



Stock Code: 1568

TSANG YOW INDUSTRIAL CO., LTD.

2024 Annual General Shareholders' Meeting Meeting Handbook

Date: May 24, 2024

Form of Shareholders' Meeting: Physical

Address: No. 18, Zhongshan Rd., Fule Village, Minxiong Township, Chiayi County
(the Company's Zhongshan Plant).

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Chapter One. Meeting Agenda

Time and Date: 9:00 a.m., May 24, 2024 (Friday)

Address: No. 18, Zhongshan Rd., Fule Village, Minxiong Township, Chiayi County (the Company's Zhongshan Plant)

Meeting Procedure:

- I. Report on the Number of Shares Represented by Shareholders Present**
- II. Call the Meeting to Order**
- III. Chair's Remarks**
- IV. Reports**
 - (I) The Company's 2023 Business Report.**
 - (II) The Audit Committee's Review Report on the Company's 2023 Business Report, Financial Statements, and Earnings Distribution Proposal.**
 - (III) Report on the Company's Distribution of 2023 Employee Remuneration and Director Remuneration.**
 - (IV) Statement of Earnings Distribution 2023.**
 - (V) Approved the Disposal of Business Equipment and Related Parties.**
 - (VI) Approved the Revisions to the Company's "Procedure for Board of Directors Meetings."**
- V. Proposals**
 - (I) The Company's 2023 Business Report and Financial Statements.**
 - (II) Statement of Earnings Distribution 2023.**
- VI. Discussion and Election Matters**
 - (I) Election of the 15th Board of Directors.**
 - (II) Discussion about lifting the restriction on new directors and their representatives from competing business.**
- VII. Questions and Motions**
- VIII. Adjournment**



Chapter Two. Reports

Proposal 1:

Cause of action: The Company's 2023 Business Report is submitted for review.

Explanation: Please refer to Attachment 1 on page 6 of this Handbook for the Business Report.

Proposal 2:

Cause of action: The Audit Committee's Review Report on the Company's 2023 Business Report, financial statements, and earnings distribution proposal is submitted for review.

Explanation: The Board of Directors prepared and submitted the Company's 2023 parent company only financial statements and consolidated financial, which have been audited by CHIANG, JIA-LING and WU, CHIU-YEN, CPAs at Deloitte & Touche, as well as 2023 Business Report and Statement of Earnings Distribution to the Audit Committee. We have reviewed the above documents and confirmed that they were in compliance with the Company Act, and we hereby submit them to the 2024 Annual General Shareholders' Meeting for review in accordance with Article 219 of the Company Act for review. Please refer to Attachment 2 on page 8 of this Handbook for Audit Committee's Review Report.

Proposal 3:

Cause of action: The Company's distribution of 2023 employee remuneration and director remuneration is submitted for review.

Explanations:

1. As per Article 31 of the Articles of Incorporation, the Company shall provide no less than 3% of the balance of the year's profit (that is, the pre-tax income with the employee remuneration and director remuneration Explanation yet deducted), less the cumulative deficit, if any, for employee remuneration and no greater than 5% for director remuneration.
2. As reviewed by the Remuneration Committee and approved by the Board of Directors on March 7, 2024, it is proposed to appropriate 4% or NTD14,812,083 as remuneration to employees and 2% or NTD7,406,041 to directors as remuneration, both in cash.
3. There is no difference between the above amounts to be paid out and the amounts of employee remuneration and director remuneration accounted for under expenses for 2023.

Proposal 4:

Cause of action: The Company's 2023 Statement of Earnings Distribution is submitted for review.

Explanations:

1. As per Article 31-1 of the Articles of Incorporation, the Board of Directors is delegated to resolve a decision to distribute all or part of the dividends and bonuses that should be distributed in cash and report to the Shareholders' Meeting.
2. It is to provide a shareholder bonus of NTD137,144,389 for cash dividends and distribute it in proportion to the number of shares held by shareholders listed in the shareholder register on the dividend distribution record date, with NTD1.34 allotted per share. Said amount will be rounded down to NTD1, and the total amount less than NTD1 will be transferred to other income.



3. The Board of Directors has resolved to set the ex-dividend base date, payment date and other related matters; if the subsequent capital increase by issuing new shares, repurchase of the Company's shares, transfer or cancellation of treasury shares will affect the number of outstanding shares, and the stock dividends. In case of any change in the Company's shareholding ratio, it is intended that the shareholders' meeting should authorize the Board of Directors to handle and adjust such changes with full discretion.

Proposal 5

Cause of action: The Company's disposal of business equipment and the related party's report, submitted for review.

- Explanation:
1. The equipment, Chun Mu's 600-metric ton hydraulic press, was 20 years and its production efficiency did not meet the Company's needs. To improve the utilization of the space of the plant, the equipment was sold to the related party Linesoon Industrial Co., Ltd. The gain on the sale was NTD820,000 (including tax).
 2. The related party_Linesoon Industrial may use the equipment in the production of newly developed products after acquisition.
 3. In accordance with the Company's "Operating Rules for the Acquisition or Disposal of Assets", the acquisition or disposal of assets other than real estate or right-of-use assets with related parties does not exceed 20% of the Company's paid-in capital and 20% of the total assets 10 or more than NTD300 million, it is not necessary to obtain an appraisal report issued by a professional appraiser or a CPA's opinion.
 4. This case was reviewed by the Audit Committee and submitted to the Board of Directors on May 9, 2023.

Proposal 6:

Cause of action: Amendment to the "Rules of Procedure for Board of Directors Meetings ", submitted for review.

- Explanation:
1. In response to the authority's amendment to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies", the Company's "Rules of Procedure for Board of Directors Meetings" have been amended. For the comparison table of the amended provisions, please refer to "Attachment 3" on page 9 of this Handbook.
 2. For the "Rules of Procedure for Board of Directors Meetings "before amendment, please refer to "Attachment 4" from page 10 to 15 of this Handbook

Chapter Three. Proposals

Proposal 1: Proposed by the Board of Directors

Cause of action: The Company's 2023 Business Report and financial statements, submitted for resolution.

- Explanation:
1. The Company's 2023 parent company only financial statements and consolidated financial statements, which have been audited by CHIANG, JIA-LING and WU, CHIU-YEN, CPAs at Deloitte & Touche, by whom an unqualified opinion have been issued on record, together with the 2022 Business Report have been approved by resolution of the Board of Directors and reviewed by the Audit Committee.



2. For the Business Report and Financial Statements referred to in the preceding paragraph, please refer to Attachment 1 on page 6 and Attachment 5 on pages 16 to 35 of this Handbook.

Resolution:

Proposal 2: Proposed by the Board of Directors

Cause of action: The Company's 2023 Statement of Earnings Distribution is submitted for resolution.

Explanation: The 2023 Statement of Earnings Distribution was approved by resolution of the Board of Directors and reviewed by the Audit Committee. Please refer to Attachment 6 on page 36 of this Handbook.

Resolution:

Chapter Four. Discussion and Election Matters

Proposal 1: Proposed by the Board of Directors

Cause of action: Please proceed to the election of the 15th Board of Directors.

Explanation:

1. The current Board of Directors of the Company was elected on July 15, 2021 and will have a full term of office re-election on July 14, 2024.
2. According to the Articles of Incorporation, the number of seats of directors for this election is 9 seats (including 3 seats of independent directors). The candidate nomination system is adopted for the election of directors.
3. The term of office of the newly elected directors is three years from May 24, 2024 to May 23, 2027. The newly elected directors shall assume office immediately upon their election, and the original directors shall be discharged at the same time.
4. The election is conducted in accordance with the Company's "Articles of Incorporation," "Rules of Procedure for Shareholders' Meetings" and "Procedures for Election of Directors."
5. According to the provisions of Article 192-1 of the Company Act and the Company's Articles of Incorporation, the election of directors (including independent directors) of the Company adopts the candidate nomination system, and shareholders shall elect directors from the list of candidates for directors. For the list of candidates for directors (including independent directors) reviewed and approved by the Board of Directors on March 7, 2024, please refer to "Attachment 7" on page 37 of the agenda handbook.
6. Proceed to election.

Election results:

Proposal 2: Proposed by the Board of Directors

Cause of action: Discussion on the removal of non-competition restrictions on new directors and their representatives, submitted for resolution.

Explanation: In order to meet the Company's business strategy and business development needs, pursuant to Article 209 of the Company Act, "A director who does anything for himself/herself or on behalf of another person that is within the scope of the Company's business and approval", for the list of the proposed removal of non-competition restrictions on new directors and their representatives, please refer to "Attachment 8" on page 39 of this Handbook.



Please proceed to discuss.

Resolution:

Chapter Five. Questions and Motions

Chapter Six. Adjournment



Chapter Seven. Attachment

TSANG YOW INDUSTRIAL CO., LTD. (Attachment 1)

2023 Business Report

In 2023, due to factors such as constant geopolitical conflicts, rising interest rates, and soaring inflation, the global economic situation continued to be sluggish, the demand in the end market was sluggish, and customers tended to be conservative in adjusting inventory, withdrawing goods, and thus overall revenue performance was not as good as expected. The Group's consolidated operating revenue was NTD1,193,076 thousand, a decrease of 11.5% from the NTD1,347,635 thousand in 2023.

In terms of profitability, benefiting from the appreciation of USD against NTD, the optimization of product prices and structure, and the continuous cost improvement of the Company in recent years, the Group's profitability has increased year by year. In 2023, the group's consolidated gross profit margin (34%) increased significantly by 6% from 2022 (28%), and the operating income was NTD233,500 thousand, a significant increase of 22% from NTD192,147 thousand in 2022. In addition, due to the disposal of subsidiaries in Mainland China and the liquidation of offshore companies, the business results of discontinued units and gains on disposal of NTD77,142 thousand were recognized. The consolidated net profit after tax of the group was NTD273,734 thousand, and the earnings per share was NTD2.67. This increased NTD1.05 from the 2022 earnings per share of NTD1.62.

Future business direction

In response to the future development trend of the auto industry and the changes and challenges in the global auto market, the Company will continue to integrate the Group's advantages, carry out relevant strategic layouts, implement lean operations, create higher value and profits for shareholders, and pursue sustainable operations of the enterprise:

I. Marketing strategy

1. In addition to cultivating existing customers and markets, in response to the increasing market share of energy-saving vehicles and the industrial trend of environmental protection and energy-saving, the Company will make good use of its excellent technology advantages (precision machining, stamping, welding, gear processing, etc.), rich experience in reverse engineering and design and a comprehensive quality management system (ISO9001, IATF16949, AS9100). By doing this, we are able to promote product transformation, enter new areas of the industry (new energy vehicles) and diversified product markets, increase revenue and capacity, and enable the Company's products to move forward to a new era of continuous innovation and technological advancement.
2. We will actively research and develop industrial precision processed products with market competitiveness, develop towards process technology expertise and value-added application technologies, and strengthen the advantages of high-value industries.
3. In response to the increasing demand in the semiconductor industry in the future, the Company will actively diversify its industrial layout in terms of market operation and establish a sustainable development business strategy.

II. Business management strategy

1. Accelerating digital transformation, adopting production automation, and digitizing management. Optimizing the decision-making model and the production and sales process to satisfy client needs. To maximize the "value" and "quality" and drive the new value of the enterprise.



2. Integrating internal and external resources, streamlining production and management, optimizing the production and sales processes, and establishing a supply system for strategic collaboration to improve supply resilience.
3. Implementing ESG measures and enhancing corporate governance, environmental symbiosis, and shared prosperity, to become a reliable enterprise and pursue sustainable business growth.

In 2023, the global auto market began to recover from a low base and the chip shortage eased. However, the current global economy is still full of challenges, such as the rising costs caused by the expansion of geopolitics conflicts, the economic downturn, and the crisis of logistics disruption. The interest rate environment has reduced the negative impact of consumer spending on automobile production. The multiple headwinds and challenging environment have tested corporate resilience and adaptability. Looking to the future, the Company will turn the pressure into a driving force, focus more on the improvement of internal capabilities, actively upgrade and transform its technology and production capabilities, establish competitive technology advantages, production and sales strategies to grasp market niches, and actively explore new markets and business opportunities in the industry to ensure sustainable competitiveness, stable operations and continue to create outstanding achievements. We hope that all shareholders will continue to support and encourage the Company when moving forward.

Chairman: SU, CHI-TSE

General Manager: SU,
CHI-HU

Chief Accounting Officer:
CHEN, HUI-JUNG



Attachment 2

TSANG YOW INDUSTRIAL CO., LTD.

Audit Committee's Review Report

The Board of Directors has prepared and submitted the Company's 2023 Parent Only and Consolidated Financial Reports, Business Report, and proposals of earnings distribution. The Financial Reports mentioned above have been audited by CHIANG, JIA-LING and WU, CHIU-YEN of Deloitte Taiwan with unqualified opinion issued. All the reports and statements above were prepared by the Board of Directors and have been reviewed and determined to be correct and accurate by the Audit Committee members. Therefore, we hereby submit this report in accordance with Article 219 of the Company Act and Article 14-4 and 36 of the Securities and Exchange Act. Please review accordingly.

Sincerely,

TSANG YOW INDUSTRIAL CO., LTD.

2024 Annual Shareholders' Meeting

Chairman of Audit Committee:

March 7, 2024



TSANG YOW INDUSTRIAL CO., LTD.

Comparison Table of Amendments to Rules of Procedure for Board of Directors Meetings

Current provisions	Provisions after amendment	Explanation
2 The Finance Department is designated by the Company's Board of Directors as the unit responsible for meeting affairs.	2. The unit designated by the Company's board of directors to handle meeting affairs is the unit <u>responsible for corporate governance</u> .	Revised to conform with the current situation.
6. When the Company's Board meeting is convened, the Finance Department shall prepare relevant information for the directors to review at any time.	6. When the Company's board meeting is convened, <u>the unit in charge of corporate governance</u> shall prepare relevant information for the directors to review at any time.	Revised to conform with the current situation.
6.2 The chair of the Board of Directors shall call the meeting to order immediately when more than half of the directors are present at the meeting time. At the scheduled meeting time, if half of all directors are absent, the chair may announce a postponement, but the number of postponements is limited to two. If the quorum is still not met after two postponements, the chair may reconvene in accordance with the procedure specified in 1.1.	6.2 The chair of the Board of Directors shall call the meeting to order immediately when more than half of the directors are present at the meeting time. At the scheduled meeting time, if half of all directors are absent, the chairperson may announce <u>for a postponement of the meeting on that day</u> . The number of postponements is limited to two. If the quorum is still not met after two postponements, the chair may reconvene in accordance with the procedure specified in 1.1.	Correspondingly, the amendment of Article 12 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies expressly the meeting time limit for meeting postponement.



Attachment 4

TSANG YOW INDUSTRIAL CO., LTD.

“Rules of Procedure for Board of Directors Meetings” (before amendment)

I. Purpose:

Purpose: To establish an excellent governance system for the Company’s shareholders’ meeting, improve the supervisory function, and strengthen the management function, these Rules are formulated in accordance with the provisions of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” for compliance.

II. Scope:

The Company’s Board of Directors’ meeting procedures, main contents, operating procedures, required items in the meeting minutes, announcement, and other matters to be followed shall be handled in accordance with the provisions of these rules.

III. Definition: None

IV. Responsibility: The responsible unit for these Regulations is the Board of Directors, the meeting affairs unit.

V. Contents:

1. The Board of Directors of the Company shall be convened at least once per quarter.
 - 1.1. The reason for convening the Board of Directors shall be specified and notified to each director seven days in advance. However, in case of emergency, the Board of Directors may be convened at any time.
 - 1.2. The notice of convening in the preceding paragraph may be given in writing, e-mail or fax.
 - 1.3. The motions listed in 10.1 of the Rules shall be listed on the agenda and shall not be proposed as a provisional motion.
2. The **Finance Department** is designated by the Company’s Board of Directors as the unit responsible for meeting affairs.
 - 2.1. The meeting handling unit shall draft the content of the Board meeting and provide sufficient meeting materials, which shall be sent together with the meeting notice.
 - 2.2. If the directors deem the meeting materials insufficient, they may request the parliamentary affairs unit for supplementary materials. If the directors deem the proposal materials insufficient, they may postpone the review of the proposal with the resolution of the Board of Directors.
3. When the Company’s Board meeting is convened, a signature book shall be set up for the attending directors to sign for inspection and reference.
 - 3.1. Directors should attend the Board meeting in person. If they are unable to attend the meeting in person, they may appoint another director to attend the meeting on their behalf in accordance with the Company’s Articles of Incorporation; if they participate in the meeting via video conference, they are deemed to have attended the meeting in person.
 - 3.2. When a director appoints another director to attend a Board meeting on his/her behalf, he/she shall issue a proxy form each time, and state the scope of authorization with the reasons for convening the meeting.
 - 3.3. The second agent in paragraph 2 is limited to one person.



4. A Board meeting shall be held at the premises and during the business hours of the Company, or at a place and time convenient for all directors to attend and suitable for holding Board meetings.
5. If the Board meeting of the Company is convened by the Chairman, the Chairman shall chair the meeting. However, where the first meeting of each newly elected Board of Directors is convened by the director who received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.
 - 5.1. Where a meeting of the Board of Directors is called by a majority of directors on their own initiative in accordance with Article 203, Paragraph 4 or Article 203-1, Paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.
 - 5.2. When the Chairman is on leave or unable to exercise the powers as the chair for any reason, the Vice Chairman shall chair the meeting on his behalf. Where there is such a position as Vice Chairman or the Vice Chairman is on leave or unable to exercise the powers as the chair for any reason, the Chairman shall appoint one of the managing directors to act as the chair. Where there is such a position as managing director, Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to not make such a designation, the managing directors or directors shall elect from among themselves one person to serve as the chair.
6. When a Board meeting is held, the **Finance Department** shall furnish the attending directors with relevant materials for ready reference.
 - 6.1. As merited by the content of a proposal to be put forward at a Board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants. When necessary, certified public accountants, attorneys, or other professionals may also be invited to attend the meeting as non-voting participants and to make explanatory statements. However, they shall leave the meeting when deliberation or voting takes place.
 - 6.2. The chair shall call the Board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. At the scheduled meeting time, if half of all directors are absent, the chair may announce a postponement, but the number of postponements is limited to two. If the quorum is still not met after two postponements, the chair may reconvene in accordance with the procedure specified in 1.1.
 - 6.3. The number of “all directors” as used in the preceding paragraph and 14.2.2. shall be counted as the number of directors actually in office.
7. Proceedings of a Board meeting shall be recorded in their entirety in audio or video, and the recordings shall be retained for a minimum of 5 years. The record may be retained in electronic form.
 - 7.1. Before the expiry of the retention period referred to in the preceding paragraph, in the event of a lawsuit on the relevant resolutions of the board of directors, the relevant audio or video recording evidence shall be kept until the end of the lawsuit, and the provisions of the preceding paragraph shall not apply.
 - 7.2. Where a Board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of the Company.
8. Agenda items for regular Board meetings of the Company shall include at least the following:



- 8.1. Reports:
 - 8.1.1. Minutes of the last meeting and actions taken.
 - 8.1.2. Important financial and business matters.
 - 8.1.3. Briefing of Internal audit activities.
 - 8.1.4. Other important matters to be reported.
- 8.2. Matters for discussion:
 - 8.2.1. Items for continued discussion from the last meeting.
 - 8.2.2. Matters for discussion.
- 8.3. Questions and Motions.
9. Board meetings of the Company shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the Board meeting.
 - 9.1 The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.
 - 9.2. At any time during the course of a Board meeting, if the number of directors present at the meeting does not constitute a majority of the attending directors, then upon the motion by a director present at the meeting, the chair shall declare a suspension of the meeting, in which case 6.2 shall apply *mutatis mutandis*.
10. The matters listed below as they relate to Company shall be raised for discussion at a Board meeting:
 - 10.1.
 - 10.1.1. The Company's business plan.
 - 10.1.2. Annual financial report and the second quarter financial report audited by CPAs.
 - 10.1.3. The establishment or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act (hereinafter referred to as the "Securities Act"), and the evaluation of the effectiveness of the internal control system.
 - 10.1.4 The establishment or amendment of the procedures for the acquisition or disposal of assets, derivative transactions, loaning of funds to others, endorsements or guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.
 - 10.1.5 Offering, issuance, or private placement of any equity-type securities.
 - 10.1.6. If the Board of Directors does not have a managing director, the election or dismissal of the Chairman.
 - 10.1.7. Appointing or dismissing officers in finance, accounting or internal audit.
 - 10.1.8. A donation to a related party or a major donation to a non-related party. However, the public welfare donations for emergency relief due to major natural disasters may be submitted to the next board meeting for ratification.
 - 10.1.9. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or the Articles of Incorporation, must be approved by resolution at a shareholders' meeting or Board meeting, or any material matter as may be prescribed by the competent authority.
 - 10.2. The term "related party" in 10.1.8. means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, with an amount of NTD100 million or more, or with an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the



CPA-attested financial report for the most recent year.

- 10.2.1. The term “within a 1-year period” in 10.2. means a period of 1 year calculated retroactively from the date on which the current Board of Directors meeting is convened. Amounts already submitted to and passed by a resolution of the Board are exempted from inclusion in the calculation.
- 10.2.2. If the shares of a foreign company bear no par value or the par value per share is not NTD10, the amount of 5% of the paid-in capital in paragraph 2 shall be calculated based on 2.5% of the shareholders’ equity.
- 10.3. If the Company has independent directors:

At least one independent director shall attend the Board meeting in person; for matters that need to be submitted to the Board for resolution as set forth in 10.1, all independent directors shall attend the Board meeting. If an independent director is unable to attend in person, he/she shall appoint another independent director to attend the meeting. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the Board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the Board meeting minutes.
11. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote at the Board meeting, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.
 - 11.1. When a proposal comes to a vote at a Board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.
 - 11.2. One voting method for proposals at a Board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:
 - 11.2.1. A show of hands or a vote by voting machine.
 - 11.2.2. A roll call vote.
 - 11.2.3. A vote by ballot.
 - 11.3 The total number of directors referred to in the preceding two paragraphs of 11.3 does not include the directors who are not allowed to exercise voting rights under 13.
12. Unless otherwise provided by the Securities Act and the Company Act, the resolutions of the Company's board meetings shall be made with the attendance of more than half of the directors and the consent of more than half of the attending directors.
 - 12.1. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. Any one of the above shall be passed, the others shall be considered as rejected, upon which no further resolution shall be required.
 - 12.2. If the voting on a proposal requires vote monitoring and vote counting personnel, the chair shall appoint the personnel, provided that all vote monitoring personnel shall be directors.
 - 12.3. The voting results shall be announced on-site immediately, and a record shall be made of the vote.
13. Company directors shall exercise a high degree of self-discipline. If a director or a



juristic person represented by the director is an interested party with respect to any proposal for a Board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting.

13.1. If a director's spouse, relative within the second degree of kinship, or a company with a controlling or subordinate relationship with the director has an interest in an item at the meeting referred to in the preceding paragraph, it shall be deemed that the director has a conflict of interest on the item.

13.2 The provisions of Paragraph 2, Article 180 of the Company Act shall apply mutatis mutandis to a director who is prohibited from exercising voting rights in accordance with the provisions of the preceding two paragraphs in accordance with Article 206, Paragraph 4.

14. Discussions at a Board meeting of the Company shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

14.1.

14.1.1. The session (or year), time, and place of the meeting.

14.1.2. The name of the chair.

14.1.3. The attendance of directors at the meeting, specifying the names and number of members present, excused, and absent.

14.1.4. The names and titles of those attending the meeting as non-voting participants.

14.1.2. The name of the minutes taker.

14.1.6. Reports.

14.1.7. Matters for discussion: the method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under 10.3

14.1.8. Questions and Motions: the name of the proposer, method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in 13., an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and opinions expressing objections or reservations at the meeting that were included in records or stated in writing.

14.1.9. Any other matters that require reporting.

14.2. Any of the following matters in relation to a resolution passed at a meeting of the Board of Directors shall be stated in the meeting minutes and be published on the Market Observation Post System designated by the competent authority within two days from the Board meeting:

14.2.1. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.

14.2.2. If the Company has an Audit Committee, the motion shall be approved by more than two-thirds of all directors before it is approved by the



Company's Audit Committee.

- 14.3. The attendance book forms a part of the minutes for each Board of Directors meeting and shall be well preserved during the existence of the Company.
 - 14.4. The minutes of a Board of Directors meeting shall bear the signature or seal of both the meeting chair and the minutes taker; a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes of a Board of Directors meeting shall be well preserved as important company records during the existence of the Company.
 - 14.5 The production and distribution of the minutes of meeting in accordance with 14.1. may be made by electronic means.
 15. Except for the matters that shall be submitted to the board of directors for discussion in 10.1., the board of directors of the company may authorize the chairperson to exercise the functions and powers of the board of directors in accordance with the articles of association of the company. The content of authorization is as follows:
 - 15.1. Approval of important contracts.
 - 15.2. Approval of real estate mortgage loans and other borrowings.
 - 15.3. Approval of the acquisition and disposal of the Company's general property and real estate.
 - 15.4. Appointment of directors and supervisors of investee companies.
 - 15.5. Approval of the record date of capital increase or capital reduction, cash dividend distribution record date, stock or stock subscription date, and change in the dividend distribution ratio.
 16. Regulations governing proceedings of the Board of Directors' meetings 2, 1.1, 2, 3, 4, 6.1, 6.2, 7, 8, 9, 11, 12, 13, and 14; 1.3. shall apply *mutatis mutandis* to the appointment or dismissal. However, if a meeting of managing directors is scheduled to be convened within seven days, the notice to each managing director may be made two days in advance.
 17. The establishment and amendment of these Rules and Procedures shall be subject to the consent of the Board of Directors of the Company.
- VI. Reference: Regulations Governing Procedure for Board of Directors Meetings of Public Companies
- VII. Relevant tables: None.



Tsang Yow Industrial Co., Ltd.

**Parent Company Only Financial Statements for the
Years Ended December 31, 2023 and 2022 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Tsang Yow Industrial Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Tsang Yow Industrial Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Company's parent company only financial statements for the year ended December 31, 2023 is described as follows:



Occurrence of revenue from consignment warehouses

The Company mainly engages in the manufacturing and sales of automobiles and parts thereof. Warehouse consignment is one of the Company's important sales models. As the Company needed to regularly verify the quantity of the goods sold from the consignment warehouses to recognize the sales revenue, during which manual reconciliation was involved, the potential risk of error posed to the occurrence of the Company's sales revenue has increased. Therefore, in accordance with the Standards on Auditing of the Republic of China, where revenue recognition is presumed to have a significant risk, the occurrence of sales revenue from consignment warehouses is listed as a key audit matter.

Refer to Note 4 (11) for the accounting policy on revenue recognition.

We have implemented the corresponding audit procedures below for the specific aspects of the above key audit matter, including:

1. We obtained an understanding of and tested if the Company's internal control operations related to the sales were effective.
2. We selected samples from the statements of sales revenue from the consignment warehouses, verified the account reconciliation records between the Company and clients, shipping documents and payment collection documents, and we checked if the recipients were consistent with the transaction counterparties or reviewed the confirmation made by clients to confirm the occurrence of the sales.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the



Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We



describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Jia-Ling Chiang and Chiu-Yen Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 7, 2024

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.



Tsang Yow Industrial Co., Ltd.

PARENT COMPANY ONLY BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 860,249	33	\$ 307,069	11
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 25)	485	-	443	-
Notes receivable (Notes 4, 5, 8 and 20)	-	-	64	-
Accounts receivable, net (Notes 4, 5, 8, 20 and 26)	205,139	8	215,864	8
Other receivables	1	-	17,708	1
Other receivables - related parties (Note 26)	-	-	107,544	4
Current tax assets (Notes 4 and 22)	937	-	431	-
Inventories (Notes 4, 5 and 9)	369,051	14	432,738	16
Other financial assets - current (Notes 10 and 27)	9,681	-	9,640	-
Other current assets (Note 14)	10,698	1	10,504	-
Total current assets	<u>1,456,241</u>	<u>56</u>	<u>1,102,005</u>	<u>40</u>
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 4 and 11)	-	-	454,426	16
Property, plant and equipment (Notes 4, 12, 27 and 28)	1,108,920	43	1,170,432	42
Right-of-use assets (Notes 4 and 13)	5,753	-	3,886	-
Intangible assets (Note 4)	5,018	-	9,194	-
Deferred tax assets (Notes 4 and 22)	32,816	1	39,735	2
Prepayments for equipment	6,304	-	1,541	-
Other financial assets - non-current (Notes 10 and 27)	3,460	-	2,236	-
Other non-current assets (Note 14)	4,564	-	592	-
Total non-current assets	<u>1,166,835</u>	<u>44</u>	<u>1,682,042</u>	<u>60</u>
TOTAL	<u>\$ 2,623,076</u>	<u>100</u>	<u>\$ 2,784,047</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 15 and 26)	\$ 20,000	1	\$ 100,000	4
Contract liabilities - current (Note 20)	7,885	-	18,387	1
Notes payable (Note 16)	10,869	-	7,709	-
Accounts payable (Notes 16 and 26)	145,855	6	186,446	7
Other payables (Notes 17, 21 and 26)	105,810	4	105,027	4
Current tax liabilities (Notes 4 and 22)	78,158	3	41,012	1
Lease liabilities - current (Notes 4 and 13)	2,991	-	1,828	-
Current portion of long-term borrowings (Notes 15, 26 and 27)	109,233	4	133,611	5
Other current liabilities (Note 17)	43,184	2	38,171	1
Total current liabilities	<u>523,985</u>	<u>20</u>	<u>632,191</u>	<u>23</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 15, 26 and 27)	261,303	10	495,178	18
Deferred tax liabilities (Notes 4 and 22)	-	-	10,305	-
Lease liabilities - non-current (Notes 4 and 13)	2,699	-	2,081	-
Net defined benefit liabilities (Notes 4 and 18)	4,787	-	5,845	-
Other non-current liabilities	100	-	100	-
Total non-current liabilities	<u>268,889</u>	<u>10</u>	<u>513,509</u>	<u>18</u>
Total liabilities	<u>792,874</u>	<u>30</u>	<u>1,145,700</u>	<u>41</u>
EQUITY (Notes 4 and 19)				
Share capital	1,030,865	39	1,030,865	37
Capital surplus	150,532	6	150,532	5
Retained earnings				
Legal reserve	113,668	4	96,923	3
Special reserve	31,293	1	44,054	2
Unappropriated earnings	515,624	20	359,046	13
Total retained earnings	<u>660,585</u>	<u>25</u>	<u>500,023</u>	<u>18</u>
Other equity	-	-	(31,293)	(1)
Treasury shares	(11,780)	-	(11,780)	-
Total equity	<u>1,830,202</u>	<u>70</u>	<u>1,638,347</u>	<u>59</u>
TOTAL	<u>\$ 2,623,076</u>	<u>100</u>	<u>\$ 2,784,047</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.



Tsang Yow Industrial Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 20 and 26)	\$ 1,209,167	100	\$ 1,348,972	100
OPERATING COSTS (Notes 9, 21 and 26)	<u>811,665</u>	<u>67</u>	<u>979,249</u>	<u>73</u>
GROSS PROFIT	397,502	33	369,723	27
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES (Note 26)	-	-	(3,107)	-
REALIZED GAIN (LOSS) ON TRANSACTIONS WITH SUBSIDIARIES (Note 26)	<u>3,107</u>	<u>-</u>	<u>(1,931)</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>400,609</u>	<u>33</u>	<u>364,685</u>	<u>27</u>
OPERATING EXPENSES (Notes 8 and 21)				
Selling and marketing expenses	42,362	3	64,287	5
General and administrative expenses	78,903	7	70,075	5
Research and development expenses	47,102	4	46,519	4
Expected credit gain	<u>(754)</u>	<u>-</u>	<u>(604)</u>	<u>-</u>
Total operating expenses	<u>167,613</u>	<u>14</u>	<u>180,277</u>	<u>14</u>
PROFIT FROM OPERATIONS	<u>232,996</u>	<u>19</u>	<u>184,408</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 26)				
Other income	6	-	46	-
Interest income	7,215	1	4,423	1
Other gains and losses	(38,034)	(3)	71,607	5
Finance costs	(10,402)	(1)	(12,341))
Share of profit or loss of subsidiaries	<u>155,972</u>	<u>13</u>	<u>(40,386)</u>	<u>)</u>
Total non-operating income and expenses	<u>114,757</u>	<u>10</u>	<u>23,349</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	347,753	29	207,757	15
INCOME TAX EXPENSE (Notes 4 and 22)	<u>74,019</u>	<u>6</u>	<u>42,367</u>	<u>3</u>
NET PROFIT FOR THE YEAR	<u>273,734</u>	<u>23</u>	<u>165,390</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME (Notes 18, 19 and 22)				

(Continued)



Tsang Yow Industrial Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (739)	-	\$ 2,579	-
Income tax related to items that will not be reclassified subsequently to profit or loss	148	-	(516)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(22,811)	(2)	44,673	3
Share of the other comprehensive income (loss) of subsidiaries accounted for using the equity method	54,124	4	(28,722)	(2)
Income tax related to items that may be reclassified subsequently to profit or loss	(20)	-	(3,190)	-
Other comprehensive income for the year, net of income tax	<u>30,702</u>	<u>2</u>	<u>14,824</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 304,436</u>	<u>25</u>	<u>\$ 180,214</u>	<u>13</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 2.67</u>		<u>\$ 1.62</u>	
Diluted	<u>\$ 2.66</u>		<u>\$ 1.61</u>	

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)



Tsang Yow Industrial Co., Ltd.

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Share Capital	Capital Surplus	Retained Earnings			Other Equity Exchange Differences on Translation of the Financial Statements of Foreign Operations	Treasury Shares	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE AT JANUARY 1, 2022	\$ 1,030,865	\$ 150,532	\$ 94,185	\$ 40,336	\$ 228,753	\$ (44,054)	\$ (11,780)	\$ 1,488,837
Appropriation of 2021 earnings (Note 19)								
Legal reserve	-	-	2,738	-	(2,738)	-	-	-
Special reserve	-	-	-	3,718	(3,718)	-	-	-
Cash dividends	-	-	-	-	(30,704)	-	-	(30,704)
	-	-	2,738	3,718	(37,160)	-	-	(30,704)
Net profit for the year ended December 31, 2022	-	-	-	-	165,390	-	-	165,390
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	2,063	12,761	-	14,824
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	167,453	12,761	-	180,214
BALANCE AT DECEMBER 31, 2022	1,030,865	150,532	96,923	44,054	359,046	(31,293)	(11,780)	1,638,347
Appropriation of 2022 earnings (Note 19)								
Legal reserve	-	-	16,745	-	(16,745)	-	-	-
Special reserve	-	-	-	(12,761)	12,761	-	-	-
Cash dividends	-	-	-	-	(112,581)	-	-	(112,581)
	-	-	16,745	(12,761)	(116,565)	-	-	(112,581)
Net profit for the year ended December 31, 2023	-	-	-	-	273,734	-	-	273,734
Other comprehensive income for the year ended December 31, 2023, net of income tax	-	-	-	-	(591)	31,293	-	30,702
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	273,143	31,293	-	304,436
BALANCE AT DECEMBER 31, 2023	\$ 1,030,865	\$ 150,532	\$ 113,668	\$ 31,293	\$ 515,624	\$ -	\$ (11,780)	\$ 1,830,202

The accompanying notes are an integral part of the parent company only financial statements.



Tsang Yow Industrial Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Years Ended	
	December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 347,753	\$ 207,757
Adjustments for:		
Depreciation expense	82,302	88,675
Amortization expense	4,614	5,349
Expected credit loss reversed	(754)	(604)
Net loss (gain) on fair value changes of financial assets at fair value through profit or loss	(42)	66
Finance costs	10,402	12,341
Interest income	(7,215)	(4,423)
Dividend income	(6)	(46)
Share of loss (profit) of subsidiaries accounted for using the equity method	(155,972)	40,386
Gain on disposal of property, plant and equipment	(3,145)	(4,496)
Loss on disposal of subsidiary	55,924	-
Inventory loss	8,846	15,469
Unrealized gain on transactions with subsidiaries	-	3,107
Realized loss (gain) on transactions with subsidiaries	(3,107)	1,931
Changes in operating assets and liabilities		
Notes receivable	64	(26)
Accounts receivable	11,479	101,996
Other receivables	17,707	(17,697)
Inventories	54,841	(55,117)
Other current assets	(194)	124
Contract liabilities	(10,502)	13,893
Notes payable	3,160	(3,187)
Accounts payable	(40,591)	(70,332)
Other payables	3,427	13,444
Other current liabilities	6,789	(14)
Net defined benefit liabilities	(1,797)	(1,374)
Cash generated from operations	383,983	347,222
Interest received	7,397	4,710
Dividends received	6	46
Interest paid	(10,634)	(12,597)
Income tax paid	(40,637)	(571)
Net cash generated from operating activities	<u>340,115</u>	<u>338,810</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash inflow on disposal of subsidiaries (Note 11)	587,118	-
Payments for property, plant and equipment	(30,895)	(60,165)
Proceeds from disposal of property, plant and equipment	8,415	38,188
Payments for intangible assets	(438)	(876)
Decrease in other receivables - related parties	107,362	19,856

(Continued)



Tsang Yow Industrial Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Years Ended	
	December 31	
	2023	2022
Increase in other financial assets	\$ (1,265)	\$ (1,019)
Increase in other non-current assets	<u>(3,972)</u>	<u>-</u>
Net cash generated from (used in) investing activities	<u>666,325</u>	<u>(4,016)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(80,000)	(80,000)
Proceeds from long-term borrowings	100,000	525,000
Repayment of long-term borrowings	(358,253)	(820,430)
Repayment of the principal portion of lease liabilities	(2,426)	(1,639)
Cash dividends	<u>(112,581)</u>	<u>(30,704)</u>
Net cash used in financing activities	<u>(453,260)</u>	<u>(407,773)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	553,180	(72,979)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>307,069</u>	<u>380,048</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 860,249</u>	<u>\$ 307,069</u>

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)



DECLARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF AFFILIATES

The entities required to be included in the consolidated financial statements of affiliates of Tsang Yow Industrial Co., Ltd. for the year ended December 31, 2023 under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with International Financial Reporting Standard No.10, “Consolidated Financial Statements”. In addition, the relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Tsang Yow Industrial Co., Ltd. and its subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Tsang Yow Industrial Co., Ltd.

By

Su, Chi-Tse
Chairman

March 7, 2024



INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Tsang Yow Industrial Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Tsang Yow Industrial Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2023 is described as follows:

Occurrence of revenue from consignment warehouses

The Group mainly engages in the manufacturing and sales of automobiles and parts thereof. Warehouse consignment is one of the Group's important sales models. As the Group needed to regularly verify the quantity of the goods sold from the consignment warehouses to recognize the sales revenue, during which manual reconciliation was involved, the potential risk of error posed to the occurrence of the Group's sales revenue has increased. Therefore, in accordance with the Standards on Auditing of the Republic of China, where revenue recognition is presumed to have a significant risk, the occurrence of sales revenue from consignment warehouses is listed as a key audit matter.



Refer to Note 4 (11) for the accounting policy on revenue recognition.

We have implemented the corresponding audit procedures below for the specific aspects of the above key audit matter, including:

1. We obtained an understanding of and tested if the Group's internal control operations related to the sales were effective.
2. We selected samples from the statements of sales revenue from the consignment warehouses, verified the account reconciliation records between the Group and clients, shipping documents and payment collection documents, and we checked if the recipients were consistent with the transaction counterparties or reviewed the confirmation made by clients to confirm the occurrence of the sales.

Other Matter

We have also audited the parent company only financial statements of Tsang Yow Industrial Co., Ltd. as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one



resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Jia-Ling Chiang and Chiu-Yen Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 7, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of



any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.



Tsang Yow Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 860,249	33	\$ 458,717	16
Financial assets at fair value through profit or loss (Notes 4,7 and 27)	485	-	443	-
Notes receivable (Notes 4, 5, 8, 21 and 29)	-	-	2,489	-
Accounts receivable, net (Notes 4, 5, 8, 21 and 28)	205,139	8	430,974	15
Other receivables	1	-	18,931	1
Current tax assets (Notes 4 and 23)	937	-	431	-
Inventories (Notes 4, 5 and 9)	369,051	14	540,075	18
Other financial assets - current (Notes 10 and 29)	9,681	-	9,640	-
Other current assets (Note 15)	<u>10,698</u>	<u>1</u>	<u>17,569</u>	<u>1</u>
Total current assets	<u>1,456,241</u>	<u>56</u>	<u>1,479,269</u>	<u>51</u>
NON-CURRENT ASSETS				
Property, plant and equipment (Notes 4, 13, 29 and 30)	1,108,920	43	1,350,037	46
Right-of-use assets (Notes 4 and 14)	5,753	-	15,297	1
Intangible assets (Note 4)	5,018	-	9,839	-
Deferred tax assets (Notes 4 and 23)	32,816	1	65,140	2
Prepayments for equipment	6,304	-	1,541	-
Other financial assets - non-current (Notes 10 and 29)	3,460	-	2,236	-
Other non-current assets (Note 15)	<u>4,564</u>	<u>-</u>	<u>592</u>	<u>-</u>
Total non-current assets	<u>1,166,835</u>	<u>44</u>	<u>1,444,682</u>	<u>49</u>
TOTAL	<u>\$ 2,623,076</u>	<u>100</u>	<u>\$ 2,923,951</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 16 and 28)	\$ 20,000	1	\$ 100,000	4
Contract liabilities (Note 21)	7,885	-	18,387	1
Notes payable (Note 17)	10,869	-	7,709	-
Accounts payable (Notes 17 and 28)	145,855	6	285,653	10
Other payables (Notes 18 and 22)	105,810	4	125,166	4
Current tax liabilities (Notes 4 and 23)	78,158	3	41,012	1
Lease liabilities - current (Notes 4 and 14)	2,991	-	1,828	-
Current portion of long-term borrowings (Notes 16, 28 and 29)	109,233	4	133,611	5
Other current liabilities (Note 18)	<u>43,184</u>	<u>2</u>	<u>64,444</u>	<u>2</u>
Total current liabilities	<u>523,985</u>	<u>20</u>	<u>777,810</u>	<u>27</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 16, 28 and 29)	261,303	10	495,178	17
Deferred tax liabilities (Notes 4 and 23)	-	-	4,590	-
Lease liabilities - non-current (Notes 4 and 14)	2,699	-	2,081	-
Net defined benefit liabilities (Notes 4 and 19)	4,787	-	5,845	-
Other non-current liabilities	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>
Total non-current liabilities	<u>268,889</u>	<u>10</u>	<u>507,794</u>	<u>17</u>
Total liabilities	<u>792,874</u>	<u>30</u>	<u>1,285,604</u>	<u>44</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 20)				
Share capital	<u>1,030,865</u>	<u>39</u>	<u>1,030,865</u>	<u>35</u>
Capital surplus	<u>150,532</u>	<u>6</u>	<u>150,532</u>	<u>5</u>
Retained earnings				
Legal reserve	113,668	4	96,923	3
Special reserve	31,293	1	44,054	2
Unappropriated earnings	<u>515,624</u>	<u>20</u>	<u>359,046</u>	<u>12</u>
Total retained earnings	<u>660,585</u>	<u>25</u>	<u>500,023</u>	<u>17</u>
Other equity	-	-	(31,293)	(1)
Treasury Shares	<u>(11,780)</u>	<u>-</u>	<u>(11,780)</u>	<u>-</u>
Total equity	<u>1,830,202</u>	<u>70</u>	<u>1,638,347</u>	<u>56</u>
TOTAL	<u>\$ 2,623,076</u>	<u>100</u>	<u>\$ 2,923,951</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.



Tsang Yow Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21 and 28)	\$ 1,193,076	100	\$ 1,347,635	100
OPERATING COSTS (Notes 9, 22 and 28)	<u>791,631</u>	<u>66</u>	<u>975,146</u>	<u>72</u>
GROSS PROFIT	<u>401,445</u>	<u>34</u>	<u>372,489</u>	<u>28</u>
OPERATING EXPENSES (Notes 8 and 22)				
Selling and marketing expenses	42,362	3	64,287	5
General and administrative expenses	79,235	7	70,140	5
Research and development expenses	47,102	4	46,519	4
Expected credit gain	<u>(754)</u>	<u>-</u>	<u>(604)</u>	<u>-</u>
Total operating expenses	<u>167,945</u>	<u>14</u>	<u>180,342</u>	<u>14</u>
PROFIT FROM OPERATIONS	<u>233,500</u>	<u>20</u>	<u>192,147</u>	<u>14</u>
NON-OPERATING INCOME AND EXPENSES (Notes 22 and 28)				
Interest income	7,964	1	3,022	-
Other income	6	-	46	-
Other gains and losses	18,644	1	64,366	5
Finance costs	<u>(10,402)</u>	<u>(1)</u>	<u>(12,341)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>16,212</u>	<u>1</u>	<u>55,093</u>	<u>4</u>
PROFIT BEFORE INCOME TAX	249,712	21	247,240	18
INCOME TAX EXPENSE (Notes 4 and 23)	<u>53,120</u>	<u>4</u>	<u>42,367</u>	<u>3</u>
NET PROFIT FROM CONTINUING OPERATIONS	196,592	17	204,873	15
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS (Note 11)	<u>77,142</u>	<u>6</u>	<u>(39,483)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>273,734</u>	<u>23</u>	<u>165,390</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME (Notes 19, 20 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(739)	-	2,579	-
Income tax related to items that will not be reclassified subsequently to profit or loss	148	-	(516)	-

(Continued)



Tsang Yow Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ 31,313	3	\$ 15,951	1
Income tax related to items that may be reclassified subsequently to profit or loss	<u>(20)</u>	<u>-</u>	<u>(3,190)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>30,702</u>	<u>3</u>	<u>14,824</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 304,436</u>	<u>26</u>	<u>\$ 180,214</u>	<u>13</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ 273,734</u>	<u>23</u>	<u>\$ 165,390</u>	<u>12</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ 304,436</u>	<u>26</u>	<u>\$ 180,214</u>	<u>13</u>
EARNINGS PER SHARE (Note 24)				
From continuing and discontinued operations				
Basic	<u>\$ 1.92</u>		<u>\$ 2.00</u>	
Diluted	<u>\$ 1.91</u>		<u>\$ 1.99</u>	
From continuing operations				
Basic	<u>\$ 2.67</u>		<u>\$ 1.62</u>	
Diluted	<u>\$ 2.66</u>		<u>\$ 1.61</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)



Tsang Yow Industrial Co., Ltd. and Subsidiaries

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company						Other Equity Exchange Differences on Translation of the Financial Statements of	Treasury Shares	Total Equity
	Share Capital	Capital Surplus	Retained Earnings			Foreign Operations			
			Legal Reserve	Special Reserve	Unappropriated Earnings				
BALANCE AT JANUARY 1, 2022	\$ 1,030,865	\$ 150,532	\$ 94,185	\$ 40,336	\$ 228,753	\$ (44,054)	\$ (11,780)	\$ 1,488,837	
Appropriation of 2021 earnings (Note 20)									
Legal reserve	-	-	2,738	-	(2,738)	-	-	-	
Special reserve	-	-	-	3,718	(3,718)	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	(30,704)	-	-	(30,704)	
	-	-	2,738	3,718	(37,160)	-	-	(30,704)	
Net profit for the year ended December 31, 2022	-	-	-	-	165,390	-	-	165,390	
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	2,063	12,761	-	14,824	
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	167,453	12,761	-	180,214	
BALANCE AT DECEMBER 31, 2022	1,030,865	150,532	96,923	44,054	359,046	(31,293)	(11,780)	1,638,347	
Appropriation of 2022 earnings (Note 20)									
Legal reserve	-	-	16,745	-	(16,745)	-	-	-	
Reversal of special reserve	-	-	-	(12,761)	12,761	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	(112,581)	-	-	(112,581)	
	-	-	16,745	(12,761)	(116,565)	-	-	(112,581)	
Net profit for the year ended December 31, 2023	-	-	-	-	273,734	-	-	273,734	
Other comprehensive income for the year ended December 31, 2023, net of income tax	-	-	-	-	(591)	31,293	-	30,702	
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	273,143	31,293	-	304,436	
BALANCE AT DECEMBER 31, 2023	\$ 1,030,865	\$ 150,532	\$ 113,668	\$ 31,293	\$ 515,624	\$ -	\$ (11,780)	\$ 1,830,202	

The accompanying notes are an integral part of the consolidated financial statements.



Tsang Yow Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	\$ 249,712	\$ 247,240
Income (loss) before income tax from discontinued operations	<u>87,769</u>	<u>(47,789)</u>
Income before income tax	<u>337,481</u>	<u>199,451</u>
Adjustments for:		
Depreciation expense	99,671	135,068
Amortization expense	4,673	5,478
Expected credit loss recognized (reversed)	(3,057)	585
Net loss (gain) on fair value changes of financial asset at fair value through profit and loss	(42)	66
Finance costs	10,503	13,037
Interest income	(11,063)	(3,962)
Dividend income	(6)	(46)
Loss (gain) on disposal of property, plant and equipment	(15,034)	1,390
Gain on disposal of subsidiary	(214,201)	-
Inventory loss	18,124	19,180
Changes in operating assets and liabilities		
Notes receivable	334	2,542
Accounts receivable	73,569	142,263
Other receivables	17,844	(17,003)
Inventories	79,827	(56,102)
Other current assets	4,780	(3,704)
Contract liabilities	(10,502)	13,893
Notes payable	3,160	(3,187)
Accounts payable	(43,260)	(96,781)
Other payables	37,228	8,060
Other current liabilities	(20,748)	24,421
Net defined benefit liabilities	<u>(1,797)</u>	<u>(1,374)</u>
Cash generated from operations	367,484	383,275
Interest received	11,063	3,962
Dividends received	6	46
Interest paid	(10,735)	(13,306)
Income tax paid	<u>(40,881)</u>	<u>(1,497)</u>
Net cash generated from operating activities	<u>326,937</u>	<u>372,480</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(48,576)	(64,645)
Proceeds from disposal of property, plant and equipment	39,626	34,312
Payments for intangible assets	(438)	(876)
Increase in other financial assets	(1,265)	(1,019)
Increase in other non-current assets	(3,972)	-
Proceeds from disposal of subsidiary	<u>477,784</u>	<u>-</u>

(Continued)



Tsang Yow Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Years Ended	
	December 31	
	2023	2022
Net cash generated from (used in) investing activities	\$ 463,159	\$ (32,228)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(80,000)	(121,520)
Proceeds from long-term borrowings	100,000	525,000
Repayment of long-term borrowings	(358,253)	(820,430)
Repayment of the principal portion of lease liabilities	(2,426)	(1,639)
Cash dividends	<u>(112,581)</u>	<u>(30,704)</u>
Net cash used in financing activities	<u>(453,260)</u>	<u>(449,293)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>64,696</u>	<u>13,318</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	401,532	(95,723)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>458,717</u>	<u>554,440</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 860,249</u>	<u>\$ 458,717</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)



TSANG YOW INDUSTRIAL CO., LTD.
2023 Earnings Distribution Table

Unit: NTD thousand

Item	Amount
Undistributed earnings at the beginning of 2023	242,480,626
2023 net profit plus the amount other than the current period net profit after tax recognized in the undistributed earnings of the current year	273,142,928
Net income after tax for 2023	273,733,950
Actuarial gains and losses included in retained earnings	(591,022)
Less: Legal reserve	(27,314,293)
Less: Special reserve	31,292,904
Earnings available for distribution	519,602,165
Less: Distribution items:	
Shareholder bonus – cash dividend (NTD1.34/share)	(137,144,389)
Undistributed earnings at the end of 2023	382,457,776

Remarks:

1. The employee bonus of NTD14,812,083 and the director and supervisor remuneration of NTD7,406,041 were paid out in cash.
2. As of March 7, 2024, the number of outstanding shares was 102,346,559 (the total number of issued shares was 103,086,559 shares, less treasury shares of 740,000) as the basis for allotment.
3. The cash dividends at this time were calculated based on the shareholdings and rounded down to NTD1, and the sum of each dividend of less than NTD1 is included in the Company's other income.

Chairman: SU, CHI-TSE General Manager: SU, CHI-HU

Chief Accounting Officer:
CHEN, HUI-JUNG



**2024 Annual General Meeting of TSANG YOW INDUSTRIAL CO., LTD.
List of Directors/Independent Director Candidates Nominated by the Board of Directors**

Category	Name of candidate	Academic background	Experience	Current position	Shareholding (Shares)
Director	SU, CHI-TSE	Bachelor's degree in Business Administration and EMBA, Tunghai University	President and Chairman, Tsang Yow Industrial Co., Ltd. Manager of Manufacturing Department and Manager of Human Resources Office, Linesoon Industrial Co., Ltd.	Chairman, Tsang Yow Industrial; Supervisor, Linesoon Industrial; Director, Linesoon Investment; Chairman, Rich Pool Investment; Director, Golden Top Investment	
Director	SU, CHI-HU	Bachelor's degree in Business Administration, University of Denver, U.S.A. and EMBA, National Cheng Kung University	President, Executive Vice President, Vice President, Tsang Yow Industrial; Manager of Human Resource Office, Linesoon Industrial	President, Tsang Yow Industrial; Director, Rich Pool Investment	
Director	CHU, CHEN-YI	Master of Information Systems and Applications, Griffith University	Special Assistant to the Chairman, Vice President, Assistant Vice President, and Chairman Tsang Yow Industrial; Special Assistant to Linesoon Industrial	Vice President, Tsang Yow Industrial; Supervisor, JIN SHIANG FORGING	
Director	CHU, SAN-TU	Graduated from Nantou Junior High School	Chairman, SUNFORGING INDUSTRIAL; Chairman, JIN SHIANG	Chairman, SUNFORGING INDUSTRIAL; Chairman, JIN SHIANG	
Director	SU, HSIN-CHENG	Department of Psychology, Chengchi University – did not graduate	President, Linesoon Industrial Co., Ltd.	President, Linesoon Industrial Co., Ltd.; President, Director, Linesoon Industrial Co., Ltd.; Chairman, Golden Top Investment Co., Ltd. and Trantop International Co., Ltd.	
Director	Rich Pool Investment Co., Ltd. Representative: HSIEH, HSIN-SHU	Department of Accounting, National Chengchi University; EMBA, National Chung Cheng University	System Designer, China Steel Computing Center; CPA Examination, 1983; Senior Auditor, Deloitte Taiwan; Person in charge, HSIEH, HSIN-SHU CPA Firm	Person in charge of HSIEH, HSIN-SHU CPA Firm; Independent Director, China Steel Chemical	
Independent Director	OU, CHIN-SHYH	Doctor of Management, University of Minnesota,	Honorary Professor, Department of Accounting and Information Technology,	Independent Director, Tsang Yu Industrial Co., Ltd.; Professor	



Category	Name of candidate	Academic background	Experience	Current position	Shareholding (Shares)
		USA	National Chung Cheng University	Emeritus, Department of Accounting and Information Technology, National Chung Cheng University; Independent Director, Nam Mao Technology Co., Ltd.	
Independent Director	CHEN, CHIH-CHANG	Ph.D. in Business Administration, National Yunlin University of Science and Technology; Master's in Public Administration, Eastern Washington University	Director, Bothhand Enterprise Inc.; Head of Department of Business Administration, Taiwan Shoufu University; Chief Representative, Beijing Office, China Life Insurance Company; Assistant Professor, certified by Ministry of Education (Zhu-Li-Zi No.039025), Curriculum Committee, Southern Taiwan University of Science and Technology; Secretary, Tainan I-Tsai Association; Adjunct Assistant Professor, National Yunlin University of Science and Technology	Chairman, Tiso Technology Co., Ltd.; Director, Wu Jin Mao Memorial Cultural and Education Foundation; Adjunct Assistant Professor, Nanhua University; Independent Director, Man-Zai Industrial Corp, Independent Director, Aeonmotor Co., Ltd.; Independent Director, Likang Bio-Technology Co., Ltd.; Independent Director, Tsang Yow Industrial	
Independent Director	LIN, CHIU-HSIEN	Graduated from Department of Public Finance, Feng Chia University	Section Leader, Finance Administration, Jiali District Office, Tainan City; Auditor, National Taxation Bureau of the Southern Area, Ministry of Finance;	Independent Director, Tsang Yow Industrial Co., Ltd.	



TSANG YOW INDUSTRIAL CO., LTD.

List of Directors and Representatives for Removal of Non-competition Restrictions

Director candidate	Current position within the Company's business scope		
	Name of company	Position held	Principal business
SU, CHI-TSE	Rich Pool Investment Co., Ltd.	Chairman	General investment
	Golden Top Investment Co., Ltd.	Director	General investment
	Linesoon Investment Co., Ltd.	Director	General investment
	Linesoon Industrial Co., Ltd.	Supervisor	Manufacturing of automobile parts
SU, CHI-HU	Rich Pool Investment Co., Ltd.	Director	General investment
CHU, CHEN-YI	JIN SHIANG FORGING CO., LTD.	Supervisor	Manufacturing, processing and trading of various auto parts, mechanical parts and general hardware and hand tools
CHU, SAN-TU	SUNFORGING INDUSTRIAL CO., LTD.	Chairman	Manufacturing, processing and trading of various auto parts, mechanical parts and general hardware and hand tools
	JIN SHIANG FORGING CO., LTD.	Chairman	
SU, HSIN-CHE NG	Golden Top Investment Co., Ltd.	Chairman	General investment
	Linesoon Investment Co., Ltd.	Director	General investment
	Linesoon Industrial Co., Ltd.	Director and President	Manufacturing of automobile parts
	Trantop International Co., Ltd.	Chairman	Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories



VIII. Appendixes

Appendix 1

TSANG YOW INDUSTRIAL CO., LTD. Procedures for Election of Directors

- I. Purpose: For the purpose of fair, just and open election of directors, these Procedures are established in accordance with Articles 21 and 41 of the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”
- II. Scope: The election of directors of the Company shall be governed by these Regulations.
- III. Responsibility: The responsible unit for these Regulations is the Board of Directors, the conference affairs unit.
- IV. Content:
 1. The cumulative voting system shall be adopted for the election of the Company’s directors. Attendance card numbers printed on the ballots may be used in lieu of the names of the voters.
 2. In the election of directors, each share shall have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
 3. The overall composition of the board of directors shall be considered in the election of directors of the Company. The composition of the Board of Directors shall be determined by taking diversity into account. It shall be formulated according to and include, without being limited to, the following two general aspects:
 - I. Basic requirement and values: gender, age, nationality, and culture.
 - II. Professional knowledge and skills: a professional background such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.Board members shall have the knowledge, skill, and competency, as follow, necessary to perform their duties:
 - (1) Ability to make operation judgments.
 - (2) Ability to perform accounting and financial analysis.
 - (3) Ability to operate and manage.
 - (4) Ability to manage crises.
 - (5) Industry Knowledge.
 - (6) Knowledge of International Markets.
 - (7) Leadership.
 - (8) Decision-Making.More than half of the directors shall not be a spouse or a relative within the second degree of kinship. If a director-elect does not meet the above requirements, the non-compliance with the ballots for which a director does not meet the requirements represents a person with a lower number of votes shall be invalid for his or her election.
 4. The directors of the Company shall be elected by the shareholders’ meeting from persons of adequate capacity, and the voting rights of independent directors and non-independent directors shall be calculated separately based on the number of seats specified in the Articles of Incorporation of the Company. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to



determine the winner, with the chair drawing lots on behalf of any person not in attendance.

If the personal information of an elected director is verified to be inconsistent or invalid in accordance with the relevant laws and regulations, the vacant vacancy shall be announced by the candidate with the second majority in the original election at the Shareholders' Meeting.

4.1. The qualifications of the Company's independent directors shall comply with Articles 2, 3 and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8 and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 24 of "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."

4.2. Elections of directors of the Company shall be conducted in accordance with the candidate nomination system stipulated in Article 192-1 of the Company Act.

4.3. Independent directors and non-independent directors shall be elected together, and the votes shall be counted separately in accordance with the provisions of point 4.

4.4. Where the vacancy in the Board of Directors reaches one-third of the number specified in the Articles of Incorporation, the Company shall convene an extraordinary Shareholders' Meeting for by-election within 60 days from the date of occurrence of the fact.

If the number of independent directors falls below that specified in the proviso of Paragraph 1, Article 14-2 of the Securities and Exchange Act, the Company shall hold a by-election at the most recent Shareholders' Meeting. When all independent directors have been dismissed, an extraordinary Shareholders' Meeting shall be convened within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

5. Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.

6. The Board of Directors shall prepare the ballots for the same number of Directors as the Directors to be elected, specify the number of voting rights on the ballots, and distribute them to the shareholders attending the Shareholders' Meeting.

7. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

8. If the candidate is a shareholder of the Company, the voters shall indicate the candidate's account name and the shareholder account number in the "candidate" column of the ballot; if the candidate is not a shareholder of the Company, the name and identification number of the person to be elected shall be indicated. However, when the candidate is a government or legal person, the name of the government or legal person shall be filled in the candidate column of the voter ballot, and the name of the government or legal person and the name of its representative may also be filled; When there are multiple representatives, the names of each respective representative shall be indicated.

9. A ballot is invalid under any of the following circumstances:

(1) The ballot was not prepared by a person with the right to convene.

(2) A blank ballot is placed in the ballot box.

(3) The writing is unclear and indecipherable or has been altered.



- (4) The candidate whose name is entered in the ballot does not conform to the director candidate list.
 - (5) Other words or marks are entered in addition to the number of voting rights allotted.
10. The voting rights shall be calculated on-site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.
The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept properly for at least one year. However, if a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Act, the records shall be retained until the end of the lawsuit.
 11. Matters not provided for in these Rules shall be handled in accordance with the Company Act, the Company's Articles of Incorporation and relevant laws and regulations.
 12. This Act shall take effect upon the approval of the Shareholders' Meeting, and the same shall apply to any amendment thereto.
 13. The Regulations were passed at the shareholders' meeting on July 3, 2000.
The 1st amendment was made on December 21, 2001.
The 2nd amendment was made on June 3, 2003.
The 3rd amendment was made on June 11, 2004.
The 4th amendment was made on June 15, 2006.
The 5th amendment was made on December 6, 2007.
The 6th amendment was made on June 29, 2012.
The 7th amendment was made on June 22, 2015.
The 8th amendment was made on June 7, 2016.
The 9th amendment was made on July 15, 2021.

V. References:

1. Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
2. Company Act.
3. Securities and Exchange Act.

VI. Relevant tables: None.



TSANG YOW INDUSTRIAL CO., LTD.

Articles of Incorporation

Chapter 1 General Provisions

- Article 1: The Company is duly incorporated in accordance with the Company Act. The name of the Company is 倉佑實業股份有限公司 and the English name is TSANGYOWINDUSTRIALCO., LTD.
- Article 2: The scope of the Company's business is as follows:
- I. CB01990 Other Machinery Manufacturing.
 - II. CD01010 Ships and Parts Manufacturing.
 - III. CD01030 Motor Vehicles and Parts Manufacturing.
 - IV. F113990 Wholesale of Other Machinery and Tools.
 - V. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
 - VI. F114060 Wholesale Ship and Component Parts.
 - IV. F213990 Retail Sale of Other Machinery and Tools.
 - VIII. F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
 - IX. F214060 Retail Sale of Ship and Component Parts Thereof.
 - X. F401010 International Trade.
 - XI. CD01040 Motorcycles and Parts Manufacturing.
 - XII. CD01050 Bicycles and Parts Manufacturing.
 - XIII. CD01060 Aircraft and Parts Manufacturing.
 - XIV. CD01990 Other Transport Equipment and Parts Manufacturing.
 - XV. F214040 Retail Sale of Bicycle and Component Parts Thereof.
 - XVI. CC01080 Electronics Components Manufacturing.
 - XVII. CC01110 Computer and Peripheral Equipment Manufacturing.
 - XVIII. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing.
 - XIX. D101060 Self-usage Power Generation Equipment Utilizing Renewable Energy Industry
 - XX. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1: The Company may provide guarantees to Article 2-1: The Company may provide endorsements/guarantees external entities for business needs, but it shall be submitted to the Board of Directors for approval in accordance with the Company's Operating Procedures for Endorsements and Guarantees.
- Article 2-2: When the Company invests in another company and becomes a shareholder with limited liability, it may not be subject to the limit under Article 13 of the Company Act, but the investment shall not exceed 100% of the Company's paid-in share capital and shall be approved by the Board of Directors.
- Article 3: The Company is headquartered in Chiayi County, Taiwan, and may establish branches, factories, or offices at home or abroad, when necessary, with the approval



by resolution of the Board of Directors as per law.

Article 4: The Company's announcement method shall be handled in accordance with Article 28 of the Company Act.

Chapter 2 Shares

Article 5: The Company's total capital amounts to NTD1.5 billion, which is divided into 150 million shares, and each share is NTD10. The Board of Directors is delegated to issue such shares in tranches.

Within the total capital mentioned in the preceding paragraph, NTD 40,000,000 is reserved for the issuance of employee stock options, totaling 4,000,000 shares, which may be issued in installments as resolved by the board of directors.

Article 6: When the amount of the Company's issued shares exceeds a certain amount set by the central competent authority, it shall issue stocks in accordance with the applicable provisions of the Company Act.

The Company may be exempted from printing stock certificates but shall register with the centralized securities depository enterprise for the stocks issued by the Company. The same shall also apply to the issuance of other securities.

Article 6-1: Where the Company intends to revoke the public offering, it shall be approved by the Board of Directors and adopted by resolution of the Shareholders' Meeting before the Company proceeds to apply for revocation of the public offering.

Article 7: The Company's stock affairs shall be handled in accordance with the Company Act and the Regulations Governing the Administration of Shareholder Services of Public Companies, unless otherwise stipulated by laws and the competent securities authority.

Article 8: The change of the shareholder register shall be suspended within 60 days before an annual general Shareholders' Meeting, within 30 days before an extraordinary Shareholders' Meeting, or within five days before the record date of the payout of dividends, bonuses, or other benefits.

Article 9: The recipients of the treasury shares purchased by the Company in accordance with the Company Act and employee stock warrants issued and the subscribers of restricted stock awards issued may include employees at the controlling company or subsidiaries who meet certain criteria.

The Board of Directors is delegated to set the criteria in the preceding paragraph.

Chapter 3 Shareholders' Meeting

Article 10: There are annual general and extraordinary Shareholders' Meetings.

I. The annual general Shareholders' Meeting shall be convened once per year within six months after the end of each fiscal year.

II. An extraordinary Shareholders' Meeting may be convened at any time in accordance with applicable laws and regulations when necessary.

Article 10-1: Each shareholder shall be notified of the date, time, place, and reason for convening such a meeting 30 days before an annual general Shareholders' Meeting and 15 days before an extraordinary Shareholders' Meeting. Any election of directors, amendments to the Articles of Incorporation, dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act shall be set out and the essential contents explained in the notice of the Shareholders' Meeting. None of the above matters may be raised by a questions and motions.



- Article 10-2: The Company may convene Shareholders' Meeting by video conference or in other methods as announced by the central competent authority
- Article 11: Any shareholder who is unable to attend a Shareholders' Meeting for any reason may appoint a proxy to attend the meeting by presenting a signed or sealed proxy form printed by the Company, indicating the scope of the authorization, and proceed in accordance with the Company Act and the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies promulgated by the competent authority.
- Article 12: A Shareholders' Meeting shall be chaired by the Chairman. When the Chairman is absent, the Chairman shall designate one of the directors to act as the chair. Where the Chairman fails to make such a designation, the directors shall select from among themselves one person to serve as the chair. If a Shareholders' Meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- Article 13: A shareholder shall be entitled to one vote for each of the Company's ordinary shares held. However, the shares issued by the Company held by the Company in accordance with the Company Act are deemed non-voting shares.
- Article 14: Resolutions at a Shareholders' Meeting shall, unless otherwise provided by applicable laws and regulations, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.
- Article 15: Matters relating to the resolutions by a Shareholders' Meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. Said distribution may be conducted through announcement on the Market Observation Post System (MOPS).
- The original copy of the meeting minutes, together with the sign-in book, and the proxy forms shall be kept at the Company in accordance with Article 183 of the Company Act.

Chapter 4 Board of Directors and Audit Committee

- Article 16: The Company shall have seven to eleven directors on the Board, but the Board of Directors shall be delegated to determine the number of directors to be elected. Directors shall be elected through a candidate nomination system specified in Article 192-1 of the Company Act by the Shareholders' Meeting from a list of director candidates. Their term of office is three years, and they can be re-elected. Where the term of office ends and an election fails to be held in time, the original term of office may be extended until an election of new directors is held. The total shareholding of all directors shall be handled in accordance with the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies promulgated by the competent authority.
- Article 16-1: Pursuant to Articles 14-2 and 14-4 of the Securities and Exchange Act, of the number of directors under Article 16, the number of independent directors shall not be fewer than three, one of whom shall be the convener of the Audit Committee and at least one of whom shall have expertise in accounting or finance. They shall be elected through a candidate nomination system by the Shareholders' Meeting from a list of independent director candidates. The professional qualifications, shareholding, restrictions on positions held concurrently, nomination, and other matters to be complied with for independent directors shall be governed by the regulations of the



competent securities authority.

Article 16-2: The Company has established an Audit Committee formed by all independent directors in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee is responsible for performing the duties specified in the Company Act, the Securities and Exchange Act, and other laws and regulations.

Article 17: When the vacancy of directors reaches one-third of all directors, the Board of Directors shall hold a Shareholders' Meeting for a by-election in accordance with the law; however, the term of office of the directors elected at the by-election shall be limited to the original term of office.

When the Shareholders' Meeting elects directors, each share shall be entitled to the number of voting rights equal to that of directors to be elected and may be cast for a single candidate or split among multiple candidates.

Where the Company's Shareholders' Meeting resolves a decision to elect new directors for the entire Board before the end of the existing directors' term of office, if the Shareholders' Meeting fails to resolve a decision to allow the existing directors to serve on the Board until the end of the term of office, they shall be dismissed early.

Article 18: The Board of Directors is formed by all directors, and the Chairman shall be elected by more than half of the directors from among themselves present at a Board meeting attended by two-thirds or more of all directors. The Chairman shall chair Shareholders' Meetings and Board meetings internally and represent the Company externally and execute all the Company's business in accordance with laws, regulations, and resolutions adopted by the Shareholders' Meeting and the Board of Directors. When the Chairman is unable to perform the duties for a specific reason, the Chairman shall appoint one of the managing directors to act as the chair. Where there is no such a position as managing director, the Chairman shall designate one person to act as the chair. Where the Chairman fails to make such a designation, the directors shall elect, from among themselves, one person to serve as the chair.

Article 19: Directors shall be obliged to act as joint guarantors for external loans taken out by the Company.

Article 20: The responsibilities of the Board of Directors are as follows:

- I. Determination of the Company's business policy and monitoring of business activities.
- II. Appointment, dismissal, and remuneration of managers.
- III. Appointment and dismissal of the chief accounting officer and internal auditors.
- IV. Review of budgets and financial statements.
- V. Drawing up a statement of earnings distribution or a statement of deficit compensation and making capital increase proposals.
- VI. Approval of investments in or provision of loans to other businesses and mortgage of assets.
- VII. Establishment, major restructuring, and dissolution of the Company's important organizations, as well as the review of important rules and important contracts.
- VIII. Approval of proposals for the purchase, disposal, and pledge or mortgage of movable, immovable, or intangible assets as referred to in the Company's Asset Acquisition and Disposal Operating Rules.
- IX. Convening of Shareholders' Meetings.



- X. Review and approval of matters submitted by the Chairman for discussion.
- XI. Performance of other duties conferred by laws and regulations and the Shareholders' Meeting.

Article 21: Unless otherwise provided by the Company Act, resolutions by the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. In case a director is unable to attend a Board meeting in person for a specific reason, they shall issue a proxy form and state therein the scope of authority with reference to the subjects to be discussed at the meeting to entrust a proxy to attend the meeting on their behalf. The proxy mentioned in the preceding paragraph is limited to only one proxy.

When a Board meeting is held by video conference, the directors who participate in the meeting by video conference shall be deemed to be present in person.

When a Board meeting is called, a meeting notice shall state the reasons for calling a meeting and be sent to each director no later than seven days prior to the scheduled meeting date. However, in case of emergency, a Board meeting may be called at any time. The Company may send such a meeting in writing or by e-mail or fax.

Article 22: Matters relating to the resolutions by a Board meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The original copy of the meeting minutes, together with the sign-in book, and the proxy forms shall be kept at the Company.

Article 23: The remuneration paid to directors is determined by the Board of Directors according to individual director's involvement and contribution to the business operation with the reference to the general standard in the industry without exceeding the standards specified in the Company's salary determination regulations. All directors may receive transportation allowance according to the actual situation.

The Company may purchase liability insurance for directors during their terms in accordance with the law for the scope of their duties depending on the needs with the consent of more than half of the directors present at a Board meeting attended by more than half of the directors.

Chapter 5 Managers

Article 27: The Company may appoint managers, whose appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

Article 28: The Company may recruit consultants and important staff by resolution of the Board of Directors.

Chapter 6 Accounting

Article 29: The Company's fiscal year is from January 1 to December 31 per year.

Article 30: At the end of the Company's each fiscal year, the Board of Directors shall prepare the following documents and submit them to the Shareholders' Meeting for ratification.

- I. A business reports.
- II. financial statements.
- III. A statement of earnings distribution or a statement of deficit compensation.

Article 31: Where the Company makes a profit for a fiscal year, it shall provide no less than 3% of the balance for employee remuneration, which shall be distributed in stock or cash



by resolution of the Board of Directors. The recipients of the remuneration may include the employees at the controlling company or subsidiaries who meet certain criteria, and the criteria shall be determined by the Board of Directors as delegated. The Company may provide no greater than 5% of said balance for director remuneration by resolution of the Board of Directors.

Distribution of employee remuneration and director remuneration shall be reported to the Shareholders' Meeting.

When there is still a cumulative deficit, the Company shall reserve an amount to offset it in advance, provide employee remuneration and director remuneration based on the above percentages.

Article 31-1: The Company's net income based on the annual financial statements shall be distributed in the following order:

1. Paying taxes according to law.
2. Offsetting a cumulative deficit.
3. Providing 10% as a legal reserve.
4. Providing an amount for or reversing the special reserve as per laws and regulations or as needed in business.
5. If there is a balance remaining, the balance, plus the undistributed earnings, shall be the basis for distributable earnings adopted by the Board of Directors to make a shareholder dividend distribution proposal and submit it to the Shareholders' Meeting for approval before distribution. The dividend distribution can be in the form of stock or cash.

Based on Article 240-5, the Company authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and such distribution shall be submitted to the Shareholders' Meeting for reporting.

Article 31-2: The Company will factor in the industry condition and the growth stage of the Company to meets capital needs and long-term financial planning, as well as cash flow demands from the shareholders. Therefore, a certain percentage from distributable earnings will be set aside for shareholder dividends, of which the cash distribution shall not be lower than 10%. The type and percentage of such distribution might be adjusted by the Shareholders' Meeting depending on actual surplus and capital needs.

Chapter 7 Supplementary Provisions

Article 32: In accordance with Article 267 of the Company Act, when issuing new shares, the Company shall reserve 10% to 15% of the total number of new shares to be issued for subscription by employees. The shares subscribed for by the Company's employees in accordance with the preceding paragraph may not be transferred within a certain period of time in accordance with the applicable provisions of the Company Act.

Article 33: Matters not specified in the Articles of Incorporation shall be handled in accordance with the Company Act and other laws and regulations.

Article 34: The Articles of Incorporation was formulated on December 20, 1984. The 1st amendment was made on January 8, 1985. The 2nd amendment was made on February 26, 1987. The 3rd amendment was made on June 23, 1988. The 4th amendment was made on December 20, 1988. The 5th amendment was made on July



28, 1989. The 6th amendment was made on May 20, 1992. The 7th amendment was made on November 19, 1996. The 8th amendment was made on February 21, 1997. The 9th amendment was made on December 25, 1997. The 10th amendment was made on October 15, 1998. The 11th amendment was made on June 15, 1999. The 12th amendment was made on July 3, 2000. The 13th amendment was made on July 5, 2001. The 14th amendment was made on December 21, 2001 the 15th amendment was made on June 7, 2002. The 16th amendment was made on June 3, 2003. The 17th amendment was made on June 3, 2003. The 18th amendment was made on June 11, 2004. The 19th amendment was made on June 16, 2005. The 20th amendment was made on June 16, 2005. The 21st amendment was made on June 15, 2006. The 22nd amendment was made on June 28, 2007. The 23rd amendment was made on December 6, 2007. The 24th amendment was made on June 25, 2010. The 25th amendment was made on June 29, 2012. The 26th amendment was made on June 23, 2014. The 27th amendment was made on June 7, 2016. The 28th amendment was made on June 13, 2018. The 29th amendment was made on June 18, 2019. The 30th amendment was made on September 10, 2021. The 31st amendment was made on June 9, 2022.

TSANG YOW INDUSTRIAL CO., LTD.
Chairman: SU, CHI-TSE



TSANG YOW INDUSTRIAL CO., LTD.

Rules of Procedure for Shareholders' Meetings

- I. Purpose: To establish an excellent governance system for the Company's Shareholders' Meeting, improve the supervisory function, and strengthen the management function, these Rules are formulated in accordance with the provisions of Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies for compliance.
- II. Scope: Unless otherwise stipulated by laws or regulations, the rules of procedure for the Company's Shareholders' Meeting shall be governed by these Rules.
- III. Responsible unit: The unit in charge of these Rules shall be the Shareholders' Meeting affairs unit.
- IV. Contents:
 1. Unless otherwise provided by law or regulation, the Company's Shareholders' Meetings shall be convened by the Board of Directors.
 - 1.1 Changes to the method of convening a Shareholders' Meeting shall be subject to resolution by the Board of Directors and shall be made no later than before the notice of the Shareholders' Meeting is sent.
 - 1.2 Thirty days before the Company convenes an annual general Shareholders' Meeting or 15 days before an extraordinary Shareholders' Meeting, the Company shall prepare electronic files of the meeting notice, proxy form, information on proposals for ratification, matters for discussion, election or dismissal of directors or supervisors, and other matters on the Shareholders' Meeting agenda and upload them to the MOPS. Meanwhile, 21 days before the Company convenes an annual general Shareholders' Meeting or 15 days before an extraordinary Shareholders' Meeting, it shall prepare an electronic file of the Shareholders' Meeting agenda handbook and the supplementary materials and upload them to the MOPS. However, the Company, with the paid-in capital amounting to NTD10 billion or more at the end of the most recent fiscal year or the total shareholding ratio of foreign capital and capital from China reaching 30% or more as per the shareholder register for the annual general Shareholders' Meeting held in the most recent fiscal year, shall upload such an electronic file 30 days before the meeting. Fifteen days before the Company convenes a Shareholders' Meeting, it shall prepare the Shareholders' Meeting agenda handbook and supplementary materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its stock affairs agency.
 - 1.3 The Company shall provide said handbook and supplementary materials mentioned in the preceding paragraph to the shareholders on the day of the Shareholders' Meeting in the following methods:
 - (1) When a physical Shareholders' Meeting is convened, such materials shall be distributed on-site at the Shareholders' Meeting.
 - (2) When a video-assisted Shareholders' Meeting is convened, such materials shall be distributed on-site at the Shareholders' Meeting, and an electronic file of such materials uploaded to the video conference platform.
 - (3) When a shareholder meeting is held by video conference, the electronic file should be transmitted to the video conference platform.
 - 1.4 The reasons for convening the meeting shall be specified in the notice and announcement. The notice may be given by electronic means with the consent of the



addressee.

- 1.5 Election or dismissal of directors, supervisors, change of Articles of Incorporation, capital reduction, application for cessation of public offering, director's permission to compete in business, capital increase from earnings, capital reserve, company dissolution, merger, spin-off, 1 and various subparagraphs of Securities and Exchange Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" the main contents of the motions shall be listed and explained in the reason for convening the meeting, and shall not be proposed as a provisional motion; the main contents may be placed on the website designated by the securities authority or the company, and the website address shall be stated in the notice.
- 1.6 Where an election of all directors or supervisors and their inauguration date is stated in the Shareholders' Meeting notice, after the completion of the election in said meeting, such inauguration date may not be altered by any questions and motions or otherwise in the same meeting.
- 1.7 A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at an annual general Shareholders' Meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. A shareholder's proposal in alignment with any circumstance under any subparagraph of paragraph 4 of Article 172-1 of the Company Act may not be included in the meeting agenda by the Board of Directors. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.
- 1.8 Prior to the book closure date before an annual general Shareholders' Meeting is held, the Company shall publicly announce its acceptance of shareholders' proposals in writing or by electronic means and the location and time period for their submission; the period for acceptance of shareholders' proposals may not be fewer than ten days.
- 1.9 Each of such proposals is limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. Each shareholder making the proposal shall be present in person or by proxy at the annual general Shareholders' Meeting and take part in the discussion of the proposal.
- 1.10 Prior to the date for issuance of the Shareholders' Meeting notice, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. For shareholders' proposals that are not included in the agenda, the board of directors shall explain the reasons for not including such proposals at the shareholders' meeting.
2. For each Shareholders' Meeting, a shareholder may appoint a proxy to attend the meeting by providing a proxy form issued by the Company, with the scope of authorization for the proxy stated therein.
 - 2.1 Each shareholder may issue only one proxy form and appoint only one proxy and shall deliver the proxy form to the Company no later than five days before the date of the Shareholders' Meeting. When a duplicate proxy form is served, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy form.
 - 2.2 Once a proxy form is received by the Company, if a shareholder wishes to attend the



Shareholders' Meeting in person or to exercise their voting rights in writing or by electronic means, a written proxy rescission notice shall be filed with the Company no later than two days prior to the date of the Shareholders' Meeting, otherwise the voting rights exercised by the authorized proxy at the meeting shall prevail.

- 2.3 Once a proxy form is received by the Company, in the case that the shareholder intends to attend the Shareholders' Meeting by video conference, a written proxy rescission notice shall be filed with the Company two days prior to the date of the Shareholders' Meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.
3. Principles for the location and time of a Shareholders' Meeting
 - 3.1 The venue for a shareholders' meeting shall be the premises of the Company or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may not start earlier than 9 a.m. or later than 3 p.m. Consider the opinions of independent directors.
 - 3.2 When the Company convenes a Shareholders' Meeting by video conference, it is not subject to the restriction on location of the meeting under paragraph 3.1.
4. Preparation of an attendance book and other documents
 - 4.1 The Company shall state, in the meeting notice, the sign-in time and place for shareholders, solicitors, and proxies (hereinafter referred to as "shareholders"), and other matters that shall be noted.
 - 4.2 The time at which shareholders' sign-in begins, as stated in paragraph 4.1, shall be at least 30 minutes prior to the time the meeting commences. The sign-in location place shall be clearly marked and staffed with a sufficient number of suitable personnel. When the Shareholders' Meeting is convened by video conference, the sign-in process shall begin on the video conference platform 30 minutes before the meeting commences. Shareholders who have completed the sign-in shall be deemed to have attended the Shareholders' Meeting in person.
 - 4.3 Shareholders shall attend the Shareholders' Meetings with their attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
 - 4.4 The Company shall furnish the attending shareholders or the proxies they entrusted (hereinafter collectively referred to as "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
 - 4.5 The Company shall furnish attending shareholders with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, ballots shall also be furnished.
 - 4.6 When the government or a juridical person is a shareholder, it may be represented by more than one representative at a Shareholders' Meeting. When a juridical person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.
 - 4.7 If a Shareholders' Meeting is convened by video conference, shareholders who wish to attend by video conference should register with the Company no later than two days prior to the Shareholders' Meeting.
 - 4.8 If a Shareholders' Meeting is convened by video conference, the Company shall upload the meeting agenda handbook, annual report, and other relevant materials to



the video conference platform at least 30 minutes prior to the start of the meeting and continue to disclose them till the end of the meeting.

4-1 Matters to be included in a meeting notice when a Shareholders' Meeting is convened by video conference

4-1.1 When the Company convenes a Shareholders' Meeting by video conference, the information below shall be stated in the meeting notice:

- I. Shareholders' methods of participating in the video conference and exercising their rights.
- II. The response to the obstacles to the video conference platform or to the participation in the video conference due to natural disasters, incidents, or other *force majeure* events shall include at least the following:
 - (I) The time and the date of the next meeting when the meeting needs to be postponed or resumed as such obstacles cannot be resolved.
 - (II) Shareholders who did not register to participate in the original Shareholders' Meeting by video conference shall not participate in the meeting to be postponed or resumed.
 - (III) When a video-assisted Shareholders' Meeting is convened, if the video conference cannot continue, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical Shareholders' Meeting reaches the number as required by law, the Shareholders' Meeting shall continue. For shareholders participating via video conference, the number of their shares shall be included in the total number of shares in attendance, and they shall be deemed to abstain for all motions resolved at the Shareholders' Meeting.
 - (IV) The handling method in the event that the resolution results of all motions have been announced, while questions and motions have not been resolved.
- III. When a Shareholders' Meeting is to be convened by video conference, appropriate alternatives to shareholders who have difficulty participating in the meeting by video means shall be specified.

5. Chair of the Shareholders' Meeting and attendees

5.1 If a Shareholders' Meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or unable to exercise the powers as the chair for any reason, the Vice Chairman shall chair the meeting on his behalf. Where there is such a position as Vice Chairman or the Vice Chairman is on leave or unable to exercise the powers as the chair for any reason, the Chairman shall appoint one of the managing directors to act as the chair. Where there is such a position as managing director, Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to not make such a designation, the managing directors or directors shall elect from among themselves one person to serve as the chair.

5.2 When a managing director or a director serves as the chair, as referred to in paragraph 5.1, the managing director or director shall have held that position for six



- months or more with great understanding of the Company's financial position. The same shall apply if the chair is served by the representative of an institutional director.
- 5.3 It is advisable that Shareholders' Meetings convened by the Board of Directors be chaired by the Chairman in person and attended by a majority of the directors, at least one supervisor, and at least one representative of various functional committee members in person; the attendance shall be recorded in the Shareholders' Meeting minutes.
 - 5.4 If a Shareholders' Meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
 - 5.5 The Company may appoint its attorneys, CPAs, or relevant persons retained by it to attend a Shareholders' Meeting in a non-voting capacity.
6. Audio and video recordings of the process from shareholders' sign-in, the proceedings of the meeting to the process of voting and vote counting.
- 6.1 The Company shall make an uninterrupted audio and video recording of the entire process of the Shareholders' Meeting from shareholders' sign-in, the proceedings of the meeting to the process of voting and vote counting.
 - 6.2 The audio and video recording in paragraph 6.1 shall be kept for at least one year. However, if a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Act, the records shall be retained until the end of the lawsuit.
 - 6.3 If a Shareholders' Meeting is convened by video conference, the Company shall keep records of shareholders' registration, sign-in, questions raised, and voting and the Company's vote counting results and retain the records, while making an uninterrupted audio and video recording of the entire video conference.
 - 6.4 The above-mentioned materials and audio and video recording shall be properly kept by the Company during the period of its existence, and the audio and video recordings shall be provided to those who are entrusted to handle the video conference affairs for storage.
 - 6.5 If a Shareholders' Meeting is convened by video conference, the Company is advised to make an audio and video recording of the back-end interface of the video conference platform.
7. Attendance at Shareholders' Meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be counted according to the shares indicated in the sign-in book or the sign-in cards handed in and the sign-in record on the video conferencing platform plus the number of shares whose voting rights are exercised in writing or by electronic means.
- 7.1 The chair shall call the meeting to order upon the meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If attending shareholders still represent fewer than one-third of the total number of issued shares after two postponements, the chair shall declare the meeting adjourned. If a Shareholders' Meeting is convened by video conference, the Company shall also declare the meeting adjourned on the video conference platform.
 - 7.2 If there are not enough shareholders representing at least one-third of the issued shares attending the meeting after two postponements, tentative resolutions may be



passed in accordance with Article 175, paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another Shareholders' Meeting will be convened within one month. If a Shareholders' Meeting is convened by video conference, shareholders who wish to attend by video conference shall re-register with the Company in accordance with paragraphs 4.1–4.8.

7.3 When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of outstanding shares, the chair may resubmit the tentative resolution for a vote by the Shareholders' Meeting pursuant to Article 174 of the Company Act.

8. Proposal discussion

8.1 If a Shareholders' Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on the proposals on the agenda one by one (including questions and motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution by the Shareholders' Meeting.

8.2 The provisions of the preceding paragraph apply *mutatis mutandis* to a Shareholders' Meeting convened by a party with the power to convene other than the Board of Directors.

8.3 The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including questions and motions), except by a resolution by the Shareholders' Meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders to continue the meeting.

8.4 The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or questions and motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

9. Speeches delivered by shareholders

9.1 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, their shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

9.2 A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech is not in alignment with the subject on the speaker's slip, the spoken content shall prevail.

9.3 Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes; however, if the shareholder's speech violates the rules or exceeds the scope of the motion, the chair may have the shareholder stop the speech.

9.4 When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

9.5 When a juridical person shareholder appoints two or more representatives to attend a shareholder meeting, only one of the representatives so appointed may speak on the same proposal.



- 9.6 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
 - 9.7 If a Shareholders' Meeting is convened by video conference, shareholders who participate by video conference may ask questions in text on the video conference platform after the chair calls the meeting to order and before the chair declares the meeting adjourned. The number of questions raised by each shareholder for each motion shall not exceed two, each question shall be limited to 200 words, and the provisions of paragraphs 9.1 to 9.5 shall not apply.
 - 9.8 If such questions in the preceding paragraph are not in violation of the regulations or not outside the scope of the motions, it is advisable to disclose such questions on the video conference platform.
10. Counting of the number of voting shares and a recusal mechanism
- 10.1 Voting at Shareholders' Meetings shall be calculated based on numbers of shares.
 - 10.2 The non-voting shares held by shareholders shall not be counted toward the total number of outstanding shares for any resolution to be adopted at a Shareholders' Meeting.
 - 10.3 A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the Company's interest, shall not vote nor exercise the voting right on behalf of another shareholder.
 - 10.4 Shares for which voting right cannot be exercised as provided in the preceding paragraph shall not be counted toward the number of votes of shareholders present at the meeting.
 - 10.5 Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting rights represented by them shall not exceed 3% of the total number of the Company's voting shares, otherwise, the portion of excessive voting rights shall not be counted.
11. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
- 11.1 When the Company holds a Shareholders' Meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the Shareholders' Meeting notice. A shareholder's exercise of voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, however, the shareholder shall be deemed a waiver of voting rights in respect of any questions and motions and amendment to the original proposal.
 - 11.2 A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least two days before the date of the Shareholders' Meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.
 - 11.3 After shareholders exercise their voting rights in writing or by electronic means, if they wish to attend the Shareholders' Meeting in person or by video conference, they shall serve a declaration of intent to retract the voting rights already exercised under the preceding paragraph two days before the Shareholders' Meeting in the same manner in which the voting rights were exercised; otherwise, the voting rights



exercised in writing or by electronic means shall prevail. If the shareholder exercises the voting right in writing or by electronic means and appoints a proxy with a proxy form to attend the Shareholders' Meeting, the voting right exercised by the attending proxy at the meeting shall prevail.

- 11.4 Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each cause of action the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a vote by the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered on the MOPS.
- 11.5 When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- 11.6 Scrutineers and vote counting personnel for the voting on proposals shall be appointed by the chair, provided that all scrutineers be shareholders of the Company.
- 11.7 Vote counting for proposals or elections at a Shareholders' Meeting shall be conducted in public at the place of the Shareholders' Meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and recorded.
- 11.8 When written proposals made by shareholders in accordance with Article 172-1 of the Company Act included in a shareholders' general meeting agenda, if they are of the same type as those made by the Board of Directors, they shall be combined and handled in accordance with paragraph 11.5 *mutatis mutandis*.
- 11.9 The chair shall determine the order of proposals for discussion and voting made by shareholders in the questions and motions session.
- 11.10 When a Shareholders' Meeting is convened by video conference, shareholders participating via video conference shall vote on various motions and election(s) on the video conference platform after the chair calls the meeting to order. They shall complete the voting before the chair declares the voting closed, otherwise they shall be deemed to have waived their voting rights.
- 11.11 When a Shareholders' Meeting is convened by video conference, after the chair declares the voting closed, the votes shall be counted in one go, and the voting and election results shall be announced.
- 11.12 Shareholders who have registered to attend the shareholders meeting by way of video communication in accordance with the provisions of 4.1 to 4.8 of the Company when the Company holds a video-assisted shareholders meeting and wish to attend the physical shareholders meeting in person shall cancel the registration in the same manner as for the registration two days before the meeting ; if the revocation is made after the time limit, the shareholder may attend the shareholders' meeting by way of video conference only.
- 11.13 Those who exercise their voting rights in writing or by electronic means without retracting their declaration of intention and participate in the Shareholders' Meeting by video conference shall not exercise their voting rights on the same motions, propose amendment to the same motions, or exercise their voting rights for revised



motions, except for questions and motions.

12. Elections

- 12.1 The election of directors or supervisors at a Shareholders' Meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors or supervisors and the numbers of votes they won.
- 12.2 The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept properly for at least one year. However, if a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Act, the records shall be retained until the end of the lawsuit.

13. Meeting minutes and documents to be signed

- 13.1 Matters relating to the resolutions by a Shareholders' Meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed by electronic means.
- 13.2 Said distribution may be conducted through an announcement on the MOPS.
- 13.3 The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of votes won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.
- 13.4 When a Shareholders' Meeting is convened by video conference, the minutes of the Shareholders' Meeting shall contain the start and end time of the Shareholders' Meeting, the method of convening the meeting, the names of the chair and the meeting taker, as well as the response method and the response situation when any natural disasters, accidents, or other *force majeure* events have obstructed the video conference platform or the participation in the video conference in addition to the matters that shall be recorded in accordance with the preceding paragraph.
- 13.5 When a Shareholders' Meeting is convened by video conference, the Company shall proceed as per the preceding paragraph and shall specify the alternative measures provided to shareholders who have difficulty participating in the video conference in the minutes of the Shareholders' Meeting.

14. Public announcement

- 14.1 The Company shall, on the day of the Shareholders' Meeting, compile a statistical statement in the prescribed format and disclose the number of shares solicited by the solicitor, the number of shares represented by the proxies, and the number of shares in attendance in writing or by electronic means clearly on-site at the Shareholders' Meeting. When a Shareholders' Meeting is convened by video conference, the Company shall upload the aforementioned information to the video conference platform at least 30 minutes before the start of the meeting and continue to disclose it till the end of the meeting.
- 14.2 When a Shareholders' Meeting is convened by video conference, when the chair calls the meeting to order, the total number of shares in attendance shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights in attendance are counted during the meeting.



- 14.3 If any resolutions by the Shareholders' Meeting are material information as stipulated by laws and regulations or the Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload the content to the MOPS prior to a deadline.
15. Maintenance of order at the meeting venue
- 15.1 Staff handling administrative affairs of a Shareholders' Meeting shall wear an identification badge or an armband.
- 15.2 The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification badge or an armband, reading "Proctor."
- 15.3 At the place of a Shareholders' Meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.
- 15.4 When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.
16. Break and continuation of meeting
- 16.1 When a meeting is in progress, the chair may announce a break based on time considerations. If a *force majeure* event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
- 16.2 If the meeting venue is no longer available for continued use and not all of the items (including questions and motions) on the meeting agenda have been addressed, the Shareholders' Meeting may adopt a resolution to resume the meeting at another venue.
- 16.3 A resolution may be adopted at a Shareholders' Meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.
17. Disclosures for video conferences
- 17.1 When a Shareholders' Meeting is convened by video conference, the Company shall immediately disclose the voting results and election results of various motions on the video conference platform in accordance with the regulations, and shall continue to disclose for at least 15 minutes after the chair declares the meeting adjourned.
18. Location of the chair and the minute taker of Shareholders' Meeting by video conference
- 18.1 When a Shareholders' Meeting is convened by video conference, the chair and the minute taker shall be at the same location in Taiwan, and the chair shall disclose the address of the place when calling the meeting to order.
19. Response to disconnection
- 19.1 When a Shareholders' Meeting is convened by video conference, the Company may allow shareholders to perform a simple test of the connection before the meeting commences and provide relevant services immediately before and during the meeting to assist with any technical communication problems.
- 19.2 When a Shareholders' Meeting is convened by video conference, the chair shall, when calling the meeting to order, announce that there is no need for postponement or resumption of the meeting as stipulated in Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies; that the meeting shall be postponed or resumed within five days due to any *force majeure* events that have obstructed the video conference platform or the participation in the video conference for 30 minutes or more before the chair declares the meeting



adjourned; that Article 182 of the Company Act shall not apply.

- 19.3 In the event of any incident in the preceding paragraph that caused the meeting to be postponed or resumed, shareholders who have not registered to participate in the original Shareholders' Meeting by video conference shall not participate in the meeting postponed or resumed.
 - 19.4 For the meeting to be postponed or resumed under paragraph 19.2, shareholders who have registered to participate in the original Shareholders' Meeting by video conference and have completed the registration but fail to participate in said meeting, the number of shares in attendance and the voting rights and voting rights for elections exercised at the original Shareholders' Meeting shall be included in the total number of attending shareholders' shares, voting rights, and voting rights for elections at the meeting postponed or resumed.
 - 19.5 When a Shareholders' Meeting is postponed or resumed in accordance with paragraph 19.2, the motions for which the voting and counting of votes have been completed and the voting results or the list of elected directors have been announced, do not need to be discussed or resolved again.
 - 19.6 When the Company convenes a Shareholders' Meeting, supplemented by a video conference, if the video conference cannot continue as under paragraph 19.2, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical Shareholders' Meeting reaches the number as required by law, the Shareholders' Meeting shall continue. There is no need to postpone or resume the meeting in accordance with paragraph 19.2.
 - 19.7 When the meeting shall continue as in the preceding paragraph, for shareholders participating via video conference, the number of their shares shall be included in the total number of shares in attendance; however, they shall be deemed to abstain for all motions resolved at the Shareholders' Meeting.
 - 19.8 When the Company postpones or resumes the meeting in accordance with paragraph 19.2, it shall handle the relevant matters in accordance with the provisions set forth in Article 44-27 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and relevant preparations shall be made as per the date of the original Shareholders' Meeting and the provisions of this article.
 - 19.9 Based on the period under Article 12, second-half paragraph and Article 13, paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies; Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the Shareholders' Meeting at a date as per paragraph 19.2.
20. Response to the digital gap
- 20.1 When the Company convenes a Shareholders' Meeting by video conference, it shall provide appropriate alternatives to shareholders who have difficulty attending the Shareholders' Meeting by video conference.
21. These Rules and all amendments thereto shall take effect upon approval by a Shareholders' Meeting.
- 21.1 These Rules were passed by the Shareholders' Meeting on July 3, 2000.
The 1st amendment was made on December 21, 2001.
The 2nd amendment was made on June 3, 2003.
The 3rd amendment was made on June 15, 2006.
The 4th amendment was made on October 18, 2007.



The 5th amendment was made on June 29, 2012.

The 6th amendment was made on June 10, 2013.

The 7th amendment was made on June 22, 2015.

The 8th amendment was made on June 15, 2020.

The 9th amendment was made on July 15, 2021.

The 10th amendment was made on June 9, 2022.

V. References:

1. Company Act
2. Securities and Exchange Act

VI. Relevant tables: None.



TSANG YOW INDUSTRIAL CO., LTD.

Shareholdings of Directors

1. As of March 26, 2024, the paid-in capital was NTD 1,030,865,590, and the number of issued shares was 103,086,559 shares (including 740,000 treasury shares).
2. Pursuant to Article 26 of the Securities and Exchange Act and Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", the minimum number of shares to be held by all directors is 8,000,000 shares.
3. The number of shares held by individual and all directors as recorded in the shareholder register as of the book closure date for the Shareholders' Meeting is as follows:

Title	Name	Date elected	Term of office	Director	
				Shareholding (Shares)	Shareholding (%)
Chairman	SU, CHI-TSE	July 15, 2021	3 years	1,781,867	1.73%
Director	Rich Pool Investment Co., Ltd. Representative: SU, CHI-HU	September 10, 2021	3 years	7,961,779	7.72%
Director	Rich Pool Investment Co., Ltd. Representative: HSIEH, HSIN-SHU	July 15, 2021	3 years	7,961,779	7.72%
Director	Golden Top Investment Co., Ltd. Representative: Yen-Ching Yang	July 15, 2021	3 years	7,427,058	7.20%
Director	SU, HSIN-CHENG	July 15, 2021	3 years	1,717,762	1.67%
Director	CHU, SAN-TU	July 15, 2021	3 years	601,058	0.58%
Independent Director	OU, CHIN-SHYH	July 15, 2021	3 years	-	-
Independent Director	CHEN, CHIH-CHANG	July 15, 2021	3 years	-	-
Independent Director	LIN, CHIU-HSIEN	July 15, 2021	3 years	-	-
Number of shares held by all directors				19,489,524	18.90%