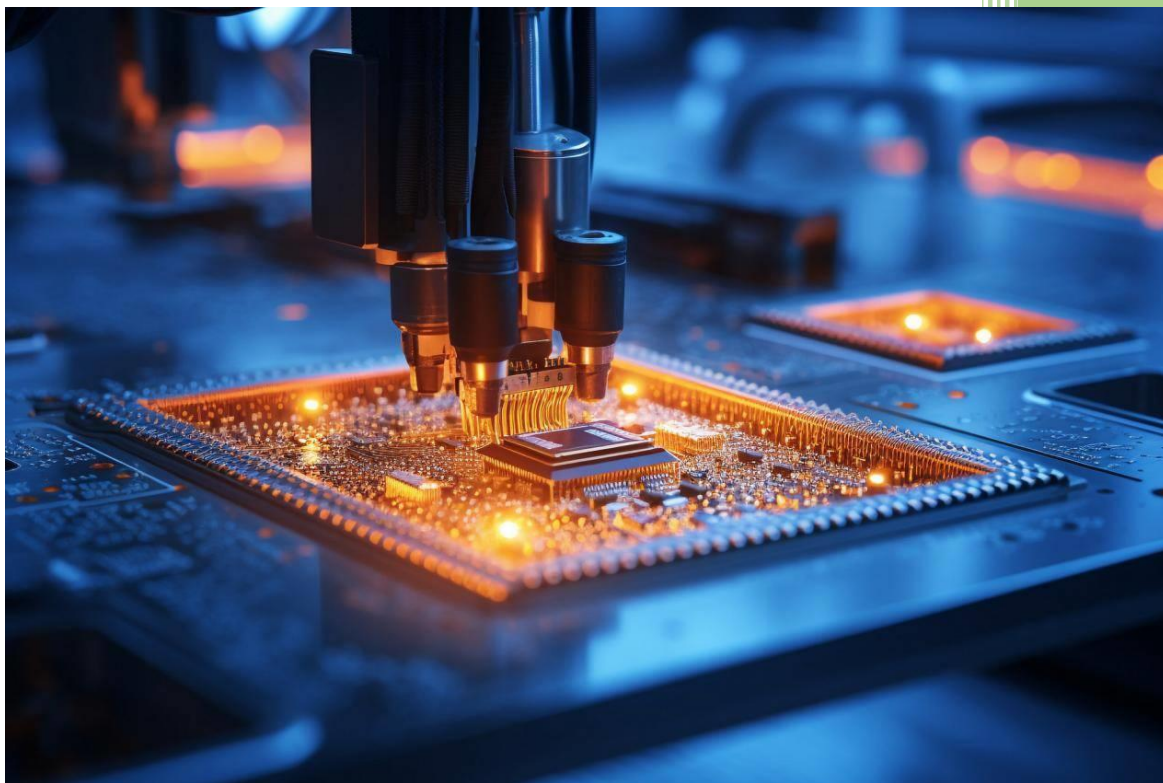


2024 ESG Report



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1. Sustainable Development Message

Letter from the CEO

The global economy as a whole is constrained by industrial destocking, geopolitics and inflation, and has not ushered in a post-epidemic economic recovery. Under such a severe environment, ATX Group still maintains a positive attitude and regards the crisis as a turning point, a breakthrough across traditional boundaries, transformation and creating a better future. In order to continuously lead the innovation momentum of the industry, ATX Group integrates the guidelines of senior executives and operating centers on sustainable operation and value creation model, and integrates the long-term development trend of the industry to unify the value creation model of ATX Group. At the same time, ATX Group continues to adhere to four sustainable strategies: low Carbon, Circular, Inclusive, and Collaborative and leverages the key role of the semiconductor value chain to create more efficient intelligent connected devices to help mankind move towards a more convenient and sustainable intelligent life.

Low Carbon and Pursuing Responsible and Sustainable Developments

In response to the commitment and responsibility of the country to strive to peak carbon dioxide emissions by 2030 and achieve carbon neutrality by 2060, ATX Group will follow the reduction path recognized by the Science-Based Target Initiative (SBTi) and continue to carry out net-zero actions with guidelines such as renewable energy, low-carbon transportation, low-carbon products and supply chain engagement. ATX Renewable energy is applied by sites through self-sufficiency, power purchase agreements, etc. At mid-2024, ATX PV installed capacity is 8.4MW and annual power generation is approximately 7,900 MWh, distributed in Suzhou, Kunshan and Shanghai. In 2024, renewable energy consumption was 7,860 MWh, accounting for 2.6% of total electricity consumption. The planned installed capacity of Weihai is about 0.8MW, and the annual power generation is estimated to be above 730MWh. The estimated completion time is on May 2025, accounting for 2.8% of the total power consumption. At the same time, each site also accelerated the process of carbon reduction, energy efficiency improvement and low-carbon energy transformation, with an overall carbon reduction of 7,930 tons of CO_{2e} in 2024.

Building Climate Resilience with a Circular Economy

In the face of extreme weather risks such as rainstorms and droughts, ATX Group continues to promote various adaptation measures to enhance the Company's resilience to extreme weather. ATX has successively installed reclaimed water reuse systems in Suzhou, Kunshan, Shanghai and Weihai to treat wastewater into pure water before recycling, significantly reducing water consumption and improving the resilience of our sites to water supply suspension

due to rainstorm or drought.

Driving Service Innovation through Digital and Sustainability Transformation

ATX Group actively encourages innovation and promotes digital and sustainable transformation, accelerating the smart automation. Since 2015, we have invested in the planning of darkfactory, with the three axes of "automatic production", "intelligent management" and "information integration", to implement the smart/intelligent digital transformation of the factory, hoping to win customer trust with advanced information technology and build an intelligent model factory.

In terms of sustainable transformation, we aim at energy saving, water saving and waste reduction, implement smart energy management, and operate plant equipment with optimal parameters and energy consumption through comprehensive data collection and monitoring systems; optimize water generation through post-process water discharge quality monitoring to avoid waste of water and increase the amount of recycled water. Recycle waste through multi-party cooperation in a circular economy model, and ensure that waste disposal is entrusted to qualified parties, effectively reducing the impact of waste on the environment. Our employees are key to the success of ATX's dual-axis transformation in smart manufacturing and sustainable development. We are focused on enhancing our employees' technical skills to create value, and building smart and advanced factories to support our net zero commitment and our corporate vision of living in harmony with the environment.

Building a Diverse and Inclusive Workplace

Hiring and retaining the right talent, as well as talent placement are key to the continuous growth of a company. Given the diversity of our customer base and market demands, ATX maintains operational sites at China and Malacca, supporting our global operations and providing a competitive edge. We endeavor to build an open workplace that embraces diversity, equity, and inclusion (DEI), thus enabling employees to grow and foster mutual respect. We offer competitive salaries and benefits. Awards and recognition motivate us further in developing every employee's growth and loyalty within the company, and powering ATX's advancements in sustainability.

Creating Value and Sustainable Collaboration with Suppliers

ATX Group takes the initiative to face and respond to the challenges and responsibilities of climate change together with its supply chain partners. We have established a preliminary supply chain sustainability management system. In addition to requiring suppliers to comply with all relevant regulations, labor rights, health and safety, environmental protection and business ethics, we also ensure that suppliers can fulfill their commitments and responsibilities to ATX Group and society through sustainability risk investigation, by questionnaires and onsite audits. We will provide improvement guidance to suppliers with non-conformance and replace them when necessary to ensure that the supply chain does not have negative impacts on the environment and society, to create sustainable value.

We are committed to driving supplier agreements, exerting positive influence and expanding sustainable performance. ATX also plans to conduct a supply

chain carbon inventory coaching program to identify carbon emission hot spots in its operation processes through the coaching process and require suppliers to formulate emission reduction plans to jointly move towards the goal of net zero emissions. In addition, we continue to convey sustainable values to our supply chain partners through sustainability training, establish a two-way communication mechanism, explore cooperation opportunities on sustainable issues, and work together to build a net-zero industry ecosystem.

Generating Positive Influence through Social Inclusion for the Common Good

ATX Group continues to respond to social issues and promote social inclusion. In the face of rapid change and sustainable transformation of various new applications in the industry, we still adhere to the core vision of using technology to realize a better future. We strive to face the complex and changeable market with more innovative applications with high added value, improve efficiency and integrate talents. ATX Group is committed to responding more actively to sustainability issues related to E(environment), S(society) and G(corporate governance), utilizing semiconductor's key role and innovative technologies, striving for a balance between corporate operations and ESG, and working with stakeholders to actively bring positive and substantial changes to sustainable life and move towards a new future.

2. Sustainable Development Management

2.1 Company Profile

ATX Group, a worldwide well-known company to provide service of IC assembly and test, offering a full range of turnkey services that include package design, front-end engineering test, wafer test, package assembly and final test. Besides, ATX Group maintains a highly experienced and skilled engineering team dedicated to the research and development of the latest assembly technologies. ATX also invests prudently in the latest equipment and state-of-art facilities, making us a true extension of our customers' manufacturing operations. Has a professional laboratory, with most advanced equipments and rich experience in semiconductor assembly and test, to provide customers with comprehensive solutions. ATX Group adheres to a people-oriented approach. Through rigorous engineering and disciplined production, it aims to achieve top-quality standards to win customer satisfaction and achieve sustainable development.

ATX Group remains focused on its core business and strengthens its R&D capabilities, guided by four pillars of corporate sustainability, low Carbon, Circular, Inclusive, and Collaborative. In 2024, we continue our transformation along the dual axes of smart manufacturing and sustainable development. Upholding our "people-oriented" core philosophy, we are committed to enhancing workplace safety effectiveness. We persistently support net-zero initiatives to align with industry trends, deepen sustainable values and culture, fulfill corporate social responsibility, and drive positive impact. Environmental sustainability is a shared goal for global enterprises. As a leading semiconductor packaging and testing service provider, ATX Group is investing in green energy, low-carbon energy transition, and smart management to build a resilient green circular value chain, contributing to the planet's sustainability. For more details, please visit the ATX Group website <http://www.atxsemicon.com/zh/about/profile>.

2.2 Mission and Vision

Mission and Vision

ATX Group offers the best manufacturing services in semiconductor packaging/testing and systems. We act as an extension of our customers' own operations, helping them achieve maximum success through efficient resource utilization. To stay ahead of the semiconductor technology curve, ATX Group builds a highly experienced and skilled engineering team that continually innovates and develops the most advanced semiconductor technologies. ATX Group adheres to the highest corporate governance standards and transforms business philosophies into sustainable actions, we carefully strategize according to industry development and trends, and seek talent and resources worldwide. We form strategic alliances with business partners to keep innovating and create a mutually beneficial business environment. These alliances help support our sustainable development goals to achieve the betterment of mankind and ecological conservation.

ATX Value Creation Model

In alignment with our mission and vision, and to maintain industry innovation and leadership, we incorporated future industry trends together with the feedback from our senior management and operating units on the indicators about corporate sustainability to establish the ATX Value Creation Model. Our value creation model consists of three strategies - Integrate, Expand, Innovate. The model enables ATX to respond to future challenges and more importantly, it forms the basis of ATX's foundation in integrating sustainability into our business strategy.

Strategy is the key of achieving long-term sustainability goals. ATX Group adheres to four sustainability pillars: low Carbon, Circular, Inclusive, and Collaborative, addressing global industrial challenges such as climate risks, energy supply uncertainties, and shortages of raw materials and water resources. At the same time, we aim to uncover new opportunities and growth momentum for the enterprise through the execution of these strategies. Furthermore, we are committed to creating sustainable value by engaging with external stakeholders, sharing insights, and expanding ATX Group's sustainability strategies beyond our organization. Through this collaborative approach, we strive to work hand-in-hand with all sectors of society to achieve a positive, circular, and sustainable future.

Sustainability Vision

Every year, we conduct ESG performance evaluations to assess the progress toward our goals, while publicly disclosing our ESG performance and the advancement of sustainability initiatives. This ensures transparency for our employees, partners, clients, and the general public regarding our commitment and achievements in corporate sustainability. In 2024, focusing on key sustainability themes and their operational significance, we prioritized action in responsible sourcing and climate change. We established a core framework for responsible procurement and set long-term carbon reduction targets for

2020–2030, reinforcing ATX Group's dedication to fulfilling our social responsibility commitments.

Deepening and Promoting Sustainability Culture

While continuously enhancing our industrial competitiveness, ATX Group remains steadfast in deepening our corporate social responsibility (CSR) practices and advancing multi-faceted sustainability initiatives. We are committed to embedding sustainability into our corporate culture, extending this mindset from employees to external stakeholders, thereby demonstrating the intangible value of our enterprise. Driven by a philosophy of "giving back to society what we take," we uphold our commitment to social responsibility and inclusive growth. By integrating cross-sector resources, we amplify ATX Group's positive impact, pushing beyond our limits to create shared value for all.

2.3 Organization and Structure

Building upon our "Corporate Sustainability and Citizenship Policy," ATX Group has established a sustainability management structure. We identify sustainable development opportunities through risk assessment while fostering close collaboration with partners and stakeholders. By aligning external resources, we strengthen corporate decision-making and create sustainable business models.

In 2024, ATX Group established the ESG Committee as the highest governance body for planning and overseeing sustainability strategies. The committee coordinates sustainability policies and objectives across manufacturing facilities. Comprising senior executives as directors, it regularly reviews relevant issues, evaluates annual performance, monitors progress toward short-, medium-, and long-term sustainability goals, and reports to the Board of Directors when necessary—ensuring business growth aligns with social and environmental impact.

Additionally, our "Corporate Sustainability Division" serves as the ESG Committee's executive secretariat, coordinating resources and expertise across manufacturing facilities to implement top-down and cross-functional strategies. The division reports quarterly to the ESG Committee on: (1) current policy guidelines and organizational structure; (2) status on the progress towards sustainable development; and (3) management policies, goals, and future plans on major sustainability issues. The Board of Directors oversees and reviews implementation outcomes. At the 2024 Group Management Committee annual meeting, we integrated Sustainability KPIs into departmental operations, embedding sustainability into key business practices.

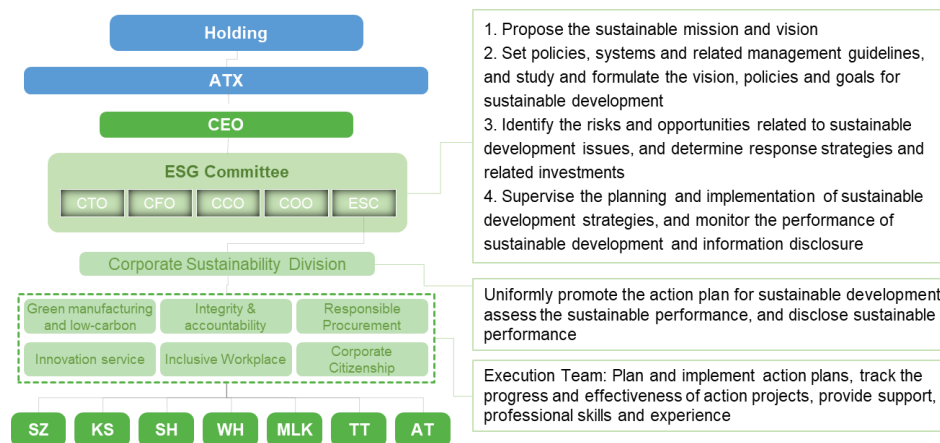


Figure 1 ATX organization and structure

2.4 Management guidelines and objectives for major topics

Starting from the essence of operations, ATX Group combines the norms of sustainable development at home and abroad, the trends of social responsibility, social hot topics, standards and initiatives, as well as the practices of excellent peer enterprises, and conducts an in-depth analysis of sustainable challenges and opportunities. By integrating the feedback from stakeholders, the opinions of the management, and the evaluation of the company's strategy and sustainable development capabilities, we carry out a materiality issue analysis from two major dimensions: "the importance of corporate governance, environmental and social impacts" and "the importance to stakeholders", and confirm and adjust the sustainable issues. In order to improve the management level of sustainable development, ATX adheres to sincere and effective communication with stakeholders such as employees, communities, the government, suppliers, and customers, and deeply understands their demands. We follow a rigorous screening process for core issues. Firstly, we analyze general issues and conduct questionnaires to understand the importance ranking of these issues by stakeholders. Based on the analysis results, climate change/carbon reduction and responsible procurement have been identified as the top-priority management issues for ATX. The main methods to identify material issues include but are not limited to: consultation with external consulting agencies, acceptance of feedback, stakeholder questionnaires, management analysis, customer inquiries, audits, exchanges and cooperation, dialogues, industry insights, benchmarking, attention to social responsibility trends and hot topics, etc. For major issues, management guidelines and objectives, please refer to Table 1.

Table 1-1 Management guidelines and objectives for major topics

Dimensions	Key Issues	Strategic Approach	Target
Integrity and Accountability	Regulatory Compliance	Implementing effective regulatory compliance system, strengthen the process for identification of regulatory requirements and reinforcing education to increase employee awareness of regulatory requirements.	Major violation cases in each site: 0
	Business Ethics	Implement business conduct and ethics-related policies and regulations, continue to promote education and training, commit to comply with ethical standards in all business activities, and ensure the effectiveness of reporting systems by audit.	Employee advocacy and training coverage: 100%

Table1-2 Management guidelines and objectives for major topics

Dimensions	Key Issues	Strategic Approach	Target
Integrity and Accountability	Information Security	Establish information security policy, strengthen information security protection resilience and management mechanism, and ensure sustainable operation through effective information security management.	Major security incidents: 0
Integrity and Accountability	Information Security	Establish information security policy, strengthen information security protection resilience and management mechanism, and ensure sustainable operation through effective information security management.	Major security incidents: 0
Innovative Service	Innovative Management and Sustainable Manufacturing	Set up a patent reward program to encourage patent applications, establish the number of patent applications and R & D projects as the key performance indicators	R &D project: 34 Patent Applications: 600
	Customer Relationship Management	Continuously enhance customer communication, providing diverse communications channels to enable instant interaction and communication with customers; enhance information security management to ensure the confidentiality and integrity of customer proprietary information.	Customer satisfaction: 80%
Green Manufacturing and Low Carbon Transition	Energy Management	Continue to improve energy management, establish standardized management systems through ISO 50001 to improve energy efficiency, increase the use of clean/renewable energy.	Electricity density reduction: 2%/year
	Climate Strategy	Carbon reduction roadmap: 2%/year carbon reduction target and combined with 3060 target to form carbon reduction plan, which will achieve net zero from the introduction of energy saving, photovoltaic and future green electricity.	GHG verification coverage rate: 100% Scope 1+2 GHG density (GHG emission/revenue) reduction: 20%(2030 vs 2020)
	Water Resources Management	Set management goals and indicators, use reduction, replacement or reuse methods to continuously optimize water efficiency, reduce operating costs and protect global water resources.	Annual reduction of water density by 1%

Table1-3 Management guidelines and objectives for major topics

Dimensions	Key Issues	Strategic Approach	Target
Green Manufacturing and Low Carbon Transition	Waste and Circular	Enhancing source reduction in waste management, identify recyclable raw materials and moving towards minimizing waste through a circular model.	Annual waste density reduction of 1%
Inclusive workplace Inclusive workplace	Talent attraction and retention	Encourage employees to actively participate in company activities, attend to employees' voices, and provide competitive compensation and welfare measures	/
	Talent Development	Provide challenging and rewarding career development to employees through comprehensive training programs and in-house promotion opportunities	Completion rate of course start/push: 100%
	Diversity and Inclusion	Plan a long-term, purposeful training for women in management that respects the uniqueness of each employee and promotes a workplace culture of inclusion and equality.	/
	Human Rights	No forced labour, prohibition of child labour, non-discrimination or harassment, respect for freedom of association, respect for privacy, enforcement of limits on working hours and appropriate remuneration and benefits	RBA training coverage: 100%
	Occupational Health and Safety	Continuously improve occupational health and safety management system, prevent accidents and promote physical and mental health of employees, promote corporate safety culture and ensure safety and health of all employees	Recordable injury rate $\leq$ 0.18%
Responsible Procurement	Sustainable Supply Chain	Build supplier partnerships to ensure supply chain sustainability with safe working environment, respect and dignity of employees, environmentally responsible operations	SAQ survey completion rate: 100% Conflict mineral survey compliance rate: 100%
Corporate Citizenship	Social Involvement	Public affairs participation dimensions: Environmental Conservation, Industry-academia Collaborations, Community Engagement and Public Advocacy	/

2.5 Key Projects

In 2024, ATX Group has always adhered to the commitment of low Carbon, Circular, Inclusive, and Collaborative, deeply integrated the concept of Environmental, Social and Governance (ESG) into the enterprise development strategy, and is committed to building a responsible and sustainable semiconductor packaging and testing enterprise.

We are well aware that as an important part of the global semiconductor industry chain, we shoulder the important mission of promoting the green transformation of the industry and empowering social progress. In the past year, we have focused on the issues of climate change and responsible procurement, and continuously made efforts in green operation, supply chain management, etc. ATX has achieved the goal of reducing the power consumption per unit of revenue of the group by 2%. In addition, we promoted on-site audits of the supply chain for the first time and carried out supplier training.

Looking ahead, we will continue to be driven by innovation and led by responsibility. We will join hands with stakeholders to build a green, inclusive and sustainable semiconductor industry ecosystem, and contribute to the sustainable development of human society.

Table 2 Key Projects

Dimensions	Key Projects	Partner	Benefits
Environment	Net-zero	ATX sites Suppliers	Reduce the power consumption per unit of revenue Transform the energy structure to reduce operational risks Improve the cost structure and save energy costs
	Waste source reduction and disposal optimization	ATX sites Suppliers	Waste recycling to improve resource recycling and ecological efficiency
	Value chain carbon reduction planning	ATX sites Suppliers	Supply chain carbon reduction synergy
Social	Employee health and safety	Occupational health and safety agency Medical agency	Regular health check and safety training to reduce occupational accidents Increase employee satisfaction and loyalty and reduce turnover
	Key talent retention mechanism	Universities and vocational training institutions	Strengthen talent attraction and retention
Corporate Governance	Supplier audit	Suppliers	Improving Supply Chain Sustainability
	Conflict Minerals Management		Implement raw material procurement responsibility
	Information security management		Increase safety capacity and reduce operational risks

2.6 2024 Main Achievements in Sustainability

Against the backdrop of the deep transformation of the global economic and social structure, ESG (Environment, Social, Governance) has gradually evolved from a concept advocacy to a core strategic element of corporate operations. The global ESG governance framework is being improved at an accelerated pace. With strategic transformation as the core, our enterprise has established a sustainable development system featuring "environmental priority, social integration, and governance innovation". Through systematic management and technological innovation, we have significantly enhanced our ESG performance. All the sites of ATX Group have obtained relevant certifications in categories such as environment, society, and information security, aligning with international standards to ensure that the control measures and execution processes in all aspects comply with the regulations. For information about the certified sites, please refer to Table 3.

Meanwhile, amidst the intense market competition, ATX Group has gained high recognition from various parties thanks to its outstanding products and services. Based on their trust in the company's product quality and after-sales service, numerous customers have successively presented the company with honors such as the "Outstanding Strategic Partner" and the "Best Supplier Award". In terms of the government, due to the company's active response to policies, promotion of the innovative development of the industry, and fulfillment of social responsibilities, ATX has obtained approvals like the "High-tech Enterprise Certification", which demonstrates the government's affirmation of the company's contributions in the economic and social aspects.

Table 3 Main System Certification

Site	Main System Certification								
	ISO 14001	ISO 45001	ISO 22301	ISO 50001	ISO 14064-1	ISO 14067	Green Factory	RBA	QC 080000
ATXSZ	V	V	V	V	V	V	Provincial ³	V	V
ATXKS	V	V	V	V	V	⊗	Provincial	V	V
ATXWH	V	V	V	⊗	V	⊗	⊗	V	V
ATXSH	V	V	⊗	⊗ ¹	V	⊗	⊗	V	V
ATXMLK	V	V	⊗	⊗	⊗ ²	⊗	⊗	⊗ ²	⊗

Remarks:

1 Shanghai plans to complete the ISO 50001 certification in July 2025.

2 Malaysian is preparing for the inventory and verification of greenhouse gas emissions in 2024; RBA VAP audit is planned in November 2025.

3 Suzhou is applying for the national green factory certification for 2024.

In the area of relevant certifications, ATX has always adhered to high standards and strict requirements, and has taken the initiative to apply for various important certifications. Through unremitting efforts, our company has passed certifications such as the "Quality Management System Certification" and the "Automotive Functional Safety Certification". These certifications not only recognize the company's standardized operation but also serve as an authoritative confirmation of the company's comprehensive strength by relevant departments.

3. Integrity and Accountability

ATX commits to constructing sound corporate governance, conducting business ethically and complying with all laws and applicable regulations where we operate. ATX strives to establish an organizational culture of integrity and accountability, maintain high standards of ethics, effective corporate governance and accountability mechanisms in every aspect of its business, as well as conduct business based on the principle of social responsibility and business ethics to serve both the company's and shareholders' long-term interests.

3.1 Business Ethics

Policies and Specifications

ATX HR center published ethical corporate management related regulations which clearly specify the policies and specification, behavior guidelines, operational procedures and grievance systems to prevent unethical behaviors. These policies aim to shape ATX's culture of honesty and responsibility and to realize its commitment of compliance to the highest ethical standards in ATX's overall business activities.

Organization and Authority

ATX Group is responsible for overall planning in the formulation, supervision and implementation of the policies and specifications regarding honest operation. It conducts regular reviews of the promotion and compliance of these policies and specifications every year. Each site is responsible for planning the organization, preparation and functions for the internal implementation of the policies and specifications on honest operation. Relevant standard operation procedures are formulated based on the framework of the group's policies and specifications, and active promotion and training are carried out in daily operations.

Training and Communication

Each site conducts training related to business ethics for all employees through methods such as the online training system. The topics cover honest operation, anti-corruption, trade secrets, prevention of insider trading, information security, the right to privacy, the Code of Conduct of the Responsible Business

Alliance (RBA), and the employee codes of conduct at each site, etc. (A total of 2,953 person-times participated in the training). (SZ/KS/WH)

Education and Promotion

In order to guide ATX Group and the stakeholders to understand the company's business ethics standards, in addition to internally conveying the business ethics and the company's specific actions, at the same time, to exert influence in the supply chain, we require all suppliers to comply with the "Code of Business Conduct and Ethics " and the "Supplier Code of Conduct" and sign the "Supplier Code of Conduct Commitment Letter", so that all suppliers can understand and commit to the specifications and spirit that they must abide by, to ensure proper alignment in values and ethics

Consultation and Report

We have established channel of consultation for ATX Members and various internal and external reporting channels. ATX Members or any third party may report to the internal or external channels, either using their own identity or anonymously. Investigation and improvements were made according to related reported issues, emphasizing on the importance of business ethics and integrity by providing educational training (such as e-mail advocacy and online quizzes). We are committed to keeping the whistleblower's identity and reporting contents confidential, and protecting him/ her from any unfair treatment or retaliation as a result of the violation reporting.

3.2 Risk Management

As a global company, managing risk is integral to ensuring business resilience and continuity. At ATX, we have established a comprehensive risk management architecture in accordance with the Enterprise Risk Management (ERM) approach. In addition, we have incorporated the ISO 31000 Risk Management - Principles and Guidelines to manage risks in the day-to-day operations, together with systematic general risk control measures to form a comprehensive and effective risk management framework that also allows us to explore potential opportunities that may arise.

Risk Management Policies

The ATX's Risk Management Procedures was designated as the highest level of foundation for the company's risk management. It explicitly mandates that risk management must be incorporated into both the company's business strategy and organizational culture, and that it is crucial to establish a comprehensive set of risk management procedures that undergo continuous review to ensure the effective control of risks.

Risk Governance Framework

The Governance level of Authority in Risk Management and Control - Risk Management Committee

As the highest decision-making authority of risk management and control, the Risk Management Committee, the members of the committee have an extensive understanding of the industry landscape and experience in risk mitigation, to formulate risk management strategies that take into account both the company's business strategy and the overall environment. The committee is responsible for overseeing comprehensive risk management, implementing risk management policies and decisions, coordinating and promoting inter-departmental risk management plans, supervising and managing the company and its subsidiaries' risk management and control mechanisms, and reviewing and compiling risk management reports.

Group Internal Audits

The Risk Management Department was established to preform annual audits (at least once a year) of business operations and management processes related to risk management. The goal is to ensure that all risks are effectively controlled within acceptable limits and management of various risks.

ATX Subsidiaries

The successful implementation of risk management is contingent upon the integration of risk management principles into the day-to-day activities of all employees across the company. The company outlines the roles and responsibilities of the functional units and each unit is accountable for the risks arising from the day-to-day operations. We will continuously promote a corporate culture of risk awareness across the company to enable our employees to better understand, identify and manage associated risks.

Risk Identification Process

ATX implements a top-down ERM approach to identify effectively critical operational and strategic risks. In 2024, key risks identified by the senior management team were collected. Regarding the issues that senior executives are concerned about, such as being affected by geopolitics and external factors, as well as strategic risks, product development, and human resources, the relevant departments have all carried out in-depth analysis and actions. A bottom-up risk inventory mechanism is employed to identify corporate-level and operational-level risks in all subsidiaries. The risks identified by the senior management team and the risk management of each functional unit are integrated to form a comprehensive risk identification process. The identified risks are documented in the Risk Register and subject to evaluation to identify the key risks according to risk level and control effectiveness, and subsequently, to develop a risk response strategy or risk management plan accordingly.

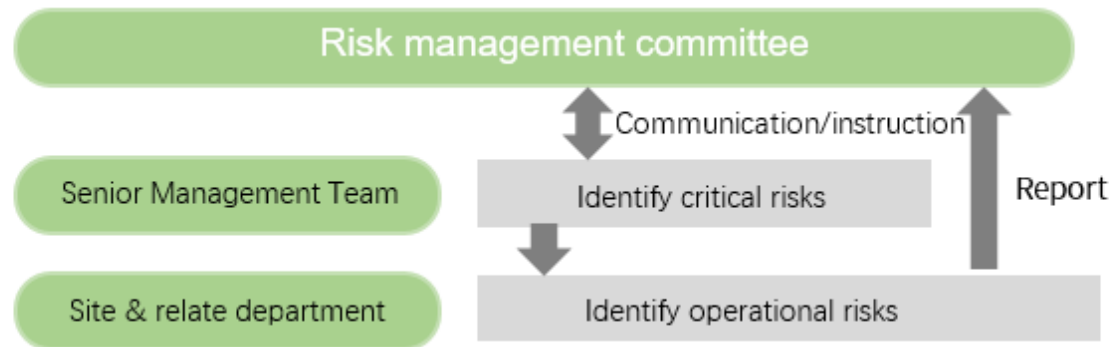


Figure 2 Risk Identification Process

Risk Analysis and Response Measures

The functional risk management units identify potential risks encountered in their day-to-day operations and rank them using indicators such as the probability of occurrence, level of impacts, and control effectiveness, formulate and implement risk improvement measures to ensure that risks can be reduced or controlled within an acceptable range.

The distribution of the associated risk levels is indicated as follows:

Table 4-1 Critical Risk Identification Result

Dimensions	Risks	Rate	Risk scenarios	Solutions
External factor	Credit rating	Low	1. Fail to effectively manage accounts receivable process 2. Bad accounts receivable are not correctly accrued 3. Fail to update government credit assessment of enterprises in a timely manner	1. Monthly review of aging, collection of overdue accounts 2. Monthly provision for bad debts according to accounting policies 3. Review the financial status of the company and customers every six months, adjust the credit limit appropriately, and avoid risks 4. Annual review of government credit rating on enterprises (currently A)
	Laws and regulations	Medium	Fail to manage according to the requirements of laws and regulations, resulting in rectification within a time limit/ fines and other penalties	1. Compliance assessment of laws and regulations; EHS compliance audit 2.ISO system (14001,45001) establishment and regular review 3. Risk assessment and improvement
	Competition	Low	Continued price competition The company is not fully prepared for competition	1. Regularly collect competitor and customer related information, revise and adjust pricing strategy 2. Low Cost BOM , Local Machine Line , Productivity
	Customer requirements	Low	Non-compliance with customer requirements 1. EU Green Regulation 2. Conflict Minerals Implementation Guidelines 3. Customer specification	1. Introduction of new customers in the early stage of new product development and customer communication on Customer questionnaires and product information collection forms 2. The customer will issue relevant Spec requirements through DCC and execute after internal review 3. Regularly update customer-related laws and regulations 4. CSD responds effectively to EU ESG-related needs
	Geopolitical	Medium	Some customers have plans to move out due to political factors	1.B.C has established daily communication mechanisms with customers to keep track of customer trends. 2.Develop backup plans for lost orders, critical materials, equipment and software, and conduct business continuity drills
Strategy risk	Business model	low	The company failed to establish a business model framework consistent with the company's strategic development through different simulation assumptions	By high-level meeting 1. Each site product category has been clearly defined and future development strategy 2. Clearly define future product development strategies and production sites of the Group

Table 4-2 Critical Risk Identification Result

Dimensions	Risks	Rate	Risk scenarios	Solutions
Marketing and Communication	Customer Relations/ Customer Support	low	Collect customer satisfaction regularly for several aspects of QCDST	1. Establish FCT's key customer mechanism (including PM, daily management and monthly report meeting) 2. Non-FCT customers, collect customer satisfaction data quarterly, management monthly meeting review needs improvement Develop improvement plan and follow up
	Marketing Strategy/ Marketing Plan	Low	Systematic sales plan and budget	1. Annual collection of customer forecast data to complete the next year's annual sales plan and related budget preparation 2. Monthly BRM meetings and production and sales meetings to review the future 3 – 6 months sales plan, timely revision and adjustment
	market research and analysis	Medium	The current industrial situation is relatively depressed, affecting the overall business situation	Regular collection of market conditions, customer FCST
Corporate governance	Corporate Responsibility and Sustainability	Medium	1. Customer sustainability requirements cannot be met affecting RFQs, resulting in revenue reduction 2. ESG negative information brings high violation costs to the company, or affects the stock price after listing 3. External stakeholders include demand-driven government regulations, increased compliance costs, financial impact	1. Research customer needs, positive feedback, timely action and investment in related projects when necessary 2. Follow sustainable development policy specifications, dedicated units, regular tracking, review performance 3. Focus on policy trends and stakeholder requirements, advance layout, reduce immediate financial impact, such as green electricity introduction demand
Human resource	Performance/ Talent Management & Compensation	Medium	Key technology brain drain	1. Solid C Plan 2. Engineering department raises bonus factor & PA ratio 3. Personnel interview regularly
	Succession planning and recruitment	Medium		4. Participate in external salary survey every year, compare with market data and related enterprise data, and make core personnel salary more competitive

Table 4-3 Critical Risk Identification Result

Dimensions	Risks	Rate	Risk scenarios	Solutions
Information technology (IT)	Contract and outsourcing	Medium	Economic losses caused by failure to perform duties according to the service content within the scope of the contract, service interruption	1. The contract ensures the rights of the company in accordance with the Group's standard version 2. The contract content has been reviewed by the authority unit and approved by the legal department for risk review 3. Contract performance timely grasp, timely response 4. Contract periodic review management
	Data confidentiality and protection	Low	1. R & D data leakage 2. Fail to properly control R & D data distribution and recycling management 3. Data loss, system outages, security breaches	1. R & D documents and data control procedures 2. Folder permission management 3. OJT Training 4. Implementation of information asset management policies
Product development	research and development (RD)	Medium	New products are not put into production and listed according to the planning process	1. Daily review of project batch progress 2. BMU&CEI continuously follows up on existing and new customer requirements 3. Existing equipment and technological capabilities continue to improve
	product launch	Medium		
	product replaced	Medium		
	Technology/technology obsolescence	Low	1. Fail to effectively evaluate technical performance 2. Imperfect technical management specifications	1. Technical roadmap 2. Patent layout of R & D project 3. Economic benefit evaluation of R & D project 4. Feasibility report 5. Joint development of new product development process

3.3 Human rights management

Human rights policy

ATX and its subsidiaries are committed to safeguarding the human rights of employees and value chain partners (including customers, suppliers/distributors, agents, joint ventures and consortia partners and local communities) and promoting the sustainable development of the environment, society and economy. ATX's approach is designed in support of the United Nations Universal Declaration of Human Rights, the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. ATX is also committed to upholding local laws and regulations in the countries where ATX operates, and reviewing the implementation of its human rights policies on a regular basis.

Commitment

- **Protect and Respect:** ATX is committed to protecting and respecting human rights and creating an environment conducive to human rights protection.
- **Appeal and Remedy Process:** ATX prevents infringement of human rights, protects ATX employees and value chain partners, and mitigates any adverse human rights impacts, ATX has put in place formal processes for appeal and remedy.
- **Management Principles:** ATX seeks to continuously improve human rights governance and keep in lockstep with business development trends. Meanwhile, Suzhou, Shanghai, and Weihai have already obtained RBA (Responsible Business Alliance) certification, while Kunshan completed its on-site audit by the end of March 2025.

Human Rights Management

ATX has adopted human rights management practices that follow PDCA procedures and include risk identification, assessment, monitoring, control,

and disclosure. In a reflection of the different roles played by ATX, we focused our human rights management efforts on our employees, suppliers, and local communities, performing due diligence with each group and providing whistle-blowing channels to prevent any human rights violations.

Human Rights Due Diligence

Table 5 Human Rights Due Diligence

Target	Responsible	Management Mechanism
Employee and Operation	Each Site	RBA Management
Community and Environment	Each Site	Environmental Monitoring
Supplier	ATX Group Supply Chain Management Team	Supplier sustainability assessments survey

3.4 Regulatory Compliance

ATX Group conduct all business activities in strict compliance with applicable laws and regulations. To ensure legal compliance, ATX maintains regular updates on domestic and foreign laws and policies that affect its operations, and deep into compliance at all of its business locations.

ATX Group's Risk Management & Legal Department assist board directors with overall regulatory compliance and supervise activities at our subsidiaries to ensure compliance with relevant laws and regulations. The steps we take to ensure compliance include staying on track with current laws and regulations, identifying changes, and reviewing legal compliance on a regular basis. The company also applies risk control mechanisms to assess potential legal risk exposures across all our operations. Our subsidiary companies are required to report all incidences of non-compliance that resulted in penalties, without delay. The responsible subsidiary shall propose immediate improvement plans and both the regulatory compliance department and audit department shall supervise and ensure that corrective actions are taken and completed.

The company has continued to conduct regular corporate audits on compliance throughout 2023 and, enhanced audits on subsidiaries that are exposed to higher levels of environmental and workplace safety risks. Actions were taken to strengthen the regulatory compliance mechanisms at all subsidiaries. The impact to the technology sector from the United States' Export Administration Regulations (EAR), is of particular significance, and thus classified as a key focus area in our regulatory compliance. Within China, we focus primarily on Labor Contract Law, Work Safety Law. As part of our regulatory compliance practices, we diligently adapt and modify our internal framework, conduct trainings and disseminate information to update, educate and communicate with our board of directors, management and all employees.

In 2024, ATX remained in resolute compliance with all major laws and regulations, such as corporate governance, and has not violated any of the above-mentioned laws, ATX is committed to pursue a perfect record in legal compliance for all of our business activities.

3.5 Information Security Management

Information Security Policy, Organization and Targets

To strengthen the company's resilience in information security (infosec) and respective management mechanisms, we have integrated an approach from the corporate governance perspective by putting in place a comprehensive set of infosec policy, conducting regular cybersecurity drills, and organizing employee education and training to enhance overall infosec awareness. The ATX Information Security Policy provides the highest level of management guidance to protect the confidentiality, integrity and availability of critical information assets, and to ensure compliance with relevant laws and regulations. With a robust infosec policy in place, ATX is well positioned to boost customer trust, strengthen industry competitiveness, and maintain business continuity. We assess information security risks in accordance with regulatory requirements and business goals, and provide a status report to the senior management and the Board. The report offers a succinct overview of the infosec challenges and the current status, and forms the basis for the management to formulate additional guidelines, strategies and targets.

The Information Security Management Committee was established, which is mainly responsible for overall cybersecurity risk management, supervising the cybersecurity management operations of each subsidiary, coordinating and communicating internal and external technical resources and intelligence information, with the aim of enhancing cybersecurity capabilities and reducing cybersecurity threats and risks. It also reports the cybersecurity governance situation to the senior management. Our company reviews and makes decisions on the overall cybersecurity strategy of the company every quarter, and reports and discusses the progress of ATX's cybersecurity work.

Safeguarding the confidentiality, integrity and availability of information forms the cornerstone of ATX's information security management. Besides identifying internal and external information security risks and formulating countermeasures, ATX continuously promote the network security planning and improvement plans for each sites. Our cybersecurity policies are formulated to ensure the highest level of network and system protection and mitigation of impacts from any disruption. At the same time, education and training are actively conducted to enhance employee awareness on the importance of information security and prevent major data breaches. Building resilience through a robust information security management system is key to corporate sustainability and will greatly boost stakeholder satisfaction.

Cybersecurity risk identification and management

ATX annually commissions cybersecurity audit and assessments such as external audit, vulnerability scanning, and penetration testing to ensure that information system and the internet environment comply with safety standards. We strictly enforce cybersecurity policies and implement client privacy protection measures to avoid the unauthorized disclosure of the company's confidential business information and client data. In the event of unforeseen external cybersecurity attacks, the cybersecurity team will convene immediate platform technical exchanges and response meetings to analyze and review

relevant responses and defense measures, constructing a comprehensive defense network capable of information synchronization.

In addition to managing operational risks from the perspective of corporate governance, we try to increase employees' cybersecurity awareness and enhance organizational operational capabilities as part of our focuses in cybersecurity management. All employees must receive PIP cybersecurity educational training, including cybersecurity policy, cybersecurity management framework, cybersecurity control measures, etc. In 2024, a total of 11,900 individuals completed training courses. Additionally, occasional social engineering email drills were conducted to enhance employees' awareness of social engineering attacks through emails. Additionally, we will gradually introduce systematic management mechanisms to incorporate participation in cybersecurity meeting, educational training, incident management, confidential file labeling, antivirus/software security, and other cybersecurity-related projects in a systematic manner. Moreover, KPI monitoring and audits are conducted, extending the scope of management, and reaching every employee and every endpoint device. This will be integrated with employees' performance to reduce penalties and legal liabilities resulted from violations against cybersecurity regulations, as well as the impacts on business operations.

Increase cyber resilience

There were no serious cybersecurity incidents in ATX in 2024. In addition to constructing a cybersecurity incident classification system and reporting\response procedures, we also conduct a cybersecurity incident drill annually to ensure fast responses in the event of incidents, reduce risks, and minimize the scope of damage. We also provide two major functions, cybersecurity information and cybersecurity incident reporting, to facilitate real-time acquisition, dissemination of cybersecurity information, and efficient handling of security incident reporting. Our goal is to gain a comprehensive understanding of the risk landscape, enhance the response and defense capabilities in the event of information security incidents, and establish a cross-functional cybersecurity collaborative defense mechanism.

To ensure the sustainable operations of important businesses and prevent interruption of critical information systems as a result of material cybersecurity incidents, we conduct an incident recovery drill every six months which lays out the organizational structure diagram, scope, duration, critical information systems, participating units, participating personnel and their assigned tasks, backup personnel for the drill, implementation steps and processes of the drill, required resources, data recovery from backup, risk management during the drill, post-drill review and improvement processes, among others. The purpose is to ensure the company can leverage disaster response capabilities and disaster recovery mechanisms to quickly restore operations to a normal or acceptable level for the business, achieving the goal of uninterrupted operations of critical information systems. The drill will continue to be implemented to provide maintenance, management, and training to ensure the effectiveness of the backup systems.

4. Innovation Service

4.1 R&D and Innovation

ATX continuously invests in advanced semiconductor packaging technology research and development ("R&D") and cultivates experienced and skilled engineering teams to meet customers' needs for product performance enhancement and cost reduction. By identifying key R&D directions based on future industry needs as well as technology trends by government and customer requirements, we have developed a strategic technology roadmap for the next 3-5 years to grasp business opportunities, build patent portfolios and implement sustainable development.

ATX attaches great importance to R&D investment, the R&D investment of ATX is 266.49 Million RMB in 2024, and the proportion of R&D investment to the sales revenue for the years of 2024 was 5.55%. As of December 2024, ATX had a total of 6,354 employees in China, of which 966 were R&D personnel, accounting for approximately 15.20% of the total employees.

Key products and technologies successfully developed in recent years are as follows:

- 1) power device IC packaging products and processes applied in the field of new energy, the types of packages include PSOP, and the main sites include: laser welding, die bond, wedge bond and plastic sealing processes, so as to achieve the R&D of power device IC packaging products.
- 2) DSM double-sided package products: This product is designed as a top and bottom two-cavity structure, on both sides of the package substrate, through the micro-assembly process to assemble the chip, so as to improve the density of the product package, to meet the needs of high-reliability field of microprocessor miniaturisation, lightweight, high integration. After completing the double-sided package, it can be combined with the sputtering process to achieve the effect of metal shielding.
- 3) Bumping: For advanced wafer-level packaging technology, by growing metal bumps on the wafer surface as a process technology for electrical connection. Metal bumps include Bump, RDL, Cu pillar, Solder Bump and so on. The process mainly consists of metal film sputtering, yellow light process (including coating, exposure, development), metal bump generation (plating, Ball Placement).
- 4) R&D of power device packaging process with Cu clip structure: Using Cu clip structure as the signal connection and output method, adopting high-density lead frame and high-speed printing adhesive, the placement efficiency of wafers and Cu clips is greatly improved, the connecting operation reduces the turnaround time of loading and unloading, and significantly improves the efficiency of product operation.

- 5) FCLGA high heat dissipation package products: Strip grinding and metal film are used to improve heat dissipation efficiency and reduce thermal resistance.
- 6) MEMS packaging product development: Combined with substrate/chip stacking, different types of chip soldering, cavity structure, protective cover mounting to achieve anti-RF and other radio frequency interference. This packaging process can not only be used for bone conduction packaging, but can also be used to integrate acceleration, pressure and other MEMS sensors.
- 7) Electromagnetic shielding packaging processes: Use a 3D-printed stencil to print a conductive adhesive wall, which will become a metal shielding wall after baking. Then, all or part of the metal shielding wall is exposed through laser grooving (according to the specific size of the product, grinding can also be carried out first and then laser grooving). A metal thin film is grown on the surface of the plastic package to connect all the metal shielding walls.
- 8) Mass transfer of copper pins: Conduct research on the mass alignment, transfer, and welding of micro-copper pillars to achieve the alignment and mass transfer at the substrate and wafer sizes. The number of copper pillars transferred in a single operation is more than 50,000, and the welding performance meets the reliability requirements.

Every year, the company's R&D projects have been verified by the Ministry of Science and Technology (MOST) to prove the novelty of the projects. Moreover, the project products have passed the performance tests of the company, the client and the third-party qualified testing company, and all the performance indexes and reliability indexes are in line with the requirements.

Technology platforms

The company has provincial-level R&D platforms, including provincial-level enterprise technology center and provincial-level engineering technology research center. The R&D center gathers the company's overall technological advantages, has a team of high-tech R&D talents, and possesses advanced machinery and equipment and R&D experimental conditions in the industry, which undertakes the R&D of the enterprise's core products and process technologies, and provides domestic and foreign customers with products and services with market competitiveness and excellent quality. In addition, the technology platform has a perfect management system, including "Management Charter of R&D Department", "Management Measures for R&D Project Establishment", "Management System for Introducing Excellent Talents", etc., which ensures the enterprise's technological innovation activities in terms of system and mechanism.

Modalities for sharing scientific and technological achievements: workshops

In order to strengthen the technical communication and sharing of technical achievements within the industry, the senior executives of the R&D Medium participate in industry technical seminars as speakers every year. In addition, the company organises the R&D staff of the technology center to participate in semiconductor exhibitions or seminars every year, which strengthens the communication with domestic and foreign industries. The number of seminars attended is more than four per year.

Management platforms and systems: PLM platform

ATX Group make good use of various management systems to improve management efficiency, For example, PLM platform, as a project management tool, is responsible for the management and control of the whole life cycle of new projects, from project initiation to project closing to later maintenance,

and controls the progress of project development through this system.

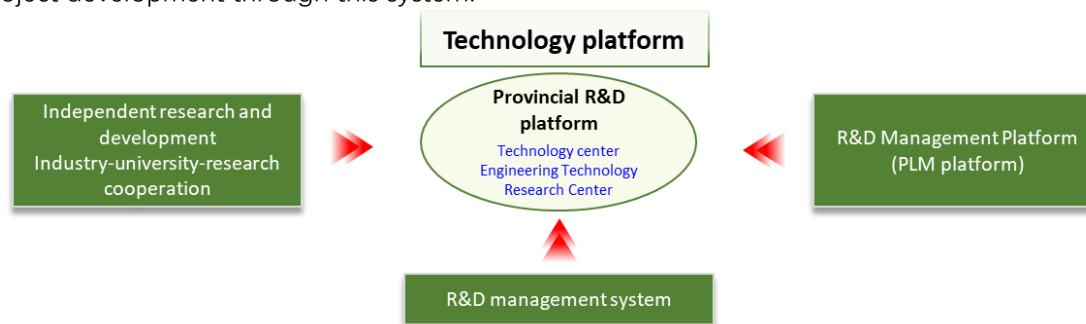


Figure 3 Technology Platform

Industry-University-Research Cooperation and Innovation

While realizing self-innovation, our company attaches great importance to industry-university-research cooperation, strengthens cooperation with universities through industry-university-research cooperation, and realizes the complementary advantages of enterprises and university resources. Enterprises have strong capital and resource facilities, and universities have a steady stream of talents. The cooperation between the two can achieve complementary advantages. Examples of industry-university-research cooperation are as follows:

In 2016, our company established an industry-university-research cooperation relationship with Guangdong University of Technology to carry out joint research and development activities for high-end dedicated chips such as RF transceiver integrated circuit chips, RF power, switch and front-end integrated circuit module chips.

In 2017, after research and discussion, our company and the School of Electronic Information of Soochow University continued to sign an industry-university-research cooperation agreement, continued friendly cooperation in the field of integrated circuits, and continued in the field of MEMS sensors, extensive cooperation in the field of 4G mobile communication chip packaging and testing, environmental protection and energy saving packaging.

In 2019, our company and Soochow University signed a technical service cooperation agreement on "Research and Development of Power Device Packaging and Testing Process" to jointly overcome the difficulties of power devices in the sealing and testing process.

In 2023, a technology development contract was signed with Xidian University: "Simulation Research on Thermal Stress of High Density Solder bump Integrated Circuits", and a joint research was carried out on thermal stress analysis of high density Solder bump.

In the future, our company will continue to strengthen cooperation with colleges and universities, make full use of the talent advantages and R & D strength of colleges and universities, and open R & D sites and instruments and equipment for colleges and universities.

Intellectual Property Management

1. Patent Protection

The company has always attached great importance to the patent protection of its own technology, planned patent applications around multiple technical topics, comprehensively constructed a patent mesh, and continuously improved market competitiveness while protecting its own patent rights. As of December 31, 2024, ATX Group has applied for a total of 926 domestic and foreign patents, including 227 invention patents and 699 utility model patents. At present, 368 valid patents have been obtained, including 87 valid invention patents and 281 valid utility model patents.

2. Establishment of intellectual property institutions and formulation of systems and policies

The company has an independent intellectual property department, which is subordinate to the R & D center of ATX Group. It is managed by the vice president of R & D and reports directly to the general manager. The Intellectual Property Department leads the company's patent layout, mining, search analysis, application and other work, and has established a complete patent life cycle management system, and has clear intellectual property management objectives. And for the convenience and convenience of patent management, the company has established a patent management system, through which patents are reviewed, state maintenance and data storage, thereby improving the efficiency of patent management.

In 2017, our company implemented the national standards for enterprise intellectual property management Standards (GB/T 29490-2013) and formulated the procedure for Implement enterprise intellectual property management procedure. Standardize the intellectual property management of enterprises from the management and implementation aspects, and at the same time call on all employees to participate in intellectual property management and implement the intellectual property policy: "Encourage creation, effective use, protection according to law, and scientific management", through the implementation of the system, the level of creation, management, application and protection of intellectual property rights at the company level is effectively enhanced, and an intellectual property management model with a good degree of strategic integration of enterprises is gradually formed, at present, the company's intellectual property management system continues to operate effectively, so that the new intellectual property management work of ATX Group can be carried out stably and take a new step.

Remarks: Since there is no R&D department in the Malaysian, the data statistics on R&D innovation do not include the Malaysian factory.

4.2 Sustainable Manufacturing

Management of Hazardous Substances and Chemicals

Hazardous Substance Management is a crucial part of sustainable manufacturing. We continuously optimize the Green Product Management System (GPMS) to ensure compliance with the EU RoHS Directive, REACH Regulation, California Proposition 65, and customer specifications. Beyond setting hazardous substance management requirements and eco-friendly product design standards, we implement stricter controls than regulatory mandates and industry trends, delivering environmentally responsible manufacturing services.

Additionally, we expand restrictions on chemicals with high health risks and significant environmental impact, including persistent, bioaccumulative, and toxic (PBT) substances, as well as carcinogenic, mutagenic, and reprotoxic (CMR) materials. Apart from regulating chemical substances in products, we prohibit all substances banned by customer processes or global regulations, actively replacing existing uses. Prioritizing employee health and safety, we are committed to providing eco-conscious manufacturing solutions.

Product Carbon Footprint Assessment

Amid the global action for climate action and sustainable development, Suzhou site has achieved a significant environmental milestone by obtaining ISO 14067 certification for its QFN/DFN semiconductor products in 2024, with a cradle-to-gate carbon footprint of 12.47 gCO₂e/mm² and 32% product coverage based on QFN/DFN revenue. This internationally recognized carbon footprint certification has enabled the company to strengthen its carbon management systems, identify key emission reduction opportunities through detailed lifecycle analysis, and pinpoint critical carbon hotspots across its operations. Building on this achievement, ATX is doubling down on its green transformation by investing in low-carbon technologies and eco-design improvements while actively collaborating with supply chain partners to drive industry-wide sustainability efforts. The company remains committed to reducing both operational and product carbon intensity, delivering environmentally responsible semiconductor solutions, and serving as a catalyst for green innovation across the electronics value chain.

Smart Factories

Aiming to drive greater efficiency and improvements in our manufacturing process that will in turn deliver higher customer satisfaction in quality and delivery, ATX began to invest in automated, lights-out factories in 2015. At ATX, we are accelerating digital transformation in smart manufacturing through automation, smart management and Digital Integration, driving smart factory transformation with advanced IT to earn customer confidence and create an exemplary intelligent plant. Since establishing our automation team in 2015, ATX Suzhou, Kunshan, and Shanghai sites have successively obtained certifications for 3 provincial-level smart workshops and 4 municipal-level smart workshops, starting from 2016. Meanwhile, in 2022, ATX Weihai site was recognized as a

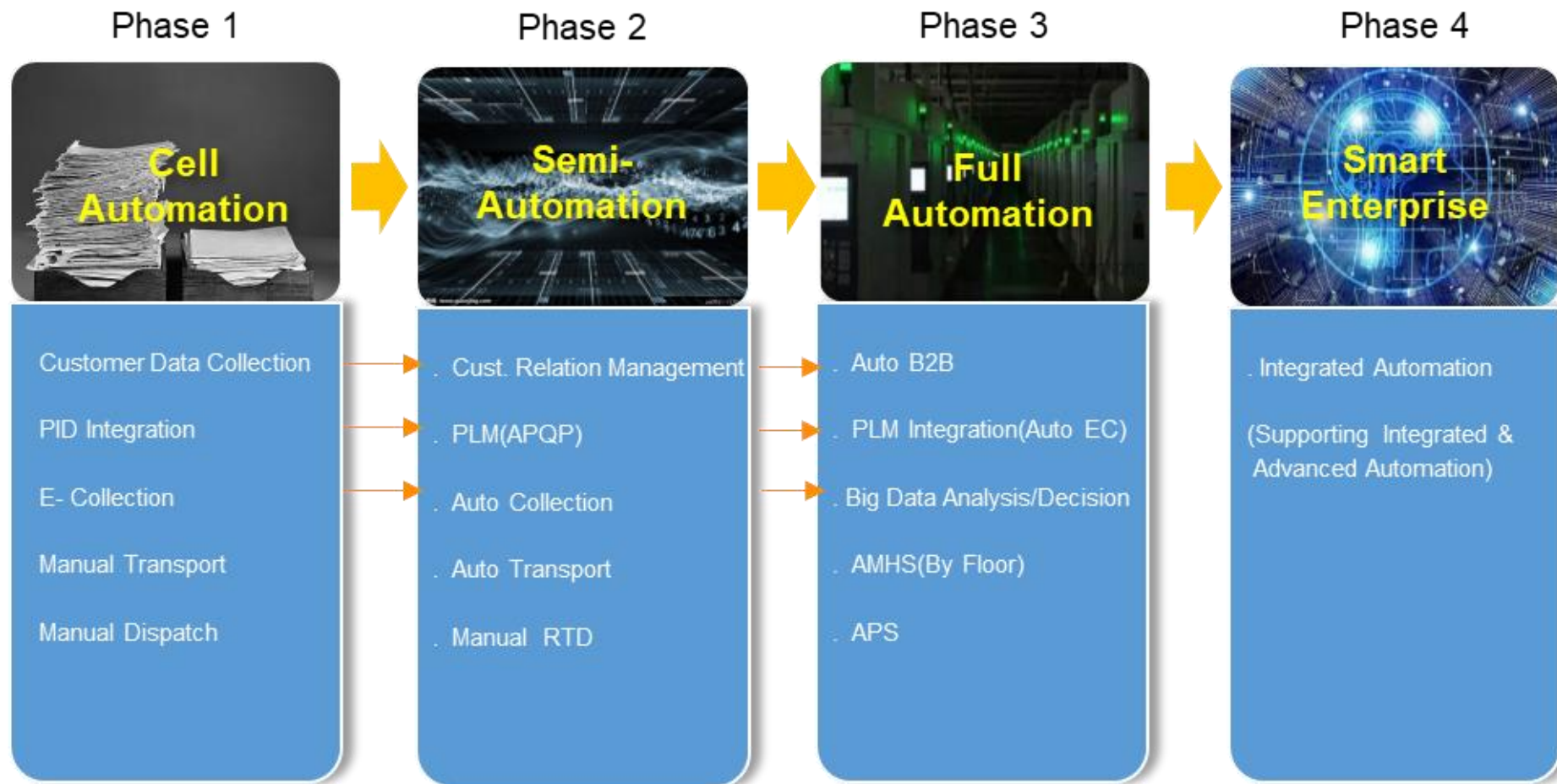
semiconductor packaging digital workshop. Smart factories and automation transform our labor needs by allowing us to redeploy workers and train them for higher skilled jobs. The upgrade in our workforce will greatly improve productivity, increase employee engagement and create more sustainable value. A smart factory is an advanced manufacturing platform that leverages cutting-edge information technologies to comprehensively optimize production processes, yet it faces numerous challenges in its construction and management.

Table 6-1 Challenges and Countermeasures of Smart Factories

Challenge	Problems	Solutions
Insufficient connectivity of equipment	To achieve the realm of smart factory, we must first collect the information of equipment into the central database, so that we can analyze and manage it in real time.	Firstly: cooperate with the purchasing dept. and negotiate with the equipment supplier. In the new procurement specification, the equipment must have SECS capability.
	The proportion of equipment in the early beta industry with semiconductor standard communication protocol (SECS) capability was relatively low, and equipment connectivity became the primary challenge.	Secondly: Study existing production equipment, find automatic connection method, and convert to SECS format.
High traceability complexity	For example, customers of automotive electronics, for safety reasons, must clearly record the production history of each chip on each vehicle, so that problems can be traced back.	Using 2D technology, it is possible to accurately record which wafer and which position each die comes from, where each die is located on the carrier, and where each carrier is located on the carrier.
	The semiconductor front wafer process product tracking method identifies the wafer through the wafer mark. After the wafer process is completed, the wafer will be cut into chips, and then the chips will be processed. At this time, there is no mark on the chips for identification and tracking.	Each location information is fully stored in the database of the drawing system, which can be traced at any time. Not only can customers trace the production history, but also the engineering team can use this production history to analyze the quality and yield.
Lack of automated local suppliers	At the beginning of the establishment of smart factories, most of the automation equipment suppliers were foreign manufacturers, facing factors such as high price, low feedback efficiency and long preparation time, which affected the establishment time and effectiveness of smart factories.	Actively seek local automation equipment suppliers, including automatic handling systems, EAP.RMS and other local suppliers.

Table 6-2 Challenges and Countermeasures of Smart Factories

Challenge	Problems	Solutions
Talent cultivation difficulties	Existing employees' skills are difficult to meet the needs of smart factories. In the face of intelligent equipment and digital management system, they lack relevant operation and maintenance capabilities, resulting in idle equipment or failure to perform optimally. In addition, high-end technical talents are scarce, artificial intelligence algorithm engineers, big data analysts and other professionals urgently needed by smart factories are in short supply, and it is difficult for enterprises to recruit	For existing employees, a hierarchical and classified training system is carried out, and personalized training courses are developed according to job requirements, such as equipment operation and simple maintenance training for front-line workers, and system development and optimization training for technicians. Cooperate with universities and scientific research institutions to establish a joint talent training base to train high-end technical talents needed by smart factories, and at the same time provide internship and employment opportunities to attract outstanding graduates to join.
System integration difficulties	Smart factories cover a variety of complex systems, each system from different vendors, technical architecture and data formats vary greatly, and compatibility problems are easy to occur during integration, hindering data flow and collaborative operations. At the same time, with the development of technology, the interconnection requirements of equipment are constantly changing, and it is difficult for integrated systems to adjust flexibly.	In the project planning phase, strict technical selection criteria are established, and equipment and systems that support common protocols and open interfaces are preferred. Introduce professional system integrators to ensure the stability and efficiency of system integration by utilizing their rich experience and technical capabilities. Establish a system dynamic evaluation mechanism to optimize and upgrade the integrated system regularly according to business requirements and technology development trends.



2015	RMS(Recipe Management System)	RMS integrates the functions of life cycle management, intelligent warning, quality traceability and in-depth data analysis, which not only improves product quality and stability, accelerates R & D process, but also effectively reduces production costs, injecting strong impetus into the development of semiconductor packaging industry.
2016	EAP(Equipment Automation Program System)	EAP system, as a bridge connecting production equipment and upper management system, has the functions of equipment communication, data acquisition and processing, control, monitoring and alarm, etc., which can improve production efficiency, ensure product quality and reduce costs.
2017	Strip map system	For semiconductor manufacturing packaging test, with the help of defect detection and identification, marking records, data analysis and system integration, accurate marking of product defects and recording information, applied to multiple production links, can improve product quality, optimize processes, enhance traceability.
2017	ATIO(Automatic Access System)	Through the integration of the three major systems of MES, RMS, and Strip Map, it is possible to automatically check the Lot No, track In, and RMS settings when placing products on the machine. Automatic download and upload Mapping during machine operation, and automatically perform MES Track Out after operation is completed
2019	FMB(Factory Kanban System)	Factory Kanban system is a management tool that uses electronic display screen, Kanban card and other carriers to realize visualization of production information through different types of Kanban such as production schedule, quality, equipment status, materials, etc. through data acquisition, transmission, processing and display and corresponding working principles, helping factories to improve management transparency and efficiency and make timely decisions.
2021	CMS(Vehicle Management System)	Vehicle management system is an information system that manages the information, position and status of semiconductor manufacturing vehicles (such as wafer boxes and magazines) with the help of information technology, realizes scheduling distribution, real-time tracking and monitoring, and data analysis statistics to improve production efficiency, reduce costs, and ensure product quality.
2023	RCS(Remote Control System)	Based on communication, automation and information technology, semiconductor remote control system consists of field equipment layer, data transmission layer and remote control center. It has functions such as remote monitoring, operation, fault diagnosis and early warning, data storage analysis and authority management, which can improve efficiency, reduce cost, enhance safety and realize cooperation. In the future, it will integrate with artificial intelligence, expand scenarios and strengthen safety guarantee.
2024	Automatic material handling	The AGV vehicle equipped with automatic guidance device is composed of vehicle body, guidance, control, communication, scheduling and other systems. Tasks are generated according to production plans. After scheduling and distribution, AGV automatically travels according to predetermined routes to complete efficient and intelligent transportation of semiconductor materials in different processes, equipment and storage sections.

Figure 4 Smart factory planning and milestone

A Dual-axis Approach in Smart Manufacturing Transformation and Sustainable Development

Trends and Challenges

Amid the current complex and volatile global economic and environmental landscape, the dual transformation of smart manufacturing and sustainable development has become a critical path for enterprise and industrial upgrading, charting new directions for future growth.

Smart manufacturing, built upon cutting-edge technologies such as IoT, big data, and artificial intelligence, achieves automated, intelligent, and flexible production. In the electronics manufacturing sector, smart manufacturing enables precise and efficient production line operations, allows rapid adjustments to production plans based on market demands, significantly enhances production efficiency and product quality, and strengthens enterprises' market responsiveness.

Sustainable development focuses on the coordinated advancement of economic, social, and environmental objectives, requiring active corporate engagement in resource utilization, environmental protection, and social responsibility. By adopting clean energy and implementing green production, enterprises can not only reduce operational costs and environmental pollution but also enhance their social image and gain recognition from consumers and investors.

This dual transformation is imperative. As market competition intensifies and consumers increasingly value product quality, customization, and corporate social responsibility, enterprises must leverage smart manufacturing to boost competitiveness while using sustainable development to shape a positive brand image. Simultaneously, the traditional manufacturing model characterized by high energy consumption and pollution is becoming unsustainable. The dual transformation optimizes resource allocation, reduces environmental impact, and aligns with policy directives. Implementing this dual transformation requires strengthening digital infrastructure, establishing industrial internet platforms for real-time production monitoring; applying intelligent production technologies such as robotics and AI algorithms; and enhancing supply chain collaboration through digital management; adopting green operations through eco-friendly materials and processes; fulfilling social responsibilities regarding employee welfare and community engagement; and developing strategic sustainability plans integrated with corporate growth for sustainable growth.

However, the transformation path presents challenges. Technologically, the development and integration of advanced technologies prove difficult. Financially, equipment upgrades, R&D, and talent development require substantial investment, posing funding challenges for SMEs. In talent, the shortage of multidisciplinary professionals hinders transformation progress.

To overcome these challenges, enterprises should enhance technological innovation through collaboration with universities and research institutions to acquire advanced technologies, expand financing channels through bank loans, equity financing, and government support, focus on talent cultivation through internal training and external recruitment. The dual transformation of smart manufacturing and sustainable development represents the essential path for enterprises to achieve sustainable growth. Despite significant challenges, proactive measures will enable enterprises to gain competitive advantages in future markets and realize win-win outcomes across economic, social, and environmental dimensions.

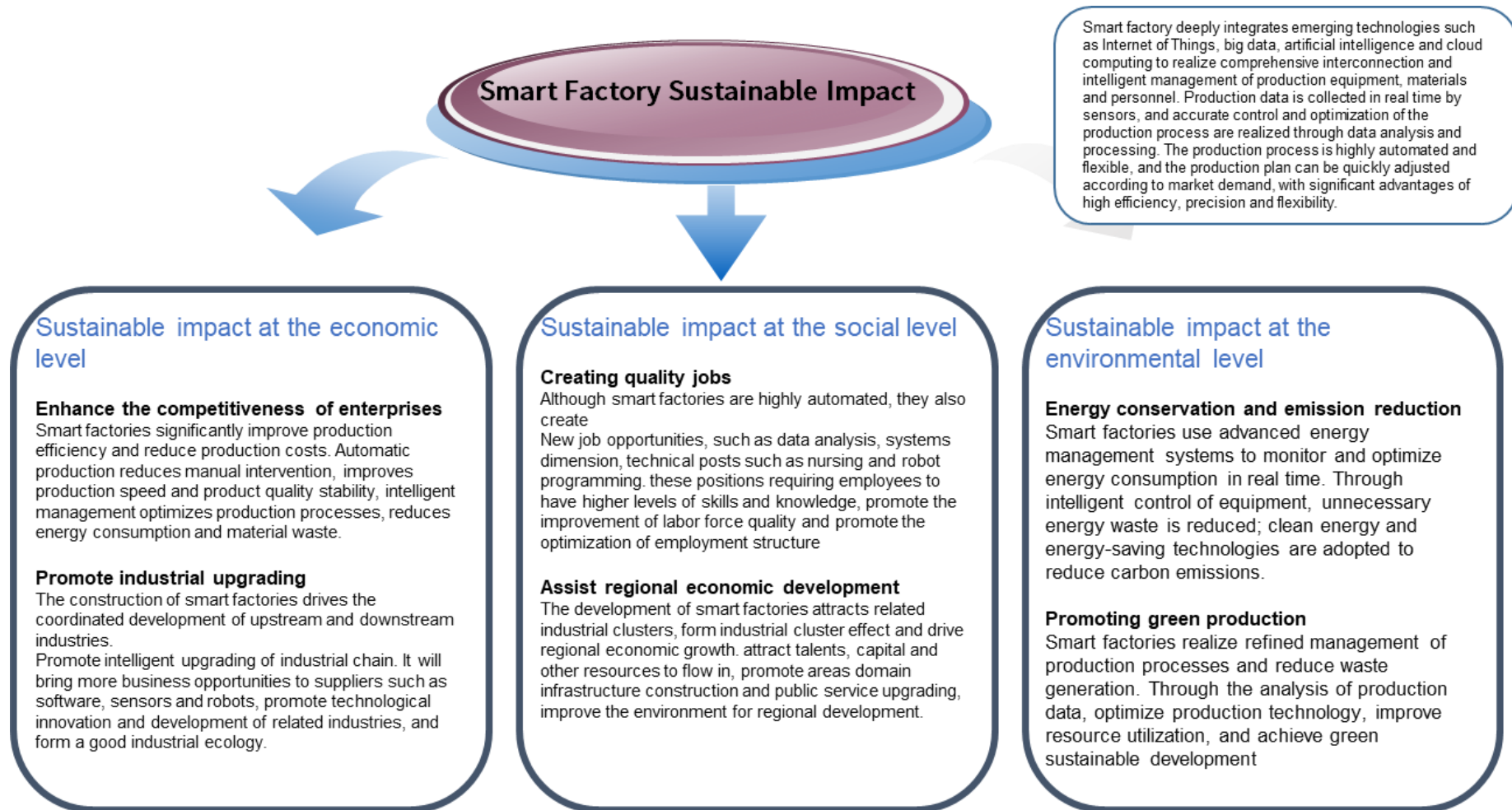


Figure 5 Sustainable Influence of Smart Factories

4.3 Customer Service

ATX provides the design, manufacturing and enabling of many electronic end products, including smartphones, PCs, tablets, game consoles, automotive sensors, entertainment systems and many more. We offer a broad range of advanced and legacy semiconductor packaging and testing services. The semiconductors we package are used in a wide range of end-use applications, including communications, computing, and consumer electronics, industrial, automotive and other applications. Our testing services include frontend engineering testing, wafer probe, final testing and other related semiconductor testing services.

Customer Service

Our key customers typically operate in the semiconductor and electronics industries. Our five largest customers together accounted for approximately 41% of our operating revenues in 2024. To achieve total customer satisfaction, we uphold world-class quality and reliability for our products and services through thoughtfully defined quality assurance methodologies. Our quality assurance systems impose strict process controls, statistical in-line monitors, supplier control, data review and management, quality controls and corrective action systems. There were no product recalls (arising from health or safety concerns) issued by customers in 2023.

To ensure that customer suggestions are properly processed, we have a dedicated team in place for reporting feedback and managing customer communication. We have designed multiple communication channels with customers which include technical forums, and regular email updates on significant events, milestones and business highlights. In addition, we actively participate in various technology forums to promote our advanced manufacturing processes and innovative technologies.

In order to provide the best customer service, we reach out to our customers through various means and at different intervals, including monthly/quarterly customer surveys for evaluating quality, cost, delivery, technology, and service/sustainability, customer surveys, annual/quarterly/monthly meetings and the supplier award program. We ensure customer satisfaction is no less than 80 points (more than 5 million USD in revenue and automotive products). We continue to focus deeply on improving customer satisfaction to establish trust and value for our customers.

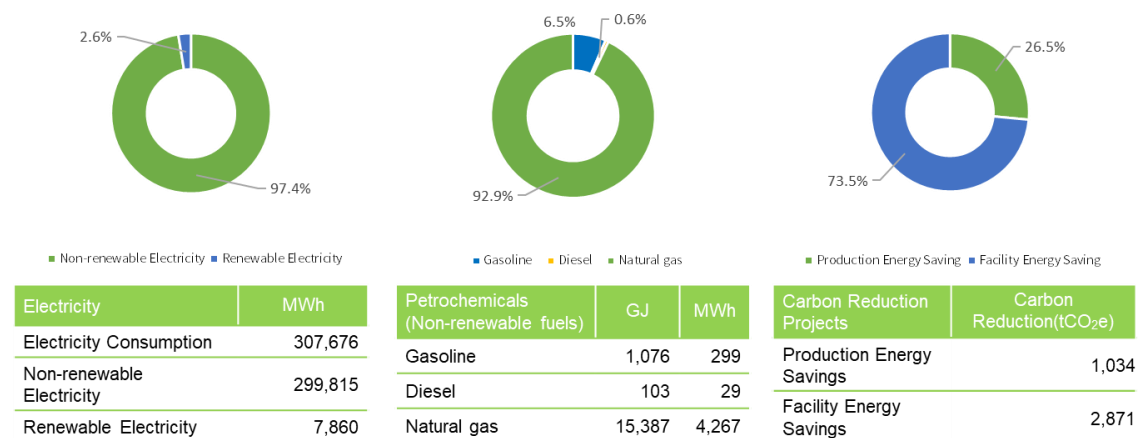
5. Green Manufacturing and Low-Carbon Transformation

5.1 Energy Management and Climate Change

ATX is committed to improving our eco efficiency and protecting the environment by continuously enhancing resources recycling, and reducing greenhouse gas emissions, waste generation, wastewater effluent, and chemical usage, and also strives to develop and promote an environmental friendly manufacturing and service concept in all facets of its enterprise. From material procurement, design, manufacturing, product use and disposal, we conscientiously incorporate environmental impact factors at all stages of life cycle to provide green and low carbon manufacturing services.

Energy Resource Management

Table 6 Energy Structure



Fossil Fuels (Non-renewable)

Fossil fuel use is dominated by petrol, diesel and natural gas, with a total consumption of 16,565 GJ in 2024. Among which 92.9% of it is natural gas, which is used in kitchen and air conditioner.

Electricity and Renewable Energy Usage

ATX Group aims to strengthen its climate resilience by increasing the use of low-carbon energy and developing a diversified power supply portfolio. Total electricity consumption in 2024 is 307,676 MWh, resulting in an increase of 1.4% in electricity consumption compared to 2023, and the electricity intensity reduction is 0.7%.

Additionally, ATX's manufacturing facilities utilize renewable energy through self-generation and power purchase agreements. As of mid-2024, the company has installed 8.4MW of photovoltaic capacity across Suzhou, Kunshan, and Shanghai, with annual power generation reaching approximately 7,900MWh. In 2024, ATX's total renewable electricity consumption amounted to 7,860MWh, including 2,000MWh of wind power procured by the Shanghai, representing 2.6% of the group's total electricity consumption. Weihai is planning to install approximately 0.8MW of solar capacity, with estimated annual generation exceeding 730MWh. It's planned to be completed in May 2025, this expansion will increase ATX's overall solar power generation to 2.8% of the group's total electricity consumption.

GHG Emission

ATX's greenhouse gas emissions inventory cover 100% of its manufacturing facilities, with total emissions reaching approximately 306,627 tCO₂e in 2024. The 2024 verification newly incorporated Scope 3 upstream emissions from electricity (including both wind and solar power). Given that 99% of ATX's Scope 1+2 emissions originate from electricity consumption, the inclusion of electricity-related upstream emissions resulted in a substantial increase in total Scope 1-3 emissions compared to 2023. After data normalization, greenhouse gas emissions showed a 0.1% increase, primarily driven by revenue growth. Nevertheless, this comprehensive quantification of indirect emissions enables more precise formulation of emission reduction strategies, supporting the implementation of China's 3060 dual-carbon policy.

In 2024, ATX continued to advance its net-zero initiatives, achieving a 2.1% reduction in Scope 1+2+3 emissions intensity per revenue and a 6.8% reduction in Scope 1+2 emissions intensity per revenue compared to the previous year.

Innovative energy-saving solutions

In 2024, ATX Group updated and established an annual carbon reduction target of 2% (2020-2030, with a 2% year-on-year reduction in Scope 1&2 carbon emission intensity), integrating it with China's 3060 dual-carbon goals to form a comprehensive decarbonization plan. During the project planning phase, potential risks to achieving the targets were thoroughly assessed, and corresponding countermeasures were established and implemented throughout project execution and control processes. Specific measures include: securing support from senior management at each site and conducting regular progress reporting, addressing challenges in identifying electricity-saving opportunities by organizing energy-saving technology exchange activities and inter-benchmarking, with the Corporate Sustainability Department serving as a communication platform, and implementing a monthly "signal light" management system by the Corporate Sustainability Department to monitor electricity-saving performance and address project investment and implementation challenges. Additionally, collaboration mechanisms such as DingTalk groups were established for more effective progress tracking and data analysis to help sites identify additional energy-saving opportunities.

Concrete carbon reduction actions include: solar PV system implementation, organization-wide emission reduction in manufacturing/facility/office operations, Scope 1&2 measures such as energy recovery, energy-saving technical renovations, and high-efficiency equipment, and Scope 3 measures including green office practices and commuting. In 2024, compared to the baseline year 2020, ATX Group achieved a cumulative 32% reduction in Scope 1+2 emission intensity.

The 3 pillars of ATX carbon reduction strategy are low-carbon energy, process energy saving, and green buildings and facilities. 215 projects were carried out in 2024, effectively reducing 7,930 tCO₂e in carbon emissions. In addition to using energy management systems to increase energy use efficiency, we also encourage and motivate facilities to strive towards efficiency improvements through technology sharing and competitions. Integrated the continuous development of low-carbon green buildings to manage and cut down on operational carbon emissions.

Table 7 2024 GHG Emission

	Annual Emission/tCO ₂ e
Scope 1	2,507
Scope 2	151,018
Scope 3	153,102

Table 8 Energy Saving Activities and Carbon Reduction

Type	MWh	GJ	tCO ₂ e
Production Energy Saving	1,813	6,526	1,034
Facility Energy Saving	5,034	18,122	2,871
Low Carbon Energy	7,860	28,297	4,025
Total	6,847	24,648	7,930

5.2 Water Resource

Water Withdrawal and Reuse

ATX Group adopts three water use strategies: reduce, reuse, and recycle. The main source of water-use is tap water, with a total withdrawal of 2.925 million tons in 2024, a decrease of 2.5% in water withdrawal compared to the previous year, and water intensity (including rainwater) per revenue decreased by 4.6%.

Regarding water resource recycling and reuse, ATX Group has established water recycling system at Suzhou, Kunshan, Shanghai, and Weihai, achieving water recycling rates of 39.6%, 37.0%, 35.7%, and 5.8% respectively. The plants treat wastewater to purified water standards for reuse within the facilities, significantly reducing both water consumption pressure and wastewater discharge. In 2024, ATX Group invested approximately 5.4 million RMB in water resource recycling and reuse projects across all facilities. We remain committed to continuing investments in water recycling systems at all plants and working toward enhancing the circular economy benefits of water resource utilization.

Wastewater Management

A total of 2.501 million tons of wastewater was discharged in 2024, with a total loss of 0.42 million tons. The main loss include cooling tower evaporation, daily office water usage, as well as cleaning and landscaping activities.

Our effluent management system is more stringent than that stipulated by law, and we regularly and continuously monitor effluent water quality. In addition to internal water quality tests, we also outsource offline sampling and water quality analysis to ensure that the ecology of the aquatic environment is under strict management. At the same time, to improve dedicated wastewater treatment efficiency, production wastewater is collected through separate and diverted pipelines, classified for

recycling and treated separately according to wastewater characteristics, include process chemical collection through separate and diverted pipelines at plating stations, SMT washing machines, Deflash soaking tanks, and laboratory wastewater collection through separate and diverted pipelines, with treated wastewater meeting discharge standards.

Table 9 2024 Water saving project

No	Site	Name of project	Description of project	Performance (ton/Year)	Total investment cost (RMB)
1	KS	20CMH Dicing Wastewater Rainwater Recycling System	Front-end dicing wastewater recycling	115,200	3.60M
2	WH	Dicing wastewater recycling system	Approximately 162m ³ /day of dicing wastewater, treated through the recycling system before entering the RO water tank of the pure water system	62,295.7	13,578
3	SH	CMP ceramic membrane implementation	Replacement of UF membrane with high-efficiency materials	36,500	1.70 M

5.3 Waste Management

ATX Group adopts source reduction measures and prioritizes the use of eco-friendly materials to minimize waste generation and reduce environmental pollution.

In 2024, ATX generated 6,283.7 tons of waste and achieved a 100% recycling and processing rate by commissioning qualified local firms to process waste within borders (Industrial waste accounts for approximately 84.5%, while domestic and kitchen waste constitutes about 15.5%).

In order to improve the recovery rate of waste, we have also adopted the circular economy approach to increase the rate of recycling, resulting in a waste recycling rate of 62.5%.

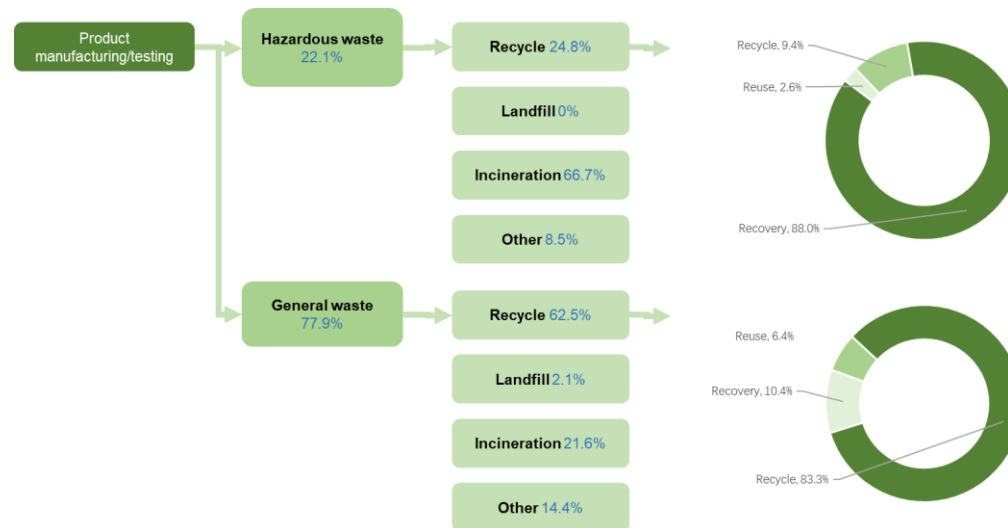


Figure 6 Waste management

6. Inclusive Workplace

6.1 Talent Attraction and Retention

At ATX, the concept of People-First is fundamental to our corporate philosophy of creating diversity and inclusion. The company respects the differences and values of each individual that help shape a diverse labor force, and commits to providing our employees a safe, healthy and high quality work environment as well as protecting their human rights. We are also committed to creating an environment for employees to achieve meaningful and valuable career developments within the organization. To that end, investing in talent management is the lynchpin of our human capital strategy to maintain a skilled and experienced workforce that fuels innovation and provides the company a leading edge.

ATX Human Capital Development

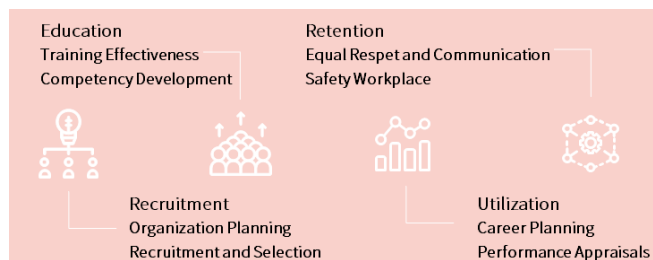


Table 10 Key performance

2024	3152	35.0%	23.3%	7020
Key performance	New Hires	Percentage of Females in Management Positions	Percentage of Females in Top Management Positions	Regular Employees in Labor Unions
Business Actions	2024 Material Topics	KPI	2024 performance	
Ensure that all employees have access to vocational training and lifelong learning opportunities	Talent Cultivation and Development	Turnover Rate (%)		26.9%
	Diversity and Inclusion	Female Employee in Top Management Positions (%)		23.3%
	Human Resource Development	Management Positions through Internal Promotions (%)		33.9%
		Rate of Open Positions Filled by Internal Candidates (%)		10.8%

Talent Recruitment

The recruitment policies of each site of ATX Group are both diverse, equal and inclusive. There will be no differences or unfair due to factors such as gender, age, race, nationality, religion, political stance or sexual orientation. We abide by local regulations, ATX Group's Business Conduct and Ethical Guidelines, as well as the Code of Conduct of the Responsible Business Alliance (RBA), protect and respect human rights, and will never employ child labor or forced labor.

Based on the local national conditions, cultures and job characteristics of each site around the world, we have formulated diversified recruitment strategies and channels, including campus recruitment, employee referrals, headhunting, etc. In 2024, a total of more than 3,152 people were recruited, among which technical staff accounted for 15.8% and production line skilled staff accounted for 81.8%.

Employee Turnover

In 2024, the employee turnover rate was 26.9%. The turnover rate broken down into 62% male and 38% female. In terms of job types, production line skill job position form the majority with 80.3%, while management, engineering and administrative positions formed the remaining 19.7%. The employees leaving their positions were mainly production line skilled workers, accounting for 21.6% of the total turnover. In contrast, the turnover rate of managerial, technical, and administrative employees was 5.3%. ATX subsidiaries conduct employee engagement surveys to encourage feedback and opinion sharing from employees. ATX also perform annual analyses on the causes of attrition for different job types, the turnover was mainly attributed to factors such as remuneration, career growth and personal reasons, so as to make corresponding improvements for increasing employee job satisfaction and talent retention rates. As a technology company, we apply big data analytics to identify underlying and correlating factors that affect turnover and extrapolate behavioral factors that contribute to talent attrition. The analysis combines other factors such as regional attributes and challenges, to identify talent retention risks and project potential employee turnover rates. A deeper understanding of the dynamics affecting turnover will help the company to formulate strategies to manage the risks for retaining talent. Meanwhile, for facilities with high turnover among new hires, various actions will be adopted to help employees adapt to their work environment and prevent the depletion of human capital.

Remarks: The turnover rate includes both voluntary resignations and underperforming employees, and employees during the probationary period (the probationary period is 2 to 3 months) are excluded.

Talent Retention

ATX provides a conducive environment for employees to unleash their full potential to create innovative technologies or to demonstrate effective management skills. The growth of the company is strongly dependent on attracting and retaining talent.

Key Retention Strategy

a. Highly Competitive Compensation and Benefits

c. Open Communication and a Grievance Mechanism

b. Fair and Comprehensive Performance Review

d. A Multi-faceted Employee Engagement Survey

Fair compensation and a comprehensive welfare system

ATX Group has established a scientific and transparent salary system. Based on multi-dimensional evaluations such as the company's business goals, market positioning, and employees' job value, professional capabilities, and performance contributions, it has constructed a comprehensive salary structure including basic salary and performance bonuses. ATX strictly adhere to the principle of equal pay for equal work to ensure that salary decisions are not influenced by factors such as gender, age, race, nationality, religious belief, political stance or sexual orientation. Regional industry salary benchmarking analysis is conducted regularly every year, and salary strategies are dynamically adjusted to maintain market competitiveness.

Family-friendly workplace support

In 2024, a total of 997 employees of ATX Group were on parental leave. Among them, the number of employees expected to resume their positions was 615, 552 actually returned. The return rate was 90%, and the retention rate was 87%.

ATX Group builds a comprehensive fertility support system:

Leave system: Fully implement the legal maternity leave, paternity leave, parental leave and other policies, and provide additional paid prenatal check-up leave and breastfeeding leave

Economic support: Establish welfare plans such as wedding gifts and maternity allowances

Facility guarantee: All office Spaces are equipped with international standard lactation rooms (including refrigerators and disinfection equipment), and flexible milk collection times

Policy connection: Assist in applying for government benefits such as maternity insurance and special deductions for individual income tax

Diversified working hours system: Open remote working applications for employees with needs such as health management, family care, and on-the-job further education, and support hybrid working models

Strategic development-oriented performance management

Focus on the strategy and break it down layer by layer: Performance management work must be carried out around the company's development strategy, and be broken down from top to bottom to each organization and individual level by level to ensure the effective implementation of work goals.

Performance-oriented, value creation: Performance and contribution are the fundamental criteria for performance evaluation, and value contribution determines the quality of performance.

Collaborative interaction and shared responsibility: Emphasizing individual performance while also focusing on organizational effectiveness and team collaboration, individual performance goals should be in line with organizational performance goals

Effective incentives and common progress: Fully leverage the incentive and guiding role of performance management, focus on practical results, pay attention to development, and ultimately achieve performance improvement

Employee Communication

ATX values and respects the opinions and rights of its employees. In an effort to promote open and transparent communication, the company has established comprehensive communication channels including unidirectional and bidirectional communication modes. Employees are able to receive the latest news about the company and express any opinions or concerns they may have about the workplace. To protect and ensure employees' rights, employee opinions may be submitted anonymously.

We promise to maintain the confidentiality of the identities and opinions of employees, who shall not be subject to any unfair treatment or retaliation as a result of their whistleblowing or grievance.

Announcements and Publications	Communications
● Internal Website – Publishes latest news ● Bulletin Boards - Displays labor-related policies, health & safety information, and corporate activities ● DingTalk - Responds to and addresses employee feedback	● Suggestion box - Collects and responds to employee complaints ● Employee Forums - Shares and discusses work experiences ● Email - CEO, psychological counseling, general manager mailbox

In 2024, ATX and its subsidiaries received a total of 145 employee complaints. All cases were resolved after conducting formal investigations. We have engaged in dialogue with complainants to clarify issues and seek consensus-based solutions, ensuring effective resolution of all cases. Among all the appeal cases, 7 were related to labor disputes. After providing colleagues with appropriate care and clarifying the facts, the disputes were finally successfully resolved. To increase the human rights awareness of all employees, we launched the multifaceted training programs of human rights. In 2024, all of our employees (36,647 person-times) completed a total of 43,545 hours of compulsory human rights training which covered the topics of RBA management, labor rights, gender equality and sexual harassment awareness.

Labor Unions

ATX recognizes employees' right to freedom of assembly and association. As of the end of 2024, the total number of union members was 7,020, accounting for around 85% of all employees. Each site has signed a collective agreement and have regular meetings organized to discuss and resolve issues with employee representatives on employee benefits and the health and safety of the working environment.

Diversified Employee Care

In 2024, ATX Group organized various employee activities to promote the physical and mental development of employees and create a work environment free from discrimination and with high inclusivity.

Energy replenishment: It provided employees with various lectures and appreciation sessions, and promoted communication sessions during breaks among different sites. These activities helped employees boost their energy and acquire knowledge supplements in other fields.

Sports competitions: Through physical exercises, technical trainings, and competitive matches, employees can enhance their physical fitness, improve their skills, and enrich their cultural life.

Literary and Artistic Lifestyles: Provide employees with a variety of literary and artistic activities to promote their personal exploration and growth in terms of body, mind and spirit.



ATX Group
Social event



Suzhou&Kunshan
Charity Health Consultation



Malacca
Financial Month



Shanghai
Running Activity



Shanghai
Basketball Event



Shanghai
Cycling



Malacca
Bowling Competition



Suzhou&Kunshan
Tourism



Suzhou&Kunshan
Tourism



Shanghai
Tourism



Shanghai
Singing Activity

6.2 Diversity in Human Resources

Diversity in Human Resources

ATX has over 8,301 employees, of which 76.7% are regular employees and 23.3% are contract employees. There are 3,115 employees in management, engineering and administration positions, and 5,186 employees in technical positions on the production line. With an average employee age and tenure of 33 years old and 6 years respectively, ATX's human capital structure is robust enough to support the company's rapid growth. To attract employees, ATX ensures that its subsidiaries offer compensations and benefits that do not discriminate on the basis of gender, age, nationality, race, religion or job position. Due to the nature of the semiconductor industry, engineering positions require STEM (science, technology, engineering, and mathematics) knowledge and skills. Therefore, 84% of the company's engineering positions are held by male employees, while female employees form the majority in administrative positions (over 60%) and technical positions on the production line (over 60%). More than 2,900 female employees at ATX hold STEM-related positions, accounting for approximately 35% and the proportion of female employees who hold management positions is more than 35%.

We understand that a diverse and inclusive workplace environment that maximizes the unique and different traits of employees facilitate the organization's operational efficiency. Globally, ATX has established 5 operating locations in China and Malacca and hired employees of 4 different nationalities. More than 96% of our employees are from China. Nearly 50% of our employees are based in Suzhou - the primary location of our operations. In Malacca, we have gradually increased the hiring of persons with disabilities.

Table 11 Workforce structure

Category	Group	Number	Percentage of Total Employee (%)
Employment Type	Regular	6370	76.7%
	Contract	1931	23.3%
Gender	Male	5241	63.1%
	Female	3060	36.9%
Location	Suzhou	3949	47.6%
	Kunshan	1131	13.6%
	Shanghai	1175	14.2%
	Weihai	1681	20.3%
	Malacca	365	4.4%
Disabled Employee	Male	2	0.0%
	Female	1	0.0%
Position	Management	440	5.3%
	Engineering	2276	27.4%
	Administration	399	4.8%
	Skill Job	5186	62.5%
Age	<30	3219	38.8%
	30-50	4992	60.1%
	>50	90	1.1%
Education	Ph.D	3	0.0%
	Master	83	1.0%
	Bachelor	1638	19.7%
	Other Education	6577	79.2%
总计		8,301	

6.3 Talent Development

We specialize in cultivating and developing talent for core positions, dedicated to building efficient and cutting-edge training programs. Our mission is to provide robust talent support for the company's vigorous growth while comprehensively enhancing employees' professional capabilities and overall competencies. As the organization continues to expand, we consistently increase resource investment to drive innovation, solidifying and strengthening our competitive edge in the industry.

ATX is committed to the nurturing of talent through consolidating comprehensive and multifaceted courses and training resources for the creation of diverse training methods, including physical training, online courses, work practice, and external training, etc.

In 2024, more than 160,000 training hours in total were completed, with each employee completing 20.2 hours of training on average. The total spent on training exceeded 165 million RMB, averaging around 199RMB per employee and more than 267 internal lectureships. The company also encourages employees to further their studies on skills and knowledge in work-related fields by funding certified courses in work-related disciplines. In 2024, a total of 291 employees received a work related certification. To foster an outstanding workforce, we are focused on building a pool of future talent that will turbocharge the company's growth engines. Through a systematic talent development mechanism, we provide comprehensive training for employees and encourage internal jobs rotation and transfers that add diverse values to their career planning. In 2024, 10.8% of the available job vacancies were fulfilled internally. We also focus on grooming employees for middle and senior management roles. Approximately 34% of the company's management ranks are internal promotions. We endeavor to create an environment that enables employees to maximize their potential and grow together with the company.

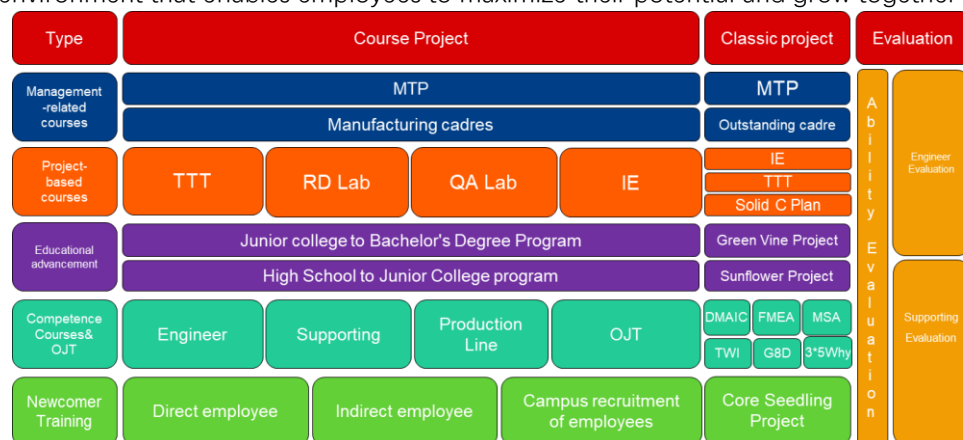


Figure 7 Talent Development project

Category	Group		Number	Training Hours per Employee
Training Hours (Hour)	Gender	Male	105530.5	20.14
		Female	62086.5	20.29
	Position	Management	3087	7.02
		Engineering	26700	11.73
		Administration	4486	11.24
		Skill Job	133344	25.71
Total			167,617	20.19

Table 12 Training hours

Key Strategy of Talent Cultivation

Course schedule

The program courses are basic and common courses within the Riyue New Group, selected by senior executives and suitable for personnel at all levels. They are divided into Supporting, engineering, production, etc. The achievement status of the academic program is related to the promotion of employees and is one of the necessary conditions for the assessment of employee promotion. In order to meet the needs of internal training and personnel combat effectiveness improvement within the employing departments through more convenient and efficient course methods, the Training Department has digitized the academic program courses since 2023. E-courses are regularly pushed to students by HR through DingTalk Cloud Classroom. After completing the courses, students will take an online assessment.

G4~5 Supporting	G4~5 Production line	G4 Engineering	G5 Engineering	G6 Engineering	G7 Engineering
1.PPT 2.Excel 3. Workplace etiquette 4. Time management 5. Speech skills 6. Introduction to Semiconductor Manufacturing Processes 7.Basic VIDAS 8. Senior VIDAS	1.Role & Responsibility 2.OCAP, MRB, QDN, DPR 3.Production Arrangement 4.OEE/UPH 5.Schedule Management & Cycle Time 6.6S Management 7.TWI 8.Basic/Senior VIDAS	1.Quality System Introduction 2.QC 7 tools 3.Non-confirmation Flow 4.G8D 5.FMEA 6.Control Plan 7.Change Control 8.3*5 Why 9. Quality Preventive Sense Introduction 10.Basic statistics 11.X-Ray 12.SEM & EDX 13.SAT 14. QC Story 15.MSA 16. Collecting Data 17. Basic VIDAS	1.Quality System Introduction 2.QC 7 tools 3.Non-confirmation Flow 4.G8D 5.FMEA 6.Control Plan 7.Change Control 8.3*5 Why 9. Sampling inspection 10.SPC 11.Process Mapping 12.DOE 13.Customer complaint handle procedure 14. Internal and external auditing capabilities 15. Basic VIDAS 16. Senior VIDAS	1.Quality System Introduction 2.QC 7 tools 3.Non-confirmation Flow 4.G8D 5.FMEA 6.Control Plan 7.Change Control 8.3*5 Why 9. Internal and external auditing capabilities 10.PPAP 11.APQP 12.Basic VIDAS 13. Senior VIDAS 14. Advanced VIDAS	1.Quality System Introduction 2.QC 7 tools 3.Non-confirmation Flow 4.G8D 5.FMEA 6.Control Plan 7.Change Control 8.3*5 Why 9. Regression analysis 10.DMAIC 12. Basic VIDAS 13. Senior VIDAS 14. Advanced VIDAS
G6~7 Supporting& Production line 1.Goals and Plans 2. Subordinate cultivation 3. How to enhance influence 4. High-performing team 5. Recruitment interview skills 6. Efficient meeting management 7.Basic VIDAS 8. Senior VIDAS 9. Advanced VIDAS					

Supporting
Production line
Engineering

Figure 8 Competence Courses

OJT

OJT, the full name of which is On Job Training, refers to how employees learn new skills or improve existing skills through the experience in actual work. The content of the OJT course mainly focuses on job-specific professional knowledge.

MTP

MTP (Management Training Program), or the Management Talent Development Training, is an annual leadership development course offered by ATX for middle and senior-level managers. The course is meticulously designed and crafted by MTP-TTT certified internal instructors. Through ATX's own case studies and discussions, participants can effectively apply what they have learned to solve real management problems after the training. Moreover, the instructor team continuously refines the course based on the latest management concepts and industry characteristics, making it a highly recommended mid-to-senior-level management course.

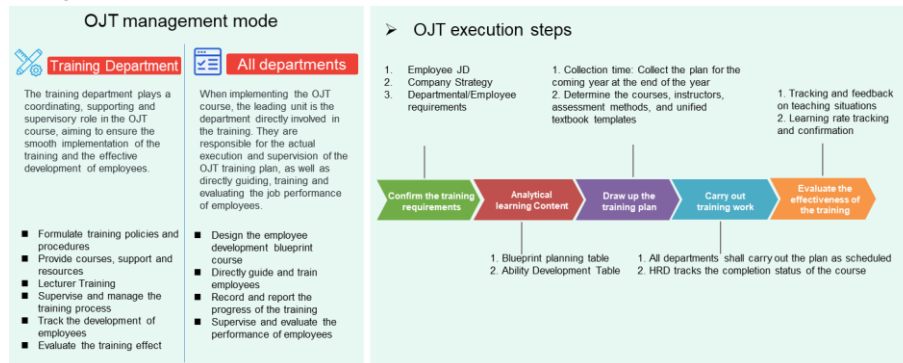


Figure 9 OJT management and execution

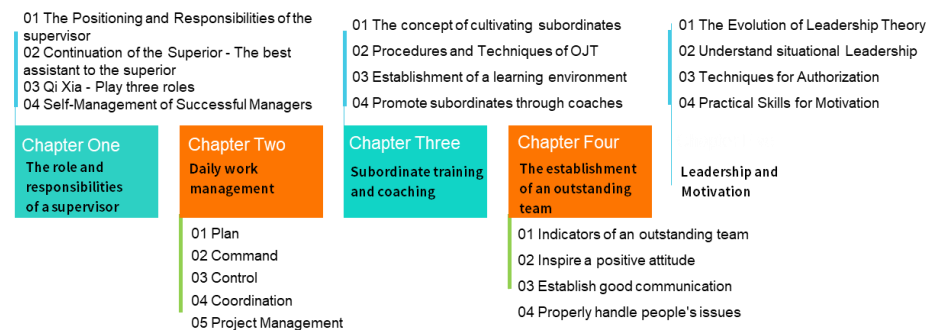


Figure 10 Course outline

6.4 Occupational Health and Safety

ATX Group is committed to providing workers with a safe, healthy, and conducive work environment. To ensure the health and safety of employees, and prevent accidents at the workplace, we have formulated comprehensive procedures for managing occupational health and safety ("OHS"). For OHS Management System, all ATX Group factories set up management organizations, management methods and procedures, and establish regular auditing procedures in accordance with the ISO 45001 Occupational Health and Safety Management System, RBA Code of Conduct, and local regulations, so as to effectively prevent all kinds of accidents, and the management system includes all the workers in the factory, and to implement the goal of "Zero Accident" management.

The OHS Committees at ATX's facilities are tasked to keep abreast of local regulatory updates and evaluate internal policies, emergency response and environmental safety procedures, so as to ensure compliance with applicable laws and regulations. On an annual basis, we perform hazard identification and risk assessment procedures on the work environment, facility, equipment and services, to determine risk levels and devise appropriate management plans based on severity of hazard, frequency of occurrence and incidence rate. For high-risk work environments, immediate risk control measures are put in place to reduce risks. In addition, we identify higher-risk operating environments within our facilities such as locations that could expose employees to ionizing radiation, noise, dangerous chemicals, and provide such employees with high quality protective equipment and regular health examinations to monitor their health.

Occupational injury management

Occupational injury and incident reporting and investigation procedures are firmly established at all ATX facilities. When an occupational injury incident occurs, standard operating procedures shall be followed and reported to local authorities in accordance with the management policy and local regulations, while injury incidents are reviewed regularly to improve preventive measures. The collection on occupational injuries controlled by the subsidiaries do not include traffic accidents. In 2024, a total of 9 occupational injuries occurred in ATX Group, 56% of which were physical injuries and 44% of which were ergonomic injuries caused by human factors, due to personal accidental falls, abnormalities in work tools, and personal non-compliance with the law, which is now being improved through on-site environmental improvements, improvement of work tools and safety training for personnel, and other measures.

Table 13 Occupational injury statistics

Category	2024		
	Male	Female	Total
Number of Occupational Injury Accidents	5	4	9
Injury rate ²	0.001	0.001	0.001
Disabling Injury Frequency Rate(FR) ³	0.04	0.06	0.05
Disabling Injury Severity Rate(SR) ⁴	1.7	1.2	1.5

备注:

1 Injury Rate = (total number of injuries×200,000)/total hours worked, excluding traffic accidents

2 Disabling Injury Frequency Rate (FR) = (total number of disabling injuries x 200,000) / total hours worked

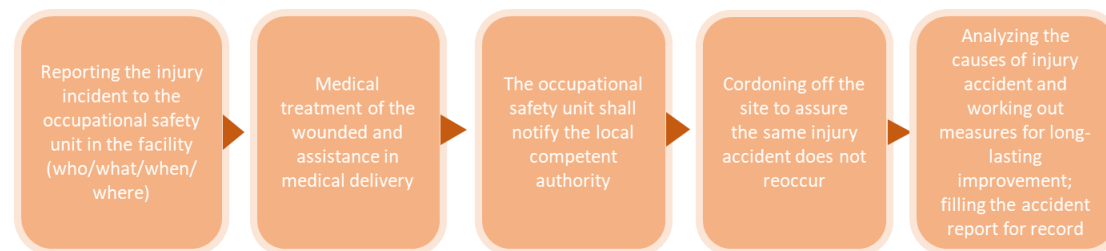
3 Disabling Injury Severity Rate (SR) = (disabling injury work loss days x 200,000) / total hours worked

4 Definition of Disability: An employee is absent from work due to the loss of labor ability caused by work-related injuries.

2024 Occupational Injuries and Improvement Measures

	2024	
	Cause	Improvement measures
Ergonomic Injuries	1. Unsafe behavior of people 2. Unsafe state of things 3. Improper operation method	1. Strengthen personnel safety education and training 2. Develop new safe operating methods 3. Continuous sharing of work-related injury cases
Physical Injuries	1. Falling over 2. Injured by smashing 3. Collision 4. Mechanical Injury	1. Strengthen personnel safety education and training 2. Develop new safe operating methods 3. Equipped with PPE 4. Strengthen equipment safety protection 5. Continuous sharing of work-related injury cases

Accident Reporting and Investigation Process



Contractor Operation Safety Management

ATX facilities have established contractor management policies to ensure that safety protocols are observed when contractors work at our facilities and to achieve the target of zero contractor occupational injuries. Eight high-risk types of operations at ATX's facilities were identified which include work on fire operation, restricted space operation, temporary electricity operation, work at height, disconnection operation, groundbreaking operation, lifting operation, and blind extraction and plugging operation, for which stricter SOPs were instituted. Additionally, ATX will continue to request contractors conducting high-risk operations to meet the requirements specified in the ISO 45001 management systems.

7. Responsible Procurement

7.1 Supplier Management

ATX is committed to partnering with our suppliers to ensure that working conditions in ATX's supply chain are safe, their workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically. The supply chain is a critical extension of the ATX value chain. We are actively involved in the sustainable development of our supply chain to ensure that our suppliers and contractors provide high-quality products and services to ATX in a sustainable, ethical and responsible fashion.

2024 Key performance

Key material suppliers and contractors: Supply Chain Sustainability Risk Assessment SAQ 35 suppliers;
Conflict Minerals Survey: 100%; Percentage of compliance: 100%

Supply Chain Overview

As a global leader in semiconductor assembly and testing services as well as a key systems and core technology integrator, ATX primarily provides assembly, testing services. We work with suppliers globally to procure raw materials, equipment, facility/engineering services, waste management services, transport, logistics and subcontract services. The supply of raw materials have the most direct impact on ATX's day-to-day operations and manufacturing. Raw material suppliers are classified into two categories according to their attributes; direct material suppliers (suppliers of materials directly related to manufacturing) and indirect/packaging material suppliers (suppliers of packaging materials or materials indirectly related to manufacturing). To ensure efficient resource allocation and management of raw material suppliers, we identify tier-1 suppliers based on their annual procurement value.

Supporting Local Suppliers

ATX endeavors to boost local development through its procurement efforts, and is thus working closely with local suppliers, and helping them develop technological capabilities. Such efforts benefit the supply chain, community by creating local job opportunities and reduce the risk of supply chain. In 2024,

procurement from local suppliers accounted for approximately 61% of the total procurement amount.

Supply chain management framework

Purchasing and Supply Chain Development Policy

The ATX Purchasing and Supply Chain Development Policy is published on the company website to communicate ATX's supplier sustainability expectations. We hope to make a positive impact on the global electronic industry supply chain and establish sustainable supply chains with its suppliers. ATX is also devoted to socially responsible procurement and innovation throughout the supply chain, on top of providing responsible and quality services to our customers.

Supplier Code of Conduct

The supply chain is a major extension of ATX's business operations and we actively foster sustainability throughout our supply chain. ATX's suppliers are expected to comply with our Supplier Code of Conduct which requires them to comply with local laws and regulations where they operate, and conduct business in a manner that meets labor, health and safety, environment, business ethics and management and various corporate compliance standards. The suppliers are also required to drive their suppliers to meet such standards and oversee their compliance status.

Supply Chain Management Strategy

Through stable partnerships with its suppliers, ATX hopes to improve the overall supply chain resilience and implement socially responsible procurement. Supply chain sustainability is a key factor influencing our day-to-day procurement besides cost and quality, and enables our long-term growth with suppliers. From an overall supply chain management perspective, and using a risk and opportunity assessment to analyses our current supply chain status, we developed various programs in recent years focusing on responsible procurement, supply chain diversification and mitigation of supply chain disruption to attain win-win collaboration with our suppliers.

Supply Chain Sustainability Management

ATX has suppliers around the world, all of which are important partners. Beyond value creation, we also hope to be able to address labor rights and environmental protection issues. ATX adopts the RBA Code of Conduct in the management of labor, environment and ethics. ATX also applies the code to its supply chain management to ensure the provision of a safe work environment, respect for workers, environmental protection and ethical conduct. ATX forbids the use of child labor or forced labor by its suppliers, and shall terminate its relationship with suppliers involved in serious violations although no such instances were found in 2024.

Supplier Sustainability Management Approach

As part of the ATX Procurement and Supply Chain Development Policy and Commitment, we established a four-stage sustainability supply management process that is run repeatedly to ensure supplier compliance and enhance their sustainability performance.

Sustainability Requirement

ATX's raw material suppliers are required to sign the "ATX Supplier Code of Conduct Commitment Letter". The suppliers are also required to complete a sustainability risk assessment questionnaire that covers regulatory compliance, sustainable management, supplier management, conflict mineral management, environmental protection, health and safety, labor rights, human rights, etc. The purpose of the questionnaire is to assess each supplier's sustainability risk and conduct an on-site audit where necessary to ensure conformity to ATX's supplier sustainability standards. In parallel, we encourage suppliers to seek continuous improvement by acquiring internationally recognized certifications such as ISO 9001, IATF 16949, ISO 14001, ISO 45001 and ISO 14064-1.

Sustainability Risk Assessment

To assess the current status of supply chain sustainability development and risk management status, ATX conducts an annual Two-step supplier sustainability risk evaluation and analysis. This allows TX to identify the suppliers that exhibit potentially high social, economic, and environmental risks. Deficient suppliers will have to undergo audits and follow ATX's corrective guidelines to ensure effective mitigation and control of risk.

Risk Assessment 1 (RA 1): Active Risk Assessment

We conduct a preliminary assessment and analysis of potential risks to suppliers based on location, procurement amount, type of product supplied and manufacturing process.

Risk Assessment 2 (RA 2): Sustainability Risk Self-Assessment Questionnaire (SAQ)

To ensure effectiveness in the assessment, we have established various standards and requirements for critical and noncritical suppliers that help ATX develop a more resilient and sustainable supply chain. In 2024, we conducted SAQ and achieved a response rate of more than 97% from key suppliers.

Table 14 2024 Supplier Key Sustainability Findings

Category	Finding Description	
Economy	Risk and Business Continuity Management	71% have established information security management related mechanisms and risk simulation drill
	Supplier Sustainability Management	23% have established supplier sustainability management policies and related mechanisms to cooperate on sustainability issues.
Environment	Environmental management	49% have set greenhouse gas reduction targets and track
		63% have established water management related reduction/recovery management mechanisms and targets
Social	Occupational Health and Safety	94% have established occupational health and safety, regulatory identification procedures
	Labor rights	97% have established labor risk assessment procedures
		91% have established an anonymous complaints mechanism to protect whistleblowers

Supplier Sustainability Audit Mechanism

We have analysed the results of the questionnaire, and in response to the findings, we plan to confirm the performance status during the next year's assessment and continue to reduce the risks. At the same time, ATX conducts on-site audits of suppliers based on the final score of the assessment. Suppliers identified as having potential risks are defined as key suppliers under focus. On-site audits and guidance are carried out for them to confirm their risk status and continuously reduce the risks. In 2024, we conducted 7 on-site sustainability audits.

Sustainable Supply Chain Development Program

ATX continues to support its suppliers by providing education and training, organizing seminars, forums and counseling sessions. These efforts help ATX stay responsive to an ever changing business landscape and to foster sustainability values throughout the supply chain.

Promotion of Carbon Emission Reduction in the Supply Chain

Carbon emission reduction in the sustainable supply chain is not only an environmental protection responsibility but also a core strategy for building corporate resilience and future business advantages. To enhance carbon management capabilities and reduce emissions, ATX conducts a carbon inventory and analysis every year. Supply chain emissions are the largest source within our Scope 3 (including materials, transportation, etc.). We hope to collaborate with core suppliers, using actual production data combined with industry emission factors for measurement and calculation. In the next step, we plan to provide carbon-related training and guidance to suppliers and cooperate with them to carry out carbon reduction projects, so as to achieve a sustainable development model that balances environmental benefits and economic benefits.

7.2 Conflict Minerals Compliance

Responsible Minerals Compliance

To communicate ATX's conflict minerals management requirements, the ATX Corporate Policy for Responsible Conflict Minerals is posted on our company website, <http://www.atxsemicon.com/zh/about/honor>

Conflict Mineral Requirement

ATX communicates conflict mineral policies to our suppliers through our website. The suppliers are required to comply with ATX Corporate Policy for Conflict Minerals and establish their own conflict minerals policies and to their own suppliers. We also require our suppliers to actively assess and validate their supply chain, and encourage them to source minerals from Smelters or Refiners (SoRs) that have received "conflictfree" designations by the Responsible Minerals Assurance Process (RMAP), or other independent third party audit program.

Due diligence

ATX Group has established a due diligence framework in accordance with the " Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas " developed by the Organisation for Economic Co-operation and Development (OECD). Through this due diligence process, in addition to identifying/evaluating our own supplier risks and responding to and mitigating the identified risks, we have also designed a supplier conflict minerals checklist based on the OECD Due Diligence Guidance process, and through document audits, we have counselled our suppliers to establish a management mechanism that complies with the OECD Due Diligence Guidance.

8. Corporate Citizenship

The community has played an important role supporting ATX's growth. We therefore, have a responsibility to exert our social influence and give back to the community in the locations our businesses operate in. ATX actively participates in charity campaigns, educational projects and social work by optimizing resources in the best possible way and continuing to expand the sphere of positive influence.

As a leading enterprise in the global semiconductor industry, ATX is fulfilling corporate citizenship by engaging with local communities, environmental NGOs, and stakeholders in the industry, government and academic sectors. The company seeks to establish mutually trusting long-term partnerships and invest in resources to promote overall social development and value creation. Externally, we are initiating sustainable development in core business areas to strengthen the value of our sustainable innovations that will result in employee cohesiveness, and higher stakeholder confidence.

To achieve the common good for society, ATX is taking actions to stimulate positive social change, and bring about an increase in awareness, behavioral changes, skill development and quality of life. ATX's "Public Affairs Engagement Policy" is a set of principles formulated to provide responsible policy directions for all its subsidiaries, and guidance in the selection of organizations to support. ATX evaluates its campaigns and performance based on four development strategies — environmental conservation, industry-academia collaboration, community engagement and public advocacy. Each facility is responsible for the creation of local organization teams to plan and execute the programs in compliance with corporate policies and development goals.

8.1 Environmental Conservation

In order to practice and advocate green education, gather the power of public welfare and protect the beauty of ecology. ATX actively responded to the state's request to promote the protection of the Yangtze River and made every effort to promote the river and lake protection plan. Following the 2021 ATX SZ Green Travel (Car Free Day) activity, in Nov. 2022, we cooperated with the Suzhou Industrial Park Women's Environmental Protection Development Center, under the guidance of the provincial environmental protection education center, Suzhou Ecological Environment Bureau, the Ecological Environment Bureau of Suzhou Industrial Park and with the support of the Volunteer Association of Suzhou Industrial Park, we will carry out the "Low Carbon, Circular, Inclusive, Collaborative" cycling activities around Taihu Lake. Cycling activities promote us to clarify the importance of protecting water

resources, preventing and controlling river and lake pollution, maintaining water ecology, and ensuring the health of rivers and lakes. We understand that we should make every effort to promote carbon reduction and deal with climate change not only from the general goal in sight, but also from the small. The joint creation of social and enterprise in this activity is an innovation of civilized practice in the new era.



ATX has always been committed to deeply integrating the concept of green and low-carbon with employee health management. In 2024, the cycling clubs of ATX's Suzhou and Shanghai successfully held the "Taihu Lake Circular Themed Cycling Activity", with the participation led by the company's senior management. Through the exemplary effect of the management setting an example, the employees' participation vividly interprets the company's values of "people-oriented and green development", demonstrating the company's dual commitment to employees' physical and mental health and environmental protection.

8.2 Industry-Academia Collaborations

Technology innovation and talent development are two key factors that contribute to the company's leading position in the semiconductor assembly industry. We engage in long-term industry-academia collaborations with top universities to enhance our R&D capabilities. We continue to develop industry talent by offering different industry courses and practical training to bridge skills gap and strengthen industry competitiveness.

ATX Group promotes employment opportunities for local students and maximizes benefits through the integration of corporate internships and campus resources. ATX created key programs like "academia cooperation and corporate internship", "academic research collaboration", and "scholarships" to leverage on the expertise from these academic resources.

ATX Group continues to cooperate with higher education schools to set up sunflower and sinomenine academic qualification promotion classes. The total investment in 2024 is nearly 1.18 million, including tuition fees, red envelopes for new session, scholarships and performance incentives, at present, the company has 161 students. As of 2024, 593 students have graduated from the sunflower and sinomenine education promotion class. The cooperative schools mainly include Nanjing University of Science and Technology, Suzhou Industrial Park Vocational and Technical College, and the University of Sydney, Xi'an Jiaotong-Liverpool University and other local institutions of higher learning in Suzhou.

Note: This includes the Suzhou, Kunshan and Shanghai.

8.3 Community Engagement

ATX focus the efforts towards community growth, charitable care, emergency relief and various community support programs to promote social cohesion and build a better society. In 2024, ATX Malacca participated in the local UMY Blood Donation Program.

ATX Group encourages employees to participate in public welfare donation activities, supports environmental protection and community assistance, reduces resource waste, and helps disadvantaged groups. In 2024, the ATX Malacca organized employees to participate in the Community Closet activity, donating idle clothes and items. This activity promotes a culture of generosity and a sense of social responsibility within the enterprise. At the same time, it provides support to local communities in need, extends the product life cycle, reduces waste generation, and is in line with the company's environmental protection goals of sustainable development.



8.4 Public Advocacy

In 2010, the "Corporate Social Responsibility Alliance" of Suzhou Industrial Park was established to build the country's first corporate social responsibility demonstration zone.

In 2016, Suzhou Industrial Park launched the standardization of corporate social responsibility, established the Suzhou Industrial Park Corporate Social Responsibility Evaluation System, and upgraded the "Suzhou Industrial Park Corporate Social Responsibility Standardization Evaluation System 3.0" in 2022. Further build responsibility standards, strengthen corporate responsibility awareness, improve responsibility performance capabilities, and promote the mutual promotion of social responsibility and social civilization.

In 2022, ATX joined the Suzhou Industrial Park Corporate Social Responsibility Alliance, which will continue to improve the professional level of social responsibility construction through standardization instruction.

In 2024, the "ESG Alliance" of Suzhou Industrial Park was established, leading the ESG development in the park. It is committed to promoting enterprises to practice the ESG concept and incorporating it into the corporate governance system, advancing green development, low-carbon initiatives, energy conservation, emission reduction, and circular development, so as to achieve the country's "dual carbon goals"; and to create a nationally influential ESG communication platform.

After joining the alliance, through its platform, we not only have priority access to key resources such as green financial support in the park and low-carbon technology matching, but also jointly explore innovative ESG solutions with partners in the industrial chain. Our membership has significantly enhanced our professional capabilities in aspects such as ESG information disclosure and the construction of the carbon management system, providing strong support for meeting the requirements of the international supply chain.

Looking ahead, we will continue to rely on the alliance's collaborative network of industry, academia, and research to accelerate the application of green technologies and business model innovation, and continuously enhance our enterprise competitiveness and brand value within the Yangtze River Delta ESG benchmarking ecosystem created by the park.



9. Appendix

9.1 ESG data

Table 15-1 Environment data

Category	Index	Unit	2023	2024
Energy	Electricity consumption	MWh	303,310.48	307,675.66
	Renewable electricity	MWh	2,016.71	7,860.28
	Non-renewable electricity	MWh	301,293.77	299,815.38
	Electricity intensity	MWh/万元	0.635	0.630
	Renewable energy consumption percentage	%	0.7%	2.6%
	Natural gas	GJ	14,485.06	15,386.58
Green House Gas (GHG)	Scope 1	t	1,921.39	2,507.46
	Scope 2	t	159,188.55	151,018.05
	Scope 3	t	30,977.72	153,101.94
Water	Water consumption	t	/	2,796,874
	Recycled water	t	/	1,172,925
	Water recycling rate	%	/	32.90%
Waste	Hazardous waste	t	/	1388.92
	Non-hazardous waste	t	/	4894.74
	Recycled non-hazardous waste	t	/	3059.51
	Non-hazardous waste recycling rate	%	/	62.5%

Table 15-2 Social data

Social category	Index	Unit	2024
Diversity	Male	/	5241
	Female	/	3060
	Females (%)	%	36.9
	Females in Management Positions (%)	%	35
	Females in Top Management Positions (%)	%	23.3
	Disabled Employee	/	3
Talent Attraction and Retention	Average age	age	33
	Average years of service	Year	6
	Turnover rate	%	26.9
Talent Cultivation and Development	Training expenses	M RMB	165
	Average training hours	hour	20.2
Occupational Health and Safety	Number of Occupational Injury Accidents	Case	10
	Injury rate	%	0.21
	Disabling Injury Frequency Rate (FR)	%	0.53
	Disabling Injury Severity Rate (SR)	%	15.11
Supply Chain Management	SAQ response rate	%	97
	Compliance of conflict minerals	%	100
	The No of onsite audits	/	7
Social welfare	Academic advancement investment	10k RMB	110
	Graduated students	/	453

Table 15-3 Governance data

Governance category	Index	Unit	2024
R&D	Proportion of R&D personnel	%	15.20
	Investment	10k RMB	26,648.87
	R&D investment to sales revenue (%)	%	5.55
	Cumulative patent applications	/	926
	Cumulative authorized patents	/	368
Smart factory	Provincial	/	3
	Municipal	/	4
Customer service	Customer satisfaction	%	80
	Satisfaction survey coverage: The proportion of customers to total revenue	%	41

9.2 About our report

Report Boundary

The content of this report includes the economic, environmental and corporate governance-related information of sites of ATX Group, covering Suzhou, Kunshan, Shanghai, Weihai and Malacca. Any adjustments to the data boundary will be separately explained in the report. Unless otherwise specified, financial figures are in RMB.

Since 2023, ESG-related topics have been disclosed on the website. Starting from 2025, ESG reports will be released. CSD is responsible for data collection and compilation, E-books in both Chinese and English versions are available. For the complete content, you can also visit the ATX website.

<http://www.atxsemicon.com/>

If you have any comments or suggestions regarding this report, you are welcome to contact us:

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Internal Audit

The information and data in this report were disclosed only after undergoing a three-stage internal review process.

In the first stage, the persons in charge of each site provided the data, which were then reviewed by the department heads.

In the second stage, the Corporate Sustainability Department collated and examined the data, and completed this report. Subsequently, the report was reviewed by the tier 1 management of each department, the group's finance department, and the compliance department.

In the final stage, the report was submitted to the ESG Committee for resolution and approval before being disclosed.

