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<http://www.youngoptics.com>



揚明光學股份有限公司

Annual Report
For Fiscal Year 2024

Published on May 2, 2025

1. Name, Title and Contact Information of Company's Spokesperson and deputy spokesperson:

Spokesperson : Cynthia Chang
Title : President
Tel. : (03)620-6789
Email : ir.yo@youngoptics.com

Deputy-spokesperson : Renny Tsao
Title : Assistant Manager
Tel. : (03)620-6789
Email : ir.yo@youngoptics.com

2. Address and phone number of the Headquarter, branch offices, and factories:

Address : 7, Hsin An Rd., Hsinchu Science Park, Hsinchu City, 300
Tel. : (03)620-6789

3. Name, address, website, and phone number of the stock transfer agency:

Name : Taishin Securities Co., Ltd Shareholder Services Department
Address : B1, No. 96, Section 1, Jian Guo North Road, Taipei City
Website : <https://www.tssco.com.tw/stocktransfer>
Tel. : (02)2504-8125

4. Name of the accountant who signed the most recent financial report, name of the Accounting firm, address, website, and phone number:

Name of CPA : Wan-Ju Chiu, Ming-Ju Huang
Accounting Firm : Ernst & Young
Address : E-3, No. 1, Li Hsin 1st Road, Hsinchu Science Park, Hsinchu City
Website : https://www.ey.com/zh_tw
Tel. : (03)688-5678

5. GDR listed stock exchange and the way to search for information: None.

6. Company website: <http://www.youngoptics.com>

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One. Letter to Shareholders

Dear Shareholders,

For the fiscal year of 2024, Young Optics Inc. (YOI) has reported consolidated sales revenue of NT\$2,572 million. Gross profit was reported at NT\$302 million with gross profit margin of 11.73%. Net operating loss was reported at NT\$267 million with an after-tax operating loss of NT\$248 million. Net loss attributable to shareholders of the parent company was reported at NT\$248 million. The basic after-tax loss was NT\$2.17 per share.

I. Annual Business Report for Year 2024

1. The analysis of the sales of YOI's major products for 2024 is as follows:

Unit: NT\$ million

	2023	2024	Increase (Decrease) Amount
Pico Display	671	388	(283)
Image Optics	612	651	39
Optical Component	870	785	(85)
3D Printer	484	324	(160)
Auto	331	403	72
Others	42	21	(21)
Total	3,010	2,572	(438)

In 2024, the consolidated sales revenue was NT\$2,572 million with a decrease of 15% compared to the previous year. Among them, the Pico Optical Module experienced a decline in overall shipments of nearly 40% due to the destocking of non-Chinese market customers and the impact of the Chinese economic contraction, weak consumption, and competition from low-cost single-panel LCD projection solutions in the Chinese market. 3D printer sales decreased by 33% due to weak consumption, resulting in customer inventory adjustments. Optical Component products decreased by 10% due to decline in shipments for new applications and impact from disposal of Japanese subsidiary in the third quarter. Smart home camera increased by 6% due to new modules enter mass production gradually. Automotive products increased by 22% due to the growth in shipments of HUD. In 2024, the gross margin of 11.7% increased by 1.2% compared to 10.5% in the previous year, affected by the product sales mix variances and increase in capacity utilization. Additionally, the Company recognized non-operating losses of NT\$72,581 thousand due to the fire incident, received prepaid claims for property insurance and recognized compensation revenue amounting NT\$45,000 thousand. The amount of remaining property insurance claim will be finalized upon the completion of the insurer's co-insurance meeting and associated procedures while the claims related to the unresolved items and the business interruption insurance claims process are still in progress.

2. Budget Execution: YOI did not need to publicly announce financial forecasts for the fiscal year 2024, so it is not applicable.

3. Analysis of Financial Revenue and Expenses and Profitability:

Item		Year	2023	2024
Financial Structure	Debt Ratio (%)		36.47	36.66
	Ratio of Long-term capital to property, plant and equipment (%)		183.31	203.92
Debt Repayment Ability	Current Ratio (%)		173.57	221.90
	Quick Ratio (%)		136.24	175.21
	Interest Earned Ratio		(12.80)	(16.20)
Profitability	Return On Assets (%)		(5.27)	(5.16)
	Return On Stockholders' Equity (%)		(9.12)	(8.53)
	Earnings Per Share (NT\$)		(2.52)	(2.17)

4. Research and Development Status:

As for the research and innovation, we have accomplished the following, by hard work of the Research and Development Team:

- (1) The development of ophthalmoscope has been completed and has entered the human trial phase.
- (2) Developed Super Slim LED smart car headlamp lens.
- (3) Developed economical and industrial-grade 3D printer modules.
- (4) Developed Co-Packaged Optics fiber connectors.

II. Summary of the business plan for 2025

1. Business Policy

- (1) YOI implement the principle of “customer first, excellent in quality” in every aspect of product design, manufacturing process, and service. Provide customers with cost-effective products, thereby creating essential benefits and user experiences, so that our products are useful for everyone.
- (2) With a focus on employees, we enhance operational efficiency, strengthen our environmental, social, and corporate governance, as well as balance and take into account short, medium, and long-term development, to create optimal shareholder returns and pursue sustainable development.

2. Expected sales quantity and the basis thereof

Based on the competition trends of the application markets, customers' destocking status, the impact of China's competition from low-cost projection solutions, and the continuous adoption of new models in various product lines for mass production, it is estimated that the sales in 2025 will be approximately the same as the previous year. In addition to continuously adjusting development and sales strategies, YOI will emphasize non-China markets and non-consumer projection applications, and the development of 3D printing modules designed for new and industrial applications to address low-costs competition in the Chinese market and expand our customer base in the industrial applications.

3. Significant Production and Sales Policies

- (1) Closely monitor geopolitical risks and macroeconomic development trends, keep abreast of the competitive trends of customers and products in the markets, maintain sales forecasting accuracy, and reduce receivable risks while adopting data analysis to improve process stability and yield rate.
- (2) Based on the changes in the political, economic, social, and environmental conditions at each manufacturing location, as well as the characteristics of the process and human-machine ratio, YOI continuously adjust and arrange for the most suitable manufacturing locations to create a fast, cost-effective, efficient, and stable supply system.

III. Future Development Strategies

In the future, the Company will be moving forward with strategies below in mind:

1. Proactively open up markets of Virtual Reality (VR) and Augmented Reality (AR) optical components, Co-Packaged Optics (CPO), automobile projector, and 3D-Printing, as well as expand into non-Chinese markets.
2. Continuing to improve process management and technologies, promoting cost advantage and improving profitability.
3. Becoming the most trust-worthy supplier for our customers by practicing excellent product quality, details in process and services.
4. Leveraging the market strategies, group layout and lower cost fundings to serve as a solid foundation for the Company's continued growth.

IV. The impact of an external competitive environment, regulatory environment, and overall business environment

In terms of the external competitive environment, with the impact of negative factors, such as continuous inflation, highly uncertain worldwide trading policies, and geopolitical tensions, YOI is facing competition from rivals in growth-oriented products, such as 3D printers, automotive products, and home surveillance. These competitors have been joining the market and offering low-cost solutions. To enhance competitiveness and maintain a competitive advantage, YOI will adjust sales strategies and focus on reducing production costs through product development, process management, and technological improvements. Furthermore, YOI will leverage its advantages in precision optical design and autonomous optical component manufacturing processes to continuously develop new product applications for future growth.

In terms of regulatory environment, YOI adheres to International Financial Reporting Standards (IFRSs), the Securities and Exchange Act, and other regulations related to sustainable development and corporate governance. We fulfill our corporate social responsibility and take sustainable development measures to foster friendly partnerships with stakeholders.

In terms of the Macro environment, the International Monetary Fund (IMF) released its latest World Economic Outlook, pointing out that with a series of tariff policies implemented by the United States, global trade tensions have intensified under the highly intertwined modern supply chain, impacting global economic activities resulting the global economic growth will slow to 2.8% in 2025 and 3.0% in 2026. Due to tariffs raising uncertainty, U.S. economic growth is expected to be 1.8% while the eurozone is estimated to decrease to 0.8% in 2025 and China has downgraded its growth forecast to 4%. Since higher importing costs caused by tariffs in developed countries may result in an increase in the general price level of goods and services, it is expected the inflation rate for 2025 will be 4.3% and 3.6% for 2026. The World Trade Organization (WTO) has released its latest “Global Trade Outlook and Statistics” report, which forecasts a 0.2% decrease in global merchandise trade volume for 2025 which reflects a weakening demand trend for the global market. WTO also warned that if the United States imposes reciprocal tariffs, global merchandise trade volume for 2025 is expected to decline by 0.6% and could fall by an additional 0.8% if the trade policy uncertainty spreads beyond markets outside the United States. If the US-China trade war escalates, it may lead to a long-term reduction in global real GDP by nearly 7% and low-income countries are being hit with this circumstance over 9%.

Looking forward to 2025, the global economy is facing the highly uncertain impact of tariffs. Growth momentum and inflation improvement trends slowed down, and the overall environment faced challenges. Our management team will be cautious and adjust strategies according to the situation, and committed to the principles of “customer first and excellent quality”. We focus on our core business and gradually improve product design, manufacturing processes, and management skills. With a people-centered approach, we aim to enhance operational efficiency, strengthen corporate governance, and implement sustainable development strategies to realize our goals. Our ultimate objective is to increase company value and create maximum benefits for our customers, employees, and shareholders.

I sincerely wish you all good health and all the best.

Chairman: Sarah Lin

Two. Corporate Governance Report

I. Background information of Directors, Supervisors, the President, Vice Presidents, Associates, and Heads of Departments and Branches Office

(I) Directors and Supervisors

1. Information on Directors and Supervisors

April 19, 2025 / Unit: Shares; %

Information on Directors and Supervisors																					
Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Service Term (Years)	Date First Elected	Shareholding When elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position Title	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks (Note 8)	
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation		
Chairman	R.O.C	Coretronic Corporate	NA	2024/06/19	3 years	2002/01/02	37,217,586	32.62	37,217,586	32.62	0	0	0	0	Not applicable	Note1	None	None	None	None	
		Legal Representative: Sarah Lin	Female 61-70			2020/05/06			0	0	0	0	0	0	Bachelor of International Business, National Chengchi University / President of Coretronic Corporation	Note 2	None	None	None	None	
Director	R.O.C	Coretronic Corporate	NA	2024/06/19	3 years	2002/01/02	37,217,586	32.62	37,217,586	32.62	0	0	0	0	Not applicable	Note 1	None	None	None	None	
		Legal Representative: Ken Wang	Male 51-60			2021/07/15			0	0	0	0	0	0	0	Master of Electronic and Computer Engineering, National Taiwan University of Science and Technology / Vice President of Coretronic Corporation	Note 3	None	None	None	None
Director	R.O.C	Coretronic Corporate	NA	2024/06/19	3 years	2002/01/02	37,217,586	32.62	37,217,586	32.62	0	0	0	0	Not applicable	Note 1	None	None	None	None	
		Representative: Miranda Wang	Female 41-50			2024/06/19			0	0	0	0	0	0	Bachelor of Business Administration, National Cheng Kung University / Vice President of Coretronic Corporation	Note 4	None	None	None	None	
Director	R.O.C	Ker-Jev Huang	Male	2024/06/19	3 years	2024/06/19	0	0	0	0	0	0	0	PhD of Power Mechanical Engineering, National Tsing Hua University / Team Leader of Materials and Electro-Optics Research Division, National Chung Shan Institute of Science and Technology	Note 5	None	None	None	None		
			61-70																		
Independent Director	R.O.C	Hsiang-Hsun Wu	Male	2024/06/19	3 years	2015/06/10	0	0	0	0	0	0	0	PhD of International Business, National Taiwan University /Assistant Professor, College of Management, Yuan Ze University		None	None	None	None		
			41-50																		
Independent Director	R.O.C	Wan-Ting Yuan	Male	2024/06/19	3 years	2021/07/15	0	0	0	0	0	0	0	Master of Guanghua School of Management EMBA, Peking University, China / Chairman of Aces Electronics Co., Ltd.	Note 6	None	None	None	None		
			51-60																		
Independent Director	R.O.C	Chin-Do Lai	Male	2024/06/19	3 years	2024/06/19	0	0	0	0	0	0	0	Master of Institute of Computer and Communications Engineering, National Taipei University of Technology / CEO of GranDen Corp.	Note 7	None	None	None	None		
			41-50																		

- Note 1: Coretronic Corporation holds directorship positions in several companies, including Young Green Energy Co., Ltd, uCare Medical Electronics Co., Ltd, Champ Vision Display Inc., InnoSpectra Corporation, Coretronic intelligent Cloud Service corp., Coretronic Intelligent Robotics Corp., Coretronic MEMS Corp., Coretronic Reality Inc., Tecpoint Limited, Coretronic(BVI) Investment Corp., Sinolink Global Limited, Coretronic Vietnam Company Limited, Limited, Chung Tsen Investment Corp., Coretronic Venture Capital Corp.
- Note 2: Sarah Lin concurrently serves as the President of Coretronic Corporation, and the Chairman of Champ Vision Display Inc. and uCare Medical Electronics Co., Ltd. She is also a director of Tsen Ming Investment Corp., Tecpoint Limited, Great Pride Inc., Great Pride Hong Kong Limited, Visicorp Limited, Wisdom Success Limited, Wisdom Success Hong Kong Limited, Sinolink Global Limited, Bigshine International Limited, Bigshine International Hong Kong Limited, Lead Bright International Limited, Lead Bright Hong Kong Limited, Elite View Limited, Elite View Hong Kong Limited, Young Lighting Limited, Mat Limited, Coretronic(BVI) Investment Corp. , Greendale Investments Limited, Masterview Enterprises Limited, Best Alpha Investments Limited, Grace China Investments Limited. Additionally, and in charge of Coretronic Nanke Branch, Korea office and Germany office.
- Note 3: Ken Wang concurrently serves as the Vice President of Coretronic Corporation.
- Note 4: Miranda Wang concurrently serves as the Vice President of Coretronic Corporation and the director of Nano Precision (Suzhou) Co., Ltd.
- Note 5: Ker-Jev Huang concurrently serves as an Independent Director of Solid State System Co., Ltd.
- Note 6: Wan-Ting Yuan concurrently serves as the Chairman of Aces Electronics Co., Ltd, Kunshan Hongzhi Electronics Co., Ltd., Kunshan Qizhi Commerce and Trade Co., Ltd., Chongqing Honggao Electronics Co., Ltd., Dongguan Hongzhi Electronic Co., Ltd., Suzhou Jialisi Precise Metal Art Products Co., Ltd., Kunshan Cheng Gang Electronics Technology Co., Ltd., Zhuhai Hongzhi Technology Co., Ltd., Zhuhai Hongtai Trading Co., Ltd., Wei Hong International Investment Co., Ltd., Aces Precision Machinery Co., Ltd., Mec Imex Inc., and Kuang Ying Computer Equipment Co., Ltd., and a director of Aces Precision Industry Pte Ltd., Acesconn Holdings Co., Ltd., Asia Century Investment Ltd. and Wei Ji Investment Corp.
- Note 7: Chin-Do Lai concurrently serves as Chief Executive Officer of GranDen Corp.
- Note 8: If the Chairman and the President or equivalent positions (the highest management personnel) of a company are the same person, spouses, or first-degree relatives, the reason, rationale, necessity, and relevant information regarding the response measures should be explained.

2. Major shareholders of Corporate institutional shareholders

Major shareholders of Corporate institutional shareholders

April 20, 2025

Name of Corporate shareholders	Major shareholders of the corporate shareholder	
Coretronic Corporation	Taiwei Advanced Technology Co., Ltd.	10.38%
	Yann Yuan Investment Co., Ltd.	9.40%
	Hsun Chieh Investment Co., Ltd.	3.96%
	HannStar Display Corporation	2.70%
	Chunghwa Post Co., Ltd.	2.51%
	Wade Chang	2.39%
	Coretronic Corp. trust property account for employees' equity entrusted to CBTC Bank	2.02%
	Coretronic Corp. trust property account for employees' equity entrusted to CBTC Bank	1.95%
	Standard Chartered Bank Business Department in custody for special account of Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.33%
	Hannshine Investment Corporation	1.29%

If any Major Shareholder Listed in Form 1 is a Corporate/Juristic Person,
List its Major Shareholders in this Form

Name of corporate/juristic Shareholders	Major shareholders of the corporate/juristic person	
Taiwei Advanced Technology Co., Ltd.	Tai-Wei Chang	51.00%
Yann Yuan Investment Co., Ltd.	Siliconware Precision Industries Co., Ltd.	27.94%
	United Microelectronics Corporation	26.78%
	King Yuan Electronics Co., Ltd.	14.55%
	Unimicron Technology Corp.	11.64%
	Coretronic Corporation	11.06%
	Sigurd Microelectronics Corp.	5.70%
	Hsun Chieh Investment Co., Ltd.	2.33%
Hsun Chieh Investment Co., Ltd.	Shieh Yong Capital Co., Ltd.	63.51%
	United Microelectronics Corporation	36.49%
HannStar Display Corporation	Walsin Lihwa Corporation	10.19%
	Yu-Chi Chiao	1.30%
	Wei-Shin Ma	0.48%
Chunghwa Post Co., Ltd.	Ministry of Transportation and Communications	100.00%
Coretronic Corp. trust property account for employees' equity entrusted to CBTC Bank	unincorporated organization (N/A)	
Standard Chartered Bank Business Department in custody for special account of Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	unincorporated organization (N/A)	
Hannshine Investment Corporation	HannStar Display Corporation	100.00%

Note: The source of the information is the online public records search system for commercial registration data of the Economic Ministry.

3. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors

YOI's directors do not have any of the circumstances set forth in Article 30 of the Company Act. Information regarding the professional qualifications of directors and the independence of independent directors is shown in the table below.

Qualification Name	Professional Qualifications and Experience	Independence Analysis	No. of other public companies at which the person concurrently serves as an independent director
Coretronic Corporate Legal Representative: Sarah Lin	National Chengchi University (NCCU), Bachelor of International Business Possesses professional skills and knowledge in business management, leadership decision-making, and the optoelectronics industry President of Coretronic Corporation		0
Coretronic Corporate Legal Representative: Ken Wang	Master of Electronic and Computer Engineering, National Taiwan University of Science and Technology Possesses professional skills and knowledge in business management, leadership decision-making, and the optoelectronics industry Vice President of Coretronic Corporation		0
Coretronic Corporate Legal Representative: Miranda Wang	Bachelor of Business Administration, National Cheng Kung University Possesses knowledge in business management, leadership decision-making, and the optoelectronics industry Vice President of Coretronic Corporation		0
Ker-Jev Huang	PhD of Power Mechanical Engineering, National Tsing Hua University Possesses professional skills and knowledge in the optoelectronics industry Team Leader of Materials and Electro-Optics Research Division, National Chung Shan Institute of Science and Technology Independent Director of Solid State System Co., Ltd		1
Hsiang-Hsun Wu	PhD of International Business, National Taiwan University Possesses professional knowledge and practical experience in investment management Assistant Professor, College of Management, Yuan Ze University	1. Neither I, nor my spouse, nor any relatives within the second degree of kinship, hold positions as directors, supervisors, or employees of this company or any affiliated enterprises. 2. Neither I, my spouse, nor any relative within the second degree of kinship (or any individual using their name) hold any of the issued shares of this company. 3. I am not a director, supervisor, or employee of any specific affiliated company (as defined in Article 3, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. I have not received any compensation for providing business, legal, financial, accounting or other services to this company or any related enterprise within the past two years.	0

Qualification Name	Professional Qualifications and Experience	Independence Analysis	No. of other public companies at which the person concurrently serves as an independent director
Wan-Ting Yuan	EMBA from Guanghai School of Management, Peking University, China Possess practical experience in business management Chairman of Aces Electronics Co., Ltd.	1. Neither I, nor my spouse, nor any relatives within the second degree of kinship, hold positions as directors, supervisors, or employees of this company or any affiliated enterprises. 2. Neither I, my spouse, nor any relative within the second degree of kinship (or any individual using their name) hold any of the issued shares of this company. 3. I am not a director, supervisor, or employee of any specific affiliated company (as defined in Article 3, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. I have not received any compensation for providing business, legal, financial, accounting or other services to this company or any related enterprise within the past two years.	0
Chin-Do Lai	Master of Institute of Computer and Communications Engineering, National Taipei University of Technology CEO of GranDen Corp.	1. Neither I, nor my spouse, nor any relatives within the second degree of kinship, hold positions as directors, supervisors, or employees of this company or any affiliated enterprises. 2. Neither I, my spouse, nor any relative within the second degree of kinship (or any individual using their name) hold any of the issued shares of this company. 3. I am not a director, supervisor, or employee of any specific affiliated company (as defined in Article 3, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. I have not received any compensation for providing business, legal, financial, accounting or other services to this company or any related enterprise within the past two years.	0

4. Diversity and Independence of the Board of Directors

According to the YOI's Corporate Governance Best Practice Principles, the composition of the Board of Directors should take into account diversity and establish appropriate policies for diversity based on the operations, business model, and development needs. These policies should include, but not be limited to, two dimensions of standards:

- (1) Basic conditions and values: Gender, age, nationality, and culture etc.
- (2) Professional knowledge and skills: Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experiences.

The Board of Directors of YOI is composed of seven external directors, including three independent directors. There are no spousal or immediate family relationships within the Board of Directors. The proportion of independent directors is 43%. Wan-Ting Yuan and Chin-Do Lai have served fewer than nine years. Hsiang-Hsun Wu, now in his fourth term, offers valuable insights with his expertise in business innovation, startup investments and strategies. Two directors are between the ages of 61 and 70, two directors are between the ages of 51 and 60, and three directors are under 50 years old. The average age of all directors is approximately 54 years old. Moreover, there are two female directors among the seven directors currently, representing a ratio of 29%, which hasn't reach one-third of the board seats. In order to emphasize gender equality in the composition of the Board of Directors, the company will evaluate the feasibility of adding female independent directors to achieve the goal of gender diversity on the board of directors.

To achieve the goal of diversifying the professional areas of the Board of Directors, our board members come from different professional fields such as technology, finance, education, and management. Directors Sarah Lin, Ken Wang, and Miranda Wang possess professional skills in management, leadership decision-making, and knowledge of the optoelectronics industry. Director Ker-Jev Huang possesses professional skills and knowledge of the optoelectronics industry. Independent Director Hsiang-Hsun Wu comes from academia and has practical experience in financial investment and management. Independent Directors Wan-Ting Yuan and Chin-Do Lai possess practical experience in management and leadership decision-making, providing valuable insights into our company's operational planning.

(II) Information on the Management Team

April 19, 2025 / Unit: Shares

Title	Nationality	Name	Gender	Date of Appointment to position	Shares held		Shares held by spouses and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	R.O.C	Cynthia Chang	Female	2024/06/27	5,882	0.01%	0	0.00%	0	0.00%	Master of Accountancy, National Cheng Kung University Chief Financial Officer of YOI	Note 1	None	None	None	None
President	R.O.C	Wayne Lin	Male	2024/06/27	5,292	0.00%	4,000	0.00%	0	0.00%	Bachelor of Business Administration in Entrepreneurial Leadership, Kwantlen Polytechnic University, Canada Associate manager of YOI	Note 2	None	None	None	None
Vice President	R.O.C	Paul Kang	Male	2024/07/01	0	0.00%	0	0.00%	0	0.00%	Master of Control engineering, Chiao Tung University Vice President of uCare Medical Electronics Co., Ltd		None	None	None	None

Note 1: Cynthia Chang concurrently serves as the supervisor of Young Optics (Kunshan) Co., Ltd. and Young Optics (Suzhou) Co., Ltd.

Note 2: Wayne Lin concurrently serves as the chairman of Young Optics (BD) LTD.

Note 3: When the President or the equivalent position (the highest management personnel) and the chairman are the same person, spouse or close relatives, the relevant information on the reasons, rationality, necessity, and corresponding measures should be disclosed.

II. Remuneration to directors (including independent directors), supervisors, President, and Vice President in the latest year (2024)

(I) Remuneration to directors (including independent directors) for the most recent year (2024)

Unit: NT\$ Thousands

Title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F +G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base compensation (A)		Retirement pays and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pays and pension (F)		Employee profit-sharing compensation (G)						
		The Company	All Consolidated entities	The Company	All Consolidated entities	The Company	All Consolidated entities	The Company	All Consolidated entities	The Company	All Consolidated entities	The Company	All Consolidated entities	The Company	All Consolidated entities	The Company		All Consolidated entities		The Company	All Consolidated entities	
																Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Director	Coretronic Corporate Legal Representative: Sarah Lin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	22,900
	Coretronic Corporate Legal Representative: Sara Lin (Note 2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,890
	Coretronic Corporate Legal Representative: Ken Wang	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,350
	Coretronic Corporate Legal Representative: Miranda Wang (Note 3)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,608
	Jyh-Horng Shyu (Note 1/ 2)	0	0	0	0	0	0	0	0	0	0	5,917	5,917	95	95	0	0	0	0	6,012 (2.43%)	6,012 (2.43%)	0
	Ker-Jev Huang (Note 3)	390	390	0	0	0	0	0	0	390 (0.16%)	390 (0.16%)	0	0	0	0	0	0	0	0	390 (0.16%)	390 (0.16%)	0
Independent Director	Hsiang-Hsun Wu	840	840	0	0	0	0	0	0	840 (0.34%)	840 (0.34%)	0	0	0	0	0	0	0	0	840 (0.34%)	840 (0.34%)	0
	Chih-Hun Huang (Note 2)	385	385	0	0	0	0	0	0	385 (0.15%)	385 (0.15%)	0	0	0	0	0	0	0	0	385 (0.15%)	385 (0.15%)	0
	Wan-Ting Yuan	840	840	0	0	0	0	0	0	840 (0.34%)	840 (0.34%)	0	0	0	0	0	0	0	0	840 (0.34%)	840 (0.34%)	0
	Chin-Do Lai (Note 3)	455	455	0	0	0	0	0	0	455 (0.18%)	455 (0.18%)	0	0	0	0	0	0	0	0	455 (0.18%)	455 (0.18%)	0
1.The remuneration for independent directors is determined based on domestic industry standards and is paid as fixed compensation based on attendance rates at board meetings and functional committees in which they participate, which serves as an important performance evaluation criterion. 2. In addition to what is disclosed in the above table, the remuneration received by the directors of the Company during the latest fiscal year for providing services to the parent company / any consolidated entities / investee enterprises (such as serving as non-employee consultants): None.																						

Note 1: The remuneration received by the directors who also serve as employees includes the use of a company car for business purposes and the salary during their tenure as director and president.

Note 2: On June 19, 2024, the board of directors was re-elected and dismissed.

Note 3: On June 19, 2024, the board of directors was re-elected and elected.

(II) Remuneration to Supervisors for the most recent year (2024): On June 13, 2012, the Company's shareholders' meeting passed a resolution to establish an audit committee to replace the role of supervisors in accordance with the Securities and Exchange Act. Therefore, the remuneration of supervisors is not applicable.

(III) Remuneration to President and Vice President for the most recent year (2024)

Unit: NTD\$ Thousands

Title	Name	Salary (A)		Retirement pays and Pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	Jyh-Horng Shyu (Note 1/ 2)	10,910	10,910	264	264	1,716	1,716	0	0	0	0	12,890 (5.20%)	12,890 (5.20%)	0
President	Cynthia Chang (Note 1/ 3)													
President	Wayne Lin (Note 3)													
Vice President	Paul Kang (Note 4)													

Note 1: Provide a company-owned car for business purposes.

Note 2: Has been dismissed on June 27, 2024.

Note 3: Has been promoted to President on June 27, 2024.

Note 4: Serve as a Vice President on July 1, 2024.

Ranges of remuneration paid to each of the Company's President(s) and Vice President(s)	Names of President(s) and Vice President(s)	
	The Company	All companies included in consolidated statements
Below NT\$ 1,000,000	-	-
NT\$ 1,000,000 (inclusive) - NT\$ 2,000,000 (non-inclusive)	Paul Kang	Paul Kang
NT\$ 2,000,000 (inclusive) - NT\$ 3,500,000 (non-inclusive)	Cynthia Chang, Wayne Lin	Cynthia Chang, Wayne Lin
NT\$ 3,500,000 (inclusive) - NT\$ 5,000,000 (non-inclusive)	-	-
NT\$ 5,000,000 (inclusive) - NT\$ 10,000,000 (non-inclusive)	Jyh-Horng Shyu	Jyh-Horng Shyu
NT\$ 10,000,000 (inclusive) - NT\$ 15,000,000 (non-inclusive)	-	-
NT\$ 15,000,000 (inclusive) - NT\$ 30,000,000 (non-inclusive)	-	-
NT\$ 30,000,000 (inclusive) - NT\$ 50,000,000 (non-inclusive)	-	-
NT\$ 50,000,000 (inclusive) - NT\$ 100,000,000 (non-inclusive)	-	-
NT\$ 100,000,000 and above	-	-
Total	4	4

(IV) Individual remuneration paid to each of its five highest remunerated management personnel in the most recent year (2024)

Unit: NTD\$ Thousands

Title	Name	Salary (A)		Retirement pays and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All companies included in consolidated statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	Jyh-Horng Shyu (Note 1/ 2)	4,954	4,954	100	100	1,180	1,180	0	0	0	0	6,234 (2.52%)	6,234 (2.52%)	0
President	Cynthia Chang (Note 1/ 3)	3,486	3,486	108	108	626	626	0	0	0	0	4,220 (1.70%)	4,220 (1.70%)	0
President	Wayne Lin (Note 4)	2,742	2,742	72	72	255	255	0	0	0	0	3,069 (1.24%)	3,069 (1.24%)	0
Vice President	Paul Kang (Note 5)	1,500	1,500	54	54	111	111	0	0	0	0	1,665 (0.67%)	1,665 (0.67%)	0
Associate Vice President	Willis Lin (Note 2)	1,254	1,254	72	72	385	385	0	0	0	0	1,711 (0.69%)	1,711 (0.69%)	0

Note 1: Provide a company-owned car for business purposes.

Note 2: Has been dismissed on June 27, 2024.

Note 3: Has been promoted to President on June 27, 2024.

Note 4: Has been promoted to Associate Vice President on May 1, 2024, and appointed as President from June 27, 2024.

Note 5: Serve as a Vice President on July 1, 2024.

(V) Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers
Unit: Share /NTD\$ Thousands

	Title	Name	Stock Amount	Cash Amount	Total	Total Remuneration to Net Income after Tax (%)
Managerial officers	President	Jyh-Horng Shyu (Note 1)	0	0	0	0%
	President	Cynthia Chang (Note 2)				
	President	Wayne Lin (Note 3)				
	Vice President	Paul Kang (Note 4)				
	Associate Vice President	Willis Lin (Note 1)				

Note 1: Has been dismissed on June 27, 2024.

Note 2: Has been promoted to President on June 27, 2024.

Note 3: Has been promoted to Associate Vice President on May 1, 2024, and appointed as President from June 27, 2024.

Note 4: Serve as a Vice President on July 1, 2024.

(VI) The analysis of the ratio of the total amount of remuneration paid to the directors, president, and vice president of this company and its consolidated subsidiaries in the past two years to the after-tax net income, and an explanation of the policy, standards, and combination of remuneration, the procedure for setting remuneration, and the correlation with operating performance and future risks

1. The analysis of the ratio of the total amount of remuneration paid to the directors, president, and vice president of this company and its consolidated subsidiaries in the past two years to the after-tax net income is as follows:

Title	Total Remuneration in proportion to Net Income after Tax (%)			
	2023		2024	
	The Company	All Consolidated Entities	The Company	All Consolidated Entities
Director	(5.13%)	(5.13%)	(3.60%)	(3.60%)
President and Vice President	(4.89%)	(4.89%)	(5.20%)	(5.20%)

2. Correlation between the policies, standards, and combinations of payment, procedures for determination of remuneration, business performance, and future risks:

YOI's articles of association stipulate the remuneration of directors, considering domestic and foreign industry standards, and authorizing the Board of Directors to determine it. YOI has a remuneration committee that formulates remuneration policies and systems for directors and managers, using board attendance rates as an essential performance evaluation criterion to provide fixed remuneration. The committee yearly evaluates and reviews the managers' payments, which include salary and bonus, and the bonus highly depends on the performance criterion with financial indicators (such as YOI's sales revenue, gross margin, achievement of net income before tax) and non-financial indicators (such as new products development, new applications/customers and leadership training) and sustainable development target achievement rate, and will be reviewed timely based on the actual operating conditions and relevant laws and regulations to achieve a balance between sustainable operation and risk control.

III. Status of corporate governance operations

(I) Operation of the Board of Directors

The eighth Board of Directors of YOI held a total of 2(A) meetings during the latest fiscal year (2024), the ninth Board of Directors of YOI held a total of 4(B) meetings during the latest fiscal year (2024), and the attendance of the directors is as follows:

Title		Name	No. of Meetings Attended in Person (C)	No. of Meetings Attended By Proxy	In-person Attendance Rate (%) (C/A)	Remarks
The eighth Board of Directors	Chairman	Coretronic Corporate Legal Representative: Sarah Lin	2	0	100%	
	Director	Coretronic Corporate Legal Representative: Sara Lin	2	0	100%	
	Director	Coretronic Corporate Legal Representative: Ken Wang	2	0	100%	
	Director	Jyh-Horng Shyu	2	0	100%	
	Independent Director	Hsiang-Hsun Wu	1	1	50%	
	Independent Director	Chih-Hun Huang	2	0	100%	
	Independent Director	Wan-Ting Yuan	2	0	100%	
Title		Name	No. of Meetings Attended in Person (C)	No. of Meetings Attended By Proxy	In-person Attendance Rate (%) (C/B)	Remarks
The ninth Board of Directors	Chairman	Coretronic Corporate Legal Representative: Sarah Lin	4	0	100%	
	Director	Coretronic Corporate Legal Representative: Ken Wang	4	0	100%	
	Director	Coretronic Corporate Legal Representative: Miranda Wang	4	0	100%	
	Director	Ker-Jev Huang	4	0	100%	
	Independent Director	Hsiang-Hsun Wu	4	0	100%	
	Independent Director	Wan-Ting Yuan	4	0	100%	
	Independent Director	Chin-Do Lai	4	0	100%	

Other information required to be disclosed:

I. If any of the following circumstances exist, specify the board meeting date, meeting session number, content of the motion(s) the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

(I) Any matter under Article 14-3 of the Securities and Exchange Act: Not applicable. YOI has assembled an Audit Committee and is therefore subject to Article 14-5 of the Securities and Exchange Act.

(II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any board resolution: None.

II. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted:

(I) The resolution of "Proposal to release the new Directors from non-competition restrictions" was passed at the thirteenth meeting of the eighth session of the Board of Directors. Due to their personal interests, the Chairman Sarah Lin, Director Ken Wang and Director Wan-Ting Yuan abstained from voting and did not participate in the self-termination of the non-competition restrictions of decision-making process.

(II) The resolution on "Remuneration of Managers for the Year 2024" was passed at the thirteenth meeting of the eighth session of the Board of Directors. The interested party, Director and President Jyh-Horng Shyu, abstained from voting due to his personal interest.

III. Implementation of Evaluations of the Board of Directors:

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Evaluation content
Once a Year	2024.01.01 to 2024.12.31	The Board of Directors, individual directors, and functional committees	The Board of Directors' performance evaluation and self-evaluation of individual board members were conducted through an online questionnaire	<p>(1) Evaluation of the performance of the board: Includes degree of the board's participation in the operation of the company; the quality of the board's decision making; composition and structure of the board; election and continuing education of the directors; internal control.</p> <p>(2) Evaluation of the performance of individual directors: Includes familiarity with the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationships and communication; the director's professionalism and continuing education; internal control.</p> <p>(3) Evaluation of the performance of the functional committees: Includes degree of participation in the operation of the company; awareness of the duties of the functional committee; quality of decisions made by the functional committee; the makeup of the functional committee and election of its members; internal control.</p>

The performance evaluation of the functional committees for the year 2024 was conducted through an online questionnaire and self-evaluation by three independent directors. The results of the evaluation represented that the members of the functional committees gave positive feedback on the efficiency and operation of the committees, believing that they were functioning well and fully utilizing their capabilities. The evaluation results have been submitted to the current Board of Directors and confirmed by all directors. The assessment items and summary of the evaluation results are as follows:

1. Audit Committee

- (1) Degree of participation in the operation of the company (4 questions): All members gave positive feedback.
 - (2) Awareness of the duties of the audit committee (5 questions): All members gave positive feedback.
 - (3) Quality of decisions made by the audit committee (7 questions): All members gave positive feedback.
 - (4) The makeup of the audit committee and election of its members (3 questions): All members gave positive feedback.
 - (5) Internal control (3 questions): All members gave positive feedback.
- Overall evaluation result: All 3 members gave positive feedback.

2. Remuneration Committee

- (1) Degree of participation in the operation of the company (4 questions): All members gave positive feedback.
 - (2) Awareness of the duties of the remuneration committee (4 questions): All members gave positive feedback.
 - (3) Quality of decisions made by the remuneration committee (7 questions): All members gave positive feedback.
 - (4) The makeup of the remuneration committee and election of its members (3 questions): All members gave positive feedback.
- Overall evaluation result: All 3 members gave positive feedback.

IV. Give an evaluation of the targets that were adopted for strengthening the functions of the board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures that were taken toward achievement thereof:

- (I) YOI has set up an Audit Committee and a Remuneration Committee to assist the board in performing its duties. The aforementioned functional committees are composed of three independent directors and may engage external experts as needed to provide opinions.
- (II) The Board of Directors of YOI has indeed operated in compliance with the Board of Directors Meeting Rules and related laws and regulations. The financial and auditing supervisors also attend board meetings and provide relevant reports for the directors' reference.
- (III) YOI's Rules for Performance Evaluation of Board of Directors has been approved by the Board of Directors, and the internal self-evaluation is conducted on a regular basis. In 2024 Questionnaire of Self-Performance Evaluation of the Board and the Questionnaire of Self-Performance Evaluation of Board Members, all members gave positive feedback; In addition, YOI established a corporate governance manager in year 2022 to provide support and assistance to the directors in performing their duties and strengthen the board's functions.
- (IV) In order to strengthen corporate governance and improve risk management and control, YOI formulated the Risk Management Policies and Procedures in October 2023 and established the Risk Management Group. YOI had reported the operation of risk management to the Audit Committee and the Board of Directors. On October 25, 2024.

(II) Operation of the Audit Committee:

1. The annual work priorities of the Audit Committee are as follows:

- (1) Adoption or amendment of an internal control system
- (2) Assessment of the effectiveness of the internal control system
- (3) Adoption or amendment of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, the extension of monetary loans to others, or endorsements or guarantees for others
- (4) To review a matter bearing on the personal interest of a director
- (5) To review a material asset or derivatives transaction, monetary loan, endorsement, or provision of guarantee
- (6) The hiring or dismissal of an attesting CPA, or the compensation given thereto, and the evaluation of their independence and suitability on a regular basis every year
- (7) To review quarterly financial reports
- (8) To converse regularly with the chief internal auditor and CPAs on major financial matters of YOI
- (9) Supervise the operation mechanism related to risk management

2. In the latest fiscal year (2024), the fourth Audit Committee held two meetings (A), and the fifth Audit Committee held two meetings (A), and the attendance of independent directors was as follows:

Title		Name	No. of Meetings Attended in Person (B)	No. of Meetings Attended By Proxy	In-person Attendance Rate (%) (B/A)	Remarks
The fourth term	Independent Director	Hsiang-Hsun Wu	2	0	100%	
	Independent Director	Chih-Hun Huang	2	0	100%	
	Independent Director	Wan-Ting Yuan	2	0	100%	
The fifth term	Independent Director	Hsiang-Hsun Wu	2	0	100%	
	Independent Director	Wan-Ting Yuan	2	0	100%	
	Independent Director	Chin-Do Lai	2	0	100%	

Other information required to be disclosed:

I. If any of the following circumstances exist, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee.

(I) Any matter under Article 14-5 of the Securities and Exchange Act.

	Session	Date	Resolution Content	Resolution results of the Audit Committee	Handling of the opinions By the Company	
	11th meeting of the 4th term	February 23, 2024	1. Evaluation on the independence and suitability of CPAs 2. 2023 parent company only and Consolidated Financial Statements 3. 2023 Annual Business Report 4. Change of independent auditors due to internal job rotation within Ernest & Young 5. Loans to Young Optics (BD) Ltd. 6. 2023 assessment of the effectiveness of the internal control system	Approved without objection after the chairman consulted all attending committee members	Proposed to the Board of Directors and approved by all attending directors	
	12th meeting of the 4th term	April 25, 2024	1. Consolidated Financial Statements for the first quarter of 2024 2. 2023 Statement of Deficit Compensation 3. Audit-related and tax certification expenses for the year 2024 4. Proposal on releasing the new Directors from non-competition restrictions	Approved without objection after the chairman consulted all attending committee members	Proposed to the Board of Directors and approved by all attending directors	
	1st meeting of the 5th term	July 25, 2024	Consolidated Financial Statements for the first half of the Year 2024	Approved without objection after the chairman consulted all attending committee members	Proposed to the Board of Directors and approved by all attending directors	
	2nd meeting of the 5th term	October 25, 2024	1. Consolidated Financial Statements for the first three quarters of 2024 2. Revision of Internal Audit Practices and Amendment of Internal Control Regulations – Other Cycle	Approved without objection after the chairman consulted all attending committee members	Proposed to the Board of Directors and approved by all attending directors	

(II) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the Board of Directors: None.

II. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted: None.

III. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditors (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication.)

(I) The chief internal audit officer reports the results and status of the audit business execution to the independent directors quarterly and discusses internal controls and issues of concern to the independent directors with members of the Audit Committee through electronic communication and meetings on a regular basis. In case of significant abnormality, a meeting can be convened at any time.

Date	Communication Item	Independent Director’s Suggestions and Results
February 23, 2024	Audit Execution Reports for the period from September to December 2023	The independent directors have no objection to the report on the execution of audit operations
April 25, 2024	Audit Execution Reports for the period from January to March 2024	
July 25, 2024	Audit Execution Reports for the period from March to June 2024	
October 25, 2024	Audit Execution Reports for the period from July to September 2024	

(II) The accountant shall communicate individually with the independent directors at least twice a year, and explain the results of the financial statement audit, new or amended regulations and tax laws, and the applicable international financial reporting standards.

Date	Communication Item	Independent Director’s Suggestions and Results
February 23, 2024	1. CPAs’ communications on the audit results of 2023 Financial Statement 2. Explanation of the newly regulations and tax laws	The independent directors have no objection to the financial reports and explanations provided by the accountant regarding the financial statements and regulatory and tax laws. The Audit Committee has approved the 2023 Financial Statements and submitted them to the Board of Directors.
July 25, 2024	1. CPAs’ communications on the audit results of 2024 First Half-Year Financial Statement 2. Explanation of the newly regulations and tax laws	The independent directors have no objection to the financial reports and explanations provided by the accountant regarding the financial statements, regulations and tax laws. The Audit Committee has approved the first half financial statements and submitted them to the Board of Directors.

(III) Other than the matters mentioned above, independent directors may proactively communicate with accountants or audit managers as needed.

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

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description	
I. Has the company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		YOI has established a set of Corporate Governance Code of Conduct and has been disclosed on the Market Observation Post System and YOI’s website.	No significant differences
II. Shareholding structure and Shareholders’ Rights				No significant differences
(I) Does the Company have Internal Operating Procedures for handling Shareholders’ suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	V		(I) In order to ensure shareholder rights, YOI has dedicated mailbox (ir.yo@youngoptics.com) and appointed spokesperson and acting spokesperson to deal with shareholders’ suggestions, queries, and disputes.	
(II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		(II)YOI monitors the identity of its major shareholders, and the ultimate controller based on the shareholder registry provided by the stock transfer agent as of the book closure date and the information regarding major shareholders holding more than 5% of shares provided by the Taiwan Depository & Clearing Corporation quarterly.	
(III) Has the Company built and implemented risk management system and a firewall between the Company and its affiliates?	V		(III)To reduce risk, YOI has established the Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises and Subsidiary Supervision Policy to outline boundaries of management duty and authority with affiliated enterprises. All transactions or dealings with related parties are subject to compliance with relevant laws and company regulations.	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description	
(IV) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		(IV) YOI has established the Insider Trading Prevention Policy and Procedures for Ethical Management and Guidelines for Conduct, which are publicly posted on our company’s website for managers and employees to follow. YOI regularly informs insiders of common patterns that violate securities trading regulations in reporting shareholding changes. On December, 2024, YOI has finished an online training session (English and Chinese courses, and the course length is about 1 hour) on ethical business practices and prevention of insider trading regulations for indirect employees of Taiwan factories (including current managers), and a total of 362 people have participated in and passed the course assessment (with the training ratio of 100%). We have also arranged for our directors to participate in the internal trading transactions and regulations updates which were held by the Securities and Futures Institute (SFI).	
III. Composition and responsibilities of the Board of Directors (I) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		(I) Regarding the diversity policy, specific management goals, and implementation status of the Board of Directors, please refer to the annual report Two. Corporate Governance Report of Diversity and Independence of the Board of Directors.	No significant differences
(II) Has the Company voluntarily established other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		(II) YOI has established a remuneration committee in compliance with the law and voluntarily set up an audit committee on June 13, 2012. In the future, other functional committees will be established depending on operational needs.	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description	
(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the Board of Directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	V		<p>(III) YOI has established the Policies, Systems and Performance Evaluation for Compensation of the Directors and Managerial Officers and the Performance Evaluation for Board-of-Directors. The annual performance evaluation is conducted at the end of each fiscal year, and the evaluation targets and performance evaluation measures are as follows:</p> <ol style="list-style-type: none"> 1. Performance evaluation of the Board of Directors <ol style="list-style-type: none"> (1) Degree of participation in the operation of the Company (2) Enhancing the quality of the Board’s decision-making (3) Composition and structure of the Board of Directors (4) Selection and ongoing education of directors (5) Internal control 2. Performance evaluation of board members (self or peer evaluation) <ol style="list-style-type: none"> (1) Understanding of company’s goals and missions (2) Awareness of director’s responsibilities (3) Degree of participation in the operation of the Company (4) Internal relationship management and communication (5) Professionalism and continuous learning of directors (6) Internal Control 3. Performance evaluation of functional committees <ol style="list-style-type: none"> (1) Degree in participation in the operation of the Company (2) Awareness of functional committee responsibilities 	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description	
(IV) Does the Company regularly evaluate its external auditors’ independence?	V		<p>(3) Enhancing the quality of functional committee decision-making</p> <p>(4) Composition and selection of functional committee members</p> <p>(5) Internal Control</p> <p>The performance evaluation results of the 9th Board of Directors, board members, and functional committees for 2024 have been reported to the most recent Board of Directors and have been approved by all directors. In addition, attendance at board meetings is an important item in the performance evaluation of individual directors. Only those who meet a certain attendance rate can receive their full remuneration. Those who do not meet the required attendance rate will receive half of their remuneration.</p> <p>The actual attendance rate of all directors for 2024 was 98%, and a total of 60 hours of training was completed. The actual attendance rate of individual directors also met the attendance rate standard set forth in the Director and Manager Compensation and Evaluation Policy and System. The performance and annual compensation of directors for 2024 have been reported to the most recent remuneration committee and have been approved by all committee members.</p> <p>(IV) The Audit Committee of the Company evaluates the independence and suitability of the accounting firm and the CPAs on a regular basis every year and reports</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description	
			the results of the evaluation to the Board of Directors. The evaluation procedures of the Audit Committee and the Board of Directors include the “Independent Auditor Evaluation” form and “CPA Suitability Evaluation” form based on the Audit Quality Indicators (AQIs), with five dimensions, namely, professionalism, quality control, independence, supervision, and innovation, and 13 indicators. The evaluation results of the Audit Committee and the Board of Directors on February 2025 show that the accountants for the financial reports of YOI, Wan-Ju Chiu and Ming-Ju Huang, meet the independence and suitability standards of our company.	
IV. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		On the 28 th of October 2022, the Board of Directors of YOI passed a resolution to appoint Cynthia Chang as the Corporate Governance Officer of YOI, leading the finance department in collectively taking responsibility for corporate governance related matters, safeguarding shareholders’ rights and enhancing the functions of the Board of Directors. Cynthia Chang possesses more than ten years of experience in managing accounting, finance, stock affairs or deliberative matters in publicly listed companies. The main responsibilities of the Corporate Governance Officer include handling matters related to the Board of Directors and shareholders’ meetings in accordance with the law, preparing minutes of the Board of Directors and shareholders’ meetings, assisting in the appointment and continuous education of directors, providing information required for the	No significant differences

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Description	
quarters as well as its operating statements for each month before the specified deadlines?			financial reports and monthly business performance before the required due dates.	
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		<p>1. Employee Benefits and Care: YOI consistently upholds a position of labor-management harmony and mutual benefit with regard to employee rights and adheres to labor-related laws and regulations in all management systems. YOI has established a staff welfare committee and internal clubs, which hold regular activities each year to enhance interaction and communication among colleagues. Regular employee health checkups and various health seminars are held to care for employee health. YOI also offers an employee assistance program that provides free personal counseling services for psychology, legal, medical, and financial issues to assist and care for employees and their families in times of difficulty and adversity.</p> <p>2. Investor Relations: YOI has established a spokesperson and acting spokesperson system to maintain investor relations and regularly holds Investor Conference. Relevant information is disclosed on the Market Observation Post System and the company’s website.</p> <p>3. Execution of supplier relations, stakeholder and customer policies: YOI upholds the principles of business ethics in all commercial dealings with suppliers and customers. Regularly evaluate the performance of our main suppliers such as price, quality, technology, delivery, and service to ensure we fully understand customer needs and</p>	No significant differences

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description	
			<p>help them solve problems.</p> <p>4. Execution of risk management policies and risk measurement standards: the Audit Committee and the Board of Directors of the Company approved the “Risk Management Policies and Procedures” on October 27, 2023, and established the Risk Management Group under the Audit Committee, which is responsible for the planning, execution, and supervision of risk management related affairs, ensuring the effective implementation of risk management and related control procedures for the units under its purview and implementing the management decisions of the Audit Committee. Periodically (at least once a year) compile and submit reports on the operation of the Company’s risk management to the Audit Committee. To implement the management of various types of internal and external risks that may be faced in the course of operation, and to control or reduce the risks by systematically identifying and responding to possible crises, so as to ensure the achievement of operational goals and the sustainable development of the enterprise. YOI had reported the implementation status of 2024 risk management to the Audit Committee and the Board of Directors on October 25, 2024.</p> <p>5. Director Continuing Education: YOI actively encourages directors to participate in relevant courses organized by the supervisory authorities for continuing education. Upon completion of the training, we record and announce it on the Market Observation Post System.</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description	
			6. Director Liability Insurance: YOI purchases directors’ and officers’ liability insurance (D&O insurance) for directors and managers every year. We announce it on the Market Observation Post System and report to the most recent Board of Directors within the prescribed deadline.	
<p>IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement.</p> <p>1. In October 2024, YOI had revised the regulations of relative parties’ transactions and added that any transaction involving the acquisition or disposal of assets with related parties has been approved by the Board of Directors, YOI shall report the actual execution status of such transactions to the most recent shareholders’ meeting at the end of the fiscal year.</p> <p>2. YOI will evaluate the feasibility of adopting the Task Force on Climate-related Financial Disclosures (TCFD) framework to disclose its governance, strategies, risk management processes, and performance indicators related to climate-related risks and opportunities.</p>				

Training and education related to corporate governance attended by directors and managers in year 2024						
Title	Name	Training Period		Sponsoring Organization	Course	Training Hours
		From	To			
Chairman	Sarah Lin	2024/09/06	2024/09/06	Taiwan Stock Exchange Corporation	2024 Insider Trading Prevention Campaign	3
		2024/10/07	2024/10/07	The Chinese National Association of Industry and Commerce	2024 Taishin Net Zero Summit	3
Director	Ken Wang	2024/09/06	2024/09/06	Taiwan Stock Exchange Corporation	2024 Insider Trading Prevention Campaign	3
		2024/10/07	2024/10/07	The Chinese National Association of Industry and Commerce	2024 Taishin Net Zero Summit	3
Director	Miranda Wang	2024/07/03	2024/07/03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6
		2024/10/07	2024/10/07	The Chinese National Association of Industry and Commerce	2024 Taishin Net Zero Summit	3
		2024/10/18	2024/10/18	Taiwan Stock Exchange Corporation	2024 Insider Trading Prevention Campaign	3
Director	Ker-Jev Huang	2024/08/08	2024/08/08	Taiwan Corporate Governance Association	2024 Global Economic and Industry Trend	3
		2024/10/04	2024/10/04	Taiwan Stock Exchange Corporation	2024 Insider Trading Prevention Campaign	3
		2024/10/07	2024/10/07	The Chinese National Association of Industry and Commerce	2024 Taishin Net Zero Summit	3
		2024/11/22	2024/11/22	Taiwan Stock Exchange Corporation	2024 Internal Insider Trading Compliance Seminar	3

Training and education related to corporate governance attended by directors and managers in year 2024						
Title	Name	Training Period		Sponsoring Organization	Course	Training Hours
		From	To			
Independent Director	Hsiang-Hsun Wu	2024/08/06	2024/08/06	Taiwan Stock Exchange Corporation	Sustainable Knowledge for Electronics industry	6
Independent Director	Wan-Ting Yuan	2024/07/03	2024/07/03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6
Independent Director	Chin-Do Lai	2024/09/04	2024/09/04	Taiwan Stock Exchange Corporation	Net Zero Carbon Emissions Awareness Seminar – Taipei	3
		2024/12/17	2024/12/17	Accounting Research and Development Foundation	Preparation and Supervision of Sustainable Report	3
		2024/12/21	2024/12/21	Accounting Research and Development Foundation	Internal Controls of Sustainable Report	3
		2024/12/24	2024/12/24	Accounting Research and Development Foundation	Sustainable Report disclosures	3
CFO/ Corporate Governance Manager	Cynthia Chang	2024/06/27	2024/06/27	Accounting Research and Development Foundation	New updates of regulations and internal control practices for annual, sustainable information and financial statement preparation	6
		2024/07/03	2024/07/03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6
		2024/09/12	2024/09/13	Accounting Research and Development Foundation	Continuing Education Program for Accounting Officers of Issuers, Securities Firms, and Stock Exchanges	12

(IV) Disclose the composition, responsibilities, and functioning of the Remuneration Committee or Nominating Committee

1. Information on Remuneration Committee Members

December 31, 2024

Title	Qualification	Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as remuneration committee member
	Name			
Independent Director (convener)	Hsiang-Hsun Wu	Note	Note	0
Independent Director	Wan-Ting Yuan	Note	Note	0
Independent Director	Chin-Do Lai	Note	Note	0

Note: Please refer to pages 5 (I) for information related to the directors and supervisors, and page 8 for disclosure of information on the qualifications and experiences of the directors and the independence.

2. Responsibilities of the Remuneration Committee: The Remuneration Committee of YOI is responsible for evaluating the compensation policies and systems for remuneration of directors and managers, assessing the achievement of performance objectives, determining the content and amount of individual remuneration, and making recommendations to the Board of Directors for their decision-making reference from a professional and objective perspective.

3. Operation of the Remuneration Committee:

(1) YOI's Remuneration Committee has a total of 3 members.

(2) The fifth term of the members is from July 26, 2021 to June 19, 2024. The number of remuneration committee meetings held in the most recent fiscal year (2024) was: 1 (A). The sixth term of the current members is from June 27, 2024 to June 18, 2027. The number of remuneration committee meetings held in the most recent fiscal year (2024) was 1 (A). The attendance by the member was as follows:

Title		Name	No. of Meetings Attended in Person (B)	No. of Meetings Attended by Proxy	In-person Attendance Rate (%) (B/A)	Remarks
The fifth term	Independent director (convener)	Hsiang-Hsun Wu	1	0	100%	
	Independent Director	Chih-Hun Huang	1	0	100%	
	Independent Director	Wan-Ting Yuan	1	0	100%	
The sixth term	Independent director (convener)	Hsiang-Hsun Wu	1	0	100%	
	Independent Director	Wan-Ting Yuan	1	0	100%	
	Independent Director	Chin-Do Lai	1	0	100%	

Other information required to be disclosed:

I. If the Board of Directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the Board of Directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): None.

II. Discussions and resolutions of the Remuneration Committee, and YOI's response to committee members' opinions:

Session	Date	Resolution Content	Resolution Result
6 th meeting of the 5 th term	2024/04/25	2024 Estimated remuneration plan for managers	The proposal was approved by all attending committee members and was submitted for the board's decision.
1 st meeting of the 6 th term	2024/07/25	1. Remuneration plan for 9 th term of new directors, 6 th term of new remuneration members and 5 th term of new audit committee members 2. 2024 Estimated remuneration plan for managers	The proposal was approved by all attending committee members and was submitted for the board's decision.

III. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: None.

(V) The promotion of sustainable development and the deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (concurrent) unit to promote sustainable development, governed by the senior management as authorized by the board of directors, which supervises the implementation?	V		1. YOI has formulated the "Sustainable Development Best Practice Principles" and established the "Sustainable Development Committee" to guide the development direction of sustainability policies. The Chairperson serves as the chair of the committee, while the President and the Chief Financial Officer (CFO) serve as committee members. The heads of each business department are executive representatives, and the Human Resources Officer is the management representative, collectively promoting sustainable development work. The management representative is responsible for convening the committee members and executive representatives to jointly formulate annual sustainability priorities and plans and regularly review the implementation of the annual plans. The CFO, one of the committee	No significant differences

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
			<p>members, should report to the board once per year on YOI's performance in sustainable development and ethical management.</p> <p>2. Implementation: The CFO reported to the board at the 4th meeting of the 9th board (October 25, 2024) on YOI's performance in sustainable development and ethical management. The report included: (1) the implementation of annual target and performance indicators; (2) the completion of collection for setting related targets and formulating implementation plans in the fourth quarter of 2024; (3) the results of internal and external audits of the ISO 14001 environmental management system; (4) the results of internal and external audits of ISO 9001/IATF 16949/QC 080000; (5) the progress of greenhouse gas inventory and verification of YOI and its subsidiaries in the consolidated financial statements; (6) the performance and implementation of environment, safety, and health measures for employees; (7) the results of the 10th (2023) corporate governance evaluation; (8) Enhancing disaster preparedness, fire prevention capability in the factory and ensuring safety in electrical installations (9) environmental initiatives in a healthy workplace (10) the implementation of social charity and sustainable activities (11) the performance of ethical management. The board listened to the above reports, reviewed the progress, and provided suggestions. Management is also advised to make adjustments as needed.</p>	

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
II. Does the Company conduct risk assessments of environmental, social, and corporate governance issues related to company operations as per the principle of materiality? Has the Company formulated relevant risk management policies or strategies?	V		<ol style="list-style-type: none"> 1. Risk assessment boundaries: With YOI as the main basis, the important subsidiary, Young Optics (Kunshan)Co. Ltd., is included within the scope based on its relevance to YOI's core business operations and its level of impact on material issues. 2. YOI's Risk Management Team assesses the risks of environmental, social, and corporate governance issues related to organizational operations and business; develops strategies for significant risks; and reviews and updates the strategies around mid-year. 3. In 2024, YOI had identified material issues and had collected information which covered international sustainability trends, GRI Standards, UN SDGs, and issues related to the optical industry sustainability reports of various companies, and relevant government announcements, 16 sustainability issues were selected through a questionnaire survey. The material issue analysis results were then categorized into three main themes: environmental, social, and governance (ESG). The relevant risk management policies or strategies established based on material issues are as follows: 	No significant differences

Item	Implementation Status			Description	Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No			
			Material issues	Risk assessment	Risk management policy or strategy
			Environmental	Resources and Energy risk	<ol style="list-style-type: none"> 1. Establish energy resource management to enhance the utility and efficiency of energy which may result in lower carbon emissions. 2. Investigate the high-power-consumption equipment and limit the usage time and frequency. 3. Adjust the production to meet the requirement of shipment under the energy restriction policies. 4. Install UPS for critical pieces of equipment.
				Natural Disaster Risk	<ol style="list-style-type: none"> 1. Balance production schedules while maintaining appropriate inventory levels to enhance overall supply flexibility. 2. Reduce supply disruption risks through suppliers and manufacturing site diversification. 3. Leverage ERP systems to integrate demands, forecasts, shortages, and cybersecurity frameworks, thereby improving supply chain visibility and responsiveness. 4. Enable departments to monitor market changes in real time and coordinate plan adjustments in response to price fluctuations and shifts in consumer demand.
				Green Products	<ol style="list-style-type: none"> 1. Customer environment requirements and applicable products regulations shall be identified and documented before product development. 2. Established SOP for green products, controlling the production process which includes tooling, equipment, materials and manufacturing consumables, etc., to prevent contamination during production. 3. Inform suppliers of updated specifications of green products and regular or irregular obtain the latest green products specifications through supplier assessments.

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
			<div>Social</div> <div>Human rights and employee welfares</div> <ol style="list-style-type: none"> 1. Set up employee relationship communication channels, conduct two-way communication on issues and employee engagement surveys. 2. Pay all employee salaries according to the minimum wage levels stipulated in local laws and regulations in regions where our operations are located. 3. Take out social insurance for all employees in compliance with the relevant laws and regulations. 4. Eliminate any infringement or violation of human rights. 5. Set up various channels in real time. 	
			<div>Occupational safety and health</div> <ol style="list-style-type: none"> 1. Conduct workplace environmental monitoring to ensure that the working environment does not pose a risk to employees' health. 2. Conduct medical examinations for personnel involved in special operations and ensure that designated personnel obtain the necessary certifications and licenses. 3. Conduct regular 6S inspections. 4. Operators are required to adhere to safety precautions to prevent accidents. Regular training is conducted to ensure that personnel maintain the necessary qualifications. 	
			<div>Corporate Governance</div> <div>Supply chain management</div> <ol style="list-style-type: none"> 1. Considering reliability, resilience, and cost-efficiency, including production and supplier adjustments, and refined management of critical inventories. 2. Responding to suppliers' carbon footprint goals, accelerating digitalization and decarbonization. 3. Based on the customers' requirements, formulates specifications requiring suppliers to comply with material standards, and implements review and execution to ensure 	

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
			<div>material compliance with specific requirements.</div> <div>4. Suppliers must complete product quality, functionality, and material approval procedures prior to mass production.</div> <div>Regulatory Compliance</div> <div>1. Identify and assess applicable laws and regulations related to ethical business practices, occupational safety, environmental protection, human resources, and sustainable development, as well as customer and supplier requirements, to ensure that business operations and production processes remain compliant.</div> <div>2. Enhance employees' understanding of regulatory requirements and promote a culture of compliance through regular internal trainings and programs.</div> <div>Information security</div> <div>1. Servers use fixed IP addresses and are protected by firewalls to prevent unauthorized device access.</div> <div>2. Antivirus software and endpoint protection systems are installed, and external cybersecurity vendors are engaged for co-defense.</div> <div>3. Multi-factor authentication is implemented to protect both employees and system accounts, effectively preventing unauthorized access.</div> <div>4. Confidential internal documents are encrypted to reduce the risk of data leakage.</div> <div>5. Cloud backups are adopted to minimize the risk of data loss.</div> <div>6. Regular cybersecurity awareness training is provided to employees to reduce security vulnerabilities.</div> <div>7. Disaster recovery plans are held regularly to ensure minimal disruption to operations from a disaster.</div>	

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
<p>III. Environmental issues</p> <p>(I) Has the Company set up an appropriate environmental management system as per its industrial characteristics?</p>	V		<p>(I) YOI's environmental policy is to ensure that our products and activities are in compliance with environmental regulations, and we conserve resources, reduce waste, and prevent pollution as required. We have established an environmental management system and developed an environmental manual as the guiding principle for environmental management. All of our plants and subsidiaries follow ISO 14001. In 2015, we established our environmental management system and have continuously passed third-party verification (valid until July 4, 2027). We conduct an annual greenhouse gas inventory in accordance with ISO 14064-1 to follow up on the emission reduction progress, which is disclosed in our sustainability report and on YOI's website.</p>	No significant differences
<p>(II) Is the Company committed to improving energy efficiency and adopting recycled materials with low environmental impact?</p>	V		<p>(II) 1. Energy efficiency: YOI actively takes various energy reduction measures, selects equipment with high energy efficiency and energy-efficient designs to reduce energy consumption in our operations and products and optimize energy efficiency. In terms of energy conservation and power reduction, to meet the 10% power reduction target set by the Energy Administration, Ministry of Economic Affairs, has achieved a cumulative power</p>	

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
			<p>reduction rate of 15.8% (average annual power reduction rate of 1.58%) from 2015 to 2024, saving a total of 4,055,674 degrees. We have also been continuously replacing old equipment and consumables with energy-efficient ones.</p> <p>2. YOI promotes actively for environmental protection, safety and health, and green products. We monitor closely to international environmental trends and require all operating sites to comply with applicable laws and regulations. We take green operations as a core policy for sustainable development. We have developed the Green Product Specification Manual and adopted the Green Product Management Platform System (GPMP System) to put goals into action.</p> <p>3. In addition to focusing on product functionality and specifications, YOI considers environmental protection and recycled resources for product packaging. We choose packaging materials that are in compliance with the RoHS standards, with a total concentration of heavy metals (Pb, Cd, Hg, or Cr6+) less than 100ppm. We do not use polyvinyl chloride (PVC) or plastic packaging made from chlorinated plastics, and we adopt the universal recycling symbols for all our packaging materials to</p>	

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
(III)Has the Company assessed its current and future potential risks and opportunities of climate change and taken countermeasures against climate-related issues?	V		<p>promote resource recycling and environmental sustainability.</p> <p>4.Through green design, production, procurement, and green management systems, YOI aim to integrate the three main aspects of “green design”, “green procurement”, and “green processes” to meet international environmental requirements. This will reduce the negative impact of our business activities on the environment and minimize the impact of electronic products on the Earth’s environment.</p> <p>(III) YOI identified potential risk events that may prevent the achievement of company goals, cause operating losses, or have negative impacts, based on the ISO9000 quality management systems, ISO14001 environmental management systems, comprehensive assess internal and external risk factors, and stakeholders’ concerns. We took countermeasures, including assessing the impact of climate change on various operating processes and enhancing the stability and resilience of hydraulic power and electricity supply in the face of extreme weather events.</p> <p>1. Water shortage emergency response plan: This plan includes notifying personnel from relevant emergency response units, adjusting the internal water supply system,</p>	

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
			<p>establishing external contact points (water truck companies or water utility companies), and setting shutdown standards, to reduce equipment shutdowns and production interruptions caused by water shortages or abnormal temperatures or humidity. In terms of resuming operations, we confirm water replenishment procedures, restart equipment, and notify production lines to resume operations once production standards are met.</p> <p>2. Emergency power outage response plan: This plan includes confirming power outage and estimating power restoration time, notifying various production lines and relevant personnel to make preparations, setting shutdown criteria to minimize equipment tripping due to power interruption; in terms of restoration operations, we confirm power supply from Taiwan Power Company, restart equipment, and notify production lines to resume operations when production standards are met.</p> <p>With the aforementioned emergency response plans and interdepartmental collaboration, the impact of climate on internal operational risks is minimized.</p>	

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons															
	Yes	No	Description																
(IV) Has the Company counted the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and formulated policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction, or other waste management?	V		<p>(IV) YOI is implementing the following measures to reduce greenhouse gas emissions, water consumption, and other waste emissions.</p> <p>1. Greenhouse gas inventory: In 2023, YOI adopted digital tools for carbon inventory and obtained certificates audited by the independent auditors, AFNOAR ASIA, for the year 2024. The greenhouse gas emissions of our Taiwan Plant over the past two years are shown in the table below. In the future, we will manage energy demand and usage, energy efficiency, technology or process improvements, transportation and travel demand, and waste reduction based on climate science, potential reduction trends, international and national contexts, overall industry environment, and the organization's technical capabilities, in order to achieve an annual reduction target of 3% for greenhouse gas emissions.</p> <p style="text-align: right;">Unit: t CO2e</p> <table><tr><th>Category</th><th>2023</th><th>2024</th></tr><tr><td>Direct GHG emission (Scope 1)</td><td>804.9287</td><td>820.8545</td></tr><tr><td>Indirect Energy GHG emission (Scope 2)</td><td>11,314.7798</td><td>10,631.8865</td></tr><tr><td>Indirect GHG emission (Scope 3 & 4)</td><td>4,642.2007</td><td>4,540.7202</td></tr><tr><td>Total emission</td><td>16,761.9092</td><td>15,993.4612</td></tr></table> <p>2. Greenhouse gas reduction management: We analyzed the proportion of greenhouse gas</p>	Category	2023	2024	Direct GHG emission (Scope 1)	804.9287	820.8545	Indirect Energy GHG emission (Scope 2)	11,314.7798	10,631.8865	Indirect GHG emission (Scope 3 & 4)	4,642.2007	4,540.7202	Total emission	16,761.9092	15,993.4612	
Category	2023	2024																	
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Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
			<p>sources, 64.78% of which comes from electricity. Therefore, energy efficiency is key to reducing greenhouse gas emissions. The following energy-efficient measures are implemented.</p> <p>(1) Improving air compressor efficiency: Upgrade air compressors and had resolved the problem of low efficiency made by worn or damaged head gaskets and obtained a reduction in electricity consumption of 38,000 kWh per month.</p> <p>(2) Reducing energy consumption: Optimized the water chiller load to reduce energy consumption, and raised the cooling water temperature by 1°C to reduce energy consumption for heat dissipation and evaporation water volume, raised the dew point of the MAU exhaust air of the clean room by 1°C to reduce energy consumption from dehumidification. Replacing 400 LED lighting fixtures resulting in reducing electricity consumption of 7,500 kWh per year and leasing 12 energy-saving water dispensers.</p> <p>(3) Reducing leaks: We strengthened the treatment of gaps in the walls and floors, regularly inspect air pressure pipelines for leaks to reduce duct damage or RCU leakage, with a minimum of 80</p>	

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
			<p>points checked per month, aiming for less than 10 leaks, and repair damaged air ducts to reduce leaks from the RCU and decrease the supply of air to the MAU.</p> <p>(4) Temperature adjustment: Set a reasonable temperatures and humidity in the offices, clean room and laboratory.</p> <p>(5) Energy-saving habits: We promote carpooling for commuting, encourage employees to adopt video conferencing rather than physical travel, and motivate them to take the stairs more. During the lunch break, the office lights are turned off for one hour, and energy-efficient measures are implemented during the day and night.</p> <p>(6) Energy-saving measures for the computer of entire plant: Setting up energy management plans for computers to reduce computer idle power consumption.</p> <p>3. Water conservation management: YOI's Sustainable Management Committee has set a target of increasing wastewater recycled and reused by 15%. We implement water conservation policy by using recycled wastewater for toilet flushing and cooling tower replenishment. In 2023, the total water consumption in our Taiwan</p>	

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons																												
	Yes	No	Description																													
			<p>Plant was 67,947 tons, while in 2024, it decreased to 61,607 tons, representing a 9.33% overall reduction in water usage. As for wastewater recycling and reuse, in 2023, the recycling rate was approximately 14% (recycling 11,100 tons), and in 2024, it was approximately 15.61% (recycling 9,618 tons). The 2025 wastewater recycling target is the same as 2024 by a recycling rate of 15% to further reduce water usage.</p> <table><tr><th>Year</th><th>2023</th><th>2024</th><th>Difference (%)</th></tr><tr><td>Water usage (tons)</td><td>67,947</td><td>61,607</td><td>(9.33%)</td></tr><tr><td>Wastewater recycling volume (tons)</td><td>11,100</td><td>9,618</td><td>(13.35%)</td></tr><tr><td>Wastewater recycling / (Water usage + Wastewater recycling (tons))</td><td>14.0%</td><td>15.61%</td><td></td></tr></table> <p>4. Waste reduction management: The output of non-hazardous business waste, hazardous business waste, and waste oil from YOI in the past two years is as follows:</p> <table><tr><th>Year</th><th>2023</th><th>2024</th></tr><tr><td>Non-hazardous business waste (tons)</td><td>80.9</td><td>84.67</td></tr><tr><td>Hazardous business waste (tons)</td><td>7.7</td><td>2.66</td></tr><tr><td>Amount of waste oil (tons)</td><td>7.52</td><td>6.9</td></tr></table> <p>YOI is committed to environmental protection and waste reduction. In addition to establishing waste management procedures, internal and external audits are conducted.</p>	Year	2023	2024	Difference (%)	Water usage (tons)	67,947	61,607	(9.33%)	Wastewater recycling volume (tons)	11,100	9,618	(13.35%)	Wastewater recycling / (Water usage + Wastewater recycling (tons))	14.0%	15.61%		Year	2023	2024	Non-hazardous business waste (tons)	80.9	84.67	Hazardous business waste (tons)	7.7	2.66	Amount of waste oil (tons)	7.52	6.9	
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Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
			According to the waste management policy, YOI's Sustainable Development Committee has taken waste reduction by 50% for the current year as a management target, aiming to reduce waste by increasing resource recycling rates. In both 2023 and 2024, the Taiwan Plant passed the ISO 14001 environmental management system certification. The resource recycling rate in 2024 was 67%, which is better than the recycling rate of 50% of the management target.	
IV. Social issues (I) Does the Company formulate relevant management policies and procedures in accordance with applicable laws and the International Bill of Human Rights?	V		(I) Based on the Universal Declaration of Human Rights, the United Nations Global Compact, and the United Nations Guiding Principles on Business and Human Right, etc., YOI is committed to upholding the highest standards for labor rights, human rights, environmental protection, and ethical conduct. Provide a safe work environment and treat our employees with dignity and respect, and prohibit discrimination, harassment, and abuse. We strive to prevent the employment of forced labor, act fairly and ethically, and fully comply with applicable laws and regulations, including the Labor Standards Act, the Employment Services Act, the Act of Gender	No significant differences

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
(II) Has the Company formulated and implemented reasonable employee benefit measures (including remuneration, leave, and other benefits) and reflected business performance or achievements in employee remuneration appropriately?	V		<p>Equality in Employment, and the Occupational Safety and Health Act. Our management policies and procedures include recruitment and employment regulations, measures to prevent violence at work, employee complaint and communication procedures, employee reward and punishment regulations, and regulations on foreign migrant workers management. In 2024, we also offered relevant courses on human rights management, which were incorporated into required sustainability courses. The courses covered corporate cases related to human rights violations, the Responsible Business Alliance (RBA) Code of Conduct, regulations on Taiwan's companies to respect human rights, and a reiteration of YOI's human rights policy. A total of 362 employees participated in the courses for a total of 182.5 hours.</p> <p>(II) 1. Remuneration policy: YOI values employee rights and benefits and shares profits with employees. In order to attract and retain outstanding talent, we conduct annual salary surveys to assess market salary levels and overall economic indicators, to ensure external competitiveness of our remuneration. Personnel salaries are determined or adjusted based</p>	

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
			<p>on individual capabilities and performance, without differing due to age, gender, race, ethnicity, or party affiliation. In addition to paying employee remuneration as stipulated in Article 26 of the Company's Articles of Incorporation, we provide performance bonuses in years where a profit is made based on individuals' annual performance and their contribution to business performance, to motivate all our employees to strive toward YOI's goals.</p> <p>2. Employee benefit measures:</p> <p>(1) In addition to the leave as stipulated in the Labor Standards Act, YOI grants an additional seven days of flexible leave throughout the year.</p> <p>(2) We have established an Employee Welfare Committee, and the Company contributes to its welfare funds annually for it to provide various benefits, such as meal subsidies, Labor Day, Dragon Boat Festival, Mid-Autumn Festival, birthday, marriage and childbirth cash gifts, as well as hospitalization and funeral condolence money.</p> <p>(3) To promote work-life balance among employees, we motivate employees to participate in various employee clubs and annual company-wide activities.</p>	

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
(III) Does the Company provide employees with a safe and healthy work environment and offer safety and health education to employees regularly?	V		<p>(4) To ensure healthcare and self-management of employees, we regularly arrange for free health check-ups for employees every two years and have established a medical room and recruited occupational medicine specialists and nurses to provide medical assistance and help employees manage their health on-site. In addition, we have allocated a certain percentage of first aid personnel based on the number of employees and offer first aid training courses every year.</p> <p>(5) We have recruited professional psychologists to regularly provide services on-site, helping employees relieve various psychological pressures and assisting in their spiritual growth with a total of 109 participants in 2024.</p> <p>(III) To provide a safe and healthy work environment for our employees, YOI has taken the following measures:</p> <ol style="list-style-type: none"> 1. Established an Occupational Safety and Health Committee, with representatives from both labor and management. The committee holds quarterly meetings to report and raise awareness of occupational safety and health issues. 2. YOI has also been awarded the highest honor, Badge of Accredited Healthy Workplace (valid until 	

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
			<p>2027), by the Health Promotion Administration, Ministry of Health and Welfare, as well as the certification of excellent breastfeeding rooms from the Health Bureau, Hsinchu City (valid until 2026).</p> <p>3. Established occupational safety and health management regulations, including labor safety and health regulations, safety and health risk identification and assessment management regulations, labor safety self-inspection management regulations, personal protective equipment management regulations, explosion-proof electrical hazardous area management regulations, contractor safety and health environmental protection management regulations, abnormal accident reporting and handling management regulations, employee health management regulations, abnormal work load-induced disease prevention and management regulations, anthropogenic hazards prevention and management regulations, violence at work prevention and management regulations, and maternal health in the workplace management regulations.</p> <p>4. To ensure the protection of workers from hazardous substances in the workplace, we formulate work</p>	

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons												
	Yes	No	Description													
			<p>environment evaluation management regulations, while environment monitoring and testing sessions are conducted twice annually, and the inspection results are published on the internal website, to maintain a safe work environment in the plant. The monitoring results over the years are comply with regulatory requirements.</p> <p>5. The 6S implementation management measures are formulated and initiative conducts inspections periodically. The audited suggestions and issues that need to be improved are recorded as the reference for the business unit to improve and regularly follow up, review, and report the progress.</p> <p>6. YOI has offered occupational safety and health training in the last three years, including environment, safety, and health training for new employees, on-the-job refresher training on environment, safety, and health, fire/civil defense team training, evacuation exercises, ERT trainings, and special operations trainings for new employees.</p> <table><tr><th>Year</th><th>Number of trainees</th><th>Number of man-hours</th></tr><tr><td>2022</td><td>1,968</td><td>3,903</td></tr><tr><td>2023</td><td>1,304</td><td>2,528</td></tr><tr><td>2024</td><td>1,252</td><td>2,423</td></tr></table>	Year	Number of trainees	Number of man-hours	2022	1,968	3,903	2023	1,304	2,528	2024	1,252	2,423	
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Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
			<p>7. In 2024, YOI's disabling injury frequency rate was 3.19. There were five occupational accidents, with five injured workers. The number of injured workers accounted for 0.354% of the total number of employees at the end of 2024. We have conducted a thorough analysis and review of occupational accident cases and propose improvement measures. With occupational diseases accounting for 84% of total lost working hours, measures such as engineering controls and internal manpower rotation were implemented to reduce human-related risk factors.</p> <p>8. In 2024, there was one fire incident that happened without any casualties reported. However, to enhance our employees' ability to respond to fires, we held fire exercises on November 4, 2024. During the exercises, we established escape routes and demonstrated how fire extinguishers should be used properly. We also invited our employees to participate in the exercises. Additionally, we regularly performed tests to ensure the proper functioning of the fire safety equipment.</p> <p>9. In addition to regular audits and continuous implementation of self-inspections to identify unsafe factors early and promptly</p>	

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
(IV) Has the Company established an effective career development training program for employees?	V		<p>improve and reduce risks, we conduct comprehensive inspections of the personal protective equipment selected and used to achieve protective effects. Furthermore, we implement health promotion measures in the workplace, actively care for our employees' physical and psychological well-being, and provide psychological health channels to ensure their safety during work.</p> <p>(IV) 1. We have an institutionalized job position system and a competence module framework in place and offer required training courses for each job position as a professional development learning roadmap.</p> <p>2. Every year, based on human resources development needs, we have formulated an annual training program and designed courses for new employees, managerial personnel training courses, and professional development courses, while providing subsidies for external training.</p> <p>3. We have a digital learning platform in place to provide online learning resources.</p> <p>4. We carry out a promotion and performance evaluation and set performance targets in line with employees' career plans, to enable employees to gradually achieve their career goals as they gain experience and develop their skills.</p>	

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
(V) Does the Company comply with applicable laws and international standards regarding issues, such as customer health and safety, customer privacy, as well as marketing and labeling of products and services? Has it formulated relevant policies and complaint procedures to protect consumers or customer's rights and interests?	V		(V) The customer health and safety, customer privacy, marketing, and labeling of YOI's products and services are all in compliance with law and regulations and applicable international standards. We set up a stakeholders area on the company's website to provide a communication channel for customers to ask questions, file complaints, or make suggestions. We have established internal operating procedures, such as the Customer Satisfaction Management Procedure and the Customer Complaint Handling Procedure to safeguard customer rights. YOI has a Customer Technical Support Department that handles customer complaints, conducts investigations, and takes appropriate actions to protect customer rights.	
(VI) Has the Company formulated a supplier management policy, requiring suppliers to follow applicable regulations on issues, such as environmental protection, occupational safety and health, or labor rights and the implementation thereof?	V		(VI) YOI has established the Supplier Management Procedure and the Environmental Policy Promotion Document to promote the environmental policy, environmental commitment, and sustainable development policy to all suppliers. Every year, we assess suppliers to select those who meet the requirements for quality and technology through new supplier assessments, supplier management, supplier audits, and supplier coaching. If a supplier has a significant negative impact on the environment and society, its supplier qualification may be canceled in accordance with YOI's internal supplier management regulations.	

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
			YOI's new suppliers need to pass the following certifications:	
			Supplier assessment	
			Supplier audits	
			Supplier coaching	

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
			<div>Supplier sustainability self-evaluation</div> <div>In 2024, we conducted a supplier sustainability evaluation questionnaire survey to the supplier with a certain purchase volume ratio, covering four aspects: human rights, ethics and integrity, health and safety, and environment with an average score of over 60 points. Additional follow-ups are required for those who scored below 60 points. No supplier who is below 60 points this year.</div>	
V. Has the Company referred to the internationally accepted reporting standards or guidelines to prepare reports, such as ESG reports that disclose the Company's non-financial information? Has a third-party verification entity provided assurance or assurance opinion for the said report?	V		YOI's annual Sustainability Report is based on the GRI Sustainability Reporting Standards released by the Global Reporting Initiative (GRI), without being verified or assured by a third party.	No significant differences
<p>VI. Where the Company has formulated its own sustainable development code in accordance with the Sustainable Development Best Practice Principles, please specify the differences between the implementation and the principles:</p> <p>YOI has consistently taken sustainable development measures in all its operating activities, with the goal of promoting a balance between the economy, society, and environmental ecology. Every year, we regularly review the implementation based on the said principles and make improvements accordingly. To date, there have been no differences from the principles.</p>				

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
VII. Other important information that facilitates the understanding of the promotion of sustainable development:				
1. Promoting social charity: We leverage our resources and motivate employees to actively participate in sustainable development.				
(1) We have participated in the Ministry of Labor’s Youth Employment Investment Program and provided practical and useful workplace training to young people, to increase job opportunities for individuals at the ages of 15 to 29.				
(2) YOI holds a blood donation event in collaboration with the Hsinchu Blood Center per year. In 2024, we have 345 participants, and collected a total of 414 units of blood.				
(3) To support recovery from Bangladesh floods, YOI had donated 50,000 BDT to the new government				
(4) A donation of supplies was made to the Boyo Social Welfare Foundation and Ai Heng Care Center, demonstrating YOI’s commitment to supporting those in need through concrete actions and contributing to society with care and compassion.				
(5) In support of the Ministry of Environment’s policy, YOI purchased 30 packs of rice from the Taiwan Autism Family Care Association, helping reduce ritual pollution while supporting autistic youth.				
(6) Food was donated to the Xiazhu Community Development Association in Hsinchu and the Zhi-Shan Foundation, hoping to help build a kind and supportive city with sustainable food practices.				
2. We joined TALENT, in Taiwan and are committed to continuously taking four sustainability actions to create a work environment, featuring diversity, equity, and inclusion:				
(1) Diversity and inclusion: Through cross-plant talent training, maternity protection measures, new employee orientation camp, quarterly meetings with foreign migrant workers, Christmas party at foreign migrant workers’ dormitory, and a Facebook fan page (to disclose different plant cultures, events, and stories), we are committed to developing a diverse and inclusive work environment.				
(2) To ensure the protection of the rights of foreign migrant workers, we observe a human rights policy, regularly audit their dormitory, have interviews with new employees, hold quarterly meetings, conduct due diligence of and evaluate domestic and international intermediary organizations.				
(3) We have established a maternity protection management procedure and implemented workplace maternity health management regulations. Employees who encounter situations, such as childcare, serious illness, and major accidents can apply for unpaid leave to balance the personal needs and the needs for family care. In 2024, 14 people applied for unpaid parental leave with the reinstatement rate of 80%.				
(4) To ensure diversity and equality in the workplace, YOI maintains an excellent work environment, including comprehensive physical and psychological care for all groups. Up to 1% of all employees (a total of eight individuals) are individuals with disabilities, which is in compliance with the People with Disabilities Rights Protection Act, and we tailored suitable job positions and facilities for them.				

Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Description	
<p>3. YOI have taken part in a restoration and conservation awareness campaign for the endangered Daimyo Oak organized by Hsinchu Government with nine colleagues adopting 11 trees in April 2024. In addition, we offered ESG training courses for indirect personnel, with a total of 362 participants and a participation rate of 100%.</p> <p>4. We participated in the Work-Life Balance Subsidy Program, formulated an employee care and assistance program, an employee stress relief program, and our Employee Welfare Committee also organized Best Cute Pet Award, a Mid-Autumn Chill Out trip, Super Race-Walking Championship and have also taken part in the Sports Day hosted by Coretronic Corporation.</p> <p>5. Other social responsibility activities: YOI has established a public information network reporting system, and responsible personnel are responsible for collecting and disclosing company information, to ensure that information that may affect shareholders and stakeholders’ decision-making is disclosed in a timely and appropriate manner.</p>				

(VI) Climate-related information

1. Climate-related implementation information

Item	Implementation status
1. The supervision and governance of climate-related risks and opportunities by the Board of Directors and management.	<p>1. Supervision and governance of climate-related risks and opportunities</p> <p>(1) YOI refers to the Risk Management Best Practice Principles for TWSE/TPEX Listed Companies. On October 27, 2023, the Audit Committee and the Board of Directors approved the risk management policy and procedures and established a risk management team under the Audit Committee. The team is responsible for planning, implementing, and monitoring risk management-related matters to ensure the effective implementation and enforcement of risk management and related control procedures in the company, while compiling data and reporting on YOI's risk management operations to the Audit Committee on a regular basis (at least once per year).</p>

Item	Implementation status
<p>2. State the short-term, medium-term, and long-term impact of identified climate risks and opportunities on the Company's business, strategies, and finance.</p> <p>3. State the impact of extreme weather events and transition actions on finance.</p> <p>4. State how the process for identifying, assessing, and managing climate risks is integrated into the overall risk management system.</p>	<p>(2) The risk management team identifies, analyzes, assesses, and responds to risks, and adopts a monitoring and review mechanism, to effectively manage the internal and external risks that may arise during our operations. These risks include, but are not limited to, strategic risks, operational risks, financial risks, information risks, compliance risks, integrity risks, emerging risks and opportunities related to climate change. Furthermore, we have implemented TCFD framework in October 2024 to enhance our climate risk assessment.</p> <p>2. In October 2024, by following the TCFD recommendations of transition risks, physical risks, and a list of opportunities, our risk assessment team evaluated the level of impact (financial impact between NT\$1 million to NT\$100 million), the frequency of occurrence(within 1 to 5 years) and have identified policy and regulatory changes as a significant risk, such as electricity tariff increase, which may result in a financial impact of at least NT\$10~20 million for utility costs.</p> <p>3. The most significant impact is the long-term rise in the average temperature caused by extreme weather, resulting in more than NT\$10 million in costs for replacing air conditioners and other facilities within less than 1 year.</p> <p>4. Our risk assessment team identify material climate change risks and opportunities through the matrix analysis, and formulate future measures related to climate change. The team is responsible for planning, implementing, and monitoring risk management affairs to ensure the effective execution and implementation of risk management and relevant control procedures within the organization, while compiling data and reporting on YOI's risk management operations to the Audit Committee on a regular basis (at least once per year).</p>

Item	Implementation status
<p>5. If scenario analysis is adopted to assess resilience to climate change risks, state the context, parameters, assumptions, analysis factors, and major financial impacts.</p> <p>6. If there is a transition plan for managing climate-related risks, state the content of the plan, as well as the indicators and objectives used to identify and manage physical risks and transition risks.</p> <p>7. If internal carbon pricing is taken as a planning tool, state the basis for price determination.</p> <p>8. If climate-related targets are set, state the activities covered, the scope of greenhouse gas emissions, a schedule planned, annual progress, and other information. If carbon offsetting or renewable energy certificates (RECs) are used to achieve the targets, state the source and quantity of carbon credits or the quantity of RECs.</p>	<p>5. The scenario assumptions for transition risks and opportunities are defined based on the low-emission scenario SSP1-1.9 in the Shared Socioeconomic Pathways (SSP), describing a world where global CO₂ emissions are cut effectively, and societies switch to more sustainable practices (keeping the temperature rise below 1.5 degrees Celsius). As for physical risks, the scenario assumption is defined as SSP-8.5, representing a high reference scenario with no additional climate policy available at the time (leading to a rise of 4.4 degree Celsius). YOI had identified policy and regulatory changes as a significant risk, such as electricity tariff increase, which may result in a financial impact of at least NT\$10~20 million for utility costs.</p> <p>6. YOI is currently working to have a climate transition project pass ISO14064-1 and obtain certificate in the initial stage. In the medium to long term, we will set targets based on the carbon inventory results and make rolling adjustments.</p> <p>7. It is not applicable. We will conduct a necessary assessment of carbon pricing based on the carbon inventory results in the future.</p> <p>8. The initial climate change management target is to pass the 2023 ISO14064-1 verification audit in 2024 which had conducted external audit in March 2024 with 2023 as the baseline year, covering Scope 1, 2, 3, and 4, with the audit scope of the assessment focused on Hsin An site in Hsinchu, Taiwan, setting the target of reducing carbon emissions by 3% annually. Currently, we have not implemented carbon offsetting and renewable energy certificates; however, a comprehensive strategy will be developed to ensure alignment with the 2050 net-zero emissions objectives.</p>

Item	Implementation status
9. Inventory of and assurance for greenhouse gas emissions, reduction targets, strategies, and action plans	9. Please refer to 2. Inventory of and assurance for greenhouse gas emissions in the most recent two years and 3. Reduction targets, strategies, and action plans.

2. Inventory of and assurance for greenhouse gas emissions in the most recent two years

(1) Greenhouse gas inventory information

State the greenhouse gas emissions (in metric tons of CO₂e), intensity (in metric tons of CO₂e per million dollars of NTD), and data coverage in the most recent two years.

1. Greenhouse gas emissions:

Category	2023	2024
Direct GHG emission (Scope 1)	804.9287	820.8545
Indirect Energy GHG emission (Scope 2)	11,314.7798	10,631.8865
Indirect GHG emission (Scope 3 & 4)	4,642.2007	4,540.7202
Total emission	16,761.9092	15,993.4612

2. Carbon emission intensity: In 2023, the intensity was 4.4086 tons of CO₂e per million of NTD and in 2024 was 6.2182 tons of CO₂e per million of NTD.

(2) Greenhouse gas assurance information

State the assurance situation in the most recent two years as of the publication date of the annual report, including the scope of assurance, assurance institution, assurance standards, and assurance opinions.

The greenhouse gas inventory for 2023 had been audited by AFNOR followed by ISO 14064-3 and completed the audits in 2024. The complete information is disclosed in 2023 Sustainability Report.

(3) Greenhouse gas reduction targets, strategies, and action plans

State the baseline year and data, reduction targets, strategies, specific action plans, and the achievement of reduction targets for greenhouse gas emissions.

Based on the audits of ISO 14064-1:2018 completed in 2024, YOI had designated 2023 as the baseline year and set an annual emissions reduction target of 3%. We have drawn up greenhouse gas reduction strategies based on climate science, potential reduction trends, international and national contexts, overall industry environment, and the organization's technical capabilities to move toward the following approaches:

- (1) Management of energy demands and usages
- (2) Energy efficiency
- (3) Technical or process improvement
- (4) Transportation and travel demand management
- (5) Waste reduction

(VII) Ethical Corporate Management-Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Description	
I. Establishment of ethical corporate management policies and programs				No significant differences
(I) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		(I) YOI has established the Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct After being approved by the Board of Directors, it was announced on the company's website, requiring directors, managers, and employees to abide by the principle of integrity and implement it in all business interactions. YOI's annual report and website also disclose the implementation status of policies by the Board of Directors and management, and the implementation of ethical operation is reported to the Board of Directors annually.	
(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical	V		(II) YOI follows the Company Act, Securities and Exchange Act, Business Accounting Act, Political Donations Act, Anti- Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, relevant regulations for TWSE/TPEX Listed companies, and other relevant laws and regulations for business activities with risks	

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Description	
<p>Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?</p> <p>(III) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</p>	V		<p>of unethical conduct. YOI has established a plan to prevent unethical behavior, which is incorporated into the Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct. YOI re-analyzes and evaluates business activities with risks of unethical conduct annually, reviews and revises the plan to prevent unethical behavior and related measures.</p> <p>(III) The Procedures for Ethical Management and Guidelines for Conduct, which stipulates that director, managers, employees, and those appointed in the execution of business activities shall not provide, accept, promise, or request any improper benefit directly or indirectly in order to obtain or maintain interests or engage in any other acts that violate integrity, laws, or breach entrusted obligations. There are clear regulations for disciplinary action and complaint systems for violations, and related measures are published on YOI's internal and external websites for employees and stakeholders to refer to.</p>	
<p>II. Ethical Management Practice</p> <p>(I) Does the company assess the ethics records of those it has</p>	V		(I)YOI has established the Supplier Conflict of Interest	No significant differences

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Description	
business relationships with and include ethical conduct related clauses in the business contracts?			Management Procedures and requires suppliers to sign a Supplier Integrity Commitment Letter before any transactions take place. In 2024, 117 new suppliers were added, of which 110 have obtained the Integrity Commitment Letter, and 7 were approved for exemption from providing the Integrity Commitment Letter in accordance with internal regulations.	
(II) Has the company set up a dedicated unit to promote ethical corporate management under the Board of Directors, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	V		(II) The Human Resources Department is responsible for formulating and implementing the Corporate Integrity Policy, and the execution status is reported to the Board of Directors once a year and disclosed on the company's website.	
(III) Has the company established policies to prevent conflicts of interest, provided appropriate communication and complaint channels, and properly implemented such policies?	V		(III) The Procedures for Ethical Management and Guidelines for Conduct to regulate related personnel when facing any form of direct or indirect provision, acceptance, promise, or request of money, gift, commission, position, service, favor, kickback, entertainment, or banquet benefits. The procedures include reporting to immediate supervisors and informing the dedicated unit.	

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Description	
(IV) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		(IV) YOI has established effective accounting and internal control systems, and continuously reviews the design and implementation of the systems to ensure their effectiveness; In 2024, the Internal Audit Unit reviewed employment contracts, rules and regulations, external documents, the Company's website, supplier evaluation information, internal control system, education and training, evaluation, and the operation process of the disciplinary and complaint system and submitted an audit report to the Board of Directors.	
(V) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		(V) The Employment Agreement of YOI contains a Code of Conduct for Employees, and the Principles of Integrity are included as a key item in the training program for new recruits, in order to build up the correct concepts and awareness of employees. In December 2024, we completed an online course on integrity management and insider trading prevention for indirect employees (including current managers) in Taiwan factories, with a total of 362 people (100% of the trainees) attending and passing the course evaluation.	

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Description	
III. Implementation of Complaint Procedures				No significant differences
(I) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?	V		(I) YOI has established a professional ethics contact mailbox at webmail2@youngoptics.com , as well as dedicated communication channels for stakeholders such as: ir.yo@youngoptics.com , csr.yo@youngoptics.com , webmail1@youngoptics.com , employees@youngoptics.com and an internal employee opinion mailbox. These are all managed by specialized personnel to ensure the rights and interests of YOI and all stakeholders. In 2024, no reports or documents of any kind were received in other mailboxes.	
(II) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	V		(II) Under the Ethical Corporate Management Best Practice Principles, YOI has established procedures for handling whistleblower cases and related provisions for confidentiality of the whistleblower's identity and content.	
(III) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	V		(III) In accordance with the whistleblower system established by YOI, we encourages internal and external personnel to report any dishonest or inappropriate behavior. Internal personnel who make false reports or malicious accusations shall be subject to disciplinary action,	

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Description	
			and those with serious offenses shall be dismissed. YOI also promises to protect whistleblowers from being unfairly dismissed, reassigned, demoted or have their position lowered as a result of their whistleblowing activities.	
IV. Strengthening Information Disclosure Does the Company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V		The Ethical Corporate Management Best Practice Principles established by YOI is published on our website and the public information observation platform. The effectiveness of its implementation is disclosed on YOI's website and in the annual report of the shareholders' meeting each year.	No significant differences
V. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: YOI is committed to establishing a corporate culture of integrity, and in addition to having an Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct we also clearly define ethical transactional behavior in internal operating regulations.				
VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles) YOI has established the Supplier Conflict of Interest Management Policy to promote ethical behavior for both YOI and our trading partners. We also educate our employees on avoiding the abuse of their authority for personal gain and prohibit the acceptance of entertainment, gifts, kickbacks, embezzlement of public funds, or any other form of unlawful benefits. In the event that suppliers provide gifts during holidays, our relevant departments will handle them uniformly.				

(VIII) Other important information material for the understanding of corporate governance within the company:

1. YOI continues to invest resources to strengthen its corporate governance operations. The Board of Directors was initially composed of the group's management team when YOI was established, and later gradually introduced external personnel. Currently, we have three independent directors and audit and remuneration committees. YOI's website also has a section that explains YOI's governance situation and provides corporate governance regulations for investors to download and consult.
2. In order to continuously enrich corporate governance information, YOI proactively informs directors of relevant training information. All seven directors have taken courses that comply with the "Guidelines for Continuing Education of Directors and Supervisors of TWSE/TPEX Listed Companies".
3. In the 11th corporate governance evaluation, YOI was ranked in the top 36-50% of the listed companies.

(IX) Implementation of Internal Control System:

1. Declaration of Internal Control System: Please refer to page 76.
2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

(X) Important resolutions of the shareholders' meeting and the Board of Directors in the most recent year and up to the date of the annual report Material Resolutions of Shareholders Meeting and Board of Directors Meeting:

1. Important resolutions of the shareholders' meeting in the most recent year and up to the date of the annual report and their implementation
YOI's shareholders' meeting for the year 2024 was held on June 19, 2024. The adopted resolutions and their implementation are as follows:

- (1) Approved the 2023 Annual Business Report and Financial Statements.
- (2) Approved the 2023 Statement of Deficit Compensation.

Implementation: The accounting treatment of using undistributed earnings to deficit compensation was completed in June 2024.

- (3) Election of 9th term of Board of Directors.

Elected director:

Director Coretronic Corporate Legal Representative: Sarah Lin

Director Coretronic Corporate Legal Representative: Ken Wang

Director Coretronic Corporate Legal Representative: Miranda Wang

Director Ker-Jev Huang

Elected independent director: Hsiang-Hsun Wu, Wan-Ting Yuan, Chin-Do Lai

Implementation: Obtained the approval of registration from the National Science and Technology Council, Hsinchu Science Park Bureau (HSPB), on June 27, 2024, and posted on the Company's website.

- (4) Approved the Proposal of releasing the new Directors from non-competition restrictions.

Implementation: The lifting of non-compete restrictions for Coretronic Corporation; Sarah Lin, legal representative of Coretronic Corporation; Ken Wang, legal representative of Coretronic Corporation, Miranda Wang, legal

representative of Coretronic Corporation and Wan-Ting Yuan, independent director was announced on June 19, 2024, through the Market Observation Post System.

2. Major resolutions passed in the board of director's meetings held in the last year up till the publication date of the annual report: Please refer to YOI's website.

(XI) Major content of any dissenting opinion on record or submitted in a written statement by the Directors or Supervisor on material resolutions of the Board of Directors meeting during the past year up to the publication of this Report: None.

(XII) Internal significant information processing and operation procedures of the Company:
To establish an insider trading prevention and management mechanism and to avoid improper disclosure of information, and to ensure the consistency and correctness of YOI's external information disclosure, YOI has established the Measures for Preventing Insider Trading and the Internal Significant Information Processing and Operation Procedures. Additionally, YOI forwards promotional materials related to insider trading prevention published by the competent authority to directors and managers and encourages their participation in related training courses and activities.

IV. Information on CPA (External Auditor) Professional Fees

Unit: NT\$ Thousands

Name of Accounting Firm	Name of CPAs		CPA Audit Period	Audit Fees	Non-audit Fees	Total	Remarks
Ernst & Young	Wan-Ju Chiu	Ming-Ju Huang	Jan 1, 2024 – Dec 31, 2024	2,570	200	2,770	Non-audit fee represents tax certification

(I) Change of accounting firm that resulted in the reduction of audit remuneration from the previous year; disclose audit remuneration before and after the change and the cause of such change: None.

(II) Any reduction in audit remuneration of more than 10% compared to the previous year; state the amount, the percentage, and reasons for such variation: None.

V. Information on Replacement of CPAs

(I) Information regarding the former CPAs

Date of Replacement	February 23, 2024		
Reason for replacement and explanation	YOI engaged Ernst & Young Global Limited to conduct the audit of its financial reports. In response to the internal job rotation of the accounting firm, the CPAs will be changed to Wan-Ju Chiu and Ming-Ju Huang to audit (review) YOI’s financial report starting from the first quarter of 2024.		
Describe whether the Company terminated or the CPAs terminated or did not accept the engagement parties Circumstances CPAs	Parties	CPAs	The Company
	Terminated the engagement	Not Applicable	
	No longer accepted (discontinued) the engagement		
If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the most recent two years, specify the opinion and the reasons	None		
Disagreement with the Company?	Yes		Accounting principles or practices
			Disclosure of financial reports
			Audit scope or procedures
			Others
	No	✓	
	Specify Details	None	
Other disclosures (Any matters required to be disclosed under sub-items d. to g. of Article 10.6. A)	None		

(II) Information regarding the successor CPAs

Name of accounting firm	Ernst & Young
Name of CPAs	Wan-Ju Chiu, Ming-Ju Huang
Date of engagement	February 23, 2024
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type of audit opinion that might be issued on the company's financial report	Not Applicable
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPAs	Not Applicable

(III) The reply letter from the former CPA regarding the Company's disclosures regarding the matters under Article 10.6.A and 10.6.B(c) of the Regulations: Not Applicable.

VI. The Chairman, President, or managerial personnel in charge of finance or accounting of the Company, who have worked for the accounting firm or its affiliated enterprises responsible for auditing the Company in the past year: Not applicable.

VII. Share transfer or share pledge of Directors, Supervisors, Managers and Major Shareholders holding more than 10% shares from last year to the date of the annual report printed:

(I) Changes in Shareholding of Directors, Supervisors, Managers, and Major Shareholders

Unit: Shares

Job Title	Name	2024		2025 As of April 19	
		Shareholding increase (or decrease)	Increase (decrease) in shares pledged	Shareholding increase (decrease)	Increase (decrease) in shares pledged
Major Shareholder (Note 1)	Coretronic Corporate	-	-	-	-
Chairman	Coretronic Corporate Legal Representative: Sarah Lin	-	-	-	-
		-	-	-	-
Director	Coretronic Corporate Legal Representative: Sara Lin (Note 2)	-	-	-	-
		-	-	Not Applicable	Not Applicable
Director	Coretronic Corporate Legal Representative: Ken Wang	-	-	-	-
		-	-	-	-
Director	Coretronic Corporate Legal Representative: Miranda Wang (Note 3)	-	-	-	-
		-	-	-	-
Director and President	Jyh-Horng Shyu (Note 2 & 4)	-	-	Not Applicable	Not Applicable
Director	Ker-Jev Huang (Note 3)	-	-	-	-
Independent Director	Hsiang-Hsun Wu	-	-	-	-
Independent Director	Chih-Hun Huang (Note 2)	-	-	Not Applicable	Not Applicable
Independent Director	Wan-Ting Yuan	-	-	-	-
Independent Director	Chin-Do Lai (Note 3)	-	-	-	-
President/CFO	Cynthia Chang	-	-	-	-
President	Wayne Lin (Note 5)	246	-	5,046	-
Vice President	Paul Kang (Note 6)	-	-	-	-
Associate Vice President	Willis Lin (Note 4)	4,474	-	Not Applicable	Not Applicable

Note 1: The only major shareholder holding more than 10% of YOI's shares is Coretronic Corporation.

Note 2: On June 19, 2024, the director was re-elected and dismissed, and did not report any shares held thereafter.

Note 3: On June 19, 2024, the director was re-elected and elected, and report any shares held thereafter.

Note 4: Has been dismissed on June 27, 2024, and did not report any shares held thereafter.

Note 5: Has been promoted to the President on May 1, 2024.

Note 6: Serve as a Vice President on July 1, 2024.

(II) Disclosure of shares transferred to related parties: None.

(III) Disclosure of shares pledged to related parties: None.

VIII. Information on the top ten shareholders with the largest shareholdings, and their relationship with each other as related parties or relatives within the second degree of kinship:

On April 19, 2025, Unit: Shares

Name	Shareholding of the individual		Shareholding of the spouse and minor children		Total shareholding by nominee arrangement		Information on the Relationships among the Top Ten Shareholders If Anyone is A Related Party, A Spouse, or A Relative Within Second Degree of Kinship of Another And Their Names		Note
	Shares	%	Shares	%	Shares	%	Title (or Name)	Relationship	
Coretronic Corporate	37,217,586	32.62%	0	0.00%	0	0.00%	Note	Note	None
Representative of Coretronic Corp., Wade Chang	Note	Note	Note	Note	Note	Note	Note	Note	None
Chih-Liang Tsao	5,164,196	4.53%	Note	Note	Note	Note	Note	Note	None
Chun-Ying Jiang Yu	4,880,000	4.28%	Note	Note	Note	Note	Note	Note	None
Yu-Lian Jiang	4,798,499	4.21%	Note	Note	Note	Note	Note	Note	None
Zhi-Hao Jiang	4,647,343	4.07%	Note	Note	Note	Note	Note	Note	None
Wei-Hua Jiang	2,350,043	2.06%	Note	Note	Note	Note	Note	Note	None
Da-Yu Chen	2,235,331	1.96%	Note	Note	Note	Note	Note	Note	None
J.P. Morgan Securities LLC Investment Account Custodied by J.P. Morgan Chase Bank, Taipei Branch	944,039	0.83%	Note	Note	Note	Note	Note	Note	None
Chain-Shinn Juang	820,000	0.72%	Note	Note	Note	Note	Note	Note	None
Société Générale European Option Investment Account Custodied by HSBC Bank (Taiwan) Limited	795,949	0.70%	Note	Note	Note	Note	Note	Note	None

Note: Relevant information was not yet available as of the publication date of the annual report.

IX. Total Ownership of Shares in Investee Enterprises:

Date: March 31, 2025 / Unit: Thousand Shares

Investee enterprise	Investment by the Company		Investment by the Directors, Supervisors, Managers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Masterview Enterprises Limited	200	100%	-	-	200	100%
Grace China Investments Limited	-	-	2,356	100%	2,356	100%
Best Alpha Investments Limited	-	-	1,000	100%	1,000	100%
Young Optics (Kunshan) Co., Ltd.	-	-	Note	100%	Note	100%
Young Optics (Suzhou) Co., Ltd.	-	-	Note	100%	Note	100%
Young Optics (BD) Ltd.	-	-	12,569	100%	12,569	100%

Note: The Company is a limited company and does not issue shares.

Young Optics Inc.
Declaration of Internal Control System

Date: February 14, 2025

For the YOI's Internal Control System of 2024, based on the results of self-assessment, the following is hereby declared:

- I. YOI acknowledges and understands that establishment, implementation and maintenance of the internal control system are the responsibility of the Board and managers, and that such a system has been implemented within YOI. The purpose of this system is to provide reasonable assurance in terms of business performance, efficiency (including profitability, performance, asset security etc.), reliable, timely and transparent financial reporting, and regulatory compliance.
- II. There are inherent limitations to even the most well-designed internal control system. As such, an effective internal control system can only reasonably assure achievement of the three goals mentioned above. Furthermore, changes in the environment and circumstances may all affect the effectiveness of the internal control system. However, the internal control system of YOI features a self-monitoring mechanism that rectifies any deficiencies immediately upon discovery.
- III. YOI evaluates the design and execution of its internal control system based on the criteria specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Governing Principles") to determine whether the existing system continues to be effective. Assessment criteria introduced by "The Governing Principles" consisted of five main elements, each representing a different stage of internal control: 1. Control environment; 2. Risk evaluation and response; 3. Procedural control; 4. Information and communication; and 5. Supervision. Each element further encompasses several sub-elements. Please refer to "The Governing Principles" for more details.
- IV. YOI has adopted the above-mentioned criteria to validate the effectiveness of its system design and execution.
- V. Based on the assessments described above, YOI considers the design and execution of its internal control system to be effective as of December 31, 2024. This system (including supervision and management of subsidiaries) has provided assurance with regards to YOI's business results, target accomplishments, reliability, timeliness and transparency of reported financial information, and its compliance with relevant laws.
- VI. This declaration constitutes part of YOI's annual report and prospectus and shall be disclosed to the public. Any illegal misrepresentation or concealment in the public statement above are subject to the legal consequences described in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This declaration was passed unanimously without objection by all 7 directors present at the board meeting dated February 14, 2025.

Young Optics Inc.

Chairman: Sarah Lin

President: Cynthia Chang

Wayne Lin

Three. Capital Overview

I. Sources of capital

Month/Year	Issued price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares (thousand shares)	Amount (NT\$ thousands)	Shares (thousand shares)	Amount (NT\$ thousands)	Sources of capital	Capital paid in by assets other than cash	Others
Feb, 2002	10	30,000	300,000	23,000	230,000	Establishment of Authorized Capital Stock of NT\$230,000,000	None	Note 1
Jan, 2004	10	50,000	500,000	36,000	360,000	Capital increase by Cash NT\$130,000,000	None	Note 2
Aug, 2005	10	120,000	1,200,000	57,176	571,765	Capitalization of earnings NT\$180,000,000 and capitalization of employee profit sharing NT\$31,765,000	None	Note 3
Dec, 2005	18	120,000	1,200,000	60,176	601,765	Capital increase by Cash NT\$30,000,000	None	Note 4
Aug, 2006	10	120,000	1,200,000	74,336	743,356	Capitalization of earnings NT\$120,353,000 and capitalization of employee profit sharing NT\$21,239,000	None	Note 5
Feb, 2007	45	120,000	1,200,000	83,582	835,816	Capital increase by Cash NT\$92,460,000	None	Note 6
Aug, 2007	10	120,000	1,200,000	100,495	1,004,946	Capitalization of earnings NT\$133,731,000 and capitalization of employee profit sharing NT\$35,399,000	None	Note 7
Sept, 2008	10	120,000	1,200,000	107,315	1,073,148	Capitalization of earnings NT\$29,922,000 and capitalization of employee profit sharing NT\$38,280,000	None	Note 8
Aug, 2010	178	120,000	1,200,000	114,815	1,148,148	Capital increase by Cash NT\$75,000,000	None	Note 9
Mar, 2011	10	120,000	1,200,000	114,060	1,140,598	Cancellation of treasury stock for reduction of capital stock of NT\$7,550,000	None	Note 10

Note 1: Letter No. Yuan-Shang-0910003334 issued by the Science Park Administration on February 18, 2002.

Note 2: Letter No. Yuan-Shang-0930001980 issued by the Science Park Administration on January 30, 2004.

Note 3: Letter No. Yuan-Shang-0940022019 issued by the Science Park Administration on August 18, 2005.

Note 4: Letter No. Yuan-Shang-0940034677 issued by the Science Park Administration on December 13, 2005.

Note 5: Letter No. Yuan-Shang-0950019923 issued by the Science Park Administration on August 4, 2006.

Note 6: Letter No. Yuan-Shang-0960004267 issued by the Science Park Administration on February 14, 2007.

Note 7: Letter No. Yuan-Shang-0960022527A issued by the Science Park Administration on August 24, 2007.

Note 8: Letter No. Yuan-Shang-0970026575 issued by the Science Park Administration on September 18, 2008.

Note 9: Letter No. Yuan-Shang -0990024481 issued by the Science Park Administration on August 30, 2010.

Note 10: Letter No. Yuan-Shang -1000006011 issued by the Science Park Administration on March 8, 2011

Date: April 19, 2025 / Unit: Shares

Type of stock	Authorized capital			Remarks
	Outstanding shares (Note)	Unissued share	Total	
Registered common stock	114,059,785	5,940,215	120,000,000	None

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

II. List of major shareholders

Names of shareholders, each with a shareholding of 5% or more, or ranking in the top ten shareholders, number of shares held, and percentage:

April 19, 2025, Unit: Shares

List of major shareholders	Number of shares held	Shareholding ratio
Coretronic Corporate	37,217,586	32.62%
Chih-Liang Tsao	5,164,196	4.53%
Chun-Ying Jiang Yu	4,880,000	4.28%
Yu-Lian Jiang	4,798,499	4.21%
Zhi-Hao Jiang	4,647,343	4.07%
Wei-Hua Jiang	2,350,043	2.06%
Da-Yu Chen	2,235,331	1.96%
J.P. Morgan Securities LLC Investment Account Custodied by J.P. Morgan Chase Bank, Taipei Branch	944,039	0.83%
Chain-Shinn Juang	820,000	0.72%
Société Générale European Option Investment Account Custodied by HSBC Bank (Taiwan) Limited	795,949	0.70%

III. Dividend Policy and Execution

(I) The Company's dividend policy:

YOI's dividend policy is determined in accordance with the Company Act and the Company's Articles of Incorporation and is based on factors such as YOI's capital and financial structure, operating conditions, profits, the nature and cycle of the industry it belongs to, and other factors. Dividends may be distributed in the form of stock dividends or cash dividends. However, due to the fact that the optical industry in which YOI is currently engaged is a mature industry, but the market for emerging optical products still has a lot of growth and development potential, YOI may consider various factors such as industry, finance, business, and management, and reference past company dividend distribution situations. If YOI is profitable for the year, the general principle for distribution is that the net income after-tax for the year is not less than 10%, and the cash dividends are not less than 10% of the total of the cash and stock dividends distributed for the year.

YOI may distribute dividends wholly or partially from reserves in years when there is no earning available for distribution, or out of financial, business and operational concerns, or in situations permitted by the authority.

(II) Implementation:

YOI recognized a loss in 2024, and the deficit to be off set at the end of the period was NT\$372,146,771. The deficit off-setting plan was planned to be approved by the Board of Directors of the Company on April 25, 2025.

(III) Expected change in dividend policy: None.

IV. Impact of proposed stock dividends on the Company's business performance and earnings per share: Not applicable.

V. Distribution of Compensation for Employees, Directors and Supervisors

(I) The percentage or scope of employee, director, and supervisor remuneration as stipulated in YOI's articles of association

If YOI has profits in a fiscal year, it shall allocate no less than 10% of such profits as employee remuneration. However, if YOI has accumulated losses, the compensation amount shall be reserved in advance for remuneration.

Employee remuneration may be paid in the form of stocks or cash, and the recipients of such payments shall be employees of YOI and subsidiary companies who meet certain conditions.

(II) Basis of calculation for employees, directors, and supervisors' remuneration and share-based compensation; and accounting treatments for any discrepancies between the amounts estimated and the amounts paid

YOI recognized a loss in 2024; hence, employee remuneration was not estimated.

(III) Distribution of remuneration approved by Board of Directors

1. YOI recognized a loss in 2024; hence, employee remuneration was not distributed.
2. The proportion of the employee remuneration distributed in the form of share options to the total after-tax net income in the individual report for this period and total employee remuneration: Not applicable.

(IV) Last year's distribution of employee, director, and supervisor remuneration financial

YOI recognized a loss in 2023; hence, employee remuneration was not distributed.

VI. Buyback of Treasury Stock: None.

VII. Issuance of Corporate Bonds: None.

VIII. Issuance of Preferred Shares: None.

IX. Issuance of Global Depositary Receipts (GDR): None.

X. Issuance of employee warrants and restricted employee stock: None.

XI. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

XII. Financing Plans and Implementation: None.

Four. Overview of Operations

I. Description of the business

(I) Business scope

1. Main areas of business operations

- (1) CC01080 - Electronic components manufacturing
- (2) CE01030 - Optical instruments manufacturing
- (3) I599990 - Other designing
- (4) F401010 - International Trade

Research, development, design, manufacturing, and sales of the following products:

(1) Optical components for optical engine

- ① Color Wheel
- ② Integration Rod
- ③ Projection Lens
- ④ Polarization Beam Splitter & X-Prism

(2) Optical engines

- ① DLP Optical Engine
- ② LCOS Optical Engine

(3) Optical components: Glass lenses, plastic lenses, reflectors mirror, filters, prisms

(4) Optical systems or sub-system for image display and image capture

(5) Optical parts, optical modules, instruments and system products for image display and image capture.

(6) Optical parts and modules for light emitting

(7) Providing the design development and consulting services for the above-mentioned products

(8) Import and export business of the above-mentioned items

2. Proportion of revenue

Unit: NT\$ Million

Item \ Year	2024	
	Amount	Proportion of revenue (%)
Pico Display	388	15.08
Image Optics	651	25.31
Optical components	785	30.52
3D Printer	324	12.60
Auto	403	15.67
Others	21	0.82
Total	2,572	100.00

3. Current product (service) items

- (1) Pico Display: Due to technological advancements, Pico displays are not only used in portable mini projection products, but also expanded to white goods, smart speakers, robots and medical inspections.
- (2) Image Optics: YOI produces megapixel digital imaging optics modules mainly used in various professional security, smart home, smart factory, and Low-Earth Orbit satellite applications.

- (3) Optical Components: YOI produces various optical components such as plastic lenses, glass molded lenses, glass ground lenses, waveguide lenses, color wheels, integration rods, prisms, reflection mirrors, filters, and projection lens modules, primarily used in various optical systems, e.g. Swim goggles for athletes and Co-package optical fiber connectors.
- (4) 3D printing additive manufacturing system and peripheral products: Primarily used in the jewelry industry, dental technology industry, micro-channel, and shock absorbers to improve production efficiency and achieve customized production. It also provides a more cost-effective prototyping method for the industrial, medical, and footwear industries.
- (5) Auto: Automotive digital headlights, dynamic ground light projectors, LIDAR lens, HUD combiner, and Puddle light.
- (6) Others: Optical instruments for oil testing, handheld fundus retinal examination instruments, industrial inspection lenses, and television wall projectors are primarily used in control centers, security monitoring, and command centers.
4. New product (service) projects planned and developed
 - (1) Ultra-high precision fiber optic mating sleeve
 - (2) Professional underwater-compatible lens
 - (3) High-resolution microfluidic projection lens

(II) Industry overview

1. Current status and development of the industry

With the continuous improvement of micro electromechanical integration technology, the proportion of lightweight, energy-saving, and highly portable micro-optical engine products used not only in traditional home theater applications but also in screenless TVs and other diversified applications has been growing significantly; however, as the declining prices of LCD projection gradually erode the market share of DLP micro projection engines, the industry is therefore facing severe challenges amid sluggish domestic demand in China.

The material (Resin) used in the vat photopolymerization (VP) 3D printing is very diverse and has a wide range of applications, such as model functional parts, biomedical, dentistry, jewelry, wax-like casting, rubber-like, ceramics, metals, etc. With the advancement of material technology and printing techniques, it has changed the traditional production process. In the future, more manufacturers will use 3D printing as a production equipment to directly print parts for end products, reducing overall costs.

In addition, the output value of the precision optical component industry has gradually shifted towards other application markets such as security monitoring, wearable devices, medical and automotive fields, due to the slowing demand from end consumers for products such as digital cameras, projectors, tablets, computer peripherals, and smartphones.

2. Correlation between upstream, midstream and downstream industries

The various products produced by YOI are all part of the optical industry. The upstream of the optical industry consists of optical materials, the midstream consists of optical components and optical machinery products, and the downstream consists of optical application products. YOI is dedicated to the design, manufacturing, and sales of optical components in the midstream of the optical industry. The produced optical engines, optical

modules, and optical components can be used for various changes and integrations in the upstream and downstream optical products. Please refer to the table below for the overall supply chain relationship in the optical industry.

Industrial Segment	Industry	Product
Optical materials (upstream industry)	Optical glass industry	Optical glass blocks, glass blanks
	Optical plastics industry	PC, PMMA, and other plastic blanks
Optical components (midstream industry)	Optical component industry	Color wheel, integrating rods, lenses, prisms, mirrors, filters
	Optical machinery industry	Projection lens, imaging lens, car headlamp lens
Optical applications (downstream industry)	Traditional optical equipment	Glasses, camera, telescope, microscope, slide mirror, car lamp
	Traditional imaging products	Copier, fax machine, camcorders
	Car-mounted digital imaging products	Intelligent car lamps, intelligent dynamic exterior indicator lamps, intelligent dynamic ground projectors
	Consumer digital imaging products	Digital cameras, digital camcorders, projectors, camera phones, in-car video, motion-sensing gaming consoles, smart TVs, security monitoring
	Consumer optical storage products	CD player, DVD player
	Computer peripherals digital imaging products	Laser printer, image scanner, PC Camera 、Data Projector
	Computer peripheral optical storage devices	CD-RW/ROM Drive 、DVD-ROM Drive
	Optical instrument industry	Spectrometer, spectrophotometer, interferometer
	Measurement instrument industry	Range finder, theodolite, tacheometer, automatic optical inspection equipment
	Medical, industrial, commercial supplies	3D printing, oil inspection optical instruments, handheld fundus retinal examination instruments, medical lasers, medical equipment optical imaging, blood glucose meters, capsule endoscopes, laser processing machines, barcode scanners
	Others	Exposure equipment, lighting devices, security monitoring, fingerprint/palmprint identifiers, optical communication
Peripheral related industries	Coating materials industry, coating equipment industry, vacuum equipment industry, grinding materials industry, grinding equipment industry, mold manufacturing industry, forming equipment industry, inspection equipment industry, photographic equipment industry, photographic processing industry	

3. Various trends in product development

With the rapid development of optical optoelectronics, mobile Internet, Internet of Things, cloud computing and biometrics identification, various optoelectronic imaging products are constantly evolving. Lightness, thinness, shortness, smallness, price compression, and diverse user experiences have become the key to success for businesses. Related optical modules and components are also moving toward lighter, thinner, shorter, smaller with high resolution and low unit price. To improve the cost-effectiveness of products, various materials and technologies have also been vigorously developed, including ground glass, molded glass and plastic lenses, spherical lenses and aspherical lenses, and so on, all of which are becoming more diversified.

In addition, With the rise of AI, cameras are now integrated with AI computing functions to enable features such as facial recognition, object detection, and image analysis, enhancing the user experience and diversifying market applications, imaging optical products have expanded from the professional security field to applications in the smart home such as smart doorbells, smart locks, robotic vacuums, pet feeders, and health monitoring for babies and elderly individuals. To meet the demands of these diverse new applications, product designs focus both on improving image resolution, low-light (night vision) full-color imaging and on achieving high precision in component accuracy and micron-level assembly technology. Coupled with the design of end products, making them lightweight, compact, and meeting customer requirements is the key to standing out in the market.

3D printing is widely used in dentistry. It can be used in dental laboratories and clinics to manufacture dental models, temporary dentures, surgical guides, orthodontic appliances, etc. However, materials used in such invasive medical applications need to be approved by the Taiwan Food and Drug Administration (TFDA), MOHW. In addition to dental applications, 3D printing is also increasingly being used in medicine, especially in the development of biocompatible printable medical materials. It is expected that within 10 years; half of medical products will be produced through additive manufacturing. Currently, almost all hearing aids and dental aligners are produced using digital optical 3D printing processes. Furthermore, 3D printing is also widely used in industry, with materials ranging from soft rubber-like and silicone-based materials to high-hardness materials that can be used as scissors or engineering plastics kind materials (such as PC-Like/ABS-Like). These materials can be printed using the same digital optical 3D printer. The material properties of these engineering plastic kind prints are comparable to those produced by industrial-grade SLA, selective laser sintering (SLS), or other 3D printing devices.

4. Competitive situation

YOI is committed to the development of precision optical components and has been invested in the design, development, and manufacturing of various precision optical components and system integration, making us a comprehensive supplier in the industry. The current competitive status of YOI's products is as follows:

Product	Foreign Manufacturers	Taiwanese Manufacturers	Key Technical Points
Pico Display	iView Limited, Ongine Technology, Anhua Optoelectronics and Goertek	Coretronic Corporation	Miniaturized, portable, high brightness, low power consumption
Image Optics	Forecam Optics, Sunny Optical, Yutong Optical, Leading Optics, Unionoptics Technologies, Guangdong Hongjing, Zmax-Opt	Kinko, Calin, Ability opto-Electronics, Largan Precision	Optical design, glass molding, plastic molding, and lens manufacturing and assembly technology
Optical components	Ricoh 、NittoH 、Orange 、Fujinon 、EIS 、Sunny Optical, Lida SUWA Optics	Calin, Asia Optical, Shern Yeong, Eterge	Optical design, precision machining, and lens manufacturing technology
3D printer system and peripheral products	3D systems, Formlabs, Carbon, HeyGears	XYZ printing, PHROZEN	Print stability, print precision, print area

(III) Technology and research & development overview

1. Research and development expenses for the most recent year and up to the publication date of the Annual Report

Unit: NT\$ Thousands

Item \ Year	2024	As of March 31, 2025
R & D Expenses	299,139	68,030
Net Sales	2,572,028	650,049
Percentage of R & D expense to Net Sales	11.63%	10.47%

2. Accomplished technology or products

- (1) The development of ophthalmoscope has been completed and has entered the human trial phase.
- (2) Developed Super Slim LED smart car headlamp lens.
- (3) Developed economical and industrial-grade 3D printer modules.
- (4) Developed Co-Packaged Optics fiber connectors.

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

1. Short-term business development plans

Proactively open up markets of Virtual reality (VR), augmented reality (AR) Optical components, Co-Packaged Optics (CPO), automobile projector, 3D-Printing as well as expanding into customers in markets outside China. Continuously improve process management and technology to enhance cost advantages and improve profit margins.

2. Long-term business development plans

Continuing to cooperate with Texas Instruments' product planning, initiate the design of various optical engine platforms and optical components to develop new products that combine imaging optics and projection optics applications. We are integrating group resources allocation and utilization efficiency to promote the operational performance of investment businesses and establish an international operation system.

II. Market and Production Overview

(I) Market analysis

1. Sales (provision) region of main products (services)

Unit: NT\$ Thousands

Region \ Year	2023		2024	
	Amount	%	Amount	%
United States	321,769	10.69	179,370	6.97
China	1,224,538	40.68	992,490	38.59
Taiwan	225,176	7.48	106,681	4.15
Others	1,238,886	41.15	1,293,487	50.29
Total	3,010,369	100.00	2,572,028	100.00

2. Market share and future supply-demand conditions and growth potential

(1) Projector products

According to the latest Monthly Tracking Report on China's Smart Projector Retail Market released by RUNTO, the sales quantity in 2024 was 6.042 million units, an increase of 3% compared to the previous year with a decrease of 3.5% for sales revenue which mainly priced under RMB1,000; the sales volume accounted for 54%, an increase of 4.3% compared to 2023.

In 2024, the sales proportion of DLP products was 31.4%, a decrease of 0.5% compared to 2023. The sales proportion of low-cost single-chip LCD technology products was 66.8%, an increase of 0.7% from 2023, indicating that low-cost single-chip LCD technology products have become the market leader.

In response to the competitive pressure of low-cost single-chip LCD products in the Chinese market and the decline in the consumer projection market, the Company will adjust its sales strategy to focus on markets outside of China and non-consumer projection applications.

(2) Image optics

The AI boom has facilitated the innovations of smart home surveillance cameras. With new features, such as face recognition and object detection, this has also boosted the outlook for smart home products, with an estimated compound annual growth rate of 20.7% and expected to grow to USD30.1 billion by 2030. Over the past years, the Internet of Things (IoT) has connected a diverse range of smart home products, including IP cameras, smart doorbells, smoke detectors, smart locks, baby cameras, pet cameras, light bulb cameras, smart refrigerators, robot vacuums, and pet monitors. All of these IoT-connected products have the potential to increase the demand for cameras. YOI remains optimistic about this market and the business opportunities it creates, and we will continue to invest resources in this market.

(3) Automotive products

Market research had reported that the demand towards smart head lamps, LiDAR products and auto pilots is increasingly growing, especially for LiDAR products and auto pilots, with an estimated compound annual growth rate of over 20% until 2030. The smart head lamps continue to evolve in safety (such as adaptive lighting), intelligence (such as integration with advanced driver-assistance systems), and designs (e.g., Micro LED and laser light sources). Cost reduction and performance enhancement of LiDAR are key driven forces for its mass adoption, it plays an important role in auto pilots and started to integrate into mainstream vehicle models, enhancing sensitivity for the vehicles. The development strategy for smart driving will focus on mature and reliable Level 2 driver assistance functions. YOI has long been dedicated to the automotive market, and in the past two years, we have seen increased shipments of head-up displays, automotive cameras, LiDAR lenses, and smart headlamp projection lenses. We remain optimistic about the market's growth potential, and these products continue to be key areas of development for our company.

(4) 3D printing products

The main sales markets for DLP 3D printing are dental and jewelry applications. The global dental 3D printing market is estimated to grow from US\$3.5 billion in 2024 to US\$11.01 billion by 2030, with an expected compound annual growth rate (CAGR) of over 21%. The 3D printing jewelry market in 2024 is US\$1.1 billion, expecting to grow at a CAGR of 20.6% in 2030, with the market size projected to increase by US\$3.3 billion.

Additionally, YOI had developed new economical and industrial-grade 3D printing modules to respond the low-costs competition in Chinese market and expand customer bases in industrial applications.

3. Competition advantage

The members of YOI are well-qualified and have extensive design experience. Each functional unit of the team has accumulated years of practical experience. In addition to technical integration capabilities, we have strengthened quality stability and met customer needs. The various cooperating operational units within YOI are committed to improving production and sales operation time.

Complete product line and vertical integration of upstream and downstream manufacturing, serving customer needs in terms of breadth and depth, creating differentiation in the market compared to other optical companies, thereby increasing competitive advantage.

4. Favorable/unfavorable factors and countermeasures for development prospects

Item	Favorable Factors	Unfavorable Factors and Countermeasures
Industry Development and Prospects	With the widespread use of digital information and advancements in production technology, the optical component market is flourishing, and its applications are continuously expanding.	Optical components must be designed and manufactured according to the requirements of downstream applications, while end products have a wide range of applications, intense competition, and a short product life cycle, increasing the risk of optical component development. <u>Countermeasures:</u> To ensure a stable supply of optical components and a steady sales market, we establish long-term partnerships with upstream and downstream manufacturers through strategic alliances. Additionally, we strengthen our technology and establish competitive barriers through patent applications.
Product and Technology Development	1. Our R&D team has a strong and complete lineup. 2. In collaboration with Texas Instruments, we are adopting a “synchronous development” approach to seize the market opportunity.	Due to the fact that precision optical components are not end consumer products, the management team has a low sensitivity to the fluctuations of the consumer market. <u>Countermeasures:</u> Actively develop special application areas, industrial optics, and various niche markets to reduce the impact of volatile consumer markets.
Supply of Main Optical Components	Developed own optical components and established manufacturing capabilities for lens grinding, AR/UV-IR coating, color wheels, glass light tunnels, prisms, and lenses. This allows for the creation of integrated advantages such as low cost, fast delivery, and stable quality.	The cost of wages in the coastal areas of China has been increasing year by year, which has led to an increase YOY's manufacturing costs in China region. <u>Countermeasures:</u> Based on the differences in technology, labor, and tariffs in various regions, it is efficient to adjust the allocation of production bases, strengthen the international division of labor and utilize procurement strategies to create maximum cost advantages.
Sales Status of Main Products	Pico Display: The demand for portable electronic devices continues to increase, along with the advancement of light source technology and the widespread use of intelligent applications. Image Optics: Popularization of artificial intelligence applications and services; increasing consumer demand for home monitoring and security protection. 3D Printer: The product market features small quantities and a wide variety, as well as simplified processes.	In the product applications of Pico Display, 3D printers, professional security and home control, competitors have been joining and offering low-cost solutions, leading to intense market competition. The main sales region for global micro projectors are China. Currently, China is facing a stagnant consumer power in the post-pandemic era, coupled with the competition in the projection market under the era of “multiple choices” (competition between LCD and laser solutions). <u>Countermeasures:</u> Pico Display: In addition to actively developing non-China regional markets and non-traditional projection application areas, such as automotive, major appliances, smart speakers, and robot product applications and actively expands into markets outside of China. Imaging Optics: With the AI boom, the demand for smart doorbells and IP cameras (including smart refrigerators, robotic vacuums, pet monitors, and facial recognition electronic locks) has increased, leading to a diversification of product specifications. This is in line with customer product planning and transformation. 3D Printer: Develop a 3D printer with high resolution and large printing area by leveraging existing key technologies and manufacturing advantages.
Financial Condition	1. Low debt ratio 2. Good financial structure	None.

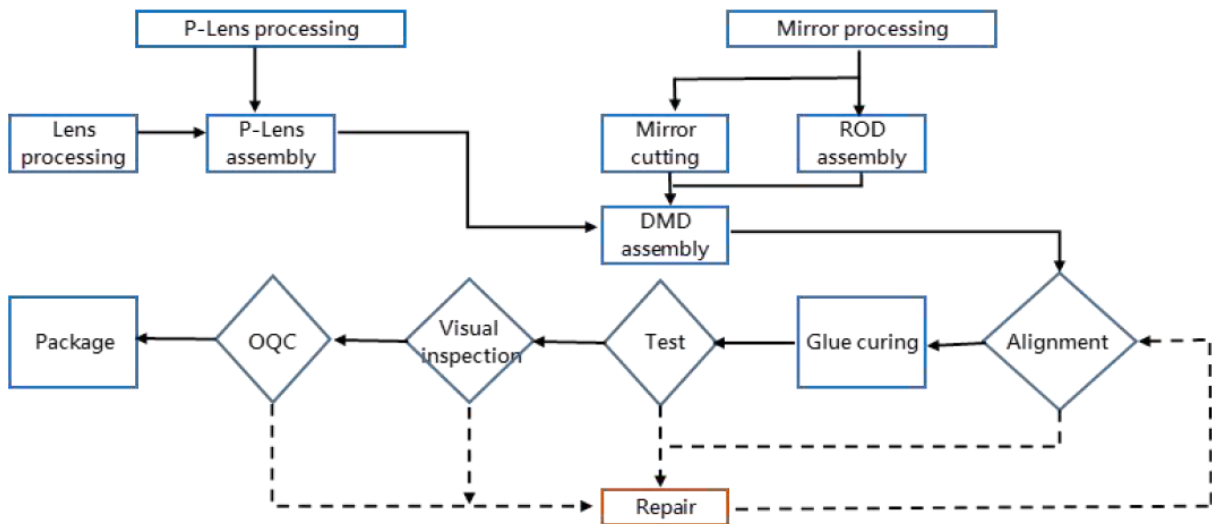
(II) Important applications and manufacturing processes of main products

1.

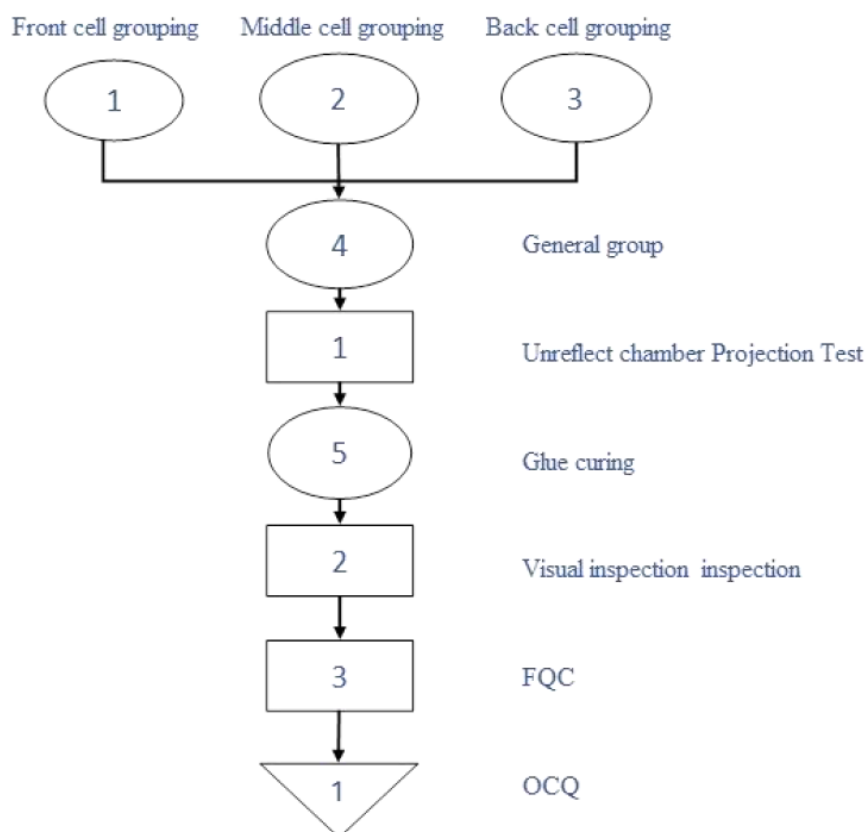
Main Products	Main Applications
Pico Display	Applied in many micro project products, including portable mini projector and smart audio-visual.
Image Optics	Applied in products such as smart home monitoring, security surveillance cameras, video conferencing cameras, automotive cameras, cameras for extreme sport, distance measurement cameras for robotic vacuum cleaners, and industrial inspection cameras.
Optical Components	Including plastic lenses, glass molded lenses, glass grinding lenses, waveguide lenses, color wheels, glass light tunnels, prisms, mirrors, filters, and projection lens modules, primarily used in various optical systems, e.g. Swim goggles for athletes and Co-packaged optics fiber connectors, logistics system using AI-driven projection lenses
3D Printer System and Peripheral Products	Applied in the jewelry and dental technology industry to improve production efficiency and achieve customized production. It also provides a more cost-effective prototyping method for the industrial, medical, and footwear industries.
Auto	Automotive digital headlamps and LIDAR lenses.

2. Manufacturing processes of main products

(1) Optical module assembly



(2) Projection lens and image capture lens assembly



(III) Supply of main material

YOI's raw material suppliers are mostly reputable companies in the industry, with whom we have had a stable and long-standing business relationship. The current status of the major raw material supplying is shown in the table below.

Raw Material	Main Suppliers	Supplying Status
Glass Material	Chengdu Guangming, Hubei New Huaguang, Hoya, and Ohara	The material is versatile, stable in quality and available in large quantities.
Light Source Raw Materials	OSRAM, Luminus	The suppliers are all well-known global manufacturers, with a large market supply, excellent quality, and stable sources.
Electronic Materials	Texas Instruments, Nidec	Strategic business partners, stable source of goods
Plastic Raw Materials	TEIJIN, Mitsui Chemicals, ZEON	Well-known in the industry, with excellent quality and stable supply.

(IV) Suppliers/Customers accounted for at least 10% of purchase/sales and respective amount and percentage in the most recent 2 years

1. Information on major suppliers for the most recent 2 years

Unit: NT\$ Thousands

Item	2023				2024				As of the first quarter of 2025			
	Name	Amount	Ratio (%) to Annual Net Purchases Amount	Relationship with the Issuer	Name	Amount	Ratio (%) to Annual Net Purchases Amount	Relationship with the Issuer	Name	Amount	Ratio (%) to Annual Net Purchases Amount	Relationship with the Issuer
1	Company B	132,654	10.26	None	Company B	Note 2	-	None	Company B	Note 2	-	None
2	Company E	160,040	12.37	None	Company E	169,566	14.34	None	Company E	56,833	20.35	None
3	Others	1,000,653	77.37	-	Others	1,012,594	85.66	-	Others	222,378	79.65	-
	Consolidated Net Purchase	1,293,347	100.00	-	Consolidated Net Purchase	1,182,160	100.00	-	Consolidated Net Purchase	279,211	100.00	-

Note 1: List all the suppliers whose purchase amounts account for more than 10% of the total purchase amount in the past two years, along with their purchase amounts and proportions.

If the contract prohibits the disclosure of supplier names or if the transaction involves individuals who are not related parties, they may be identified by code.

Note 2: The purchases from this supplier do not exceed 10% of the net purchases, therefore they are not disclosed.

Note 3: YOI's 2025 Q1 Financial Statements have been reviewed by external auditors.

Reasons for Increase or Decrease: Company B's decrease in purchases is due to the continued clearance of inventory and competition from low-priced single-panel LCDs in the Pico projector engine product market.

2. Information on major customers for the most recent 2 years

Unit: NT\$ Thousands

Item	2023				2024				As of the first quarter of 2025			
	Name	Amount	Ratio (%) to Annual Net Sales Amount	Relationship with the Issuer	Name	Amount	Ratio (%) to Annual Net Sales Amount	Relationship with the Issuer	Name	Amount	Ratio (%) to Annual Net Sales Amount	Relationship with the Issuer
1	A7	306,038	10.17	Same ultimate parent company as the Group.	A7	369,536	14.37	Same ultimate parent company as the Group.	A7	65,551	10.08	Same ultimate parent company as the Group.
2	A8	Note 2	-	-	A8	269,501	10.48	-	A8	162,652	25.02	-
3	Others	2,704,331	89.83	-	Others	1,932,991	75.15	-	Others	421,846	64.90	-
	Consolidated Net Sales	3,010,369	100.00	-	Consolidated Net Sales	2,572,028	100.00	-	Consolidated Net Sales	650,049	100.00	-

Note 1: List all customers whose sales amounts account for more than 10% of the total sales amount in the past two years, along with their sales amounts and proportions. If the contract prohibits the disclosure of customer names or if the transaction involves individuals who are not related parties, they may be identified by code.

Note 2: The sales of this customer do not exceed 10% of the total sales, therefore they are not disclosed.

Note 3: YOI's 2025 Q1 Financial Statements have been reviewed by external auditors.

Reasons for Increase or Decrease: With the mass production of new models, demand from A8 customers has increased, resulting in higher sales volume.

III. Employees

Information on employees for the last two years and up to the publication date of the Annual Report

Unit: Person

Item \ Year		2023	2024	As of March 31, 2025
Number of Employees	Direct Personnel	1,062	846	809
	Indirect Personnel	698	567	555
	Total	1,760	1,413	1,364
Average Age		34.6	36.5	36.9
Average Length of Service		6.73	7.81	8.2
Educational Background Distribution Ratio (%)	Ph.D.	0.11%	0.21%	0.22%
	Master	8.13%	8.31%	8.58%
	Bachelor	41.82%	46.24%	46.92%
	High School	32.27%	33.66%	32.55%
	Below High School	17.67%	11.58%	11.73%

IV. Environmental Expenditure Information

- (I) For the most recent year and up to the publication date of the annual report, the losses suffered due to pollution of the environment (including compensation and violation of environmental protection laws and regulations as a result of environmental protection audits, which should include the penalty date, the number of the sanction, the provision violated, the details of the violation, and the content of the sanction): None.

- (II) Estimated amounts and countermeasures for current and probable future occurrences:

YOI is located in the Science Park and has various environmentally friendly and pollution control equipment, such as a wastewater treatment plant, that meet international standards. The living and working environment is excellent. Additionally, YOI belongs to the high-tech industry with minimal pollution, and we have never experienced any environmental pollution or occupational safety incidents that resulted in losses or penalties from regulatory authorities. Therefore, there are no improvement measures or potential expenses.

V. Labor Relations

- (I) Various employee welfare measures, further education, training, retirement system and its implementation status, as well as agreements between labor and management and the situation of employee rights protection measures.

1. Employee benefits measures:

YOI has established an Employee Welfare Committee to implement various welfare measures, such as lunch subsidies, holiday and birthday bonuses, club subsidies, and contracted vendors. There are also applications for benefit subsidies, such as marriage, funeral, birth, and hospitalization subsidies. In addition, there are benefit measures such as employee education and training, employee health checks, and retirement fund contributions.

2. Further Education, Training and Their Implementation:

YOI has established education and training procedures and a comprehensive and systematic education and training system to enhance the quality of human resources and develop advantages. It has an e-learning platform and dedicated personnel responsible for employee training and development. Different functional employees have their own professional development learning maps to cultivate their professional skills. Through a systematized position and job system, functional module framework, promotion and performance evaluation procedures, employees are able to grow their careers gradually as they gain experience and skills.

In 2024, the actual implementation of employee further education and training is as follows:

Internal/External Training	Course Category (Note)	Course (Class) Number	Hours	Number of Participants	Man-hours
Internal Training	Management and administration	68	62	890	1,492
	Research and technology	33	124	1,247	4,969
	Language and general education	12	20	1,304	1,223
External Training	Professional	88	553	93	553
Total expense	126,447				

Note: The above table lists physical courses and online courses offered in 2024. Among them, the management and administration category include 52 classes on integrity management and clean governance training

3. Retirement System and its Implementation:

YOI has established an employee retirement policy in accordance with the Labor Standards Act and the new regulations on the new Labor Pension Fund. On March 6, 2002, the Labor Retirement Reserve Supervisory Committee was established. For employees who are eligible for retirement under the old system, YOI is required by law to fully coverage 2% of their salary as retirement reserve funds, which are deposited in a dedicated account at the Bank of Taiwan under the name of the committee.

The Labor Pension Act came into effect on July 1, 2005 and adopts a defined contribution system. Employees of YOI may choose to apply the retirement pension provisions of the “Labor Standards Act” or the retirement pension system under the Act while retaining their seniority prior to the application of the Act. For employees subject to the Act, YOI's monthly contribution rate for employee retirement pensions shall not be less than 6% of the employee's monthly salary insurance level. In addition, employee-contributed retirement pensions are regularly deposited into the employee's personal retirement pension account to ensure the rights and benefits of employees.

4. The Agreement Between Labor and Management and the Situation of Various Employee Rights Protection Measures:

YOI provides a variety of communication channels, including establishing an Enterprise Information Portal (EIP) to promote company policies, systems, welfare measures, and various activities. It also has channels such as an employee suggestion box, an employee grievance box, appointments with the President, and a human resources service network to facilitate the expression of employee opinions. Relevant responsible units will provide timely responses and solutions.

Regular labor-management meetings are held to provide a constructive platform for interaction and communication between labor and management, fostering a win-win and healthy labor-management relationship. There have been no significant labor/management disputes in the past two years.

In addition, as the Company has not established an enterprise union, no collective agreement has been signed.

- (II) For the most recent year and up to the publication date of the annual report, the Company has suffered losses due to labor/management disputes (including labor inspection results in violation of the Labor Standards Law, which should include the penalty date, the number of the sanction, the provision violated, the details of the violation, and the content of the sanction), and disclose the estimated amount and the countermeasures that currently exist and may be expected to occur in the future: None.

(III) Employee Code of Conduct and Ethics:

1. YOI has prepared work rules, a new employee handbook, and employment contracts as the basis for employees' daily work and behaviors.
2. To maintain gender equality and provide employees with a work and service environment free from sexual harassment, YOI has established prevention measures, grievances and disciplinary regulations in respect of sexual harassment for all employees to adhere to.
3. Email and the Internet are essential tools for employees' work. To regulate employees' use of email and the Internet, YOI has established procedures for personal data protection and information security regulations for all employees to follow. In addition, an information security commitment letter has been formulated to regulate and protect intellectual property rights.

(IV) Work Environment and Employee Personal Safety Measures:

In view of the importance of the working environment and employee personal safety protection measures, utilizes goal and program management to prioritize improvements. For those with lower risks, we employ operational control methods to ensure control and achieve significant results through effective operations and improvements. The summary of YOI's important goals/programs and their management/implementation is as follows:

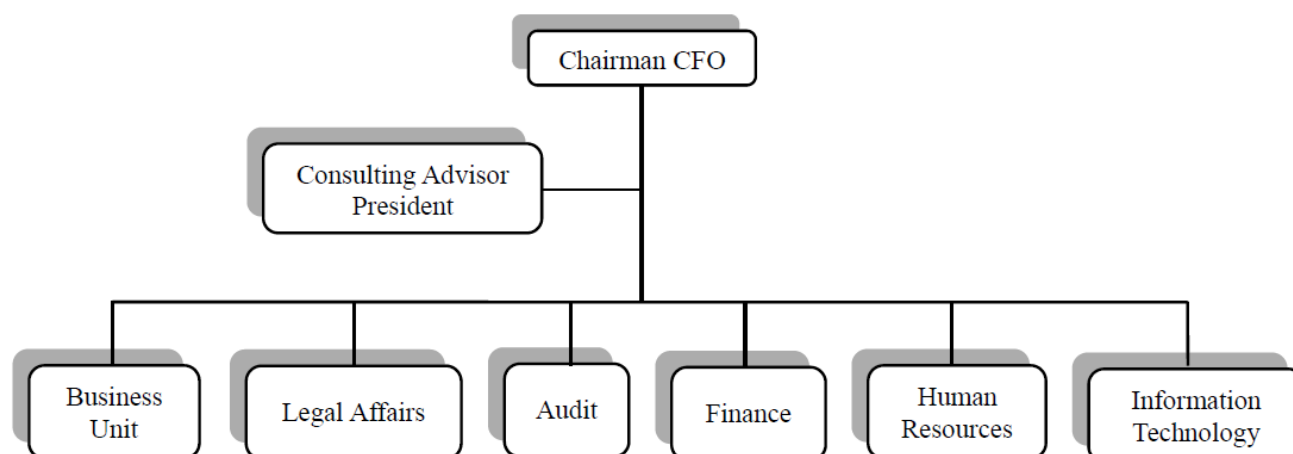
Goal/Program	Management/Implementation
Access Control Security	<ol style="list-style-type: none"> 1. There is a strict access control and surveillance system in place 24/7. 2. There are security personnel and the security system working day and night, including weekends and holidays, to ensure the safety of employees.
Disaster Prevention Measures and Emergency Response	<ol style="list-style-type: none"> 1. Every year, regular evacuation drills and civil defense training are conducted throughout the entire factory area to strengthen disaster and crisis management and enhance employees' emergency response capabilities. 2. To implement the ERT emergency response organization and training, establish the correct concepts, effective mobilization and integration, in order to strengthen the disaster response management system, enhance disaster prevention and rescue functions, and achieve the goal of ensuring the safety of colleagues' lives and property and the sustainable operation of the Company. 3. Through the EHS hazard awareness training for in-service and new employees, we aim to enhance everyone's awareness of chemical hazards and establish a chemical substance management system to prevent chemical disasters. This year, a total of 1,252 individuals received EHS education and training, accumulating a total of 2,423 training hours (including 27 hours of occupational safety training for special personnel). 4. Publish EHS announcements, provide EHS information and courses, and promote safety awareness among colleagues through case studies.
Personal Hygiene	<ol style="list-style-type: none"> 1. Health examination: Regularly arrange health examinations for employees and arrange for occupational physicians to provide on-site consultation services for employees' health issues every month. In 2024, we held a health examination for all employees with a total of 667 participants. Moreover, to enhance the awareness among female foreign employees, mammography, breast cancer screening and pap smear screening were conducted with a total of 100 participants. 2. Workplace hygiene: Organized health lectures and cleaning and disinfect the office environment on an irregular basis. In 2024, 10 courses were organized and held, including cataracts, glaucoma, blood sugar control, stroke prevention through managing the three highs, relieving musculoskeletal pain, atopic dermatitis, enhancing fertility, tobacco hazard prevention, and combating sleep disorders. 3. Through observation, supervision, and correction of work postures, as well as adjustment of the height of work desks and chairs to conform to ergonomics, the risk of occupational hazards is minimized. On-site doctors and environmental safety colleagues will personally assess the cases and provide improvement suggestions. 4. Implementation of the maternity protection measures to promote the physical and mental health of female employees during pregnancy and within one year after childbirth and provide certified superior lactation rooms and facilities. 5. Implementation of measures to prevent diseases caused by abnormal workloads, such as shift work, night shifts, long hours, and other abnormal workloads, in order to protect employees' health. 6. The "Prevention and Management Measures for Preventing Illegal Infringement in the Performance of Duties" were established to build a code of conduct for all employees, in order to prevent and address workplace violence and ensure the safety and wellness of workers. In 2024, new department-level supervisors were scheduled to undergo education and training, self-assessment, and testing on the prevention of illegal infringement in the performance of duties. A total of 19 risk assessments of illegal infringement in new managers' respective departments to plan and implement necessary safety and health measures.
Mental Health	Provide a channel for psychological counseling, offering employees a supportive and trustworthy environment to explore themselves, discuss, clarify, and address relevant issues, and find possible ways to cope with the problems they face. Through counseling, employees can enhance their self-awareness and generate more possibilities and choices, thereby improving problems and behaviors, or creating new perspectives and meanings, and rediscovering their inner potential.
Insurance	According to the law, we provide labor insurance and health insurance. We also offer employee overseas travel insurance, group insurance, and preferential group insurance rates for their families.

VI. Cyber Security Management

(I) Cyber Security Management Framework

In 2020, YOI established the “Cyber Security Management Committee” to coordinate, plan, audit and promote the integration of internal and external resources and unified cyber security management. The committee serves as a strong backup for the sustainable development and continuous operation of YOI.

Since 2020, YOI reports annually to the Board of Directors on the implementation of cyber security management. The most recent report to the Board of Directors was on October 25, 2024.



(II) Cyber Security Policy

YOI is committed to creating a good, convenient, and secure information environment, reducing enterprise cyber security threats from the system, technology, and procedural aspects, and establishing the highest standard information protection services that meet customer needs. We continuously improve our cyber security management system and evaluate the feasibility of obtaining international cyber security management system certifications (such as ISO/IEC 27001, ISO/IEC 15408) for each plant, conducting necessary planning operations in advance.

YOI has also strengthened enterprise risk management in accordance with the latest internal audit development and regulatory requirements in recent years. We continue to invest manpower and funds in security-related issues, strengthen the promotion of security awareness and operational behavior norms, and build a strong security environment together with our employees to meet the needs of business development and enhance shareholder value.

(III) Specific Plan for Cyber Security Management

1. Raising employees' awareness of cyber security among employees

- (1) Publish the cyber security reports and cyber security advocacy periodicals, which contain the sharing of recent cyber security incidents and information related to cyber security.
- (2) Conduct email social engineering exercises, educate and train personnel who mistakenly open emails or links, and enhance employees' alertness for email, so as to avoid events of harming the network security or personal information leakage due to browsing malicious emails.

- (3) Conduct training courses on cyber security awareness, treat employees as the first line of defense for cyber security, and educate employees to identify and prevent common cyber security risks to reduce potential threats to the organization.
2. Monitoring external exposure to cyber security risks

Use the SecurityScorecard system and non-invasive information collection techniques, through collecting public data, integrating online honeypot mechanisms with threat intelligence and utilizing vulnerability search engines, to analyze all collected security risk indicators, thereby helping to monitor network risks. Through completing the evaluation and analysis of network threat intelligence signals, the network security status of enterprise entities is assessed for management of enterprises and third-party suppliers' external exposure to cyber security risk. YOI's average rating on this platform is 88 in this year which is higher than the overall average scores of 86, and reflecting a 3-point improvement compared to the previous year.
3. Computer security management
 - (1) Restrict the use of system administrator privileges to reduce the risk of computer infection, intentional or unintentional modification of system settings and the installation of illegal or personal software that could lead to legal liabilities or operational losses for the company.
 - (2) Monthly computer spot checks, including anti-tampering seal checks, confirming the installation of USB device control programs, confirming the installation of file encryption software, the installation of software authorized by the company, confirming the inclusion of the company's domain, confirming the absence of private replacement or addition of components, and so on.
4. Enhancing remote connection security

Enable two-factor authentication login mechanisms for remote connection VPN and use mobile App OTP to enhance both convenience and security for employees working remotely.
5. Strengthening email security

The mail filtering system is equipped with AI/ML. The program can automatically block highly complicated and malicious attacks and prevent increasingly sophisticated phishing attacks, cyber-attack infiltration and BEC (Business Email Compromise) attacks. We have built up a comprehensive and solid email protection strategy that effectively reduces the risks of evolving and targeted email attacks.
6. Privileged account management

Implement two-factor login authentication mechanisms for system administrator accounts. When logging in to important systems, in addition to the traditional way of logging in with the account password, it also requires the mobile App login authentication, so as to enhance protection of privileged accounts for important systems, ensure that the management rights of important information systems will not be stolen and infringed, and achieve the non-repudiation of operation behaviors.
7. Building a backup environment for the core systems

Build a cloud-based backup environment for SAP ERP system to enhance system security and availability. When a serious problem occurs and cannot be recovered in a short time, it can switch to this backup environment to ensure the uninterrupted operation of the Company. Disaster recovery drills were completed in January and October 2024.

8. Equipping with the Managed Detection and Response (MDR)

Equip with the threat detection and response services of MDR and entrust a third-party security provider to continuously monitor abnormal behaviors to immediately respond to and actively block intrusion attacks when hacker malware is launched, strengthening the resilience of important system security.

9. Conducting system vulnerability scanning

Conduct system vulnerability scanning for internal server hosts to confirm whether there are vulnerabilities in the managed devices and performed vulnerability patching operations, minimizing the risk caused by vulnerabilities.

10. Off-site backup system

Implement cloud-based off-site backup, enable data encryption, anti-tampering and other protection mechanisms to ensure the confidentiality, integrity and availability of backup data.

11. Preventing the Company's trade secret leakage risk

Introduce a document preservation and encryption system. The release of files to external parties requires authorization from the supervisor, and access to mobile storage devices is also under control, providing double protection to ensure security.

12. Anonymous device access to the intranet risk

Implement real-name wireless network connection and effectively monitor the use of wireless networks.

13. Establish personnel device usage management regulations

Such as software installation, email, internet usage, personal information devices, and portable media control regulations.

14. Establish control regulations in computer rooms and important areas

Establish appropriate management measures for physical security control, personnel access control, and environment maintenance (such as temperature and humidity control) in important sites and areas

15. Backup and redundancy

Regular backup restoration and disaster recovery drills ensure data system availability, improve staff readiness, shorten the Recovery Time Objective (RTO), and minimize operational impact during disasters.

(IV) Investment in cyber security management

YOI places great emphasis on cyber security issues and had invested NT\$3.99 million in cyber security-related software resources and hardware equipment. We also allocated a budget for cyber security issues in 2025 to continue introducing innovative security defense technologies and ensure that our security architecture protection capabilities keep up with the times.

YOI has also joined the "Science Park Information Sharing and Analysis Center (SP-ISAC)" and the "Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC)", actively participating in their cyber security-related education and training programs and seminars to achieve the dual effects of cyber security intelligence sharing and cross-domain defense.

(V) Any losses suffered by YOI in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken: None.

VII. Important Contracts

December 31, 2024

Nature	Parties	Beginning and end dates	Content	Restrictive clauses
Lease agreement	Hsinchu Science Park Bureau, NSTC	2010/08/23~2029/12/31	Land lease	Subleasing is prohibited
Lease agreement	Wistron Corporation	2024/01/01~2024/03/31(Note)	Factory lease	Subleasing is prohibited
Lease agreement	Wistron Corporation	2024/04/01~2026/12/31	Factory lease	Subleasing is prohibited
Quality agreement	A well-known company in Taiwan	2015/05/01~	Data confidentiality	Confidentiality clause
Sales contract	A well-known company in China	2017/08/21~	Product trading	Confidentiality clause
Sales contract	A well-known company in USA	2020/02/25~	Product purchase, transaction terms and development schedule	Confidentiality clause Sales scope
Non-Disclosure Agreement	A well-known company in Germany	2020/04/27~2025/04/27	Data confidentiality	Confidentiality clause
Development contract	A well-known company in USA	2020/08/24~	Product specifications and transaction terms	Total transaction amount
Non-Disclosure Agreement	A well-known company in UK	2021/04/14~2024/02/18	Data confidentiality	Confidentiality clause
Sales contract	A well-known company in Taiwan	2022/02/15~	Product trading and trading terms	Trading terms
Non-Disclosure Agreement	A well-known company in Germany	2022/02/24~2024/02/24	Data confidentiality	Confidentiality clause
Development contract	A well-known company in Korea	2022/02/18~	Data confidentiality and exclusivity	Confidentiality clause Proprietary rights scope
Sales contract	A well-known company in Korea	2023/01/01~2025/12/31	Product specifications and transaction terms	Transaction terms
Non-Disclosure Agreement	A well-known company in USA	2023/03/25~	Data confidentiality	Confidentiality clause
Contraction agreement	A well-known company in Taiwan	2023/04/07~	Engineering design scope and timeframe Data confidentiality	Confidentiality clause Project deadline and warranty
Non-Disclosure Agreement	A well-known company in Japan	2023/01/01~2029/12/31	Data confidentiality	Confidentiality clause
Sales contract	A well-known company in USA	2024/01/15~2026/01/14	Product specifications and trading terms	Trading terms
Non-Disclosure Agreement	A well-known company in USA	2024/01/18~	Data confidentiality	Confidentiality clause
Non-Disclosure Agreement	A well-known company in Taiwan	2024/06/05~2025/06/04	Technical development direction and cooperation scope	Confidentiality clause Ownership of the technology, Sales scope
Contraction agreement	A well-known company in Taiwan	2024/07/09~2025/01/08	Range of engineering designs and deadline information, Data confidentiality	Engineer deadline and Confidentiality clause
Project development contract	A well-known company in China	2024/08/07~2027/08/06	Cooperation agreement	Confidentiality clause
Non-Disclosure Agreement	A well-known company in USA	2024/11/19~2025/11/18	Data confidentiality	Confidentiality clause

Note: The contract had been terminated on March 31, 2024 and started the new one from April 1st.

Five. Analysis of financial status, financial performance and risks

I. Financial Overview

Unit: NT\$ Thousands

Item \ Year	2023	2024	Difference	
			Amount	%
Current Assets	2,191,077	2,115,521	(75,556)	(3.45)
Property, plant and equipment	1,884,376	1,707,865	(176,511)	(9.37)
Other assets	641,203	612,683	(28,520)	(4.45)
Total assets	4,716,656	4,436,069	(280,587)	(5.95)
Current liabilities	1,262,359	953,344	(309,015)	(24.48)
Non-current liabilities	458,215	672,920	214,705	46.86
Total liabilities	1,720,574	1,626,264	(94,310)	(5.48)
Capital	1,140,598	1,140,598	-	-
Capital surplus	1,648,205	1,648,205	-	-
Retained earnings	375,683	132,875	(242,808)	(64.63)
Other equity	(168,876)	(111,873)	57,003	(33.75)
Non-controlling interests	472	-	(472)	(100)
Total equity	2,996,082	2,809,805	(186,277)	(6.22)

For changes in excess of 20% in the previous and current periods, and for changes in excess of NT\$10 million, the main reasons for the changes are analyzed and explained as follows:

1. The decrease in current liabilities was mainly due to the repayment of short-term and the current portion of long-term borrowings.
2. The increase in non-current liabilities was mainly due to new long-term borrowings.
3. The decrease in retained earnings was a major cause of net loss in 2024.
4. The decrease in other equity was due to the exchange rate increase resulting in a decrease in foreign currency translation adjustments.
5. The decrease in non-controlling interests was due to the disposal of Japan subsidiary, Mejiro Genossen Inc. on Sept 27, 2024.

II. Financial Performance

Unit: NT\$ Thousands

Item \ Year	2023	2024	Increase (decrease)	
			Amount	%
Net Sales	3,010,369	2,572,028	(438,341)	(14.56)
Operating costs	2,693,747	2,270,228	(423,519)	(15.72)
Gross profit	316,622	301,800	(14,822)	(4.68)
Operating expenses	628,119	568,450	(59,669)	(9.50)
Operating profit (loss)	(311,497)	(266,650)	44,847	(14.40)
Non-operating income and expenses	22,811	22,679	(132)	(0.58)
Net loss before tax	(288,686)	(243,971)	44,715	(15.49)
Income tax expense (income)	(939)	3,780	4,719	(502.56)
Net loss	(287,747)	(247,751)	39,996	(13.90)

For changes in excess of 20% in the previous and current periods, and for changes in excess of NT\$10 million, the main reasons for the changes are analyzed and explained as follows: None.

III. Cash Flow

(I) Cash flow analysis for the current year

Item \ Year	2023	2024	Increase (decrease) Amount
Cash flow ratio	22.96	14.88	(8.08)
Cash flow adequacy ratio	116.38	129.39	13.01
Cash reinvestment ratio	4.83	2.25	(2.58)
Explanation of changes in increase/decrease ratio: 1. Cash flow ratio and cash reinvestment ratio decreased, mainly caused by the decrease in net cash inflow from operating activities in 2024. 2. Cash flow adequacy ratio increased is mainly caused by the lower capital expenditures.			

(II) Improvement plan for insufficient liquidity:

There have been no instances of insufficient liquidity in the cash flow of the Company during the most recent year.

(III) Analysis of cash liquidity for the next year:

Unit: NT\$ Thousands

Beginning cash balance①	Net cash flow from operating activities for the entire year②	Annual cash outflow③	Cash surplus (deficiency) amount ① + ② - ③	Remedial measures for Estimated cash deficiency	
				Investment plan	Financial plan
1,018,824	242,087	114,946	1,145,965	—	—
1. Analysis of changes in cash flows in the next year: The future net cash inflows from operating activities are primarily generated from operations. The estimated annual cash outflow is primarily due to new capital expenditures and repayment of long-term borrowings.					
2. Remedial measures for estimated cash deficiency and analysis of liquidity: Not applicable.					

IV. Impact of significant capital expenditures on financial operations in the most recent year

In order to align with future business plans, YOI has allocated a total capital expenditure of NT\$82,638 thousand in 2024. These expenditures are aimed at meeting the long-term capacity needs for enhancing YOI's competitiveness.

V. Investment policy for the most recent year, main reasons for profit or loss, improvement plan, and one-year investment plan for the coming year

YOI's investments are all long-term strategic investments. In 2024, the investment loss amounted to NT\$69,555 thousand, primarily due to the losses incurred by Young Optics (BD) LTD. YOI has taken measures to reduce its scale, decrease personnel, and minimize losses.

VI. Risk issues

- (I) Impact of interest rates, exchange rate changes, and inflation on the Company's profit or loss for the most recent year and up to the publication date of the Annual Report, and the future corresponding measures.

Risk items	Impact on YOI's profit and loss	Future corresponding measures
Interest rate	The interest rate risk is the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in market interest rates. The main source of interest rate risk for YOI and its subsidiaries is from floating rate borrowings. Assuming a holding period of one accounting year, a 1% increase/decrease in market interest rates would result in a decrease/increase of NT\$4,000 thousand and NT\$1,000 thousand in the YOI's profit and loss for 2024 and 2025 Q1, respectively.	<ol style="list-style-type: none"> 1. YOI and its subsidiaries' bank deposits circulate quickly, and idle funds are timely converted into fixed-term deposits or high-interest savings accounts. Fluctuations in interest rates have a minimal impact on overall profitability. 2. For effective control of funding costs, YOI and its subsidiaries have signed medium and short-term financing credit agreements with multiple banks for the bank borrowing portion. The borrowing bank and duration are adjusted flexibly based on the interest rate quotes from each bank.
Exchange rate	<p>YOI and its subsidiaries' exchange rate risk is primarily related to its operating activities and net investments in foreign operating entities.</p> <p>For certain currencies, the receivables and payables of YOI and its subsidiaries are the same, resulting in a natural hedging effect. For certain foreign currency payments, forward foreign exchange contracts are used to manage exchange rate risk. In addition, the net investment in foreign operating entities is considered a strategic investment, so YOI and its subsidiaries do not hedge against it. The Company's exchange rate risk is primarily affected by fluctuations in the US dollar exchange rate. When the New Taiwan Dollar appreciates/depreciates by 1% against the US dollar, the Company's profit/loss for 2024 and 2025 Q1 will decrease/increase by NT\$10,008 thousand and NT\$9,962 thousand, respectively; and the equity will decrease/increase by NT\$11,166 thousand and NT\$10,727 thousand, respectively.</p>	<ol style="list-style-type: none"> 1. YOI and its subsidiaries have opened foreign currency deposit accounts for foreign exchange position management. It timely buys and sells foreign currency deposits or directly uses foreign currency generated from sales to pay for foreign purchases, in order to reduce the impact of exchange rate fluctuations on profits and achieve natural hedging. 2. YOI and its subsidiaries constantly track the major international exchange rates in order to fully grasp market information and forecast long and short-term exchange rate trends. ° 3. YOI and its subsidiaries, depending on the volatility of the foreign exchange market and the demand for foreign exchange funds, timely adopts hedging strategies for derivative financial instruments, such as pre-sale or pre-purchase of foreign currency forwards, in order to avoid the risk of exchange rate volatility, with a view to minimizing the impact on YOI's profit or loss due to the fluctuations in exchange rates.
Inflation	YOI constantly tracks market price fluctuations and maintains good interaction with suppliers and customers. Therefore, in 2024, there were no significant impacts due to inflation.	In the face of potential inflationary pressures, YOI will constantly track market price fluctuations and make timely adjustments to product prices and the optimal production location in order to reduce production costs.

(II) For the most recent year and up to the publication date of the Annual Report, the main reasons for engaging in high-risk, high-leverage investments, lending funds to others, endorsing guarantees, and trading derivative products, as well as the profits or losses incurred, and future corresponding measures.

Risk items	Implementation status	Policies and countermeasures
High-risk, high-leverage investment	There were no high-risk, highly leveraged investments by YOI for 2024 and 2025 as of the publication date of the Annual Report.	YOI has always focused on our core business and has not engaged in any high-risk or highly leveraged external investments. This approach allows us to effectively manage associated risks and enhance the security of our financial operations.
Loaning of funds to others	Please refer to the MOPS for more details regarding YOI and its subsidiaries' loans to others for 2024 and 2025 Q1.	YOI and its subsidiaries provide funds to others in accordance with the established "Procedure for Loaning of Funds and Making of Endorsements/Guarantees" and timely and accurately disclose information on all loans of funds to others in accordance with laws and regulations.
Endorsements/ Guarantees	There were no endorsements or guarantees for others by YOI for 2024 and 2025 as of the publication date of the Annual Report.	In the future, if there is a need to provide endorsement and guarantee for others due to business needs, YOI will follow "Procedure for Loaning of Funds and Making of Endorsements/Guarantees" and make timely and accurate announcements of endorsement and guarantee information in accordance with the laws and regulations.
Derivative commodity transactions	Please refer to the MOPS for more details regarding the derivatives of YOI and its subsidiaries for 2024 and 2025 Q1.	YOI and its subsidiaries have dedicated personnel and systems in place to regularly assess and control the risks associated with trading derivatives in accordance with "Procedures for Acquisition or Disposal of Assets", and to make timely and accurate announcements of all trading information as required by laws and regulations.

(III) Future research and development plans and estimated R&D expenses

1. Future research and development plans

- (1) Ultra-precision fiber alignment and packaging technology
- (2) Development of industrial-grade 3D printer modules
- (3) Underwater Lens
- (4) Microfluidic projection lens
- (5) AOI Automated Assembly and Inspection and plans of unmanned factory

2. The estimated research expenses are as follows:

Unit: NT\$ Thousands

	2024	2025
Research & Development Expenses	299,139	Not applicable
Net sales (YOI has not disclosed its financial forecasts)	2,572,028	Not applicable
Proportion of research & development expenses to net sales	11.63%	10% ~15%

(IV) Impact of significant domestic and foreign policy and legal changes on the Company's financial operations and the corresponding measures

For the most recent year, YOI's financial and business situation has not been significantly affected by any important domestic or international policy or legal changes up to the publication date of the annual report.

(V) Financial impacts and response measures in the event of technological (including cyber security risks) or industrial changes

In the ever-changing world of modern technology, YOI not only keeps pace with industry trends but also has long-term plans for the training of research and development personnel, mastering technology, and product development and deployment to respond to rapidly changing technological environments.

Regarding the risk of information technology security and management measures, YOI has established comprehensive network and computer-related security protection measures. However, we cannot guarantee that YOI's score systems for production, operation, and financial accounting can completely avoid damage caused by any third-party network paralysis attacks or malicious ransomware. These risks could result in huge expenses, such as compensation and litigation arising from production operations shutdowns, customer order interruptions, personal data, and business secrets leakage. In addition, YOI's operating results, financial status, prospects, and reputation may also suffer significant adverse effects.

YOI will continue to review and evaluate various cyber security regulations and procedures to ensure their appropriateness and effectiveness. We will continue to invest in cyber security-related software, hardware, and human resources, introduce innovative cyber security defense technology, and provide continuous cyber security awareness and training to employees to strengthen their defense awareness. We will strive to build a high wall of cyber security together to reduce the risks and impacts of the company from constantly evolving cyber security threats and attacks.

(VI) The impact of changes in corporate image on corporate risk management, and the Company's response measure

YOI has a good corporate image, and there have been no significant changes in our corporate image that would lead to a corporate crisis.

(VII) Expected benefits, risks and response measures associated with mergers and acquisitions

YOI has no ongoing merger and acquisition activities. In considering future M&A activities, YOI will evaluate efficiency, risks, vertical integration and other factors in accordance with its internal control system to ensure the protection of the rights and interests of existing shareholders.

(VIII) Expected benefits, risks and response measures associated with plant expansions

YOI conducts regular evaluations of production capacity and sales demand and adheres to a prudent business strategy to adjust the existing plant capacity expansion to meet customer needs.

(IX) Risks associated with concentrated sales or purchases

There is no concentration on the purchases and sales of YOI.

(X) Impacts and risks associated with a major transfer of shareholding by directors or shareholders with more than 10% ownership interest

During the most recent fiscal year and up to the date of printing of this annual report, there have been no major transfers or swaps of shares in the ownership of YOI's shares or its Board of Directors.

(XI) Impacts and risks associated with a change of management

There has been no change in the management rights of YOI during the most recent fiscal year and up until the date of printing of the annual report.

(XII) Litigation or non-litigation

1. Significant legal, non-legal, or administrative disputes that have been finally judged or are currently pending as of the last annual report printing date that could have a significant impact on shareholders' equity or security prices: None.
2. Significant legal, non-legal, or administrative disputes that have been finally judged or are currently pending as of the last annual report printing date involving YOI's directors, supervisors, president, substantial shareholders holding more than 10% of shares, or subsidiaries that could have a significant impact on YOI's shareholders' equity or security prices: None.

(XIII) Other significant risks and response measures: None.

VII. Other significant matters: None.

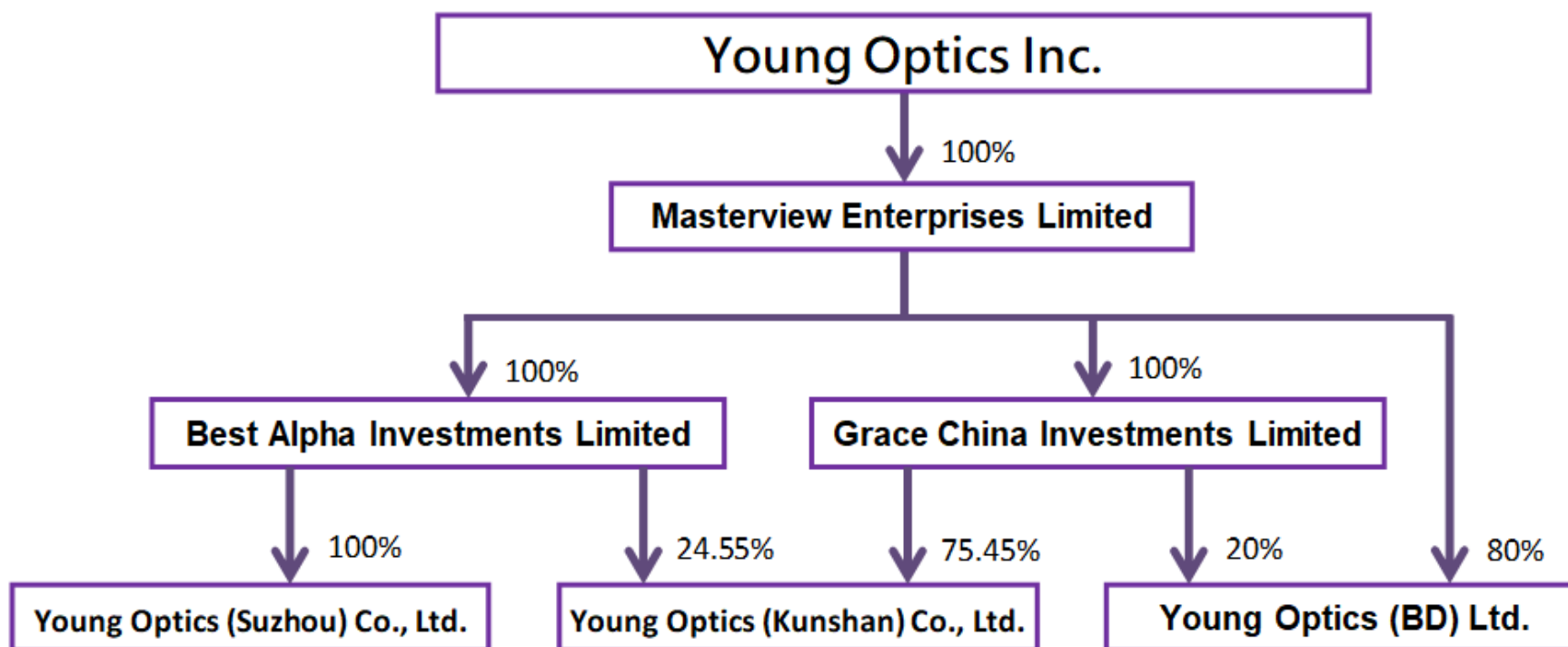
Six. Special Disclosure

I. Information of Affiliated Companies

(I) Consolidated Business Report on Affiliated Companies

1. Organizational chart of affiliated companies

December 31, 2024



2. Information of each affiliated company

December 31, 2024

Enterprise Name	Date of Establishment	Address	Paid-in Capital	Main Business or Production Items
Masterview Enterprises Limited	2003/07/01	Clarence Thomas Building P.O. Box 4649 Road Town Tortola Virgin Islands, British	USD200,000	Holding Company
Grace China Investments Limited	2001/02/02	P.O.Box 712, Grand Cayman, KY1-9006, Cayman Islands	USD2,356,000	Holding Company
Best Alpha Investments Limited	2003/01/08	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	USD1,000,000	Holding Company
Young Optics (Kunshan) Co., Ltd.	2001/04/26	No. 20, Third Avenue, Kunshan Comprehensive Free Trade Zone, Jiangsu	USD5,000,000	Design, development and production of color wheels, lens set, filter and other related optical components and the above products, instruments and equipment, digital projection TVs in addition to their related modules, solid- state light sources, digital projection game machines, precision digital on-line measurement instruments and assembly to adjustment equipment, various products and components for image extraction and display; sales of home-made products and offer the following service in warranty; The Company is engaged in the production of similar products and raw materials for wholesale, trade on import and export business.
Young Optics (Suzhou) Co., Ltd.	2003/09/03	A209, B209, 2nd Floor, Building 6, No. 80 Tongyuan Road, Suzhou Industrial Park, Suzhou, Jiangsu	USD1,000,000	Research and development, manufacture and maintenance of optical engines and related optoelectronic components, optical components, color wheel, integration column, projector lens, lens, lens barrel, LCD TV, equal ion TVs, optical rear projection TVs and other phase-capable high image digital TV (flat panel and optical HDTV), colorful video projectors, related new optoelectronic and optical components in related products, various imaging extracted and display optical parts and products, sales on products manufactured by the company and provide related services in warranty. Engaged in the sale of similar products manufactured by the company and its raw materials, optical equipment, and related testing equipment for wholesale, and its import and export business.
Young Optics (BD) Ltd.	2011/12/12	Plot#104, 105, 124 & 125, DEPZ (Extension Area) Ashulia, Savar-1349, Dhaka, Bangladesh	TK1,256,940,000	Manufacturing of optics components

3. Estimated information about controlling and subsidiary relationships with the same shareholders: None.

4. Businesses covered by affiliated companies

Enterprise Name	Main Business or Production Items	Collaborative Work Situation
Masterview Enterprises Limited	Holding Company	Holding Company
Grace China Investments Limited	Holding Company	Holding Company
Best Alpha Investments Limited	Holding Company	Holding Company
Young Optics (Kunshan) Co., Ltd.	Design, development and production of color wheels, lens set, filter and other related optical components and the above products, instruments and equipment, digital projection TVs in addition to their related modules, solid- state light sources, digital projection game machines, precision digital on-line measurement instruments and assembly to adjustment equipment, various products and components for image extraction and display; sales of home-made products and offer the following service in warranty; The Company is engaged in the production of similar products and raw material for wholesale, trade on import and export business.	Manufacturing and selling the Company's optical components
Young Optics (Suzhou) Co., Ltd.	Research and development, manufacture and maintenance of optical engines and related optoelectronic components, optical components, color wheel, integration column, projector lens, lens, lens barrel, LCD TV, equal ion TVs, optical rear projection TVs and other phase-capable high image digital TV (flat panel and optical HDTV), colorful video projectors, related new optoelectronic and optical components in related products, various imaging extracted and display optical parts and products, sales on products manufactured by the company and provide related services in warranty. Engaged in the sale of similar products manufactured by the company and its raw materials, optical equipment, and related testing equipment for wholesale, and its import and export business.	Manufacturing and selling the Company's optical components
Young Optics (BD) Ltd.	Manufacturing of optics components	Manufacturing of the Company's optical components

5. Information on directors, supervisors, and Presidents of affiliated enterprises

December 31, 2024

Enterprise Name	Job title	Name or Representative	Shareholdings	
			Shares	Shareholding ratio
Masterview Enterprises Limited	Director	Sarah Lin	200,000	100.00%
Grace China Investments Limited	Director	Sarah Lin	2,356,458	100.00%
Best Alpha Investments Limited	Director	Sarah Lin	1,000,000	100.00%
Young Optics (Kunshan) Co., Ltd. (Note)	Executive Director Supervisor President	Po Hao, Chang Cynthia Chang Daniel Huang	-	100.00%
Young Optics (Suzhou) Co., Ltd. (Note)	Executive Director Supervisor President	Po Hao, Chang Cynthia Chang Daniel Huang	-	100.00%
Young Optics (BD) Ltd.	Chairman Managing Director General Manager	Wayne Lin Po Hao, Chang Jerry Lin	12,569,396	100.00%

Note: The Company is a limited company and therefore does not issue shares.

6. Performance of affiliated companies

December 31, 2024 / Unit: NT\$ Thousands

Enterprise Name	Capital	Total Assets	Total Liabilities	Net Value	Net Sales	Operating Profit (loss)	Current Profit (loss)
Masterview Enterprises Limited	6,613	1,116,594	0	1,116,594	0	(91)	(71,857)
Grace China Investments Limited	77,330	796,878	312,442	484,436	0	(226)	(3,663)
Best Alpha Investments Limited	33,951	505,493	59,013	446,480	0	(36)	(358)
Young Optics (Kunshan) Co., Ltd	217,275	944,033	254,588	689,445	806,038	7,413	17,506
Young Optics (Suzhou) Co., Ltd.	33,951	260,514	19,469	241,045	47,861	(12,170)	(7,128)
Young Optics (BD) Ltd.	439,830	347,347	579,470	(232,123)	100,990	(82,825)	(84,789)

(II) Consolidated financial statements of affiliated companies: Please see the consolidated financial statements.

(III) Affiliation Report

Representation Letter

The Company shall be considered into associated company on year 2024 (since date on January 1, 2024 to December 31, 2024) according to “The compilation rules on consolidated operation reports and consolidated financial statements and relationships declaration on associated companies”. The disclosed information is consistent with the relevant information disclosed in the financial report’s notes for year 2024 without any significant discrepancies.

Hereby declaration

Young Optics Inc.

Chairman: Sarah Lin

February 14, 2025



安永聯合會計師事務所

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E-3, No. 1, Lixing 1st Rd., Hsinchu Science Park
Hsinchu City, Taiwan, R.O.C.

Tel: 886 3 688 5678
Fax: 886 3 688 6000
www.ey.com/tw

Representation Letter

To: Young Optics Inc.

Subject: Statement of opinion regarding the preparation of affiliation report for year 2024 by
the management authority of your company.

Explanation:

1. The affiliation report for year 2024 of your company has been prepared by the management authority of your company, and a statement has been issued stating that the aforementioned report was prepared in accordance with the “The compilation rules on consolidated operation reports and consolidated financial statements and relationships declaration on associated companies” and that the disclosed information is not significantly inconsistent with the relevant information disclosed in the financial statement notes for year 2024.
2. According to the opinion of our CPAs, there is no significant inconsistency in the statement issued by the management authority of your company regarding the preparation of the related party report for year 2024.

Ernst & Young

Approval given by the competent authority to conduct the business of
auditing and attesting the financial report of public companies

Auditing and Attestation Document Number:

(104) Financial-Supervisory-Securities-Auditing-1040030902

(112) Financial-Supervisory-Securities-Auditing-1120353739

Wan-Ju Chiu

CPAs:

Ming-Ju Huang

March 31, 2025

1. Overview of the relationship between the subsidiary and the controlling company

December 31, 2024

Name of the Controlling Company	Reason for Control	Shareholding and Pledge Status			Appointment of Directors, Supervisors, or Managers	
		Shareholding	Shareholding ratio	Pledged shares	Job title	Name
Coretronic Corporate	Substantial controlling power	37,218,000	32.62%	—	Chairman	Sarah Lin
					Director	Ken Wang
					Director	Miranda Wang

2. Transactions between subsidiary and controlling companies

(1) The transactions of purchases and sales between YOI's subsidiaries and its controlling companies during the most recent fiscal year are shown in the table below.

Unit: NT\$ Thousands

Transactions with the Controlling Company				Transaction Terms		General Transaction Terms		Reason for Difference	Receivables (Payables) and Notes		Overdue Receivables			Remarks
Type of Transaction	Amount	Ratio of total purchases/sales	Gross profit	Unit Price (NTD)	Credit Period	Unit Price (NTD)	Credit Period		Balance	Ratio of Total Accounts and Notes	Amount	Handling Method	Allowance for Doubtful Accounts	
Purchase	14,817	1.27%	—	Based on General Market Conditions	90 Days monthly payment	Based on General Market Conditions	30-90 Days monthly payment	—	(7,522)	(1.49%)	—	—	—	—
Sales	34,550	1.61%	5,072	Based on General Sales Conditions	90 Days monthly payment	Based on General Sales Conditions	30-90 Days monthly payment	—	26,223	4.67%	—	—	—	—

(2) Transaction of property: None.

(3) Financing activities: None.

(4) Lease of assets: None.

(5) Other significant transactions (such as production and processing contracts, acquisition of corporate bonds issued by subsidiaries, subscription to new shares issued by subsidiaries through abandonment of preemption rights by original shareholders): None.

(6) Endorsement and guarantee activities: None.

(7) Other significant matters that have an impact on finance and business: None.

II. Private Securities in the Past Year and as of the Date of Publication of the Annual Report: None.

III. Other Necessary Supplementary Notes: None.

Seven. Occurrences Significant to Shareholders' Equity or Securities Price, as Defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, in the Last Year Up Till the Publication Date of Annual Report: None.

Young Optics, Inc.

Chairman: Sarah Lin