature first, then the information of convertible bonds, exchangeable bonds, declaration accompanying corporate bonds or corporate bonds with warrants.

(2) Information of Convertible Bonds:

Type of Corporate Bonds		Sixth Domestic Secured Convertible Bonds	
Year		2024	In the current portion up to March 31, 2025
Item			
Market price	Highest	269.00	210.00
	Lowest	156.00	186.00
	Average	213.94	202.02
Conversion price		25.3	25.3
Issuance (transaction) date and conversion price at the time of issuance		The conversion price was NT\$30.0 at the time of issuance on September 30, 2021	
Method of fulfilling conversion obligations		Issuing new shares	

(3) Issuance of Preferred Shares:

None.

(4) Issuance of Global Depository Receipts (GDR):

None.

(5) Issuance of employee stock warrants:

None.

(6) Employee Restricted Stock Awards:

None.

(7) Status of New Shares Issuance in Connection with Mergers and Acquisitions:

None.

(8) Financing plans and implementation :

None.

4. Company Overview

(1) Business Activities

A. Business Scope

A. Main Business

- (a) Design, manufacturing and sales of brushless DC cooling/ventilation fans.
- (b) Design, manufacturing and sales of heat sinks and thermal modules.
- (c) Design, manufacturing and sales of living technology systems.
- (d) Including commercial systems such as: ice wine machine, industrial refrigeration equipment and household equipment such as: RO drinking machine, water machine, air purifier, dehumidifier and other small appliances.

B. The ratio of mainly business in 2024

Units: NT\$ thousands

Category	Sales	Ratio (%)
Cooling fan and module	3,242,032	83.91
Air series	390,974	10.12
Water series	178,311	4.62
Others	52,113	1.35
Totals	3,863,430	100.00

C. The current products (service) and planned new products (service) projects:

I. The current products (service)

a. Brushless DC/EC heat dissipation and ventilation fans, heat sinks, and thermal modules are applied as follows:

- (i) Automotive electronics: central control system, ventilated seats system, power control, various types of sensors.
- (ii) High-end computing: high-end gaming systems, industrial computers, data centers, cloud and communication systems.
- (iii) Industrial equipment: medical, green power, lighting... etc.

b. Living technology system:

- (i) Brand business: smart RO drinking machine, Water generator, drinking machine, air purifier, dehumidifiers.
- (ii) OEM business: smart vertical fans, air purifiers, dehumidifiers.
- (iii) Commercial system: ice wine machine, industrial refrigeration equipment.

II. The planned new products (service)

a. Brushless DC/EC heat dissipation and ventilation fans, heat sinks, and thermal modules are applied as follows:

- (i) Automotive Seat Ventilation System (Comfort Assembly Components), Intelligent and Comfort Cabin Integration.
- (ii) Car body electronic heat dissipation and ventilation.
- (iii) High-Performance Computing (HPC) Liquid Cooling System: Side Car (250 kW), IN-ROW CDU (1.4 MW), RPU, In-Rack CDU, and HMI.
- (iv) High-end smart EC and BLDC industrial ventilation fans.

b. Living technology system:

- (i) Brand business: smart RO drinking machine & water generator, smart home applications.
- (ii) Foundry business: a new generation of smart air purifiers and dehumidifiers.
- (iii) Commercial system: industrial refrigeration equipment.

B. Industry Overview

(a) Industry situation and development

I. Electronics Cooling Division

a. Brushless DC/EC heat dissipation and ventilation fans, heat sinks, and thermal modules

Target markets of ventilation and heat dissipation components products are automotive electronics, high-end computing, industrial equipment and others. With the revolution of vehicle platforms, the IoT and the emergence of huge data markets, the demand for heat dissipation and ventilation of target market will continue to grow, so does highly customized support services and products, and high weather ability and reliability requirement. Relatively, the competition between cooling fan factories will become more intense, the integration of products and market front-end applications and global service capabilities will be the most important direction and goal in the future.

b. Living technology system

In the future, the smart living technology products will definitely become a trend; on the other hand, global warming, the quality of natural resources such as air and water is declining. The developed economies are paying more attention to the needs of health, quality of life and convenience. The company will combine these three development trends to adjust living technology products and commercial systems for water purification, air quality, energy saving and environmental protection in stages.

II. The relevance among the industry's upper, middle and downstream

The company's main product include: DC/EC brushless cooling and ventilation fans, heat sinks and thermal modules, RO drinking machines for household living systems, water purifier machines, air purifiers, dehumidifiers. And ice wine machines for commercial systems, industrial use Refrigeration equipment.

The main sources of raw materials are plastic, silicone, steel, aluminum, copper, wires, terminals, enameled copper wires, bearings, PCB boards, and electronic parts; the upstream industries covered are the plastics industry, the steel industry, and the metal processing industry, semiconductor industry, electronic components industry, motor and compressor industry and LCD display industry. Summary of the relevance of the upper, middle and downstream of the different industry as follows:

(a) DC brushless cooling and ventilation fans

Upstream	Engineering plastics, silicon steel, cold rolled steel plate, copper, magnet, semiconductor, packaging paper
Midstream	Plastic molding and molds, stamping molding, silicon steel sheets, metal processing (including motor housings and shafts), permanent magnets, bearings including powder metallurgy and balls, wire and terminal group processing, enameled copper wires, electronic components, control substrates and PCBA, Packaging cartons and color boxes
The company	Fan blade, outer frame, motor, other processing, finished product
Downstream	Automotive electronics, high-end computing, industrial equipment, green energy and power electronic equipment, other systems

(b) Heat sinks and thermal modules

Upstream	Engineering plastics, copper, aluminum, cold-rolled steel plates, packaging paper, machine tools
Midstream	Plastic molding and molds, stamping molding, extrusion molding, heat conduction pipes, heat conduction materials, metal fasteners, nameplates, packaging paper, surface treatment including anode and electroplating
The company	CNC and automatic machining, semi-finished heat sink, finishing, heat pipe, heat sink and heat dissipation module finished product
Downstream	Automotive electronics, high-end computing, industrial equipment, green energy and power electronic equipment, other systems

(c) Household living systems & Commercial system

Upstream	Engineering plastics, silicon steel, cold-rolled steel plates, copper, magnets, semiconductors, display panels, packaging paper, melt blown non-woven fabrics, activated carbon
Midstream	Plastic molding and molds, stamping molding, metal processing including racks and storage buckets, bearings including powder metallurgy and balls, condensers and evaporators, copper pipes, wire and terminal group processing, enameled copper wires, motors, cooling fans, compression Machines, water pumps, electronic components, LCD modules, control and drive assembly PCBA, power supply substrates, metal fasteners, nameplates, packaging paper, surface treatment including powder and electroplating, food-grade silicone tubes, air filters, water filters.
The company	Smart vertical fan system, dehumidifier, water generator, air purifier, water purification system
Downstream	Foundry business: international brand customers Brand business: Consumers, include huge amount channels, distribution and new media Commercial systems: industrial systems, food service systems, medical air purification and water purification systems

III. Trend of product development

a. Brushless DC/EC heat dissipation and ventilation fans, heat sinks, and thermal modules

The information electronics market has been fully developed due to the changes of the global economy and industry. With the enormous progress of information computing and network technology, the technology and service platforms provided by industries such as Cloud and Netcom, Automobiles, and Power supplies continue to innovate and develop. The demand of cooling fans and cooling module and water cooling/freezing module that fulfilled high-performance, high-environmental-resistance, and fast reacting to customer design and manufacturing needs have been continuously increasing.

(a) High-end computing

With the trend of AI, smart Internet, edge computing technology and industry, the demand for high-efficiency, long-life, and reliable cooling fans continues to increase. Applications include high-end servers/industrial computers, data centers, communications exchanges, and outdoor devices. Fan performance, stable reliability and life specifications continue to be improved; therefore, the product design and module development are required to be constantly updated to meet the needs of the industry. With the continued advancement of AI large model training, the computing power of cloud and edge data centers keeps increasing, leading to growing demands and investments in the cooling performance of liquid-cooling systems.

(b) Automotive electronics industry

The automotive electronics industry is based on the high complexity of safety and the use environment, so its quality requirements are particularly high comparing with the general industry. Especially driven by the future development directions such as advanced driving assistance systems, Internet of Vehicles, new energy vehicles and unmanned driving, it will lead the automotive industry into the next generation of technology applications and become more and more in line with human nature. Therefore, the proportion of electronic components in vehicles is relatively increased. And the needs of the solutions for heat dissipation have been becoming more and more frequent. The demand for intelligent fans will lead the trend.

(c) Electric Power Industry

Electricity and power supply are the basic technologies for the sustainable development of the industry. With the continuous development of the green energy, the technology of power conversion and intelligent management has been developing rapidly. Applications include: photovoltaic/wind power inverters, converters, and high-efficiency power modules, inverter and charging station applied to intelligent manufacturing, automotive, and cloud & telecommunications industries. The demand for high-performance, high-reliability, energy-saving and noise-reducing cooling fans and modules has been continuously increasing.

b. Living technology system

In the development of the life technology system, the company is deploying in three directions:

(i) In terms of its private brand, with "quality water purification life" as the core, it actively develops RO drinking machine & water generator with the nature of "purification, convenience, and good life" to improve the product and market value with technology and aesthetics.

(ii) In the foundry business, the integration of core technologies is used to enhance the value of cooperative products and transform them into the main business axis. On this main axis, in addition to the well-known Japanese brands that have deepened the cooperation for many years, it also self-expands the cooperation customers and projects of the international life technology commercial system.

(iii) Implement M2C strategy and expand cooperation energy between new media and international marketing. On the existing basis, directly promote YS Tech's brand image, technology and products to consumers around the world.

IV. Market competition

a. Brushless DC heat dissipation and ventilation fans, heat sinks, and thermal modules

The company's main business focused in automotive electronics, high-end computing, industrial equipment and others. Although we are facing the technical competition of the first- and second-tier competitors in Asia, the company has flexible integrated technical support and service strategies, which provides customers customized RD products, and Total Thermal Solutions analysis, testing and countermeasures support services to the customer's R&D teams worldwide, hence gaining a competitive advantage. The main competitors are Gentherm, SANYODENKI, NIDEC, NMB, EBM in Europe and Japan, and the domestic competitor, DELTA, in Taiwan. However, the company has built up a stable scale and foundation in the European automotive industry and high-end computing industry. In addition to the advantages of flexible services, the company aims for the great expanding in the US, Japanese and Chinese markets through the global supply chain effect of customers.

b. Living technology system

There are many domestic brands in the field of water purification. The company is the only one that based on the existing basis of well-known brands in water purification market, continues to combine advanced technologies such as RO, hollow fiber membrane, ultrafiltration and smart control to launch a series of drinking machine products that adopt differentiated strategy to compete with competitors such as INNOTRIO. Company has also integrated core technologies including "hydrodynamic", "thermodynamic analysis and heat dissipation solutions", "psychoacoustics and vibration analysis", "environmental purification and comfort", "phase change heat exchange technology" and "IoT and BLDC smart motor control technology", with a strong product ID industrial and aesthetic design team and MIT advantages, in the foundry business, it actively enhances the value of cooperative products with international brand customers and transforms it into the main business axis.

C. Overview of Technology and R&D

The company's core technology areas cover "hydrodynamic", "thermodynamic analysis and heat dissipation solutions", "psychoacoustics and vibration analysis", "environmental purification and comfort", "phase change heat exchange technology" and "IoT and BLDC smart motor control technology". In recent years, the company has integrated core technologies in various fields, and focusing on research and development in 5 major markets: automotive electronics, high-end computing, industrial equipment, high-quality water purification, and commercial living technology systems. The specific results are as follows:

In automotive electronics, high-performance computing (HPC) and industrial equipment, DC brushless cooling fans are particularly focused on high performance, high reliability and high electromagnetic compatibility. The company has conducted in-depth research in the direction of vibration reduction, noise reduction and smart control technology, and has continuously developing and mass-producing "noise reduction/vibration reduction asymmetric dynamic and static impellers", "mechanical active noise suppression", "vibration reduction fan", "vibration reduction composite overlapping high-performance fan", "LIN/CAM controlled smart cooling fan" and "low electromagnetic interfere control cooling fan". At the same time, the company also has patents in major economic regions around the world to enhance the competition threshold. In the field of high-performance computing (HPC), we have successfully developed several core technologies for data center liquid cooling systems, including the Side Car (120 kW), IB-ROW CDU (1.4 MW), RPU, IN-Rack CDU, and HMI. Internally, we have successfully developed a smart automated process that meets the flexible production pattern to improve the quality and enhance the soft power of competition by improving the basic operations and technology.

In the application of living technology products, special emphasis is placed on the research, development and integration of energy efficiency, system ID, water and air quality filtration, heating and cooling, liquid volume control, smart interface and IoT control. In the development of private brand business, the company integrates the existing drinking machine market and products with smart interfaces such as water filtration, heating and cooling, and liquid volume control; by new ID, to innovatively launch a series of RO drinking machine systems and water purifier machine products that meet energy efficiency standards and have the properties of "purification, convenience, and good life". In ODM/OEM business, the company has integrated system ID and air quality technologies such as filtration, smart interface and IOT control to develop high-end air filtration equipment for Japanese customers, and also actively integrate water and air quality filtration, heating and cooling, liquid volume control, smart interface and IOT control to develop commercial equipment for international commercial system customers. Under the continuous development and active integration of core technologies, the company's living technology business is actively adjusting to the direction of high prices and high added value, with a view of laying a good foundation for global competition.

Expenses on research and development over the past 2 years until the printing date of the annual report:

Units: NTD \$ thousands

Item \ Year	2023	2024	January to March, 2025
Research and development expenses	160,859	172,131	51,703
Operating Revenue	3,632,719	3,863,430	986,778
R&D expenses / Operating Revenue (%)	4.43%	4.46%	5.24%

D. Short-term and Long-term marketing development plan

1. Brushless DC/EC heat dissipation and ventilation fans, heat sinks, and thermal modules

a. Short term plan

- (a) Continue to develop the new project for target market.
- (b) Expand and increase the productivity of the automotive oriented production line.
- (c) Expand the high-performance computing (HPC) information and electronics industry customer.
- (d) Setting the distribution and the agents around the worldwide to facilitate the expansion of the marketing channels.
- (e) Setting the distribution and the agents around the worldwide for the foreign business.

b. Long term plan

- (a) Development of applications related to automotive electronics cooling and ventilation module systems.
- (b) Develop global strategic alliance partners.
- (c) Develop integrated phase change refrigeration and water cooling heat dissipation technology.

2. Living technology system

Integrate core technologies including "hydrodynamic", "thermodynamic analysis and heat dissipation solutions", "psychoacoustics and vibration analysis", "environmental purification and comfort", "phase change heat exchange technology" and "IoT and BLDC smart motor control technology", and strong product ID industrial and aesthetic design team. In short-term, will focused on smart RO water purifier develop and produce. In the foundry business obtaining MIT advantages, by core technologies to expand global living technology system and international brand customers and enhances the value of cooperative products and transforms as the main business axis.

(2) Market, Production, and Sales

A. market analysis

1. Sales area of main products

Units: NTD \$ thousands

Area \ Year		2022		2023		2024	
		Amount	%	Amount	%	Amount	%
Domestic		1,710,495	46.97	1,647,218	45.34	1,528,689	39.57
Export	Asia	603,303	16.57	550,320	15.15	629,870	16.30
	America	223,874	6.15	264,708	7.29	114,944	2.98
	Europe	865,559	23.76	1,029,289	28.33	1,476,156	38.21
	Other	238,388	6.55	141,184	3.89	113,771	2.94
	Subtotal	1,931,124	53.03	1,985,501	54.66	2,334,741	60.43
Total		3,641,619	100.00	3,632,719	100.00	3,863,430	100.00

2. The supply and demand status and growth of the market in future

(1) Brushless DC heat dissipation and ventilation fans, heat sinks, and thermal modules

A. Supply and demand

Although the application of the cooling fan has been more than half a century, the application scope covers almost all industries and result in the highly development of the cooling fan and the module industry, and there have been more than hundred large and small cooling fan factories. However, due to the technology bottlenecks and the global economy influence, the market becomes matures, and the demand for the cooling fan becomes stable and concentrated. Under this trend, the cooling fan company is under the pressure of survival of the fittest. Those electronic cooling solution factories which are survived now have the ability to integrate the fan and module, the research development, and the service ability worldwide.

B. The future growth chance

Recently, there are two extremes development of the information product: large high-performance computing and ultra-thin portable information products still have the room to grow. Only the factories stand for the competitive roles which have the RD capabilities and the patent right. Besides, the demand for the cooling fan has been fluctuating with economy of the world for decades. In the past decade, due to the rapid growing of the information industry, the demand for the cooling fan increases rapidly. Although the demand of the fan in Taiwan is no longer increase rapidly.

In terms of supply and demand, due to the large number of emerging radiator fan factories in China and Taiwan, the current market is oversupplied, and the market mechanism of "survival of the fittest" will force the integration of radiator fan factories to achieve a balance between supply and demand. Since its establishment, the Company's ventilation and cooling business has created a differentiated competitive position in terms of business model and core technology compared to competitors, by developing advanced technology, research and development, and manufacturing services.

On the front-end ESG issues, our Taiwan factory has completed ISO 14064-

1 carbon footprint certification and supports global customers to implement net-zero carbon emissions actions (such as: executing ocean recycling material programs, project tree programs, etc.). In terms of management and sustainable development, over the years, Yen Sun Technology has strictly required IATF16949, ISO9001, ISO14001, and ISO45001 certifications from TUV International Certification Company in Germany, not only conforming to international quality and corporate social responsibility requirements in terms of quality, environmental protection, occupational safety and health, information security management, and other systems, but also committed to compliance in corporate governance and internal control management systems, and continuously improving investor relations management to establish a good foundation for steady operation in the company's sustainable development process.

The brand of 「Y.S.TECH」 have sales all over the world. Compare to the same type of manufactory, company has focus on the niche market. However, whether it is the growth opportunity brought by the supply or demand side, the supply chain disorder caused by the epidemic, war and trade barriers has caused obvious inflation and supply chain imbalance. Such exogenous variables constraining future growth will have fairly specific and unpredictable effects.

(2) Living technology system

A. Supply and demand

In order to bring the life experience of "energy saving, purification, and good life" to the customers, the smart home appliance will become a trend in the future. In response to the air and water pollution, the health-related home appliance will be more popular in the market. The health, environmental protection and energy-saving household appliances are expected to contribution to the earth.

B. The future growth chance

In the future, we will focus on the high-tech appliances with high added value. To achieve the smart home internet connection will make life more convenient.

3.Niche of competitive

a. Brand image and popularity

Company promotes its own brand “Y.S.TECH” and is well-known as ventilation and cooling manufacture in global automotive electronic and high-end industrial markets. In Home Appliance, the excellent product performance, good quality and service are aiming Y.S Tech become leader manufacture in domestic air purifiers, dehumidifiers and water purification equipment and being the important partner of major international manufactures.

b. Strong R&D Team.

By core technologies including “hydrodynamic”, "thermodynamic analysis and heat dissipation solutions", "psychoacoustics and vibration analysis", "environmental purification and comfort", "phase change heat exchange technology" and "IoT and BLDC smart motor control technology", and strong product ID industrial and aesthetic design team, company innovates and

develops continually. In forward-looking research, project development and wisdom manufacturing technology, the strong R&D team innovates and develops continually, focus on improving quality and efficiency in production, the company's strong competitiveness foundation are owed to hundreds of global patents.

c. Standing in European, United States market and expanding China automotive electronics market.

The company is approaching automotive market for years and being European automotive supplier, after several years' cooperation, the product quality and performance are highly recognized by customer and become BMW, Mercedes Benz, Volkswagen's Tier 1 supplier. In addition, under the strong demand of China's automobile market, the company's technical energy and products have also successfully entered China's first-tier automobile supply chain, and have become a supplier of new energy vehicles to major automobile groups such as GAC, Changan, Geely, SAIC, BAIC... and continuously expanding.

d. Product quality meets international standard.

In sustainable operation and development, the company has strictly required the certification of IATF16949, ISO9001, ISO14001, and ISO45001 by German TUV Rheinland for years, not only make sure quality, environmental protection, occupational safety and health, information security management is in line with international quality and social responsibility requirements, also committed to legal compliance in corporate governance and internal control management systems, and continuous improvement in investor relationship management, so as to lay a stable operating foundation in the process of sustainable development of the company.

4. Advantage, Disadvantage, and countermeasure of development prospect

I. Advantage

A. Strong R&D team and differentiated core technology

The company increase resources and manpower in research and development, constantly develops new products and expands new functions onto old products, by innovate and develop patented products to meet market needs. In addition to having a strong R&D team, the company can develop specifications that meet customer needs, and quickly respond to market changes, creating products with high added value and high margins. Therefore, high-quality products and strong R&D team have become favorable factors for the company's market competition.

B. Tier 1 supplier in the high-end automotive market

The company enters the Europe and America high-end automotive electronics market under the brand "Y.S. TECH". In addition to continuing develop the cooling fan and module requirements for future new cars with major manufacturers in the automotive supply chain, based on this basis the company can further enter China's high-end automobiles market and also prepares for the future demand for electronic devices in the global electric vehicle market. In addition, with the first-level supply chain management model of global automakers, Y.S. Tech has established a competitive position in high-quality products and technical services in the global

competitive market.

C. Good quality and keep innovate

The company adheres to the business philosophy of "zero defects in quality, maximum the efficiency, and always be innovation. " Makes customer satisfy and maintains a good cooperative relationship with upstream suppliers and downstream customers. Product development, process management and customer service quality of the whole group are certified by TUV Rheinland. The certification includes IATF16949, ISO9001, ISO14001, ISO45001. The company will continuously improve and innovate, in response to the changes in the global market and customer needs, and provides benefits for future market expansion and potential business opportunities.

D. The high-quality manufacturing service model of Taiwan and the division of labor with China.

The company's main manufacturing bases are distributed between Taiwan and China and continue to expand investment. Through the long-term planning of the manufacturing base, strategically formed the cooperation advantages of manufacturing and supply chain on the two sides. Which can effectively respond to changes in demand brought by the global economic environment, and provide customers with continuously competitive services. In addition, in the field of living technology systems, the manufacturing advantage of made in Taiwan not only forms a competitive advantage for the needs of the domestic market but also directly provides differentiated manufacturing services for foundry customers of international living technology systems.

E. Sound corporate governance and operation

Based on the competition in the global environment, the transparency and robustness of the company's operating information is an important cornerstone for establishing strategies and long-term cooperation with customers. The company is a publicly owned corporation in Taiwan, with its performance growing year by year, financial stability, and more emphasis on corporate governance and sustainable operations. Related business data, like large international clients and credit rating agencies such as Dun & Bradstreet Corporation, D&B, can be obtained through government websites or the database of credit rating agencies, and are updated and checked every year. It has established a good foundation of trust for the company's cooperation with international manufacturers.

II. Disadvantages and countermeasures

A. Although there are still variables in global inflation caused by the post-epidemic environment, regional military conflicts, and regional trade sanctions, it is generally stagnant. ESG-related issues such as carbon tax and RBA have caused the manufacturing industry to make major changes in capital allocation and human resources structure. Whether it will cause alternative inflation still needs further observation.

B. Competition among large economies and China's unique regulatory economy have led to China's accelerated involution and further affected the global market.

C. Countermeasures:

(a) Most of the Company's customer needs and products are mainly customized products, which has a high degree of customer stickiness. In addition, the Company has launched relevant actions to ESG-related issues. Even if there may be alternative inflation, the Company can balance it through mature automated production technology, research and development and innovation of new projects, and continue to improve its relative competitiveness.

(b) Competition among large economies and the involution of the Chinese market have put significant pressure on all supply chains; however, as aforementioned, the Company's products are mainly customized products, and its global automotive electronic ventilation and cooling with a certain market position and high customer stickiness, the main source of pressure comes from product innovation and development speed.

Therefore, the Company will complete the establishment of professional laboratories and engineering teams in two major economic regions in China in 2023 to respond to meet customers' project needs and fulfill needs on the spot to avoid the possibility of cost competition with professional innovation and speed.

In addition, except Taiwan's latest Renwu Industrial Park, the Company will build non-Greater China production sites and further adjust its product structure and Greater China supply chain structure. Not only to meet the increasingly obvious regional competition, the Company also plans for innovation, rapid service and cost improvement to face the increasingly crowded Greater China and adjacent markets.

B. Usage and production of main products

I. Usage of main products

(1) Brushless DC/EC heat dissipation and ventilation fans, heat sinks, and thermal modules

The company provides all kinds of ventilation and thermal dissipation solutions. such as brushless DC cooling/ventilation fans, and thermal modules. The main supply of automotive information platforms, comfort and performance platforms; high-end industrial and power electronic equipment; high-end computing, information and Netcom, cloud computing, servers, storage; office equipment; household appliances; medical equipment; measuring instruments; other industrial equipment and other consumer products.

(2) Living technology

(i) Air Purifier

- (1) Clean: 3 in 1 photo catalyst filter, UV lamp, deodorization box, HEPA filter, activated carbon filter, pre-filter; all kinds of products.
- (2) Quiet design.
- (3) Power saving design.

(ii) Water Dispenser

- (1) The innovated steam water supply patented design makes the water completed boiled. It is qualified by the Consumer Council and BSMI to ensure healthy.
- (2) Microcomputer intelligent dual water level detection can automatically supply hot and warm water, which provide you with the most convenient drinking water at any time.
- (3) How much water is dispensing, how much to make up, that is keeping the water full to save power.
- (4) The case is made of fireproof material, and the power is automatically cut off when dry boiling, which is safe and guard.
- (5) Numbers of patented designs such as: raw water pre-heating power saving function, water empty sound and light warning, water cooling system, purification element, filter replacement, re-boiling dechlorinating device etc.
- (6) Energy saving certification

(iii) Smart RO Water Purifier & Water generator

- (1) Combined with water filter material, air filter material, water molecule condensation module, IOT intelligent control module.
- (2) The hot tank uses advanced material.
- (3) Insulation material adopts UL fire protection standard.
- (4) Re-boiling function. Hot water could reach up to 100°C.
- (5) LED display water temperature.

(iv) Non-installation Hot and Warm Water Purifier

- (1) TDS display of water quality.
- (2) SUS304 hot and warm water tank.
- (3) 4 steps filtration system.
- (4) Detachable raw water tank is easy for taking water and cleaning purpose.

(v) Dehumidifier

- (1) Slim design to save space.
- (2) Rotary compressor: power saving, low noise and high dehumidification efficiency.
- (3) Daily dehumidification capacity is 14L~32L.
- (4) Power saving design.
- (5) High/Low speed + air cleaning + auto defrosting device.

(vi) Ambient Air Water Generator

- (1) Large water tank storage to 42L (upper tank 27L, lower tank 15L).
- (2) Daily water production up to 37L.
- (3) Whole machine with stainless steel structure (all tanks are made of stainless steel 304).
- (4) 4 steps filtration system.
- (5) Use Philips UV lamp for sterilization (sterilization rate is more than 99.9%, lamp life is 8000 hrs.)
- (6) Non-pollution air filtration system.
- (7) It is a large-capacity water production and high-efficiency air purification equipment.

(vii) Hot and Cold Air Water Generator

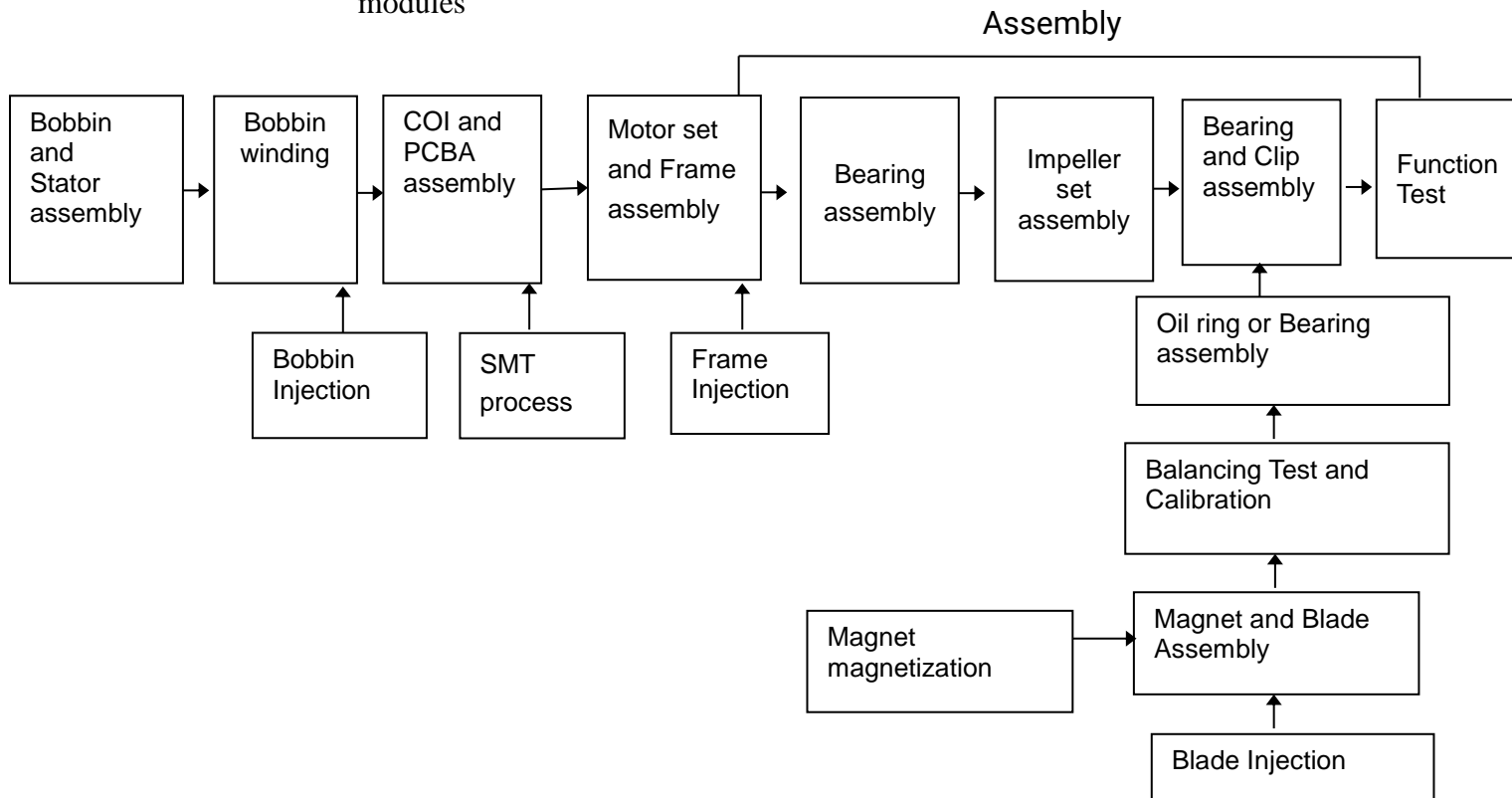
- (1) Large water tank storage to 42L (upper tank 27L, lower tank 15L).
- (2) Daily water production up to 37L.
- (3) Whole machine with stainless steel structure (all tanks are made of stainless steel 304).
- (4) 4 steps filtration system.
- (5) Use Philips UV lamp for sterilization (sterilization rate is more than 99.9%, lamp life is 8000 hours)
- (6) Non-pollution air filtration system.
- (7) Hot and Cold-water dispensing.
- (8) It is a large-capacity water production and high-efficiency air purification equipment.

(viii) Liquor Chiller

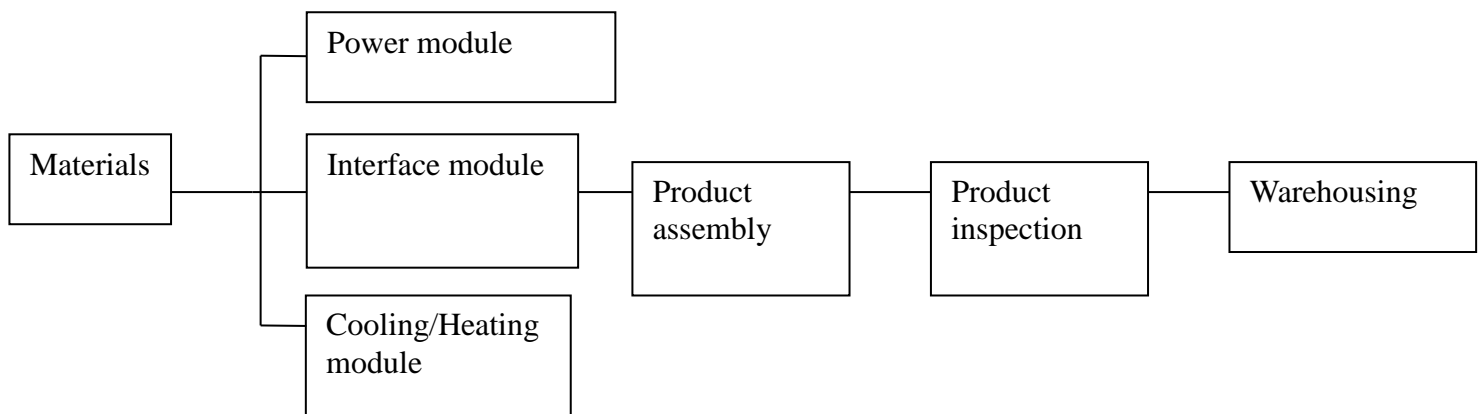
- (1) High-efficiency freezing system to cool liquid rapidly
- (2) Patented liquor supply device
- (3) Patented stopper device
- (4) Fully surrounded heat exchange patented design makes great freezing effect.

II. The production process of main products

(1) Brushless DC heat dissipation and ventilation fans, heat sinks, and thermal modules



(2) Living technology



C. Supply of the important materials

The company's main raw materials are electronic materials, metal materials, plastic materials, etc.

The supply has not changed much in the past three years. There are a number of raw material suppliers worked closely with company for a long time and have stable supply sources.

Major Material	Main suppliers (Domestic)	Main suppliers (Export)	Condition of supply
Bearing assembly	EP0111	—	Stable
compressor	HPE066	HPE054	Stable
IC	EP0028	EP0131	Stable
Printed circuit board	EP0011	DP0032	Stable
Blade 、Frame	EP0144	DP0004	Stable

D. Major Suppliers/Customers List Accounting in recent 2 years

(a) Sales

Units: NT\$ thousands; %

Item	2023				2024			
	Name	Amount	% of Total Sales	Relation with issuer	Name	Amount	% of Total Sales	Relation with issuer
1	EF0100	1,028,959	28.32	—	EF0100	1,476,915	38.23	—
2	EF0005	586,556	16.15	—	EF0005	389,088	10.07	—
	Others	2,017,204	55.53	—	Others	1,997,427	51.70	—
	Net sales	3,632,719	100.00	—	Net sales	3,863,430	100.00	—

Explanation of increase or decrease: The net sales of 2024 decreased compared with 2023, the major customers in the recent 2 years changed barely.

(b) Purchase

The company's main supplier changed in the last two years due to changes in product structure. The product structure fluctuates due to orders placed by customers in different industries, resulting in different main suppliers in recent 2 years. In addition, there is no purchase which is more than 10% from a single supplier.

(3) EMPLOYEE INFORMATION FOR THE PAST TWO YEARS

Unit: Persons; %

Year		2023	2024	As of March 31,2025
Number of Employees	Direct Staff	677	695	698
	Indirect Staff	520	590	607
	Total	1,197	1,285	1,305
Average Age		35.41	34.80	35.13
Average Year of Service		4.84	4.43	4.30
Degree Distribution Ratio (%)	Ph.D.	0.17%	0.16%	0.23%
	Masters	3.17%	2.80%	3.14%
	College	25.73%	25.68%	25.44%
	Senior High School	36.01%	33.23%	33.10%
	Under Senior High School	34.92%	38.13%	38.08%

(4) Disbursements for environmental protection

- A. In the most recent year and up to the date of publication of the annual report, the total amount of losses and punishments due to environmental pollution: None.
- B. Future countermeasures and possible expenditures: None.
- C. The company's products are directly or indirectly exported to Europe or related to the EU Environmental Protection Directive (RoHS) related specifications:
 - (a) The company's progress in response to the EU Environmental Protection Directive (RoHS) is 100%.
 - (b) New models of the company's main products need to pass the SGS test, obtain the laboratory certification and sign a non-use guarantee for environmentally related substances with upstream and downstream manufacturers. The current acquisition rate is 100%.
- D. The company's main plant and produce equipment are located in Renwu Kaohsiung, Guantian Tainan, Hengli Town and Dongkeng Town of Dongguan Mainland China. Normally, environmental protection will be listed as important issue; if problems occurs, they will be improved immediately. And existing equipment will be inspect, in order to give employees and nearby residents a good working and living environment. In addition, the company's products are mostly assembled during the production process, so it will not produce pollution and waste.

(5) Labor relations

A. Remuneration policy :

With consideration of the market trend and the operational conditions, the Company has established the remuneration policy that is incentive to the employees and competitive in the industry.

- (a) To develop and establish a remuneration policy that is fair, reasonable, and equal for each employee.
- (b) To establish remuneration policy based on the condition of supply and demand on the labor market.
- (c) To “use” the talent appropriately and reach job objectives with their professional competence.

B. Employees' welfare

The company established the "Employee Welfare Committee" to regularly organize various cultural and recreational activities and handle various welfare affairs.

The required welfare measures and implementation are as follows:

- (a) All employees are required to participate in labor insurance and national health insurance.
- (b) The company provides staff working suit and uniforms.
- (c) Implement labor retirement measures.
- (d) Employees are given leave in accordance with the Labor Law in case of marriage, funeral and so on that according.
- (e) New Year bonus (Spring Festival, Labor Day, Dragon Boat Festival, Mid-Autumn Festival) and irregular employee dinners, year-end party and spring feast.
- (f) Birthday welfare products, etc.
- (g) Set up friendly childcare environment measures for employees to breastfeed or breastfeeding milk collection rooms.

The above-mentioned welfare measures are currently in implemented with good condition. In the future, we will cooperate with laws, social conditions and changes of the company's operating conditions to make appropriate corrections.

C. Policy for training and professional development:

- (a) Before the end of the year, according to the employee education and training methods, each department should propose the internal and external training courses for the department's personnel in the following year. HR department collects the company-wide information and training on time to improve the professional skills of staff in each department.
- (b) Encourage employees to continue their on-the-job training in various colleges and universities, and according to their course give them flexibility to work time.
- (c) The situation in which personnel related to financial information transparency obtain relevant certificates:
 - (i) Republic of China accountant license: 2 persons in the Operation Management Dep.

D. Pension system and practice

- (a) The Company's pension system and guidelines for pension plans have been established according to Labor Standard Act (old version), and employees' pension is allocated to a designated account of Taiwan Bank. The amount of pension afforded by the employee is calculated according to the base number for service years and the average salary within 6 months before the retirement. Each employee gets two base points for working every one year for the first 15 years after entering the Company and 1 base point for each, and forty-five is the maximal number.
- (b) The Company adopted Labor Pension Act on July 1, 2005. The Defined Contributed Pension Plan (the new version) is adopted, and job tenure is traced back for service years before the above-mentioned provisions. The Monthly Contribution Wages Classification of Labor Pension is adopted, and 6% of the employee's monthly wage is allocated to the personal account for Bureau of Labor. The employee can allocate an additional amount within 6% of the monthly wage to the personal pension fund.
- (c) Qualifications for Employee Retirement Applications:
 - (i) An employee of the Company who meets any one of the following conditions shall be subject to compulsory retirement:
 - (1) The employee is aged 65 or older.
 - (2) The employee is mentally or physically incapacitated such that he or she is unable to perform his or her work duties.
 - (ii) An employee of the Company who meets any one of the following conditions may apply for voluntary retirement:
 - (1) The employee has worked at the Company for 25 years or longer
 - (2) The employee has worked at the Company for 15 years or longer and is aged 55 or older.

- E. Measures to protect employees' rights:
The company always adhered to the basic concepts of "integration of labor and management" and "coexistence and common prosperity". It has cultivated recognition and consensus on the continuation of company survival and long-term development, and appropriately explained the difficulties and problems faced by the company and expressed the company's position and decision ben made, so that employers and employees both can be treated fairly and establish a stable, harmonious relationship.
- F. Describe any loss suffered by the company due to labor disputes in the most recent two fiscal years and in the current fiscal year up to the date of publication of the prospectus, and disclose an estimate for the amount of losses that have been incurred to date and may be incurred in the future, as well as response measures. If a reasonable estimate cannot be made, explain why not: None.
- G. The company's employee service codes
The company has established complete regulations to regulate employees' code of conduct on work ethics, protection of business secrets, work order, etc., as follows:
- (a) Work ethics
 - (i) Working rules: There are special regulation for preventing sexual harassment.
 - (ii) Measures for prevention and control of sexual harassment in the workplace: In accordance with relevant government laws and regulations, a dedicated person is responsible for and continues to publicize to take preventive, corrective and punitive measures for harassment incidents.
 - (b) Regarding business secrets
 - (i) Working rules: There are special regulation to regulate the maintenance of official secrets.
 - (ii) Employee confidentiality contract: every new entrant must sign.
 - (c) Workplace order
In the work rules, attendance, reward and punishment, performance and other relevant regulations are clearly stipulated.

(6) Information Security Management

- A. Information security risk management frame, information security policy, specific management plans, and resources invested in information security management, etc.:
- (a) Information security risk management frame
The company set up an "Information Security Implementation Committee" with general manager as the convener. The members include the members of the information room and supervisors of all first-level units. Meeting is held every six months to review information security management-related matters and report regularly to the Board of Directors.
 - (b) Information Security Policy
In order to strengthen information security management, the company ensures the confidentiality, integrity and availability of its information assets, provides the environment and structure required for the operation of the company's information; and complies with the requirements of relevant laws and regulations to protect it from internal and external Intentional or accidental threats. The formulated information security policy is approved by the general manager and evaluated every six months or re-evaluated when the organization has major changes. According to the evaluation results, appropriate revisions will be made as necessary.

(c) Specific management plans

- (i) Authorization control: All application systems and file servers must be applied and approved before permission is granted for access. Unauthorized personnel will not be able to access.
- (ii) Information equipment control: The use of USB devices is prohibited.
- (iii) Network control: Access to cloud storage and the implementation of network firewalls are prohibited.
- (iv) E-mail control: A secure mechanism is established to control e-mail transmission.
- (v) Antivirus software: Legal antivirus software is used, and virus codes and scanning engines are regularly updated.
- (vi) Internal environment inspection: In August of 2024, the Company commissioned a technical service team to conduct: Vulnerability testing on the mainframe system and penetration testing on the internal network. Adjustments were made to software or hardware with vulnerabilities or high risk; moreover, a retest was performed to ensure that vulnerabilities were patched and the Company's information security was effectively enhanced.
- (vii) Asset inventory plan: In June of 2024, the Company conducted asset inventory through antivirus software; a total of 36 servers, 334 computers and their installed software were audited.

(d) Invest resources in security management

The company's 2024 and 2025 estimated capital expenditure and maintenance costs for investment through safety management are about NT \$1,000 thousand.

B. Information security incident handling and notification:

In the 2024 and as of the date of publication of the annual report, the Company had no financial loss, operational impact and countermeasures due to major information security incidents.

(7) Important Contracts

Types of contract	Involved parties	Starting date and expiration date of contract	Major content	Restrictions
Mid-term loan	First Commercial Bank	August 1, 2022 – May 15, 2028	Bank loan contracts for operational needs.	None
Mid/ Long -term loan	Bank of Taiwan	February 15, 2023 - February 15, 2033	Bank loan contracts for operational needs.	None
Mid-term loan	Mega Bank	February 21, 2022 – February 20, 2029	Bank loan contracts for operational needs.	None
Mid-term loan	Chang Hwa Bank	December 31, 2022 - December 30, 2027	Bank loan contracts for operational needs.	None

5. The review and analysis of the company's financial position and financial performance as well as assessment of risks

(1) Financial Status

(a) Financial status comparison analysis

Units: NT\$ thousands

Item \ Year	2024	2023	Variance	
			Amount	Ratio Variance %
Current Assets	2,121,997	2,155,188	(33,191)	(1.54)
Property, plant and equipment	1,096,833	930,303	166,530	17.90
Intangible assets	7,531	8,298	(767)	(9.24)
Other non-current assets	340,973	355,432	(14,459)	(4.07)
Total assets	3,567,334	3,449,221	118,113	3.42
Current liabilities	1,267,111	1,247,852	19,259	1.54
Non-current liabilities	666,023	629,977	36,046	5.72
Total liabilities	1,933,134	1,877,829	55,305	2.95
Capital stock	786,753	763,238	23,515	3.08
Capital surplus	190,272	267,531	(77,259)	(28.88)
Retained earnings	641,398	536,371	105,027	19.58
Other equities	13,833	4,252	9,581	225.33
Equity attributable to owners of the parent company	1,632,256	1,571,392	60,864	3.87
Minority interests	1,944	-	1,944	100.00
Total shareholders' equity	1,634,200	1,571,392	62,808	4.00

(b) For those items that increase or decrease ratio changes by more than 20%, the explanation is as follows:

- (i) Capital Surplus: Mainly due to the distribution of cash dividends from capital surplus.
- (ii) Other Equity: Primarily from the exchange differences arising from the translation of financial statements of foreign operating entities.
- (iii) Minority Interests: Mainly due to the addition of the subsidiary Y.S. Europe GmbH.

(2) Financial performance

(a) Profit and loss statement of the most recent two years

Units: NT\$ thousands; %

Item \ Year	2024	2023	Amount Variance	Ratio Variance (%)
Operating revenue	\$3,863,430	\$3,632,719	\$ 230,711	6.35
Operating cost	3,167,314	3,029,824	137,490	4.54
Gross profit	696,116	602,895	93,221	15.46
Operating expenses	496,761	549,775	(53,014)	(9.64)
Operating profit	199,355	53,120	146,235	275.29
Non-operating revenue and expense	65,265	295,018	(229,753)	(77.88)
Profit before tax from continuing operations	264,620	348,138	(83,518)	(23.99)
Income tax expenses	43,914	56,348	(12,434)	(22.07)
Net profit (loss)	\$ 220,706	\$ 291,790	\$ (71,084)	(24.36)

(b) For those items that increase or decrease ratio changes by more than 20%, the explanation is as follows:

- (i) Operating profit: Mainly due to revenue growth and effective control of operating expenses.
- (ii) Non-operating income and expenses: Mainly due to the recognition of investment gains from the disposal of the subsidiary SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD. in 2023.
- (iii) Net profit before tax: Mainly due to the recognition of investment gains from the disposal of the subsidiary SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD. in 2023.
- (iv) Income Tax Expense: Mainly due to the decrease in profit before tax.
- (v) Net profit for the current period: Mainly due to the recognition of investment gains from the disposal of the subsidiary SHANGHAI YENSUN ELECTRICAL INDUSTRIAL CO., LTD. in 2023.

(3) Analysis of Cash Flow

(a) Illustration on changes of the cash flow in the recent years

Item \ Year	2024	2023	Ratio Variance (%)
Cash flow ratio	18.79	28.80	(34.76)
Cash flow adequacy ratio	45.65	101.63	(55.08)
Cash flow reinvestment ratio	0.36	7.59	(95.26)

Explanation on increase or decrease of the ratio:

- (i) The cash flow ratio decreased compared with 2023, mainly due to the increase in accounts receivable, resulting in a decrease in cash inflow.
- (ii) The cash flow adequacy ratio decreased compared to 2023, due to the decrease in net cash flow from operating activities in the past five years.
- (iii) The cash reinvestment ratio decreased compared to 2023, mainly due to the decrease in net cash flow from operating activities.

(b) Plans for improve the lack of liquidity: Not applicable.

(c) Prediction on cash liquidity in the following year

Units: NT\$ thousands

Cash balance – beginning of the period (1)	The estimated cash flow of operating activities throughout the year (2)	The estimated cash flow of investment and financing activities throughout the year (3)	The estimated amount of surplus (shortage) of cash. (1)+(2)-(3)	Responsive measures with cash balance	
				Investment plan	Financing plan
340,613	372,134	305,000	407,747	-	-

(a) Analysis on changes in cash flow in the following 2025:

- (i) Operating activities: It is expected that the revenue growth will be accompanied by an increase in net profit, which will result in a net cash inflow from operating activities;
- (ii) Investment activities: It is expected to pay for the new build factory plant, purchase of machinery and equipment and the development of new molds, etc.;
- (iii) Financing activities: It is expected to increase mid-term and long-term borrowings, etc.

(b) Remedial measures for shortage in cash and analysis on the flow: Not applicable.

(4) Major Capital Expenditure Items:

In 2022, a royalty of NT\$29.43 million was paid to acquire the right of use in Renwu Industrial Park for the construction of a factory/office building; which is expected to be completed and put into use before second half of 2025. As of the Q1 of 2025, related construction costs were approximately NT\$ 540 million have been invested.

(5) The company's reinvestment policy for the most recent fiscal year, the main reasons for the profits or losses generated thereby, the plan for improving re-investment profitability, and investment for the coming year:

Units: NT\$ thousands

Item \ Desc	Investment gain (loss) of 2024	Policy	Main reasons for profits/losses	Improvement plans	Other investment plans in the future
YEN JIU TECHNOLOGY CORP.	1,461	In order to improve competitiveness and operating performance, the Company implemented reorganization and work specialization, the relevant business of the Changhua plant of the Company's home appliance business division was split, and the wholly-owned subsidiary was established.	Mainly due to the increase in capacity utilization and enhanced control over operating expenses.	Actively expand business, continue to improve production levels, and enhance market competitiveness.	None

(6) Risk Management

- A. The effect on the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

Units: NT\$ thousands

Item	Effect on the profits (losses)			Future measures
	Account	2024	2023	
Changes in interest	Interest revenue	5,512	3,925	The Company's liquidity is still adequate. The increase in interest income in 2024 is mainly due to the increase in average deposits; the increase in interest expenses in 2024 is due to the capitalization of interest, so interest rate fluctuations have little impact on the Company.
	Interest expenses	6,699	11,804	
Changes in exchange rate	Exchange gain (loss), net	43,220	(676)	The Company will adopt a strategy of balance between accounts receivable and payable to reduce exchange rate risk. In addition, the Company collects foreign exchange market information at any time to keep track of foreign exchange market trends, prepare cash flow forecasts, grasp the supply and demand of foreign currencies, propose appropriate hedging policies and methods, and timely buy and sell foreign currencies to reduce the exchange losses caused by the appreciation of the TWD.
Inflation	-	-	-	The company is less affected by inflation.

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

The company has not engaged in high-risk and high-leverage investment activities in the most recent year. The capital, loan and endorsement guarantees are handled in accordance with the relevant operating procedures prescribed by the company.

In addition, the company has a "Procedures for Acquisition and Disposal of Assets," that regulates the risk management system for derivative commodity transactions, so there is no significant adverse impact on the company's profit and loss.

- C. The plan of R&D and reinvestment in Future

Given that the sustainable development of YEN SUN and the uniqueness of the market, YEN SUN always plans and invests a lot of resources for the investment and development of the future products.

Furthermore, the mechanisms used in the field of electronic cooling are still inseparable from the cooling fans and modules, and their demand has not been reduced, therefore the state-of-the-art fan wing design, effective vibration and initiative/passive vibration suppression 、 sound control and optimization, and motor power will continue to develop.

According green energy development, through development of the fan wing and motor power innovation, there is efficiency of energy saving can be effectively improved, as the same time can expand the scope of applicability. At present, the application fields include automotive electronics, medical equipment, 5G network, AI control, etc., all of which have different

application and Specification Control. Therefore, YEN SUN organize its own independent technology and becomes the core foundation for future development. In addition to the core technology, independent automatic production technology is also continuously developed in the area of process, which not only improves the production efficiency but also improves the quality requirements, so as to control the consistency of production and exclude the potential risks of human assembly.

In recent years, in addition to actively developing core technologies by YEN SUN, also cooperated with major universities of domestic to not only accumulate technical energy, but also obtain the update and promotion of academic theories, which will provide customers with more effective technical and quality requirements.

Rely on the R & D capabilities of continuous in development research, combined with a high passion and creativity for products, YEN SUN always prioritizes customer's problems, and hope to be the best product development partner to open up innovative market and future with customers, so that it will become the important way of steady growth and foothold on market of YEN SUN.

Abstract of future major R&D plans

Project name	Proposal	Schedule
Development of Automotive Seat Breathing Fan	Through structural configuration, the traditional fan is transformed into a bidirectional airflow system capable of both intake and exhaust. This upgrade enhances the conventional unidirectional ventilation system into a moisture-exhausting and air-circulating system, significantly improving passenger comfort.	2025
Development of Long-Life Bearings	Utilizing a multi-labyrinth air-floating structure within the bearing design minimizes friction between the shaft and bearing. This not only extends bearing lifespan but also improves operational efficiency.	2026

The R&D expenditures of the above plans account for approximately 45% of the total R&D budget in 2025, and the total R&D budget accounts for approximately 4% of the total budget revenue in 2025.

- D. Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response: None
- E. Effect on the Company's financial operations of developments in science and technology as well as industrial change, and the measures to be taken in response:
 - (a) The automotive and communication related products are gradually diversifying, so multi-functional products are the focus of research and development. The Company will adjust the product development direction in a timely manner. Under the Company's existing technology, it will adjust the product development based on customer needs. In addition, the company also continuously strengthens product functions to become the main product

in the future.

(b) Risk evaluation of information security :

The company has established operational procedures for treatment of information processing system on the computer and properly implement the policy for internal control and information security.

Aims of the electronic information security policy:

- (i) To organize training session and propaganda for information security.
- (ii) To protect confidential information of the Company
- (iii) To respect intellectual property and protect information of the client and the Company.
- (iv) To prevent computer virus attack.

Specific management plans of the electronic information security:

- (i) Access control: The system and files server can only be accessed by authorized users.
- (ii) Information Equipment control: workers are banned from using USB.
- (iii) Internet control: downloading files from the cloud storage space is banned, and Internet firewall has been established.
- (iv) E-mail Control: A security mechanism is established to control mail delivery.
- (v) Antivirus software: The Company adopts legal antivirus software and regularly updates virus code as well as antivirus engine.

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

For many years, the Company's philosophy on corporate operation is brand image, innovation and sharing. Whether in home appliance products or cooling fan products, the Company maintains a good image in the industry. As of now, nothing happened what would affect the corporate image.

G. Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None

H. Expected benefits and possible risks associated with any plant expansion: None.

- (i) The company's application to enter the Renwu Industrial Park in 2021 has been approved by the Economic Development Bureau, Kaohsiung City. The leased land area is 10,139 square meters, and the new plant area is about 6,000 square meters. It is expected to be completed before second half of 2025 and put into production.
- (ii) The company's current existing Renwu plant has been in use for more than 30 years. In order to ensure the company's operational stability and competitiveness, it is planned to invest in the construction of a new plant. The company will continue to pay attention to future customer needs in order to evaluate the benefits of expanding production capacity and increasing equipment automation to reduce costs. As of the publication date of the annual report, the company's production capacity expansion is still in line with the company's expectations.

I. Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken: None.

J. The impact and risk brought by changes in directors, supervisors, or top-ten major shareholders possessing over 10 percent of outstanding stocks, transfer or change of a large number of shares and mitigation measures being or to be taken: None.

K. The impact and risk brought by changes in the Company's management right and mitigation measures being or to be taken: None.

L. Lawsuit events and non-contentious events: : None ◦

M. Other significant risks and responsive measures: : None ◦

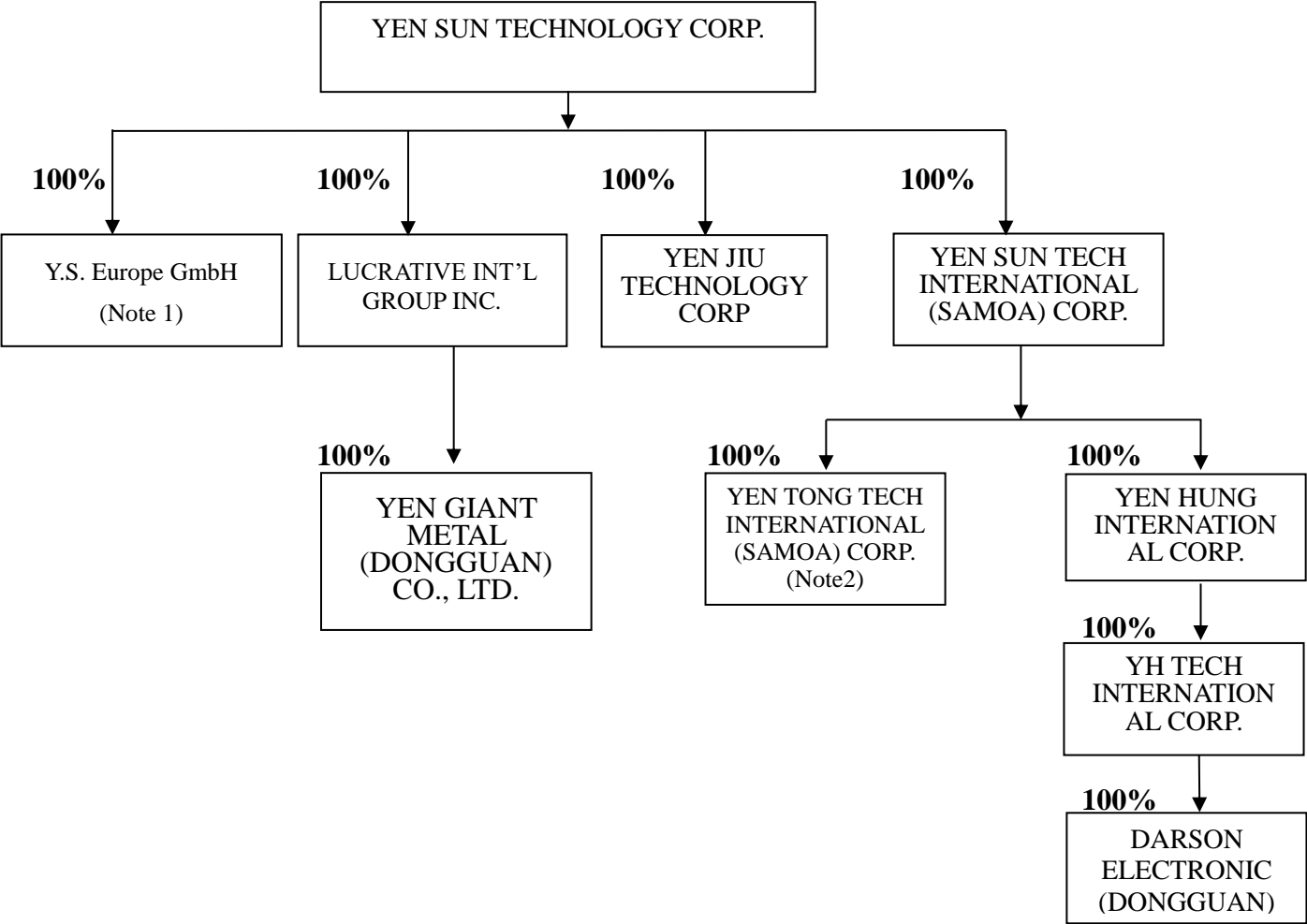
(7) Other notable matters: None.

6. Special Disclosure

(1) Information Regarding Affiliated Companies

A. Consolidated business report of affiliated companies

(a) Organizational chart of the affiliates:



Note 1: The company completed its incorporation registration procedures in 2024.

Note 2: The company completed its dissolution procedures in 2024.

(b) Information of subsidiaries and affiliates

Affiliates	Date of establishment	Address	Actual investment amount of the company	Business Scope
YEN SUN TECH INTERNATIONAL (SAMOA) CORP.	2005.07.29	Offshore Chambers, P.O. Box217, Apia, Samoa.	US\$1,060 thousand	Investment holding
YEN HUNG INTERNATIONAL CORP.	2005.08.02	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, samoa	US\$1,000 thousand	Investment holding
YH TECH INTERNATIONAL CORP.	2004.07.05	Hunkins Waterfront Jewels, Charlestown, Nevis, West Indies	US\$1,000 thousand	Investment holding
YEN TONG TECH INTERNATIONAL (SAMOA) CORP.	2009.08.04	Level 5, Development Bank of Samoa Building, Beach Road, Apia, Samoa	US\$60 thousand	Investment holding
DARSON ELECTRONIC (DONGGUAN) LTD.	2010.06.10	Xinsi Admin Zone, Heng Li Town, Dongguan City, Guangdong Province 523466, P.R. China	US\$1,000 thousand	Manufacturing of Cooling fan
YEN GIANT METAL (DONGGUAN) CO., LTD.	2012.08.31	No.10, Dongxing W. First Road, Jiaoshe Village, Dongkeng Town, Dongguan, Guangdong Province 523443, P. R. China	CNY\$2,002 thousand	Manufacturing of heat sink and cooling fan
YEN JIU TECHNOLOGY CORP.	2013.05.20	No.421, Guantian, Guantian Dist., Tainan City 72047, Taiwan (R.O.C.)	TWD\$110,500 thousand	Home Appliance OEM Business
LUCRATIVE INT'L GROUP INC.	2017.06.05	2 nd Floor, Building B, SNPF Plaza, Savalalo, Apia, Samoa	US\$ 285 thousand	Investment holding
Y.S. Europe GmbH	2024.10.10	Wilhelm-Maisel-Straße 18a, 90530 Wendelstein, Nürnberg, Deutschland	EUR € 320,000	Industrial electronics ventilation, thermal module, and smart living systems business and application engineering services.

(c) Shareholders presumed to have a relationship of control and subordination: None.

(d) The names of the Directors, Supervisors, and president of each affiliate:

March 6, 2025; Unit: NT\$ thousands

Company name	Position	Name of representative	Number of shares held	
			Number of shares	Shareholding Percentage
YEN SUN TECH INTERNATIONAL (SAMOA) CORP.	Chairman	Wu, Wen-Jie	1,000,000	100%
YEN HUNG INTERNATIONAL CORP.	Chairman	Lin, Shu-Qin	1,000,000	100%
Y.H. TECH INTERNATIONAL CORP.	Chairman	Tsai, Jui-Chang	1,000,000	100%
DARSON ELECTRONIC (DONGGUAN) LTD.	Chairman	Wu, Wen-Jie	-	100%
YEN GIANT METAL (DONGGUAN) CO., LTD.	Chairman	Ye, Sheng-Zan	-	100%
YEN JIU TECHNOLOGY CORP.	Chairman	Chen, Chien-Jung	11,050,000	100%
LUCRATIVE INT'L GROUP INC.	Chairman	Ye, Sheng-Zan	1,000,000	100%
Y.S. Europe GmbH	Chairman	Chen, Yi-Jun	260,000	81.25%

(e) The overview of the operations of the affiliates:

Unit: NT\$ thousand

Company name	Paid-in capital	Total assets	Total liabilities	Net Value	Revenue	Operating profit	Profit after tax	Earnings per share (NT\$) (after tax)
Yen Sun Tech International (Samoa) Corp	32,098	307,709	61,428	246,281	367,415	(368)	5,345	—
Yen Hung International Corp.	30,179	239,287	0	239,287	0	0	5,145	—
YEN TONG TECH INTERNATIONAL (SAMOA) CORP.	0	0	0	0	0	0	0	—
Y.H. Tech International Corp.	30,179	390,531	151,254	239,277	561,916	(662)	5,145	—
DARSON ELECTRONIC (DONGGUAN) LTD.	30,179	286,911	180,778	106,133	564,757	(15,628)	(504)	—
YEN GIANT METAL (DONGGUAN) CO., LTD.	9,008	549,176	373,601	175,575	867,783	35,448	31,046	—
YEN JIU TECHNOLOGY CORP.	110,500	173,454	113,120	60,334	463,204	2,058	1,461	—
LUCRATIVE INT'L GROUP INC.	8,583	175,575	0	175,575	0	0	31,046	—
Y.S. Europe GmbH	11,206	10,366	0	10,366	0	(558)	(558)	—

B. Consolidated Financial Statements of Affiliated Companies:

For consolidated financial statement with associates, The Company, for 2024 (from January 1 to December 31, 2024), is required by the "Consolidated Business Reports about Associate and Related Enterprise Financial Statement and Related Report Preparation Guidelines" to include the same companies in the preparation of the consolidated financial report for associate enterprises as those required to be included in the preparation of the parent-subsidary consolidated financial report according to International Financial Reporting Standard 10. The relevant information that should be disclosed in the consolidated financial report of associated enterprises has already been disclosed in the aforementioned parent-subsidary consolidated financial report. Therefore, a separate consolidated financial report for associate enterprises will not be prepared.

C. Declaration of Consolidated Financial Statements of Affiliated Companies: None.

(2) A Private Placement of Securities During The Most Recent Year or During the Current Fiscal Year Up To The Date of Publication of The Annual Report:

The Company, as resolved at the shareholders' meeting on May 31, 2024, approved the private placement of no more than 20,000,000 common shares to be conducted at an appropriate time in accordance with Article 43-6 of the Securities and Exchange Act, depending on market conditions and company needs. As of the date of this annual report, the application has not yet been submitted to the competent authority. If the aforementioned private placement is not completed before the day preceding the 2025 shareholders' meeting, it will be canceled as of the date of the 2025 shareholders' meeting. The Company will propose new capital increase plan and report the handling status of the 2024 capital increase at the 2025 annual shareholders'

meeting.

(3) Other matters that require additional description

: None.

(4) Any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders equity or the price of the company's securities which has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report shall be listed one by one

: None.

YEN SUN TECHNOLOGY CORP.

Chairman : *CHEN, KUAN-HUNG*