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TSANG YOW INDUSTRIAL CO., LTD.

TSANG YOW INDUSTRIAL CO.,LTD.

2024 Annual report

Printed on April 11, 2025

I. Names, titles, contact numbers and emails of the spokesperson and acting spokesperson
Name of spokesperson: TSAI, MEI-FANG
Title: Manager, President's Office
Telephone: (05)2200-888 Extension: 1330
Email:sharontsai@tsangyow.com.tw

Acting Spokesperson: CHENG, LI-CHUN
Title: Manager of Operation and Management Department
Telephone: (05)2200-888 Extension: 1260
Email:chun@tsangyow.com.tw

II. Address and telephone number of the Company's operating locations

Zhongshan Plant: No. 18, Zhongshan Rd., Minxiong Industrial Park, Chiayi County (Headquarteres)	Telephone: (05)2200888
Chengkung Plant: No. 38, Cheng Kung 2nd St., Minxiong Industrial Park, Chiayi County	Telephone: (05)2200888
Stamping Plant: No. 3: No. 45/45-1, Zhongshan Rd., Minxiong Industrial Park, Chiayi County	Telephone: (05)2200888

III. Name, address, website and telephone number of the stock transfer agency:
Name: KGI Securities, Stock Agency Department
Address: 5F., No. 2, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City
Website: https://www.kgi.com.tw
Telephone: (02)2389-2999

IV. Name of the CPA certifying the financial statements in the most recent fiscal year and the name, address, website and telephone number of the accounting firm
CPA firm: Deloitte Taiwan
Name: CPAs CHEN, HSIU-WEN; CHEN, CHEN-LI
Telephone: (07)530-1888
Address: 3F., No. 88, Chengkung 2nd Rd., Qianzhen Dist., Kaohsiung City
Website: http://www.deloitte.com.tw

V. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: None

VI. Company website: http://www.tsangyow.com.tw

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One. Letter to Shareholders

To all Shareholders:

Thank you all for taking the time to attend the 2025 Annual General Shareholders' Meeting. I would like to report the Company's operating results for 2024 and the business plan for 2025 as follows:

I. The Company's Operating Results for 2024:

(I) Implement results for business plans:

In 2024, the global automotive market experienced a noticeable weakening in sales momentum, with the exception of continued growth in electric vehicle sales. This slowdown was influenced by a confluence of factors, including decelerating economic growth, a high-interest rate environment that suppresses consumer spending, and fluctuations in the automotive industry's supply chain.The Company's overall revenue performance was not as good as expected in 2024 due to sluggish market demand, the international logistics turmoil, and the geopolitical risks.The Group's 2024 consolidated revenue was TWD 1,049,324, a slight decrease of 12% compared to TWD 1,193,076 for 2023.In terms of profitability, the Group's consolidated gross margin (28%) in 2024 was 6% lower than the margin (34%) in 2023 due to the initial gross margin ramp-up period and idle capacity losses associated with new product mass production.In addition, the cost of establishing overseas subsidiaries was recognized, and the net profit after tax of continuing operations was TWD 160,577 thousand (TWD 1.59 per share) for 2024, which decreased by 16.3% from TWD 196,592 thousand (TWD 1.92 per share) in 2023.The Group's 2024 consolidated profit after tax has a slight decrease of 41% compared to TWD 273,734 (TWD 2.67 per share) for 2023.The gain on the discontinued operation of TWD 77,142 thousand was recognized due to the disposal of the subsidiary in China and the liquidation of the offshore company in 2023, which increased the current profit and caused a large difference.

(II) Implementation Status of the Budget:

The estimated consolidated operating revenue for 2024 was TWD 1,390,424 thousand, and the actual consolidated operating revenue was TWD 1,094,324 thousand, achieving a rate of 75%.

(III)Financial Income, Expenditure, and Profitability Analysis

Item \ Year		2023	2024	Increase (Decrease)(%)
Financial Performance	Revenue (TWD thousand)	1,193,076	1,049,324	(12.05)
	Gross Profit (TWD thousand)	401,445	291,860	(27.30)
	Net Income (TWD thousand)	273,734	160,577	(41.34)
Profitability Analysis	Return on Total Assets (%)	10.16	6.61	(34.94)
	Return on Equity (%)	15.78	8.60	(45.50)
	Pre-tax Income to Paid-in Capital Ratio (%)	24.22	20.23	(16.47)
	Net Margin (%)	22.94	15.30	(33.30)
	Earnings per Share (TWD)	2.67	1.59	(40.45)

(IV) Research and Development:

The following are the R&D Department's results for 2024:

- Successfully developed e-Truck Reversing Housing
- Successfully developed the industrial mechanical Hydraulic System Pump Housing
- Successfully developed E-bike Differential Assembly

・ Successfully developed E-bike Gear with rotor shaft
・ Successfully developed the EV Disc Drum COMPL.
・ Successfully developed display device O-LED Ceiling Tube 1 (0023-14238)
・ Successfully developed the Torque Converter Impellers Hub
・ Successfully developed 10R80 gear box CDF DRUM RECOVERY SLEEVE
・ Successfully developed display device PVD equipment components Plate

II. Summary of 2025 Business Plan:

(I) Business Policy:

- Main strategies of the Company: Reduce costs and increase profits, strive for performance, diversified innovation to expand markets, create efficiency through intelligent transformation, and promote development through sustainability.
- Concrete actions:

1. Continue to optimize the product portfolio and profitability management, focus on niche products and customers, pragmatically strive for high added value business and long-term orders, and pursue maximization of profits.
2. Improve the innovation and integration capabilities of core technologies, expand product and market areas, and achieve the goal of market diversification.
3. Rigorous production management, total quality improvement, elimination of waste, lower failure costs and possible quality risks, to deepen customer trust.
4. Smart scheduling of production lines to respond to changes and needs of production lines in a timely manner, improve delivery rate, and meet customer needs.
5. Supply chain upgrade.Discover and develop potential suppliers, establish long-term strategic partnerships, and improve supply chain resilience.
6. Factory smartification and management digitalization to reduce manual work, improve management efficiency and organizational decision-making.
7. Factory construction and initial operation model establishment of the overseas subsidiaries.
8. Establish a forward-looking product planning capability and R&D system, combine industry, government, academic resources, upgrade special manufacturing processes and special material processing technology, and reserve R&D energy and market development strength.
9. Promote sustainable transformation of the enterprise and supply chain to achieve sustainability goals.
10. Improve and implement talent management and training, streamline the organization’s manpower, build responsible and efficient teams, and enhance organizational effectiveness.

(II) Estimated Sales Volume and the Basis and Important Production and Sales Policies:

1. The Company’s Sales Forecast for 2025 is as follows: Unit: thousand pcs

Item	Estimated sales volume for 2025
Automatic transmission components for automobiles	1,597
Clutch parts for heavy-duty trucks	318
Drivetrain parts for industrial machinery	184
Parts and components for new energy vehicle	92

Processing and others	15
Total	2,206

2. Basis: The Company's estimated sales volume is determined based on the sales strategy and the 2025 Business Plan.

III. Future Operation 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:

1. Market expansion: In response to the industry trend of vehicle electrification and energy saving and environmental protection, and the increasing demand of the semiconductor market, the Company not only cultivates existing customers and markets in the automotive industry but also actively strives for new energy vehicles and development opportunities in the semiconductor equipment market, diversifying industrial and market deployment to increase revenue.In addition, in response to the geopolitical risks, the subsidiary and the reinvested business in Southeast Asia have completed the deployment, and the construction of the factory and the progress of mass production are on schedule, in order to establish a short chain supply capacity and improve global competitiveness.
2. Product/technology upgrade: Continue to refine core technology advantages and develop special procedures/material processing technology to improve core technology innovation and integration ability, accelerate the research and development and mass production of new energy vehicles related components and semiconductor equipment components, to seize market opportunities.
3. Operation optimization: Accelerate digital transformation, refine the production management process and automation level, realize smart production and management digitization to improve product quality, reduce costs, and shorten delivery time.
4. ESG commitment: Promote "corporate governance," "environmental symbiosis," and "shared prosperity."Strengthen environmental sustainability measures, including reducing carbon emissions, improving energy efficiency, and strengthening corporate governance and social responsibility, enhancing corporate image and market competitiveness, and pursuing sustainable growth.

Looking ahead to 2025, the global auto industry is expected to gradually recover under the stable supply chain and the growth of emerging market demand. However, the new tariffs and trade policies of the Trump administration in the U.S. may bring new uncertainties to the global market.The Company will closely monitor and face the situation carefully, and continue to promote internal improvements with all colleagues, in order to improve the organization's resilience and adaptability. In an environment full of changes and challenges, we aim to create higher value for our shareholders, customers, suppliers and partners, and hope that all shareholders will continue to give their support and encouragement.

Best wishes to our shareholders

Good health and all the best

Chairman: SU, CHI-TSE

Manager: SU, CHI-HU

Chief Accounting Officer: CHEN, HUI-JUNG

Two. Corporate Governance Report

I. Information on Directors, Supervisors, Presidents, Vice Presidents, Assistant Vice Presidents, and Heads of Each Department and Branch

(I) Directors and Supervisors:

March 29, 2025

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date of Election (Inauguration)	Term of Office	Date of First Election (Note 3)	Shareholding at Time of Election		Current Shareholdings		Current Shareholdings by Spouse or Minor Children		Shareholding in Other's Names		Principal Work Experience and Academic Qualifications (Note 4)	Positions in the Company and Other Companies	Other Managers, Directors or Supervisors with a Spouse or Second-Degree Relative Relationship			Remarks (Note 5)
							Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relationship	
Chairman	Republic of China	SU, CHI-TSE	Male 41-50	May 24, 2024	3 years	June 13, 2018	1,781,867	1.73%	1,781,867	1.73%	0	0%	0	0%	Bachelor's degree in Business Administration and EMBA, Tunghai University Production Manager and HR Manager; Linesoon Industrial Co., Ltd.; President and Chairman, Tsang Yow Industrial Co., Ltd.	Chairman of the Company; Director of Golden Top Investment Co., Ltd.; Chairman of Rich Pool Investment Co., Ltd.; Supervisor of Linesoon Industrial Co., Ltd.; Director of Linesoon Industrial Co., Ltd.	Director/President	SU, CHI-HU	Brothers	None
																	Director/Vice President	CHU, CHEN-YI	In-law	
Director	Republic of China	SU, CHI-HU	Male 41-50	May 24, 2024	3 years	May 24, 2024	677,000	0.66%	1,773,000	1.72%	1,513,491	1.47%	0	0%	Bachelor's degree in Business Administration, University of Denver, U.S.A. and EMBA, National Cheng Kung University Manager of Human Resource Office, Linesoon Industrial; Executive Vice President and Vice President of Tsang Yow Industrial Co., Ltd.	Director, Rich Pool Investment Co., Ltd.; President, Cang-Yu Industrial Co., Ltd.	Chairman	SU, CHI-TSE	Brothers	None
																	Director/Vice President	CHU, CHEN-YI	Spouse	
																	Director	CHU, SAN-TU	In-law	
Director	Republic of China	Rich Pool Investment Co., Ltd.	Not applicable	May 24, 2024	3 years	June 29, 2012	7,961,779	7.72%	7,961,779	7.72%	0	0%	0	0%	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	None
		Representative: HSIEH, HSIN-SHU	Male 61-70				0	0%	0	0%	0	0%	0	0%	Bachelor's degree in Accounting, Chengchi University; EMBA, National Chung	Person in charge of HSIEH, HSIN-SHU CPA Firm; Independent Director, China Steel Chemical	None	None	None	None

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date of Election (Inauguration)	Term of Office	Date of First Election (Note 3)	Shareholding at Time of Election		Current Shareholdings		Current Shareholdings by Spouse or Minor Children		Shareholding in Other's Names		Principal Work Experience and Academic Qualifications (Note 4)	Positions in the Company and Other Companies	Other Managers, Directors or Supervisors with a Spouse or Second-Degree Relative Relationship			Remarks (Note 5)
							Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relationship	
															Cheng University; System Designer, China Steel Computing Center; CPA Examination, 1983; Senior Auditor, Deloitte Taiwan; Person in charge, HSIEH, HSIN-SHU CPA Firm					
Director	Republic of China	SU, HSIN-CHENG	Male 61-70	May 24, 2024	3 years	June 03, 2003	1,717,762	1.67%	1,717,762	1.67%	0	0%	0	0%	Psychology, Chengchi University President, Linesoon Industrial Co., Ltd.	President, Linesoon Industrial Co., Ltd.; Director, Linesoon Industrial Co., Ltd. and Linesoon Investment Co., Ltd.; Chairman, Golden Top Investment Co., Ltd. and Trantop International Co., Ltd.	None	None	None	None
Director	Republic of China	CHU, SAN-TU	Male 61-70	May 24, 2024	3 years	December 26, 2003	601,058	0.58%	601,058	0.58%	837,584	0.81%	0	0%	Nantou Junior High School Chairman, Sun Forging Industrial Co., Ltd. and Jin Shiang Forging Co., Ltd.	Chairman, Sun Forging Industrial Co., Ltd. and Jin Shiang Forging Co., Ltd.	Director/Vice President Director/President	CHU, CHEN-YI SU, CHI-HU	Father and daughter In-law	None
Director	Republic of China	CHU, CHEN-YI	Female 41-50	May 24, 2024	3 years	May 24, 2024	1,493,491	1.45%	1,513,491	1.47%	1,773,000	1.72%	0	0%	Master of Information Systems and Applications, Griffith University; Special Assistant to the Assistant Vice President and Chairman Tsang Yow Industrial	Vice President of Tsang Yow Industrial; Supervisor of Jin Shiang Forging	Chairman Director/President Director	SU, CHI-TSE SU, CHI-HU CHU, SAN-TU	In-law Spouse Father and daughter	None

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date of Election (Inauguration)	Term of Office	Date of First Election (Note 3)	Shareholding at Time of Election		Current Shareholdings		Current Shareholdings by Spouse or Minor Children		Shareholding in Other's Names		Principal Work Experience and Academic Qualifications (Note 4)	Positions in the Company and Other Companies	Other Managers, Directors or Supervisors with a Spouse or Second-Degree Relative Relationship			Remarks (Note 5)
							Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relationship	
Independent Director	Republic of China	OU, CHIN-SHYH	Male 61-70	May 24, 2024	3 years	June 13, 2015	0	0%	0	0%	0	0%	0	0%	PhD, Management (Accounting), Minnesota University; Professor; Accounting and Information Technology, National Central University; Independent Director, ChipMOS Technologies Inc.	Honorary Professor, Department of Accounting and Information Technology, National Chung Cheng University	None	None	None	None
Independent Director	Republic of China	CHEN, CHIH-CHANG	Male 51-60	May 24, 2024	3 years	July 15, 2021	0	0%	0	0%	0	0%	0	0%	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	Director, Tiso Technology Co., Ltd.; Adjunct Assistant Professor, Nanhua University; Independent Director, Man-Zai Industrial Corp, Independent Director, Aeonmotor Co., Ltd.; Independent Director, Likang Bio-Technology Co., Ltd.	None	None	None	None

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date of Election (Inauguration)	Term of Office	Date of First Election (Note 3)	Shareholding at Time of Election		Current Shareholdings		Current Shareholdings by Spouse or Minor Children		Shareholding in Other's Names		Principal Work Experience and Academic Qualifications (Note 4)	Positions in the Company and Other Companies	Other Managers, Directors or Supervisors with a Spouse or Second-Degree Relative Relationship			Remarks (Note 5)
							Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relationship	
															Taiwan University of Science and Technology; Secretary, Tainan I-Tsai Association; Adjunct Assistant Professor, National Yunlin University of Science and Technology					
Independent Director	Republic of China	LIN, CHIU-HSIEN	Male 61-70	May 24, 2024	3 years	July 15, 2021	0	0%	0	0%	55,000	0.05%	0	0%	Bachelor's degree in Public Finance, Feng Chia University Auditor, National Taxation Bureau of the Southern Area, Ministry of Finance; Section Leader, Finance Administration, Jiali District Office, Tainan City	None	None	None	None	None

Note 1: For corporate shareholders, this section shall indicate the names of the corporate shareholders and fill in Table 1 below.
Note 2: Please state the actual age, and the range can be expressed, such as 41–50 years old or 51–60 years old.
Note 3: Please indicate the time for the first appointment as a director or supervisor, and provide a note where there is an interruption during the period of service.
Note 4: Relevant experience with the current position. If a former employee from the auditing CPA firm or affiliates, details of the job title and duties shall be disclosed.
Note 5: When the Chairman and the President or person of an equivalent post (the highest level manager) are the same person, spouses, or first-degree relatives, an explanation, regarding the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of director seats, or decreasing the percentage of employee directors to less than 50%), shall be provided.
Note 6: Not applicable as the Company has established an Audit Committee//None.
Remark 1: The term of office of the Company's directors expired on May 24, 2024, and the directors (including independent directors) were re-elected.
A: Director SU, CHI-TSE was elected as the Chairman.
B: Director: Rich Pool Investment Co., Ltd./Representative: SU, CHI-HU was relieved of duty on May 24, 2024.
C: Director: Golden Top Investment Co., Ltd./YANG, YEN-Ching was relieved of duty on May 24, 2024.
D: Director: SU, CHI-HU was newly elected on May 24, 2024.
E: Director: CHU, CHEN-YI was newly elected on May 24, 2024.

Remark 2: Shares held by directors in the name of another person: None.

Remark 3: The chairman and the president or equivalent (top manager) who are the same person, spouses or relatives within the first degree of kinship: None.

1. Corporate Shareholder Information

(1) Table1: Major Shareholders of the Corporate Shareholder

March 29, 2025

Corporate Shareholder (Note 1)	Major shareholders of the corporate shareholder (Note 2)
Rich Pool Investment Co., Ltd.	Linesoon Investment Co., Ltd. (Representative: SU, CHIN-CHU) (26.67%); HSU, WEN-YING (10.50%); CHENG, HSIU-PEN (6.92%); HUANG LI-MEI (5.83%); SU, HSIN-CHENG (4.83%); SU, CHI-HU (4.75%); SU, CHI-TSE (4.50%); SU, CHI-WEN (4.17%); SU, CHIH-CHENG (4.08%); SU, CHIH-CHUNG (4.08%).
Golden Top Investment Co., Ltd.	Linesoon Investment Co., Ltd. (Representative: SU, CHIN-CHU)(25.00%); HSU, WEN-YING (13.75%); CHENG, HSIU-PEN (11.25%); SU, CHI-TSE (10.00%); HUANG LI-MEI (6.25%); SU, CHIH-CHENG (5.00%); SU, YU-CHIH (5.00%); SU, YU-CHAN (5.00%); SU, CHIH-CHUNG (5.00%); SU, HSIN-CHENG (3.75%); SU, YUNG-CHANG (3.75%).

Note 1: Names of corporate shareholder shall be disclosed when the director or supervisor is represented by a natural person

Note 2: Names of major shareholders of the corporate shareholder and the shareholding percentage shall be disclosed, if a top-10 shareholder. Table 2 below shall be filled if a legal person

Note 3: Corporate shareholder not an institution, name of the shareholder and his/her shareholding are the investor or the sponsor (please refer to the notification from Judicial Yuan) and his/her investment or sponsorship percentage. Deceased sponsors shall be noted.

(2) Table 2: Table 1 Key Shareholders of the Top Corporate Shareholders

March 29, 2025

Name of corporate entity (Note 1)	Major shareholders of the corporate entity (Note 2)
Linesoon Investment Co., Ltd.	SU, YU-CHIH (8.32%); HSU, WEN-YING (7.66%); SU, YU-CHAN (7.60%); CHENG, HSIU-PEN (7.48%); SU, YU-CHENG (7.16%); SU, CHIN-CHU (6.92%); SU, CHI-TSE (6.58%); SU, CHIH-CHENG (6.38%); SU, CHIH-CHUNG (6.30%); SU, CHI-HU (5.13%).

Note 1: From Table 1 above, names of corporate shareholder shall be disclosed if a legal person

Note 2: Names of major shareholders of the corporate shareholder and the shareholding percentage shall be disclosed, if a top-10 shareholder.

Note 3: Corporate shareholder not an institution, name of the shareholder and his/her shareholding are the investor or the sponsor (please refer to the notification from Judicial Yuan) and his/her investment or sponsorship percentage. Deceased sponsors shall be noted.

(II) Professional Knowledge and Independence of Directors, Supervisors and independent Directors:

Information on Directors and Supervisors

Qualification / Name	Professional qualifications and experience (Note 1)	State of independence (Note 2)	Number of Public Companies where the Director Concurrently Serves as an Independent Director
SU, CHI-TSE	Has more than five years of needed experience in business, including production and HR manager, Linesoon Industrial Co., Ltd.; President, Tsang Yow Industrial Co., Ltd. Possesses the ability to make operation judgements, operation management, and critical decisions, as well as industrial knowledge and capability to lead. Current Chairman of Rich Pool Investment Co., Ltd.	Not in violation of Article 30 under Company Act.	
SU, CHI-HU	Has more than five years of needed experience in business, including HR manager, Linesoon Industrial Co., Ltd.Current President of the Company.	Not in violation of Article 30 under Company Act.	
Rich Pool Investment Co., Ltd. Representative: HSIEH, HSIN-SHU	Has more than five years of needed experience in business, including finance, accounting firm. A certified CPA in Taiwan. A former system designer in China Steel Computing Center and independent director of the Company. Possesses knowledge in business management and industry information with specialty in corporate finances and accounting matters. Currently, the owner of HSIEH, HSIN-SHU CPA Firm, an independent	Not in violation of Article 30 under Company Act.	1

Qualification / Name	Professional qualifications and experience (Note 1)	State of independence (Note 2)	Number of Public Companies where the Director Concurrently Serves as an Independent Director
	director and remuneration committee of China Steel Chemical.		
SU, HSIN-CHENG	Has more than five years of needed experience in business, including production and HR manager, Linesoon Industrial Co., Ltd.; President, Tsang Yow Industrial Co., Ltd. Possesses the ability to make operation judgment, operation management, and critical decision, as well as industrial knowledge and capability to lead. Current Chairman of Rich Pool Investment Co., Ltd.	Not in violation of Article 30 under Company Act.	
CHU, SAN-TU	Has more than five years of needed experience and abilities in business, including operation management, industrial knowledge and decision making. Current Chairman of Jin Shiang Forging Co., Ltd. and Sun Forging Industrial Co., Ltd.	Not in violation of Article 30 under Company Act.	
CHU, CHEN-YI	Has more than five years of needed experience in business, including production and HR manager, Linesoon Industrial Co., Ltd.; President, Tsang Yow Industrial Co., Ltd. Possesses the ability to make operation judgment, operation management, and critical decision, as well as industrial knowledge and capability to lead. Current Chairman of the Company	Not in violation of Article 30 under Company Act.	

<table>
<tr><th>Qualification
Name</th><th>Professional qualifications and experience (Note 1)</th><th>State of independence (Note 2)</th><th>Number of Public Companies where the Director Concurrently Serves as an Independent Director</th></tr>
<tr><td>OU, CHIN-SHYH</td><td>Has more than five years of needed experience and abilities in the Company’s business, including commerce, finance, and accounting firm. A former professor of the Department of Accounting and Information Technology, independent director, chairman of Audit Committee and Remuneration Committee of ChipMOS Technology. A certified CPA in Taiwan and U.S.A., qualified internal auditor and bank auditor. Possesses abilities in enterprise management, financial analysis, accounting firm business, crisis management through the bounty industrial and academic experiences.</td><td rowspan="2">(1) Not an employee of the Company or any of its affiliates.
(2) Not a director or supervisor of the Company or any of its affiliates.
(3) Not a natural person shareholder with at least 1% of the Company’s total issued shares or among the top-10 largest natural person shareholders based on the shares owned in person, by the spouse or minor children or under the name of others.
(4) Not a spouse or a relative within second degree or a direct relative within third degree to any of the managers listed in (1) and personnel listed in (2) or (3).
(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company or that are ranked among the top-five in shareholding, or that designates its representative to serve as a director or supervisor of the company under Article 27-1 or Article 27-2 of the Company Act.
(6) Not a director, supervisor or employee from companies controlled by the identical shareholder that commands a majority of the Company’s director seats or voting shares.
(7) Not a chairman, president, or person holding an equivalent position of the Company; or a director, a supervisor, or an employee in another company or institution of his/her spouse.
(8) Not a specific entity dealing with the Company financially or in business; a director, supervisor, executive from an institution; or shareholder of more than 5% holding.
(9) Not a professional individual who, or an owner, partner, director, supervisor, or</td><td></td></tr>
<tr><td>CHEN, CHIH-CHANG</td><td>Has more than five years of needed experience in business, including finance, accounting firm. A former chief representative in the Beijing Office for China Life Insurance Company, department head of Business Administration in Taiwan Shoufu University and adjunct assistant professor in National Yunlin University of Science and Technology. Currently, director of Tiso Technology Co., adjunct assistant professor in Nanhua University. Possesses experiences from corporate</td><td>3</td></tr>
</table>

Qualification / Name	Professional qualifications and experience (Note 1)	State of independence (Note 2)	Number of Public Companies where the Director Concurrently Serves as an Independent Director
	operation, business management and academic teaching. Co-sits as an independent director in Man Zai Industrial Corp, Aeonmotor Co., Ltd., and Likang Bio-Technology Co., Ltd.	officer of a sole proprietorship, partnership, company, or institution that, provides audit service to the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the most recent two years thereof. (10) Not a spouse or a second-degree relative to other directors. (11) Not because of a status of a government agency, a legal person or the representatives thereof elected as described under Article 27 of the Company Act. (12) Not in violation of Article 30 under Company Act.	
LIN, CHIU-HSIEN	Has more than five years of needed experience in business for the Company, including finance, accounting firm. A former auditor in National Taxation Bureau of the Southern Area, and confidential secretary, section leader in Finance Administration and Cultural Administration for Jiali District Office, Tainan City. Possesses abilities in financial and financial analysis with rich knowledge and experience in finance and taxation.		

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of individual directors and supervisors. If the person is a member of the Audit Committee with accounting or financial expertise, their accounting or financial background and work experience shall be specified; while stating whether they meet the circumstances provided in Article 30 of the Company Act.

Note 2: For independent directors, their state of independence must be specified, including but not limited to whether they, their spouses, or second-degree relatives serve as a director, supervisor or employee in the Company or affiliates; the proportion of shares held by the independent director himself/herself, their spouses or relatives within second degree of kinship (or in the name of others); whether the independent director serves as a director, supervisor or an employee of a company with which the Company has a specific relationship (refer to Subparagraphs 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and amount of remuneration receive for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.

(III) Diversification and Independence of Board of Directors:

1. Diversification Policy:
   The election of board members is based on the nomination system with gridlines under "Measure for Election of Board of Directors" and "Corporate Governance Best-Practice Principles". 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:
   (1) Basic requirement and values: gender, age, nationality, and culture.
   (2) 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:
   A. Ability to make operation judgments.
   B. Ability to perform accounting and financial analysis.
   C. Ability to operate and manage.
   D. Ability to manage crises.
   E. Industry Knowledge.
   F. Knowledge of international markets.
   G. Ability to lead.
   H. Ability to make decision.

2. Targets and Implementation of Director Diversification:
   (1) Diversification targets:
   A: No more than two independent directors holding the seats for more than three terms in a row.
   B. Shall include at least one director of different gender and aim to have at least one-third of the board seats occupied by directors of each gender.
   C. No more than one three board members are managers of the Company concurrently.
   (2) Implementation Status:
   There are a total of nine members in the current 15th Board term. Members who are also employees of the Company account for 22%, while the independent members are 33%. There is a female director for 11%. No independent directors hold their seats more than three terms in a row. There are five directors aged 61–70, one aged 51–60, and three aged 41–50. The achievement rates of board diversity items are shown in Table 3. The board members in this term are in line with the diversity policy target.

<Table 1>

Title	Name	Basic Information						
		Nationality	Gender	Current Position at the Company and other Entities at the Moment	Age			Term of Independent Director
					41-50	51-60	61-70	
Chairman	SU, CHI-TSE	R.O.C.	Male		V			
Director	SU, HSIN-CHENG	R.O.C.	Male				V	
Director	CHU, SAN-TU	R.O.C.	Male				V	
Director	HSIEH, HSIN-SHU	R.O.C.	Male				V	
Director	SU, CHI-HU	R.O.C.	Male	V	V			
Director	CHU, CHEN-YI	R.O.C.	Female	V	V			
Independent Director	OU, CHIN-SHYH	R.O.C.	Male				V	Term 3
Independent Director	CHEN, CHIH-CHANG	R.O.C.	Male			V		Term 2
Independent Director	LIN, CHIU-HSIEN	R.O.C.	Male				V	Term 2

<Table 2>

Title	Name	Diversification Element							
		Operation Judgment	Accounting & Financial Analysis	Business Management	Crisis Handling	Industry Knowledge	Knowledge of International Markets	Leadership	Decision-Making
Chairman	SU, CHI-TSE	V	V	V	V	V	V	V	V
Director	SU, HSIN-CHENG	V		V	V	V	V	V	V
Director	CHU, SAN-TU	V		V	V	V	V	V	V
Director	HSIEH, HSIN-SHU	V	V	V	V	V	V	V	V
Director	SU, CHI-HU	V	V	V	V	V	V	V	V
Director	CHU, CHEN-YI	V	V	V	V	V	V	V	V
Independent Director	OU, CHIN-SHY	V	V	V	V	V	V	V	V
Independent Director	CHEN, CHIH-CHANG	V	V	V	V	V	V	V	V
Independent Director	LIN, CHIU-HSIEN	V	V	V	V	V	V	V	V
Achievement Rate		100%	78%	100%	100%	100%	100%	100%	100%

(IV) Information on Presidents, Vice Presidents, Assistant Vice Presidents, and Heads of Each Department and Branch:

March 29, 2025

Title (Note 1)	Nationality	Name	Gender	Date of Election (Inauguration)	Current Shareholding		Spouse and Minor Shareholding		Shareholding in Other's Names		Major Experience (Academic) Backgrounds (Note 2)	Positions in the Company and Other Companies	Managers who are Spouses or Second-Degree Relatives			Remark (Note 3)
					Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relationship	
President and Head of General Administration Division	Republic of China	SU, CHI-HU	Male	May 11, 2021	1,773,000	1.72%	1,513,491	1.47%	0	0%	Bachelor's degree in Business Administration, University of Denver, U.S.A. and EMBA, National Cheng Kung University Production Management, Plant Supervising, and Sales Associate and HR manager in Linesoon Industrial Co., Ltd. Vice President and Executive Vice President, General Administration Division of the Company	Chairman, Rich Pool Investment Co., Ltd.	Vice President Manager	CHU, CHEN-YI	Spouse	None
Vice president of QA Division, R&D Center	Republic of China	KUO,WEN-TANG (Remark 1)	Male	August 20, 2021	223,680	0.22%	45,045	0.04%	0	0%	Bachelor's degree in Mechanic Engineering, National Chin-Yi University of Technology Manager, Development Department and Production Department; Vice President, Production Center; Vice President and Executive Vice President, General Administration Division	None	None	None	None	None
Vice President, Sales & Marketing Department	Republic of China	CHU, CHEN-YI	Female	May 26, 2018	1,513,491	1.47%	1,773,000	1.72%	0	0%	Master's in Information System, Griffith University, Australia Sales Associate, Special Assistant to Chairman of the Company; Special Assistant to President of Linesoon Industrial Co., Ltd.	None	President	SU, CHI-HU	Spouse	None
Vice President, Production Center	Republic of China	WANG, HU-CHO (Remark 2)	Female	January 13, 2023	24,000	0.02%	0	0%	0	0%	Master's in Electrical Engineering, National Kaohsiung University of Science and Technology Construction Mechanical Engineer, Second Nuclear Power Plant, Taiwan Power; R&D Project Manager, Material & Parts Department Manager,	None	None	None	None	None

Title (Note 1)	Nationality	Name	Gender	Date of Election (Inauguration)	Current Shareholding		Spouse and Minor Shareholding		Shareholding in Other's Names		Major Experience (Academic) Backgrounds (Note 2)	Positions in the Company and Other Companies	Managers who are Spouses or Second-Degree Relatives			Remark (Note 3)
					Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relationship	
											Development Department Manager, Tsang Yow Industrial Co., Ltd.; President, Wuxi Tsang Yow Auto Parts Co., Ltd.,					
Assistant Vice President, President's Office	Republic of China	CHIANG, SHU-CHEN (Remark 3)	Female	January 01, 2023	0	0%	33,280	0.03%	0	0%	Bachelor's degree in Dynamic Mechanical Engineering, WuFeng University Warehousing, Quality Assurance, Tsang Fu Machine; Quality Assurance, Tsang Yow Machine; Quality Assurance, WAYSIA INDUSTRIAL CO., LTD.; Quality Assurance and Business Manager, Tsang Yow; President, Wuxi Tsang Yow Auto Parts Co., Ltd.	None	None	None	None	None
Manager of Finance Department concurrently serving as Head of Accounting	Republic of China	CHEN, HUI-JUNG (Remark 4)	Female	November 08, 2014	8,000	0.01%	0	0%	0	0%	Master's in Accounting and Information Technology, National Chung Cheng University Accounting Section Leader, Tsang Yow Industrial Co., Ltd.	None	None	None	None	None

Note 1: Information of the president, vice president, assistant president, and the heads of all company divisions and branch units, as well as the positions equivalent to the president, vice president, assistant vice general manager, regardless of their job titles, shall also be disclosed.
Note 2: Experience related to the current position. If the person has worked for the Company's CPA firm or affiliates in the aforementioned period, please specify the tile of the position and the duties performed.
Note 3: Where the president or person of an equivalent post (the highest level manager) of a company are the same person as the chairman, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures (such as adding more independent directors and having more than half of the directors who are neither employees nor managers) adopted in response thereto: None.
Remark 1: KUO,WEN-TANG was Deputy General Manager of the Manufacturing Center and was transferred to the Research and Development Center to serve as Deputy General Manager of the Quality Assurance Division on February 26, 2025 due to organizational adjustment.
Remark 2: Previously the Vice President of the R&D Center, WANG, HU-CHO was reassigned as the Vice President of the QA Division and concurrently the R&D Center on July 1, 2024, due to organizational restructuring. Subsequently, on February 26, 2025, he was reassigned as the Vice President of the Production Center following another organizational restructuring.
Remark 3: Previously Assistant Vice President of the President's Office, CHIANG, SHU-CHEN took unpaid leave on July 26, and her status of insider was removed on October 24, 2024.
Remark 4: Previously Assistant Manager of the Finance Department and Chief Accounting Officer, CHEN, HUI-JUNG was promoted as Manager of Finance Department and Accounting Officer on July 8, 2024.
Remark 5: The president or equivalent (top manager) and the chairman who are the same person, spouses or relatives within the first degree of kinship: None.

II. Remuneration paid during the most recent fiscal year (2024) to directors, supervisors, president, and vice president:

(I) Remuneration to Directors and Independent Directors (names and remunerations are disclosed individually)

Unit: TWD thousand

Title	Name	Director's Remuneration								(A + B + C + D) as a % of Net Income (Note 10)		Associated Remuneration to Part-time Employees								The sum of A, B, C, D, E, F and G as a percentage of net income (Note 10)		Remuneration received from investees other than subsidiaries or the parent company (Note 11)
		Remuneration (A) (Note 2)		Severance pay and pension (B)		Remuneration to directors (C) (Note 3)		Business Allowance (D) (Note 4)				Base Remuneration , Bonuses, and Allowances (E) (Note 5)		Severance Pay and Pensions (F)		Remuneration to employees (G) (Note 6)						
		The Company	From All Consolidated Entities (Note 7)	The Company	From All Consolidated Entities (Note 7)	The Company	From All Consolidated Entities (Note 7)	The Company	From All Consolidated Entities (Note 7)	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities (Note 7)	The Company	From All Consolidated Entities (Note 7)	The Company		From All Consolidated Entities (Note 7)		The Company	From All Consolidated Entities	
																Cash	Stock	Cash	Stock			
Director	SU, CHI-TSE	5,389	5,389	0	0	1,422	1,422	15	15	6,826 4.18%	6,826 4.18%	0	0	0	0	0	0	0	0	6,826 4.18%	6,826 4.18%	None
	Rich Pool Investment Co., Ltd. Representative: HSIEH, HSIN-SHU	0	0	0	0	474	474	15	15	489 0.30%	489 0.30%	0	0	0	0	0	0	0	0	489 0.30%	489 0.30%	None
	Rich Pool Investment Co., Ltd. Representative: SU, CHI-HU	0	0	0	0	186	186	0	0	186 0.11%	186 0.11%	0	0	0	0	0	0	0	0	186 0.11%	186 0.11%	None
	SU, CHI-HU	0	0	0	0	287	287	15	15	302 0.19%	302 0.19%	4,531	4,531	108	108	539	0	539	0	5,480 3.36%	5,480 3.36%	None
	Golden Top Investment Co., Ltd. Representative: Yen-Ching Yang	0	0	0	0	186	186	6	6	192 0.12%	192 0.12%	0	0	0	0	0	0	0	0	192 0.12%	192 0.12%	None
	SU, HSIN-CHENG	0	0	0	0	474	474	12	12	486 0.30%	486 0.30%	0	0	0	0	0	0	0	0	486 0.30%	486 0.30%	None
	CHU, SAN-TU	0	0	0	0	474	474	12	12	486 0.30%	486 0.30%	0	0	0	0	0	0	0	0	486 0.30%	486 0.30%	None
	CHU, CHEN-YI	0	0	0	0	287	287	9	9	296 0.18%	296 0.18%	3,914	3,914	97	97	270	0	270	0	4,577 2.81%	4,577 2.81%	None
Independent Director	OU, CHIN-SHYH	275	275	0	0	234	234	39	39	548 0.34%	548 0.34%	0	0	0	0	0	0	0	0	548 0.34%	548 0.34%	None
	CHEN, CHIH-CHANG	240	240	0	0	234	234	39	39	513 0.31%	513 0.31%	0	0	0	0	0	0	0	0	513 0.31%	513 0.31%	None
	LIN, CHIU-HSIEN	240	240	0	0	234	234	39	39	513 0.31%	513 0.31%	0	0	0	0	0	0	0	0	513 0.31%	513 0.31%	None

1. Directors and Independent Directors' remuneration policies, procedures, standards, and structure, as well as the linkage to responsibilities, risk and time spent:
   All payments made is based on "Rules for Distribution of Remuneration to Directors":
   (1) Travel allowance is paid to directors attending the meeting.
   (2) Fixes remuneration paid to directors and independent directors who also participate in business operation is based on the salary rules and procedures of the Company.
   (3) According to Article 23 under the Company's Articles of Incorporation, remuneration paid to directors is resolved by the Board of Directors according to individual director's involvement and contribution to the business operation with the reference to the industry market rate, not overriding the salary rules and standards of the Company. According to Article 31 under the Company's Articles of Incorporation, a 5% distribution will be made as director's remuneration, when there's net income from the Company's operation.
2. Other than the disclosures above, other remuneration s received by the directors for services made for all entities consolidated in the financial reports (such as being a consultant for the parent company, consolidated entities in the financial reports, non-consolidated investees): None

Remark 1: The term of office of the Company's directors expired on May 24, 2024, and the directors (including independent directors) were re-elected.

A: Director SU, CHI-TSE was elected as the Chairman.
B: Director: Rich Pool Investment Co., Ltd./Representative: SU, CHI-HU was relieved of duty on May 24, 2024.
C: Director: Golden Top Investment Co., Ltd./YANG, YEN-Ching was relieved of duty on May 24, 2024.
D: Director: SU, CHI-HU was newly elected on May 24, 2024.
E: Director: CHU, CHEN-YI was newly elected on May 24, 2024.

Remuneration Range

Director Remuneration Range	Director			
	From (A+B+C+D)		Sum of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company (Note 8)	From All Consolidated Entities (Note 9) H	The Company (Note 8)	From All Consolidated Entities (Note 9) I
Below TWD1,000,000	Representative of Rich Pool Investment Co., Ltd.: HSIEH, HSIN-SHU; Representative of Rich Pool Investment Co., Ltd.: SU, CHI-HU; SU, CHI-HU; Representatives of Golden Top Investment Co., Ltd.: YANG, YEN-CHING; SU, HSIN-CHENG; CHU, SAN-TU; CHU, CHEN-YI; OU, CHIN-SHY; CHEN, CHIH-CHANG; and LIN, CHIU-HSIEN.	Representative of Rich Pool Investment Co., Ltd.: HSIEH, HSIN-SHU; Representative of Rich Pool Investment Co., Ltd.: SU, CHI-HU; SU, CHI-HU; Representatives of Golden Top Investment Co., Ltd.: YANG, YEN-CHING; SU, HSIN-CHENG; CHU, SAN-TU; CHU, CHEN-YI; OU, CHIN-SHY; CHEN, CHIH-CHANG; and LIN, CHIU-HSIEN.	Representative of Rich Pool Investment Co., Ltd.: HSIEH, HSIN-SHU; Representative of Rich Pool Investment Co., Ltd.: SU, CHI-HU; Representatives of Golden Top Investment Co., Ltd.: YANG, YEN-CHING; SU, HSIN-CHENG; CHU, SAN-TU; OU, CHIN-SHY; CHEN, CHIH-CHANG; and LIN, CHIU-HSIEN.	Representative of Rich Pool Investment Co., Ltd.: HSIEH, HSIN-SHU; Representative of Rich Pool Investment Co., Ltd.: SU, CHI-HU; Representatives of Golden Top Investment Co., Ltd.: YANG, YEN-CHING; SU, HSIN-CHENG; CHU, SAN-TU; OU, CHIN-SHY; CHEN, CHIH-CHANG; and LIN, CHIU-HSIEN.
TWD 1,000,000 (inclusive) - TWD 2,000,000 (exclusive)	-	-	-	-
TWD 2,000,000 (inclusive) - TWD 3,500,000 (exclusive)	-	-	-	-
TWD 3,500,000 (inclusive) - TWD 5,000,000 (exclusive)	-	-	CHU, CHEN-YI	CHU, CHEN-YI
TWD 5,000,000 (inclusive) - TWD 10,000,000 (exclusive)	SU, CHI-TSE	SU, CHI-TSE	SU, CHI-TSE; SU, CHI-HU	SU, CHI-TSE; SU, CHI-HU
TWD 10,000,000 (inclusive) - TWD 15,000,000 (exclusive)	-	-	-	-
TWD 15,000,000 (inclusive) - TWD 30,000,000 (exclusive)	-	-	-	-
TWD 30,000,000 (inclusive) - TWD 50,000,000 (non-inclusive)	-	-	-	-
TWD 50,000,000 (inclusive) - TWD 100,000,000 (exclusive)	-	-	-	-
Above TWD100,000,000	-	-	-	-
Total	11	11	11	11

Note 1: Director name shall be listed separately (for corporate shareholders, name of the institution and representative shall be disclosed). Director types shall be noted with the disclosure of aggregated payments made. Directors who serve as President or Vice President shall provide information in the table below (3-1) or (3-2-1) and (3-2-2).

Note 2: Include remuneration paid, in the current year, to directors including director salary, supplementary and severance pays, reward and incentive payments.

Note 3: Include remuneration paid, in the current year, to directors, through approvals from the Board meeting.

Note 4: Include expenses necessary for carrying out business operation, including travel and special allowances, all fringe benefits, dormitories, company cars, and other supplementary goods and services. Such as housing, automobile and other transportation tools or individual expenses. Information including natural of the assets provided, the associated cost, actual or market rents, gasoline and other payments made, shall be disclosed. If a driver is assigned, please refer to the description of the relevant remuneration paid to the driver by the Company; however, it is not included in the calculation of remuneration.

Note 5: Include remuneration paid, in the current year, to directors who are also employees (covering President, Vice President, other managers and employees), including salary, job supplementary and severance pays, reward and incentive payments, travel and special allowances, all fringe benefits, dormitories, company cars, and other supplementary goods and services. Such as housing, automobile and other transportation tools or individual expenses. Information including natural of the assets provided, the associated cost, actual or market rents, gasoline and other payments made, shall be disclosed. If a driver is assigned, please refer to the description of the relevant remuneration paid to the driver by the Company; however, it is not included in the calculation of remuneration. According to IFRS 2 “Share-based Payment”, salary expense recognized shall include employee stock warrant, employee new-share rights, and rights to subscribe new share issuance and cash capital increase.

Note 6: Refers to those who have received employee remuneration (including stocks and cash) for concurrent directors (including concurrently serving as a president, vice president, other manager or employee) in the most recent year. The amount of employee remuneration passed by the Board of Directors in the most recent year shall be disclosed. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year, and the attached Table 1-3 shall be filled in.

Note 7: Total remuneration , by category, paid to directors of the Companies (including consolidated entities in the financial reports) shall be disclosed.

Note 8: Director names shall be disclosed in the relevant range based on total remuneration received from the Company.

Note 9: Director names shall be disclosed in the relevant range based on total remuneration received from all consolidated entities in the financial reports

Note 10: Net income refers to the net income after tax in the parent company only or individual financial statements of the most recent year.

Note 11: a. Remuneration received by the directors from non-subsidiary entities or the parent company shall be filled in (None, if not available).

b. Remuneration received by the director from non-subsidiary entities or the parent company shall be added to Remuneration Range “I”. And the column title shall be changed to “Parent and All Investees”.

c. The remuneration include remuneration (covering business allowances) received as a director, supervisor, manager of any non-subsidiary investee or the parent company by the director of the Company.

* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

(II) Remuneration to supervisors

After the amendment to the Company’s Article of Incorporation on June 29, 2012, the supervisor system was replaced with the establishment of Audit Committee.

(III) Remuneration paid to president and vice presidents (names and remunerations are disclosed individually)

Unit: TWD thousand

Title	Name	Salary (A) (Note 2)		Severance Pay and Pensions (B)		Bonus and special expenditure (C) (Note 3)		Amount of remuneration to employees (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%) (Note 8)		Remuneration received from investees other than subsidiaries or the parent company (Note 9)
		The Company	From All Consolidated Entities (Note 5)	The Company	From All Consolidated Entities (Note 5)	The Company	From All Consolidated Entities (Note 5)	The Company		From All Consolidated Entities (Note 5)		The Company	From All Consolidated Entities	
								Cash	Stock	Cash	Stock			
President	SU, CHI-HU	1,932	1,932	108	108	2,599	2,599	539	0	539	0	5,178 3.17	5,178 3.17	None
Vice President	CHU, CHEN-YI	1,565	1,565	97	97	2,349	2,349	270	0	270	0	4,281 2.62	4,281 2.62	None
Vice President	KUO,WEN-TANG (Remark 1)	1,599	1,599	101	101	1,694	1,694	270	0	270	0	3,664 2.25	3,664 2.25	None
Vice President	WANG, HU-CHO (Remark 2)	1,428	1,428	89	89	866	866	270	0	270	0	2,653 1.63	2,653 1.63	None

*Regardless of title, any position equivalent in status to that of a President or Vice President (e.g. President, CEO, Director...etc.) shall be disclosed.

Remark 1: KUO,WEN-TANG was Deputy General Manager of the Manufacturing Center and was transferred to the Research and Development Center to serve as Deputy General Manager of the Quality Assurance Division on February 26, 2025 due to organizational adjustment.

Remark 2: Previously the Vice President of the R&D Center, WANG, HU-CHO was reassigned as the Vice President of the QA Division and concurrently the R&D Center on July 1, 2024, due to organizational restructuring. Subsequently, on February 26, 2025, he was reassigned as the Vice President of the Production Center following another organizational restructuring.

Remuneration Range

Top Manager Remuneration Range	Manager Name	
	The Company (Note 6)	From All Consolidated Entities (Note 7)
Below TWD1,000,000		
TWD1,000,000 (inclusive) – TWD2,000,000 (exclusive)		
TWD2,000,000 (inclusive) - TWD3,500,000 (exclusive)	WANG,HU-CHO (Remark 1)	WANG,HU-CHO (Remark 1)
TWD 3,500,000 (inclusive) - TWD 5,000,000 (exclusive)	CHU, CHEN-YI; KUO,WEN-TANG (Remark 2)	CHU, CHEN-YI; KUO,WEN-TANG (Remark 2)
TWD 5,000,000 (inclusive) - TWD 10,000,000 (exclusive)	SU, CHI-HU	SU, CHI-HU
TWD 10,000,000 (inclusive) - TWD 15,000,000 (exclusive)	-	-
TWD 15,000,000 (inclusive) - TWD 30,000,000 (exclusive)	-	-
TWD 30,000,000 (inclusive) - TWD 50,000,000 (exclusive)	-	-
TWD 50,000,000 (inclusive) - TWD 100,000,000 (exclusive)	-	-
Above TWD100,000,000	-	-
Total	4	4

Note 1: Name of top managers shall be listed separately with the disclosure of aggregated payments made. Directors who serve as President or Vice President shall provide information in this table and table above (1-1) or (1-2-1) and (1-2-2).

Note 2: Include remuneration paid, in the current year, to top managers including salary, supplementary, and severance pays

Note 3: Include remuneration paid, in the current year, to top managers, including salary, job supplementary and severance pays, reward and incentive payments, travel and special allowances, all fringe benefits, dormitories, company cars, and other supplementary goods and services. Such as housing, automobile and other transportation tools or individual expenses. Information including natural of the assets provided, the associated cost, actual or market rents, gasoline and other payments made, shall be disclosed. If a driver is assigned, please refer to the description of the relevant remuneration paid to the driver by the Company; however, it is not included in the calculation of remuneration. According to IFRS 2 "Share-based Payment", salary expense recognized shall include employee stock warrant, employee new-share rights, and rights to subscribe new share issuance and cash capital increase.

Note 4: Refer to the amount of employee remuneration (including stock and cash) distributed to the President and Deputy Presidents, as passed by the Board of Directors, in the most recent year. If the amount cannot be estimated, then calculate the proposed distribution amount for this year based on the actual distribution amount last year, and also fill in the attached table 1-3.

Note 5: Total remuneration , by category, paid to top managers (including consolidated entities in the financial reports) shall be disclosed.

Note 6: Top managers' names shall be disclosed in the associated range based on total remuneration received from the Company.

Note 7: Top managers' names shall be disclosed in the associated range based on total remuneration received from all consolidated entities in the financial reports

Note 8: Net income refers to the net income after tax in the parent company only or individual financial statements of the most recent year.

Note 9: a. This column should clearly indicate the amount of relevant remuneration received by the directors of the Company from the subsidiary company or the parent company. (If there is none, please fill in "None").

b. Remuneration received by top managers from non-subsidiary entities or the parent company shall be added to Remuneration Range "E". And the column name shall be changed to "Parent and All Investees".

c. The remuneration include remuneration (covering business allowances) received as a director, supervisor, manager of any non-subsidiary investee or the parent company by the President or Vice President of the Company.

* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

Remark 1: Previously the Vice President of the R&D Center, WANG, HU-CHO was reassigned as the Vice President of the QA Division and concurrently the R&D Center on July 1, 2024, due to organizational restructuring. Subsequently, on February 26, 2025, he was reassigned as the Vice President of the Production Center following another organizational restructuring.

Remark 2: KUO,WEN-TANG was Deputy General Manager of the Manufacturing Center and was transferred to the Research and Development Center to serve as Deputy General Manager of the Quality Assurance Division on February 26, 2025 due to organizational adjustment.

(IV) The remuneration of the top five highest-paid executives in a TWSE/TPEx listed company (including individual names and remuneration methods) (Note 1)

Unit: TWD thousand

Title	Name	Salary (A) (Note 2)		Severance Pay and Pensions (B)		Bonus and Special Allowances (C) (Note 3)		Employee Remuneration Amount (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%) (Note 6)		Remuneration received from investees other than subsidiaries or the parent company (Note 7)
		The Company	From All Consolidated Entities (Note 5)	The Company	From All Consolidated Entities (Note 5)	The Company	From All Consolidated Entities (Note 5)	The Company		From All Consolidated Entities (Note 5)		The Company	From All Consolidated Entities	
								Cash	Stock	Cash	Stock			
General Manager	SU, CHI-HU	1,932	1,932	108	108	2,599	2,599	539	0	539	0	5,178 3.17	5,178 3.17	None
Deputy General Manager	CHU,CHEN-YI	1,565	1,565	97	97	2,349	2,349	270	0	270	0	4,281 2.62	4,281 2.62	None
Deputy General Manager	KUO,WEN-TANG (Remark 1)	1,599	1,599	101	101	1,694	1,694	270	0	270	0	3,664 2.25	3,664 2.25	None
Deputy General Manager	WANG,HU-CHO (Remark 2)	1,428	1,428	89	89	866	866	270	0	270	0	2,653 1.63	2,653 1.63	None
Finance Manager & Chief Accounting Officer	CHEN,HUI-JUNG (Remark 3)	845	845	50	50	268	268	59	0	59	0	1,222 0.75	1,222 0.75	None

Note 1: The term "top five highest-paid executives" refers to managerial officers of the Company. The criteria for identifying these managerial officers are based on the regulations outlined in the letter issued by the Ministry of Finance Securities and Futures Commission on March 27, 2003 (Tai-Cai-Zheng-San-Zi No. 0920001301).Regarding the calculation and determination of the "top five highest-paid," it is based on the total amount received by executives of the Company from salaries, retirement pensions, bonuses, special allowances, and employee remuneration amounts from all companies within the consolidated financial statements (i.e., the total of A+B+C+D), and the top five highest-paid individuals are determined after sorting.If directors also serve as the aforementioned executives, they should also be listed in this table and Table (1-1).

Note 2: The salaries, position allowances, and retirement benefits of the top five highest-paid executives for the most recent fiscal year are listed.

Note 3: The various bonuses, incentives, transportation expenses, special allowances, allowances, housing, company vehicles, and other remuneration amounts received by the top five highest-paid executives for the most recent fiscal year are listed.Such as housing, automobile and other transportation tools or individual expenses. Information including natural of the assets provided, the associated cost, actual or market rents, gasoline and other payments made, shall be disclosed.Compensation to chauffeur by the Company, if available, shall be noted in the footnote but not include in the compensation to the directors.According to IFRS 2 "Share-based Payment," salary expense recognized shall include employee stock warrant, employee new-share rights, and rights to subscribe new share issuance and cash capital increase.

Note 4: Please fill in the proposed remuneration amount to the top 5 highest-paid executives resolved in the Board meeting in the most recent year (including stock and cash). If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year; also, Attachment 1-3 should be filled out.

Note 5: The total amount of remuneration paid to the Company's top 5 highest-paid executives by all companies (including the Company) listed in the consolidated financial statements should be disclosed.

Note 6: After-tax net profit refers to the after-tax net profit of the parent company only or separate financial statements for the most recent fiscal year.

Note 7: a. Please clearly indicate the amounts of remuneration received by the top five highest-paid executives of the Company from investees other than subsidiaries or the parent company in this column (if none, please fill in "none").

b. Remuneration refers to the compensation, remuneration (including remuneration for employees, directors, and supervisors), and expenses related to the performance of duties received by the top five highest-paid executives of the Company in their capacity as directors, supervisors, or managerial officers of investees other than subsidiaries or the parent company.

*Remuneration disclosed in this table is different from the concept of income in the Income Tax Act. This table is used for information disclosure, not taxation

Remark 1: Kuo, Wen-Tang was Deputy General Manager of the Manufacturing Center and was transferred to the Research and Development Center to serve as Deputy General Manager of the Quality Assurance Division on February 26, 2025 due to organizational adjustment.

Remark 2: Wang,Hu-Cho was Deputy General Manager of the Research and Development Center and was transferred to the Research and Development Center to serve as Deputy General Manager of the Quality Assurance Division on February 26, 2025 due to organizational adjustment, and transferred to the Manufacturing Center to serve as Deputy General Manager on February 26, 2025 due to organizational adjustment.

Remark 3: Che, Hui-Jung was Assistant Manager of Finance Department and Chief Accounting Officer, and was promoted to Finance Manager and Chief Accounting Officer on July 8, 2025.

(V) The name of the manager who received employee remuneration and the distribution status:

March 31, 2025 Unit: TWD thousand

	Title (Note 1)	Name (Note 1)	Stock	Cash	Total	As a percentage of Net Income(%)
Managers	President	SU, CHI-HU	0	539	539	0.33
	Vice President	CHU, CHEN-YI	0	270	270	0.17
	Vice President	KUO,WEN-TANG (Remark 1)	0	270	270	0.17
	Vice President	WANG, HU-CHO (Remark 2)	0	270	270	0.17
	Manager of Finance Department and Chief Accounting Officer	CHEN, HUI-JUNG (Remark 4)	0	59	59	0.04

Remarks: The amount of employee remuneration distribution for the year 2024 is based on the amount approved by the Board of Directors on February 24, 2025, and estimated in accordance with the Company's 'Employee Profit Sharing Rules and Standards.' The actual distribution will be made after submission to and approval by the Annual General Meeting.

Note 1: Individual manager’s name and title shall be disclosed. Profit sharing can be disclosed in an aggregated number.

Note 2: Information regarding employee profit sharing (in both shares and cash) resolved by the Board meetings in the current year to top managers shall be disclosed. If not available, an estimate calculated proportional to the actual payment last year shall be adopted. Net income is the figure from the current year, which has adopted International Financial Reporting Standards. Net income is the figure from the unconsolidated or individual-only financial statements.

Note 3: Top managers, based on official letter Tai-Cai-Zheng-San-Zi No.0920001301 from Security and Future Bureau on March 27, 2013, include the follows:
(1) President or equivalent positions; (2) Vice President or equivalent positions
(3) Associated manager or equivalent positions; (4) Head of finance department
(5) Head of accounting department;
(6) Anyone who manages business or sign business contract for the company or

Note 4: Directors, President and Vice President who receives profit sharing (in both shares and cash) shall fill in this table, in addition to attached Table 1-2.

Remark 1: Kuo, Wen-Tang was Deputy General Manager of the Manufacturing Center and was transferred to the Research and Development Center to serve as Deputy General Manager of the Quality Assurance Division on February 26, 2025 due to organizational adjustment.

Remark 2: Previously the Vice President of the R&D Center, WANG, HU-CHO was reassigned as the Vice President of the QA Division and concurrently the R&D Center on July 1, 2024, due to organizational restructuring. Subsequently, on February 26, 2025, he was reassigned as the Vice President of the Production Center following another organizational restructuring.

Remark 3: Previously Assistant Vice President of the President’s Office, CHIANG, SHU-CHEN took unpaid leave on July 26, 2023 and her status of insider was removed on October 24, 2024.

Remark 4: Previously Assistant Manager of the Finance Department and Chief Accounting Officer, CHEN, HUI-JUNG was promoted as Manager of Finance Department and Accounting Officer on July 8, 2024.

(VI) Analysis of the total remuneration paid to the directors, presidents and vice presidents of the company in the most recent two years by the company and all companies in the consolidated financial statements as a percentage of the net profit after tax of parent company only financial reports or individual financial reports; and explain the payment

remuneration policies, standards and combinations, procedures for determining remuneration, and their correlation with business performance and future risks:

1. Analysis of the total compensation paid to directors, the president, and vice presidents by the Company and its consolidated subsidiaries over the most recent two fiscal years, expressed as a percentage of net income as reported in the standalone or individual financial statements.

Item / Title	As a percentage of 2024 net income (%)		As a percentage of 2023 net income (%)	
	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements
Director	6.64%	6.64%	5.18%	5.18%
President and Vice Presidents	9.67%	9.67%	6.4%	6.4%

2. Profit sharing policy, standards, and structure; the procedures to make such policy; and the correlation with the operation result, as well as future risks:
   (1) The Company's policy, standards, and structure for director remuneration, as well as the procedures for determining such remuneration and its correlation with business performance and future risks, are established in accordance with Article 23 of the Company's Articles of Incorporation. (Remuneration for directors is determined by the Board of Directors based on each director's level of participation in and contribution to the Company's operations, with reference to industry standards, and within the limits set by the Company's salary regulations. Directors may also receive travel allowances based on actual attendance.) Additionally, Article 31 of the Articles of Incorporation stipulates that director remuneration shall not exceed 5% of the Company's net income. The remuneration is granted in accordance with the 'Rules for Distribution of Remuneration to Directors,' as approved by the Remuneration Committee and the Board of Directors. The remuneration principles take into account directors' participation in Company operations and performance evaluations, including the following aspects: participation in Company operations (40%), director election and continuing education (20%), internal control (20%), and understanding of the Company and awareness of responsibilities (20%). The payment system is reviewed periodically in accordance with relevant laws and the Company's operating conditions to ensure its appropriateness.
   (2) Compensation to the general manager and senior managers shall be based on long-term operation performance and shareholders' interests under the premise that no incentives will be rewarded for taking excessive risks thereby. Profit sharing for manager positions is based on evaluation items: For top-level positions, key benchmarks of general manager and senior managers include reaching earning target and maintaining financial sustainability. Yearly earning target is resolved by the Board according to annual budget and commissioned to individual manager for execution.In order to encourage the General Manager and senior managers to value long-term comprehensive performance and achieve sustainable operation, the remuneration is linked to the ESG performance evaluation indicators.The evaluation items include professional management objectives (accounting for 80%, such as financial performance and operating revenue, digital transformation, product timeline adherence, implement key ESG initiatives), management indicators (accounting for 20%, such as improvement of functional committees, diversified business

development, leadership, performance in talent development).
Overall, the profit sharing policy, standards, and structure; the procedures to make such policy for the directors the general managers and top managers by the Company present a positive correlation to the operation result and are disclosed in the annual reports according to the laws. Associated risks shall be limited.
The implementation of the goals for 2024: The General Manager and senior managers have performance indicators for sustainable performance, and the indicators are linked to variable remuneration. The indicators are as follows:

Indicator Items	Weight of rights	Explanation
Financial Indicators	20%	Company financial performance, operating revenue, budget achievement and profitability.
Strategic Indicators	30%	Goals based on mid-to-long-term strategic plans, such as digital transformation, market expansion, technological innovation, product schedule adherence, and responses to critical issues.
Sustainability and Internal Control Indicators	30%	Committed to fulfilling three sustainability pledges, focusing on Environmental, Social, and Governance (ESG) and the establishment and implementation of internal control systems, including ethical operations, information transparency, legal compliance, risk management, and social co-prosperity, while implementing key ESG initiatives: ① Focus on climate risk and drive concrete net-zero actions 10% ② Management of occupational safety and health 5% ③ Others 15%
Management Indicators	20%	Focus on the performance of the general manager and senior managers in internal management, functional committee improvement initiatives, diversified business development, leadership capabilities, and talent development

III. Corporate Governance:

(I) Operation of the Board of Directors:

Operation of the Board of Directors

The Board of Directors held five meetings (A) in the most recent year (2024) with the attendance information as follows:

Title	Name	Number of attendance in person B	Number of attendance by proxy	Attendance Rate in Person % [B/A] (Note 2)	Remarks
Chairman	SU, CHI-TSE	5	0	100	Re-elected on May 24, 2024
Director	SU, HSIN-CHENG	4	1	80	Re-elected on May 24, 2024 Required attendance: 5

					times, 1 proxy
Director	CHU, SAN-TU	4	1	80	Re-elected on May 24, 2024 Required attendance: 5 times, 1 proxy
Director	Golden Top Investment Co., Ltd. Representative: Yen-Ching Yang	2	0	100	Dismissed on May 24, 2024 Required attendance: 2
Director	Rich Pool Investment Co., Ltd. Representative: HSIEH, HSIN-SHU	5	0	100	Re-elected on May 24, 2024
Director	Rich Pool Investment Co., Ltd. Representative: SU, CHI-HU	2	0	100	Relieved of duties on May 24, 2024 Required attendance: 2
Director	SU, CHI-HU	3	0	100	Newly appointed on May 24, 2024 Required attendance: 3
Director	CHU, CHEN-YI	3	0	100	Newly appointed on May 24, 2024 Required attendance: 3
Independent Director	OU, CHIN-SHYH	5	0	100	Re-elected on May 24, 2024
Independent Director	CHEN, CHIH-CHANG	5	0	100	Re-elected on May 24, 2024
Independent Director	LIN, CHIU-HSIEN	5	0	100	Re-elected on May 24, 2024

Other information required:

I. If the operation of the board of directors is under any of the following circumstances, the date and session of the board of directors, the proposal contents, the opinions of all independent directors, and the Company’s handling of the opinions of the independent directors shall be stated:

(I) Matters listed under Article 14-3:

Session	**Date**	**Important Resolution**
11301	March 7, 2024	Discussion of distribution of remuneration to directors and employees for 2023 as reviewed by the Remuneration Committee.
11301	March 7, 2024	Discussion of appointment and dismissal of the Company’s internal audit officer.
11301	March 7, 2024	Discussion of amendment to the Company’s “Procedure for Board of Directors Meetings”.
11301	March 7, 2024	Discussion of amendment to the Company’s “CS-002-A2 Audit Committee Charter”.
11301	March 7, 2024	Discussion of the distribution of 2023 bonus for the Chairman SU, CHI-TSE and President SU, CHI-HU as reviewed by the

		Remuneration Committee.
11301	March 7, 2024	Discussion of appointment of the Company's CPAs, and decide on their remuneration and the pre-approved service list for non-assurance services.
11302	May 7, 2024	Discussion of formulation of the Company's "Rules for Financial and Business Matters Between the Company and its Related Parties".
11302	May 7, 2024	Discussion of amendment to the "Rules for Distribution of Remuneration to Directors" as reviewed by the Remuneration Committee.
11302	May 7, 2024	Discussion of changing CPAs due to internal rotation of the CPA firm.
11303	September 7, 2024	Discussion of establishment of the Sustainable Development Committee and formulation of the "Sustainable Development Committee Charter".
11304	November 6, 2024	Discussion of the Company's transfer of the second buyback of shares to employees.
11304	November 6, 2024	Discussion of the Company's transfer of the second buyback of shares to employees' subscription and the number of shares.
11304	November 6, 2024	Discussion of transfer of the second buyback of shares to employees for the distribution of managers' stock options as reviewed by the Company's Remuneration Committee.
11304	November 6, 2024	Discussion of amendment to "Employee Profit Sharing Rules and Standards" as reviewed by the Remuneration Committee.
11304	November 6, 2024	Discussion of amendment to the Company's "Corporate Governance Best Practice Principles".
11304	November 6, 2024	Discussion of amendment to the Company's internal control system in response to sustainable information management.
11304	November 6, 2024	Discussion of amendment to the Internal Audit Implementation Rules.
11304	November 6, 2024	Discussion of amendment to the "Long-term and Short-term Investment Management Procedure" of the internal control document.
11304	November 6, 2024	Discussion of long-term equity investment in Thailand.

Opinions from the independent directors and the handling therefor: After consulting all attending independent directors, the chair confirmed no objection and passed the all proposals above.

(II) Except for the preceding matters, any matter resolved by the Board of Directors with an independent director expressing an objection or reservation that has been included in records or stated in writing: Not applicable.

II. Recusal of the directors from motions involving their interest, specify the names of the directors, the content of the motions, the reason for recusal, and the participation in voting:

1. Discussion of the 2023 bonus for the Company's Chairman SU, CHI-TSE and President SU, CHI-HU as reviewed by the Remnueration Committee.
   Voting outcome: Director SU, CHI-TSE, as the Company's chairman; Director SU, CHI-HU as the Company's President, and Director HSIEH, HSIN-SHU, the representative of Rich Pool Investment Co., Ltd. (a controlled subsidiary) recused from the discussion to avoid conflict of interest. After consulting all attending independent directors and other directors (excluding directors SU, CHI-TSE, SU, CHI-HU and HSIEH, HSIN-SHU who recused themselves from the meeting), acting chair OU,

CHIN-SHYH confirmed no objection and passed the proposal.

2. Discussion of the distribution of 2023 bonus for the Company's other managers as reviewed by the Remuneration Committee.
   Voting outcome: Directors CHU, SAN-TU and SU, CHI-HU recused from the discussion to avoid conflict of interest situation for holding top managing positions in the Company and being a second-degree relative to other. After consulting all attending independent directors and other directors (excluding directors CHU, SAN-TU and SU, CHI-HU who recused themselves from the meeting), acting chair OU, CHIN-SHYH confirmed no objection and passed the proposal.
3. Discussion of the proposed disposal of business equipment and related parties.
   Voting outcome: Directors who recuse themselves from the discussion to avoid conflicts of interest: Director SU, CHI-TSE, Supervisor of a subject to be sold, Linesoon Industrial Co., Ltd.; Director SU, CHI-HU and HSIEH, HSIN-SHU, representatives of Rich Pool Investment Co., Ltd. (a controlled subsidiary); Directors SU,HSIN-CHENG, President/director of the target of the sale, Linesoon Industrial Co., Ltd., a subject to be sold; Director YANG, YEN-CHING, Manager of the target of the sale, Linesoon Industrial Co., Ltd. After consulting all attending independent directors and other directors (excluding the directors who recused themselves from the meeting), acting chair OU, CHIN-SHYH confirmed no objection and passed the proposal.
4. Discussion of transfer of the second buyback of shares to employees for the distribution of managers' stock options.
   Voting outcome: Directors who recuse themselves from the discussion to avoid conflicts of interest: Director SU, CHI-TSE, as the Company's chairman; SU, CHI-HU as the Company's President; Director CHU, CHEN-YI, as the Company's Vice President of the Marketing Division; Directors CHU, SAN-TU and CHU, CHEN-YI are second-degree relatives to each other. After consulting all attending independent directors and other directors (excluding Chairman SU, CHI-TSE, Director SU, CHI-HU, Director SU, CHI-HU, Director CHU SAN-TU, and Director CHU, CHEN-YI who recused themselves from the meeting), acting chair OU, CHIN-SHYH confirmed no objection and passed the proposal.

III. The evaluation of the Board of Directors:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Contents
Once a year (by the end of every first quarter in the following year)	The evaluation of the performance of the Board of Directors from January 1 to December 31, 2024 was conducted.	Including performance evaluation of the Board of Directors, individual directors, and functional committees.	Internal self-evaluation of the board of directors and self-evaluation of directors.	(1) Evaluation of the performance of the Board of Directors: including at least the degree of participation in the Company's operations, the quality of the Board's decision-making, the composition and structure of the Board of Directors, the election and continuing education of

				directors, and internal control. (2) Evaluation of the performance of individual directors: Including at least the understanding of the Company and responsibilities, the level of participation in the Company's operations, the directors' professionalism and continuing education, and internal control. (3) Performance evaluation of functional committees: participation in the Company's operations, awareness of the duties of the functional committees, improvement of the quality of decision making of the functional committees, formation and composition of the functional committees, and election of members, internal control, etc.

The Company has completed the internal evaluation of the Board of Directors' performance evaluation for 2024, and the evaluation results are good overall. The results have been submitted to the first Board meeting of 2025, and will be used as a reference for performance, remuneration and nomination selection of individual directors to improve the Company's corporate governance performance. The evaluation standards and results of each committee are as follows:

Aspect	Distribution ratio for self-evaluation of the Board of Directors	Distribution ratio for self-evaluation of the Board of Directors	Ratio of self-evaluation of functional committees
Involvement in business operation	30%	40%	30%
Improve the quality of decision-making by the Board of Directors (including functional committees)	25%		25%
Composition and structure of the board	10%		
Election of board members and continuing knowledge development	15%	20%	
Internal controls	20%	20%	20%
Understanding and awareness of the duties of the Company		20%	
Awareness of the duties of the functional committees			15%
Composition and structure of the functional committee			10%
Total	100%	100%	100%

2024 evaluation results:

Category	Item	Evaluation item	Score	Total Score	Explanation
Performance Evaluation of the Board of Directors	01	Involvement in business operation	28.25	94.38	The operation is in good condition. Based on the results of this evaluation, we will continue to strengthen it to improve the effectiveness of corporate governance.
	02	Enhancement of the quality of the decision-making of the Board of Directors	23.61		
	03	Composition and structure of the board	8.76		
	04	Election of board members and continuing knowledge development	14.48		
	05	Internal controls	19.28		
Board member performance evaluation	01	Understanding and awareness of the duties of the Company	19.33	97.46	The operation is in good condition. Based on the results of this evaluation, we will continue to strengthen it to improve the effectiveness of corporate
	02	Degree of participation in company operations	38.87		
	03	Directors' professionalism and continuing knowledge development	19.56		
	04	Internal controls	19.70		

					governance.
Audit Committee Performance Evaluation	01	Degree of participation in company operations.	30.00	100	The overall operation is good, and will continue to be strengthened to maintain the corporate governance level
	02	Awareness of the duties of the Audit Committee	15.00		
	03	Enhancement of the quality of the Audit Committee's decision-making	25.00		
	04	Composition of the Audit Committee and election of its members	10.00		
	05	Internal controls	20.00		
Remuneration Committee Performance Evaluation	01	Degree of participation in company operations.	30.00	100	The overall operation is good, and will continue to be strengthened to maintain the corporate governance level
	02	Awareness of the duties of the Remuneration Committee	15.00		
	03	Enhancement of the quality of the Remuneration Committee's decision-making	25.00		
	04	Composition of the Remuneration Committee and election of its members	10.00		
	05	Internal controls	20.00		
Sustainable Development Committee Performance Evaluation	01	Degree of participation in company operations.	30.00	100	The overall operation is good, and will continue to be strengthened to maintain the corporate governance level.
	02	Awareness of the duties of the Sustainable Development Committee	15.00		
	03	Enhancement of the quality of the Committee's decision-making	25.00		
	04	Composition of the Sustainable Development Committee and election of its members	10.00		
	05	Internal controls	20.00		

IV. Execution evaluation of enhancement targets for the Board's functionalities (including the establishment of the Audit Committee and transparency enhancement) during the year and in the most recent fiscal year:

The Company has established the Rules of Procedure for Board of Directors Meetings in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" for compliance. The Company's directors have completed the required training hours per year in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" , and the attendance of directors in the Board of Directors' meetings and continuing education in the Market Observation Post System. The Company has disclosed the major resolutions of the Board of Directors on the website, and assigned the relevant departments to maintain and disclose the Company's financial and business information at any time. The Company established the Audit Committee and Remuneration Committee in 2011 to assist the Board of Directors in performing the related management functions. In addition, the "Standard Operating Procedures for Handling Directors' Requests", "Measures for Performance Evaluation of the Board of Directors" and "Corporate Governance Best-Practice Principles" were added. The Company established a corporate governance officer on March 16, 2020. Also serves as the Supervisor of the Management Department to assist the directors in carrying out their duties and strengthen the operation of the Board of Directors and corporate governance.

Note 1: Name of the corporate shareholder and the representative shall be disclosed when a director or supervisor is a legal person.

Note 2: (1) If a director resigns before the end of the year, the date of resignation should be indicated in the remarks column. The actual attendance (seated) attendance rate (%) is based on the number of board meetings convened during service, and the actual presence (seated) of the board of directors are counted.

(2) Before the end of the year, if there is a re-election of directors or supervisors, the new and old directors and supervisors shall be listed down, and whether the director or supervisor is old, new, or re-elected and the re-election date shall be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the Board of Directors and the actual number of attendance during his/her term of office.

(II) The operation of the Audit Committee or the participation of supervisors in the operation of the Board of Directors:

Audit Committee Operation and Status

The Audit Committee held four meetings (A) in the most recent year (2024) with the attendance information as follows:

Title	Name	Attendance in Person (B)	Number of attendance by proxy	Attendance Rate in Person (%)(B/A)	Remarks
Independent Director	OU, CHIN-SHYH	4	0	100	
Independent Director	CHEN, CHIH-CHANG	4	0	100	
Independent Director	LIN, CHIU-HSIEN	4	0	100	

Other information required:

I. In the event that the operation of the Audit Committee is under any of the following circumstances, the meeting date of the Audit Committee meeting, the session of the meeting, the proposal contents, the independent directors' dissenting opinions, qualified opinions, or major recommendations, the Audit Committee's resolutions, and the Company's Handling of opinions.

(I) Matters listed under Article 14-5:

Session	Audit Committee Meeting Date	Proposal content	Communication results
13th meeting of the 4th term of the Board of Directors	March 7, 2024	Proposal 1: Discussion of appointment of the Company's CPAs, and decide on their remuneration and the pre-approved service list for non-assurance services. Proposal 2: Ratification of the 2023 business	None

	in 2024		report and financial statements. Proposal 3: Discussion of the 2023 earnings distribution. Proposal 4: Discussion on the regular review of independence the CPA. Proposal 5: Discussion of the 2023 Statement of Internal Control System. Proposal 6: Discussion of appointment and dismissal of the Company's internal audit officer.	
	14th meeting of the 4th term of the Board of Directors in 2024	May 7, 2024	Proposal 1: Discussion of changing CPAs due to internal rotation of the CPA firm. Proposal 2: Review of the consolidated financial statements for Q1 2024.	None
	1st meeting of the 5th term of the Board of Directors in 2024	Augest 7, 2024	Proposal 1: Review of the consolidated financial statements for Q2 2024.	None
	2nd meeting of the 5th term of the Board of Directors in 2024	Novemer 6, 2024	Proposal 1: Discussion of the 2025 internal audit plan. Proposal 2: Review of the consolidated financial statements for Q3 2024. Proposal 3: Discussion of amendment to the Company's internal control system in response to sustainable information management. Proposal 4: Discussion of amendment to the "Long-term and Short-term Investment Management Procedure" of the internal control document. Proposal 5: Discussion of amendment to the Internal Audit Implementation Rules. Proposal 6: Ratification of the Company's customs duty endorsement/guarantee renewal for TWD 500 thousand. Proposal 7: Discussion of transfer of the second buyback of shares to employees for the distribution of employees' stock options.	None

Opinions from the Audit Committee and the handling therefor: After consulting all attending Audit Committee members, the chair confirmed no objection and passed the proposal, which was submitted to the Board meeting for resolution.

(II) Except the items above, other resolutions which were not approved by the committee but passed through two thirds of the Board of Directors: None.

Highlights of the Audit Committee operation:

Annual and first six months' financial reports;

Stipulation and improvement of the internal control system;

Testing of effectiveness of the internal control system;

Stipulation and improvement of the procedures of handling significant financial transactions, including asset acquisition and disposition, trading of derivative instruments, and lending or endorsement to others;

Transactions on major assets or derivative instruments;

Major lending or endorsement or guarantee to others;

Offering, issuance, or private placement of any equity-type securities;

Hiring, dismissing or compensating the independent auditor

Appointing or dismissing officers in finance, accounting or internal audit.

II. Matters regarding directors' recusal from proposals with conflict of interest: the names of the directors concerned, proposal contents, reasons for recusal, participation in discussion and voting outcomes shall be provided: None.

III. Communications between the independent directors and the internal audit officer and the CPA (shall include important matters, communication approaches and results).

1. Independent directors would inquire or notify through phone communication to the internal auditors when there were questions about copies of audit report every month.
2. Improvements on flaws and abnormities of internal control would be compiled into reports every quarter and sent for independent directors' review.
3. Internal audit officer would attend the regular board meeting according to the regulations and present the associate briefings.
4. Chief internal audit officer would conduct no less than one private meeting every year with the independent directors to ensure full discussion on the operation and status of internal audit.
5. The commissioned CPA would join the meeting of the Audit Committee to present review or audit results of the Company's each quarterly financial statement, as well as matters newly required by the laws. The Audit Committee and the CPA have been communicating well and smoothly.
6. Overall, the independent directors have been able to understand the operation of the Company through the Board meetings, the Audit Committee, and regular reporting from the internal audit unit. In addition, access (including phone calls, faxes, and emails) to the CPA has been open to the independent director for direct communication.
7. In 2024 and up to the date of publication of the annual report, communication between the Company's independent directors and the internal audit officer and accountants is as follows:

Meeting Date	Major Communication Item	Communication results
March 7, 2024	1. Briefing of 2023 annual consolidated and unconsolidated financial statements from the CPA to the Audit Committee. 2. The CPAs hold the closed-door meeting with the Audit Committee. 3. The audit officer reported the Q4 2023 internal audit implementation status to the Audit Committee.	None

	4. 2023 Internal Control Statement Report. 5. The CPAs discussed and communicated with each other regarding the issues raised by the Audit Committee and participants.	
May 7, 2024	1. Briefing of consolidated financial statements for Q1 2024 from the accountant to the Audit Committee. 2. The CPAs discussed and communicated with each other regarding the issues raised by the Audit Committee and participants. 3. The audit officer reported the Q1 2024 internal audit implementation status to the Audit Committee.	None
Augest 7, 2024	1. Briefing of consolidated financial statements for Q2 2024 from the accountant to the Audit Committee. 2. The CPAs discussed and communicated with each other regarding the issues raised by the Audit Committee and participants. 3. The audit officer reported the Q2 2024 internal audit implementation status to the Audit Committee.	None
Novemer 6, 2024	1. Briefing of consolidated financial statements for Q3 2024 from the accountant to the Audit Committee. 2. The audit officer reported the Q3 2024 internal audit implementation status to the Audit Committee. 2. The audit officer reported the 2025 internal audit plan to the Audit Committee. 4. The CPAs discussed and communicated with each other regarding the issues raised by the Audit Committee and participants. 5. The CPAs hold the closed-door meeting with the Audit Committee.	None
February 24, 2025	1. The CPAs hold the closed-door meeting with the Audit Committee. 2. Briefing of 2024 annual consolidated and unconsolidated financial statements from the external auditor to the Audit Committee. 3. Q&A between the external auditor to the Audit Committee and other meeting attendees. 4. Briefing of the fourth quarter and annual internal audit work for 2024 from the internal audit officer to the Audit Committee. 5. 2024 Internal Control Statement Report.	None

Note 1: For independent directors resigning before the end of the current year, extra notes shall be made regarding the date of resignation, attendance rate in person (%), calculated by the number of meeting convened by the Audit Committee over his/her tenure with the actual attendance number.

Note 2: All new and old independent directors and they shall be listed with notes indicating whether he/she is newly elected, as well as the associated re-election dates, when there is a re-election of independent directors before the end of the current year. Attendance Rate in Person % = the number of actual attendance / the number of the meetings convened by the Audit Committee during the tenure

(III) The implementation of corporate governance and the deviation from the Corporate

Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:

Evaluation items	Operation status (Note)			Difference from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
I. Does the Company follow "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" to establish and disclose its corporate governance practice principles?	V		The Company has stipulated "Tsang Yow Corporate Governance Practice Principle" with the associated disclosure on the Company's website and designated sites by the governing agencies.	No significant difference
II. Shareholding Structure and Shareholders' Rights (I) Does the Company have internal operation procedures for handling shareholders' suggestions, doubts, disputes and litigation matters. Have the procedures been implemented accordingly? (II) Does the Company have a list of its major shareholders and ultimate beneficial owners of these major shareholders? (III) Has the Company built and executed a risk management and firewall system between the Company and its affiliates?	 V V V		 (I) The Company has designated its spokesperson and deputy spokesperson, with the assistance from outside legal consultants, to handle shareholders' suggestions, doubts, disputes and litigation matters. (II) The Company has commissioned its stock affair agency, KGI Securities, to track the top shareholders and the ultimate beneficial owners thereof. The Company releases regular information regarding changes in shareholding pledge and significant events which might affect shareholding structure to assist shareholder supervision. (III) The Company has established internal regulations, including the "Regulations Governing Transactions with Related Parties, Specific Companies, and Group Enterprises," "Regulations Governing the	 No significant difference

Evaluation items	Operation status (Note)			Difference from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			Management of Subsidiaries," "Procedures for Financial and Business Transactions between Related Parties," "Procedures for External Endorsements and Guarantees," "Guidelines for Lending of Funds to Others," and "Procedures for the Acquisition or Disposal of Assets," to implement appropriate risk control mechanisms and firewalls in accordance with applicable laws and regulations.	
(IV) Has the Company established the internal rules prohibiting trading on undisclosed information?	V		(IV) The Company has established the "Regulations Governing the Prevention of Insider Trading," which apply to all employees, managers, and directors of the Company, as well as to any individuals who, by virtue of their occupation or control relationship, have access to the Company's information. These regulations prohibit any actions that may constitute insider trading and require regular internal training and awareness programs.	
III. Composition and Responsibilities of the Board of Directors (I) Has the Board of Director established a diversity policy, set goals and implemented them accordingly?	V		(I) The election of board members is conducted through a nomination system, implemented in accordance with the "Measures for Election of Directors" and the "Corporate Governance Best-Practice Principles." The Company has established concrete management objectives and enforces them	No significant difference

Evaluation items	Operation status (Note)			Difference from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Explanation	
			based on its board diversity policy. Relevant information is disclosed on the Company’s website and in the annual report. For details on board members' professional qualifications, independent directors' independence disclosures, and the board's diversity and independence, please refer to pages 7 to 10 of the annual report.	
(II) Other than the Remuneration and the Audit Committee, does the Company have plans to set up other functional committees?	V		(II) In addition to the Remuneration Committee and Audit Committee established in accordance with the law, the Company has also established the Sustainable Development Committee.	
(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the Board of Directors and used them as reference in determining salary/remuneration for individual directors and their nomination and additional office terms?	V		(III) The Company has completed the formulation of the Board of Directors’ performance evaluation methods and methods of evaluation on November 11, 2019, and the performance evaluation of the Board of Directors is conducted in accordance with the methods. 1. Evaluation cycle and period: The results of the Board of Directors’ internal or external performance evaluation shall be completed before the end of the first quarter of the next year. 2. Scope of evaluation: The scope of evaluation covers the entire Board of Directors, individual directors, and functional committees.	

Evaluation items	Operation status (Note)			Difference from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			3. The evaluation items for the board cover, without limitation to, the following five aspects: (1) Degree of participation in company operations (2) Enhancement of the quality of the decision-making of the Board of Directors. (3) The composition and structure of the Board of Directors. (4) Election and continuing education of directors (5) Internal controls. 4. The evaluation items for individual directors cover, without limitation to, the following four aspects: (1) Understanding and awareness of the Company's duties. (2) Degree of participation in company operations (3) Directors' professionalism and continuing knowledge development. (4) Internal controls. 5. The evaluation items for the functional committees cover, without limitation to, the following five aspects: (1) Degree of participation in company operations (2) Awareness of the duties of the functional committees. (3) Enhancement of the quality of decision making of the functional committee. (4) Composition and	

Evaluation items	Operation status (Note)			Difference from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			election of functional committees (5) Internal controls. The 2024 performance evaluation results have been submitted to the Board of Directors on February 24, 2025.	
(IV) Does the Company regularly evaluate the independence and suitability of its signing CPAs with reference to the Audit Quality Indicators (AQIs)?	V		(IV) The Company annually evaluates the independence and competence of our engagement auditors based on the Independent Auditor Independence Assessment Form (Note 1), the independent statement issued by the auditing firm, and the Audit Quality Indicators (AQIs) report. Upon investigation, it was confirmed that the individual is neither a director, shareholder, nor a related party of the Company, and does not receive any compensation from the Company, thereby meeting the Company's independence assessment criteria. Furthermore, based on the Audit Quality Indicators (AQIs) information (covering five major aspects—professional competence, quality control, independence, oversight, and innovation capability—and a total of 13 evaluation	

Evaluation items	Operation status (Note)			Difference from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			indicators), the engagement auditor and the auditing firm demonstrate audit experience and training hours that significantly exceed industry benchmarks and have consistently adopted digital audit tools over the past three years to enhance audit quality. The results have been submitted to the Audit Committee on February 24, 2025, and subsequently reviewed and approved by the Board of Directors on the same date. The evaluation results confirm that all engagement auditors meet the Company's independence and competence evaluation standards and are qualified to serve as the Company's CPAs.	
IV. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsible corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required	V		(I) It was approved by the Board of Directors on August 29, 2023 that CHENG, LI-CHUN of the Operation and Management Department of the Company was appointed to concurrently serve as the Corporate Governance Officer, in order to protect the rights and interests of shareholders and strengthen the functions of the Board of Directors. Manager CHENG, LI-CHUN has more than three years of accounting experience in public offering companies, and the qualifications meet the regulatory requirements. (II) The main responsibilities of the corporate governance officer are as follows: 1. Carry out matters related to Board meetings and shareholders' meetings in	No significant difference

Evaluation items	Operation status (Note)			Difference from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
by law, and compiling minutes of board meetings and annual general meetings)?			accordance with the laws and regulations. 2. Record minutes of board meetings and shareholders' meetings. 3. Assist in onboarding and continuing education of the directors. 4. Provide information required by the directors for business execution. 5. Assist in directors' compliance with laws. 6. Matters regarding to law compliance of the independent directors' qualification at nomination, election and onboarding shall be reported to the Board. 7. Carries out change of directors. 8. Other matters stipulated in the Company's Article of Incorporation or agreements. (III) Implementation status in 2024: 1. Assisted independent and general directors in performance of duties, receiving information for reviewing financial statements, and making arrangement for knowledge development. 2. Assisted in law compliance for resolution procedures conducted in Board meetings and shareholders' meetings. 3. Renewal of liability insurance for directors, supervisors and important employees for 2024,	

Evaluation items	Operation status (Note)			Difference from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			followed by reporting to the Board meeting. 4. Planning of Board of Directors' working calendar. 5. Scheduled Board meetings and issued notices to the directors seven days before the meeting. Convened meeting with needed information and reminders of recusals when conflict of interests. Completed meeting minutes in 20 days after the meeting. 6. An Annual General Meeting was convened in May 2024. All meeting registration, making of meeting notice, shareholders' meeting handbook and meeting minutes were conducted according to the regulation requirements. (IV) Total continuing learning hours taken by the Corporate Governance Officer in 2024 was 15 hours. The associated record was filed to Market Observation Post System. Please refer to page 34 of the Company's annual report for the complete listing of the courses taken (Note 2).	
V. Does the Company create channels for communication with stakeholders (including but not limited to shareholders, employees, customers and suppliers) , set up a stakeholder section on the Company's website, and appropriately	V		(I) The Company has designated its spokesperson and deputy spokesperson to handle outward communication channels. All stakeholders can access financial and stock information on Market Observation Post System and the Company's website. An investor relation office is established to assist investor communication.	No significant difference

Evaluation items	Operation status (Note)			Difference from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
respond to important corporate social concerns of stakeholders Responsibility issues?			(II) The Company has set up an electronic supply chain management system to closely watch all dealings. A supplier-dedicated channel is available to ensure direct and open communication. (III) A "Stakeholder Section" is available on the Company's website to assist stakeholder communication. (IV) The communication between the stakeholders in 2024 has been reported to the Board of Directors on Febuary 24, 2025. (V) All issues concerned by all types of stakeholders during 2024 have been made available on the Company website.	
VI. Does the Company appoint a professional shareholder service agency to handle shareholders' meeting affairs?	V		The Company has commissioned its stock affair agency, KGI Securities to handle shareholders' meeting affairs.	No significant difference
VII. Information Disclosure (I) Has the Company set up a website to disclose financial and corporate governance information?	V		(I) The Company's website has a "Stakeholders" and "ESG" section to disclose financial and corporate governance information. The Company also regularly and irregularly reports financial and business information on "MOPS" as required by regulations. 1. Website of the "Stakeholders" section: https://www.tsangyow.com.tw/page7_1.php?vv=eyJwZyI6MSwicGdjIjoxfQ== 2. Website of the "ESG" section: https://www.tsangyow.com.tw/page9_1.php?vv=eyJwZy	No significant difference

Evaluation items	Operation status (Note)			Difference from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
(II) Does the Company adopt other ways of information disclosure (such as setting up an English website, appointing a dedicated person for the collection and disclosure of the Company's information, implementing the spokesperson system and placing on the Company's website the process of institutional investors' conference)? (III) Does the Company announce and declare the annual financial report within two months after the end of the fiscal year and announce and declare the first, second, and third quarter financial reports and the monthly operation ahead of the required time limits?	V 	 V	I6MSwicGdjIjoxfQ== (II) To improve information transparency, a sound spokesperson system has been established, together with the applying public information system, to help shareholders and stakeholders fully understand the financial status and corporate governance operation of the Company. (III) To enhance the timeliness of information disclosure, the Company announces and submits the annual financial report within two months after the end of the fiscal year. Additionally, the Company announces and submits the financial reports for the first, second, and third quarters, as well as the monthly operating results, within the prescribed deadlines.	
VIII. Does the Company have other important information to help understand the operation of corporate governance (including but not limited to employee rights and interest, employee care, investor relations, supplier relations, rights of interest parties, the status of directors' and	V		(I) Employee rights: The Company complies with relevant labor laws and regulations, which are set forth in the "Work Rules" and related management procedures. The Company implements various employee rights and pension systems, and has formed an Employee Welfare Committee to provide a variety of welfare measures. Please refer to Chapter Four "Labor	No significant difference

Evaluation items	Operation status (Note)			Difference from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
supervisors' continuing education, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, the Company's purchase of liability insurance policy for directors and supervisors)?			Relationship" of the Company's Annual Report for details. (II) Employee Care: 1. The Company provides employee travel subsidies, regular health checkups, external training subsidies, employee compensation, holiday and year-end bonus, as well as safeguarding the legitimate rights and interests of employees according to the Labor Standard Act. Other than holding labor relation meetings and providing employee complaining channels to ensure communication, various measures have been stipulated to state clearly employee rights, obligations and welfare items to maintain employee rights. 2. A employee app is created to consolidate information on all aid and welfare programs available, including newsletters from the Company and the employee welfare committee, social welfare resources, psychological counseling, retirement/wealth management/insurance information, health and healthcare information, occupation safety, and designated shops to create diversified choices of welfares and to strengthen internal information. (III) Investor Relations:	

Evaluation items	Operation status (Note)			Difference from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			Through information posted on Market Observation Post System and the Company websites, information is made available for investors' business operation. Investor communication channels include shareholders' meeting and spokesperson mechanism. (IV) Supplier Relationship: 1. The Company has set up a "Supply Chain Management" section on its website and established the "Supplier Handbook" to ensure that the supplier's delivery time, quality and price meet the Company's needs. Meanwhile, the Company regulates the supplier's responsible behavior guidelines for procurement, implementing ESG together. The Company also conducts regular supplier audits to ensure the quality of its supplies and compliance with corporate social responsibility. 2. In terms of occupational safety and health, all the construction contractors are covered under the internal management system. Other than giving on-site supervision and construction permissions, assistance is given to contracted vendors for implementing voluntary management and training regarding safety and health issues to meet heal	

Evaluation items	Operation status (Note)			Difference from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			requirements and social responsibilities. (V) Rights of Stakeholders: The Company has established various communication channels of soundness and openness to uphold rights of stakeholders. In addition, all matters will be handled based on principles of integrity and accountabilities to fulfill social responsibilities. (VI) Continuing education of directors: All directors have continued improving professional knowledge in 2024 and complied with "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies needed training". The relevant information has been disclosed on MOPS. (VII) Risk management policy and measurement standards: Manners regarding major operation policies, investment undertaking, endorsement, guarantee, and loan making and bank financing shall receive the Board's approvals, followed by audit, supervision and management from the relevant audit and risk management units. Please refer to Chapter 5 "Risk Events Analysis and Evaluation" for details." of the Company's Annual Report. (VIII) Implementation of Customer Policies: 1. The Company has set up	

Evaluation items	Operation status (Note)			Difference from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			dedicated units to provide customers question answering and to maintain direct and open communication. 2. To provide nearby services and shorten delivery times, there are storage warehouses in America and Europe. 3. Customer satisfaction survey is conducted every year. (IX) Director Liability Insurance Purchase: The Company took out liability insurance for directors, supervisors and key executives in the amount of USD 3 million on April 1, 2025. The insurance covers the period from April 1, 2025 to April 1, 2026 and was reported to the Board of Directors on February 24, 2025. (X) Independent directors are for the purpose of strengthening the Company's operations and supervision. Therefore, the Company submits the implementation report of the Company's financial, business and material operational plans to the independent directors for their knowledge in the Board of Directors' meeting. The independent directors may also propose recommendations to management through their experience and professional knowledge.	

Evaluation items	Operation status (Note)			Difference from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Explanation	
			(XI) Regulations governing significant financial and business transactions with related parties: The Company has formulated the “Procedures for Financial and Business Related Operations among Related Parties,” which includes the management procedures for purchase and sale transactions, the acquisition or disposal of assets, and so on, and was approved by the resolution of the Board of Directors on May 7, 2024. The purchase or sale of goods, labor services, or technical service transactions, as well as the acquisition or disposal of assets, must be conducted when the estimated transaction amount for the entire year reaches 5% of the Company’s most recent consolidated total assets or the most recent consolidated net operating revenue. Additionally, the disposal of assets must comply with the regulations, and all material transactions between the Company and the parent company, subsidiaries, or inter-subsidiary transactions should be submitted to the Board of Directors for approval before proceeding. These transactions must also be reported at the nearest shareholders’ meeting. The Company did not purchase or sell goods or acquire or dispose of assets from related	

Evaluation items	Operation status (Note)			Difference from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			parties (other than subsidiaries or inter-subsidiary transactions) in 2024 that were deemed material transactions, and there is no need to report to the Board of Directors or the shareholders' meeting.	

IX. Please explain the improvement of the corporate governance evaluation results according to the finding issued by the Corporate Governance Center of the Taiwan Stock Exchange for the most recent year and put forward the priorities and measures for those that have not been improved. (Not applicable as the Company is not listed for evaluation):

Matters improved following the 11th Term of Corporate Governance Evaluation (2024) are as below:

Item	Evaluation Indicator	Improvement Status and Explanation
1.2	Whether the Company has established written regulations on financial and business related operations with related parties, and the contents shall include the management procedures for purchase and sale, acquisition or disposal of assets, and other significant transactions, and shall be submitted to the Board of Directors for approval and submitted to the shareholders' meeting for approval or report?	Disclosed in the annual report and the Company's website
1.3	Does the Company have a majority of directors and the convener of the Audit Committee attend the Annual General Meeting in person, and disclose the attendance list in the minutes of the meeting?	Uploaded to MOPS
1.18	Does the Company keep a record of the Annual General Meeting on record, including the content of the shareholders' questions and the Company's responses?	Uploaded to MOPS
2.14	Does the Company have a nomination committee, a risk management committee, or a sustainable development committee established, with the number of members not less than three, and more than half of the members are independent directors, and more than one of the members has the professional ability required by the committee, and disclose the composition, duties, and operation of the committee?	Uploaded to MOPS
2.22	Does the Company have the risk management supervised by the functional committees of the Audit Committee or the Board of Directors (e.g. the Risk Management Committee) and have the risk management policies and procedures approved by the Board of Directors, disclose the organizational structure	Disclosed on the Company's website

Evaluation items		Operation status (Note) Yes	No	Explanation	Difference from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
				of risk management, the procedures of risk management and the operation of the procedures, and report to the Board of Directors at least once a year?	
	2.27			Does the Company have a intellectual property management plan that is linked to its operational goals, and disclose the implementation status on the Company's website or annual report, and report to the Board of Directors at least once a year?	Disclosed on the Company's website
	3.5			Does the Company upload the annual financial report in English 16 days before the Annual General Meeting?	Uploaded to MOPS
	3.6			Does the Company disclose the interim financial report in English within two months after the reporting period of the Chinese version of the financial report?	Uploaded to MOPS
	3.14			Does the annual report disclose the performance evaluation of directors and managers and the linkage of remuneration?	Disclosed in the Annual Report
	3.20			Has the company been invited (on its own) to hold at least two corporate presentations and disclosed at least two complete audio-visual links to the meetings, with a gap of more than three months between the first and second investor conferences in the year of evaluation?	Uploaded to MOPS
	3.21			Does the company voluntarily disclose the individual remuneration of the presidents and vice presidents in the annual report?	Disclosed in the Annual Report
	4.1			Has the company established a dedicated (part-time) unit to promote sustainable development, conduct risk assessment on environmental, social and corporate governance issues pertaining to company operations in accordance with the materiality principle, and establish the relevant risk management policy or strategy?	Disclosed in the annual report and the Company's website
	4.2			Does the company have a unit that specializes (or is involved) in promoting ethical corporate management, and is the unit responsible for the formulation and supervision of ethical corporate management policies and preventive programs, and disclose the operation and implementation of the unit on the company's website and annual report, and report to the Board of Directors at least once a year?	Disclosed in the annual report and the Company's website
	4.17			Does the company's website, annual report or sustainability report disclose the supplier management policies formulated, and require suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights, and describe the implementation status?	Disclosed in the annual report and the Company's website
	4.19			Does the company invest in machinery and equipment related to energy conservation or green energy, or invest in the green	Disclosed on the Company's

Evaluation items	Operation status (Note)			Difference from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			energy industry in Taiwan (e.g., renewable energy power plants), or have or invest its funds in green or social benefit investment plans with substantive benefits, and disclose its investment status and specific benefits?	website

The Company, every year, exams each evaluation indicator that received fair marks from the corporate governance evaluation results and the latest published corporate governance evaluation indicators. For indicators failing for the qualification, improvements will be made.

X. Succession planning and execution for the Board and management

The succession plan will be formulated all-round based on "talent cultivation and allocation, workforce development, and win-win creation", as well as linkage to the Company's strategy, and management.

Board member election and operation:
Members are elected based on their integrity, management knowledge and professional abilities including backgrounds from operation management, finance and accounting, and law; special skills; and industrial experience. Each board director shall receive six hours of training to ensure new knowledge acquisition.
Other than election qualifications, top managers are given opportunities to learn about the operation of the Board and each business unit and department by job rotation to deepen industrial professionalism.

Selection of management:
The succession team is required to be equipped with extraordinary execution ability and the value of honesty and integrity great importance. In addition, through continuous rotation in different departments, expatriation, our succeeding candidates will be with leader mentality and abilities to learn and achieve outstandingly.

Note: No matter whether "Yes" or "No" is selected for the implementation, it shall be explained in the summary description column.

Note 1. Evaluation criteria for the independence of CPA

Item	Result
I. Financial Interest Category	
1. Does the auditor have a "direct financial interest relationship" with the Company?	No
2. Does the auditor have a "significant indirect financial interest relationship" with the Company?	No
3. Does the auditor have a "significant financial interest relationship" with any other entities where the Company has a controlling power?	No
II. Employment Relationship Category	
1. Has the CPA held any positions in the Company as a director, supervisor, or manager, or are they capable of impacting the independent audit work at present or in the most recent two years?	No
2. Does the CPA hold any positions in the Company as a director, supervisor, or manager, or capable of impacting the independent audit work?	No

3. Are the CPAs, during the audit period, holding any positions in the Company as a director, supervisor, or manager, or capable of impacting the independent audit work?	No
4. Is the CPA, in a certain future period, going to hold any positions in the Company as a director, supervisor, or manager, or capable of affecting the independent audit work?	No
5. Does the CPA hold any positions as a director or supervisor in any other entities where the Company has a controlling power?	No
6. Does the auditor provide services equivalent to duties of director, supervisor, or top manager?	No
7. Is the auditor hired by the Company for regular work that receives fixed compensation?	No
III. Short-Term Dispatch Worker Service:	
1. Does the auditor dispatch employees from his/her firm to assist the Company in decision-making, contract approval or signing, financial paper management.	No
IV. Managing Personnel Recruitment:	
1. Does the auditor help the Company recruit management positions that can directly and significantly affect the audit work of the Company?	No
V. Service Continuation:	
1. Whether the auditor has been continuously commissioned as the Company's independent auditor for seven years?	No
Conclusion of Independence Evaluation: Through the Company's internal review, it is concluded that there is no event that might affect the independence of the auditor.	

Note 2. Continuing education of corporate governance officer in 2024:

Course Date	Organized By	Class Title	Number of Continuing Education Hours	Total Class Hour
May 10, 2024	Taiwan Institute of Directors	Use of policy tools to improve corporate governance and reduce R&D risks	3Hr	15hr
September 20, 2024	Securities and Futures Institute, R.O.C.	2024 Insider Trading Prevention Seminar	3Hr	
September 26, 2024	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3Hr	
November 19, 2024	Securities and Futures Institute, R.O.C.	Sustainable Development Committee and Sustainability Officer Seminar	3Hr	
November 22, 2024	Securities and Futures Institute, R.O.C.	2024 Legal Compliance for Shares Transfer by Insiders	3Hr	

(IV) Composition and operation of the remuneration committee, if established by the company:

(1) Information of the Remuneration Committee Members

March 31, 2025

Identity (Note 1)	Name	Professional qualifications and experience (Note 2)	State of independence (Note 3)	Number of public companies where the member concurrently serves as a member of remuneration committee
Independent Director (convener)	OU, CHIN-SHYH	Please refer to Page 7-10 of the annual report for "disclosure on professional knowledge of directors and independence of independent directors".		0
Independent Director	CHEN, CHIH-CHANG			3
Independent Director	LIN, CHIU-HSIEN			0

Note 1: Please specify in the Table the years of work, professional qualifications and experience and independence of each member of the Remuneration Committee. If the member is an independent director, please indicate in a note for relevant contents (e.g., please refer to Table 1 for information on directors and supervisors on p.OO). For identity, please fill in "independent director" or "other" (please specify for a convener).

Note 2: Professional qualifications and experience: Specify professional qualifications and experience of each Remuneration Committee member.

Note 3: State of independence: The state of independence of members of the Remuneration Committee must be specified, including but not limited to whether they, their spouses, second-degree relatives serve as a director, supervisor or employer in the Company or affiliates; the proportion of shares held by the independent director himself/herself, their spouses or second-degree relatives (or in the name of others); whether the independent director serves as a director, supervisor or an employee of a company with which the Company has a specific relationship (refer to Subparagraphs 5 to 8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); and amount of remuneration receive for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.

Note 4: For disclosure, please refer to the official site of Corporate Governance Center, Taiwan Exchange, for best-practice examples.

(2) Information on Remuneration Committee Operation and Status

I. There are a total of 13 members in the Remuneration Committee.

II. Annual work focus: Regularly review the remuneration policy, system, standards and structure based on the salary survey information (participating in the salary survey of 104 Job Bank every year) and market salary level, and periodically review the remuneration of directors and managers based on the results of the annual performance evaluation, for the reference of the Board of Directors' decision making

III. Current Tenure: May 24, 2024 to May 23, 2027. The Remuneration Committee held three (A) meetings in the most recent year (2024) with the attendance information as follows:

Title	Name	Attendance in Person (B)	Number of attendance by proxy	Actual attendance rate (%)(B/A)(Note)	Remarks
Convener	OU, CHIN-SHYH	3	0	100	Re-elected on May 24, 2024
Member	CHEN, CHIH-CHANG	3	0	100	Re-elected on May 24, 2024
Member	LIN, CHIU-HSIEN	3	0	100	Re-elected on May 24, 2024

Other information required:

I. Duties of the Remuneration Committee:

1. The committee member shall execute the duties based on the following principles:
   (1) Performance evaluation of directors, supervisors and top managers and their remuneration s shall refer to industrial practice with the correlation among individual performance, the operation result, as well as future risks.
   (2) No incentives shall be awarded to directors or managers for taking excessive risks.
   (3) The nature of industry and business of the Company shall be taken into consideration when deciding the portion of bonus for short-term bonus and the timing for paying variable remuneration for directors and top managers.
2. The committee shall convene no less than two meetings every year, or ad hoc meetings when necessary, to assist in the decision-making of the Board of Directors.
3. The Committee shall disclose the information regarding regular reviews of performance evaluation of directors, supervisors, and top manager; and the remuneration policies, procedures, standards, and structure.

II. When the Board disagree or modify recommendations from the Remuneration Committee, the meeting details, including date, session number, proposal contents, and board resolutions with the handling of opinions from the committee by the Company therefor (for example, the board resolves a remuneration higher than the committee's recommendation) shall be stated: None

III. For a committee resolution which some members of the committee opposed to or received reserved opinions over and were recorded or had a written statement in place, the meeting details, including date, session number, proposal contents, all member opinions with the handling therefor shall be stated: None

IV. Proposals made by the Remuneration Committee and the resolutions therefor, and the handling of members' opinions by the Company in the most recent year:

Session/date of the Remuneration Committee meeting	Proposal content	Resolution	The Company's Reactions to the Members' Opinions
7th meeting of the 5th term of the Board of Directors in 2024 March 7, 2024	Proposal 1: Review of the actual distribution of 2023 bonus to managers. Proposal 2: Review of 2023 remuneration to directors and employees. Proposal 3: Review of 2023 Board performance evaluation.	After consulting all attending members, the chair confirmed no objection and passed the proposal, which was submitted to the Board meeting for resolution.	All proposals were approved by the attending Board members.
8th meeting of the 5th term of the Board of Directors in 2024 May 7, 2024	Proposal 1: Review of amendment to the "Rules for Distribution of Remuneration to Directors".	After consulting all attending members, the chair confirmed no objection and passed the proposal, which was submitted to the Board meeting for resolution.	All proposals were approved by the attending Board members.
1st meeting of the 6th term of the	Proposal 1: Review of performance bonus for senior managers in 2024. Proposal 2: Review of existing remuneration	After consulting all attending members, the chair confirmed	All proposals were approved by the

Board of Directors in 2024 November 6, 2024	 Proposal 3: Proposal 4:	and compensation to the Company's Board members and managers. Reviewing the revision to "Employee Profit Sharing Rules and Standards". Discussion of transfer of the second buyback of shares to employees for the distribution of managers' stock options.	no objection and passed the proposal, which was submitted to the Board meeting for resolution.	attending Board members.	

Note: (1) If any member of the Remuneration Committee resigns prior to the end of the fiscal year, the date of resignation shall be specified in the remarks column. The actual attendance rate (%) shall be calculated based on the number of meetings held during the member's term of office and the number of meetings the member actually attended.

(2) If the Remuneration Committee underwent a re-election before the end of the fiscal year, both former and new members shall be listed. In the remarks column, indicate whether each member is newly elected, re-elected, or a former member, along with the date of the re-election. The actual attendance rate (%) shall be calculated based on the number of Remuneration Committee meetings held during the member's term of office and the number of meetings actually attended.

(V) State of the promotion of sustainable development operations and any difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such difference:

Promotion of sustainable development	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
I. Has the company established a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development which is authorized by the board of directors to be handled by senior management and supervised by the board of directors?	V		I. (I) On August 7, 2024, the Company established the 'Sustainable Development Committee,' composed of three independent directors, directly under the Board of Directors. Under this committee, a 'Sustainability Promotion Committee' was formed, consisting of department heads, with the President serving as its chairman. The Sustainability Promotion Committee collaborates with four working groups—'Environmental Sustainability' (E), 'Social Sustainability' (S), 'Corporate Governance' (G), and 'Risk Management'—to formulate and implement the Company's sustainable development policies, objectives, strategies, systems, and related management guidelines, as well as specific action plans. These proposals	No significant difference

Promotion of sustainable development	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			are submitted to the 'Sustainable Development Committee' for review and approval. The 'Sustainable Development Committee' convenes at least once a year to track the implementation of sustainability initiatives, review their effectiveness, and assess strategic goals and related regulations. The results are compiled and reported to the Board of Directors at least once a year. (II) Supervision of the Board of Directors on the sustainable development: (1) The Company's sustainable development policy, plan and strategy has been reviewed and approved by the Company's Sustainable Development Committee on November 6, 2024, and has been submitted to the Board of Directors for resolution. (2) On November 6, 2024, the Board of Directors of the Company approved the report of the implementation of sustainable promotion in 2024 submitted by the Sustainable Development Committee. The report covered: environmental strategies and actions, occupational safety and health and health promotion performance, social welfare activities participation, the establishment of internal control systems in the "Procedures for Preparation and Validation of Sustainability Reports" and "Enforcement Rules for Sustainable Information Management", as well as the implementation status of intellectual property rights management, information security management, ethical management,	

Promotion of sustainable development	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			and risk management. (3) The Board of Directors of the Company shall listen to the report of the management team every year. The management shall propose the Company's strategy to the Board of Directors, and the Board of Directors shall judge the possibility of the success of such strategy, and shall also frequently review the progress of the strategy, and shall urge the management team to adjust when necessary. (III) The Company's sustainable development governance structure is available on the Company's website under ESG / Sustainable Operations / Sustainable Governance / Functional Committees / Sustainable Development Committee: https://www.tsangyow.com.tw/page9_1.php?vv=eyJwZyI6MX0=	
II. Does the Company, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy? (Note 2)	V		II. (I) The Company has established the "Risk Management Policy and Procedures" with reference to the "Risk Management Best Practice Principles for TWSE/TPEX Listed Companies" which were discussed and implemented by the Board of Directors and serve as the guiding principles for the Company's risk management. (II) The boundary of risk assessment for 2024 covered all of the Company's operating locations: Zhongshan Plant, Chengkung Plant, Zhongshan Plant 2, and Zhongshan Plant 3. (III) (1) The Company's risk management process includes risk identification, risk analysis and assessment, risk control and management, risk supervision and review, risk information communication and reporting, etc.	No significant difference

Promotion of sustainable development	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			The main sources and categories of risks include six major aspects: strategic risks, operational risks, financial risks, information risks, hazard risks, and compliance risks. At least once a year, the risk management team conducts a comprehensive identification of the main sources and categories of risks based on the principle of materiality, the Company's strategic goals, and risk management policies and procedures, and reports to the Sustainable Development Committee. (2) The Company's 2024 risk assessment has been completed and 19 risk issues were identified in 2023 Q4 in accordance with the process, through meetings and analysis of internal and external issues (including environmental, social, and corporate governance) that are of concern to the stakeholders of each business unit. After the risk assessment was conducted according to the risk assessment standards, 6 moderate risk issues and 13 low-risk issues were identified. The Company has established risk response plans for six moderate risk issues, and linked them to the Company's annual business plan to effectively control the risks generated by each business activity within an acceptable range. The progress of the annual plan is reviewed and tracked in the management meeting every quarter to ensure the implementation of the plan. (3) The implementation of risk management in 2024 has been	

Promotion of sustainable development	Implementation Status (Note 1)			Difference from “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Explanation	
			reviewed by the Sustainable Development Committee on November 6, 2024 and approved by the Board of Directors.	
III. Environmental issues (I) Has the Company established an appropriate environmental management system according to its industrial characteristics?	V		III. (I) The Company has passed the ISO 14001:2015 environmental management system certification, and has a dedicated unit to promote and supervise the environmental management system. 1. Regular identification of environmental protection regulations to assess compliance with applicable regulatory requirements. 2. Implement risk assessments on products, processes, and services with environmental considerations, and commit to pollution prevention and improvement from the development stage to the manufacturing process, comply with environmental requirements, and mitigate environmental impacts. 3. Business waste is sorted and stored carefully, and is disposed of by a waste disposal agency approved by the Environmental Protection Administration.	No significant difference
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with a low environmental impact?	V		(II) The Company manages production resources and waste, such as scrap, air pollution and wastewater, efficiently to fulfill its commitment to the social responsibilities. In order to maintain the environmental quality, biodiversity and ecosystem protection in the neighboring areas, the Company is committed to pollution prevention and continuous improvement. Hence, the Company makes good use of the limited resources to improve the environment, creating a better green	

<table>
<tr><th rowspan="2">Promotion of sustainable development</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td></td><td></td><td></td><td>environment and contributing to the sustainability of resources. At the same time, the efficiency of the use of various resources will be enhanced through the following specific measures:
1. Production technique upgrading: Cutting down machine and labor hours to lower the production costs, as well as bringing up the yield rate and to conserve energy.
2. Reinforce prevention and controlling measures for unnecessary waste due to energy leaking during production.
3. The Company has employed oil-water separating chip vacuum removal systems to deal with cutting fluid for prolonging the useful life of the fluid and tools by purifying the muddy sediment to reduce impacts from industrial waste to the environment.
4. Zhongshan Plant 2/Zhongshan Plant 3 completed the wholesale power generation sale to Taiwan Power with the total capacity set at 913.21kwp. The actual power generation performance is as follows:
<table><tr><th>Year</th><th>2022</th><th>2023</th><th>2024</th></tr><tr><td>Power generation (10,000 kWh)</td><td>29.9</td><td>121.2</td><td>120.9</td></tr><tr><td>Remarks</td><td colspan="3">Installation of the electric field completed in November 2022</td></tr></table>Replaced energy-consuming equipment and introduced energy-saving multi-functional complex processing equipment. Decreased overall equipment energy</td><td></td></tr>
</table>

Promotion of sustainable development	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			usage by 5.6 kWh in 2024.	
(III) Does the Company assess the potential risks and opportunities of climate change for enterprises now and in the future, and take measures to deal with climate-related issues?	V		(III) To deal with climate change, the Company has adopted the following measures: 1. To deal with energy and resource scarcities and price fluctuation driven by debates among nuclear power, natural energy and climate change, the Company will phase out older-generation production procedures and phase in new energy technology or adjust production model. 2. Procure relevant systems to handle waste fluid to mitigate environmental risks from outsourcing and to reduce handling costs. 3. Zhongshan Plant is a target of the central competent authority's energy-saving regulations. The use of energy and efficiency are in compliance with the regulations of the central competent authority. 4. Lowering the cost of electricity for production and reducing unnecessary waste in the production process are the Company's energy-saving and waste reduction policy. The results of energy-saving measures in 2024 resulted in the actual electricity consumption exceeding 1%. 5. The Power factors have been effectively managed from all production plants. In 2024, an average of power factor of 98% was reached, followed by a reward of TWD 479,000 from Taiwan Power. <table><tr><td>Year</td><td>2022</td><td>2023</td><td>2024</td></tr></table>	No significant difference

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<tr><td></td><td></td><td></td><td><table><tr><td>Power factor %</td><td>98</td><td>98</td><td>98</td></tr><tr><td>Amount given back (10,000)</td><td>44.2</td><td>43.2</td><td>47.9</td></tr><tr><td>Remarks</td><td colspan="3">Taipower uses an average power factor of 80% as the standard.</td></tr></table>6. The Company’s self-built investment in solar PV farms contributes to climate change.</td><td></td></tr>
<tr><td>(IV) Does the Company prepare statistics of GHG emissions, water consumption, and total weight of waste of waste in the past two years and formulate policies for energy conservation and carbon reduction, GHG reduction, water consumption reduction or other waste management?</td><td>V</td><td></td><td>(IV)
1. GHG reduction policies/targets:
(1) The organization’s GHG inventory was completed in 2022 (including all plants and employee dormitories).
(2) Completion of 10% renewable energy power generation capacity in 2023
(3) Average annual power conservation rate from 2015 to 2024 > 1%
(4) Completion of ESG in 2024
(5) Public disclosure of the ESG Sustainability Report in 2025
(6) Completion of organizational GHG inventory (subsidiaries) in 2026
(7) Completion of organizational GHG verification in 2027 (parent company)
(8) Completion of organizational GHG verification in 2028 (subsidiaries)
(9) The organization’s GHG inventory and report were completed. The 2023 GHG emissions were 5,312 tons of CO_2e, a decrease of 622 tons of CO_2e/year compared to the 5,934 tons of CO_2e in 2022. The ISO 50001 energy management system was established to achieve the goal of GHG reduction.</td><td></td></tr>
</table>

Promotion of sustainable development	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	

Scope of coverage		Unit	2022
The Company (Zhongshan Plant, Zhongshan Plant 2, Zhongshan Plant 3, Chenggong Plant 1, and employee dormitory)	Scope 1	tCO2e	184.2146
	Scope 2	tCO2e	4,193.4367
	Scope 3	tCO2e	1,557.0050
	Subtotal	tCO2e	5,934.6563
	Intensity	tCO2e/Revenue in millions of TWD	4.9080
Scope of coverage		Unit	2023
The Company (Zhongshan Plant, Zhongshan Plant 2, Zhongshan Plant 3, Chenggong Plant 1, and employee dormitory)	Scope 1	tCO2e	188.9944
	Scope 2	tCO2e	3,460.5382
	Scope 3	tCO2e	1,662.5603
	Subtotal	tCO2e	5,312.09
	Intensity	tCO2e/Revenue in millions of TWD	5.0304

2. Water use reduction policy: Actively monitor, record and analyze water consumption, prevent abnormal tap water leakage, and look for opportunities to recycle (recycle) water resources. The Company has implemented various water conservation measures to effectively reduce tap water consumption.

Year	2022	2023	113
Water Usage (ton)	16,845	14,330	13,778

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<tr><td></td><td></td><td></td><td>

Remark	Water consumption in 2024 decreased by 542 tons compared to 2023.

3. Waste management policy: Comply with the Waste Disposal Act and related regulations, and actively promote the management, classification, recycling, reuse, reduction, and maintenance of waste disposal facilities.

Year	2022	2023	2024
Total weight of waste (tons)	587.7	484.8	474.3
Total weight of non-hazardous waste (tons)	581.0	480.0	469.5
Amount of hazardous industrial waste generated (tons)	6.7	4.8	4.82
Remarks	Total waste weight output in 2024 was reduced by 10.5 metric tons compared to 2023		

(1) Garbage sorting: Implement the sorting of general garbage and recycled garbage, and encourage pallet recycling and reuse of manufacturers, to enhance the efficiency of resource utilization. In 2024, we classified industrial waste plastic, waste fiber, or other cotton, cloth into:

Year	2023	2024
Waste plastic mixture	24.90	34.70
Waste cloth	17.54	24.73
Total	42.44	59.43
Remarks	Total waste weight output in 2024 was reduced by 16.99 metric tons compared to 2023	

(2) Paperless operation and virtual server: Digitalized documentation has been expanded to achieve paperless operation and waste reduction. In
</td><td></td></tr>
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<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td></td><td></td><td></td><td>addition, the physical servers have been gradually replaced with virtual ones to lower energy consumption from computer rooms and individual computers to push efforts in energy conservation and carbon reduction.
<table>
<tr><th>Year</th><th>2022</th><th>2023</th><th>2024</th></tr>
<tr><td>Number of printed paper (10,000 sheets)</td><td>33.35</td><td>32.40</td><td>33.58</td></tr>
<tr><td>Remarks</td><td colspan="3">Due to the printing of education and training documents, the output increased by 11,800 sheets in 2024 compared to 2023.</td></tr>
</table>

(3) Air-pressure system management: An "Ultrasonic Leak Detector" was invested in. Regular checks have been implemented to the air-pressure system. For leaking check, all pipe cracks, switching valves and air outages shall be repaired and ensured for leakage-free status. Inverters have been added to air-pressure systems for proper usage and energy conservation purposes. In addition, some low-energy-efficient systems have been replaced in 2022-2024 for three new ones with the top Energy Efficiency Index.
(4) Green Purchase: Without compromise to functionality, products made with environmentally friendly materials, clean production and recyclable packaging will be selected first with the priority giving to options with Green Mark (used in water, energy-saving and construction materials) to obtain higher green consumption ratio. The Company replaced old equipment and purchased 12 units and 8 units of high energy-efficient air conditioners in</td><td></td></tr>
</table>

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<tr><td></td><td></td><td></td><td>2023 and 2024, respectively, in support of energy saving and carbon reduction.
(5) Industrial liquid waste reduction: Several pieces of advanced equipment for reducing production waste liquid have been in use, including Vacuum Distillation Unit (HD090) and Centrifugal Oil Separator (CT-385S) to handle the cutting fluid, scrapped oil mixtures and cleansing fluid. Through vacuum distillation, water can be extracted from the fluid to cut down COD value and reduce the waste oil-water mixture and external treatment to reduce environmental impact.
<table>
<tr><th>Year</th><th>2022</th><th>2023</th><th>2024</th></tr>
<tr><td>D-1799 Waste oil and water admixture reduced total weight (tons)</td><td>346</td><td>318</td><td>325</td></tr>
</table>
(6) Waste sludge reduction control: The water content and weight of the inorganic sludge produced by the plant’s wastewater treatment equipment are reduced.
<table>
<tr><th>Year</th><th>2022</th><th>2023</th><th>2024</th></tr>
<tr><td>D-0902 reduction in inorganic sludge volume (tons)</td><td>5.4</td><td>2.4</td><td>2.3</td></tr>
</table></td><td></td></tr>
<tr><td>IV. Social Issues:
(I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and</td><td>V</td><td></td><td>(I) The Company’s human rights policy supports and follows the “United Nations Universal Declaration of Human Rights” and other internationally recognized human rights standards and principles as well as the local laws and regulations. The Company has established work rules,</td><td>No significant difference</td></tr>
</table>

Promotion of sustainable development	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
regulations and International Human Rights Conventions?			attendance and absenteeism management, sexual harassment prevention measures, complaints and disciplinary management measures, etc. as well as other relevant management policies and procedures. The Company's human rights concerns and practices: • We implement equality of employment, employment conditions, education and training, evaluation and promotion, and eliminate illegal discrimination. At Tsang Yow, we do not discriminate based on race, nationality, age, gender, marital status, political stance, religious belief, blood type, or zodiac sign. • Provide a safe and healthy working environment • Prohibit use of child labor • Prohibit forced labor • Assist employees in maintaining physical and mental health and work–life balance We protect the legitimate rights and interests of employees, and respect the basic labor human rights principles, and there are no situations that endanger the basic rights of laborers. We also expect our suppliers to abide by the above principles and practices to protect human rights. The Company's human rights policy includes: health checkups for employees each year, regular hospitalization for employees to take care of their health, consultation records and tracking, and regular labor-management meetings.	
(II) Has the Company established and implemented reasonable	V		(II) Employee remuneration policy takes account of individual ability, contribution to the Company, performance evaluation, market value	

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	Yes	No	Explanation	
employee welfare measures (including remuneration s, vacation and other benefits) and properly reflected the operating performance or results in employee remuneration ?			of the position and future operation risks of the Company, and the correlation to the business results. When there's net income from the Company's operation, a certain profit sharing will be made according to the Company's Article of Incorporation operation. For 2024, 4% of the net profit was appropriated as remuneration to employees. To attract and retain outstanding talents, employees are invited to share the business results with the Company: Employees compensation is composed of monthly salary and year-end bonus. Monthly salary offered based on past experience, capability and position taken of the employee. Year-end bonus given based on the Company operation and individual performance of the employee. Workplace Supports: Employees are entitled to take family care leave to allow managing work and family at the same time. In addition, special arrangements will be made for employees who just gave birth. Please refer to "Remuneration and Benefits" under the Company's website for more details.	
(III) Does the Company provide a safe and healthy working environment for its employees and conduct regular safety and health education for them?	V		(III) 1. A dedicated working unit (the employee safety office) has been established to plan and monitor the associated management execution. In addition, to uphold employees' welfare and plant safety, employee health checkups are provided each year, and a self-defense fire drill is implemented every six months. 2. To more effectively and continuously improve occupational safety and health management, the occupational safety and health committee has been established.	

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			The committee consists of 15 members (33.3% of the labor representative ratio), and convenes quarterly. The committee meets to come up with campaigns regarding occupational safety and health management to ensure work casualties and carry out the related policies in the Company. 3. Each year, the Company adopts the "All-rounded exposure and risk assessment method". Risks associated with occupational safety and health are identified ahead of time to formulate control countermeasures to lower down risk impacts to business activities and operation. 4. Each year, various "Environment safety competitions" are held to establish a working culture of "Safety First" and "Full Crew Participation" and to promote the related environmental concepts, covering safety, health and pollution prevention, among all plant workers for creating a safe, healthy, economical, and environmentally friendly work environment and healthy workplace. 5. A maternity health protection program is implemented annually according to the scheduled plan. Additionally, programs are carried out to prevent occupational diseases related to musculoskeletal disorders caused by repetitive tasks, excessive workloads, and physical or mental harm. Furthermore, work ability management for middle-aged and older employees is conducted, covering hazard assessment and control, risk classification and management, suitable job placement, and other related measures to meet employees' health service needs. 6. Whoever take on tasks with high risks need to receive the relevant training in accordance with the law and frequency to obtain working qualifications and	

Promotion of sustainable development	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			certificates. To strengthen workplace safety, new hires must not operate any machinery without needed prior training or on-site supervisor monitoring. 7. Employee workshops are provided on a regular basis each year to deliver the related knowledge, clarify questions and confusions related to health, and understand sicknesses causes for better health concepts and achieving a purpose of healthy employees. 8. Each year, safety and health training aiming for building healthy working attitude and preventing casualty and pollution protection is given according to the annual training program and schedule, including new employee learning maps, general training on environmental safety and health, hazardous chemicals, confined space, hearing protection, and waste material classification, that covers new hires, existing employees, EHS courses for migrant workers, special working crew, and the environmental safety and health team. A total of 4,041 people participated in environmental safety and health education and training. 9. Through the CCB chemical evaluation and classification management tool, we regularly evaluate the health hazard risks of chemicals and their exposure to workers every three years. At the same time, corresponding control and management measures are taken to strengthen the protection of workers' health. 10. The Company has a health promotion unit, a health promotion committee, and a volunteer service team. Through the continuous promotion of various health promotion activities, we improve the health awareness of employees, as well as their physical, mental and social health, and lead them to create a healthy	

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	Yes	No	Explanation	
			workplace culture and friendly workplace environment. We won the "2024 National Outstanding Healthy Workplace - Comprehensive Health Award" by the Health Administration, Ministry of Health and Welfare and 1st place of the 2024 Workplace Smoking Cessation Service Success Award of Chiayi County Health Bureau. 11. The Company holds regular health management and promotion activities (e.g., health checkups, physical fitness activities, tobacco prevention activities, hiking activities, group meal management, influenza vaccination activities), each year according to the labor health service program schedule. The Company has obtained the Healthy Workplace certification from the Health Administration, Ministry of Health and Welfare. Health promotion badges (Zhongshan Plant in 2021; Chengkung Plant 1 in 2022; Zhongshan Plant 2 in 2023; Zhongshan Plant 3 in 2024). 12. In order to ensure the health and safety of employees, the Company passed validation of ISO 45001 Occupational Safety and Health Management System in 2021. The current validity is from September 15, 2024 to September 14, 2027. Through the management cycle of PDCA (plan - do - check - acct), the Company has established, maintained and continued to improve the management system. This helps reduce the risk of occupational safety and health, provide a safer and healthier working environment, prevent work-related injuries and health impacts, and continue to improve occupational safety and health performance. 13. To prevent occupational injuries due to exposure to hazardous substances in the workplace, the Company regularly	

Promotion of sustainable development	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			monitors the operating environment every six months to grasp the working environment of the workers while also evaluating the level of exposure to hazards. By doing this, the Company is able to improve the on-site environment and prevent occupational disasters. For special operations, appropriate protection equipment is provided to protect the health of colleagues. 14. The number of occupational disasters of employees in 2024 was 2, accounting for approximately 0.6% of the total number of employees, with the total injury index of 0.28. The related improvement measures are as follows: (1) Visible workplace safety signs are available in needed site with SOP. (2) Regular advocacy and spot checks on risky industrial safety items are implemented. (3) Regular checks on risky industrial safety items from the unit supervisors are carried out. (4) Pre-work training is given from building safety knowledge to cultivating safe working habits. (5) The operation of non-productive machinery, equipment and vehicles must be separated from vehicles (forklift operation), or there should be supervisors or temporary safety barriers set up to warn of the operation. (6) All production procedures are automated, mechanized and with jigs assistance and safety improvement. (7) Daily repair and maintenance work will be supervised by safety staff dispatched by the notifying units. All repair work will be immediately suspended when there's dangerous condition.	

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	Yes	No	Explanation	
			15. There was no loss from fire in 2024.	
(IV) Has the Company established plans that assist employees in effective career development and growth? (V) Does the Company follow relevant laws and regulations and international standards for customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant policies and grievance procedures to protect the rights and interests of consumers? (VI) Does the Company have a supplier management policy that requires suppliers to follow relevant	V V V		(IV) The Company gives internal and external training courses based on job competency map to enable employee professional qualities and advantages. New employees will receive orientation sessions from both the working department and the Company. Professional training will be given based on the business strategy, department planning, and position needs. In 2024, a total of 107 courses were held, with a total of 5,861 participants. (V) 1. Company has established "Procedures for Handling Customer Complains" and "Code of Ethics" with dedicated responsible units to handle customer service and question answering in a timely and effective manner. In addition, a stakeholder session has been set up to properly respond to issues of concern. 2. All handling of products, services, selling and labeling are based on the relevant regulations. (VI) 1. Before dealing, all suppliers are asked to follow the procedures from "Supplier Management for Environmental Safety and Health" and "Vendor Management Procedures" Any records of environmental or social incidents from	No significant difference

Promotion of sustainable development	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
specifications and their implementation in environmental protection, occupational safety and health or labor human rights issues?			the suppliers will be taken into consideration in the selection procedure. 2. A "Supplier Management for Environmental Safety and Health" has established to require suppliers care for occupational safety and health and environmental management to ensure employee safety in the working plants and to prevent pollution causing significant impacts to the environment, which covers: (1) All plant activities such as product and service repairs and modification, equipment moving, installation, addition or replacement. (2) The construction contractors and suppliers who have received orders from the Company, with their brokering agencies, raw material suppliers or subcontractors. 3. The Company conducts initial screening, assessment checks, and regular audits of its suppliers. At the contract signing, a statement requiring adhering to labor laws and preventing environmental damages is listed as a mandatory provision to ensure suppliers' promise to fulfill corporate social responsibilities. Any violation, especially when there are evident impacts to the environment and the society, the signed contract can be terminated or canceled immediately. 4. Examination on environment/safety & health shall be conducted regularly on top-10 and high-risk (such as plating and painting services) vendors based on the outsourced units in every first quarter for any violation or compliance issues in the previous year. All records shall be kept in "Environmental and Safety & Health Check List for Outsourced Contractor" for future reference. 5. The Company uses the "Supplier Evaluation Form" to classify suppliers	

Promotion of sustainable development	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			and continuously monitor their performance. Procurement and quality personnel use the supplier performance to determine whether the supplier have new business opportunities. The evaluation results are also used as an opportunity for the supplier to make improvement. The delivery performance of suppliers with whom we have business dealings is collected once a month, and assessed on a yearly basis. The three main indicators are 1. delivery date, 2. quality, and 3. environmental, safety, health, and cooperation. "Transaction amount" and "supply risk" are divided into critical/material/fair. Determination of assessment grade: (Grade A: over 99 points) "Benchmark Company" (Grade B: 86-98 points) "Qualified and Excellent Vendor" (Grade C: 70-85 points) "Qualified Vendor" (Grade D: 60-69 points) "Observation"; a Grade D vendor for 2 consecutive times will receive an audit (Grade E: below 60 points) a Grade E vendor will receive an audit; a Grade E vendor for 2 consecutive times will be "eliminated". 6. The Company's suppliers comply with the labor/health and safety/environmental/ethical regulations/management systems, Suppliers are required to sign the "Suppliers' Statement of Corporate Social Responsibility and Responsible Sourcing Code of Conduct", which is formulated by the Company in accordance with international labor rights and regulations and the Taiwan Labor Standards Act. Forced labor, abuse of labor, child labor, and minors from performing heavy or dangerous work are prohibited, in order to	

Promotion of sustainable development	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			provide a safe and healthy working environment to reduce occupational hazards. The Company also provides care and protection for environmental protection and other aspects, and makes commitments to pursue sustainable growth between the two parties. In 2024, 8 new suppliers issued and recovered 8 valid pledges from suppliers under the current practice. 7. Tsang Yow conducted a total of 12 major supplier audits in 2024, and conducted on-site audits in all aspects of quality and sustainability to ensure that the industrial value chain complies with economic, environmental, and social laws and regulations and relevant norms. Upon inspection, no major suppliers of the Company were punished for violating laws or regulations, and good management did not cause any negative impact on society and the environment. The Company's fulfillment of the regulations has met its expectation for suppliers to meet the sustainability performance requirements of the supply chain, maintaining a continuous supply chain partnership. 8. The Company requires its suppliers to investigate their supply chain thoroughly to ensure the procurement of conflict-free metals such as gold (Au), tantalum (Ta), tungsten (W), cobalt (Co), and mica. To address the issue of conflict metal management, the Company has formulated a "Conflict-free Metal Declaration" and requested its suppliers to commit themselves to a thorough investigation of the supply chain to ensure gold (Au), tantalum (Ta), tin (Sn), tungsten (W), cobalt (Co), mica and other metals are not obtained through anarchist legion, illegal syndicates, mining in conflict areas of the Democratic Republic	

Promotion of sustainable development	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			of the Congo, or illegal smuggling. We strengthen supply chain management, effectively identify and trace the source of raw materials, and eliminate the use of conflict minerals. The metal exported from the following countries did not comply with the "conflict-free guidelines" as determined by the United Nations Security Council: Democratic Republic of the Congo (DRC), Rwanda, Uganda, Burundi, Tanzania. Tsang Yow does not support or use conflict minerals and remains committed to monitoring this issue. At the same time, we strictly require our supply chain to fully comply with this policy. In 2024, a total of 8 new suppliers were added, and all of them signed a total of 8 agreements committing to the non-use of conflict minerals.	
V. Does the Company prepare the corporate social responsibility report and other reports that disclose the Company's non-financial information in accordance with the international reporting standards or guidelines? Is the aforesaid report confirmed or guaranteed by a third-party verification unit?		V	According to the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", all TPEX listed companies are required to submit a sustainability report by August 31 of each year. The "2024 Tsang Yow Sustainability Report" will be published on the Company's website ESG / Download Center / Sustainability Report: https://www.tsangyow.com.tw/page9_5.php?vv=eyJwZyI6NX0= by August 31, 2025. The Company prepares the "2024 Tsang Yow Sustainability Report" in accordance with the "Sustainability Reporting Standards 2021" (GRI Standards 2021) issued by the Global Reporting Initiative (GRI) and the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" to disclose the material topics and impacts of the Company's economic, environmental and social and people	As stated in the left column.

Promotion of sustainable development	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			(including their human rights) identified by the Company, and the disclosure items and their reporting requirements, and to refer to the Sustainability Accounting Standards Board (SASB) guidelines to disclose the industry indicator information and SASB indicator corresponding report content index. This report will be compiled and revised by the Sustainability Promotion Committee in collaboration with relevant department heads. It is scheduled to be submitted to the Sustainability Development Committee for review and approval on August 6, 2025, and subsequently submitted to the board of directors for resolution and approval for publication on the same date.	

VI. If the Company has its own corporate social responsibility best-practice principles in accordance with the "Corporate Social Responsibility Best-Practice Principle for TWSE/TPEX Listed Companies", please state the implementation status and the difference:
The Company's Board of Directors approved the establishment of the "Corporate Social Responsibility Best Practice Principles" on August 9, 2013, and were amended on March 15, 2022, to strengthen the implementation of corporate social responsibility. The Company also made amendments to its "Corporate Social Responsibility Best Practice Principles" in December 2022 in line with the latest amendments to the "Corporate Social Responsibility Best-Practice Principle for TWSE/TPEX Listed Companies". The amendments were approved by the Board of Directors on March 15, 2023, and will be used to manage the Company's economic, environmental and social risks and impacts. There have been no discrepancies since implementation.

VII. Other important information to understand the operation of corporate social responsibilities: (Such as environmental protection, community participation, public contribution, social service, social charity, consumer rights, human rights, safety & health, and any other systems, measures and implementation for social responsibilities):

(I) Environmental protection

1. The Company has completed the renewal review for ISO 14001:2015 environmental management certification, which covers the latest international governing regulations and enables the improvement in pollution prevention and environment protection. For waste management, approved vendors by the Environmental Protection Administration are hired for the related operation. In addition, to reinforce the pollution prevention and environment hygiene, related laws, the Waste Disposal Act, Amendment to Noise Control Standards, and Air Pollution Control Act, etc., have been strictly followed. All wastewater generated from production and domestic used are drained away through the

Promotion of sustainable development	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	

sewer system in Min-Hsiung Industrial Park for centralized handling to ensure the community health and environmental quality.

2. Promote the environmental safety management plan: Implement control measures based on the survey results of environmental considerations, compliance obligations and specific requirements of customers, and monitor and control air, water, waste, noise, soil in order to prevent the occurrence of major environmental pollution; formulate environmental safety policies, objectives, and management plans to implement continuous improvement of environmental safety policies; and comply with legal and regulatory affairs, and compliance obligations signed by the organization, and other commitments. The specific actions taken in 2024 are as follows:
   - 2.1 Industrial waste reduction, general garbage sorting, and pollution prevention: Replacement of bromopropane cleaning agent at the Chengkung Plant, renovation of cleaning equipment, reduction of hazardous industrial waste and confirmation of results, with reduction of 460 kg for the year.
   - 2.2 For the sorting plastics, waste fibers, or other cottons or fabrics, a total of 34.7 tons of waste plastic mixture and 17.3 tons of waste fabric were classified in 2024.
   - 2.3 Sorting and control of sludge in barrels of waste oil mixture storage, totaling 325 tons for the year.
   - 2.4 Noise control at the perimeter of the stamping plant.
     - 2.4.1 The perimeter noise measurement meets the standards of the Noise Control Act.
     - 2.4.2 Communication with the residents in the perimeter and neighborhood activities.
     - 2.4.3 Routine noise control – the number of abnormal noises throughout the year was 0.
     - 2.4.4 Traditional hydraulic press to reduce noise – 10 units completed in 2022-2024.
   - 2.5 Conducted the 113 emergency response and drill, totaling 684 participants in 5 education and training sessions.
     - 2.5.1 Emergency response drill for waste liquid overflow, with 15 participants in the annual education and training session.
     - 2.5.2 Firefighting self-defense formation drill (including day, midday and night shift), with 197 participants in the annual education and training session.
     - 2.5.3 Company-wide emergency response and evacuation drill, with 273 participants in the annual education and training session.
     - 2.5.4 Waster disaster emergency response drill, with 4 participants in the annual education and training session.
     - 2.5.5 First aid education and training, with 195 participants in the annual education and training session.
   - 2.6 Operation and management of key environmental protection pollution prevention facilities:
     - 2.6.1 The access control of waste liquid treated by industrial waste liquid treatment machine, totaling 325 tons for the year.
     - 2.6.2 The roof of the wastewater treatment equipment in the stamping plant was

Promotion of sustainable development	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	

renovated to 100 square meters, and 5 exhaust air bulbs were added to reduce the condensation of stench and acid gas from wastewater. Serious leak in the flotation tank weld joints was treated, and structural support improvement completed.

2.6.3 LE100 counter-flow wet packed tower in Zhongshan Plant – cleaning of 1,000kg of sludge in the water tank of the tower.

2.6.4 Static tanks in the central kitchen of Chengkung Plant cleaned and maintained, totaling 52 times.

3. We promote ISO 50001 energy management system and carry out the energy inventory check to understand the overall energy consumption for more efficient management in order to lower energy costs and slow down GHG emission and other environmental impacts.
   3.1 "Infrared Thermal Imaging Load Analysis" is implemented for key equipment, proposed improvements to electrical loads and equipment with electrical abnormalities, with 29 power supply panels tested.

(II) Community participation, public contribution, social service, and social charity

1. Public contribution:
   Through nature, we initiate friendly marine actions and participate in various social welfare activities to raise awareness of the protection of the natural environment. Given this notion, we organized the Haomeiliao Wetland beach cleaup. A total of 55 volunteers participated in the cleanup, cleaning a total of 514.63 kg of waste, including discarded fishing supplies, PET bottles, Styrofoam, disposable utensils, and other garbage.
   1.1 The Company has, for many times, conducted industrial and academic exchanges with many levels of schools, including open-house visits, to help students understand and experience actual business operation and get extra stimulus and inspiration when combining theories and application and making plans for future careers.
   1.2 The Company has employed disadvantaged labor at a number beyond what is required by the government's policy.
   1.3 A charity foundation was formed under the Company name to give hands to the vulnerable groups and make contribution to the society.
   1.4 Various sponsorships have been given to Fu Le Community Development Association in various activities to facility social harmony and happiness.
   1.5 The Company took part in an honorary worker selection campaign held by Min-Hsiung Industrial Park Service to promote and reward workers of dedication and teamwork spirit.
2. Social charity involvements:
   2.1 The Company made donations to found Chiayi County Tsang Yow Social Welfare Charity Foundation to realize the business philosophy of "creating profits, sharing for employees, and giving back to the society". In 2024, a total of TWD 1.12 million was invested in public welfare activities. The social responsibility activities involved are as follows:
   2.1.1 The Company and "Tsang Yow Charity Foundation" held blood drives at

Promotion of sustainable development	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	
			the Chiayi Blood Donation Station and Chiayi Chuiyang Blood Donation Center. The Company exerted positive influence and called on the supply chain partners to participate in the event. A total of 1,036 bags of blood was raised, with 70 volunteers and employees and their families participating. 2.1.2 The Company's employees and their families, totaling 35, served as volunteers for the "Genesis Foundation Love Charity Fair" to give it back to society. All proceeds from the sale were donated to fund the construction of the to Genesis Foundation's Hualien Branch and the Chiayi Branch for their annual service expenses for the vegetative patients. 2.1.3 The Company and the "Tsang Yow Charity Foundation" provide funding, supplies, and assistance for leaks and repairs of old buildings to disadvantaged groups (Children's Federation of the Republic of China, the Eden Social Welfare Foundation). By doing this, we hope that more people care for the disadvantaged group, so that they will feel the warmth and care of more people. 2.1.4 The Company purchased 800 items from the charity sale and 163 fair tickets from the Genesis Social Welfare Foundation. The employees and their family members, totaling 35, served as volunteers in the charity auction of the "Genesis Social Welfare Foundation Love Charity Fair" and donated the proceeds generated from the sale to the Hualien Branch and the Chia-Yi Branch of the Genesis Social Welfare Foundation for their annual service expenses. The event helped more financially disadvantaged animal/plant families. 2.1.5 The Company shared leftovers from the employee canteen with disadvantaged groups to reduce food waste, totaling 209,243 times for the year. 2.1.6 To give back to society, the Company subscribed moon cakes and bread from the "Cerebral Palsy Association of Chiayi" in order to show support and affirmation to the working ability of children with cerebral palsy. 2.1.7 The Company integrated into the community and organized the "Family Sports Day and Fair" with He-Xing Primary School, Zhongpu Township, Chiayi County. The Company donated a SUV to the school for the school's business and baseball games. 2.1.8 The Company participated in the "2024 First Minxiong Marathon" organized by the Minxiong Township Office' to promote exercise, revitalize local industry development, and support local public welfare. The Company set up a supply station for the runners, as well as serving as volunteers for the race, and teaming up with colleagues to run in the marathon. 2.1.9 We participated in the Minxiong Township Office's initiative of "Lighting up Minxiong" and adopted the street lights. By doing this, village street light are lit at night, to improve the living quality of the people, and protect their safety, making an effort for the people's life and property in the village. 2.1.10 The Company maintains good interaction with the community and sponsors	

Promotion of sustainable development	Implementation Status (Note 1)			Difference from “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Explanation	

the activities held by Fu-Le Community, such as Zongzi making for Dragon Boat Festival” public welfare and charity, and the sports club’s elderly hiking activity, among other events, to promote good relationship with the community and care.

2.1.11 The Company participated in the social welfare event organized by”Step30” to send used shoes to East Africa. The event was jointly called on by all colleagues and vendors (contracted or subcontracted) to join the public welfare and give back to society. The event also helped the people in need through recycling and reuse of resources, which is also a contribution to environmental protection and caring for the earth.

2.1.12 The Company’s participation in trade association activities and social connection. The items are as follows:

ITEM	NAME OF TRADE ASSOCIATION
1	Minxiong Industrial Park Manufacturers’ Association
2	Taiwan Transportation Vehicle Manufactures Association
3	Chinese Total Productivity Management Association
4	Chiayi Hsien Industrial Association
5	Chiayi County Police Association
6	Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC)

(III) Consumer rights

The Company fully honored all contracts signed to ensure its own rights and benefits and the consumers’.

(IV) Investors’ relations

1. The Company upholds fair and transparent treatment of all shareholders. Every year, the shareholders’ meeting is convened in accordance with Company Act and associated regulations by giving the meeting notices to all shareholders. In addition, shareholders are encouraged to involve in proposals of director election or chapter modification in the meeting. All major financial activities including asset dispositions, and loan endorsement, are presented to allow questions from shareholders to ensure the check and balance. All meeting minutes will be preserved properly and disclosed on Market Observation Post System, as stipulated in the shareholders’ meeting procedures. Also, to ensure full acknowledgment, participation and decision-making to the major proposals of the Company, the annual report is made available before the shareholders’ meeting every year, in addition to the spokesperson and deputy spokesperson who are dedicated to managing suggestions, doubts, and disputes.
2. Investor conference:

June 6, 2024 The Company was invited to the “2024 Q2 Investment Forum” by SinoPac

Promotion of sustainable development	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	

Securities

November 28, 2024 The Company was invited to the "2024 Automobile Parts and Components Industry Conference" by First Securities

(V) Human Rights

The Company's human rights policy supports and follows the "United Nations Universal Declaration of Human Rights" and other internationally recognized human rights standards and principles as well as the local laws and regulations. The Company has established work rules, attendance and absenteeism management, sexual harassment prevention measures, complaints and disciplinary management measures, etc., as well as other relevant management policies and procedures, which are implemented and disclosed in the annual report or the Company's website.

1. Following regulations from Labor Standards Act and related laws, the Company places importance on the balance among health, work, family and leisure for employees. Accordingly, various events were arranged, including mental health workshops, and aerobic classes. In the meantime, working hours are under close watch with strict prohibition of child labor, any forms of forced labor, and discrimination.
2. To reinforce gender equality employment, there is an unpaid-leave mechanism for employees taking parental leave, which takes cares of work reinstatement. In the meantime, employees are entitled to take leave for private matters, such as family care, menstrual needs, giving birth, and paternity reasons. Also, a nursing room is set up inside the Company.

(VI) Occupational safety and health

The Company adheres to government regulations and related requirement for applicable international standards. ISO 45001:2018 Occupational Health and Safety Management Systems has been introduced to strengthen self-management, improve the safety and health level, and reduce work accidents, as the Company takes accountability to ensure employee well-being. The specific actions taken in 2024 are as follows:

1. EHS 7S Competition: We promote the EHS competition, 7S themed improvement activities, space saving projects, and stationery saving and on-site hand tool visualization management projects. The aim is to enhance the EHS (occupational safety and health, health promotion, pollution prevention, saving, carbon reduction, and information security) and EHS performance. The annual event achievement rate is 100%, saving approximately TWD 155,000 of office supplies.
2. Employees' environmental safety and health knowledge and safety literacy improvement: The implementation of environmental safety and health education and training is promoted and expanded to indirect personnel. By doing this, we enhance personnel's awareness, knowledge, and implementation of workplace safety hazards to reduce the occurrence of workplace safety accidents. A total of 1,124 face-to-face trainings and drills and 2,917 online trainings and drills were held in the year.
3. Health promotion activities: Through the application for the government's free health workplace promotion guidance programs and integration of internal and external resources, the Company promotes various health themed activities to obtain health promotion marks. In the process of initiating these activities, the Company optimizes its

Promotion of sustainable development	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Explanation	

health promotion and management levels to enhance its corporate image and the morale of all employees, to create a healthy and friendly workplace and a win-win situation. The activities include fitness activities, stop-smoking classes, handicrafts, sports seminars, friendly families, interpersonal communication, and family sports day, etc. A total of 1,568 people participated in these activities in the year.

(VII) Other social responsibilities:

1. Investment in sustainability bonds:

In 2024, the Company invested USD 200,000 in the Sustainability Bonds of Shinhan Card Co., Ltd. (referred to as P21SHC1, bond code: ISIN: XS2341140932). The bond was qualified as a green bond by the TPEX.

2. In 2024, investments in energy saving or green energy-related environmental protection and sustainable machinery equipment, investment status and specific benefits:

Item	Power-saving measures	Investment amount (TWD 10 thousand)	Degrees of energy saving (10,000 kWh/year)
1	Improvement in machine time reduction during the production process	3.3	5.0
2	Improvement of air compressor pipeline leakage	24.2	11.0
3	Energy savings through equipment replacement and upgrade	241.0	5.6
4	Replacement of high-efficiency air conditioners	300.9	12.9
	Total	569.4	34.5

Note 1: If "yes" is checked for implementation status, important policies, strategies, measures and execution status shall be described specifically. If "no" is checked, reasons for deviations with responding actions in the future shall be stated under "Difference from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies". For Item 1 and Item 2, the TWSE/TPEX listed company shall describe sustainable development governance and supervising structure, not limited to management guidance, policy and target formulation and review measures. Additional description shall be made regarding risk management policies or strategies for environmental, social and corporate governance issues due to the Company's operation.

Note 2: The principle of materiality covers issues related to impacts brought by the Company's operation to environment, society and corporate governance affecting greatly to the investors of the Company and other interest parties.

Note 3: For disclosure, please refer to the official site of Corporate Governance Center, Taiwan Exchange, for best-practice examples.

(VI) Climate-related information of the TPEX-listed companies

Climate strategy and action

Climate change governance: In the face of the climate emergency era, the Company is deeply aware of the extreme climate changes, and the possible operational crisis that may arise from extreme climate and global warming.The traditional auto industry will face more severe challenges and rapid market changes due to the impact of climate change. Therefore, we have established measurement indicators and target management based on the results of risk identification, effectively grasping the progress and results of response measures, and reducing the financial impact of climate risks on operations.

<table>
<tr><th>Dimension of the business</th><th>TCFD recommended disclosure items</th><th colspan="3">The Company’s countermeasures</th></tr>
<tr><td rowspan="2">Governance</td><td>Supervision of the Board of Directors on climate-related risks and opportunities</td><td colspan="3">*The Sustainable Development Committee reports to the Board of Directors at least once a year on the implementation results and energy conservation results of the year
*The Sustainable Development Committee reports to the Board of Directors at least once a year on climate governance issues, and reviews and decides various risk management strategies</td></tr>
<tr><td>The management is responsible for assessing and managing climate-related risks and opportunities</td><td colspan="3">*The Environmental and Energy Management Committee systematically compiles international trends and national development trends on a rolling basis, to examine risks and opportunities for company operations
*The Environmental and Energy Management Committee reviews the performance of risk management and execution annually, and reports to the Sustainable Development Committee every year
*Through the environmental system management review meeting, the Company reports the carbon risk opportunity management issues and response strategies to the General Manager every year
*Daily administrative meetings include climate and environmental issues</td></tr>
<tr><td rowspan="2">Strategy</td><td rowspan="2">Short-term, mid-term and long-term climate-related risks and opportunities identified in the organization</td><td>Short term</td><td>Mid term</td><td>Long term</td></tr>
<tr><td>*Risk Issue: Carbon Credit Offset Cost
*Opportunity Issue: New Energy Vehicle Related Products</td><td>*Risk Issue: Strengthening of the obligation of emission reports, cost of transformation to a low-carbon economy, consideration of stakeholders and increase of negative feedback, and requirements and supervision of products and services
*Opportunity Issue: Acquisition of incentives</td><td>*Risk Issue: Increase in the price of greenhouse gas emission (total volume control/carbon tax/energy tax)
*Opportunity Issue: Use more efficient production and delivery process</td></tr>
</table>

			from the government and seeking new market partners	
	Climate-related risks and opportunities to the organization's business, strategy and financial impact -	Major transformation risks	Major physical risks	Major climate opportunities
		Through the cross-department Environmental and Energy Management Committee, the company implements the climate-related risk/opportunity identification, compiles financial impacts, and formulates countermeasures	To reduce the impact of drought, the factory has been investing in water-saving facilities and strengthening water recycling, while preparing emergency response plans to reduce the operational losses caused by disasters	The Company's investment in self-built solar power plants with a capacity of 913.21kWp, and will increase the use of renewable energy in the future, to reduce overall carbon emissions and to win customer favor and increase revenue
Risk management	Resilience in strategy and considering different climate scenarios	The Company has established the risk management policy and procedures, and has passed the same by the Board of Directors		
	Identification and assessment procedures for climate-related risks			
	Management procedures for climate-related risks	*The Company has established internal operating procedures and set the risk impact level evaluation standards *Decision-making models regarding climate risk/opportunity issues and risk management have been completed for all departments *Annual third-party verification of ISO 14001 and annual internal greenhouse gas inventory (self-assessment, no external verification) are conducted.		

<table>
<tr><td rowspan="2"></td><td></td><td colspan="12">*The Company annually performs energy/resource risk and management performance evaluations, and explores how climate-related risk identification, assessment, and management processes are incorporated into the organization’s overarching risk management system</td></tr>
<tr><td>-</td><td colspan="12">*The Environmental and Energy Management Committee systematically compiles international trends and national development trends on a rolling basis, to examine risks and opportunities for company operations
*Through the environmental system management review meeting, the Company reports and reviews the carbon risk opportunity management issues and executive performance to the General Manager every year
*Daily administrative meetings include climate and environmental issues</td></tr>
<tr><td rowspan="7">Indicators and Targets</td><td>Describe the indicators used for assessing the climate-related risks and opportunities</td><td colspan="12">*Starting 2021, the Company will conduct its own organizational carbon inventory
*Expected to pass the ISO 14064-1 certification in 2028
*Electricity consumption is reduced by 1% per year</td></tr>
<tr><td rowspan="4">Disclose Scope 1, Scope 2 and Scope 3 greenhouse gas emissions and related risks</td><td colspan="12">Since 2021, we have conducted self-organized carbon inventory according to ISO 14064-1 (without third-party verification). The following are the 2022 annual greenhouse gas emissions (unit: Metric tons of CO2e):</td></tr>
<tr><td colspan="4">Scope 1: 184.2146</td><td colspan="4">Scope 2: 4,193.4367</td><td colspan="4">Scope 3: 1,557.005</td></tr>
<tr><td colspan="12">The following are the 2023 annual greenhouse gas emissions (unit: tons of CO2e):</td></tr>
<tr><td colspan="4">Scope 1: 188.9944</td><td colspan="4">Scope 2: 3,460.5382</td><td colspan="4">Scope 3: 1,662.5603</td></tr>
<tr><td rowspan="2">Targets used to manage climate-related risks and opportunities, and performance in achieving those targets
-</td><td colspan="12">*The Company has established climate-related performance indicators and quantitative goals, regularly tracked and reviewed achievement rates, and disclosed them in the sustainability report
*Continuously strengthen the emergency response system for extreme weather; implement corporate governance 3.0 and response operations for international carbon control mechanisms; continuously enhance corporate climate resilience
*Mitigation efforts: short-, medium-, and long-term carbon reduction targets and response strategies, with periodic performance reviews by the Environmental and Energy Committee</td></tr>
<tr><td colspan="3">Carbon emissions and energy management goals</td><td colspan="3">Product performance enhancement</td><td colspan="3">Waste management goals</td><td colspan="3">Water resources management goals</td></tr>
</table>

			goals		
		Expected to pass the ISO14064-1 certification by third party in 2026	Electricity consumption is reduced by 1% per year	Waste output was reduced by 10% compared to the previous year	Water consumption was reduced by 10% compared to the previous year

1 Implementation of climate-related information

Item	Implementation
1. Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.	In response to the high uncertainty of climate and rapid changes in policies and markets, and to grasp and estimate the possible impacts of climate change in a timely manner, the Environment and Energy Management Committee reviews the risk and opportunity management and performance, and reports to the Sustainability Promotion Committee each year. The "Sustainable Development Committee" has been established under the Board of Directors, consisting of three members appointed by the Board, including two directors with expertise in corporate sustainability and one convener. The Committee shall convene a meeting at least once a year to formulate, promote, and enhance the action plans for important policies in sustainable development (including climate-related issues); review, track, and revise the implementation and results of sustainable development; and report to the Board of Directors at least once a year. The Risk Management Team is responsible for the Company's risk management policies and procedures, including climate-related risk issues, the latest laws and regulations on industrial climate risk, and updating the identification results of climate risks and opportunities. The risk management team has established the "Risk Management Policy and Procedures" on November 6, 2024 to incorporate climate change risk management into the Company's overall risk management process.

<table>
<tr>
<td>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</td>
<td>The Company actively researches and develops solutions, hoping to reduce the operational and financial impacts of climate change and improve organizational climate resilience. It also defines the short term as less than 3 years, medium term as 3 to 5 years, and long term as more than 5 years. It evaluates the potential operational and financial impacts of climate-related risks and opportunities to the Company, and plans various actions in response to climate-related risks and opportunities.
<table>
<tr><th>Risk category and opportunities</th><th>Short term (1–3 years)</th><th>Medium term (3–5 years)</th><th>Long term (over 5 years)</th></tr>
<tr><td>Short-, medium-, and long-term climate-related risks and opportunities identified by the organization</td><td>* Risk topics: Carbon credits offsetting cost
* Topical topics: New energy vehicle related products</td><td>* Risk topics: Enhancement of emission reporting obligations; cost of transition to a low-carbon economy; stakeholder concerns and increasing negative feedback; product and service requirements and supervision
* Opportunity topics: Obtain public sector incentives, win new market partnerships</td><td>* Risk topics: Increase in the price of greenhouse gas emissions (capital control/carbon tax/energy tax)
* Opportunity topics: Adoption of more efficient production and delivery processes</td></tr>
<tr><td>Impacts of climate-related risks and</td><td>Major transformation risks</td><td>Major physical risks</td><td>Major climate opportunities</td></tr>
</table>
</td>
</tr>
</table>

<table>
<tr><td></td><td>opportunities on organization’s business, strategies, and financial impacts
-</td><td>Climate-related risks/opportunities are identified through collaboration with the cross-functional Environmental and Energy Management Committee, which also consolidates potential financial impacts and formulates countermeasures.</td><td>In order to reduce the impact of drought events, the factory has successively made investments in water-saving facilities, strengthened the recycling and utilization of water resources, and formulated an emergency response plan to reduce operating losses caused by disaster risks.</td><td>The capacity of the Company’s invested solar farm: 913.21kwp. In the future, self-generation and self-consumption will be adopted. Increasing the utilization rate of renewable energy can reduce the overall carbon emissions and win the favor of customers to increase revenue.</td></tr>
<tr><td>3. Describe the financial impact of extreme climate events and transformational actions.</td><td colspan="4"><u>Financial impacts of extreme climate events</u>
Through internal discussion, inventory and evaluation, the Company has identified floods, droughts, changes in precipitation patterns and extreme changes in climate patterns that pose potential risks to the production or transportation stage. Flooding caused by heavy rainfall may result in operational site shutdowns and equipment damage, leading to temporary disruptions in shipments. On the other hand, drought and water shortages can affect normal production line operations. During water shortages, measures such as reducing water usage, transporting water from other areas by tankers, or adjusting inventory with other factories must be taken to maintain supply, thereby increasing operating costs. In order to reduce the impact of drought events, the factory has successively made investments in water-saving facilities, strengthened the recycling and utilization of water resources, and formulated an emergency response plan to reduce operating losses caused by disaster risks at the same time.
In response to the risk of extreme changes in flooding and precipitation patterns and climate patterns caused by typhoons, the Company analyzes the operational and financial impacts to each business location. Under this scenario, the analysis results show that its risk exposure will increase.
The Company will continue to refine its analysis of physical risk scenarios and conduct assessments of risk changes at all operating</td></tr>
</table>

	locations. In addition to assessing existing risk issues, the Company is expected to include high temperature risks in its plans to strengthen the Company's climate adaptation management and strategies. <u>Financial impact of transformation actions</u> Given the transformation risks, the transformation to a low-carbon economy may require a wide range of changes in policies and regulations, technology and market. Based on the nature, speed and focus of the above changes, within the time frame of the analysis, the carbon fee and greenhouse gas cap, renewable energy laws and regulations, and changes in consumer preferences may increase operating costs or reduce sales. Considering that the Company has some low-carbon products for sale and continues to develop, innovate and expand the diversity of related products, there is no significant impact on market sales under each scenario, so the Company focuses on the analysis of operating costs. Under the scenario of low-carbon transformation, the financial impact of carbon pricing on the Company will lead to an increase in the Company's own operating and supply chain costs. Through the introduction of energy-saving and carbon reduction projects, the Company seeks to minimize the impact of energy consumption, water usage, and waste throughout its operations and supply chain; improve energy efficiency; invest in green energy equipment; and invest in research and development of innovative green products that meet consumer needs in order to respond to these transformation risks. The financial impact of this project on the Company will result in an increase in the Company's own capital investment and operating costs.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Board of Directors is the highest decision-making body of the Company's risk control and directly supervises the Company's risk governance framework. In order to improve the risk assessment and management functions, the Board of Directors decided on November 6, 2024, to establish a risk management team under the "Sustainable Development Committee" to identify and manage risks in corporate operations, including physical and transformation risks of climate change, and lead the planning of relevant countermeasures. The "Risk Management Policies and Procedures" are also formulated to control the risks that may arise from various businesses within an acceptable range and to establish sound risk management operating principles. Based on the business scope of each department, the risk management team identifies and analyzes six major risks, namely: Operation, strategy, finance, information, compliance, and hazard. It also updates the main risk identification matrix every year. Based on the risk identification results, each department develops response strategies, integrates and manages risks that may affect operations and profitability. At least once a year, the team reports the management implementation and risk control to the Board of

	Directors, supervises and tracks the review of the operating team's risk management execution, with the aim of strengthening the Company's resilience.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Although scenario analysis cannot predict the future, it allows the Company to better understand how climate changes affect the Company. Basically, scenario analysis is an important tool for strategic planning, risk management and assessing the Company's strategic flexibility. The Company conducts qualitative and quantitative analysis of climate models throughout the value chain to assess the resilience of climate change risks under different external conditions. The Company will follow the TCFD disclosure framework to consider scenarios for climate risk analysis. The Company will conduct risk and opportunity analysis for potential policy, regulatory, and market changes, as well as substantive risks arising from different scenarios. This will involve analyzing relevant parameters, assumptions, factors, and the main financial impacts. Once the results are determined, they will be published on the Company's official website.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks.	In order to achieve the 2050 net zero carbon emission goal and respond to the carbon reduction requirements of the international supply chain, the Company will conduct internal introspection based on the carbon inventory results of this plan, and promote carbon reduction in operating procedures and manufacturing processes. By integrating employees from departments with similar operational characteristics or highly related operational processes within the Company's organizational structure, a low-carbon task force will be established. This will cultivate key personnel with carbon inventory capabilities and promote the Company's carbon inventory and subsequent carbon reduction efforts, making the Company one of the benchmark enterprises for low-carbon initiatives. The Company has formulated a low-carbon transformation plan to reduce direct emissions from operating activities (scope 1), indirect emissions from energy use (scope 2), and indirect emissions from the value chain (scope 3). The implementation includes: 1. Continue to actively reduce carbon emissions: Research and develop advanced technologies, improve energy productivity and efficiency, and minimize carbon emissions during the manufacturing and product usage phases. 2. Adoption of renewable energy: The use of renewable energy is greatly increased and extended throughout the value chain to support the transition to low-carbon energy. 3. New and more efficient manufacturing process: Lean management is used in the manufacturing process to reduce waste, optimize process efficiency, achieve the results of the new manufacturing process, replace equipment with more

	environmentally friendly manufacturing processes, and gradually shift to low-carbon production process technology. The results will be announced on the Company's official website once they are confirmed.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	In order to drive low-carbon investment, strengthen energy use efficiency, and enhance internal carbon reduction initiatives, the Company has established an internal carbon pricing mechanism based on considerations such as international carbon market prices, carbon prices under greenhouse gas regulations, and the Company's internal carbon reduction costs. This mechanism serves as a reference for carbon reduction management and planning. The results will be announced on the Company's official website once they are confirmed.
8. If climate-related targets have been set, the activities covered, the scope of GHG emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The Company has long been committed to environmental protection and hopes to create a win-win situation for the economy and the environment through a green operating model that "maximizes production efficiency and minimizes environmental impact." At this stage, the Company does not use the purchase of renewable energy certificates as a means of carbon reduction. For the future of renewable energy, the priority is for self-generation and self-use, and the available space of each operating location is checked for the construction of renewable energy power generation equipment. The capacity of the Company's invested solar farm: 913.21kWp. Increasing the utilization rate of renewable energy can reduce the overall carbon emission, and win the favor of customers to increase revenue. Objectives used to manage climate-related risks and opportunities, and performance in achieving such objectives: 1. The Company formulates climate-related performance indicators and quantitative targets, regularly tracks and reviews the achievement rates, and discloses them in the sustainability report. 2. Adaptation operations: Continue to strengthen the emergency response system in response to extreme weather; implement Corporate Governance 3.0 and response operations of the international carbon control mechanism; continue to improve corporate climate resilience. 3. Mitigation operations: Short-, medium- and long-term carbon reduction goals and response strategies, and regularly review improvement operations through the Environment and Energy Committee. * Targets of carbon emission and energy management: It is expected to obtain third-party verification for ISO 14064-1 in 2026. *Management goals for improving product energy efficiency: Reduce electricity consumption by 1% per year *Waste management target: Reduce waste output by 10% compared to the previous year

	* Water resource management target: Reduce water consumption by 10% compared to the previous year Please refer to the Company's official website for details and the achievement status.
9. GHG inventory and assurance, as well as reduction goals, strategies, and specific action plans (1-1 and 1-2 to be filled in).	As of the date of publication of the annual report, the Company will plan to proceed according to the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies" for companies not meeting certain criteria. Please refer to 1-1 for greenhouse gas inventory and assurance in the most recent two years.

1-1 GHG inventory and assurance in the most recent two years
1-1-1 GHG inventory information

Describe the GHG emission volume (metric tons of CO_2e), intensity (metric tons of CO_2e/TWD million), and data coverage for the most recent two years.
Scope of information to be disclosed according to the roadmap for the sustainable development of listed companies: 1. Greenhouse gas inventory and assurance (parent company standalone): (1) Starting in 2026, the annual report published every year must disclose the greenhouse gas inventory information of the previous year. (2) Starting in 2028, the Company has continued to disclose the assurance of the inventory information of the previous year. 2. Greenhouse gas inspection and assurance (the consolidated company): (1) Starting in 2027, the annual report published every year must disclose the greenhouse gas inventory information of the previous year. (2) Every year, with no later than 2026 as the base year, continue to disclose in the annual report the current year's greenhouse gas reduction goal, strategy, concrete action plan, and the achievement of the reduction goal of the previous year. (3) Starting in 2029, the Company has continued to disclose the assurance of the inventory information of the previous year. The Company adheres to the concept of sustainable operations, fulfills its corporate responsibilities, cares about global warming and climate change trends, and cooperates with government policies. In accordance with the Greenhouse Gas Protocol published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI), as well as ISO 14064-1 published by the International Organization for Standardization (ISO), the Company conducts a systematic greenhouse gas (GHG) inventory, establishes an emissions registry, and promotes verification procedures. These efforts aim to accurately monitor the Company's GHG emissions and serve as a basis for future emission reduction initiatives, contributing to the mitigation of global warming. Starting in 2021, we have regularly checked the greenhouse gas emissions of the parent company every year, to fully grasp the status of greenhouse gas use and emissions, and to verify the effectiveness of reduction actions. In addition, the greenhouse gas inventory data of the most recent two years are summarized in accordance with the Business Control Approach, including the greenhouse gas emissions of the Company, as follows:

Scope of coverage		Unit	2022	2023
The Company (Zhongshan Plant,	Scope 1	tCO_2e	184.2146	188.9944
	Scope 2	tCO_2e	4,193.4367	3,460.5382
	Scope 3	tCO_2e	1,557.0050	1,662.5603

Zhongshan Plant No. 2, Zhongshan Plant No. 3, and Cheng Kung 1 Plant, employee dormitories)	Subtotal	tCO2e	5,934.6563	5,312.0929
	Intensity	tCO2e/turnover (TWD million)	4.9080	5.0304

The “GHG Inventory Report” is available on the Company’s website (https://www.tsangyow.com.tw/page9_5.php?vv=kJwZyI6N0=).

Note 1: Direct emissions (Scope 1, i.e. directly from emission sources owned or controlled by the Company), indirect emissions from energy (Scope 2, i.e. indirect GHG emissions from imported electricity, heat or steam), and other indirect emissions (Scope 3, i.e., emissions from the Company’s activities that are not indirect emissions from energy, but are from sources owned or controlled by other companies).
Note 2: The data coverage of direct emissions and indirect emissions from energy shall be handled in accordance with the schedule specified in Paragraph 2, Article 10 of the Guidelines. Other indirect emissions can be voluntarily disclosed.
Note 3: GHG inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).
Note 4: The intensity of GHG emissions can be calculated per unit of product/service or turnover, but at least the data calculated in terms of turnover (TWD million) should be stated.

1-1-2 GHG assurance information

Describe the assurance status for the most recent two years, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance.
According to the Letter of the Financial Supervisory Commission, Jin-Guan-Zheng-Fa-Zi No. 11203852314 dated March 3, 2023, the Company is currently a listed company with a paid-in capital of less than TWD 5 billion. The Company will complete the disclosure in accordance with the schedule set by the competent authority. 2023 marked the third year since Tsang Yow began to inventory its GHG. In order to improve the reliability of the Company’s 2023 GHG inventory information and report, while improving the quality of its GHG inventory data, Qun-Heng Consulting was commissioned to conduct an internal verification of the Company’s 2023 GHG inventory information and report this year. In addition, the Company is planning to conduct an external verification of its GHG inventory data in 2026, so as to strengthen the reliability of its GHG inventory data.

Note 1: The Company shall act in accordance with the schedule specified in Article 10, Paragraph 2 of the Guidelines. If the Company fails to obtain the full assurance opinion on GHG by the publication date of the annual report, it is necessary for the Company to indicate “Complete assurance information will be disclosed in the Sustainability Report”. If the company does not prepare a sustainability report, specify “Complete assurance information will be disclosed on the Market Observation Post System” and disclose complete assurance information in the next annual report.
Note 2: The assurance institutions shall comply with the requirements set forth by the Taiwan Stock Exchange Corporation and the Taipei Exchange of the Republic of China for assurance institutions.

1-2 GHG reduction goals, strategies and specific action p;ans

Describe the GHG reduction base year and its data, reduction targets, strategies, and concrete action plans, and achievement of the reduction targets.
According to the Letter of the Financial Supervisory Commission, Jin-Guan-Zheng-Fa-Zi No. 11203852314 dated March 3, 2023, the Company is currently a listed company with a paid-in capital of less than TWD 5 billion. The Company will complete the disclosure in accordance with the schedule set by the competent authority. In addition to the government’s net zero by 2050 target and the carbon reduction requirements of the international supply chain, the Company, based on the carbon inventory results of this plan, promotes carbon reduction in the operating process and manufacturing process through self-inspections. From the Company’s organizational structure, the employees of departments with similar operations or highly related processes are integrated to establish a low-carbon work circle to cultivate seed personnel with carbon inventory capabilities to promote the Company’s carbon inventory and subsequent carbon reduction matters. By doing this, the Company is committed to becoming one of the low-carbon benchmark enterprises.

The Company has formulated a low-carbon transformation plan to reduce direct emissions from operating activities (scope 1), indirect emissions from energy use (scope 2), and indirect emissions from the value chain (scope 3). The implementation includes: 1. Continue to actively reduce carbon emissions: Research and develop advanced technologies, improve energy productivity and efficiency, and minimize carbon emissions during the manufacturing and product usage phases. 2. Adoption of renewable energy: The use of renewable energy is greatly increased and extended throughout the value chain to support the transition to low-carbon energy. 3. New and more efficient manufacturing process: Lean management is used in the manufacturing process to reduce waste, optimize process efficiency, achieve the results of the new manufacturing process, replace equipment with more environmentally friendly manufacturing processes, and gradually shift to low-carbon production process technology. The results will be announced on the Company's official website once they are confirmed. The "GHG Inventory Report" is available on the Company's website (https://www.tsangyow.com.tw/page9_5.php?vv=kJwZyI6N0=).

Note 1: An inventory shall be conducted in accordance with the schedule prescribed in Article 10, Paragraph 2 of the Guidelines.

Note 2: The base year should be the year that the inventory is completed at the boundary of the consolidated financial statements. For example, according to Article 10, paragraph 2 of the Guidelines, a company with a capital of more than TWD 10 billion should complete the consolidated financial report of 2024 in 2025, so the base year is 2024. If the Company has completed the inventory of the consolidated financial statements ahead of schedule, the earlier of the base year can be used as the base year, and the data of the base year can be calculated by a single year or the average of several years.

(VII) Performance of ethical corporation management and the differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons:

Performance of ethical corporation management and the differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons:

Assessment Item	Operation Status (Note 1)			Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/ TPEX Listed Companies
	Yes	No	Explanation	
I. Establishment of policies and plans for ethical corporate management (I) Does the Company have an ethical corporate management policy approved by the Board with clearly statements about the related policy and practice in the internal regulations and external documents, as well as the commitment from the Board and senior management for the implementation?	V		(I) Through the Board's approval, the Company has stipulated "Ethical Corporate Management Best-Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Conducts" to clearly state the related policies and practices, as well as the commitment from the Board and senior management for the implementation. The Company's President's Office serves as the driving unit for the formulation and implementation of various ethical policies, the	No significant difference

Assessment Item	Operation Status (Note 1)			Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/ TPEX Listed Companies
	Yes	No	Explanation	
			establishment of good corporate governance and risk control mechanisms, and seeks the sustainable development of the Company. The members of the Board and the management comply with the principle of ethical corporate management when conducting business. The members are committed to actively implementing and supervising the implementation of the ethical corporate management policy. All regulations mentioned above are available in the Company's website.	
(II) Has the Company established an evaluation mechanism for the risk of unethical behaviors, regularly analyzed and evaluated the business activities with high risks of such behaviors within the business scope, and formulated a plan for prevention accordingly, which covers the preventive measures for the behaviors described in Article 7-2 under "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies"?	V		(II) The preventive measures for the behaviors described in Article 7-2 under "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" have been covered in the aforementioned regulation, which include giving or receiving bribes or improper interests, offering or promising facilitation payments or illegal political donation, conducting unfair competition, sponsoring undue charities, leaking business secrets, and any undertakings damaging rights and interests of stakeholders. Various prevention measures and advocacy events have been implemented to reinforce the policy for ethical corporate management.	
(III) Does the Company stipulate the operation procedures, behavior guidelines, and disciplinary and grievance system in its unethical behavior prevention plan for thorough implementation, followed by regular review and revision of	V		(III) Under our "Procedures for Ethical Management and Guidelines for Conduct", improper interests and charity donation standards have been clearly defined with details on prevention procedures, violation disciplinary and whistleblowing	

<table>
<tr><th rowspan="2">Assessment Item</th><th colspan="3">Operation Status (Note 1)</th><th rowspan="2">Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/ TPEX Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td>the plan?</td><td></td><td></td><td>system. The Company has formulated the “Regulations Governing Detection of Violations of Ethical Conduct and Ethical Corporate Management” and established internal and external whistleblowing channels and handling systems,which are implemented, and regularly reviewed and revised.</td><td></td></tr>
<tr><td>II. Implementation of ethical corporate management
(I) Does the Company access the ethical corporate management records of its counterparties and specify the ethical corporate management terms in the contracts it enters into with them?

(II) Has the Company set up a dedicated unit under the Board to promote ethical corporate management and regularly (at least once a year) report to the directors the related policies and plans to prevent unethical behaviors, as well as its supervision of the implementation?</td><td>

V

V</td><td></td><td>(I) Does the Company access the ethical corporate management records of its counterparties and specify the ethical corporate management terms in the contracts it enters into with them to require thorough ethical conducts from the dealing parties. Any violation, the signed contract can be terminated or cancelled immediately.

(II) The Company’s Sustainable Development Committee has established the “Corporate Governance Team” composed of ESG-related business units within the Company, responsible for the management of ethical corporate management. The team achieves the policies, plans and goals formulated by the Sustainable Development Committee, and regularly reports the implementation status to the Sustainable Development Committee. The responsibilities of the teams are as follows:
(1) President’s Office: Responsible for the amendment, interpretation and consultation services of the relevant procedures for ethical management.</td><td>No significant difference</td></tr>
</table>

Assessment Item	Operation Status (Note 1)			Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/ TPEX Listed Companies
	Yes	No	Explanation	
			(2) Department heads: Pay attention to unreasonable expenditures on a regular basis as a good administrator. (3) Human resources: Responsible for the promotion of the Company's ethical policy and training. (4) Audit Office: Responsible for auditing the compliance with the system, and preparing an audit report and submitting it to the Board of Directors. The implementation of ethical management in 2024 has been reported to the Sustainable Development Committee on November 6, 2024 for review and reported to the Board of Directors.	
(III) Does the Company have a prevention policy dealing with conflict of interest and provide appropriate channels for the specific explanation, with full execution?	V		(III) Policies for preventing conflict of interest are clearly stipulated in "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Conducts". To avoid compromising the Company's rights and interests for personal benefits, All reports shall be handled according to "Whistleblowing measure for unethical conducts and anti-ethical corporate management", when anti-integrity conducts are discovered. Those who are reported have rights and chances for explanation or appeal.	
(IV) Has the Company established an effective accounting system and internal control system for the implementation of ethical corporate management, and has	V		(IV) The Company has established effective accounting and internal control systems that are reviewed and modified periodically. There are designated personnel	

Assessment Item	Operation Status (Note 1)			Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/ TPEX Listed Companies
	Yes	No	Explanation	
the internal audit unit, based on the assessment results of the risk of unethical behavior, drawn up relevant audit plans to check the preventive status for unethical behavior accordingly or entrusted an independent auditor for the work? (V) Does the Company regularly conduct internal and external sessions for ethical corporate management?	 V		dedicated to auditing both systems to provide improvement comments, ensuring the efficacy of the design and implementation, and creating associated reports for the Audit Committee and the Board. In addition, the Company has commissioned Deloitte Taiwan to review and audit the financial statements regularly. (V) The Company has established “Code of Conducts” and “Ethical Corporate Management Best-Practice Principles” to reinforce the advocacy to the employee. Internal and external education and training of ethical management: The Company held internal and external training related to ethical management in 2024 (including courses on ethical management compliance, safety and health management and inspection, accounting system and internal control) totaling 183 person-times, for a total of 597 person-hours.	
III. The operation of the Company’s whistle-blowing system (I) Has the company established specific whistleblowing and reward procedures, set up conveniently accessible whistleblowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?	 V		 (I) As described under “Whistleblowing measure for unethical conducts and anti-ethical corporate management,” reporting for illegal or unethical conducting is highly encouraged. To demonstrate the commitment from the Company, there are reporting channels available in both internal and external networks with dedicated personnel from the HR Department and the Audit Office taking care of reporting from the	No significant difference

<table>
<tr><th rowspan="2">Assessment Item</th><th colspan="3">Operation Status (Note 1)</th><th rowspan="2">Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/ TPEX Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td>

(II) Has the Company established the standard operating procedures for investigation of accused matters, followed-up measures after investigation and the relevant confidentiality mechanism?

(III) Does the Company take measures to protect the whistleblower from improper treatment due to the reporting?</td><td>V
V</td><td></td><td>employees and external interest parties.

(II) As described under “Whistleblowing measure for unethical conducts and anti-ethical corporate management”, confidentiality of whistleblower identity and details of the reporting is highly protected, with description on investigation procedures and follow-up measures afterward.

(III) As described under “Whistleblowing measure for unethical conducts and anti-ethical corporate management”, whistleblowers are protected and will not receive undue treatments due to reporting.</td><td></td></tr>
<tr><td>IV. Enhancing Information Disclosure
Does the Company disclose the details and advocacy effects of its ethical corporate management best-practice principles on its website and the MOPS?</td><td>V</td><td></td><td>The Company has established the “Ethical Corporate Management Best-Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct”. The implementation of ethical management was reported the Board of Directors on November 6, 2024, and related policies and practices have been disclosed on the Company’s website, annual report, and sustainable report.</td><td>No significant difference</td></tr>
<tr><td colspan="5">V. If the Company has its own ethical corporate management best-practice principles in accordance with the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”, please state the implementation status and the difference: No significant difference.</td></tr>
<tr><td colspan="5">VI. Other important information helpful to understand the Company’s ethical corporate management operation:
1. The Company complies with Company Act, Securities and Exchange Act, and all regulation applied to TWSE/TPEX listed companies.
2. To prevent conflicts of interest and provide appropriate channels of expression, the Company has established the “Ethical Corporate Management Best-Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct”, “Code of Conducts”, “Whistleblowing Measure for Unethical Conducts and Anti-ethical Corporate Management”, and “Procedures for Handling Material Inside Information”. These have been approved by the Board of Directors and announced on the Company’s intranet and external website. The Company is committed to</td></tr>
</table>

Assessment Item	Operation Status (Note 1)			Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/ TPEX Listed Companies
	Yes	No	Explanation	
specifying the matters that the personnel, including directors, managers, employees or persons with substantial control should pay attention, in the course of conducting business. 3. The Company arranges for directors and managers to participate in corporate governance courses in a timely manner, and to convey the importance of ethical conduct. By doing this, the Company is able to improve the effectiveness of corporate governance and implement ethical management. 4. 2024Implementation status (1) The Sustainable Development Committee was established to oversee corporate governance affairs. (2) We paid attention to changes in laws and regulations, and continued to promote “insider trading prevention”, “Procedures for Ethical Management and Guidelines for Conduct”, “Code of Conducts”, and “Ethical Corporate Management Best-Practice Principles” among directors, managers, and employees. (3) The Audit Office continued to investigate the internal and external whistleblowing mailboxes and investigated the unethical or immoral cases in accordance with relevant regulations. (4) Incorporated the ethical corporate management policy into the business contract and supplier handbook, and informed stakeholders (5) “Employee Agreement” signing: All employees and new recruits signed the agreement, and ethical management, prohibition of bribery were promoted. (6) Up to now, no cases of unethical or immoral cases were received by any designated unit.				

Note 1: Operation status, whether “Yes” or “No” is checked, shall be described in the summary description fields.

(VIII) Other important information to improve the understanding of the operation of corporate governance:

The management team makes quarterly business reporting to the Board to assist in decision-making for major operation issues.

(IX) Disclosure for the implementation of internal control system:

1. Statement of Internal Control: as shown on the following page
2. The audit report from the external report shall be presented if the audit of internal control system is conducted by an CPA: Not applicable.

TSANG YOW INDUSTRIAL CO., LTD.
Statement of Internal Control System

Date: February 24, 2025

Based on the results of self-assessment of the Company's internal control system in 2024, the Company hereby states the following:

I. The Company acknowledges that it is the responsibility of the Board of Directors and the managers of the Company to establish, implement and maintain the internal control system, which has already been established by the Company.Its purpose is to provide reasonable assurance in achieving the objectives of operation effectiveness and efficiency (including profitability, performance and asset safety), in order to assure reliability, timeliness and transparency of reports, and compliance with relevant norms and regulations.

II. The internal control system has its inherent limitations. However, no matter how well designed, an effective internal control system can only provide reasonable assurance for the achievement of the above three objectives. Moreover, due to the change of environment and situation, the effectiveness of internal control system may change accordingly.However, the Company's internal control system has a self-monitoring mechanism. Once a shortcoming is identified, the Company will immediately take corrective action.

III. The Company judges the effectiveness of the design and implementation of the internal control system in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the Regulations).The judgment items of the internal control system adopted in the "Regulations" are the process of management control, and the internal control system is divided into the following five components: 1. control environment, 2. risk assessment, 3. control operation, 4. information and communication, and 5. supervision operation.Each component includes several items.Please refer to the "Regulations" for these items.

IV. The Company has adopted the aforesaid internal control system judgment items to assess the effectiveness of the design and implementation of the internal control system.

V. Based on the assessment results, it is believed that the Company's internal control system (including the supervision and management of subsidiaries) as of December 31, 2024, including the understanding of the operation effectiveness and the extent to which the efficiency objectives have been achieved, the reliability, timeliness, transparency of the report, and the design and implementation of the internal control system on the compliance with relevant norms, laws and regulations are effective and can reasonably assure the achievement of the objectives above.

VI. This Statement will be the main content of the Company's annual report and prospectus, and will be made public.If the above-mentioned contents are false or concealing, the legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act shall be involved.

VII. This Statement has been approved by the Board of Directors' meeting of the Company on February 24, 2025. None of the nine directors present had dissenting opinions, and all agreed with the contents of this Statement.

TSANG YOW INDUSTRIAL CO., LTD.

Chairman: Signature/seal

President: Signature/seal

(X) Important resolutions of the shareholders' meetings and the Board of Directors' meetings in the most recent year and up to the date of publication of the annual report:

I. Important resolutions of the shareholders' meetings in the most recent year and up to the date of publication of the annual report:

Annual General Meeting date: May 24, 2024

1. Ratified the Company's **2023** business report and financial statements.
   Implementation status: Resolution made.
2. Ratified the Company's **2023** earnings distribution table.
   Implementation status: The basis date for dividend distribution was set on June 2, 2024, and cash dividends and remuneration to employees and directors were paid on June 19, 2024. (Cash dividend of TWD **1.34** per share)
3. Discussion of election of the 15th Board of Directors.
   List of elected directors: SU, CHI-TSE; SU, HSIN-CHENG; CHU, SAN-TU; SU, CHI-HU; CHU, CHEN-YI; and representative of Rich Pool Investment Co., Ltd.: HSIEH, HSIN-SHU.
   List of elected independent directors: OU, CHIN-SHYH; CHEN, CHIH-CHANG; LIN, CHIU-HSIEN.
   Implementation status: The registration of the re-election of directors was approved by the Ministry of Economic Affairs on June 20, 2024.
4. Discussion of lifting the restriction of competition of the Company's newly elected directors and their representatives.
   Implementation status: As resolved.

II. Major resolutions of the Board of Directors in the most recent year and up to the date of publication of the annual report:

Meeting date: March 7, 2024

1. Passed 2023 Statement of Internal Control.
   Implementation status: The information disclosure has been filed.
2. Passed 2023 remuneration to directors and employees as reviewed by the Remuneration Committee.
3. Ratified the Company's 2023 Business Report and Financial Statements.
   Implementation status: The information disclosure has been filed.
4. Passed the 2023 earnings distribution.
5. Passed the change of the Company's internal auditing officer.
6. Passed the revisions to the Company's "Procedure for Board of Directors Meetings".
   Implementation status: Proceeded according to revised procedures.
7. Passed the amendment to the Company's "CS-002-A2 Audit Committee Charter".
   Implementation status: Proceeded according to revised procedures.
8. Passed the review from the Remuneration Committee about 2023 profit sharing to managers of the Company.
9. Passed the regular (once every year) review of independence of the external auditor.
10. Passed the appointment of the Company's CPAs and resolved their remuneration proposals and the list of pre-approved non-assurance services.
11. Passed the proposal to convene 2024 Annual General Meeting.
12. Passed matters related to shareholders' proposals at the 2024 Annual General Meeting.
13. Passed the full re-election of the Company's directors.
    Implementation status: Submitted to the 2024 Annual General Meeting for election.
14. Passed the nomination of candidates for the Company's 15th Board of Directors and independent directors.
    Implementation status: Submitted to the 2024 Annual General Meeting for election.

15. Passed the lifting of the restriction on new directors and their representatives from competing business.
    Implementation status: Submitted to the 2024 Annual General Meeting for discussion.
16. Passed the matters related to the nomination of candidates for directors (including independent directors) by shareholders at the 2024 Annual General Meeting.
    Implementation status: The information disclosure has been filed.

Meeting date: May 7, 2024

1. Ratified the consolidated financial statements for Q1 2024.
   Implementation status: The information disclosure has been filed.
2. Passed the record date for for the 2023 earnings distribution.
   Implementation status: The basis date for dividend distribution was set on June 2, 2024, and cash dividends and remuneration to employees and directors were paid on June 19, 2024. (Cash dividend of TWD 1.34 per share.)
   Passed formulation of the Company's "Rules for Financial and Business Matters Between the Company and its Related Parties".
   Passed amendment to the "Rules for Distribution of Remuneration to Directors" as reviewed by the Remuneration Committee.
5. Passed amendment to the "Rules for Distribution of Remuneration to Directors" as reviewed by the Remuneration Committee.
6. Passed the Company's application for bank credit line.

Meeting date: May 24, 2024:

1. Passed the election of the Company's 15th chairman.
   Implementation status: SU, CHI-TSE was elected as chairman, and the information disclosure filing and change of registration were completed.
2. Passed the appointment of the Company's 5th Audit Committee members.
3. Passed the appointment of the Company's 6th Remuneration Committee members.

Meeting date: August 7, 2024:

1. Ratified the consolidated financial statements for Q2 2024.
   Implementation status: The information disclosure has been filed.
2. Passed the establishment of the Sustainable Development Committee and formulation of the "Sustainable Development Committee Charter".
3. Passed the appointment of the Company's first term of the Sustainable Development Committee.

Meeting date: November 6, 2024:

1. Ratified the consolidated financial statements for Q3 2024.
   Implementation status: The information disclosure has been filed.
2. Ratified the 2025 business plan and budget.
3. Passed the 2025 internal audit plan.
   Implementation status: The information disclosure has been filed.
4. Passed the ratification of the Company's customs duty endorsement/guarantee renewal for TWD 500 thousand.
5. Passed the Company's transfer of the second buyback of shares to employees.
   Implementation status: November 22, 2024 was set as the base date for stock options, and the information disclosure has been filed.
6. Passed the Company's transfer of the second buyback of shares to employees' subscription and the number of shares.
   Implementation status: November 22, 2024 was set as the base date for stock options, and the information disclosure has been filed.
7. Passed transfer of the second buyback of shares to employees for the distribution of

managers' stock options as reviewed by the Company's Remuneration Committee. Implementation status: November 22, 2024 was set as the base date for stock options, and the information disclosure has been filed.

8. Passed the 2024 performance bonus proposal for the senior managers from the Remuneration Committee.
9. Passed the amendments to "Employee Profit Sharing Rules and Standards" from the Remuneration Committee.
10. Passed the Company's sustainable development policy, plan and strategy for the Sustainable Development Committee.
11. Passed the establishment of the Company's risk management policies and procedures, and the 2024 risk management implementation report.
12. Passed the amendment to the Company's "Corporate Governance Best Practice Principles".
13. Passed the amendment to the Company's internal control system in response to sustainable information management.
14. Passed the amendment to the Internal Audit Implementation Rules.
15. Passed the amendment to the Company's "Long-term and Short-term Investment Management Procedure" of the internal control document.
16. Passed the Company's application for bank credit line.
17. Passed the Company's long-term equity investment in Thailand.

Meeting date: February 24, 2025

1. Approved 2024 Statement of Internal Control.
   Implementation status: Filed for information disclosure.
2. Approved 2024 profit sharing to directors and employees by the Remuneration Committee
3. Recognized the 2024 business report and financial statements.
   Implementation status: Filed for information disclosure.
4. Approved of 2024 profit sharing proposal.
5. Approved the definition and scope of the Company's entry-level employees.
6. Revisions to Company's "Articles of Incorporation."
   Implementation status: Put forward in 2025 general shareholders' meeting.
7. Passed the revisions to the Company's "Procedure for Board of Directors Meetings."
   Implementation status: Proceeded according to revised procedures.
8. Passed the revision of the Company's "Audit Committee Charter."
   Implementation status: Proceeded according to revised procedures.
9. Approved the amendments to the Company's "Rules and Standards for the Board Performance Evaluation."
   Implementation status: Proceeded according to revised procedures.
10. Approved the review from the Remuneration Committee about 2024 profit sharing to managers of the Company.
11. Approved 2024 profit sharing to directors by the Remuneration Committee
12. Approved the regular (once every year) review of independence of the external auditor.
13. Passed the appointment of the Company's CPAs and resolved their remuneration proposals and the list of pre-approved non-assurance services.
14. Approved the proposal to convene 2025 Annual General Shareholders' Meeting.
15. Passed matters related to the acceptance of shareholders' proposals at the 2025 General Shareholders' Meeting.

(XI) **In the most recent year and up to the print date of the annual report, if the directors or supervisors have different opinions on the important resolutions passed by the board meeting with recorded or written statements in place, the main contents are**: None.

IV. Information on CPA professional fees:

Unit: TWD thousand

<table>
<tr><th>Accounting Firm</th><th>Name of CPA</th><th>Audit Period</th><th>Audit Fee</th><th>Audit Fee</th><th>Total</th><th>Remarks</th></tr>
<tr><td rowspan="2">Deloitte Taiwan</td><td>CHEN, XIU-WEN</td><td>Janaury 1, 2024 – December 31, 2024</td><td rowspan="2">2390</td><td rowspan="2">0</td><td rowspan="2">2390</td><td rowspan="2"></td></tr>
<tr><td>CHEN, CHEN-LI</td><td>Janaury 1, 2024 – December 31, 2024</td></tr>
</table>

Note: Audit period shall be listed separately when there is a change of CPAs or accounting firm. Reasons for changes shall be stated in the Remarks column, along with all fees paid. Service details shall be disclosed for non-audit fees paid.

(I) Changes of accounting firm and the audit fees paid for the year in which the change took place are lower than those paid for the year immediately preceding the change: None.

(II) Audit fees paid for the current year are lower than those paid for the immediately preceding year by 10% or more: The decrease of TWD 1,070 thousand, or 31%, was due to the disposal of a subsidiary at the end of 2023, resulting in the decrease of fees in 2024.

V. Information on replacement of CPAs:

(I) Information regarding the former CPAs

<table>
<tr><td>Date of replacement</td><td colspan="4">Approved by the Board of Directors on March 7, 2024</td></tr>
<tr><td>Reason for replacement and explanation</td><td colspan="4">In order to maintain the independence of the CPAs and to implement the internal rotation mechanism in the accounting firm, the Company's CPAs have been replaced from the former CPA CHIANG, JIA-LING and CPA WU,CHIU-YEN to CPA Hsiu-Wen Chen and CPA CHEN, CHEN-LI starting 2024.</td></tr>
<tr><td rowspan="3">Describe whether the Company terminated the engagement or if the CPAs terminated the engagement or did not accept it.</td><td colspan="2">Counter Party / Circumstances</td><td>CPA</td><td>The Company</td></tr>
<tr><td colspan="2">Terminated the engagement</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td colspan="2">No longer accepted (discontinued) the engagement</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td>If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons</td><td colspan="4">None</td></tr>
<tr><td rowspan="7">Disagreement with the Company?</td><td rowspan="5">Yes</td><td></td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial reports</td></tr>
<tr><td></td><td colspan="2">Audit scope or steps</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td></td><td colspan="2"></td></tr>
<tr><td>None</td><td colspan="3">✓</td></tr>
<tr><td colspan="4">Explanation</td></tr>
</table>

Other disclosures (Any matters required to be disclosed under sub-items d to g of Article 10.6.A)	None

(II) Regarding the succeeding CPA

Name of accounting firm	Deloitte Taiwan
Name of CPAs	CPAs Hsiu-Wen Chen and CHEN, CHEN-LI
Date of engagement	Approved by the Board of Directors on March 7, 2024
Consultation in designated accounting method or accounting principles and comments on possible opinions of the CPA on the financial audit prior to the appointment, and the result.	None
Written opinions of the successor accountant on the dissenting opinions of the former accountant	None

(III) The former accountant's reply to Article 10, paragraph 6, item 1 and item 2 of item 3 of this Standard: Not applicable.

VI. Whether or not the chairman, presidents or manager in charge of financial or accounting affairs of the Company has worked in the firm of the independent auditor or its affiliates in the past year: None.

VII. Shareholding transfer and equity pledge by directors, supervisors, managers and shareholders with a shareholding ratio of more than 10% in the most recent year and up to the printing date of the annual report:

(I) Changes in shareholdings of directors, supervisors, managers and major shareholders

Unit: share

Title (Note 1)	Name	2024		Current Year As of March 31	
		Shareholding (Shares) Increase (decrease)	Number of shares pledged Increase (decrease)	Shareholding (Shares) Increase (decrease)	Number of shares pledged Increase (decrease)
Chairman	SU, CHI-TSE (Remark 1)	0	0	0	0
Top Shareholder	Linesoon Investment Co., Ltd. Representative: SU, CHIN-CHU	0	0	0	0
Major shareholder	Golden Top Investment Co., Ltd.	0	0	0	0
Director	Rich Pool Investment Co., Ltd.	0	0	0	0
Corporate Representative:	Rich Pool Investment Co., Ltd. - HSIEH, HSIN-SHU	0	0	0	0
Director	SU, HSIN-CHENG	0	0	0	0

Title (Note 1)	Name	2024		Current Year As of March 31	
		Shareholding (Shares) Increase (decrease)	Number of shares pledged Increase (decrease)	Shareholding (Shares) Increase (decrease)	Number of shares pledged Increase (decrease)
Director	CHU, SAN-TU	0	0	0	0
Director/President	SU, CHI-HU(Remark 1)	982,000	0	144,000	0
Director/Vice President	CHU, CHEN-YI (Remark 1)	20,000	0	0	0
Independent Director	OU, CHIN-SHYH	0	0	0	0
Independent Director	CHEN, CHIH-CHANG	0	0	0	0
Independent Director	LIN, CHIU-HSIEN	0	0	0	0
Vice President	KUO,WEN-TANG (Remark 2)	15,000	0	0	0
Vice President	WANG, HU-CHO (Remark 3)	15,000	0	0	0
Assistant Vice President	CHIANG, SHU-CHEN (Remark 4)	0	0	0	0
Chief Accounting Officer and Finance Officer	CHEN, HUI-JUNG (Remark 5)	8,000	0	0	0
Corporate Governance Officer	CHENG, LI-CHUN	12,000	0	0	0

Note 1: Shareholders holding more than 10% of the Company shall be listed as top managers and listed separately.

Note 2: Where the counterparty in any transfer or pledge of shareholding is a related party, information regarding transfer or pledge shall be disclosed.

Remark 1: The term of office of the Company's directors expired on May 24, 2024, and the directors (including independent directors) were re-elected.

A: Director SU, CHI-TSE was elected as the Chairman.

B: Director: Rich Pool Investment Co., Ltd./Representative: SU, CHI-HU was relieved of duty on May 24, 2024.

C: Director: Golden Top Investment Co., Ltd./YANG, YEN-Ching was relieved of duty on May 24, 2024.

D: Director: SU, CHI-HU was newly elected on May 24, 2024.

E: Director: CHU, CHEN-YI was newly elected on May 24, 2024.

Remark 2: Kuo, Wen-Tang was Deputy General Manager of the Manufacturing Center and was transferred to the Research and Development Center to serve as Deputy General Manager of the Quality Assurance Division on February 26, 2025 due to organizational adjustment.

Remark 3: Previously the Vice President of the R&D Center, WANG, HU-CHO was reassigned as the Vice President of the QA Division and concurrently the R&D Center on July 1, 2024, due to organizational restructuring. Subsequently, on February 26, 2025, he was reassigned as the Vice President of the Production Center following another organizational restructuring.

Remark 4: Previously Assistant Vice President of the President's Office, CHIANG, SHU-CHEN took unpaid leave on July 26, 2023 and her status of insider was removed on October 24, 2024.

Remark 5: Previously Assistant Manager of the Finance Department and Chief Accounting Officer, CHEN, HUI-JUNG was promoted as Manager of Finance Department and Accounting Officer on July 8, 2024.

(II) Shareholding transfer or pledge: Not applicable.

VIII. Top-10 shareholders who are a spouse or a second-degree relatives to each other:

Related Party Relationship among top-10 Shareholders

March 29, 2025 Unit: share

Name (Note 1)	By the Shareholder Current Shareholding		Spouse and Minor Shareholding		Shareholding in Other's Names		Related Shareholders (Spouses or Second-Degree Relatives) (Note 3)		Remarks
	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Title (or Name)	Relationship	
Linesoon Investment Co., Ltd.	19955314	19.36%	0	0%	0	0%	Not applicable	Not applicable	
Representative: SU, CHIN-CHIH	1467000	1.42%	0	0%	0	0%	Rich Pool Investment Co., Ltd. Representative: SU, CHI-TSE	First- degree relative	
							SU,CHI-WEN		
							SU, CHI-HU		
							Golden Top Investment Co., Ltd. Representative: SU, HSIN-CHENG	Second- degree relative	
Rich Pool Investment Co., Ltd.	7961779	7.72%	0	0%	0	0%	Not applicable	Not applicable	
Representative: SU, CHI-TSE	1781867	1.73%	0	0%	0	0%	Linesoon Investment Co., Ltd. Representative: SU, CHIN-CHU	First- degree relative	
							SU,CHI-WEN	Second- degree relative	
							SU, CHI-HU		
Golden Top Investment Co., Ltd.	7427058	7.20%	0	0%	0	0%	Not applicable	Not applicable	
Representative: SU, HSIN-CHENG	1717762	1.67%	0	0%	0	0%	SU, YU-CHIH	First- degree relative	
							Linesoon Investment Co.,Ltd. Representative: SU, CHIN-CHU	Second- degree relative	
SU, CHI-TSE	1781867	1.73%	0	0%	0	0%	Linesoon Investment Co.,Ltd. Representative: SU, CHIN-CHIH	first - degree relative	
							SU,CHI-WEN	Second- degree relative	
							SU, CHI-HU		
SU, YU-CHIH	1774990	1.72%	0	0%	0	0%	Golden Top Investment Co., Ltd. Representative: SU, HSIN-CHENG	First- degree relative	
SU, CHI-HU	1,773,000	1.72%	1,513,491	1.47%	0	0%	Linesoon Investment Co., Ltd. Representative: SU, CHIN-CHU	first-degree relative	
							SU, CHI-TSE	Second-degree relative	
							SU, CHI-WEN		
SU,CHI-WEN	1734227	1.68%	0	0%	0	0%	Linesoon Investment Co., Ltd. Representative: SU, CHIN-CHU	First- degree relative	
							SU, CHI-TSE	Second- degree relative	
							SU, CHI-HU		

Name (Note 1)	By the Shareholder Current Shareholding		Spouse and Minor Shareholding		Shareholding in Other's Names		Related Shareholders (Spouses or Second-Degree Relatives) (Note 3)		Remarks
	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Title (or Name)	Relationship	
SU, HSIN-CHENG	1717762	1.67%	0	0%	0	0%	SU, YU-CHIH	First- degree relative	
							Linesoon Investment Co., Ltd. Representative: SU, CHIN-CHU	Second-degree relative	
SU, CHIH-CHUNG	1627500	1.58%	0	0%	0	0%	None	None	
SU, CHIH-CHENG	1607686	1.56%	0	0%	0	0%	None	None	

Note1: All top-10 shareholders shall be listed. Names of legal persons and their representatives shall be disclosed to corporate shareholders.

Note 2: The calculation of shareholding ratio refers to the calculation of shareholding ratio in the name of oneself, spouse and minor children or in the name of others.

Note 3: If the shareholders listed above include legal persons and natural persons, disclosure their relationships shall be in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

IX. Shareholdings in the same investee held by the Company, its directors, supervisors, managers and the Company's directly and indirectly controlled entities, and the consolidated shareholding ratio:

Combined shareholdings Unit: thousand shares ;%

Investee Enterprises (Note 1)	By the Company		By directors, supervisors, managers and the directly and indirectly controlled entities		Total Investment	
	Number of shares	Shareholding Ratio %	Number of shares	Shareholding Ratio %	Number of shares	Shareholding Ratio %
YORU Tech SDN. BHD. (Note 2)	0	55.00	0	0	0	55.00
YORU Tech SDN. BHD. (Note 3)	0	55.00	0	0	0	55.00
YOWIN Tech SDN. BHD. (Note 4)	0	100.00	0	0	0	100.00
Apex Fortune Co.,Ltd. ((Note 5)	0	20.00	0	0	0	20.00

Note 1: The investment was accounted for by using the equity method.

Note 2: The subsidiary (Malaysia) with a 55% shareholding joint venture with RonJye Enterprise Co., Ltd. in 2023, and the capital increase has not been completed.

Note 3: The subsidiary (Singapore) with a 55% shareholding joint venture with RonJye Enterprise Co., Ltd. in 2024, and the capital increase has not been completed.

Note 4: A 100%-owned subsidiary in Malaysia, established in 2024, is wholly owned by the Company and has not yet completed the capital increase.

Note 5: Reinvested 20% of the equity of Apex Fortune in 2024, and the capital increase has not been completed.

Three. Fundraising

I. Capital and shares

(I) Source of share capital

1. Source of capital Unit: shares; TWD thousand

Month and Year	Issue Price (TWD)	Approved Share Capital		Paid-in Capital		Remarks		
		No. of Shares	Amount	No. of Shares	Amount	Share capital Source	Share Capital paid in Assets Other Than Cash	Other
January 1985	1000	5000	5000	5000	5000	Incorporation	None	
November 1996	1000	10000	10000	10000	10000	New cash capital: $5,000 thousand	None	
December 1997	1000	20000	20000	20000	20000	New cash capital: $10,000 thousand	Note 1	
September 1999	10	10000000	100000	5966000	59660	New cash capital $5,000 thousand Earning conversion $34,660 thousand	Note 2	
September 2000	15	20,000,000	200000	15946500	159465	New cash capital $40,145 thousand Earning conversion $59,660 thousand	Note 3	
August 2001	10	20,000,000	200000	18338475	183384	Earning conversion: $23,920 thousand	Note 4	
June 2002	10	35000000	350000	23840017	238400	Earning conversion: $55,015 thousand	Note 5	
December 2002	10	35000000	350000	25840017	258400	New cash capital $20,000 thousand	Note 6	
April 2003	10	35000000	350000	30840017	308400	New cash capital $50,000 thousand	Note 7	
June 2003	10	61,000,000	610,000	38550021	385500	Earning conversion: $77,100 thousand	Note 8	
December 2003	10	61,000,000	610,000	40050021	400500	New cash capital $15,000 thousand	Note 9	
September 2004	10	61,000,000	610,000	48060024	480600	New cash capital $56,070 thousand Capital surplus conversion $24,030 thousand	Note 10	
July 2005	10	67000000	670000	52866026	528660	New cash capital $24,030 thousand Capital surplus conversion $24,030 thousand	Note 11	
February 2006	17	67000000	670000	62866026	628660	New cash capital $100,000 thousand	Note 12	
July 2006	10	150000000	1500000	62866026	628660	Change of the approved capital	Note 13	
May 2007	10	150000000	1500000	63009126	630091	Employee stock warrant exercise: $1,431 thousand	Note 14	
August 2007	10	150000000	1500000	63166626	631666	Employee stock warrant exercise: $1,575 thousand	Note 15	
November 2007	10	150000000	1500000	64049626	640496	Employee stock warrant exercise: $8,830 thousand	Note 16	
March 2008	10	150000000	1500000	64080626	640806	Employee stock warrant exercise: $310 thousand	Note 17	
April 2008	10	150000000	1500000	64113126	641131	Employee stock warrant exercise: $325 thousand	Note 18	
August 2008	10	150000000	1500000	64124126	641241	Employee stock warrant exercise: $110 thousand	Note 19	
September 2008	20	150000000	1500000	74124126	741241	New cash capital $100,000 thousand	Note 20	
October 2008	10	150000000	1500000	74134126	741341	Employee stock warrant exercise: $100 thousand	Note 21	
December 2008	10	150000000	1500000	81631559	816315	Capital surplus conversion $74,974 thousand	Note 22	
December 2009	10	150000000	1500000	91631559	916315	New cash capital $100,000 thousand	Note 23	
May 2014	10	150000000	1500000	103086559	1030866	New cash capital $114,550 thousand	Note 24	

Note: 1. All capital information shall be updated till the most recent year and up to the date of printing of the annual report
2. New capital increase shall include the approval document with the issuing date and number.
3. Any shares offered below par value shall be specially marked.

4. Shares issued out of monetary bonds or technology shall be explained with types of assets used and associated amounts.
5. Any shares offered through private placement shall be specially marked.

Note 1: December 27, 1997, Ba-Liu-Jian-Er-Geng-Zi No. 286345
Note 2: October 6, 1999, Jing-(88)-Zhong-Zi No. 88691841
Note 3: November 1, 2000, Jing-(089)-Shang-Zi No. 089140552
Note 4: September 6, 2001, Jing-(90)-Shang-Zi No. 09001359810
Note 5: July 10, 2002, Jing-Shou-Shzng-Zi No.09101262350
Note 6: January 8, 2003, Jing-Shou-Shzng-Zi No.09101526690
Note 7: May 26, 2003, Jing-Shou-Shzng-Zi No.09201155510
Note 8: June 27, 2003, Jing-Shou-Shzng-Zi No.09232280950
Note 9: December 30, 2003, Jing-Shou-Shzng-Zi No.09233205610
Note 10: September 7, 2004, Jing-Shou-Shzng-Zi No.09332676040
Note 11: July 5, 2005, Jing-Shou-Shzng-Zi No.09401183230
Note 12: February 13, 2006, Jing-Shou-Shzng-Zi No.09501025020
Note 13: February 13, 2007, Jing-Shou-Shzng-Zi No.09501136190
Note 14: May 22, 2007, Jing-Shou-Shzng-Zi No.09601110340
Note 15: August 21, 2007, Jing-Shou-Shzng-Zi No.09601201690
Note 16: November 26, 2007, Jing-Shou-Shzng-Zi No.09601289130
Note 17: March 10, 2008, Jing-Shou-Shzng-Zi No.09701058480
Note 18: April 17, 2008, Jing-Shou-Shzng-Zi No.09701089780
Note 19: August 28, 2008, Jing-Shou-Shzng-Zi No.09701216750
Note 20: September 17, 2008, Jing-Shou-Shzng-Zi No.09701239110
Note 21: October 20, 2008, Jing-Shou-Shzng-Zi No.09701266910
Note 22: December 5, 2008, Jing-Shou-Shzng-Zi No.09701305380
Note 23: December 15, 2009, Jing-Shou-Shzng-Zi No.09801285670
Note 24: May 23, 2014, Jing-Shou-Shzng-Zi No.10301093860

2. Share Types

March 29, 2025 Unit: shares

Shares / Type	Approved share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Nominal Common shares	103,086,559	46,913,441	150,000,000	Include 4,000,000 shares from employee stock warrant

Note: Whether the shares are TWSE/TPEx listed or TWSE/TPEx listing restricted shall be noted.

3. Shelf registration statement: None

(II) List of major shareholders:

List of major shareholders

March 29, 2025

Shares / Name of major shareholders	Shareholding (shares)	Shareholding
Linesoon Investment Co., Ltd.	19,955,314	19.36%
Rich Pool Investment Co., Ltd.	7,961,779	7.72%
Golden Top Investment Co., Ltd.	7,427,058	7.20%
SU, CHI-TSE	1,781,867	1.73%
SU, YU-CHIH	1,774,990	1.72%
SU, CHI-HU	1,773,000	1.72%
SU, CHI-WEN	1,734,227	1.68%
SU, HSIN-CHENG	1,717,762	1.67%
SU, CHIH-CHUNG	1,627,500	1.58%
SU, CHIH-CHENG	1,607,686	1.56%

(III) Dividend policy and implementation status:

1. Dividend policy under the Article of Incorporation,
   Profit appropriation will follow the order below if there is a surplus in the Company's annual final accounts:
   (1) paying tax;
   (2) making up for the loss accumulated;
   (3) setting aside 10% as the legal reserve;
   (4) appropriating or reversing special reserve based on regulations or operation needs.
   (5) If there is a balance remaining, the balance plus the undistributed earnings is the distributable earnings, from which the Board of Directors shall propose dividend distribution and submit to the shareholders' meeting for approval. 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.

   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.

   In addition, while not stipulating in the Article of Incorporation, the Board of Directors is to distribute a cash dividend no less than 40% of the net income in each year for the next three years, after considering the needs of financial structure and operation expansion.
2. Proposed Dividends Distribution in the Shareholders' Meeting:
   The proposal to distribute the Company's 2024 earnings has been resolved by the Board of Directors on February 24, 2025. Cash dividends of TWD 1.2 per share were proposed to be distributed to shareholders, for a total of TWD 123,703,871.However, the 2024 earnings distribution proposal has not been submitted to the shareholders' meeting.

(IV) **Impacts to the Company's operation from stock dividends proposed by the shareholders' meeting**: None.

(V) Remuneration to employees, directors and supervisors:

1. Remuneration percentage and scope, from articles of incorporation, for employees, directors, and supervisors:
   * If the Company makes a profit in the year , it shall allocate no less than 3% as employee remuneration, which shall be distributed in shares or cash by resolution of the board of directors, and the recipients of the payment include the employees of the subordinate companies who meet certain conditions; the Company may The Board of Directors shall resolve to set aside no more than 5% of the profit as directors' remuneration.

   Distribution of remuneration to employees and directors shall be reported in the shareholders' meeting.

   When there's still accumulated loss, a provision for making it up shall be set aside, then the distribution can be made based on the percentages above.
2. The basis for estimating the amount of employees' remuneration ad remuneration to directors and for calculating the number of shares to be distributed as employees' remuneration , and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:
   (1) After considering earning level and industry standard, based on the percentage described in the Article of Incorporation, the Company makes distribution when there are annual earnings generated. The distribution proposal will be reviewed by the Remuneration Committee and sent to the Board of Directors for resolution and to the shareholders' meeting for reporting.
   (2) The annual distribution to employees and directors are recognized as a current expense and liability based on "Accounting Treatment of Employee Bonuses and Remuneration

to Directors and Supervisors", Letter (96) Ji-Mi-Zi No.52 from Accounting Research and Development Foundation. If the amount of change is insignificant by the standards, it can be treated as changes in accounting estimates and classified as profit or loss of the next year.

3. Distribution approved by the Board of Directors:
   (1) Cash or stock distribution allocated to employees' remuneration and directors' and supervisors' remuneration:
   On February 24, 2025, the Board of Directors resolved to distribute TWD 4,492,837 as remuneration to directors and TWD 8,985,673 and as remuneration to employees in cash. This was approved by the Remuneration Committee on February 24, 2025, and is yet to be reported to the shareholders' meeting.
   (2) The amount of any employees' remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the net profit stated in in the financial statements for the current period and total employees' remuneration : All employee remuneration will be paid in cash; therefore, the calculation is not applicable.
4. The actual distribution to employees and directors and supervisors for the preceding year:
   In 2024, the Company distributed TWD 7,406,041 as remuneration to directors for 2023 and TWD 14,812,083 as remuneration to employees for 2023. The remuneration was distributed in cash and was not different from the amount of expenses recognized in 2023.

(VI) Buyback of the Company's shares by the Company:

Buyback by the Company during the recent year up to the printing date of the annual report is as follows:

(1) Buyback of the Company's shares by the Company (executed)

April 11, 2025

Buyback	First Buyback	Second Buyback
Purpose of the Buyback	Shares transferred to employees	Shares transferred to employees
Buyback Period	November 26, 2018 – January 3, 2019	May 13, 2020 – June 19, 2020
Price Range	TWD12.53–TWD29.39	TWD10.47–TWD21.92
Types and Amount Bought	Common shares: 554,000	Common shares: 740,000
Amount Paid	TWD10,711,878	TWD11,796,963
As a Percentage of Estimated Buyback (%)	55.40	74.00
Shares Annulled or Transferred	554,000 shares	740,000 shares
Accumulated Shares Held	0 shares	0 shares
Shares Held as a Percentage of Total Issuance (%)	0	0

II. **Status of corporate bonds**: None.

III. **Status of preferred shares:** None.

IV. **Status of global depository shares:** None.

V. **Status of employee stock options:** None.

VI. **Status of employee restricted stock:** None.

VII. **Status of New Share Issuance in Connection with Mergers and Acquisitions:** None.

VIII. Implementation of the Plan for Utilization of Funds:

(I) A description of the plans: For the period as of the quarter preceding the publication date of the annual report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits, the annual report shall provide a detailed description of the plan for each such public issue and private placement. Such descriptions shall include any and all changes to the plan, the source of funds and the manner of their utilization, the reason(s) for any changes to the plan, the benefits yielded by the funds before and after any change to the plan, the date on which the change to the plan was reported at a shareholders' meeting, and the date on which such information was uploaded to the information disclosure website specified by the FSC: None.

(II) Status of implementation: for funds usage under the plans referred to in the preceding subparagraph, the annual report shall (for the period as of the quarter preceding the date of publication of the annual report) analyze the status of implementation and compare actual benefits with expected benefits. Where implementation has failed to yield the expected progress or benefits, the annual report shall provide specific reasons for such failure, explain any effect it might have upon shareholders' equity, and outline the plan for correcting the situation: None.

Four. Operational Highlights

I. Business Content

(I) Business Scope

1. Core Business Items
   - Automatic transmission components for automobiles
   - Torque Converter for Automobiles
   - Manual Transmission Parts for Automobiles
   - Steering Parts for Automobiles
   - Engine Parts for Automobiles
   - Clutch Parts for Heavy-duty Trucks
   - Ship Transmission Parts
   - Drivetrain Parts for Industrial Machinery
   - Aircraft and Manufacturing of Its Parts
   - Bikes and Manufacturing of Their Parts
   - Motorbikes and Manufacturing of Their Parts
   - Other Transport Tools and Related Parts Making
   - Electronic Parts Making
   - Self-usage power generation equipment utilizing renewable energy industry
2. Business Mix

Unit: TWD thousand; %

Category	2023 Operating revenue	As % of Sales	2024 Operating revenue	As % of Sales
Automatic transmission components for automobiles	830,613	69.62	778,164	74.16
Clutch parts for heavy-duty trucks	132,088	11.07	95,304	9.08
Drivetrain parts for industrial machinery	61,509	5.16	21,163	2.02
New energy vehicle motor	39,548	3.31	2,456	0.23
Processing	318	0.03	72	0.01
Others	129,000	10.81	152,165	14.5
Total	1,193,076	100.00	1,049,324	100.00

3. Products Currently Offered by the Company

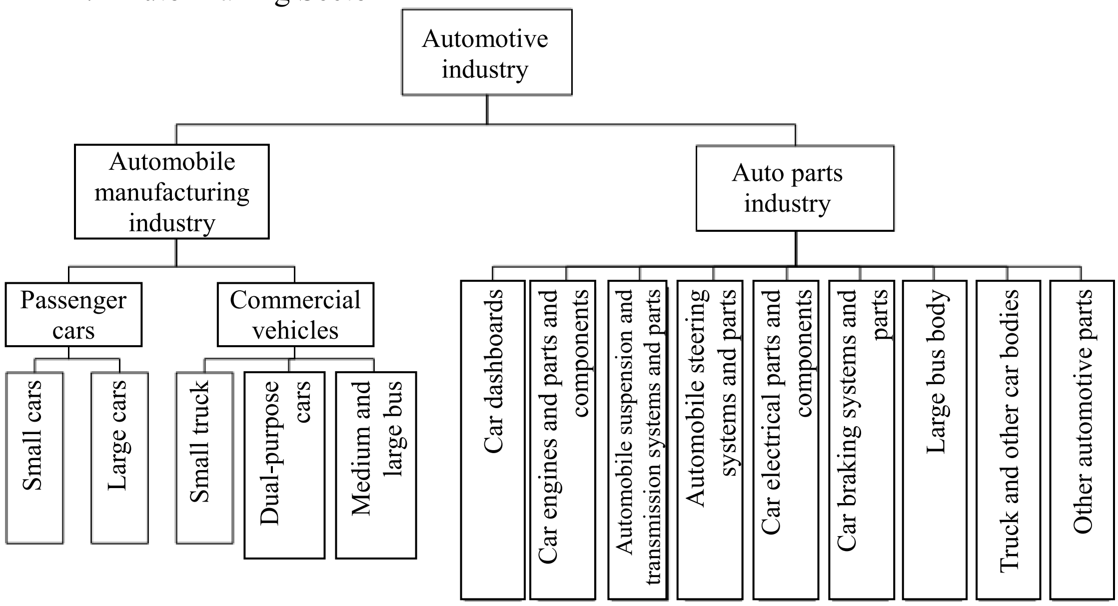
Key Products	Application/Function
Automobile	● Automatic transmission parts are mainly used in drivetrain devices and gear shifts in fuel vehicles ● Torque converter parts are mainly used in engine and liquid torque converter for fuel vehicles
Heavy-duty Truck	Mainly for clutch in heavy-duty trucks, oil pump system
Industrial Machinery	Transmission system modules for mining machinery, agricultural machinery, forklifts, and other equipment.
New energy vehicles	Mainly applied in the gearboxes of new energy vehicles and e-bike gearboxes.
Semiconductor sector	Semiconductor equipment components

Display sector	Display equipment components

4. New products planned for development
- 4 semi-conductor equipment parts
- 9 Bus transmission system
- 13 Mining mechanical parts
- 3 AM auto gear box parts
- 4 Agricultural machinery

(II) Industry overview

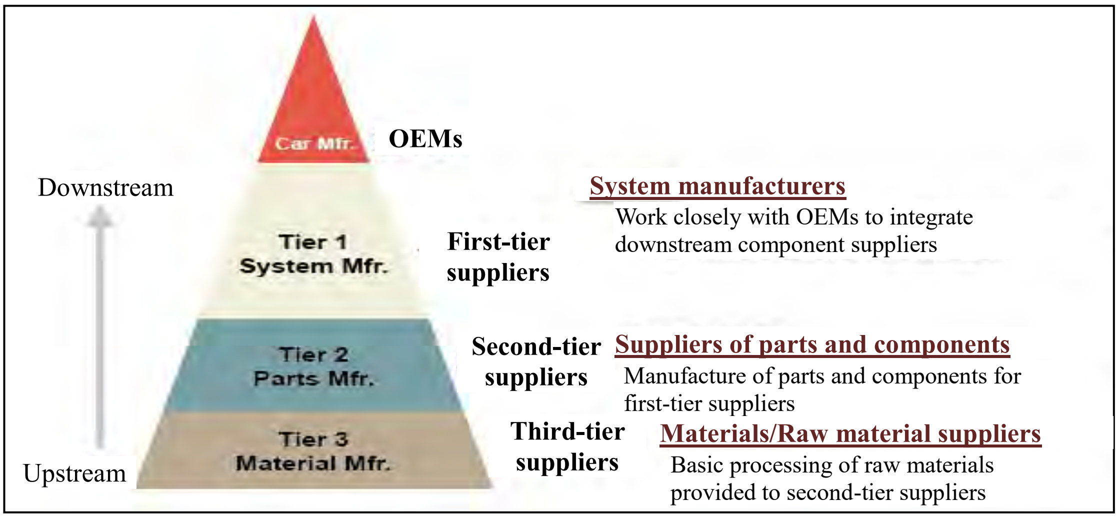
1. Auto Making Sector



Note: 1. The classification is based on industrial production statistics
2. Other automobile parts, including main frame, body stamping parts, bumper, exhaust pipe, casting parts, supplement restraint system, seatbelt, and several others.

Data source: IEK

The automotive industry is technology-intensive and capital-intensive. The industry is complex and huge, and it covers a wide range of peripheral industries. As the OEMs in the automobile manufacturing industry are at the core, OEMs mainly purchase directly from tier-one suppliers. The first-tier suppliers (system vendors) are responsible for system integration, and purchase components from the second-tier suppliers (component suppliers). The relationship between the upstream and downstream of the supply chain is stable and they work together to connect the information system. Therefore, the automotive industry is mostly closed and it is difficult for the automotive industry to easily penetrate into the supply chain.



Source: ESPEC CORP., Taiwan Trend Research

2. Industry overview and development
   (1) Auto Assembly and Manufacturing Sector:
   With the easing of the pandemic and the stabilization of the supply chain, the auto industry is gradually recovering from the shortage of chips, and the production of automobiles will be restored to normal, driving the recovery of the global auto market.
   Affected by economic growth slowdown, high interest rates, and geopolitical risks, global car sales from January to October 2024 totaled 72.89 million units, a slight 0.6% increase compared to the same period in 2023 according to MarkLines data. Based on the Automotive Research & Testing Center (ARTC) analysis, the changes in major national automotive markets during this period are illustrated in Figure 1 below. As a result of benefits of policies and supply chain shifts, different regions showed increases and decreases.

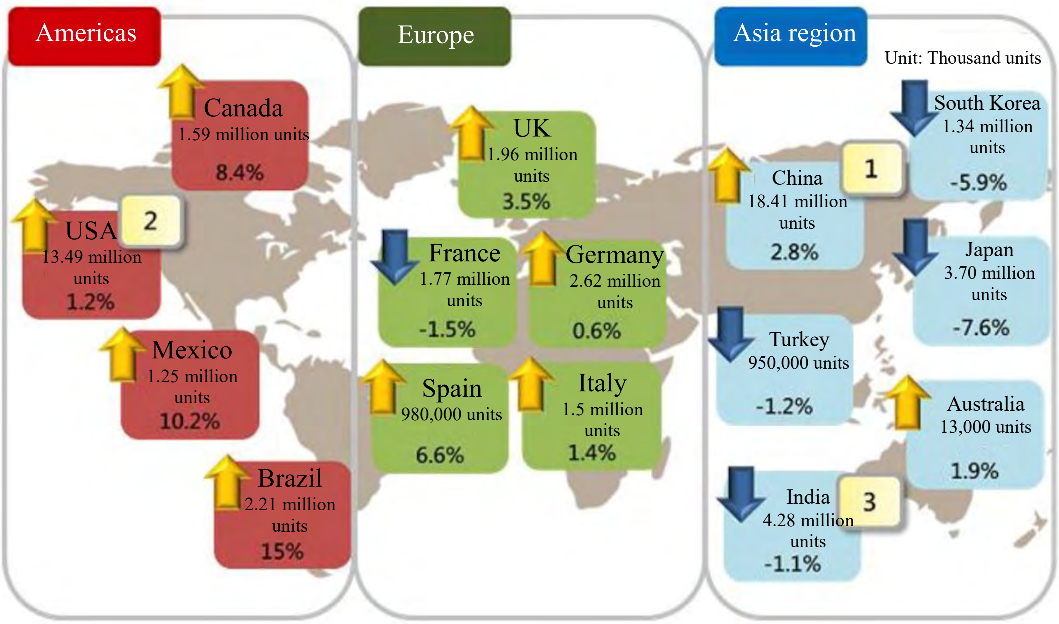


Fig. 1: The global sales and growth rate of the main auto markets from January to October 2024.
Source: CAAM, CPCA, MarkLines (as of December 9, 2024), ARTC.

China's own brands rise strongly, driving up the market share of electric vehicles.

From January to October 2024, the sales of the car market were won by China, with a total of 18.41 million units, a 2.8% growth compared to the same period of 2023. As China has been the leader in the Chinese carmaker market since 2009. Among the top ten carmakers, six of them are Chinese carmakers. This makes the competition between joint ventures in China more and more intense. In addition, according to CPCA, the cumulative number of electric vehicles (including BEVs and PHEVs) from January to October 2024 reached 9.75 million units, a 33.9% growth compared to the same period of 2023. In August 2024, China launched the second round of "Implementation Rules for the Subsidies for Replacement of Old Automobiles" to provide the public with a subsidy of up to RMB 20,000 for the purchase of EVs. The goal is to stimulate domestic consumption and activate the car market, which in turn drives the market share of electric vehicles to exceed 50%.

The United States and India remain firmly in second and third place, while the growth momentum of the automotive market is slowing down.

The runner-up in vehicle sales from January to October 2024 was taken by the United States, with a total of 13.49 million units, a1.2% growth compared to the same period of 2023. As the U.S. election came to an end, the car market faces uncertainty with respect to Trump's potential policies after taking office in 2025. He has announced plans to impose tariffs of up to 200% on imported vehicles from Mexico and reduce subsidies for EVs. As a result, some of the demand was released early. According to the survey institution, JD Power, the U.S. car market is expected to reach 1,650 million units in 2024.

In third place, India's January-October 2024 sales totaled 4.28 million units from January to October 2024, a 1.1% decline compared to the same period of 2023. The price in India increased due to the impact of the war, and the weak manufacturing industry. In the third quarter of 2024, the annual GDP growth rate declined to 5.4%, which is significantly lower than the official expectation of 7.2%, setting the lowest record in the past two years. As domestic economic growth slows, the momentum of the automotive market has also weakened.

To protect the market's fairness, EU slaps extra tariffs of up to 35.3% on Chinese EVs

Europe, which has recently drawn attention due to anti-subsidy tariffs, recorded total car sales of 14.42 million units from January to October 2024, a 1.6% increase compared to the same period in 2023. In terms of the top five European markets, the sales volume of Germany was 2.62 million units, a 0.6% growth compared to the same period of 2023. The sales volume of the UK was 1.96 million units, a 3.5% growth compared to the same period of 2023. The sales volume of France was 1.77 million units, a 1.5% decline compared to the same period of 2023. The sales volume of Italy was 1.5 million units, a 1.4% growth compared to the same period of 2023. The sales volume of Spain was 980,000 units, a 6.6% growth compared to the same period of 2023.

EU countries have been affected severely by the Chinese carmakers' subsidies due to the low-price EVs. This severely affects the market fairness and industrial development. For example, Volkswagen announced in October 2024 that it plans to close three factories in Germany. Ford announced in November 2024 that it will cut 14% of its European workforce. Considering the impact of the import of cars from China on the European Union's vehicle industry, the European Union formally imposed a certain percentage of tariffs (17% for BYD, 18.8% for Geely, and 35.3%

for SAIC) on Chinese carmakers at the end of October 2024, with a period of up to five years, in order to maintain a fair and competitive environment for the car market. Chinese car manufacturers, leveraging policy subsidies for low-priced models, are actively seeking export opportunities, catching attention of global players to take precautionary measures. In the U.S., after Trump's victory, the uncertainty of tariffs and subsidies has changed the global auto supply chain. India, too, is slowing down in economic growth. The domestic auto market is showing slight decline. The global auto market growth in 2024 has slowed down compared to that in 2023, and sales have stabilized. According to IEK, the global overall auto market will grow slightly by 1.3% in 2024. How to enter the market in a changing and fast international competition environment will be an important issue for all carmakers in the future.

In the electric vehicle market, DIGITIMES, a research institution, reported that the global electric vehicle sales reached 17.23 million units in 2024, with an annual growth rate of 25.5%, and the market penetration rate increased to 19.2%. Although the electric vehicle market in 2024 slowed down compared to that in 2023 (the annual growth rate was 34.3%), it was still higher than the overall car market, indicating that electric vehicles are still the core of the car industry's development.In 2024, the sales of electric vehicles in China exceeded 11 million units, with a market penetration rate of more than 45%. This is mainly due to the Chinese government's promotion of the tax exemption for the purchase of cars and replacing old cars with new cars. The Chinese market is also known for the launch of a variety of car models with better price competitiveness.In contrast, the European market declined by 2.1% per year, reflecting the negative impact of the European government's subsidy cuts on market demand. The U.S. market, on the other hand, was facing a slow growth trend with an annual increase of only 7.7%, mainly due to the lack of charging infrastructure and the high price of electric vehicles.

(2) Auto Parts Manufacturers Sector:

There are four major auto component distribution channels. They are:

1. OEM market (Original Equipment Manufacturing): Auto-branded parts made and shipped by others to the system service providers or vehicle assemblers. 2. ODM market (Original Design Manufacturing): Auto-branded parts designed, made and shipped by others for system service providers or vehicle assemblers. 3. AM market (After Market): Non-auto-branded parts used in after-sales services. 4. OES market (Original Equipment Service): Auto-branded parts used in after-sales services.

To cope with market needs, the global supply chain for auto component industry has formed the following trends:

- Scaling-up industry players: To compete, the industrial suppliers have been merging, acquiring or cooperating to increase economies of scale.
- Professional production: To shorten new car developments with quality (Q), cost and delivery (D) assurance, component makers can no longer just provide parts, based on designs, for assembly lines, but are required to involve deeper with the overall industry chain, starting from R&D, distribution and after service to increase the professional level.
- International production and operation: To follow the car assemblers' footsteps, component makers are crossing borders and expanding business scope. Some are to support car makers' overseas plants; others are to aim for new markets or low-cost advantage from local production. Therefore, a trend of international production and operation is forming.
- Complicating supplier relationship: In the past, component supplier and car assemblers had a rather strong and unbreakable relationship. Following the intensifying competition in auto market, brand owners have been not only

requesting price reduction each year, but replacing existing suppliers with new ones offering favorable price through the purchase platform.

Auto components made in Taiwan are mostly for export purposes. Parts makers are competitive globally for their small-volume and large-variety production and mostly ship to U.S.A.

During the pandemic, people drove considerably less and withheld big spending; therefore, new car sales dropped tremendously. However, needs from maintenance and repair remained solid during the period. In general, the demand for ODM and OEM parts came from new cars, while the demand for AM parts was from worn part impairments. Therefore, compared with new car sales, impacts from the pandemic on the AM market were relatively small. The continued decline in new car sales was, in fact, advantageous for the AM market in the short term.

According to the ITRI, as car ownership continues to increase in major countries such as Europe, the U.S., and Japan, as well as in emerging markets such as China, India, Mexico, and ASEAN countries, the demand for auto parts and components will grow after the pandemic. With the popularization of new energy vehicles, the global output value of automotive parts and components is expected to exceed US$400 billion by 2028, with a compound annual growth rate of 7.9%. Taiwan's automotive production value has grown to TWD295.8 billion and is expected to exceed TWD600 billion by 2025. Under the gradual transformation of the auto parts industry, Taiwanese manufacturers, with their advantages in punctuality, quality, and strong foundation and integration capabilities, are expected to benefit from the rise of electric vehicles.

Top-three trends for industrial revolution:

There will be three major development trends in the car components industry for the post-pandemic era, according to ITRI Industrial Economics and Knowledge Center:

First is changes to the value chain, which will reshape the supply chain. The long ruled principle of globalized supply chain is under the challenge. In the future, regionalization and localization of the supply chain will be the focus. Technology advancement will accelerate automatic and intellectual production and shift from labor-intensive to technology-intensive, and shorten the production chain.

Second is capacity preservation to meet markets with different volume needs. In the future, car component needs in developed countries will move toward customization and high added value, while for emerging countries, due to the growth of car ownership, large-scale and affordable components will be the market mainstream.

The third is driven by intelligence, and components are added value . Due to smartification, components will be more oriented toward added value. In the future, vehicles will be driven by "CASE," Connected, Autonomous, Shared&Service and Electrification to cope with the mobility revolution for the new generation.

From ITRI, the three issues circling the car component industry:

The first is the trend of energy saving and carbon reduction, which drives the development of electrified components . Key components include drive motors, drivers, power batteries, and charging station facilities.

The second is the industry moving toward the optimization of smart manufacturing to increase added value . For example, 3D printing can save the cost and time of mold manufacturing.

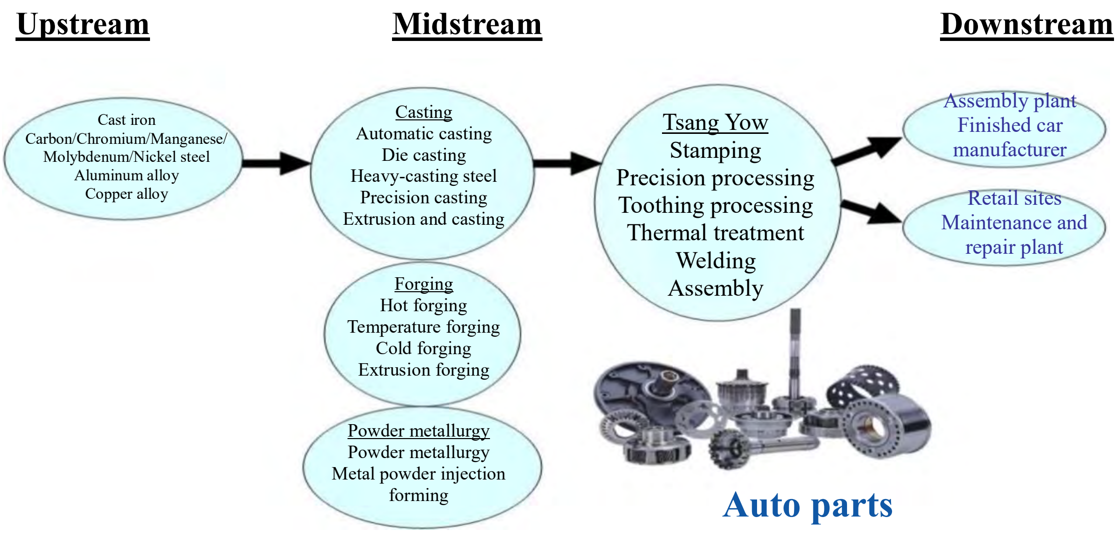
The third is penetrating niche market and expanding southbound for new opportunities. Taiwanese car components are mostly shipped to America and Europe. To diversify the market base and circumvent trade risks, it is recommended to tap into emerging economies, such as India and ASEAN counties.

(3) Changes of market and economy landscapes:

Driven by three major forces, global warming, carbon emission goals, and policy push, electric vehicles are one of the necessary strategies for car brands to meet the global trends in the future.

Despite the uncertainties brought by the potential return of U.S. President Trump, including possible tariff increases on multiple countries, the elimination of electric vehicle subsidies, or the resumption of trade wars, the automotive industry development in 2025 may be impacted. However, the research institution, S&P Global Mobility, remains optimistic about the global sales of light-duty vehicles (including passenger cars, SUVs and pickups) in 2025, with a year-on-year growth rate of 1.7%.This increase is primarily attributed to the continued improvement of supply chains, and the anticipated boost to consumption from entering a rate cut cycle.According to the forecasts of DIGITIMS and S&P Global Mobility, two of the survey agencies, the global sales of electric vehicles are expected to grow by 2–3% in 2025. The performance of the regional markets will be more obvious, and the pattern will be “High-speed growth in China, stable recovery in Europe, and slowed growth in the United States”.Mainland China will continue to dominate the global electric vehicle market, with market penetration expected to reach 54.6%. Meanwhile, the European electric vehicle market, facing strict EU carbon emission standards and competitive pressures from Chinese automakers, is accelerating its transition by focusing on economical electric vehicle models, which are expected to restore growth.The U.S. market may face the challenge of insufficient growth momentum, as the Trump policy will not be favorable to the development of electric vehicles.According to S&P Global Mobility, despite these unfavorable factors, electric vehicles will still be the “key to the growth of the global auto market”.Incentive programs in China, Asia and Europe will continue to support the development of electric vehicles in the short term.

3. Up-, Mid- and Downstream Supply Chain
   Tsang Yow mainly produces transmission parts, which involve materials from raw steel, aluminum ingot, and stainless steel; and processing procedures covering smelting, forging, casting, powder metallurgy, gear forming, precision stamping, machine processing, heat treatment, laser welding, assembling, functional testing, etc. Key gorging and casting suppliers include Jiashan Guande, Sunforging, CMS, Metal Power and others. Relations to up-, mid-, and downstream suppliers are as follows:



Data Source: Tsang Yow

4. Market Trend and Competitions

4.1 Car parts market and future technology trend

(1) Electrical vehicle and energy conservation technology

Under the trend of energy conservation and carbon reduction, the global sales volume of electric passenger vehicles is better than the overall car market. EVs have become one of the hottest topics in recent years and also become an indispensable strategy for all car makers. Driven by the advocate policies, it is estimated that by 2025, the number of small passenger cars equipped with electrified power systems worldwide will reach between 25 to 30 million. The number of new power vehicles, such as battery electric, plug-in hybrid, and others are expected to grow by an average of 34% by 2025. In the meantime, the number of cars using conventional internal combustion engines and engine power systems with idle stop/start technology will decrease visibly. To cope with the trend, several industry players are reorganizing product lines and corporate structures. The growth and expansion of electric power system-related manufacturers could also accelerate mergers and acquisitions among component suppliers and boost investments from non-traditional players, or force traditional suppliers to undergo strategic reengineering to stay profitable. Also, the operation suspension from Chinese suppliers during the pandemic has also pushed related industry players to make adjustments to diversify production risks. While responding to such short-term impacts, industry players might also accelerate their footsteps toward EVs.

To cope with the future mobility trend, an increasing number of traditional car makers are forming strategic alliances to speed up the existing R&D efforts or to upgrade production technology for current lineups in order to deal with the resources, such as funding and time, needed. Different from traditional auto industry, electric car making is similar to smart phone production, which requires production division based on specialization and creates additional opportunities for players in autotronics, information communication and car components. Therefore, players capable of integrating user experiences might become a critical competitive advantage in the future electric vehicle market. For the Internet of Things (IoT) and data analytics software used in EVs, logistics operators' decision-making capabilities will be greatly improved through the smartification of EVs. The global market value of smart fleet management is expected to reach US$537.53 billion in 2025.

(2) Various technologies for advanced driver assistance systems (ADAS) related to safety concerns are under the development

ADAS refers to vehicle onboard systems that link sensors and algorithms to provide drivers the necessary information during the ride. They assist, complement, or automate difficult or repetitive driving tasks, aiming to improve the safety and driving efficiency. ADAS includes: Automatic Emergency Braking System (AEB), Blind Spot Detection System (BDS, BSD, or BLIS), Adaptive Cruise Control (ACC), Parking Assistance System (PA, PAS), Lane Keeping System (LKS), Forward Collision Warning (FCW), Night Vision System (NV), and others.

There will be more product and technology developments focusing on preventive safety and collision safety from the automotive industry. From the angle of preventive safety, ADAS is seen, by the brand owners, the fundamental catalyst for developing self-driving car in the future. Only OEM carmakers with ADAS systems can be rewarded with five-star rating. For collision safety, the emphasis is placed on strengthening the structure of the vehicle, such as body structures that can ensure safety during collision and prevent the roof from damage in the event of a rollover.

(3) Develop lightweight automobiles for cost control and the regulatory targets in fuel economy

Lightweight automobiles are designs that, under the premise of strength and safety guarantee, cut down the weights of car parts as much as possible for power improvement, fuel saving and pollution reduction.

Based on the relevant data, weight of the car takes up about 70% of the fuel consumption. Every 10% reduction in car weight will lead to 3.3% cut in fuel and gas emission, while15% fuel saving for 15% weight reduction. For diesel cars, the fuel saving will be 3.9% and 5.9%, respectively. In the case of EVs, (including hybrid models), electricity saving even reached 6.3% and 9.5%, respectively for 10% and 15% weight cuts. As a result, lightweight vehicles are seen as an important path leading to energy saving and carbon reduction by the major industrial players.

Car making is a system engineering of complexity which commands the highest standards in collision safety, manipulation stability, riding comfort, fatigue endurance, environment protection and energy saving. While adopting new material, techniques and design for lightweight production, it is quite challenging for the current technologies to reach or surpass the existing features and functionalities. New material, better structure design and advanced production craftsmanship are the three crucial factors for lightweight automotive making and complementary to each other. Among those, new material application (such as high-strength steel, aluminum/magnesium/titanium alloys, and carbon fiber composite materials) shall affect car parts industry the greatest, which will bring numerous opportunities.

(4) The trend of module sharing among the component industry.

A. It has become a trend for OEM system manufacturer or Tier-1 component makers, using global platform as a basis, to adopt sharing modules. The greatest advantage lies on “cost reduction,” as it can increase purchase and production scale and reduce development cycles. The ultimate goal is creating a flexible production platform that allows competitive products and low cost for various car models.

B. There are two kinds of module sharing: Inherit sharing (among different generations from the same car model) and cross sharing (among different car models). If module sharing can be extended to new-energy vehicles (such as electric cars), the involvement levels from OEM system manufacturer or Tier-1 component makers shall vary greatly. And component suppliers will definitely occupy a larger portion visibly in key components for R&D and production stage. For OEM system manufacturers, they will pay more attention to core technology R&D, as well as selling and marketing.

C. However, module sharing creates various risks, including uneven accessibility to the materials, weakened flexibility for diverse needs and possible recalls incurred by defective quality due to mass-produced parts.

(5) The era of innovated vehicle-sharing model through the brand-new smart economy

Smart car services taking into account of both environmental protection and safety have become a recent focus of industry development. With the assistance of 5G, IOT and other vehicle networking features, real-time data analysis can help to create safety protection and achieve the purpose of performance improvement and cost reduction. According to the report from Deloitte, blockchain technology is an important key for building a smart life. Through linking the same standards, storing and sharing data from vehicle network, the real-time data sent to self-driving software will bring about the goal of safe and smart driving. (Lv4–Lv5) In addition, owing to the convenience and timeliness brought by the increase in urban population and prevalence of 5G and smart phone, it is expected that vehicle-sharing market will continue to grow. Moreover, real-time data sharing can also facilitate efficiency and safety when drivers picking up cars, checking for real-time available vehicles, and managing vehicle usages.

4.2 Global transmission market

(1) Continuous technology and efficiency improvements for automatic transmission

Technology developments in AT, CVT, and DCT all move towards reducing energy transmission loss for better efficiency.

A. Multi-gear AT, ranging from four to nine gears, even ten gear positions. Higher gear positions can mitigate shift impacts, cut down fuel consumption, and therefore, are widely seen in high-end car models. Through technology progress and scale of economy, multi-gear ATs will become more common, moving from luxury models to mid-to-high models.

B. Continuous stability improvement for DCT. DCT, with high transmission efficiency and low fuel consumption, has been picking up rapidly recently for its various advantages like fast gear shifting and favorable fuel economy. However, overheating and wear-tear maintenance remain problematic and require continuous improvement from the car maker and transmission suppliers.

C. Increase torque capacity for CVT CVT comes in smooth driving and fuel saving but fair torque capacity. It functions better in mid-to-compact cars and is applied widely in Japan. The future development lies in torque capacity improvement to broaden applications and increase penetration in mid-to-compact market. For the advantages stated above, CVT is quite fit for small family cars. With extending torque range, the applicability shall get broader, and it is expected to be widely used in mid-to-compact passenger cars in the future.

(2) All types of automatic transmission will continue to exist for the distinctive features

Observed through recent technology trends and application scopes, new multi-gear ATs have accounted for a greater market share with continuous expansion, due to higher requirements for performance and stability from high-end passenger car market. For mid-to-low end market, it has been divided by CVT, DCT, and AT due to balance between costs and performance weighted by vehicle assemblers. In terms of the number of brand adoption, AT remains the mainstream, especially in North America where it commands an absolute dominant position. DC has an edge in the European market and is picking up rapidly in China. For CVT, it is mostly used in Japanese brands and independent brands. In the general trend, each automatic gearbox has its distinctive advantages which shall form a co-existing market shared by all types.

(3) The rise of new energy vehicles will change the importance and development of gearboxes

A. Most of the current hybrid models are equipped with E-CVT continuously variable transmission, which does not have gears, but can indeed change driving speed. E-CVT is not to alter the engine speed, but to couple the power sources from the engine and the electric motor. Its physical and functional attributes are completely different from those of a conventional CVT. Fuel economy is the major appeal for this type of vehicles, not the performance results. It is the electric motor powering the car, and the engine is often used as a reserved power for battery charging. There is no need for a transmission that specializes in the relationship between speed and torque.

B. As for battery EVs, the electric motor is much simpler than the internal combustion engine of a conventional car. The input power variation (equal to the fuel supply of the internal combustion engine) can fully meet the speed control needs of a car without a clutch or transmission for coordinate. An electric car is capable of functioning normally without the presence of a gearbox. When there is a gearbox, the ratio of motor speed to car speed can be adjusted to allow better motor efficiency at a given speed. However, transmission design is currently eliminated by the electric vehicle manufacturers due to the lack of technology needed. In order to reach a similar power performance after the elimination, car makers add motor power and battery capacity of greater output, which have increased the cost and weight. It is estimated that the electric vehicle transmission can bring 5% energy saving at least. In the future, EVs will mainly adopt transmission gearboxes of two to three speeds to improve the cruising mileage. And the demand of high speed from high-power motors will help push the precision and strength of gears to increase significantly.

D. With the advancing sales growth each year, new energy vehicles are propelling the demand of high-precision gears for high-power motors. The number of gears needed for these vehicles is smaller than that for traditional vehicle gearboxes. The price of a single gear is, however, much higher than that of traditional ones, which enhances the value of the gearbox, instead. In light of comfort requirements and expanding share of new energy vehicles, the high-precision gear is with great prospect. However the R&D for the gear will demand more funding from system or component manufacturers, which will result in higher costs and affect profitability. Therefore, outsourcing to professional makers to concentrate on core technologies seems the only solution. Still, the pursuit of gear precision and strength will intensify competition in the industry and oust small gear players. Eventually the production capacity will gradually be consolidated and in the hands of leading gear makers that are able to operate globally.

(III) Technology and R&D overview:

1. R&D expenses paid during the most recent year up to the printing date of the annual report

Unit: TWD thousand

Item / Year	2024
R&D Expenses	45,688

2. Technologies or products developed during the recent year up to the printing date of the annual report

Year	R&D Results
2024	■ Products: ・ Successfully developed e-Truck Reversing Housing ・ Successfully developed the industrial mechanical Hydraulic System Pump Housing ・ Successfully developed E-bike Differential Assembly ・ Successfully developed E-bike Gear with rotor shaft ・ Successfully developed the EV Disc Drum COMPL.

Year	R&D Results
	• Successfully developed display device (O-LED) Ceiling Tube 1 (0023-14238) • Successfully developed the Torque Converter Impellers Hub • Successfully developed 10R80 TRAN CDF DRUM RECOVERY SLEEVE • Successfully developed display device PVD equipment components Plate ■ Technology: • Preliminary research on Spinning processing technology • Preliminary research on ultrasonic tool holder processing techniques for small-diameter holes and special materials • Preliminary research on the application of smart tool holders for production tool life • Preliminary research on vertical lathe machining techniques for stamped copper shell products Preliminary research on stainless steel shaft products processing technology
As of February 28, 2025	■ Products: • Successfully developed display device equipment components 3 POINT BALL SOCKET • Successfully developed display device CVD equipment components BRKT LEFT RPSC • Current developing 62TE torque converter Impeller Hub • Current developing 45RFE Pump Cover Plate • Current developing 4 EV transmission system: Planet Gear Assy Carrier • Current developing mining machine liquid pressure system PULL-BACK PLATE • Current developing semiconductor equipment components SHIELD, HEAT, Lower • Current developing semiconductor equipment components SHIELD, HEAT, Upper • Current developing semiconductor equipment TOP BELL-TUBE • Current developing semiconductor equipment components Bottom BELL-BODY • Current developing display device PVD equipment components • Current developing display device PVD equipment components Pin Head • Current developing display device CVD equipment components Cap Diff Mounting Screw ■ Technology: Create samples using Spinning machining technology and initiate mass production.

(IV) Short- and long-term development planning:

(1) AM Business

① Short-term development plans

A. Develop economy-of-scale production and logistic service to avail shipping warehouse of timely delivery to strengthen the capability of fast supply and real-time service.

B. Improve equipment and production efficiency and bring up R&D and technology capabilities to obtain competitive cores and circumvent price wars for greater profitability.

② Mid- and long-term development plans

A. Provide unique and various products and services, such as quality and price variances, based on business nature of customers, such as distributors, retailers and rebuilders. Apply flexible and real-time production to become one of the best suppliers in the global automobile industry.

B. Using core technologies and modularized molds from the Group to develop product categories of complex structures and high technology levels. Upgrade technologies and organization to international standards to complete and lead globally.

C. With the growth in the number of cars and EVs, we make good use of the rich reverse engineering capabilities and proactively develop automatic transmission parts and components or EV parts and components with high unit price and high demand. Adopt smart production that moves towards smartification, lightweight, modulization and electric, as the Group's critical edge.

D. Actively exploring new markets in the aerospace and semiconductor industries to reach the best craftsmanship and quality, and strategic thinking to revitalize the Group's development while moving toward a new era of globalization.

(2) OEM market

① Short-term development plans

A. Consolidate internal and external group resources to strengthen links between the current product lineup to the application markets for maximizing resource efficiency and achieving the economy of scale in order to compete internationally.

B. Continuous new account acquisition to push greater group sales. Such as: (a) Create stronger bonding with current customers to extend the relationships to their affiliates. (b) Penetrate into competitors of the current customers for greater development efficiencies and possibilities for combined-order production.

C. Establish warehousing service near customer locations to increase service value with timely shipments.

D. In response to the rise of the new energy vehicle market, we will increase the exposure of the Company's parts in EVs and gasoline-powered vehicles, and actively promote Tsang Yow technology to explore business opportunities in the new energy market.

② Mid- and long-term development plans

A. Co-work with customers according to their business nature, such as branded customers and system assemblers (Tier 1 or 2). Continue to cultivate talent pools specialized in OEM product developments and production planning to enhance customer trust and obtain co-development projects in early designing stages.

B. Grasp energy conservation product designs and lifecycles to grow the related technologies, in order to offer competitive products.

C. Phase in specialized equipment and develop function testing technologies to win orders of high-end products (such as: boutique component parts) for broader product range and higher competition bar.

(3) OES market

Leverage development experiences and accumulated technologies from AM to win orders from OES for greater sales volume.

II. Market, production and sales

(I) Market Analysis

1. Market analysis
   (1) Sales Region of Core Products

Unit: TWD thousand

Region \ Year		2023 Amount	2023 %	2024 Amount	2024 %
Domestic Sales		12,864	1.08	19,596	1.87
International Sales	America	804,990	67.47	628,630	59.91
	Europe	278,664	23.36	299,121	28.51
	Asia	96,558	8.09	101,977	9.71
Total		1,193,076	100.00	1,049,324	100.00

   (2) Market Share

Taiwan’s auto parts industry is export-oriented, with the foreign after-sales maintenance market as its main driver. Thanks to Taiwan’s excellent design and manufacturing capabilities, as well as its advantages in flexible, small-batch, and diversified production, the quality of Taiwanese auto parts has passed multiple international certifications, making the country highly competitive in the global market. Since 2013, its output value has exceeded that of the automotive manufacturing industry. The industry has maintained positive growth for three consecutive years from 2021 to 2023. In 2023, it reached a record high of TWD306 billion. However, in 2024, due to the sluggish global economy and varying inventory adjustment speeds among customers in Europe and the U.S., the annual production value is estimated to decline by 3.25% to approximately TWD294.6 billion.

The Company’s main products are transmission components related to automotive components, including key components such as gearboxes, torque converters, booster boxes, and steering systems. Among them, the sales of gearbox components accounts for the proportion of the overall revenue. More than 80% of the total transmission system products are products derived from gearboxes. Our production value accounts for 6.5% of the total suspension and transmission sector, a subcategory of auto component industry.

   (3) Future market supply & demand and growth

According to Wall Street Journal, all major industry players are striving building an extensive supplying chain to avoid the repeat of component shortages since the breakouts of pandemic, port congestion and Russia–Ukraine war. Global supply is under the process of reshaping. Auto makers previously heavily relying on China are looking for another new production base. Other than America and Europe’s building of semiconductor industries, all major car brands are leaving Chinese component suppliers and shifting orders, which might be a window of opportunities for Taiwanese component suppliers.

   (4) Competitive Niche

① Flexible production and completed After-Market product lines

The Company started mainly as a torque converter component producer. With years of R&D efforts in truck clutches and auto transmission gearboxes, the business model changed from processing service supplier in the early years to oil hydraulic pump finishing, which has high added value. Later, Planet, the first gearbox component set, was delivered successfully and followed by the development project for Chrysler and the cooperation with Metal Industries Research and Development Center for introducing electric wielding technology. Several development projects were rewarded from major car brands, including President for its electric vehicle transmission and 6-speed transmission after mover than 30 years of experience and technologies accumulated in the field of automatic transmission. The system is a key component part in automobile which requires precise molding procedure and electric welding technology through years of experience accumulation to meet the requirements, such as quality and high-precision pores, from the customers. Other than the mass production technologies and professional knowledge obtained through long-term customer projects from global satellite factories, the Company is holding the entire AM product lines in its hands to further enhance the economy-of-scale production by applying the mold fixtures and equipment With the reputation and strong image in auto transmission gearboxes, the Company has obtained further momentum for revenue and profitability growth.

② Ability to consolidate advantageous precision processing technologies to shorten development time of new products.

As a well-established component maker for gearboxes, the Company has been supplying to satellite plants (Tier1–Tier3) under major American and European car brands on a long-term basis. From early torque-converter components to current gearboxes and planetary gear sets, the Company has been growing along with the customers' expansion through its long, strong bonding relationship. The Company's end customers are domestic and foreign leading car manufacturers, including GM, FORD, Jaguar, Ferrari, Range Rover, Volkswagen, Stellantis, Volvo, Mazda, and so on. Mastering the core technology of key components for automatic transmissions, improving product functions through process design, and working with customers on collaborative development to provide products with higher competitive advantage than the original design quality and cost. This demonstrates the Company's important position in the automotive supply chain system. To leverage the high efficiency from the industry-cluster model, the Company has been long outsourcing production to its subcontractors after careful selection and evaluation for their production capabilities and technologies. Plus the molding know-how, together with our vendors, the Company is able to shorten the time needed for product developments and commercialization for the customers, which is also a vital competition edge.

③ Proven product quality through various certifications for further customer trust

Quality certifications received by the Company include ISO 09002 in 1999 and QS 9000 in 2000 and ISO/TS 16949 in 2004, both globally recognized quality management standard for the automotive industry. The latter one has successfully upgraded to IATF 16949 version in 2018. The Company even passed the AS9100D aerospace system certification in 2020. Starting from designs, development, production, quantity inspection and selling, each stage for bringing out a product, is regulated by related system and operation regulation to ensure customer assurance and actual orders. As transmission component parts play an important role for gearbox performance, determining driving comfort and operation, the quality requirement is rather stringent. As a result, quality accreditation is a key factor to compete in automobile industry.

Other than receiving certification through various quality assurance agencies, the Company also strives to upgrade production technologies and invests in equipment for automatic production and inspection in order to cut down faults from human factors and control production quality. Other than the difficulty of obtaining quality certification, the Company's long and stable relations with global major brands have established a strong quality image, which continuously attracts new customers for business expansion.

④ High entry barrier

To enter the mainstream market for gearbox component parts, including torque converters, planetary gear sets, clutch hubs, hydraulic pumps, etc., various and complex technologies for metal processing and mass financial resources are required, which become natural barriers for average mid to small players. The Company has well-established production lines covering mold development, casting, forging, and hot treatments with several automatic inspection lines to join later on, which are not easy to compete with if not a big industry player. To match up, it will require vast resources including capital and production experience. In addition, each component co-developing with satellite factories takes two to three years to bring about for the time needed for design, product certification and plant testing. Due to the long and stringent procedures above, the business relations tend to stay long and do not change easily to ensure timely and complete supplies, which is another tough barrier for new players.

(5) Positive and negative factors for future development, and the company's response to such factors.

① Positive factors

1. Recently, the Company has diversified from the fields of AT, CVT and DC to hybrid and battery electric vehicles, from the fields of AT, CVT and DC in order to extend product and business ranges.
2. The introduction of full multi-station transfer and automatic transfer of large stamping equipment will meet the demand for large stamping capacity from OEM customers with competitive prices.
3. After years of experience in stamping and laser welding and the ability to develop stamping molds, an absolute advantage in sheet forming for lightweight is established.
4. With the completion of gear processing technologies and advanced machinery along with laser welding and stamping work, the Company is more than ready to join the electric vehicle market and become a key player.
5. The capability to design fixture can conquer the deformation risk during the procedures of product lightening.
6. Through years of AM development projects, a considerable number of precision process and reverse engineering technologies have been accumulated, which will help to grasp AM developments in the future on the base of working relations with OEM service providers.
7. On top of years of experience from IATF 16949 quality system along with TPM and TPS, more trust will be gained from OEM customers for continuous opportunities through the solid operation system.

② Negative factors

1. The sluggish demand in the global auto market, overcapacity, and the huge investment pressure for electrified transformation have made cost reduction the main means for automakers to continue to make profits, which will reduce the profit margins of the supply chain.

   <u>Reactive Measures:</u>

   a. Solid manufacturing ability to eliminate unnecessary waste for further cost reduction.
   b. Increase automation level to bring about smart manufacturing, thus cutting down human labor and defect costs and staying competitive.
   c. Continue innovation and cross-field cooperation to add value to the core business and create shared economy.
   d. Obtain AS9001 certification to tap into aerospace component market for risk diversification.
   e. Explore new directions for product development for broader product lines to increase revenue momentum.
2. Climate change and resource shortage, increasing enterprise operation risks to the Company.

Power and resource shortage along with the battle between nuclear and new energies have caused price increase and fluctuation.

3. Some special materials or special processes are not easy to obtain, affecting the order-taking ability

   Reactive Measures:

   a. Strengthen supply chain relationship to secure supplies and lower possible impacts.
   b. Adopt global purchase to increase supply sources.
   c. Accelerate new energy introduction or adjust manufacturing models (obsoleting old-generation production procedures)
   d. Develop new-energy products with full efforts to turn crisis into opportunities.
   e. To cope with the global trend of carbon reduction, policies for carbon inventory checks and energy management along with relevant goals to support sustainable environment have been established.

3. Some special materials and production procedures are hard to obtain, which would affect order levels, due to insufficient group resource consolidation.

   Reactive Measures:

   a. Increase the capability of accessing special materials and production procedures, integrate group supply system via layered management (AM and OEM) and search matching supplying alternatives to secure pricing and sources.
   b. Reengineer and adjust group resources according to the product portfolio. Products that are of low order volume and low added value will be eliminated or outsourced to maximized group interests.

4. R&D and core production technical and management talent is insufficient and difficult to develop, affecting new product development capability and development schedule.

   Reactive Measures:

   a. Introduce technologies and talent, through the cooperation of industry, government, and academia, for gear design, precision finishing, functional testing, and mold tooling design to maintain organizational competitiveness.
   b. Actively cultivate and retain talent, establish a successor development and employee remuneration plan, and improve the establishment of the knowledge base to ensure the inheritance of organizational knowledge.

5. Changes in geopolitical forces in major global markets in the areas of sustainability (e.g. EU Carbon Border Adjustment Mechanism (CBAM)), high technology (e.g. U.S. Chips Act), transparency (e.g. EU Digital Product Passport), and privacy (e.g. EU General Data Protection Rule (GDPR)) are likely to force the automotive supply chain to develop locally in Europe, the U.S. and China.

   The unclear political stance in the Taiwan Strait affects the international competitiveness of Taiwanese factories and triggers long-term business risks in the export market

   Reactive Measures:

   Accelerate regional economic deployment, establish short-term supply capacity, and enhance global competitiveness.

(II) Major applications and manufacturing process of core products

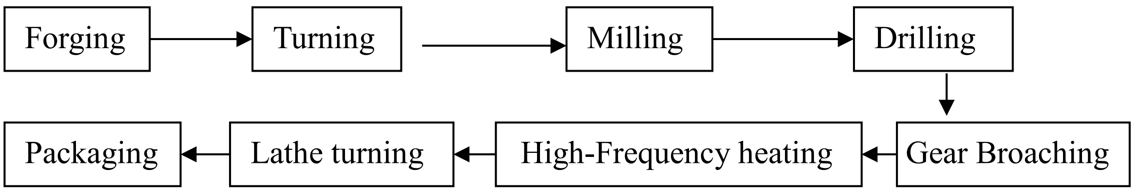
(1) Major applications of core products

Key products	Major applications
Automatic transmission parts for automobiles	Drivetrain and clutch devices in automatic transmission in automobiles
Torque converter parts	Automobile engine and liquid torque converter in automatic transmission
Clutch Parts	Clutch Parts for heavy-duty trucks

(2) Manufacturing Process

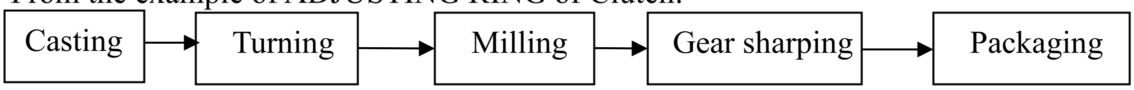
① Torque converter parts

From the example of Hub Turbine in Torque Converter:



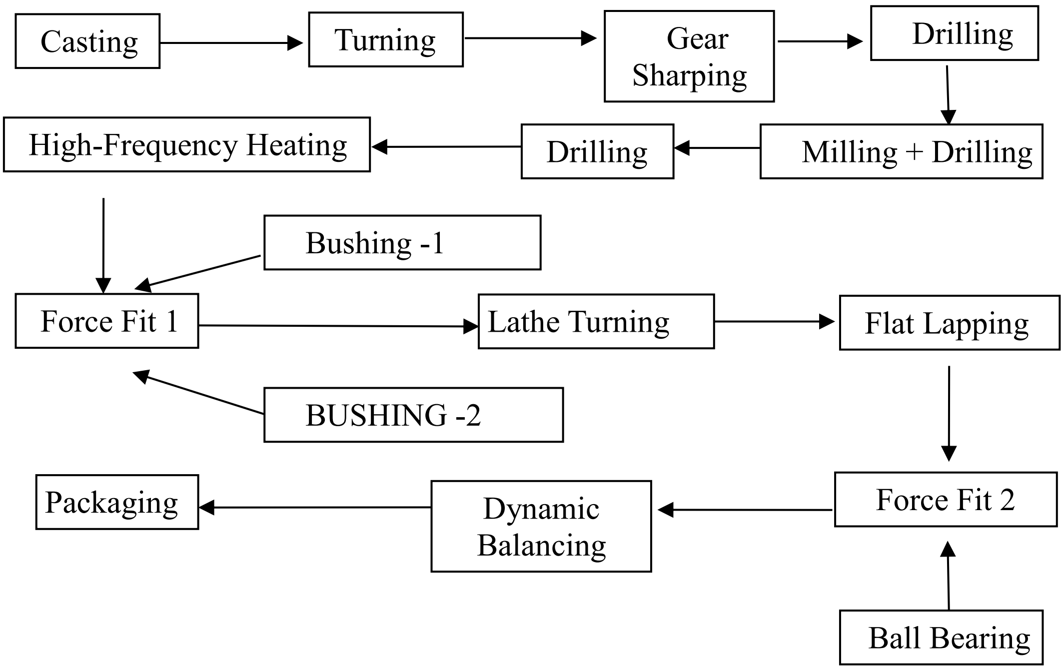
② Clutch parts

From the example of ADJUSTING RING of Clutch:



③ Automatic transmission parts for automobiles

From the example of 4L80E DRUM of Auto Transmission:



(III) Supply of key raw materials

Key Materials	Key Suppliers	Status
Castings	CMP, Shin-Li	Good

Forgings	Sun Forging, Jin-Shiang	Good
Purchased parts	Goang-Chyan, Yi-Jin	Good
Plates	Create Steel	Good
Bars	Jia An Construction	Good
Stamping	Chao-Yuan	Good

(IV) List of suppliers (customers) that have accounted for at least 10% of purchase (sales) in one of the most recent two years and reasons for changes:

1. List of suppliers that have accounted for at least 10% of purchase in one of the past two years, the amounts and percentages of the purchase and reasons for changes:

Unit: TWD thousand; %

Item	2023				2024			
	Title	Amount	As a percentage of the net purchase in the year (%)	Relation with the Company	Title	Amount	As a percentage of the net purchase in the year (%)	Relation with the Company
1	CMP	34,042	10.25	-	Create Steel	38,183	12.76	-
2	Create Steel	24,477	7.37	-	CMP	25,486	8.52	-
3	Other	273,590	82.38	-	Other	235,511	78.72	-
	Total Net Purchase	332,109	100.00		Total Net Purchase	299,180	100.00	

Note 1: Supplier names and transaction amount and the associated percentage that accounted for 20% purchase in the most recent two years. Codes can be used for suppliers who cannot be disclosed due to contract terms or who are individuals and not related parties.
Note 2: Financial data from listed or brokerage-traded companies that are reviewed or audited by the independent auditors shall be disclosed up to the printing date of the annual report.
Note 3: Departments that are closed for business are not included.

Changes and reasons:

The Company's main raw materials are forgings, castings, plates and bars. There was no significant change in the main suppliers in 2024 and 2023. CMP mainly provides castings, and Create Steel mainly provides rolled iron plates, all of which are raw materials for production purposes. The increase or decrease in purchase amounts between the two years is influenced by changes in customer demand.

2. List of customers that have accounted for at least 10% of net sales in one of the past two years, the amounts and percentages of the purchase and reasons for changes:

Unit: TWD thousand; %

Item	2023				2024			
	Title	Amount	As a percentage of the net sales in the year (%)	Relation with the Company	Title	Amount	As a percentage of the net sales in the year (%)	Relation with the Company
1	BW	174,477	14.62	-	TS	161,388	15.38	-
2	TS	133,135	11.16	-	BW	158,862	15.14	-
3	MP	108,596	9.10	-	MP	142,737	13.6	-
4	Other	776,868	65.12	-	Other	586,337	55.88	-

	Total Net Sales	1,193,076	100.00		Total Net Sales	1,049,324	100.00	

Note 1: Customer names and transaction amount and the associated percentage that accounted for 10% total sales in the most recent two years. Codes can be used for customers who cannot be disclosed due to contract terms or who are individuals and not related parties.
Note 2: Financial data from listed or brokerage-traded companies that are reviewed or audited by the independent auditors shall be disclosed up to the printing date of the annual report.
Note 3: Departments that are closed for business are not included.

Changes and reasons:

The Company primarily engages in the processing, manufacturing and trading of automotive parts and components. The application scope covers automotive and machinery industries. Our customers include well-known domestic and foreign automobile manufacturers and major automobile repair shops. The sales regions are mainly in America, Europe and Asia.In 2024, due to factors such as constant geopolitical conflicts, high-interest rate environment suppresses consumption, the global economic situation remained sluggish, the demand in the end market was weak, and customers tended to be conservative in adjusting inventory, and product withdrawals, resulting in a decrease of 12% in the Group’s revenue compared to the previous year.

III. The number of employees employed in the most recent two years and up to the annual report publication date, their average years of service, average age, and education levels:

Unit: person

Year		2023	2024	Current year up to March 31, 2025
Number of employees	Direct	212	189	175
	Indirect	149	140	140
	Total	361	329	315
Average Age		42.2	43.8	43.8
Average Years of Service		11.5	13.0	13.0
Education levels	Ph.D.	0%	0%	0%
	Master’s	6.09%	6.38%	6.67%
	College	46.26%	48.63%	50.16%
	High School	42.66%	39.82%	38.41%
	Others	4.99%	5.17%	5.08%

IV. Expenditure for environmental protection:

List any losses by the Company in the most recent fiscal year and up to the printing date of the annual report due to due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, disposition dates, reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions). Disclosure of an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation for the facts shall be provided: No losses as a result of environmental pollution and disposal and no penalties imposed.

V. Labor relationship:

(I) Employee Welfare Measures, Advanced Study, Training, Retirement System, and Its Implementation, as well as Labor–Employer Agreements and Various Employee Rights and the Implementation Status:

- Employee Welfare Measures:
  Other than competitive salary, holiday and performance bonuses and profit sharing, various employee benefit system and measures are listed as below:
  1. For “Employee Safety Protection”, measures listed below are carried out by the individual business units according to the relevant regulations:
     (1) Newly hired employees are entitled to labor insurance, and national health insurance to receive associated protection.

(2) Working uniform, including safety shoes and protection kits, are provided according to the job nature.
(3) Provide employee health checkup and special operation check.
(4) Establish employee safety office and occupational safety and health committee to carry out the related plans and operation.

2. For “Employee Life Improvement”, measures listed below are carried out by the individual business units according to the relevant regulations:
   (1) Set up employee dormitory for employees of distant locations.
   (2) Set up cafeteria with related equipment and workers to provide free employee lunch and over-time meals
   (3) Create, according to laws, the employee welfare benefit committee, where the Company appropriates certain percentages from the sales and other income every month for employee benefit purposes such as in-house social gatherings and other subsidies. Including, hospitalization care, wedding/funeral subsidy, birthday gifting, and allowances for holiday, company trips and club activities, as well as ad hoc employee group activities.
   (4) Multiple club activities are offered from the employee welfare benefit committee for leisure activities after work.
   (5) An employee app is created to consolidate information on all aid and welfare programs available, including newsletters from the Company and the employee welfare committee, social welfare resources, psychological counseling, retirement/wealth management/insurance information, health and healthcare information, occupation safety, and designated shops to create diversified choices of welfares and to strengthen internal information.
3. For “Improving Working Knowledge Level,”
   (1) The Company has established a complete training program, including professional skills, core competency, management skill training and related certification systems. The HR unit has dedicated training personnel, which follow the Talent Quality-management System (TTQS), hosting various employee skill training and workshop from time to time.
   (2) Set up employee reading room for access to newspaper and magazines.
   (3) Provide health seminar to assist employee create proper and correct health concepts.
4. For “Stabilizing Employee Retirement Life”:
   The Company has established a pension system in accordance with the “Labor Standards Act” and the “Labor Pension Act” and established the “Labor Pension Reserve Supervisory Committee”. The new labor pension system has come into effect since July 1, 2005. Employees can retain their years of service under the old system. Employees who join us after the implementation of the new system are subject to the new system. The retirement benefits are calculated and distributed based on both the old and new systems.
   (1) Colleagues who are still under the old pension system: According to Paragraph 1, Article 56 of the “Labor Standards Act”, the Company contributes a monthly pension reserve, and the difference in the full amount of the labor pension reserve before March 31, 2024 is set aside in accordance with Paragraph 2 of the same article. The reserve is supervised by the Company’s Labor Pension Reserve Supervisory Committee, and deposited in a dedicated account at the Bank of Taiwan in charge of income, expenditure, custody and use. There have been no instances of insufficient funds.
   (2) For employees who are subject to the new pension system: According to the “Labor Pension Act” and the monthly contribution grade table prepared by the central competent authority, the Company contributes 6% of the employee’s

monthly salary to the individual pension account at the Bureau of Labor Insurance on a monthly basis. Meanwhile, employees may voluntarily contribute up to 6% of the maximum pension amount within the scope of their monthly wages.

(3) There were two retirees in 2024, and they had completed all the retirement procedures before the retirement date.

(4) If an employee is willing to return to his/her position after retirement, he/she will be re-employed in a suitable position.

- Labor and Employer Negotiations and Employee Rights Upholding:
  1. The Company complies with related labor laws and respects international basic working rights to ensure legal rights of employees with undiscriminating treatments, as well as reinforcing each management measure and procedure.
  2. The Company has established "Employee Complain Operation Details" with suggestion boxes placed in each plant to assist employee communication.
  3. The Company places high importance on two-way communication with employees. Other than regular employee meeting encouraging voluntarily counseling and cooperation, there are meetings from all levels to strengthen two-way talks in order to enhance harmony between labor and employer to achieve win-win for both sides.

(II) List any losses by the Company in the most recent fiscal year and up to the printing date of the annual report due to labor disputes (including any violations of the Labor Standards Act during labor inspection, information including disposition dates, reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions). Disclosure of an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None.

VI. Cybersecurity Management

(I) Cybersecurity risk management framework, and policies, with concrete management programs and resources investments for the operation:

- **Cybersecurity risk management framework and management programs:**
  1. The Company has set up the "Cybersecurity Committee", composed of top managers and hands-on members from the management program. Under the committee, there are committee chairman, taking up by the President or the representative, who will administer an information security operation, research (review) the related policies, counterstatement and management for results from the related risk identifications, and supervise cyber securing reporting (including results from internal and external audits and possible improvement) from the operation execution unit (the Management Department under the General Administration Division) for reducing the risks and increase the management. The committee meets regularly (at least once a year) and convenes ad hoc meetings (according to the business needs and occurrence of an information security incidents).
  2. Information security risk management implementation status is reported to the Board of Directors on a regular basis every year.
  3. Information security personnel: 1 information security specialist and 1 information security specialist
  4. Through formulating the an information security policy, as the action-taken guideline for planning and executing an information security management system, the entire employee body are able to comply accordingly; and there is a communication standard to communicate with interested parties.
  5. Cybersecurity risk evaluation and identification are implemented regularly. For high-risk items, after identification, the associated management program is formulated for a pertinent management mechanism to prevent internal and external threats from all sorts for mitigating information security risks.

6. For material information system, a framework of high availability (HA) and reliance, data backup, backed-up facility in remote location, as well as emergency planning and the related drills for every six months, is created to ensure efficacy of the protection mechanism for system recovery purpose. In addition, information security insurance has been purchased to shift the associated risks.
7. Based on operation involved, employees are given needed training and advocacy session to increase awareness and knowledge for information security from the entire employee body.

- **Information security policy:**

  To ensure the confidentiality, integrity and availability from information assets, the Company has formulated an information security policy, which the entire employee body are required to follow, to establish the concept, "Cybersecurity, a responsibility of everyone", and to receive related training for increasing the awareness of and knowledge about an information security. In addition, risk evaluation and identification are implemented regularly in order to plan, carry out and review the associated operation guidance for continuously improving the management efficacy and conducing emergency recovery drills, so as to ensure the Company's an information security, to prevent information leaking, to meet the operation needs, and to assure customers' trust.

- **Resources invested in cybersecurity operation:**

1. Annual plan and budget: Each year, the information security risk identification unacceptable risks are set up to establish information security management plan and budget, which is submitted to the "Information Security Committee" for review before implementation. The implementation results and information security performance of the management plan are regularly reported to the Board of Directors.
2. Education and training:
   - 2.1 In 2024, education and training on information security was provided to 22 new hires to allow the understanding of information security policy and related requirements.
   - 2.2 Education and training on information security was provided in 2024. A total of 357 people completed information security training courses and information security tests to enhance the knowledge of information security among the employees and the importance of trade secret protection, while reducing the risk of trade secret leakage.
   - 2.3 In 2024, we conducted security tests on employees through phishing emails. Security seminars were arranged for employees who did not pass their tests in order to increase their security awareness and reduce the risk of email fraud and data leakage.
   - 2.4 In 2024, the information security executives and information security personnel received external information security education training courses, totaling 30

hours.

2.5 In 2024, current affairs and actual cases were used twice to enhance the awareness of information security.

3. Hacker attack response drill conducted in 2024 was to quickly and effectively respond to and handle security incidents in accordance with the emergency response procedures.
4. A total of TWD 3.43 million was invested in the 2024 information security management plan:
   - 4.1 Signing of maintenance contracts for the replacement of old hardware, anti-virus, anti-hack, intrusion detection and other information security systems.
   - 4.2 The website security test, weakness scan and original code scan were completed.
   - 4.3 The Company conducted information security health check to fully grasp the information security status of the information system, ensure the stability of the information system, and prevent any potential unsafe activities and behaviors.
5. Information security related meetings:
   In 2024, a total of 25 meetings related to cybersecurity management, information security policies and regulations were held. By doing this, we were able to ensure the continuous strengthening of the Company's information security measures and the operation of information communication security management framework.
6. The Company established an information security audit plan in 2024. On a regular basis, the Company performs information security audits to implement protection of the its information assets and confidential documents, reduce potential information security threats, and correct and improve non-conformities.
7. Continued to participate in TWCERT/CC alliance and information security incident sharing organization, obtain information security early warning, information security threats and vulnerable information, and continue to share and exchange information to strengthen information security defense.

2024 Information Security Management Plan and Implementation Results

(II) The losses by the company due to major cyber security incidents in the most recent year and up to the printing date of the annual report, including the possible impacts, and the countermeasures: None

VII. Important contracts

Contract Type	Counter Party	Term Date	Summary	Restrictive Clause
Loan Agreement	First Commercial Bank	December 19, 2018 – December 19, 2025	Secured mid-term loan of TWD 230 million, non-revolving	Collateral: real estate of Zhongshan Plant
		October 30, 2023 – October 30, 2026 (Note 1)	Mid-term loan of TWD 180 million, revolving	
	Mega International Commercial Bank	November 19, 2018 – November 19, 2028	Type A secured mid-term loan of TWD150 million, non-revolving	Collateral: real estate of Zhongshan Plant 2
		November 11, 2021 – November 11, 2026	Type B mid-term loan of TWD100 million, revolving	
	E.SUN Commercial Bank	October 4, 2018 – November 19, 2033	Secured long-term loan of TWD150 million, non-revolving	Collateral: real estate of Chengkung Plant
		October 4, 2018 – October 4, 2021	Mid-term loan of TWD110 million, non-revolving	Collaterals: None
		October 4, 2022 – April 4, 2024 (Note 2)	Mid-term loan of TWD45 million, non-revolving	Collaterals: None
	Shanghai Commercial and Savings Bank	March 30, 2018 – March 30, 2028 (Note 3)	Secured long-term loan of TWD190 million, non-revolving	Collateral: real estate of Zhongshan Plant 3
		August 17, 2022 – August 17, 2027 (Note 4)	Secured mid-term loan of TWD60 million, non-revolving	Collateral: real estate of Zhongshan Plant 3
	Taiwan Shin Kong Commercial Bank Co., Ltd.	(Note 5)	For the medium-term loan, the credit line is TWD30 million, and may be drawn on a revolving basis.	Collaterals: None

Note 1: The application for this facility was canceled in November 2024.
Note 2: Repayment completed on September 30, 2024.
Note 3: Early repayment on April 11, 2024.
Note 4: Early repayment on Augest 16, 2024.
Note 5: Matured on December 28, 2024.

Five. Analysis of Financial Position and Financial Performance, and Risk Events

I. Financial position

1. Consolidated financial statements

Unit: TWD thousand

Item \ Year	End of 2023	End of 2024	Difference	
			Amount	%
Current assets (Note)	1,456,241	987,289	(468,952)	(32.20)
Investment Using Equity Method (Note)	-	58,008	58,008	100.00
Property, plant and equipment	1,108,920	1,192,028	83,108	7.49
Intangible assets	5,018	3,629	(1,389)	(27.68)
Other assets (Note)	52,897	85,596	32,699	61.82
Total assets	2,623,076	2,326,550	(296,526)	(11.30)
Non-current liabilities (Note)	523,985	354,442	(169,543)	(32.36)
Long-term borrowings (Note)	261,303	65,078	(196,225)	(75.09)
Other liabilities	7,586	6,968	(618)	(8.15)
Total liabilities	792,874	426,488	(366,386)	(46.21)
Common stock capital	1,030,865	1,030,865	-	-
Capital surplus	150,532	159,501	8,969	5.96
Retained earnings	660,585	686,549	25,964	3.93
Other equity	-	(1,827)	(1,827)	(100)
Treasury shares	(11,780)	(11,780)	-	-
Non-controlling interests (Note)	-	36,754	36,754	100
Total shareholders' equity	1,830,202	1,900,062	69,860	3.82

Main reasons for any material change in the company's assets, liabilities, or equity during the past 2 fiscal years (if there is a 10 percent or more variation in the monetary amounts, and if such sum has reached TWD10 million), describe the effect thereof, and measures to be taken in response:

1. Current Assets: Due to ongoing loan repayments, new investments, and the acquisition of property, plant, and equipment during the period, the balance of cash and cash equivalents decreased, impacting the total current assets at the end of the period.
2. Investment Using the Equity Method: During the period, the Company made a new investment in Apex Fortune Co., Ltd. in Thailand, with a capital contribution of THB 60,000 thousand.
3. Other Assets: In 2024, YORU-MY signed a contract for the purchase of a plant, with a prepayment of MYR 3,329 thousand.
4. Current Liabilities: The decrease in payables was primarily due to continued loan repayments and a reduction in purchase volume.
5. Long-term Borrowings: In 2024, bank borrowing interest rates increased. Following a net cash inflow of TWD 477,784 thousand from the disposal of Wuxi Tsang Yow in 2023, the Company continued to repay borrowings during the current period and did not renew them upon maturity.

Item \ Year	End of 2023	End of 2024	Difference	
			Amount	%
6. Non-controlling Interests: The newly acquired investment has been included in the consolidated financial statements as a subsidiary. Since the shareholding ratio is less than 100%, non-controlling interests have increased.				

2. Parent company only financial statements Unit: TWD thousands

Item \ Year	End of 2023	End of 2024	Difference	
			Amount	%
Other assets (Note)	1,456,241	974,570	(481,671)	(33.08)
Investments Accounted for Using the Equity Method (Note)	-	108,772	108,772	100.00
Real property, plant and equipment	1,108,920	1,136,895	27,975	2.52
Intangible assets	5,018	3,629	(1,389)	(27.68)
Other assets	52,897	62,003	9,106	17.21
Total assets	2,623,076	2,285,869	(337,207)	(12.86)
Non-current liabilities (Note)	523,985	350,515	(173,470)	(33.11)
Long-term borrowings (Note)	261,303	65,078	(196,225)	(75.09)
Other liabilities	7,586	6,968	(618)	(8.15)
Total liabilities	792,874	422,561	(370,313)	(46.71)
Common stock capital	1,030,865	1,030,865	-	-
Capital surplus	150,532	159,501	8,969	5.96
Retained earnings	660,585	686,549	25,964	3.93
Other equity	-	(1,827)	(1,827)	(100)
Treasury shares	(11,780)	(11,780)	-	-
Total shareholders’ equity	1,830,202	1,863,308	33,106	1.81

Main reasons for any material change in the company’s assets, liabilities, or equity during the past 2 fiscal years (if there is a 10 percent or more variation in the monetary amounts, and if such sum has reached TWD10 million), describe the effect thereof, and measures to be taken in response:

1. Current assets: The continued repayment of loans, new investments, and the purchase of property, plant and equipment in the current period have reduced the balance of cash and cash equivalents, affecting the balance of current assets at the end of the period.
2. Investment using equity method: The difference is mainly due to the increase in investments in Malaysia, Singapore and Thailand in the current period.
3. Current liabilities: Mainly due to the continued repayment of loans and the decrease in purchase volume, resulting in a decrease in payables.
4. Long-term borrowings: The interest rate of bank borrowings has increased in 2024. The net cash inflow of TWD477,784 thousand from the disposal of Wuxi Tsang Yow in 2023, the current period continues to repay the borrowings, and they are not renewed after the maturity of the borrowings.

II. Financial performance

(I) Analysis and explanation of major changes in revenue, income from operation and pre-tax income in the most recent two years:

1. Consolidated financial statements Unit: TWD thousand

Item \ Year	2023	2024	Increase (Decrease)	Change (%)
Net operating revenue	1,193,076	1,049,324	(143,752)	(12.05)
Operating cost	791,631	757,464	(34,167)	(4.32)
Operating gross profit (Note)	401,445	291,860	(109,585)	(27.30)
Income from Operation (Loss) (Note)	233,500	119,601	(113,899)	(48.78)
Non-operating Income and Expenses (Note)	16,212	88,990	72,778	448.91
Income before tax from continuing operations	249,712	208,591	(41,121)	(16.47)
Income tax benefits (expenses)	(53,120)	(48,014)	5,106	(9.61)
Net income from continuing operations	196,592	160,577	(36,015)	(18.32)
Net income (loss) of the discontinued operation (Note)	77,142	-	(77,142)	(100.00)
Current net income	273,734	160,577	(113,157)	(41.34)

If there is a 20 percent or more variation in the monetary amounts, and if such sum has reached TWD 10 million or more, an analysis of the variation is provided:

1. Operating gross profit and operating net profit (loss): The decline in gross and operating profit is attributed to the undigested inventory stockpiles of major customers and reduced end-customer demand.
2. Non-operating income and expenses: This is due to an increase in interest income resulting from a net cash inflow of TWD 477,784 thousand from the disposal of Wuxi Tsang Yow in the previous year, and an increase in net foreign exchange gains due to fluctuations in the U.S. dollar exchange rate.
3. Net income (loss) from the discontinued operation: This is due to the disposal of Wuxi Tsang Yow in 2023.

Note: Excluding realized (unrealized) loss from transaction from affiliated companies

2. Parent company only financial statements   Unit: TWD thousand

Item \ Year	2023	2024	Increase (Decrease)	Change (%)
Net operating revenue	1,209,167	1,055,982	(153,185)	(12.67)
Operating cost	811,665	760,410	(51,255)	(6.31)
Gross profit (Note)	397,502	295,572	(101,930)	(25.64)
Income (loss) from operation (Note)	232,996	124,115	(108,881)	(46.73)
Non-operating Income and Expenses (Note)	114,757	87,049	(27,708)	(24.14)
Pre-tax Income	347,753	211,164	(136,589)	(39.28)
Income tax benefits (expenses) (Note)	(74,019)	(48,014)	26,005	(35.13)
Current Net Income	273,734	163,150	(110,584)	(40.40)
If there is a 20 percent or more variation in the monetary amounts, and if such sum has reached TWD10 million or more, an analysis of the variation is provided: 1. Operating gross profit and operating net profit (loss): The decline in gross and operating profit is attributed to the undigested inventory stockpiles of major customers and reduced end-customer demand. 2. Non-operating income and expenses: The increase in investment income is due to the disposal of Wuxi Tsang Yow in 2023. 3. Income tax benefits (expenses): The decrease in net income before tax in 2024 resulted in the decrease in income tax expenses.				

Note: Excluding realized (unrealized) loss from transaction from affiliates

(II) Sales forecast and the basis therefor, with the effect on the company's financial operations, as well as measures taken in response: Not applicable.

III. Cash flow:

(I) Analysis of liquidity in the most recent two years: Unit: TWD thousand

Item	2023	2024	Increase/decrease changes
Net cash inflow from operating activities	326,937	181,516	(145,421)
Net cash inflow from investing activities (outflow)	463,159	(219,477)	(682,636)
Net cash outflow from financing activities	(453,260)	(358,680)	94,580
Data source: Audited and certified consolidated financial statements by CPAs. Analysis of Cash Flow Changes from the Current Year: (1) Net cash inflow from operating activities decreased by TWD 145,421 thousand, mainly due to the decrease in net income before tax and the increase in income tax payments. (2) The net cash outflow from investing activities for the current period is TWD 682,636 thousand different from the net cash inflow from investing activities for the previous period, mainly due to the cash inflow from the disposal of the Wuxi Tsang Yow, and the increase in long-term equity investments and the purchase amount of property, plant and equipment.			

(3) Net cash outflow from financing activities decreased by TWD 94,580 thousand for the current period was mainly attributable to the decrease of repayment of loans compared to the previous period.

(II) Improvement plan for insufficient liquidity: Not applicable.

(III) Liquidity analysis for the coming year: Unit: TWD thousand

Cash balance at the beginning of the year A	Estimated net cash flow from operating activities throughout the year B	Estimated cash flow for the whole year C	Estimated cash surplus (shortage) A+B-C	Possible remedy measure taken for the shortage	
				Investment plan	Financing plan
459,605	192,559	312,209	339,955	-	-

Analysis and explanation:
(1) Operation Activities: Net cash inflows from operating activities was attributable to the increase in net change in cash inflows from assets and liabilities.
(2) Investment Activities: Net cash outflow from investing activities was attributable to the acquisition of smart machinery and equipment.
(3) Financing Activities: Net cash outflow from repayment of long-term borrowings and payment of cash dividends.
(4) Remedial measures for expected cash shortage: In view of the above effects, the Company is expected to have sufficient working capital throughout the year, and no cash shortage has occurred.

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

The Company's major capital expenditures in recent years have primarily been for the purchase of automated equipment and intelligent control systems to transition to a smart factory production model, and to replace outdated equipment in response to ESG sustainable development. Most funding came from operation capital and bank borrowings, which have not caused significant impacts to the financial operation.

V. The reinvestment policy for the most recent year, with main reasons for the profits/losses generated, the improvement plans, and investment plans for the following year:

December 31, 2024 Unit: TWD thousand

Explanation / Item	Investment Cost	Investment Profit/Loss Recognized during the Year	Policy	Main reason for profit/loss
YORU Tech SDN. BHD	50,942	(3,156)	The land title transfer has been completed, and the construction of the plant is being expedited.	The company's preparatory expenses have been incurred during the setup

			Simultaneously, the application for the manufacturing permit is in progress. Once the plant is completed, equipment will be installed, and production will commence.	period, but mass production has not yet commenced.
YORU Tech PTE. Ltd.	9,168	12	General Trading Industry	The trade price spread before the completion of the project in the Malaysia plant.
YOWIN Tech SDN. BHD	0	0	Investment Property	
Apex Fortune Co., Ltd	58,008	0	Semiconductor market expansion and the construction of a third production base	The reinvestment plant is under construction

The Company invested more than 60% of paid-in capital in the venture. It is stipulated in the Articles of Incorporation that when becoming a shareholder of a limited liability venture, the Company is not bonded by Article 13 under the Company Act, provided it is not 100%-held.

Improvement Plans, and Investment Plans for the Following year:
In addition, YORU Tech SDN. BHD. was established in Malaysia by a joint venture with an estimated investment of USD 6.6 million to produce and sell semiconductors and medical-related components. The Company strives to improve its technological advantages, promote product transformation, enter new areas of the industry and diversified product markets, and increase revenue and capacity.
Joint venture in Singapore, YORU Tech PTE. LTD, has not completed its capital increase.
The Company has established a 100% owned subsidiary, YOWIN Tech SDN. BHD, in Malaysia, and purchased an employee dormitory. The company has not completed its capital increase.

The Company invested a total of THB 60 million in Apex Fortune Co., Ltd. in Thailand to manufacture and sell aluminum forging, aluminum extrusion and other metal components. The Company holds 20% of the shares and has not completed the capital increase.

VI. Risk events analysis and evaluation

(I) The impacts of interest rate, exchange rate changes and inflation on the company’s profit and future countermeasures:

(1) Change of interest rate

The company's long and short-term bank borrowing interest rate range for 2024 is approximately 1.775% to 2.01%, which is higher than last year. This increase is mainly due to the Central Bank's policy rate hike of 0.125% in March 2024, which increased corporate borrowing costs. However, due to the company's well-managed debt-to-equity ratio, it has been advantageous in negotiating financing interest rates.The Company has dedicated financial personnel that evaluate bank lending rates from time to time and pay close attention to international and domestic financial markets, as well as maintaining close relations with banks to obtain favorable funding rates and ample credit lines.

(2) Change of exchange rates

The export of the Company's products accounts for about 90% of the overall operating revenue. The export of products is mainly denominated in USD, EUR and CNY. The overall operation of the Company adopts a net position for natural hedging.The Company's exchange gain (loss) in 2023 and 2024 was TWD 2,776 thousand and TWD 50,396 thousand, respectively, accounting for 1.11% and 24.16% of the net profit before tax for the year, respectively. In order to avoid the possible impact of exchange rate fluctuations on profits, the Company maintains close contact with major banks, and fully grasps the changes in the foreign exchange market as the basis for the quotation of sales personnel. This is to reduce the impact of exchange rate fluctuations on the Company's operating profits.

(3) Impacts from inflation

Quotes provided to the Company's customers are adjusted by market condition, so that inflation impacts are limited. In addition, the Company pays close attention to price fluctuation in the market. There have not been imminent significant incidents caused by inflation.

(II) Policies on engaging in high-risk and high-leverage investments, lending funds to others, and endorsements and guarantees, as well as derivative transactions, main causes of profit and loss as well as future countermeasures:

The Company has not engaged in high-risk and high-leverage investments, or derivative trading. In addition, the Company has formulated the "Procedures for the Acquisition or Disposal of Assets," "Detailed Rules on Loaning of Funds to Others" and "Procedures for Providing Endorsements/Guarantees" and approved by the shareholders' meeting. These are to be followed by the Company and its subsidiaries when engaging in related activities. As of the publication date of the annual report. There are no instances of inter-subsidiary loans or endorsements/guarantees.

(III) Future R&D projects and expected investments:

- ■ Future R&D Projects：
  - 4 semi-conductor equipment parts
  - 9 Bus transmission system
  - 13 Mining mechanical parts
  - 3 AM auto gear box parts
  - 4 Agricultural machinery
- ■ Expected R&D expenses in 2025: TWD 26,885 thousand

(IV) Impacts from changes of important domestic/foreign policies and laws to the company's financial operations, and countermeasures:

The Company always operates in accordance with domestic and international laws and regulations and pays close attention to the latest policies and law updates to assist in management decision-making, as well as modifying the internal control system and operation activities for business stability. For the recent year up to the printing date of the annual report, there had not been impacts to the financial operations due to changes of important domestic/foreign policies and laws.

(V) Impacts of changes in technology (including cybersecurity risks) and industry on the company's financial operations and countermeasures:

The sales and R&D departments always study market and technology trends and keep close attention to supply/demand dynamic and new technology and impacts to the Company brought by technology and market. The Company will continue upgrading production quality and efficiency and will make efforts in new product development for better competitiveness. Therefore, there had not been impacts on the financial operations due to changes in technology and industry.

(VI) Impacts of Change of Corporate Image on the Crisis Management and Countermeasures:

The Company upholds business principles of professionalism and integrity and places great importance on corporate image and risk control to obtain employee solidarity and customer recognition. For the most recent year up to the printing date of the annual report, there had not been crisis incidents due to changes of corporate image.

(VII) Expected Benefits and Possible Risks Brought by Merger and Acquisitions, and Countermeasures:

Up to the printing date of the annual report, there had not been any mergers and acquisition plans.

(VIII) Expected Benefits and Possible Risks Brought by Any Plant Expansion, and Countermeasures:

For the most recent year up to the printing date of the annual report, expected benefits from plant expansion included better production yield and efficiency and possibilities for new customer orders. The funding expansion mainly came from steady operation cash flows and bank borrowings, which have not caused potential for significant risks.

(IX) Risks from Concentrating Sales or Purchasing, and Countermeasures:

(1) Purchase:

The Company adopts a diversified – purchasing network: There are more than two long-term supplying sources for every key material. In the meantime, sourcing for new suppliers is conducted on an on-going basis to avoid material shortage or manufacturing suspension. Therefore, the Company is not exposed to the risk of concentrated purchase.

(2) Sales:

Core products of the Company include parts used in automobile automatic transmission, clutch parts for heavy-duty trucks, and drivetrain parts for industrial machinery, which cover a wide variety of sectors. In addition, the Company maintains healthy relations with its customers who are mainly major car brands and car repair chains. Sales figures continue to stay at a certain level, while they selling to top customers various and changes depending on their business condition. The Company has long-term relationships with its existing customers while striving to acquire new customers to expand and diversify the customer base. There have been no risks of concentrating sales.

(X) Impacts, risks, and countermeasures of directors, supervisors, or shareholders with a shareholding exceeding 10%, large shareholder rights transfer, or change on the Company:

There had not been large shareholding rights transfer from the current directors, supervisors or shareholders who hold 10% shareholding or more.

(XI) Impact and risk on the company due to change in management rights, and responsive measures: None

(XII) Company and director, supervisor, president, substantial person in charge of the company, major shareholder with a shareholding percentage exceeding 10%, and affiliate of the company that has received any affirmative ruling or is involved in any pending major litigation, non-contentious case or administrative dispute event, and the result thereof may have major impacts on the shareholders' rights or stock price; relevant dispute facts, subject matter amount, litigation starting date, main parties involved in the litigation, and the handling status up to the printing date of the annual report required to be disclosed: None.

(XIII) Other significant risks and countermeasures: None.

VII. Other important matters: None.

Six. Special Notes:

I. Information on affiliates

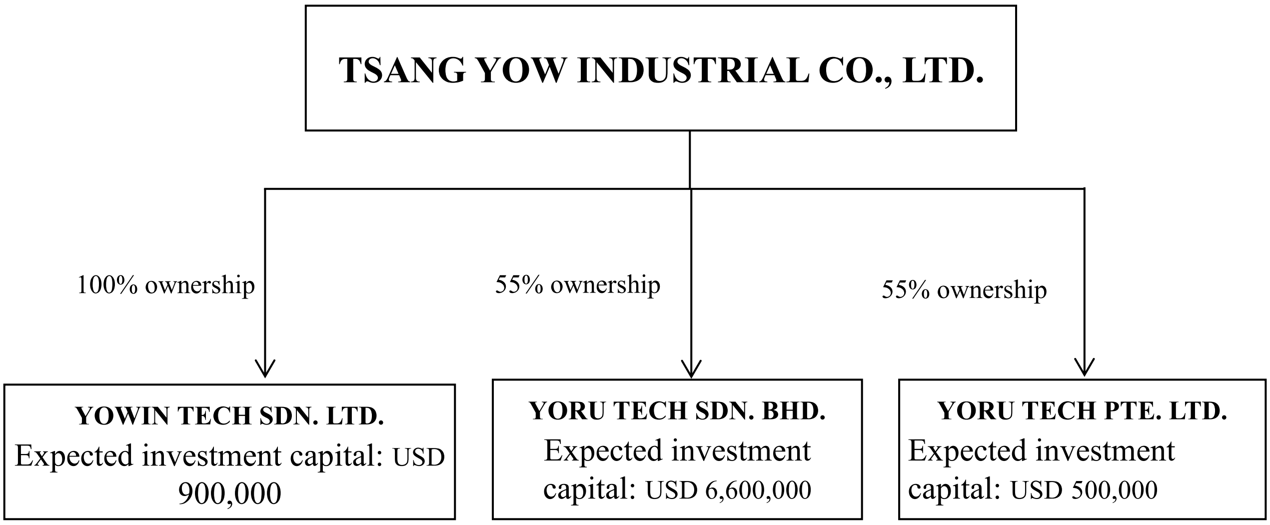
(I) Consolidated financial statements of affiliates:

Considering that the companies to be included into the consolidated financial statements of affiliates under the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises were the same as those to be included into the consolidated financial statements of the parent and subsidiaries under IFRS 10 for 2024 (from January 1 to December 31, 2024), and the relevant information to be disclosed in the consolidated financial statements of the affiliates has already been disclosed in said consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of affiliates were prepared separately. Please see pages 186 to 251 of Appendix II.

(II) Affiliation report: None.

(III) Consolidated business reports covering affiliates:

1. Affiliation Chart



2. Basic information of affiliates

December 31, 2024
Unit: TWD 1,000/USD 1,000

Enterprise name	Date of Establishment	Address	Paid-in Capital	Business Activity
YORU Tech SDN. BHD. (Remark 1)	September 19, 2023	56, JALAN KEMPAS UTAMA 2/2 TAINMAN KEMPAS UTAMA 81300 JHORBAHRU JHOR MALAYSIA	USD1,588.1	Production and sale of semiconductors and medical-related components
YORU Tech PTE. Ltd. (Remark 2)	January 5, 2024	120 ROBINSON ROAD #13-01 SINGAOIRE(068913)	USD282.1	General trade
YOWIN Tech SDN. BHD (Remark 3)	November 15, 2024	50, JALAN KEMPAS UTAMA 2/2 TAMAN KEMPAS UTAMA 81300 JOHOR BAHRU JOHOR MALAYSIA	-	Investment Property

Exchange rate: 32.785
Note 1: The Company's affiliates do not hold any of the Company's shares.
Note 1: The subsidiary (Malaysia) with a 55% shareholding joint venture with RonJye Enterprise Co., Ltd. in 2023. The capital increase has not been completed.
Note 2: The subsidiary (Singapore) with a 55% shareholding joint venture with RonJye Enterprise Co., Ltd. in 2024. The capital increase has not been completed.
Note 3: A 100%-owned subsidiary in Malaysia, established in 2024, is wholly owned by the Company. The capital increase has not been completed.

3. The information of the same shareholder presumed to be in a controlling and subordinate relationship: None.

4. Industries covered by the consolidated company's overall affiliates: The consolidated company's business activities include the production and sale of semi-conductor and medical related parts, investment and general trade business.
The consolidated company is divided into Malaysia (YORU Tech SDN. BHD, YOWIN Tech SDN. BHD), Singapore (YORU Tech PTE. LTD.) by location, to provide fast service and product technology services to global customers.

5. Directors, supervisors, and presidents of affiliates

Unit: shares

Enterprise name	Title	Name or Representative	Current Shareholding	
			Number of shares	Shareholding %
YORU Tech SDN. BHD. (Remark 1)	Director	Tsangyow Industrial Co., Ltd Representative: SU, CHI-HU Tsangyow Industrial Co., Ltd Representative: CHU, CHEN-YI	550	55%

YORU Tech PTE. LTD. (Remark 2)	Director	Tsangyow Industrial Co., Ltd Representative: SU, CHI-HU Tsangyow Industrial Co., Ltd Representative: CHU, CHEN-YI	550	55%
YOWIN Tech SDN. BHD. (Remark 3)	Director	Tsangyow Industrial Co., Ltd Representative: SU, CHI-HU Tsangyow Industrial Co., Ltd Representative: CHU, CHEN-YI	2,000	100%

Remark 1: The subsidiary (Malaysia) with a 55% shareholding joint venture with RonJye Enterprise Co., Ltd. in 2023, and the capital increase has not been completed.
Remark 2: The subsidiary (Singapore) with a 55% shareholding joint venture with RonJye Enterprise Co., Ltd. in 2024, and the capital increase has not been completed.
Remark 3: A 100%-owned subsidiary in Malaysia, established in 2024, is wholly owned by the Company and has not yet completed the capital increase.

6. Overview of individual affiliates

December 31, 2024

Unit: TWD thousand/Foreign currency 1,000

ENTERPRISE NAME	PAID-IN CAPITAL	TOTAL ASSETS	TOTAL LIABILITIES	NET WORTH	OPERATING REVENUE	NET OPERATING INCOME	CURRENT PROFIT OR LOSS (AFTER TAX)	EARNINGS PER SHARE (AFTER TAX)
YORU Tech SDN. BHD	92,137	83,390	1,095	82,295	896	(4,195)	(5,389)	(5,389)
YORU Tech PTE. Ltd.	9,169	20,674	11,532	9,142	898	30	22	21.66
YOWIN Tech SDN. BHD	-	-	-	-	-	-	-	-

Remark 1: The subsidiary (Malaysia) with a 55% shareholding joint venture with RonJye Enterprise Co., Ltd. in 2023, and the capital increase has not been completed.
Remark 2: The subsidiary (Singapore) with a 55% shareholding joint venture with RonJye Enterprise Co., Ltd. in 2024, and the capital increase has not been completed.
Remark 3: A 100%-owned subsidiary in Malaysia, established in 2024, is wholly owned by the Company and has not yet completed the capital increase.
Remark 4: The average spot exchange rate on December 31, 2023: Balance sheet accounts are based on year-end exchange rates (MYR: 7.066; SGD: 24.13). Income statement accounts are based on annual average exchange rates (MYR: 6.975; SGD: 24.27).

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II. Private placement securities in the most recent year and up to the printing date of the annual report: None.

III. Other matters for supplementary clarification: None.

Seven. Any Events in the Most Recent Year and up to the Printing Date of the Annual Report That Had Significant Impacts on Shareholders' Rights or Security Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Act: None.

Eight. The contents of the information required to be recorded shall be announced and declared on the information reporting website designated by the competent authority (Market Observation Post System) and serve as an index for information inquiries.

I. Internal Control Statement: None

II. Certified Public Accountant's Report on Internal Control System Review: None

III. Transfer of Shares and Pledge of Shares by Directors, Supervisors, Managers, and Shareholders with Ownership Exceeding Ten Percent: None

IV. Implementation of Fund Utilization Plan for Issuance or Private Placement of Securities: None

V. Consolidated Business Report of Affiliated Enterprises: https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=1568&year=113&mtype=K&isnew=false

VI. Status of Private Placement of Securities: None

Appendix

Independent Auditors' Report

To Tsang Yow Industrial Co., Ltd.:

Audit Opinion

We have audited the parent company's balance sheets of Tsang Yow Industrial Co., Ltd. (Tsang Yow) as of December 31, 2024 and 2023, and the parent company's statements of comprehensive income, changes in equity, and cash flows for the years from January 1 to December 31, 2024, and 2023, and the remark to the parent company's financial statements, including a summary of significant accounting policies.

In our opinion, the aforementioned parent company's financial statements present fairly, in all material respects, the parent company's financial position of Tsang Yow as of December 31, 2024 and 2023, and its parent company's financial performance and its parent company's cash flows for the years from January 1 to December 31, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of audit opinion

As comissioned, we conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards of the Republic of China. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the parent company only financial statements" paragraph 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 we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key audit matters

Key audit matters refer to the most vital matters in our audit of the Company's parent company only financial statements for the year ended December 31, 2024 based on our professional judgment. These matters were addressed in our audit of the parent company only financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

Key audit matters of the Company's parent company only financial statements for the year ended December 31, 2024, are stated as follows:

Authenticity of sales 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 authenticity of the Company's sales revenue has increased. Therefore, in accordance with the rule that revenue is presumed to be a significant risk under the auditing standards, the authenticity of the sales revenue from consignment warehouses is listed as a key audit matter.

Please refer to Remark 4 (12) for the accounting policy on revenue recognition.

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

I, Learned about and tested if the Company's internal control operations related to the sales were effective.

II. Selected samples from the statements of sales revenue from the specific consignment warehouses, checked the account reconciliation records between the Company and clients, shipping documents, and payment collection documents, and checked if the recipients were consistent with the transaction counterparties or reviewed the confirmation made by clients to confirm the authenticity of the sales.

Responsibilities of the management and the governing bodies for the parent company only financial statements

The management's responsibilities are to prepare the parent company only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and to maintain necessary internal control associated with the preparation in order to ensure that the parent company only financial statements are free from material misstatement arising from fraud or error.

In preparing the parent company only financial statements, the management is responsible for assessing the Company's ability in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease the operations without other viable alternatives.

The Company's governing bodies (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditor's responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance on whether the parent company only financial statements as a whole are free from material misstatement arising from fraud or error and to issue an independent auditors' report.Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the parent company only financial statements, they are considered material.

We have exercised our professional judgment and maintained professional doubt when performing the audit work in accordance with the auditing standards of the Republic of China.We also performed the following tasks:

I, Identified and assessed the risks of material misstatement arising from fraud or error within the parent company only financial statements; designed and executed countermeasures in response to said risks, and obtained sufficient and appropriate audit evidence to provide a basis for our opinion.Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.

II. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

III. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.

IV. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Company's ability to continue as a going concern.If we are of the opinion that a material uncertainty exists, we shall remind users of the parent company only financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need 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.

V. Evaluated the overall presentation, structure, and content of the parent company only financial statements (including relevant remark), and whether the parent company only financial statements adequately present the relevant transactions and events.

VI. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within the Company, to express an opinion on the parent company only financial statements.We were responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Company.

The matters communicated between us and the governing bodies included the planned scope and times of the audit and material audit findings (including any material defects in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Company's parent company only financial statements for the year ended December 31, 2024.We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Deloitte Taiwan

CPA Chen, Xiu-Wen

CPA Chen, Zhen-Li

Document of Jin-Guan-Zheng-Shen-Zi No. 1120349008 approved by Financial Supervisory Commission

Document of Jin-Guan-Zheng-Shen-Zi No. 1010028123 approved by Financial Supervisory Commission

February 24, 2025

Tsang Yow Industrial Co., Ltd.

Parent Company Only Balance Sheet

December 31, 2024 and 2023

Unit: TWD thousand

		December 31, 2024		December 31, 2023	
Code	Assets	Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Remarks 4 and 6)	$ 446,204	20	$ 860,249	33
1110	Financial assets at fair value through profit or loss – current (Remarks 4, 7, and 27)	636	-	485	-
1170	Net accounts receivable (Remarks 4, 5, 9, 21 and 28)	215,833	9	205,139	8
1200	Other receivables	846	-	1	-
1220	Current income tax assets (Remarks 4 and 23)	-	-	937	-
1310	Inventory (Remarks 4, 5, and 10)	291,014	13	369,051	14
1476	Other financial assets - current (Remarks 11 and 29)	10,419	1	9,681	-
1479	Other current assets (Remark 15)	9,618	-	10,698	1
11XX	Total current assets	974,570	43	1,456,241	56
	Non-current assets				
1535	Financial assets at amortized cost - non-current (Remark 4 and 8)	5,710	-	-	-
1550	Investments using the equity method (Remarks 4 and 12)	108,772	5	-	-
1600	Property, plant and equipment (Remarks 4, 13 and 29)	1,136,895	50	1,108,920	43
1755	Right-of-use assets (Remark 4 and14)	4,928	-	5,753	-
1780	Intangible assets (Remark 4)	3,629	-	5,018	-
1840	Deferred tax assets (Remarks 4 and 23)	33,977	1	32,816	1
1915	Prepayments for business facilities	11,345	1	6,304	-
1975	Net defined benefit assets - non-current (Remarks 4 and 19)	971	-	-	-
1980	Other financial assets - non-current (Remarks 11 and 29)	4,480	-	3,460	-
1990	Other non-current assets (Remark 15)	592	-	4,564	-
15XX	Total non-current assets	1,311,299	57	1,166,835	44
1XXX	Total assets	$ 2,285,869	100	$ 2,623,076	100
Code	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Remarks 16 and 28)	$ -	-	$ 20,000	1
2130	Contract liabilities – current (Remark 21)	36,894	2	7,885	-
2150	Remarks payable (Remark 17)	2,642	-	10,869	-
2170	Accounts payable (Remarks 17 and 28)	92,988	4	145,855	6
2200	Other payables (Remark 18)	116,082	5	105,810	4
2230	Current tax liabilities (Remarks 4 and 23)	3,615	-	78,158	3
2280	Lease liabilities – current (Remarks 4 and 14)	3,025	-	2,991	-
2322	Long-term borrowings maturing within one year (Remarks 16, 28 and 29)	55,034	2	109,233	4
2399	Other current assets (Remark 18)	40,235	2	43,184	2
21XX	Total current liabilities	350,515	15	523,985	20
	Non-current liabilities				
2540	Long-term borrowings (Remarks 16, 28, and 29)	65,078	3	261,303	10
2570	Deferred income tax liabilities (Remarks 4 and 23)	4,907	-	-	-
2580	Lease liabilities - non-current (Remarks 4 and 14)	1,961	-	2,699	-
2640	Net defined benefit liabilities (Remarks 4 and 19)	-	-	4,787	-
2670	Other non-current liabilities	100	-	100	-
25XX	Total non-current liabilities	72,046	3	268,889	10
2XXX	Total Liabilities	422,561	18	792,874	30
	Equity (Remarks 4 and 20)				
3110	Common Stock Capital	1,030,865	45	1,030,865	39
3200	Capital surplus	159,501	7	150,532	6
	Retained Earnings				
3310	Legal reserve	140,982	6	113,668	4
3320	Special reserve	-	-	31,293	1
3350	Undistributed earnings	545,567	24	515,624	20
3300	Total retained earnings	686,549	30	660,585	25
3400	Other equity	(1,827)	-	-	-
3500	Treasury Shares	(11,780)	-	(11,780)	-
3XXX	Total equity	1,863,308	82	1,830,202	70
	Total liabilities and equity	$ 2,285,869	100	$ 2,623,076	100

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

Chairman: SU, CHI-TSE

Manager: SU, CHI-HU

Chief Accounting Officer: CHEN, HUI-JUNG

Tsang Yow Industrial Co., Ltd.

Parent Company Only Statement of Comprehensive Income

January 1 to December 31, 2024 and 2023

Unit: TWD thousand; TWD earnings per share

Code		2024 Amount	2024 %	2023 Amount	2023 %
4000	Net operating revenue (Remarks 4, 21, and 28)	$ 1,055,982	100	$ 1,209,167	100
5000	Operating costs (Remarks 10, 22 and 28)	760,410	72	811,665	67
5900	Gross Profit	295,572	28	397,502	33
5910	Unrealized losses (gains) with subsidiaries (Remark 28)	(3,919)	-	-	-
5920	Realized gains (losses) with subsidiaries (Remark 28)	-	-	3,107	-
5950	Realized gross profit	291,653	28	400,609	33
	Operating expenses (Remarks 9 and 22)				
6100	Selling expenses	42,944	4	42,362	3
6200	Administrative expenses	78,952	8	78,903	7
6300	Research and development expenses	45,689	4	47,102	4
6450	Expected credit reversal of impairment loss recognised in profit or loss	(47)	-	(754)	-
6000	Total operating expenses	167,538	16	167,613	14
6900	Net operating income	124,115	12	232,996	19
	Non-operating income and expenses (Remarks 22 and 28)				
7010	Other income	7	-	6	-
7100	Interest income	21,782	2	7,215	1
7020	Other gains and losses	72,387	7	(38,034)	(3)
7050	Financial costs	(3,983)	(1)	(10,402)	(1)
7060	Recognized share of profit or loss of subsidiaries using the equity method	(3,144)	-	155,972	13
7000	Total	87,049	8	114,757	10

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Code		2024 Amount	2024 %	2023 Amount	2023 %
7900	Net income before tax	$ 211,164	20	$ 347,753	29
7950	Income tax expenses (Remarks 4 and 23)	48,014	5	74,019	6
8200	Net income for this year	163,150	15	273,734	23
	Other comprehensive income (Remarks 19, 20 and 23)				
8310	Items not reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	(52)	-	(739)	-
8349	Income tax related to items not reclassified	10	-	148	-
8360	Items that may subsequently be reclassified to profit or loss				
8361	Exchange differences arising from the translation of the financial statements of foreign operations	(2,284)	-	(22,811)	(2)
8380	Share of other comprehensive income of subsidiaries using the equity method	-	-	54,124	4
8399	Income tax related to items that may be reclassified to profit or loss	457	-	(20)	-
8300	Other comprehensive income for this year (net of tax)	(1,869)	-	30,702	2
8500	Total comprehensive income for this year	$ 161,281	15	$ 304,436	25
	Earnings per share (Remark 24)				
9710	Basic	$ 1.59		$ 2.67	
9810	Dilution	$ 1.59		$ 2.66	

The accompanying remarks are an integral part of the parent company only financial statements. (Refer to the audit report issued by KPMG Taiwan on March 77, 113th year of the Republic of China)

Chairman: SU, CHI-TSE

Manager: SU, CHI-HU

Chief Accounting Officer: CHEN, HUI-JUNG

Tsang Yow Industrial Co., Ltd.

Parent Company Only Statement of Changes in Equity

January 1 to December 31, 2024 and 2023

Unit: TWD thousand

Code		Common Stock Capital	Capital surplus	Retained Earnings: Legal reserve	Retained Earnings: Special reserve	Retained Earnings: Undistributed earnings	Retained Earnings: Total	Exchange differences on translation of foreign operations financial statements in other equity	Treasury Shares	Total equity
A1	Balance on January 1, 2023	$1,030,865	$ 150,532	$ 96,923	$ 44,054	$ 359,046	$ 500,023	($ 31,293)	($ 11,780)	$1,638,347
	Earnings appropriation and distribution for 2022 (Remark 20)									
B1	Legal reserve	-	-	16,745	-	(16,745)	-	-	-	-
B3	Special reserve	-	-	-	(12,761)	12,761	-	-	-	-
B5	Cash dividend	-	-	-	-	(112,581)	(112,581)	-	-	(112,581)
		-	-	16,745	(12,761)	(116,565)	(112,581)	-	-	(112,581)
D1	Net income for 2023	-	-	-	-	273,734	273,734	-	-	273,734
D3	Other comprehensive income after tax for 2023	-	-	-	-	(591)	(591)	31,293	-	30,702
D5	Total comprehensive income for 2023	-	-	-	-	273,143	273,143	31,293	-	304,436
Z1	Balance on December 31, 2023	1,030,865	150,532	113,668	31,293	515,624	660,585	-	(11,780)	1,830,202
	Earnings appropriation and distribution for 2023 (Remark 20)									
B1	Legal reserve	-	-	27,314	-	(27,314)	-	-	-	-
B3	Special reserve	-	-	-	(31,293)	31,293	-	-	-	-
B5	Cash dividend	-	-	-	-	(137,144)	(137,144)	-	-	(137,144)
		-	-	27,314	(31,293)	(133,165)	(137,144)	-	-	(137,144)
N1	Share-based transactions (Remarks 20 and 25)	-	8,969	-	-	-	-	-	-	8,969
D1	Net income for 2024	-	-	-	-	163,150	163,150	-	-	163,150
D3	Other comprehensive income after tax for 2024	-	-	-	-	(42)	(42)	(1,827)	-	(1,869)
D5	Total comprehensive income for 2024	-	-	-	-	163,108	163,108	(1,827)	-	161,281
Z1	Balance as of December 31, 2024	$1,030,865	$ 159,501	$ 140,982	$ -	$ 545,567	$ 686,549	($ 1,827)	($ 11,780)	$1,863,308

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

Chairman: SU, CHI-TSE　　Manager: SU, CHI-HU　　Chief Accounting Officer: CHEN, HUI-JUNG

Tsang Yow Industrial Co., Ltd.

Parent Company Only Statement of Cash Flows

January 1 to December 31, 2024 and 2023

Unit: TWD thousand

Code		2024	2023
	Cash flows from operating activities		
A10000	Net income before tax	$211,164	$347,753
A20010	Income and expense items		
A20100	Depreciation expenses	82,037	82,302
A20200	Amortization expenses	2,619	4,614
A20300	Expected credit reversal of impairment loss recognised in profit or loss	(47)	(754)
A20400	Gain on financial assets at fair value through profit or loss	(151)	(42)
A20900	Financial costs	3,983	10,402
A21200	Interest income	(21,782)	(7,215)
A21300	Dividend income	(7)	(6)
A21900	Cost of employee stock options	8,969	-
A22400	Recognized share of profit or loss of subsidiaries using the equity method	3,144	(155,972)
A22500	Gain on disposal of property, plant and equipment	(11,850)	(3,145)
A29900	Loss from disposal of subsidiary	-	55,924
A23700	Inventory loss	8,143	8,846
A23900	Unrealized gains with subsidiaries	3,919	-
A24000	Realized gains with subsidiaries	-	(3,107)
A30000	Net change in operating assets and liabilities		
A31130	Notes receivable	-	64
A31150	Accounts receivable	(10,647)	11,479
A31180	Other receivables	1	17,707
A31200	Inventory	69,894	54,841
A31240	Other current assets	1,080	(194)
A32125	Contract liabilities	29,009	(10,502)
A32130	Notes payable	(8,227)	3,160
A32150	Accounts payable	(52,867)	(40,591)
A32180	Other payables	(9,893)	3,427
A32230	Other current liabilities	(14,745)	6,789
A32240	Net defined benefit liability	(5,810)	(1,797)
A33000	Cash from operations	287,936	383,983
A33100	Interest received	20,936	7,397
A33200	Dividends received	7	6

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Code		2024	2023
A33300	Interest paid	($ 4,929)	($ 10,634)
A33500	Income tax paid	(117,407)	(40,637)
AAAA	Net cash inflow from operating activities	186,543	340,115
	Cash flows from investing activities		
B01800	Long-term equity investments using equity method	(118,119)	-
B00040	Acquisition of financial assets measured at amortized cost	(5,710)	-
B02300	Net cash inflow from disposal of subsidiary(Remark 12)	-	587,118
B02700	Acquisition of property, plant and equipment	(96,477)	(30,895)
B02800	Proceeds from disposal of property, plant and equipment	18,608	8,415
B04500	Acquisition of intangible assets	(1,230)	(438)
B05900	Decrease in other receivables – related party	-	107,362
B06500	Increase in other financial assets	(1,758)	(1,265)
B06800	Decrease in other non-current assets	3,972	-
B07300	Increase in other non-current assets	-	(3,972)
BBBB	Net cash inflows (outflows) from investing activities	(200,714)	666,325
	Cash flows from financing activities		
C00100	Decrease in short-term borrowings	(20,000)	(80,000)
C01600	Long-term borrowings	-	100,000
C01700	Repayment of long-term borrowings	(250,424)	(358,253)
C04020	Repayment of principal of lease liabilities	(4,102)	(2,426)
C04500	Cash dividend paid out	(137,144)	(112,581)
C05100	Receipt of employee treasury stock subscription	11,796	-
CCCC	Net cash outflow from financing activities	(399,874)	(453,260)
EEEE	Net increase (decrease) in cash and cash equivalents	(414,045)	553,180
E00100	Opening balance of cash and cash equivalents	860,249	307,069
E00200	Ending balance of cash and cash equivalents	$446,204	$860,249

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

Chairman: SU, CHI-TSE Manager: SU, CHI-HUChief

Accounting Officer: CHEN, HUI-JUNG

Tsang Yow Industrial Co., Ltd.

Notes to Parent Company Only Financial Statements

January 1 to December 31, 2024 and 2023 (In TWD thousand, unless otherwise specified)

I. Company History

Tsang Yow Industrial Co., Ltd. (hereinafter referred to as "the Company") was incorporated in January 1985 and mainly engages in the business activities below:

(I) Manufacturing and wholesale of other machinery (automatic transmission and drivetrain systems).

(II) Manufacturing and wholesale of ships and parts

(III) Manufacturing and wholesale of automobiles and parts.

(IV) Manufacturing and wholesale of other machinery and devices (automatic transmission and drivetrain systems).

The Company's stock has been listed and traded on the Taiwan Stock Exchange since May 2014.

The parent company only financial statements are presented in the Company's functional currency, i.e. New Taiwan dollar (TWD).

II. Date and Procedures for Approval of Financial Statements

The parent company only financial statements were published after being approved by the Board of Directors on February 24, 2025.

III. Application of New and Revised Standards and Interpretation

(I) Initial application of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC), and Interpretations (SIC) 1 endorsed and issued by the Financial Supervisory Commission (FSC) (hereinafter referred to as "IFRS Accounting Standards")

The application of the IFRS Accounting Standards endorsed and issued into effect by the FSC will not cause a material change in the accounting policies of the Company.

(II) Application of IFRS Accounting Standards endorsed by FSC in 2025

New/amended/revised standards or interpretation	Effective date announced by IASB
Amendments to IAS 21 "Lack of Convertibility"	January 1, 2025 (Note)

Note: Applicable to the annual report period starting from January 1, 2025.When the Amendments apply for the first time, the comparative period shall not be reprepared, and the affected amount shall be recognized as the exchange differences on translating foreign operations (as appropriate) under the retained earnings or equity on the date of initial application, as well as the related affected assets and liabilities.

(III) IFRS Accounting Standards issued by International Accounting Standards Board ("IASB") but not yet endorsed and issued into effect by FSC

New/amended/revised standards or interpretation	Effective Date Issued by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Book 11	January 1, 2026
Amendments to the "Classification and measurement of financial instruments" of IFRS 9 and IFRS 7	January 1, 2026
Amendments to the "Contracts related to nature dependent power" of IFRS 9 and IFRS 7	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	Not decided
IFRS 17 Insurance Contracts	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Disclosure of Subsidiaries not Publicly Responsible for Public Expenditure":	January 1, 2027

Note: Unless otherwise noted, the above new/revised/amended standards and interpretations take effect in their respective annual reporting periods beginning on or after their respective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements," and the main changes to the Standards include:

- The income and loss items shall be categorized into types of operating, investment, financing, income tax, and discontinued operations in the income statements.
- The operating income and loss, income and loss before financing and income tax, as well as subtotals and total amounts of income and loss shall be

presented in the income statement.

- Guidance is provided to strengthen consolidation and segmentation regulations. The Company must identify assets, liabilities, equity, income, expenses, losses, and cash flows from individual transactions or other matters and classify and summarize them according to common characteristics. This ensures that each individual line item presented in the primary financial statements has at least one similar characteristic.The items with different characteristics shall be subdivided in the primary financial statements and notes.The Company only marks the items as “Others” when a more informative name cannot be found.
- Disclosure in performance measurement defined by the management is increased: When the Company makes public communications outside of financial statements and communicates with users of financial statements about the management’s views on a certain aspect of the overall financial performance of the Company, it shall disclose relevant information on performance measurement defined by the management in a single note to the financial statements, including a description of the measurement, how it is calculated, its adjustment from subtotals or aggregates specified in the IFRS Accounting Standards, and the impact of income tax and non-controlling interests on related adjustment items.

In addition to the aforementioned impacts, as of the date of approval and issuance of the parent company only financial statements by the Board of Directors, the Company has continued to evaluate the impact of amendments to other standards and interpretations on its financial conditions and performance. The relevant impacts will be disclosed upon completion of the evaluation.

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

The parent company only financial statements were prepared on the historical cost basis, except for financial instruments at fair value and net defined benefit liabilities recognized at the present values of defined benefit liability (assets), less the fair values of plan assets.

The fair value measurement is classified into three levels based on the observability and significance of relevant inputs:

1. Level 1 inputs: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date.
2. Level 2 inputs: Inputs, other than quoted market prices within level 1 that are observable, either directly (i.e. prices) or indirectly (derived from prices) for assets or liabilities.
3. Level 3 inputs: Unobservable inputs for assets or liabilities.

When preparing the parent company only financial statements, the Company adopted the equity method to recognize investments in subsidiaries.To enable the amounts of this year’s profit or loss, other comprehensive income, and equity in the parent company only financial statements to be the same as the ones attributable to the owners of the Company, other comprehensive income, and equity in the consolidated financial statements, regarding the differences arising from accounting treatments between the parent company only basis and the consolidation basis, adjustments were made to the investments accounted for using the equity method, the share of profit or loss of subsidiaries using the equity method, the share of other comprehensive income of subsidiaries using the equity method, as well as relevant equity items, as appropriate.

(III) Criteria for classification of current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash or cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the balance sheet date; and

3. Liabilities that do not have substantial rights to defer the settlement period to at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current.

(IV) Foreign currency

When the financial statements of each individual entity in the Company were prepared, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing on the transaction dates.

On each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on that date.Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the year in which they arise.

Foreign currency non-monetary items at fair value are translated at the exchange rate on the date when the fair value is determined, and the resulting exchange differences are recognized in current profit or loss; however, regarding changes in fair values recognized in other comprehensive income, the resulting exchange differences are recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not retranslated.

When the parent company only financial statements were prepared, the assets and liabilities of the Company's foreign operations (including subsidiaries operating in a country and using a currency different from that of the Company) were translated into New Taiwan dollars (TWD) at the exchange rate prevailing on each balance sheet date.Income and expense items are translated at the year's average exchange rate, and the resulting exchange differences are recognized in other comprehensive income.

(V) Inventories

Inventory includes raw materials, supplies, work in process, and finished goods.The value of inventory is measured at the lower of weighted average cost or net realizable value. The comparison of the cost and net realizable value is based on individual items except for the same category of inventory.The net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.The cost of inventory is calculated using the weighted average method.

(6) Investment in subsidiaries

The Company adopts the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss, other comprehensive income, and profit margins of the subsidiaries.Moreover, the Company recognizes the movements in its share of other equity of subsidiaries based on the shareholding.

When changes in the Company's ownership interest in a subsidiary do not result in a loss of control, they are treated as equity transactions.Any difference between the amount of investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company assesses the impairment, it considers the cash-generating unit as a whole in the financial statements and compares its recoverable amount with the carrying amount.If the recoverable amount of an asset increases subsequently, the reversal of the impairment loss shall be recognized in gains, but the carrying amount of the asset after the reversal of the impairment loss shall not exceed the carrying amount of the asset less amortization without impairment loss recognized.The impairment loss attributable to goodwill shall not be reversed in subsequent periods.

When the Company loses control over a subsidiary, it measures its remaining investment in the former subsidiary based on the fair value on the date of loss of control. The difference between the fair value of the remaining investment and any disposal price and the book amount of the investment on the date of loss of control is recognized in the current profit or loss.Furthermore, all amounts related to the subsidiary recognized in other comprehensive income are accounted for on the same basis as would be required if the Company directly disposed of the related assets or liabilities.

The unrealized profit or loss on downstream transactions between the Company and its subsidiaries are eliminated in the parent company only financial statements.Profit or loss on downstream and lateral transactions between the Company and its subsidiaries is recognized in the parent company only financial statements only to the extent that it does not affect the Company's interests in the subsidiaries.

(VII) Investment in associates

An affiliate is an enterprise over which the Company has significant influence but is not a subsidiary nor a joint venture.

The Company adopts the equity method to account for its investments in associates.

Under the equity method, investments in associates are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss, other comprehensive income, and profit margins of the associates.Moreover, changes in the equity of associates are recognized in proportion to the ownership interest.

The excess of the acquisition cost over the Company's share of the net fair value of the associate's identifiable assets and liabilities at the acquisition date is recognized as goodwill, which is included in the carrying amount of the investment and is not amortiz1ed. The excess of the Company's share of the net fair value of the associate's identifiable assets and liabilities at the acquisition date over the acquisition cost is recognized in profit or loss for the period.

When associates issue new shares and the Company does not subscribe in proportion to its shareholding, resulting in a change in shareholding percentage and a corresponding increase or decrease in the equity net value of the investment, the change is adjusted to capital surplus – changes in equity net value of associates and joint ventures accounted for using the equity method and investments accounted for using the equity method.However, if the Company does not subscribe or acquire shares in proportion to its shareholding, resulting in a reduction of its ownership interest in the associate, the amounts recognized in other comprehensive income related to the associate are reclassified in proportion to the reduction, based on the same basis as if the associate had directly disposed of the related assets or liabilities. If the aforementioned adjustment requires a debit to capital surplus and the balance of capital surplus from equity method investments is insufficient, the difference is debited to retained earnings.

When the Company's share of loss in the affiliated enterprise is equal to or exceeds its interest in the affiliated enterprise (including the book value of investment in the affiliated enterprise under the equity method and other long-term equity that, in substance, form part of the Company's net investment in the affiliated enterprise), the consolidated company ceases to recognize the further loss.The Company only recognizes additional losses and liabilities within the scope of the occurrence of a legal obligation, presumed obligation or within the scope of the payment made on behalf of the associate.

When the Company assesses impairment, it treats the entire book amount of the investment (including goodwill) as a single asset and tests for impairment by comparing it with recoverable amount and book amount. The impairment loss recognized is not allocated to any asset forming part of the book amount of the investment, including goodwill.Any reversal of impairment loss is recognized within the range of subsequent increase in the recoverable amount of the investment.

The Company ceases to adopt the equity method on the date its investment ceases to be an affiliate, and its retained interest in the former affiliate is measured at fair value. The difference between the fair value and the disposal price and the carrying amount of the investment on the date of cessation of the equity method is recognized in the profit or loss for the current period. Furthermore, all amounts related to the associate recognized in other comprehensive income are accounted for on the same basis as would be required if the associate directly disposed of the related assets or liabilities.

The profit or loss from the upstream, downstream and lateral transactions between the Company and its affiliates is recognized in the parent company only financial statements only to the extent that it does not affect the Company's interests in the affiliates.

(VIII) Property, plant and equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost, less accumulated depreciation.

Property, plant and equipment under construction are recognized at cost.The cost includes professional service expenses and the borrowing costs eligible for capitalization.Such assets are classified into appropriate property, plant and equipment categories upon completion and reaching the status of intended use, and the depreciation begins.

Except for owned land, which is not depreciated, property, plant and equipment are depreciated on a straight-line basis over their useful lives. Each significant part is depreciated separately. The Company conducts at least an annual review at the end of each year to assess the estimated useful life, residual value, and depreciation methods,and apply the effects of changes in accounting estimates prospectively.

When property, plant and equipment are derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(IX) Intangible assets

1. Separate acquisition

Intangible assets with finite useful lives that are acquired separately (mainly computer software and patents) are initially measured at cost and subsequently measured at cost, less accumulated amortization and accumulated impairment loss.The intangible assets are amortized on a straight-line basis over their useful lives, and at least one annual review is conducted at the end of each year to assess the estimated useful lives, residual values, and amortization methods, and to apply the effects of changes in accounting estimates prospectively.

2. Derecognition

When an intangible asset is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in current profit or loss.

(X) Impairment of property, plant and equipment, right-of-use assets, and intangible assets

The Company assesses if there are any signs of possible impairment of property, plant, and equipment as well as right-of-use assets, and intangible assets at each balance sheet date.If there is any sign of impairment, an estimate is made of its recoverable amount.If it is not possible to determine the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit, to which the asset belongs.Shares assets are apportioned to individual cash-generating units or the smallest group of cash-generating units on a reasonable and consistent basis.

The recoverable amount is the fair value less cost of sales or its value in use, whichever is higher.If the recoverable amount of an individual asset or a cash-generating unit is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or the cash-generating unit is increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset or the cash-generating unit, which was not recognized in impairment loss in prior years.The reversal of the impairment loss is recognized in profit or loss.

(XI) Financial instruments

Financial assets and financial liabilities are recognized in the parent company only balance sheet when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities not at fair value through profit or loss are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities.The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss is immediately recognized in profit or loss.

1. Financial assets

Regular trading of financial assets is recognized and derecognized in accordance with trade date accounting.

(1) Measurement types

Financial assets held by the Company are those measured at fair value through profit or loss and financial assets at amortized cost.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those that are measured mandatorily at fair value through profit or loss.Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments that are not designated to be measured at fair value through other comprehensive income as well as investments in debt instruments that do not qualify for measurement at amortized cost or at fair value through other comprehensive income.

Financial assets at fair value through profit or loss are measured at fair value with dividends and remeasurement gains or losses recognized in "other income" and "other gains and losses," respectively.Please refer to Note 27 for the method of determining the fair value.

B. Financial assets at amortized cost

If the financial assets, in which the Company invests, are aligned with both the following two criteria, such assets are classified as financial assets measured at amortized cost:

a. Held under a certain business model, of which the objective is to hold financial assets in order to collect contractual cash flows; and

b. The cash flows on specific dates specified in the contractual terms are solely payments of the principal and interest on the principal amount outstanding.

After initial recognition, financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable measured at amortized cost (including related parties), other receivables and other financial assets) are measured at the amortized cost of the total carrying amount determined by the effective interest method less any impairment loss. Any foreign currency exchange differences are recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the gross carrying amount of financial assets.

Credit-impaired financial assets means that the issuer or debtor has experienced material financial difficulties or default, and the debtor is likely to file for bankruptcy or other financial restructuring, or the active market for such financial assets has disappeared due to the financial difficulties.

Cash equivalents, including time deposits, are highly liquid and readily convertible into a fixed amount of cash at any time while featuring little risk of value changes and can be used to meet short-term cash commitments within three months from the acquisition date.

(2) Impairment of financial assets

At each balance sheet date, the Company assesses the impairment loss of financial assets (including accounts receivable) measured at amortized cost based on the expected credit loss.

Accounts receivable are recognized as loss allowance based on the lifetime expected credit losses.Other financial assets are first assessed based on whether the credit risk has increased significantly since the initial recognition. If there is no significant increase in the risk, the impairment is recognized in allowance for losses in an amount equal to 12-month expected credit loss. If the risks have increased significantly, the impairment is recognized in allowance for losses at an amount equal to lifetime expected credit loss.

The expected credit loss refers to the weighted average credit loss with the risk of default as the weight.The 12-month expected credit loss represents the expected credit loss from possible defaults of a financial instrument within 12 months after the reporting date. The lifetime expected credit loss represents the expected credit loss from all possible defaults in a financial instrument over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Company, without considering the collateral held, determines that the following situations represent defaults in the financial assets:

A. Internal or external information indicates that it is impossible for the debtor to settle the debt.

B. It is overdue for more than 180 days, unless there is reasonable and corroborative information showing that a default date postponed is more appropriate.

All impairment losses on financial assets are reduced to their carrying amounts through an allowance account for losses.

(3) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash inflow from the financial asset expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

Upon derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the consideration received is recognized in profit or loss.

2. Equity instruments

Equity instruments issued by the Company are recognized at the proceeds received, less the cost of direct issue.

The Company's equity instruments repurchased are recognized and debited to equity.The purchase, sale, issue, or cancellation of the Company's equity instruments are not recognized in profit or loss.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost in the effective interest method.

(2) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(XII) Revenue recognition

After the Company identifies its performance obligations in contracts with clients, it allocates the transaction costs to each obligation in the contracts and recognizes revenue upon completion of performance obligations.

<u>Merchandise sales revenue</u>

Merchandise sales revenue is mainly from the sales of automatic transmission components.As the merchandise arrives at/is delivered to the location designated by a client, the client has the right to set the price and use the merchandise and assume the main responsibility for reselling the merchandise, while bearing the risk of obsolescence of the merchandise, upon which the Company recognizes it in revenue and accounts receivable.

Revenue is measured at the fair value of the consideration received or receivable, less estimated returns, discounts, and other similar discounts.Returns and discounts are recognized at reasonable estimates of the monetary amount of future returns based on the past experience and other relevant factors.

For outsourced processing with raw materials supplied by the Group, as the control over the ownership of the processed goods has not been transferred, it is not recognized in revenue when the raw materials are supplied.

Service income

The income from processing on order is recognized in revenue when the performance obligation is satisfied over time.

(XIII) Leases

The Company assesses whether a contract belongs to (or contains) a lease on the date of establishment of the contract.

The Company as a lessor

The Group recognizes right-of-use assets and lease liabilities for all leases at the lease commencement date, except for low-value asset leases and short-term leases accounted for with recognition exemption applied where lease payments are recognized in expenses on a straight-line basis over the lease terms.

The right-of-use assets are initially measured at cost (including the initially measured amount of a lease liability, the lease payment paid before the lease commencement date, less lease incentives received, the initial direct cost, and the estimated cost of restoring the underlying asset) and subsequently measured at cost, less accumulated depreciation and accumulated impairment loss, with the remeasurement of the lease liability adjusted.Right-of-use assets are presented on a separate line in the parent company only balance sheets.

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the end of the useful life or the end of the lease term, whichever is earlier.

A lease liability is initially measured at the present value of the lease payment (fixed payments).If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at such an interest rate.If the interest rate cannot be easily determined, the lessee's incremental borrowing rate applies.

Subsequently, lease liabilities are measured at the amortized cost using the effective interest rate method, and interest expense is amortized over the lease term.If changes in the amount of the fixed payment and the lease term lead to changes in future lease payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss.Lease liabilities are presented on a separate line in the parent company only balance sheets.

(XIV) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are included as part of the cost of the asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Except for the above, all other borrowing costs are recognized in profit or loss in the year in which they are incurred.

(XV) Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis during the periods, in which the Company recognizes the relevant costs, for which the grants are intended to offset, in expenses.

Government grants are recognized in profit or loss during the period, in which they can be received, if they are used to offset incurred expenses or losses or for the purpose of providing immediate financial support to the Company without relevant costs to be incurred in the future.

(XVI) Employee benefits

1. Short-term employee benefits

Relevant liabilities for short-term employee benefits are measured by the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

For pension under the defined contribution plan, the amount of pension contributed is recognized in expenses during employees' service period.

The defined benefit cost under the defined benefit pension plan (including service cost, net interest, and remeasurement) is calculated based on the projected unit credit method.The service costs and net interest on net defined benefit assets are recognized in employee benefit expenses when incurred.The remeasurement (including actuarial gains and losses and plan asset remuneration net of interest) is recognized in other comprehensive income and listed in retained earnings when it occurs, and will not be reclassified to profit or loss after the balance sheet date.

The net defined benefit liability (assets) is the contribution deficit (surplus) in the defined benefit pension plan.A net defined benefit asset must not exceed the present value of the economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

(XVII) Share-based payment agreement

Employee stock options granted to employees

Employee stock options are recognized in expenses at the fair values of the equity instruments on the grant date and the best estimate of the number of equity instruments that will vest during the vesting period on a straight-line basis, while "capital surplus – employee stock options" is adjusted accordingly.If it is immediately vested on the grant date, the full amount is recognized in expenses on the grant date.The Company transfers treasury stock to employees, and the grant date is the date when the employee subscribes the shares.

(XVIII) Income tax

Income tax expense is the sum of the current income tax and deferred income tax.

1. Current income tax

The Company calculates the current income (loss) in accordance with the laws and regulations formulated by the authority of the R.O.C, to which an income tax return should be filed, and calculates the income tax payable (recoverable) accordingly.

A surtax is imposed on the undistributed earnings pursuant to the Income Tax Act of R.O.C. is recognized via the resolution at the annual shareholders' meeting.

Adjustment to income tax payable from prior years are recognized in the current income tax.

2. Deferred tax

Deferred tax is calculated based on the temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases used in the computation of taxable income.

All taxable temporary differences are generally in deferred tax liabilities, and deferred tax assets are recognized when it is probable that future taxable income will be available against the income tax credits arising from the deductible temporary differences and carryforward of the unused losses.

Taxable temporary differences associated with investments in subsidiaries are recognized in deferred liabilities, except where the Company is able to control the reversal of the temporary difference and it is probable that said temporary difference will not be reversed in the foreseeable future.Deferred tax assets arising from the deductible temporary differences related to said investments are recognized in deferred tax assets only if it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences, and they are expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.A previously unrecognized deferred tax asset is also reviewed at each balance sheet date, and its carrying amount will be increased as it has become probable that future taxable income will allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates in the period in which the liabilities are expected to be settled or assets realized, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.The measurement of deferred tax liabilities and assets reflects the tax consequences that would ensue in a manner expected by the Company at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred income tax

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly credited to equity; in which case, the current and deferred taxes are recognized in other comprehensive income or directly credited to equity.

5. Significant Accounting Judgments and Estimations, and Main Sources of Assumption Uncertainties

When the Company adopts accounting policies, the management is required to make judgments, estimates and assumptions that are based on historical experience and other factors that are not readily apparent from other sources.Actual results may differ from the estimates.

The management will continue to review the estimates and basic assumptions.If a revision of an estimate affects only the current year, it is recognized in the period in which it is revised. If a revision of an accounting estimate affects both the current year and future periods, it is recognized in the year in which it is revised and in the future periods.

Estimations and Main Sources of Assumption Uncertainties

(I) Impairment of inventory

The net realizable value of inventory is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. Such estimates are made based on the real-time market conditions and historical sales of similar products, and changes in such market conditions may significantly affect the results of such estimates.

VI. Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and working capital	$ 566	$ 618
Checking and demand deposits in bank	120,175	152,244
Cash equivalents		
Demand deposit in bank with initial duration of more than 3 months	325,463	707,387
	$446,204	$860,249

The range of annual rate of interest of cash equivalents on the balance sheet date is as follows:

	December 31, 2024	December 31, 2023
Time deposits in bank (%)	1.23-4.93	2.68-5.65

The credit ratings of the financial institutions, with which the Company deals are great, and the Company deals with multiple financial institutions at the same time to diversify the risk, so the probability of default is expected to be very low.

VII. Financial instruments at fair value through profit or loss

	December 31, 2024	December 31, 2023
Financial assets – current		
Mandatorily at fair value through profit or loss		
Non-derivative financial assets – domestic listed stocks	$636	$485

VIII. Financial assets at amortized cost - only December 31, 2024

Non-current	December 31, 2024
Foreign investment	
Corporate bonds	$ 5,710

The Company purchased the 5-year corporate bonds of Shinhan Card Co., Ltd. in December 2024, with a face value of USD 200 thousand. The maturity date was June 23, 2026, with a coupon rate of 1.38% and an effective interest rate of 1.84%.

IX. Accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable – from business operations		
At amortized cost		
Gross carrying amount (including related parties)	$216,761	$206,114
Less: Allowance for losses	928	975
	$215,833	$205,139

The Company's average credit period for the merchandize sales is 45–90 days.To mitigate the credit risk, the Company's management assigns a team dedicated to determining and approving clients' credit lines and carrying out other monitoring procedures to ensure that appropriate actions have been taken to recover overdue account receivables.In addition, the Company will review the recoverable amount of receivables on each balance sheet date to ensure that appropriate impairment loss has been recognized for the uncollectible receivables.With this in mind, the Company's management believes that the credit risk has been significantly reduced.

The Company recognizes an allowance for losses on accounts receivable on the basis of lifetime expected credit losses.Lifetime expected credit losses are calculated using a provision matrix based on each client's past default records, current financial position, economic situation in the industry, and industry outlook.Based on the Company's history of credit losses, as there was no significant difference in the loss patterns among different groups of clients, the groups of clients were not further differentiated in the provision matrix, and only expected credit loss ratio was set based on the number of days for which accounts receivable was past due.

When there was evidence indicating that the counterparty was in severe financial difficulty and the Company could not reasonably expect the amount to be recovered, the Company would write off relevant receivables and continue to collect the overdue receivables. The receivable recovered was recognized in profit or loss.

The table below shows the allowance for losses on receivables based on the Company's provision matrix:

December 31, 2024

	Not past due	Overdue 1 to 30 days	Overdue 31 to 90 days	Overdue more than 91 days	Total
Expected credit loss (%)	-	-	1-2	9-100	
Gross carrying amount	$160,115	$ 41,714	$ 6,404	$ 8,528	$216,761
Allowance for losses (lifetime expected credit losses)	-	-	(120)	(808)	(928)
Amortized cost	$160,115	$ 41,714	$ 6,284	$ 7,720	$215,833

December 31, 2023

	Not past due	Overdue 1 to 30 days	Overdue 31 to 90 days	Overdue more than 91 days	Total
Expected credit loss (%)	-	-	1-2	9-100	
Gross carrying amount	$150,165	$ 41,282	$ 11,915	$ 2,752	$206,114
Allowance for losses (lifetime expected credit losses)	-	-	(139)	(836)	(975)
Amortized cost	$150,165	$ 41,282	$ 11,776	$ 1,916	$205,139

The information on the movement in the allowances for losses on receivables is as follows:

	2024	2023
Opening balance	$ 975	$ 1,729
Impairment loss reversed for this year	(47)	(754)
Ending balance	$ 928	$ 975

X. Inventories

	December 31, 2024	December 31, 2023
Finished goods	$140,106	$181,041
Work in progress	112,450	128,776
Raw materials	25,734	41,388
Materials	12,724	17,846
	$291,014	$369,051

The nature of operating costs is as follows:

	2024	2023

Inventory costs of goods sold	$760,555	$811,384
Loss on inventory valuation	6,603	4,204

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	2024	2023
Loss on inventory scrapped	$ 1,928	$ 5,183
Income from sales of scrap	(10,294)	(10,570)
Gain on physical inventory	(388)	(541)
Others	2,006	2,005
	$760,410	$811,665

XI. Other financial assets

	December 31, 2024	December 31, 2023
Pledged time deposits (Note 29)	$ 10,919	$ 10,181
Guarantee deposits paid	3,980	2,960
	$ 14,899	$ 13,141
Current	$ 10,419	$ 9,681
Non-current	4,480	3,460
	$ 14,899	$ 13,141

The range of annual rate of interest of pledged time deposits on the balance sheet date is as follows:

	December 31, 2024	December 31, 2023
Time deposits in bank (%)	1.47-2.85	1.58-3.05

The credit ratings of the financial institutions, with which the Company deals are great, and the Company deals with multiple financial institutions at the same time to diversify the risk, so the probability of default is expected to be very low.

XII. Investment Using Equity Method

	December 31, 2024	December 31, 2023
Investment in subsidiaries	$ 50,764	$ -
Investment in associates	58,008	-
	$108,772	$ -

For the nature of business and country of registration of the investee under the equity method, please refer to Table 2.

(I) Investment in subsidiaries

Unlisted companies	December 31, 2024 Amount	Shareholding (%)	December 31, 2023 Amount	Shareholding (%)
YORU Tech SDN. BHD. (YORU-MY)	$ 45,529	55	$ -	55
YORU Tech PTE. LTD. (YORU-SIN)	5,235	55	-	-
YOWIN Tech SDN BHD. (YOWIN-MY)	-	100	-	-
	$ 50,764		$ -	

The Company signed the contract for the sale of the subsidiary of Wuxi Tsang Yow Auto Parts Co., Ltd. (Wuxi Tsang Yow) in China in May, 2023, and completed the equity transfer and change of registration in July 2023.In addition, the Board of Directors resolved to liquidate the business operations of GIGA, Business International Co., Ltd. (Business) and AAI in November 2023. The liquidation procedures were completed from November 2023 to December 2023. The amount of TWD 587,118 thousand (USD 3,267 thousand and CNY 111,000 thousand) was recovered and the disposal of investment loss of TWD 55,924 thousand was recognized.The Company lost control over the above subsidiaries.Please refer to Note 28 to the Company's 2024 consolidated financial statements for the description of the disposal of subsidiaries.

The Company established YORU Tech SDN. BHD.in Malaysia through a resolution adopted by the Board of Directors on August 229, 2023, with an expected investment amount of USD 6.6 million and a shareholding ratio of 55%. Its establishment registration had been completed.As of December 31, 2024, the Company had contributed USD 1,588,100 and had not yet completed the capital verification process.

The Company established YORU Tech PTE. LTD. on January 5, 2024, with a shareholding ratio of 55%. Its establishment registration had been completed. As of December 31, 2024, the Company had contributed approximately USD 282 thousand, and had not yet completed the capital verification process.

The Company established YOWIN Tech SDN. LTD. on January 5, 2024, with a shareholding ratio of 100%. Its establishment registration had been completed. As of March 31, 2024, the Company had not yet been capitalized.

(II) Investment in associates

	December 31, 2024	December 31, 2023
Affiliated enterprise not important individually	$ 58,008	$ -

The Company established Apex Fortune Co., Ltd. in Thailand through a resolution adopted by the Board of Directors on November 6, 2024, with an expected investment amount of THB 60 million and a shareholding ratio of 20%. As of December 31, 2024, the Company had contributed THB 60 million and had not yet completed the capital verification process.

XIII. Property, plant and equipment

(I) The movements in costs and accumulated depreciation are as follows:

2024

	Land	Buildings	Machinery and equipment	Other equipment	To-be-inspected equipment and construction in progress	Total
Cost						
Balance on January 1, 2024	$ 317,004	$ 549,659	$ 675,734	$ 128,685	$ 10,557	$1,681,639
Additions	-	-	18,518	20,326	73,703	112,547
Disposal	-	-	(18,275)	(20,753)	-	(39,028)
Balance as of December 31, 2024	$ 317,004	$ 549,659	$ 675,977	$ 128,258	$ 84,260	$1,755,158
Accumulated depreciation						
Balance on January 1, 2024	$ -	$ 181,393	$ 338,982	$ 52,344	$ -	$ 572,719
Depreciation expenses	-	11,315	49,932	16,567	-	77,814
Disposal	-	-	(18,275)	(13,995)	-	(32,270)
Balance as of December 31, 2024	$ -	$ 192,708	$ 370,639	$ 54,916	$ -	$ 618,263
Net amount on December 31, 2024	$ 317,004	$ 356,951	$ 305,338	$ 73,342	$ 84,260	$1,136,895

2023

	Land	Buildings	Machinery and equipment	Other equipment	To-be-inspected equipment and construction in progress	Total
Cost						
Balance on January 1, 2023	$ 317,004	$ 549,659	$ 663,050	$ 131,939	$ 17,816	$1,679,468
Additions	-	-	14,613	16,366	(7	23,720

Disposal	-	-	(1,929)	(19,620)	-	(21,549)
Balance on December 31, 2023	$ 317,004	$ 549,659	$ 675,734	$ 128,685	$ 10,557	$1,681,639
Accumulated depreciation						
Balance on January 1, 2023	$ -	$ 169,891	$ 290,191	$ 48,954	$ -	$ 509,036
Depreciation expenses	-	11,502	50,720	17,740	-	79,962
Disposal	-	-	(1,929)	(14,350)	-	(16,279)
Balance on December 31, 2023	$ -	$ 181,393	$ 338,982	$ 52,344	$ -	$ 572,719
Net amount on December 31, 2023	$ 317,004	$ 368,266	$ 336,752	$ 76,341	$ 10,557	$1,108,920

(II) Useful lives

The Company's property, plant and equipment are depreciated on a straight-line basis over the following useful lives:

Buildings	
Main buildings of plants	50 years
Landscape engineering and fences	7–15 years
Machinery and equipment	3–15 years
Other equipment	5–15 years

Please refer to Note 29 for the amount of property, plant and equipment, pledged by the Company as collateral for borrowings.

(III) Investing activities that affect both cash and non-cash items are as follows:

	2024	2023
Increase in property, plant and equipment	$112,547	$ 23,720
Increase in prepayment for equipment purchase	5,041	4,763
Interest capitalization	(735)	(234)
Decrease (increase) in payables for machinery and equipment	(20,376)	2,646
Cash paid for purchase of property, plant and equipment	$ 96,477	$ 30,895

XVI. Lease agreements

(I) Right-of-use assets

	December 31, 2024	December 31, 2023
Carrying amount of right-of-use assets		

	2024	2023
Transportation equipment	$ 4,928	$ 5,753

	2024	2023
Additions to right-of-use assets	$ 3,398	$ 4,207
Right-of-use asset depreciation expense		
Transportation equipment	$ 4,223	$ 2,340

Except for the above additions and depreciation expenses recognized, there were no major subleases and impairments of the Company's right-of-use assets during 2024 and 2023.

(II) Lease liabilities

	December 31, 2024	December 31, 2023
Carrying amount of lease liabilities		
Current	$ 3,025	$ 2,991
Non-current	$ 1,961	$ 2,699

The range of discount rates (%) for lease liabilities is as follows:

	December 31, 2024	December 31, 2023
Transportation equipment	1.38-1.84	1.37-1.84

(III) Other leasing information

	2024	2023
Low-value asset lease expenses	$ 238	$ 240
Total cash outflows from leases	$ 4,458	$ 2,736

The Company has elected to apply the recognition exemptions to the leasing of photocopiers that qualify as low-value asset leases and does not recognize such leases in relevant right-of-use assets and lease liabilities.

XV. Other Assets

	December 31, 2024	December 31, 2023
Current		
Excess business tax paid	$ 4,751	$ 3,974
Prepaid expenses	2,867	3,339
Others	2,000	3,385
	$ 9,618	$ 10,698

Non-current		
Prepaid investment amount	$ -	$ 3,972
Others	592	592
	$ 592	$ 4,564

XVI. Borrowings

(I) Short-term borrowings - only December 31, 2023

	December 31, 2023
Unsecured bank borrowings	
Unsecured borrowings	$ 20,000

The rates of annual interest on the above short-term borrowings are as follows:

	December 31, 2023
Unsecured borrowings in bank (%)	1.65

(II) Long-term borrowings

	December 31, 2024	December 31, 2023
Secured borrowings (Note 29)	$104,848	$312,337
Unsecured borrowings	15,264	58,199
	120,112	370,536
Less: Current portion	55,034	109,233
Long-term borrowings	$ 65,078	$261,303

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	December 31, 2024	December 31, 2023
Secured borrowings		
Rate of annual interest (%)	1.98-2.01	1.84-1.90
Maturity period	114.12-122.11	114.12-122.11
Unsecured borrowings		
Rate of annual interest (%)	1.85	1.73-1.78
Maturity period	114.12	113.09-114.12

XVII. Notes and accounts payable

	December 31, 2024	December 31, 2023
Notes payable	$ 2,642	$ 10,869
Accounts payable (including related parties)	$ 92,988	$145,855

The above payments are all incurred due to business operations.The credit period for raw material purchases is 30 to 120 days. The Company has a financial risk management policy in place to ensure that all payables are repaid within the pre-agreed credit period.

XVIII. Other liabilities

	December 31, 2024	December 31, 2023
Other payables		
Salary and wages and bonuses payable	$ 40,064	$ 42,770
Payables for machinery and equipment	23,975	3,599
Payables for remuneration of employees and directors (Note 22)	13,479	22,218
Bonus payable for unused paid leave	8,699	8,762
Others	29,865	28,461
	$116,082	$105,810
Other current liabilities		
Other advance receipts	$ 27,489	$ 42,022
Refund liabilities	574	666
Advance receipts for treasury stock	11,796	-
Others	376	496
	$ 40,235	$ 43,184

XIX. Post-employment benefit plan

(I) Defined contribution pension plan

The Company adopted a pension scheme under the Labor Pension Act, which is a government-managed defined contribution plan. Under the act, the Company makes monthly contributions, equal to 6% of their monthly salary and wages, to employees' individual pension accounts under the Bureau of Labor Insurance.

(II) Defined benefit plan

The pension scheme adopted by the Company in accordance with the Labor Standards Act of R.O.C. is a government-managed defined benefit pension plan.The payment for employee pensions is calculated based on the length of service and the average salary in the six months prior to the approved retirement date.The Company contributes a certain percentage of the total monthly employee salaries, which is deposited by the Supervisory Committee of Labor Retirement Reserve into the pension account with the Bank of Taiwan in the name of the committee. Before the end of each year, if the balance in the pension account is inadequate to pay for the retirement benefits to employees who meet the retirement requirements in the following year, the Group will make a contribution to make up for the difference in a lump sum by the end of March of the following year.The pension account is managed by the Bureau of Labor Funds, Ministry of Labor; the Company has no right to influence its investment management strategy.

The amounts included in the parent company only balance sheets in respect of such defined benefit plans are as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	$ 11,149	$ 10,791
Fair value of plan assets	(12,120)	(6,004)
Net defined benefit liability (assets)	($ 971)	$ 4,787

The movements in the net defined benefit liability (asset) are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability (assets)
Balance on January 1, 2023	$ 14,079	($ 8,234)	$ 5,845

Interest expense (income)	148	(81)	67
Recognized in profit or loss	148	(81)	67
Remeasurement			
Return on plan assets	-	(84)	(84)
Actuarial loss – experience adjustments	727	-	727
Actuarial losses - changes in financial assumptions	96	-	96
Recognized in other comprehensive income	823	(84)	739

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	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability (assets)
Employer's contributions	$ -	($ 1,864)	($ 1,864)
Benefit payment	(4,259)	4,259	-
Balance on December 31, 2023	10,791	(6,004)	4,787
Interest expense (income)	93	(68)	25
Recognized in profit or loss	93	(68)	25
Remeasurement			
Return on plan assets	-	(739)	(739)
Actuarial loss – experience adjustments	1,069	-	1,069
Actuarial gain – changes in financial assumptions	(278)	-	(278)
Recognized in other comprehensive income	791	(739)	52
Employer's contributions	-	(5,835)	(5,835)
Benefit payment	(526)	526	-
Balance as of December 31, 2024	$ 11,149	($ 12,120)	($ 971)

The Company is exposed to the following risks due to the pension scheme stem under the Labor Standards Act:

1. Investment risk

   The Bureau of Labor Funds, Ministry of Labor, invests labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits for its own use and through agencies entrusted. However, the income from the Company's amount allocated to plan assets is calculated based on the interest rate not lower than the local bank's interest rate for two-year time deposits.

2. Interest rate risk

   A decrease in the interest rate in the government bonds will increase the present value of the defined benefit obligation; however, the return on the debt investment through the plan assets will also increase, and the increases will partially offset the effect of the net defined benefit liability.

3. Salary risk

   The present value of the defined benefit obligation is calculated with reference to the future salaries of the participants in the plan.Therefore, an increase in the salary of the participants in the plan will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the Company's defined benefit obligation were carried out by qualified actuaries. The critical assumptions made on the measurement date are as follows:

	December 31, 2024	December 31, 2023
Discount rate (%)	1.6	1.3
Expected salary increase (%)	1.5	1.5

If each of the critical actuarial assumptions is subject to reasonably possible changes, when all other assumptions remain unchanged, the amounts by which the present value of the defined benefit obligation would increase (decrease) are as follows:

	December 31, 2024	December 31, 2023
Discount rate		
Increase by 0.25%	($236)	($246)
Decrease by 0.25%	$244	$254
Expected salary increase (%)		
Increase by 0.25%	$236	$246
Decrease by 0.25%	($230)	($239)

As actuarial assumptions may be correlated, it is unlikely that only a single assumption would occur in isolation of one another, so the sensitivity analysis above may not reflect the actual changes in the present value of the defined benefit obligation.

	December 31, 2024	December 31, 2023
The expected contributions to the plan for the following year	$ 889	$ 5,796
The weighted average	9 years	10 years

duration of the defined benefit obligations

XX. Equity

(I) Common stock capital

	December 31, 2024	December 31, 2023
Authorized number of shares (in thousands)	150000	150000
Authorized capital stock	TWD 1,500,000	TWD 1,500,000

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	December 31, 2024	December 31, 2023
Number of shares issued and fully paid (in thousands)	103,087	103,087
Share capital already publicly offered	$1,030,865	$1,030,865

The ordinary shares issued are at a par value of TWD 10 per share, and each share is entitled to one vote and receive dividends.

(II) Capital surplus

	December 31, 2024	December 31, 2023
May be used to offset losses, pay out cash, or capitalize equity		
Additional paid-in capital – issuance of shares	$145,471	$145,471
Treasury shares traded	14,030	5,061
	$159,501	$150,532

Note: Such capital surplus may be used to offset losses or, when the Company has no losses, to pay out cash or to capitalize equity, provided that the capitalization is limited to a certain percentage of the paid-in capital each year.

(III) Retained earnings and dividend policy

As per the earnings distribution policy outlined in the Articles of Incorporation, if the Company makes a profit for a fiscal year, the profit shall first be used to pay taxes in accordance with applicable laws and regulations. The profit shall be used for offsetting the cumulative deficit, providing 10% of the remaining profit as a legal reserve, providing an amount for or reversing a special reserve in accordance with the laws and regulations or operational needs. Then, any remaining profit, together with any cumulative undistributed retained earnings, shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal. The distribution proposal shall then be submitted to the shareholders' meeting for a resolution before the distribution of dividends to shareholders.

In addition, in accordance with the Articles of Incorporation, when the dividends and bonuses are paid out in cash, it shall be adopted by supermajority resolution of the Board of Directors and reported to the shareholders' meeting.

The Company will consider the industry condition and the growth stage of the Company to meet capital needs and cash flow demands from shareholders in alignment with the long-term financial plan. Therefore, a certain percentage of distributable earnings will be allocated for shareholder dividends, with cash dividends not to be lower than 10% of all dividends to be paid out. The types and percentages of such dividends may be adjusted depending on the year's profit and capital needs, as determined by the resolution of the shareholders' meeting.

An amount shall be provided to the legal reserve unless the balance reaches the amount of the Company's total paid-in capital.The legal reserve may be used to offset losses.If there is no loss, when the amount of the legal reserve is 25% more than the paid-in capital, it can be used to contribute to the share capital and paid out in cash.

The Company's 2023 and 2022 earnings distribution proposals are as follows:

	Earnings distribution proposals		Dividends per share (TWD)	
	2023	2022	2023	2022
Legal reserve	$ 27,314	$ 16,745		
Reversal of special reserve	(31,293)	(12,761)		
Cash dividend to shareholders	137,144	112,581	$ 1.34	$ 1.10

The distribution of the above cash dividends has been approved by the resolutions of the Board of Directors in March 2024 and 2023, respectively, and the rest of the items distributed from the earnings were also approved by the resolution of the general shareholders' meetings in May, 2024 and 2023, respectively.

The 2024 earnings distribution proposal made by the Board of Directors in February 2025 is as follows:

	Earnings distribution proposals	Dividends per share (TWD)
Legal reserve	$ 16,311	
Special reserve	1,827	
Cash dividend to shareholders	123,704	$ 1.20

The distribution of the above cash dividends has been approved by the resolution of the Board of Directors, and the remaining items are pending resolution by the general shareholders' meeting scheduled to be held in May, 2025.

(IV) Special reserve

When the Company adopted the IFRSs for the first time, the special reserve of TWD 19,782 thousand for the exchange difference arising from the translation of the financial statements of foreign operations was reversed proportionally according to the disposal of foreign operations by the Company. If the Company lost significant influence, the special reserve will be fully reversed.Upon the distribution of earnings, the special reserve shall also be provided according to the difference between the net reduction amount of other shareholders' equity presented at the end of the reporting period and the special reserve provided for the first time using the IFRS Accounting Standards.Afterwards, when there is a reversal for the net reduction amount of other shareholders' equity in the future, the earnings may be distributed for the reversal portion.The Company had reversed the special reserve in full amount in 2023 when disposing of the subsidiary.

(V) Other equity interest – exchange differences arising from the translation of the financial statements of foreign operations

	2024	2023
Opening balance	$ -	($ 31,293)
Incurred during this year		
Exchange differences arising from the translation of the financial statements of foreign operations	(2,284)	-
Income tax related to items that may be reclassified	457	-
Reclassification adjustment		
Disposal of foreign operations	-	(22,811)
Share of translation differences from disposal of equity	-	54,124

method subsidiaries		
Disposal income tax related to items that may be reclassified	-	(20)
Ending balance	($ 1,827)	$ -

(VI) Treasury Shares

	Shares transferred to employees	
	In thousands of shares	Amount
Balances as of January 1, 2024 and December 31, 2024	740	$ 11,780
Balances as of January 1, 2023 and December 31, 2023	740	$ 11,780

The Company transferred the treasury shares to employees by the resolution of the Board of Directors on November 6, 2024. A total of 740 thousand treasury shares were transferred, and the cost of repurchase was TWD11,780 thousand.These treasury stocks were set as the record date for employee share subscription on November 22, 2024, and were delivered to employees on January 9, 2025.The Company recognized the employee remuneration cost of TWD 8,969 thousand on the grant date. Please refer to Note 25.

The treasury share held by the Company must not be pledged in accordance with the Securities and Exchange Act, nor shall they be entitled to dividends paid out and votes.

XXI. Revenue

	2024	2023
Revenue from contracts with customers		
Merchandise sales revenue	$ 1,047,566	$ 1,203,837
Income from processing	3,105	318
Income from sales of electricity	5,311	5,012
	$ 1,055,982	$ 1,209,167

(1) For details on customer contracts, please refer to Note 4(12). For details on customer contract income, please refer to Table 12.

(II) Balance of contracts

December 31,	December 31,	January 1,

	2024	2023	2023
Accounts receivable (Note 9)	$ 215,833	$ 205,139	$ 215,928
Contract liabilities – current			
Merchandise sales	$ 36,894	$ 7,885	$ 18,387

The movement in contract liabilities mainly arises from the difference between the point at which performance obligations are satisfied and the point at which customers pay. There were no other major movements during 2024 and 2023.

The amounts recognized in revenue for this period from the contract liabilities at the beginning of the year and the performance obligations that have been fulfilled in the prior period are as follows:

	2024	2023
Contract liabilities at the beginning of the year		
Merchandise sales	$ 6,161	$ 10,199

XXII. Income before tax

Net income before tax includes the following items:

(I) Other gains and losses

	2024	2023
Net foreign currency exchange benefits	$ 51,702	$ 2,776
Net gain from disposal of property, plant and equipment (Note 28)	11,850	3,145
Subsidies	181	5,860
Loss from disposal of investment (Note 12)	-	(55,924)

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	2024	2023
Others	$ 8,654	$ 6,109
	$ 72,387	($ 38,034)

(II) Financial costs

	2024	2023
Interest on borrowings	$ 4,600	$ 10,566
Interest on lease liabilities	118	70
Less: Amounts included in the cost of qualifying assets	735	234
	$ 3,983	$ 10,402

Information on interest capitalization is as follows:

	2024	2023
Amount of capitalized interest	$ 735	$ 234
Rate of annual interest on interest capitalization (%)	1.81-2.05	1.54-1.96

(III) Depreciation and amortization

	2024	2023
Property, Plant and Equipment	$ 77,814	$ 79,962
Right-of-use assets	4,223	2,340
Intangible assets	2,619	4,614
	$ 84,656	$ 86,916
Depreciation expenses aggregated by function		
Operating costs	$ 68,295	$ 69,944
Operating expenses	13,742	12,358
	$ 82,037	$ 82,302
Amortization expenses aggregated by function		
Operating costs	$ 501	$ 845
Operating expenses	2,118	3,769
	$ 2,619	$ 4,614

(IV) Employee benefit expenses

	2024	2023

Short-term employee benefits	$264,900	$283,236
Post-employment benefits		
Defined contribution pension plan	9,952	10,415
Defined benefit plan (Note 19)	25	67
	9,977	10,482
	$274,877	$293,718
Aggregated by function		
Operating costs	$177,988	$194,260
Operating expenses	96,889	99,458
	$274,877	$293,718

(V) Employee remuneration and directors' remuneration

The Company provides no lower than 3% of the year's income before tax (before employee remuneration and directors' remuneration are deducted) as employee remuneration and no higher than 5% of the balance as directors' remuneration. The employee remuneration for 2024 and 2023, as well as the directors' remuneration to be paid out in cash as decided by the Board of Directors' resolutions in February 2025 and March 2024, respectively, is as follows:

	2024	2023
Percentages for estimation		
Employee remuneration (%)	4.0	4.0
Director's remuneration (%)	2.0	2.0
Amount		
Employee remuneration	$ 8,986	$ 14,812
Director's remuneration	4,493	7,406

If there is a change in the amount after the release date of the annual parent company only financial statements are approved, the change will be accounted for as a change in accounting estimate and the adjustment accounted for in the following year.

There is no difference between the amounts of remuneration paid out to employees and directors for 2023 and 2022 and the amounts recognized in the 2023 and 2022 parent company only financial statements.

Please visit the Market Observation Post System (MOPS) of the Taiwan Stock Exchange for the information on the remuneration to employees and directors resolved by the Company's Board of Directors.

(VI) Net foreign currency exchange benefits

	2024	2023
Total foreign exchange gain	$ 78,899	$ 39,055
Total foreign exchange loss	(27,197)	(36,279)
Net foreign currency exchange benefits	$ 51,702	$ 2,776

XXIII. Income tax

(I) Income tax recognized in profit or loss

The main components of income tax expenses are as follows:

	2024	2023
Current income tax		
Incurred during this year	$ 38,048	$ 76,855
Additional tax on undistributed earnings	5,852	1,531
Adjustment to the prior years	(99)	(1,109)
	43,801	77,277
Deferred tax		
Incurred during this year	4,213	(3,258)
Income tax expenses recognized in profit or loss	$ 48,014	$ 74,019

A reconciliation of accounting profit and income tax expense is as follows:

	2024	2023
Net income before tax	$211,164	$347,753
Income tax expenses calculated at the statutory tax rate	$ 42,233	$ 69,551
Income included for tax	29	4,047
Tax-free income	(1)	(1)

Additional tax on undistributed earnings	5,852	1,531
Adjustment to the prior years	(99)	(1,109)
Income tax expenses recognized in profit or loss	$ 48,014	$ 74,019

(II) Income tax recognized in other comprehensive income

	2024	2023
Deferred tax		
Incurred during this year		
Exchange differences arising from foreign operations	$ 457	($ 5,735)
Share of other comprehensive income of subsidiaries using the equity method	-	5,715
Remeasurement of defined benefit plans	10	148
	$ 467	($ 128)

(III) Current income tax assets and liabilities

	December 31, 2024	December 31, 2023
Current income tax assets		
Tax refund receivable	$ -	$ 937
Current income tax liabilities		
Income tax payable	$ 3,615	$ 78,158

(IV) Deferred tax assets and liabilities

The movements in deferred tax assets and liabilities are as follows:

2024

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance

Deferred tax assets				
Temporary difference				
Unrealized inventory loss	$ 24,311	$ 1,034	$ -	$ 25,345
Unrealized exchange loss	1,764	(1,764)	-	-
Others	6,741	1,434	457	8,632
	$ 32,816	$ 704	$ 457	$ 33,977

Deferred tax liabilities				
Temporary difference				
Unrealized exchange gain	$ -	$ 3,784	$ -	$ 3,784
Others	-	1,133	(10)	1,123
	$ -	$ 4,917	($ 10)	$ 4,907

2023

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred tax assets				
Temporary difference				
Unrealized inventory loss	$ 28,810	($ 4,499)	$ -	$ 24,311
Unrealized exchange loss	-	1,764	-	1,764
Exchange differences arising from foreign operations	5,735	-	(5,735)	-
Others	5,190	1,403	148	6,741
	$ 39,735	($ 1,332)	($ 5,587)	$ 32,816
Deferred tax liabilities				
Temporary difference				
Investment income recognized using the equity method	$ 2,631	($ 2,631)	$ -	$ -
Unrealized exchange gain	1,959	(1,959)	-	-
Share of other comprehensive income of subsidiaries using the equity method	5,715	-	(5,715)	-
	$ 10,305	($ 4,590)	($ 5,715)	$ -

(V) Income tax assessment status

The declaration of the Company for profit-seeking enterprise income tax as of 2022 had been assessed by the tax collection authority.

XXIV. Earnings per share

The net income and weighted average number of ordinary shares used to calculate earnings per share are as follows:

Net income for this year

	2024	2023
Net income used to calculate basic and diluted earnings per share	$163,150	$273,734

Number of shares

Unit: In thousands of shares

	2024	2023
The weighted average number of ordinary shares used to calculate basic earnings per share are as follows:	102,347	102,347

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	2024	2023
Effect of dilutive potential ordinary shares		
Employee remuneration	405	557
The weighted average number of ordinary shares used to calculate diluted earnings per share are as follows:	102,752	102,904

If the Company may elect to pay employee remuneration in stock or cash, when diluted earnings per share are calculated, it is assumed that employee remuneration will be paid out in stock, and when the ordinary shares are potentially dilutive, they will be included in the weighted average number of outstanding shares to calculate diluted earnings per share.The dilution effect of such potential ordinary shares will also continue to be considered when the diluted earnings per share is calculated before the following year's shareholders' meeting resolves a decision on the number of shares distributed for employee remuneration.

XXV. Share-based payment agreement

The Company's rules of share repurchase and transfer to employees were approved by the resolution of the Board of Directors in August, 2020. It clearly stipulates that employees are entitled to the right to subscribe for such shares. After deliberation and approval by the Board in November, 2024, 740 thousand treasury shares can be purchased at a subscription price of TWD15.94, and those to whom the shares can be granted include the Company's employees who meet specific criteria.

The information on employee stock options for treasury shares is as follows:

Employee stock options	Unit (in thousands of shares)	Exercise price (TWD)
Outstanding at the beginning of the year	-	$ -
Granted during this year	740	15.94
Exercised during this year	-	-
Outstanding at the end of the year	740	
The fair value of the employee stock options granted in the current year (TWD)	$ 12.12	

The employee stock options granted by the Company were based on the Black-Scholes valuation model, and the parameters used in the valuation model are as follows:

Share price on grant date (TWD)	28.05
Exercise price (TWD)	15.94
Expected volatility (%)	27.19
Duration	16 天
Risk-free interest rate (%)	1.225

Expected volatility is based on the past historical stock price volatility.

XXVI. Capital risk management

The Company conducts capital management to ensure that it has the ability to continue as a going concern and then maximize shareholder returns by optimizing the balances of debt and equity.The Company's overall strategy has not undergone any change in the most recent two years.

The Company does not need to follow other external capital requirements.

XXVII. Financial instruments

(I) Fair value information – financial instruments not measured at fair value

Except for the corporate bonds measured at amortized cost, the management of the Company believes that the carrying amount of financial assets and financial liabilities not measured at fair value approximate their fair value.

The book value and fair value of the corporate bonds are as follows:

December 31, 2024

		plan assets			
Financial Assets	Carrying amount	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Amortized Cost					
Foreign Corporate Bonds	$ 5,710	$ -	$ 6,199	$ -	$ 6,199

The fair value of the above-mentioned corporate bonds is measured by the open market quotation provided by a third-party organization.

(II) Fair value information – financial instruments measured at fair value on a recurring basis

Fair value hierarchy

December 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or				

loss				
Domestic listed stocks	$636	$ -	$ -	$636

December 31, 2023				
Financial assets at fair value through profit or loss				
Domestic listed stocks	$485	$ -	$ -	$485

There were no transfers between Level 1 and Level 2 fair values during the years ended December 31, 2024 and 2023.

(III) Types of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
Mandatorily at fair value through profit or loss	$ 636	$ 485
Financial assets at amortized cost (Note 1)	683,492	1,078,530
Financial liabilities		
at amortized cost (Note 2)	331,824	653,070

Note 1: The balance includes cash and cash equivalents, accounts receivable (including related parties), other receivables, among other financial assets at amortized cost.

Note 2: The balance includes short-term borrowings, notes payable, accounts payable (including related parties), other payables, long-term borrowings – current portion, long-term borrowings, among other financial liabilities at amortized cost.

(IV) Purpose and policy of financial risk management

The Company’s main financial instruments include accounts receivable, other financial assets, notes payable, accounts payable, borrowings, and lease liabilities.The Company’s Financial Management Department provides services to each business unit, coordinates the operations of investments in the financial markets, and supervises and manages the financial risks related to the Company’s operations by analyzing the exposures.Such risks include market risks (including exchange rate risk and interest rate risk), credit risk, and liquidity risk.

The Financial Management Department reports to the Company's management per quarter.

1. Market risks

   The main financial risk arising from the operating activities to the Company is the risk of movements in foreign exchange rates.

   (1) Exchange rate risk

   The Company engages in foreign currency-denominated sales and purchases and is thus exposed to the risk of exchange rate fluctuations.

   For the carrying amount of the Company's monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date, please refer to Note 31.

   <u>Sensitivity analysis</u>

   The Company is mainly affected by fluctuations in the USD and CNY exchange rates.

   The table below shows the Company's sensitivity analysis when the exchange rate of the Company's functional currency against each of relevant foreign currencies increased and decreased by 1%.One percent is the sensitivity rate used in reporting the exchange rate risk to the key management team within the Company and represents the management's assessment of the reasonable range of potential changes in foreign-currency exchange rates.The sensitivity analysis only included monetary items in foreign currencies in circulation, and the translation at the end of the year is adjusted with 1% as the exchange rate change.The sensitivity analysis covers overseas deposits, borrowings, receivables, and payables.The positive numbers in the table below represent the amount of net income before tax would increase when the functional currency depreciated by 1% against each of relevant foreign currencies; when the functional currency appreciated by 1% against each of relevant foreign currencies, the impact on the net income before tax would be the same amounts in negative numbers.

	2024	2023

Impact of 1% change on gains/losses		
USD	$ 3,391	$ 3,789
CNY	1,199	5,041

(2) Interest rate risk

The carrying amounts of the Company's financial assets and financial liabilities exposed to the interest rate risk on the balance sheet date are as follows:

	December 31, 2024	December 31, 2023
Fair value interest rate risk		
Financial assets	$ 500	$ 500
Financial liabilities	4,986	5,690
Cash flow interest rate risk		
Financial assets	454,644	865,686
Financial liabilities	120,112	390,536

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposure of the non-derivative instruments on the balance sheet date.For liabilities at floating rates, the analysis is based on the assumption that the amounts of the liabilities outstanding at the balance sheet date were all outstanding throughout the reporting period.

If interest rates had increased/decreased by 1%, with all other variables held constant, the Company's net income before tax for 2024 and 2023 would have increased/decreased by TWD 3,345 thousand and TWD 4,752 thousand, respectively, mainly due to the Company's bank borrowings and deposits with floating interest rates.

2. Credit risk

Credit risk refers to the risk that a counterparty defaults on its contractual obligations, resulting in a financial loss to the Company.As of the balance sheet date, the Company's maximum exposure to credit risk of financial loss due to non-performance by counterparties is mainly from the carrying amount of financial assets recognized in the parent company only balance sheets and the amounts of contingent liabilities arising from the financial guarantees provided by the Company.

The Company only engages in transactions with financial institutions and counterparties with great credit ratings and obtains sufficient collateral when necessary to reduce the risk of financial losses due to default.The Company uses other publicly available financial information and mutual transaction records to rate major clients' credit.The Company continues to monitor the credit risk and counterparties' credit ratings and distributes the total transaction amount to clients with qualified credit ratings, while controlling the credit risk by monitoring their annual credit limits.

When the Company's credit risk is relatively concentrated on certain clients, most of whom engage in similar business activities and have similar economic characteristics, and their ability to perform contractual agreements is also similarly influenced by their economic position or other conditions, then a significant credit risk concentration may arise.The balance of accounts receivable from clients with significant credit risk concentration is as follows:

	December 31, 2024	December 31, 2023
Company A	$ 55,008	$ 34,843
Company B	29,230	26,116

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	December 31, 2024	December 31, 2023
Group C	$ 25,888	$ 29,019
Company D	22,455	-
Company E	16,569	25,864
Company F	16,354	22,859
	$165,504	$138,701

As of December 31, 2024 and 2023, the percentage of total accounts receivable from the aforementioned companies was 77% and 68%, respectively.

3. Liquidity risk

The ultimate responsibility for the Company's liquidity risk management lies with the Board of Directors, which has established an appropriate liquidity risk management framework to meet the Company's financing and liquidity management needs.

Table of liquidity and interest rate risk

The table below details the Company's analysis of the remaining contractual maturities of non-derivative financial liabilities, which was prepared based on the undiscounted cash flows of the financial liabilities based on the earliest possible date on which the Company can be required to make repayment.

	Required to be paid immediately – 1 month	1 month – 3 months	3 months – 1 year	1–5 years
December 31, 2024				
Non-derivative financial assets				
Floating rate instruments	$ -	$ 9,288	$ 47,619	$ 68,753
Lease liabilities	337	674	2,072	1,974
Non-interest-bearing liabilities	53,368	144,765	13,579	-
	$ 53,705	$154,727	$ 63,270	$ 70,727
December 31, 2023				
Non-derivative financial assets				
Floating rate	$ -	$ 40,195	$ 95,017	$272,537

instruments				
Lease liabilities	276	551	2,231	2,849
Non-interest-bearing liabilities	59,743	180,462	22,329	-
	$ 60,019	$221,208	$119,577	$275,386

The amount of floating rate instruments of the above non-derivative financial assets and liabilities will change with the difference between the floating rates and the estimated rates on the balance sheet date.

XXVIII. Related party transactions

(I) Name of related party and relations therewith

Name of related party	Relations with the Company
SU, CHI-TSE	Chairman
Sun Forging Industrial Co., Ltd. (Sun)	Substantive related party
Jin Shiang Forging Co., Ltd. (Jin Shiang)	Substantive related party
Linesoon Industrial Co., Ltd. (Linesoon)	Substantive related party
Wuxi Tsang Yow Auto Parts Co., Ltd. (Wuxi Tsang Yow)	Subsidiaries (until the sale in July 2023)
Business	Subsidiaries (until the completion of liquidation in November 2023)
Giant	Subsidiaries (until the completion of liquidation in December 2023)
AAI	Subsidiaries (until the completion of liquidation in December 2023)
YORU-MY	Subsidiary
YORU-SIN	Subsidiary
YOWIN-MY	Subsidiary

(II) Operating revenue

Account	Category/Name of related party	2024	2023
Operating revenue	Subsidiary - YORU-SIN	$ 7,553	$ -
	Substantive related party	5,768	3,814
	Subsidiary – Wuxi Tsang Yow	-	16,091
		$ 13,321	$ 19,905

The Company did not sell the same goods to the above subsidiaries, so there is no relevant transaction price to compare. The payment terms are not significantly different from those of non-related parties, and the monthly settlement is 60 days.

There is no significant difference between the price of the Company's sales to the above-mentioned related parties and the collection price, and other customers, and the monthly settlement of 60 days.

(III) Purchase

Category/Name of related party	2024	2023
Substantive related party	$ 47,922	$ 34,380
Subsidiary – Wuxi Tsang Yow	-	2,286
	$ 47,922	$ 36,666

The Company did not buy the same kind of goods from non-related parties, so there was no related transaction price available for comparisonThe payment term is the same as that for non-related parties, which is net 60 to 120 days at the end of each month.

(IV) Accounts receivable from and payable to related parties (excluding loans to and from related parties)

The balances at the balance sheet date are as follows:

Account	Category/Name of related party	December 31, 2024	December 31, 2023
Accounts receivable	Subsidiary - YORU-SIN	$ 7,831	$ -
	Substantive related party	13	553
		$ 7,844	$ 553
Accounts payable	Substantive related party	$ 9,714	$ 12,499

The outstanding balance of related party accounts payables is not secured with collateral and will be settled in cash, and the receivables from related parties are not guaranteed.Accounts receivable in 2024 and 2023 - no allowance for impairment loss was provided for related parties

(V) Loans to related parties

Interest income

Category/Name of related party	2024	2023
Subsidiary	$ -	$ 230

The Company's short-term loans to subsidiaries in 2023 are unsecured loans, with an annual interest rate of 3.5%, and all of which were fully repaid in November 2023.

(VI) Disposal of property, plant and equipment

Category/Name of related party	Price of disposal 2024	Price of disposal 2023	Gain on disposal 2024	Gain on disposal 2023
Substantive related party	$ -	$ 781	$ -	$ 781

(VII) Remuneration to key management

The total remuneration for directors and other key management personnel is as follows:

	2024	2023
Short-term employee benefits	$ 25,369	$ 27,659
Share-based payment	848	-
Post-employment benefits	395	385
	$ 26,612	$ 28,044

The remuneration to directors and other key management personnel is determined by the Remuneration Committee depending on individual performance and the market trends.

(VIII) Guarantee

Part of the Company's financial loan facilities are jointly guaranteed by the Chairman.

XXIX. Pledged Assets

The Company provides the following assets as collateral for long-term borrowings from banks and tariffs on imported raw materials:

	December 31, 2024	December 31, 2023
Property, Plant and Equipment	$664,024	$674,953
Other financial assets (current and non-current)	10,919	10,181
	$674,943	$685,134

XXX. Material contingencies and unrecognized contractual commitments

The Company's major commitments on the balance sheet date are as follows:

As of December 31, 2024 and 2023, the amount of the unrecognized commitment of the property, plant and equipment contracts signed by the Company was TWD 22,162 thousand and TWD 16,205 thousand, respectively.

XXXI. Information on Foreign Currency Assets and Liabilities with Significant Effect

The information below is aggregated and presented in foreign currencies other than the Company’s functional currency. The exchange rates disclosed refer to the rates at which these foreign currencies are converted to the functional currency.The information on foreign currency assets and liabilities with significant effect is as follows:

December 31, 2024	Foreign currency	Exchange rate:		Carrying amount
Foreign currency asset				
Monetary item				
USD	$ 10,439	32.785	(USD: TWD)	$ 342,243
CNY	26,297	4.5608	(CNY: TWD)	119,936
Non-monetary item				
Investment using equity method				
MYR	6,406	7.066	(MYR: TWD)	45,529
SGD	208	24.13	(SGD: TWD)	5,235
THB	60,000	0.9623	(THB: TWD)	58,008
Foreign currency liability				
Monetary item				
USD	95	32.785	(USD: TWD)	3,115

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December 31, 2023	Foreign currency	Exchange rate:		Carrying amount
Foreign currency asset				
Monetary item				
USD	$ 12,370	30.705	(USD: TWD)	$ 379,821
CNY	116,315	4.3352	(CNY: TWD)	504,250
Foreign currency liability				
Monetary item				
USD	31	30.705	(USD: TWD)	952
CNY	33	4.3352	(CNY: TWD)	145

The Company's realized and unrealized foreign currency exchange gains and losses in 2024 and 2023 were TWD 51,702 thousand and TWD 2,776 thousand, respectively. As there is a wide variety of foreign currency transactions and the functional currencies adopted by the entities of the Company, it is impossible to disclose the exchange gains and losses in each foreign currency with material influence.

XXXII. Additional disclosures

(I) Information on material transactions and (II) information on investees:

1. Financing provided to others: None
2. Endorsements/guarantees provided for others: None
3. Securities held at the end of the year: Table 1.
4. Securities acquired or sold at costs or prices at least TWD 300 million or 20% of the paid-in capital: None.
5. Acquisition of individual property at costs of at least TWD 300 million or 20% of the paid-in capital: None.
6. Disposal of individual property at costs of at least TWD 300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least TWD 100 million or 20% of the paid-in capital: None.
8. Receivables from related parties amounting to at least TWD 100 million or 20% of the paid-in capital: None.
9. Derivatives trading: None.
10. Information on investee companies: Table 2.

(III) Information on investment in Mainland China: None.

1. Information on investees in mainland China, including the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, percentage of ownership, investment income or loss, carrying amount of the investment at the end of the period, repatriation of investment income or loss, and limit on the amount of investment in the mainland China area.
2. Any of the following significant transactions with investees in mainland China, either directly or indirectly through a third region, and the price, payment term, and unrealized gains or losses:
   (1) The amount and percentage of purchases and the balance and percentage of the relevant payables at the end of the period.
   (2) The amount and percentage of sales and the balance and percentage of the relevant receivables at the end of the period.
   (3) The amount of property transactions and the amount of the resulting gains or losses.
   (4) The ending balance of negotiable instrument endorsements or guarantees or collateral pledged at the end of the period and the purposes.
   (5) Maximum balance, ending balance, interest rate range, and total interest expense for the period related to financing.
   (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of labor services.

(IV) Main shareholders information: Name, shareholding amount, and proportion of shareholders with an equity ratio of 5% or more: Table 3

Tsang Yow Industrial Co., Ltd. and Its Subsidiaries

Securities held at the end of the year

December 31, 2024

Table 1

Unit: TWD thousand

(unless otherwise specified)

Company	Type and name of securities	Relationship with the issuers	Account title	End of the year				Remarks
				Number of shares	Carrying amount	Shareholding %	Plan assets	
The Company	Common shares Highwealth Construction Corp.	-	Financial assets at fair value through profit or loss – current	14,642	$ 636	-	$ 636	
	Corporate bonds Shinhan Card Co., Ltd.	-	Financial assets at amortized cost - non-current	-	$ 5,710	-	$ 6,199	

Tsang Yow Industrial Co., Ltd. and Its Subsidiaries

Information on investees

From January 1 to December 31, 2024

Table 2

Unit: TWD/USD thousand

(unless otherwise specified)

Investor	Investee	Location	Principal business	Initial investment amount		Shareholding at the end of the year			(Loss) Profits of the invested company in the current year	Investment profit (loss) recognized in the current year	Remarks
				End of this year	End of last year	Number of shares	% (%)	Carrying amount			
The Company	YORU Tech SDN. BHD.	Malaysia	Production and sale of semiconductors and medical-related components	$ 50,942 (USD 1,588.1)	$ -	550	55	$ 45,529	($ 5,738)	($ 3,156)	
	YORU Tech PTE. LTD.	Singapore	General trade	9,169 (USD 282.1)	-	550	55	5,235	22	12	Note
	YOWIN Tech SDN. BHD.	Malaysia	Investment in real estate	-	-	2,000	100	-	-	-	
	Apex Fortune Co., Ltd	Thailand	Production and sale of aluminum forging, aluminum extrusion, other metal components	58,008 (THB 60,000)	-	-	20	58,008	-	-	

Note: Unrealized gross profit from sales has been eliminated.

Tsang Yow Industrial Co., Ltd.

Information on major shareholders

December 31, 2024

Table 3

Name of Major Shareholders	Shares	
	Shareholding (shares)	Shareholding (%)
Linesoon Investment Co.,Ltd.	19,955,314	19.35
Rich Pool Investment Co., Ltd.	7,961,779	7.72
Golden Top Investment Co., Ltd.	7,427,058	7.20

Note: The major shareholders in this table are shareholders holding at least 5% of the ordinary and preference shares (including treasury shares) with dematerialized registration and delivery completed on the last business day of the quarter calculated by the Taiwan Depository & Clearing Corporation.Share capital indicated in the Company's parent company only financial statements may differ from the actual number of shares that have been issued and delivered with registration of dematerialized securities completed as a result of different bases of preparation.

§Table of Contents of Statements of Significant Accounting Titles§

Tsang Yow Industrial Co., Ltd.

Statement of Cash and Cash Equivalents

December 31, 2024

Statement 1

Unit: TWD thousand (unless otherwise specified)

Item	Summary	Amount
Cash on hand and working capital	Including EUR 5 thousand, CNY 3 thousand, JPY 81 thousand, USD 4 thousand, MYR 11 thousand, and TWD 63 thousand (Note 1)	$ 566
Cash in bank		
Checking deposits		1,413
Demand deposits		73,474
Foreign currency demand deposits	Including 39 thousand USD, 222 thousand EUR, 160,868 thousand JPY, and 587 thousand CNY (Note 1)	45,288
		120,175
Cash equivalents		
Time deposits in bank (Note 2)	USD 5,829 thousand, CNY 18,500 thousand, and TWD 50,000 thousand (Note 1)	325,463
		$446,204

Note 1: The exchange rates used for the translation were JPY1 = TWD 0.2099, EUR1 = TWD 34.14, CNY1 = TWD 4.5608, USD1 = TWD 32.785, and MYR1 = TWD 7.066.

Note 2: It is bank time deposits with the initial duration of less than three months, all due in March 2025, with an annual rate of interest of 1.23%–4.93%.

Tsang Yow Industrial Co., Ltd.

Statement of Accounts Receivable

December 31, 2024

Statement 2 | Unit: TWD thousand

Title	Amount	Overdue accounts for more than one year	Remark
party status			
Others (Note)	$ 7,844	$ -	Sales proceeds
Non-related parties			
Company A	55,008	-	Sales proceeds
Company B	29,227	3	Sales proceeds
Company C	25,888	-	Sales proceeds
Company D	22,455	-	Sales proceeds
Company E	16,569	-	Sales proceeds
Company F	16,354	-	Sales proceeds
Company G	14,581	-	Sales proceeds
Others (Note)	28,782	50	Sales proceeds
	208,864	53	
Less: Allowance for losses	875	53	
	207,989	$ -	
	$215,833		

Note: The balance of each party did not exceed 5% of the balance of this account.

Tsang Yow Industrial Co., Ltd.

Statement of Inventories

December 31, 2024

Statement 3 Unit: TWD thousand

Item	Amount	
	Cost	Net realizable value (Note)
Finished good	$140,106	$217,515
Work in progress	112,450	128,819
Raw materials	25,734	25,820
Materials	12,724	12,995
	$291,014	$385,149

Note: See Note 4 “Accounting policies” for the net realized value.

Tsang Yow Industrial Co., Ltd.

Statement of Other Financial Assets

December 31, 2024

Statement 4

Unit: TWD thousand

(unless otherwise specified)

Item	Rate of annual interest (%)	Period	Amount
Current			
Time deposits pledged as collateral			
Cathay United Bank	2.85	113.12.15-114.01.15	$ 10,419
Non-current			
Time deposits			
Taiwan Cooperative Bank (Note)	1.47	113.10.15-114.04.15	500
Guarantee deposits paid			3,980
			4,480
			$ 14,899

Note: It is used as a guarantee for the tariff and will be automatically renewed when it matures.

Tsang Yow Industrial Co., Ltd.

Statement of Movements in Investments Using the Equity Method

2024

Statement 5

Unit: TWD thousand

(unless otherwise specified)

	Opening balance		Increase during this year		recognized for this year	Exchange differences arising from the translation of the financial statements of foreign operations	Unrealized gains	Ending balance			Market price or net equity value		Collateral or pledge
Investee	Number of shares	Amount	Number of shares	Amount				Number of shares at the end of the year	Shareholding (%)	Amount	Unit price (TWD)	Total price	
YORU-MY	-	$ -	550	$ 50,942	($ 3,156)	($ 2,257)	$ -	550	55	$ 45,529	$ 82,780	$ 45,529	None
YORU-SIN	-	-	550	9,169	12	(27)	(3,919)	550	55	5,235	16,643.64	9,154	None
YOWIN-MY	-	-	2,000	-	-	-	-	2,000	-	-	-	-	None
Apex Fortune Co., Ltd.	-	-	-	58,008	-	-	-	-	20	58,008	-	58,008	None
		$ -		$ 118,119	($ 3,144)	($ 2,284)	($ 3,919)			$ 108,772		$ 112,691	

Tsang Yow Industrial Co., Ltd.

Statement of Movements in Right-of-use Assets

2024

Statement 6

Unit: TWD thousand

	Opening balance	Increase during this year	Decrease during this year	Ending balance
Cost				
Transportation equipment	$ 13,373	$ 3,398	($ 4,816)	$ 11,955
Accumulated depreciation				
Transportation equipment	(7,620)	(4,223)	4,816	(7,027)
	$ 5,753	($ 825)	$ -	$ 4,928

Tsang Yow Industrial Co., Ltd.

Statement of Movements in Intangible Assets

2024

Statement 7

Unit: TWD thousand

Item	Opening balance	Increase during this year	Decrease during this year	Ending balance
Computer software				
Cost	$ 22,428	$ 1,230	($ 14,382)	$ 9,276
Accumulated amortization	(17,410)	(2,619)	14,382	(5,647)
	$ 5,018	($ 1,389)	$ -	$ 3,629

Tsang Yow Industrial Co., Ltd.

Statement of Notes Payable

December 31, 2024

Statement 8 Unit: TWD thousand

Title	Amount
Non-related Parties	
Company A	$ 971
Company B	777
Company C	288
Company D	253
Others (Note)	353
	$ 2,642

Note: The balance of each party did not exceed 5% of the balance of this account.

Tsang Yow Industrial Co., Ltd.

Statement of Accounts Payable

December 31, 2024

Statement 9 | Unit: TWD thousand

Title	Amount
Related parties	
Sun	$ 6,974
Others (Note)	2,740
	9,714
Non-related parties	
Company A	9,513
Company B	8,198
Company C	5,044
Others (Note)	60,519
	83,274
	$ 92,988

Note: The balance of each party did not exceed 5% of the balance of this account.

Tsang Yow Industrial Co., Ltd.

Statement of Lease Liabilities

December 31, 2024

Statement 10

Unit: TWD thousand
(unless otherwise specified)

Item	Lease period	Discount rate (%)	Ending balance
Transportation equipment	111.04–115.12	1.38-1.84	$ 4,986
Less: Lease liabilities – current			3,025
Lease liabilities – non-current			$ 1,961

Tsang Yow Industrial Co., Ltd.

Statement of Long-term Borrowings

December 31, 2024

Statement 11

Unit: TWD thousand

(unless otherwise specified)

Creditor (bank)	Period and repayment method	Rate of annual interest (%)	Amount			Mortgage or collateral	Remarks
			Current portion	Beyond 1 year	Total		
Secured borrowings							
First Commercial Bank	It will be amortized in 12 installments (each installment is made every six months) since June 2020.	2.01	$ 20,000	$ -	$ 20,000	Land and buildings	Please refer to Note 29 for details
E.SUN Bank	It was amortized in 156 installments from December 2020.	2.00	4,770	41,328	46,098	Land and buildings	Please refer to Note 29 for details
Mega International Commercial Bank	It was amortized in 120 installments from December 2018.	1.98	15,000	23,750	38,750	Land and buildings	Please refer to Note 29 for details
Unsecured borrowings							
E.SUN Bank	It was amortized in 36 monthly installments from January 2023.	1.85	15,264	-	15,264	None	-
			$ 55,034	$ 65,078	$120,112		

Tsang Yow Industrial Co., Ltd.

Statement of Net Operating Revenue

2024

Statement 12

Unit: TWD thousand (unless otherwise specified)

Item	Quantity (in thousands of units)	Amount
Automatic transmission components for automobiles	1,967	$ 778,164
Clutch Parts for Heavy-duty Trucks	479	95,304
Drivetrain parts for industrial machinery	72	21,163
New energy vehicle motor components	6	2,456
Others (Note)	171	150,479
Sales revenue, net		1,047,566
Processing fees income, net	1	3,105
Other operating revenue		5,311
Net operating revenue		$ 1,055,982

Note: Each balance did not exceed 10% of the balance of this account.

Tsang Yow Industrial Co., Ltd.

Statement of Operating Costs

2024

Statement 13 Unit: TWD thousand

Item	Amount
Raw materials at the beginning of the year	$ 41,388
Purchases during this year	224,468
Less: Raw materials at the end of the year	(25,734)
Consumption of raw materials	240,122
Consumption of supplies	68,034
Direct labor	134,409
Overhead	277,728
Manufacturing cost	720,293
Add: Work in progress at the beginning of the year	128,776
Less: Work in progress at the end of the year	(112,450)
Cost of finished goods	736,619
Add: Finished goods at the beginning of the year	181,041
Purchases during this year	7,021
Less: Finished goods at the end of the year	(140,106)
Reclassified to operating expenses	(3,311)
Reclassified to other assets	(12,403)
Loss on inventory scrapped	(1,928)
Add: Gain on physical inventory	388
Others	(163)
Cost of production and sales	767,158
Loss on inventory scrapped	1,928
Gain on physical inventory	(388)
Income from sales of scrap	(10,294)
Costs of goods sold	758,404
Other operating costs	2,006
	$760,410

Tsang Yow Industrial Co., Ltd.

Statement of Operating Expenses

2024

Statement 14 | Unit: TWD thousand

Item	Selling expenses	Administrative expenses	Research and development expenses	Total
Salary and wages	$ 9,170	$ 44,897	$ 29,589	$ 83,656
Import/export expense	21,258	-	-	21,258
Depreciation expenses	2,799	7,568	3,375	13,742
Service expense	78	5,224	501	5,803
Insurance	1,697	3,564	3,040	8,301
Other expenses (Note)	7,942	17,699	9,184	34,825
	$ 42,944	$ 78,952	$ 45,689	167,585
Expected credit reversal of impairment loss recognised in profit or loss				(47)
				$ 167,538

Note: Each balance did not exceed 5% of the balance of this account.

Tsang Yow Industrial Co., Ltd.

Statement of Aggregated Employee Benefits, Depreciation, and Amortization Expenses by Function

2024 and 2023

Statement 15 Unit: TWD thousand

	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary and wages	$ 145,580	$ 63,831	$ 209,411	$ 158,805	$ 73,733	$ 232,538
Labor and health insurance	16,092	6,869	22,961	17,845	6,748	24,593
Pension	6,799	3,178	9,977	7,309	3,173	10,482
Director's Remuneration	-	19,825	19,825	-	12,872	12,872
Other employee benefit expenses	9,517	3,186	12,703	10,301	2,932	13,233
	$ 177,988	$ 96,889	$ 274,877	$ 194,260	$ 99,458	$ 293,718
Depreciation expenses	$ 68,295	$ 13,742	$ 82,037	$ 69,944	$ 12,358	$ 82,302
Amortization expenses	501	2,118	2,619	845	3,769	4,614

Note: 1. The number of employees was 349 in 2023 and 384 in 2024. Of these, the number of directors who did not concurrently serve as employees was seven in 2023 and eight in 2024.

2. The average employee benefit expenses for 2024 and 2023 were TWD 746 thousand and TWD 747 thousand, respectively.

3. The average salary and wages for 2024 and 2023 were TWD 612 thousand and TWD 618 thousand, respectively.

4. The average employee salary increased by(1)%.

5. The Company has established an Audit Committee to replace the supervisors, so no remuneration was paid to supervisors.

6. Remuneration policy (including directors, managers, and employees)

Reasonable remuneration is provided after comprehensive consideration, and the policy on the remuneration to directors, managers, and employees is reviewed at any time depending on the operating performance and applicable laws and regulations.The Remuneration Committee regularly reviews and evaluates the remuneration policies, systems, standards, and structures of directors and managers with reference to the overall market competitiveness of the remuneration provided.Moreover, as per the Articles of Incorporation, where the Company makes a profit for a fiscal year, it shall provide no lower than 3% of the balance for employee remuneration and pay it out with the approval by the resolution of the Board of Directors, and no higher than 5% for directors' remuneration. The proposed directors' remuneration shall be submitted to the Remuneration Committee for deliberation and to the Board of Directors and the shareholders' meeting for approval and can only be paid out after the shareholders' meeting approves it.The remuneration paid to the Chairman and independent directors for their participation in the Company's operations is fixed per person on a monthly basis, and the honorarium per person for the attendance at each board meeting is TWD 3 thousand.The remuneration paid to directors and managers is reviewed and discussed by the Remuneration Committee and approved by the resolution of the Board of Directors.

Representation Letter

Considering that the companies to be included in the consolidated financial statements of affiliates under the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises were the same as those to be included in the consolidated financial statements of the parent and subsidiaries under IFRS 10 for 2024 (from January 1 to December 31, 2024), and the relevant information to be disclosed in the consolidated financial statements of the affiliates has already been disclosed in said consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of affiliates were prepared separately.

It is hereby certified that the information disclosed herein is true and correct.

Name of Company: Tsang Yow Industrial Co., Ltd.

Person in Charge: SU, CHI-TSE

February 24, 2025

Independent Auditors' Report

To Tsang Yow Industrial Co., Ltd. :

Audit Opinion

We have audited the accompanying consolidated balance sheets of Tsang Yow Industrial Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") for the years ended December 31, 2024 and 2023 and the relevant consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (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, 2022, and 2023, and for the years then ended, as well as its consolidated financial performance and cash flows for those years, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the 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 (FSC) of the Republic of China.

Basis of audit opinion

As commissioned, we conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards of the Republic of China. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" paragraph 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 we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key audit matters

Key audit matters refer to the most vital matters in our audit of the Group's consolidated financial statements for the year ended December 31, 2024 based on our professional judgment.These matters were addressed in our audit of the consolidated financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

Key audit matters of the 2024 consolidated financial statements of the Group are stated as follows:

<u>Authenticity of sales revenue from consignment warehouses</u>

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 goods sold from the consignment warehouses to recognize sales revenue, a manual reconciliation process was involved, which has increased the potential risk of errors affecting the authenticity of the Group's sales revenue. Therefore, in accordance with the rule that revenue is presumed to be a significant risk under auditing standards, the authenticity of the sales revenue from consignment warehouses is identified as a key audit matter.

Please refer to Note 4 (12) for the accounting policy on revenue recognition.

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

I. Learned about and tested if the Group's internal control operations related to the sales were effective.

II. Selected samples from the statements of sales revenue from the specific consignment warehouses, checked the account reconciliation records between the Group and clients, shipping documents, and payment collection documents, and checked if the recipients were consistent with the transaction counterparties or reviewed the confirmations made by clients to confirm the authenticity of the sales.

Other Matters

The Company has also prepared the parent company only financial statements for the years ended December 31, 2024 and 2023, for which we have issued an audit report, along with an unqualified opinion, for reference.

Responsibilities of the management and the governing bodies for the consolidated financial statements

The management's responsibilities are to prepare the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively referred to as "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China and to maintain necessary internal control associated with the preparation in order to ensure that the consolidated financial statements are free from material misstatement arising from fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Group or cease the operations without other viable alternatives.

The Group's governing bodies (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement arising from fraud or error and to issue an independent auditors' report.Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the consolidated financial statements, they are considered material.

We have exercised our professional judgment and maintained professional doubt when performing the audit work in accordance with the auditing standards of the Republic of China.We also performed the following tasks:

I. Identified and assessed the risks of material misstatement arising from fraud or error within the consolidated financial statements; designed and executed countermeasures in response to said risks; and obtained sufficient and appropriate audit evidence to provide a basis for our opinion.Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.

II. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

III. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.

IV. Concluded on the appropriateness of management's adoption of the going concern basis of accounting based on the audit evidence obtained, and whether a material uncertainty exists for events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.If we are of the opinion that a material uncertainty exists, we shall remind users of the consolidated financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need 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.

V. Evaluated the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately present the relevant transactions and events.

VI. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within the Group, to express an opinion on the consolidated financial statements.We were responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Group.

The matters communicated between us and the governing bodies included the planned scope and times of the audit and material audit findings (including any material defects in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Group's consolidated financial statements for the year ended December 31, 2024.We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Deloitte Taiwan

CPA Chen, Xiu-Wen	CPA Chen, Zhen-Li
Document of Jin-Guan-Zheng-Shen-Zi No. 1120349008 approved by Financial Supervisory Commission	Document of Jin-Guan-Zheng-Shen-Zi No. 1010028123 approved by Financial Supervisory Commission

February 24, 2025

Tsang Yow Industrial Co., Ltd. and Its Subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023

Unit: TWD thousand

Code	Assets	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets				
1100	Cash and cash equivalents (Remarks 4 and 6)	$ 459,605	20	$ 860,249	33
1110	Financial assets measured at fair value through profit or loss (Remarks 4, 7 and 30)	636	-	485	-
1170	Net accounts receivable (Remarks 4, 5, 9, 23 and 31)	208,417	9	205,139	8
1200	Other receivables	846	-	1	-
1220	Current income tax assets (Remarks 4 and 25)	-	-	937	-
1310	Inventory (Remarks 4, 5, and 10)	297,748	13	369,051	14
1476	Other financial assets – current (Remarks 11 and 32)	10,419	-	9,681	-
1479	Other current assets (Remark 17)	9,618	-	10,698	1
11XX	Total current assets	987,289	42	1,456,241	56
	Non-current assets				
1535	Financial assets at amortized cost – non-current (Remark 4 and 8)	5,710	-	-	-
1550	Investments using the equity method (Remarks 4 and 14)	58,008	3	-	-
1600	Property, plant and equipment (Remarks 4, 15, 32 and 33)	1,192,028	51	1,108,920	43
1755	Right-of-use assets (Remarks 4 and 16)	4,928	-	5,753	-
1780	Intangible assets (Remark 4)	3,629	-	5,018	-
1840	Deferred tax assets (Remarks 4 and 25)	33,977	2	32,816	1
1915	Advance payment for property and equipment (Remark 15)	34,866	2	6,304	-
1975	Net defined benefit assets – non-current (Remarks 4 and 21)	971	-	-	-
1980	Other financial assets – non-current (Remarks 11 and 32)	4,552	-	3,460	-
1990	Other non-current assets (Remark 17)	592	-	4,564	-
15XX	Total non-current assets	1,339,261	58	1,166,835	44
1XXX	Total assets	$ 2,326,550	100	$ 2,623,076	100

Code	Liabilities and equity	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current liabilities				
2100	Short-term borrowings (Remarks 18 and 31)	$ -	-	$ 20,000	1
2130	Contract liabilities (Remark 23)	37,121	2	7,885	-
2150	Remarks payable (Remark 19)	2,642	-	10,869	-
2170	Accounts payable (Remarks 19 and 31)	96,688	4	145,855	6
2200	Other payables (Remark 20)	116,082	5	105,810	4
2230	Current income tax liabilities (Remarks 4 and 25)	3,615	-	78,158	3
2280	Lease liabilities – current (Remarks 4 and 16)	3,025	-	2,991	-
2322	Long-term borrowings maturing within one year (Remarks 18, 31, and 32)	55,034	2	109,233	4
2399	Other current liabilities (Remark 20)	40,235	2	43,184	2
21XX	Total current liabilities	354,442	15	523,985	20
	Non-current liabilities				
2540	Long-term borrowings (Remarks 18, 31, and 32)	65,078	3	261,303	10
2570	Deferred income tax liabilities (Remarks 4 and 25)	4,907	-	-	-
2580	Lease liabilities – non-current (Remarks 4 and 16)	1,961	-	2,699	-
2640	Net defined benefit liabilities (Remarks 4 and 21)	-	-	4,787	-
2670	Other non-current liabilities	100	-	100	-
25XX	Total non-current liabilities	72,046	3	268,889	10
2XXX	Total Liabilities	426,488	18	792,874	30
	Equity attributable to owners of the Company (Remarks 4 and 22)				
3110	Common stock capital	1,030,865	44	1,030,865	39
3200	Capital surplus	159,501	7	150,532	6
	Retained Earnings				
3310	Legal reserve	140,982	6	113,668	4
3320	Special reserve	-	-	31,293	1
3350	Undistributed earnings	545,567	24	515,624	20
3300	Total retained earnings	686,549	30	660,585	25
3400	Other equity	(1,827)	-	-	-
3500	Treasury shares	(11,780)	(1)	(11,780)	-
31XX	Total owner equity of the Company	1,863,308	80	1,830,202	70
36XX	Non-controlling interests (Remark 22)	36,754	2	-	-
3XXX	Total equity	1,900,062	82	1,830,202	70
	Total liabilities and equity	$ 2,326,550	100	$ 2,623,076	100

The accompanying remarks are an integral part of the consolidated financial statements.(See the audit report issued on March 7, 2024 by Deloitte Taiwan)

Chairman: SU, CHI-TSE　　Manager: SU, CHI-HU　Chief Accounting Officer: CHEN, HUI-JUNG

Tsang Yow Industrial Co., Ltd. and Its Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: TWD thousand; TWD earnings per share

Code		2024 Amount	2024 %	2023 Amount	2023 %
4000	Net operating revenue (Remarks 4, 23, and 31)	$1,049,324	100	$1,193,076	100
5000	Operating costs (Remarks 10, 24, and 31)	757,464	72	791,631	66
5900	Gross profit	291,860	28	401,445	34
	Operating expenses (Remarks 9 and 24)				
6100	Selling expenses	42,944	4	42,362	3
6200	Administrative expenses	83,673	8	79,235	7
6300	Research and development expenses	45,689	5	47,102	4
6450	Expected credit reversal of impairment loss recognised in profit or loss	(47)	-	(754)	-
6000	Total operating expenses	172,259	17	167,945	14
6900	Net operating income	119,601	11	233,500	20
	Non-operating income and expenses (Remarks 24 and 31)				
7100	Interest income	21,885	2	7,964	1
7010	Other income	7	-	6	-
7020	Other gains and losses	71,081	7	18,644	1
7050	Financial costs	(3,983)	-	(10,402)	(1)
7000	Total	88,990	9	16,212	1
7900	Net income before tax	208,591	20	249,712	21
7950	Income tax expense (Remarks 4 and 25)	48,014	5	53,120	4
8000	Net income from continuing operations	160,577	15	196,592	17

8100	Gain on discontinued operations (Remark 12)	-	-	77,142	6
8200	Net income for this year	160,577	15	273,734	23

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Code		2024 Amount	2024 %	2023 Amount	2023 %
	Other comprehensive income (Remarks 21, 22 and 25)				
8310	Items not reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	($ 52)	-	($ 739)	-
8349	Income tax related to items not reclassified	10	-	148	-
8360	Items that may subsequently be reclassified to profit or loss				
8361	Exchange differences arising from the translation of the financial statements of foreign operations	(4,151)	-	31,313	3
8399	Income tax related to items that may be reclassified	457	-	(20)	-
8300	Other comprehensive income for this year (net of tax)	(3,736)	-	30,702	3
8500	Total comprehensive income for this year	$ 156,841	15	$ 304,436	26
8600	Net income attributable to:				
8610	Owners of the Company	$ 163,150	15	$ 273,734	23
8620	Non-Controlling Interests	($ 2,573)	-	$ -	-
		$ 160,577	15	$ 273,734	23
8700	Total comprehensive income attributable to:				
8710	Owners of the Company	$ 161,281	15	$ 304,436	26

8720	Non-Controlling Interests	($ 4,440)	-	$ -	-
		$ 156,841	15	$ 304,436	26
	Earnings per share (Remark 26)				
	From continuing operations				
9710	Basic	$ 1.59		$ 1.92	
9810	Dilution	$ 1.59		$ 1.91	
	From continuing operations and discontinued operations				
9750	Basic	$ 1.59		$ 2.67	
9850	Dilution	$ 1.59		$ 2.66	

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

(Refer to the audit report issued by Deloitte & Touche on March 7, 2024)

Chairman: SU, CHI-TSE Manager: SU, CHI-HU Chief Accounting Officer: CHEN, HUI-JUNG

Tsang Yow Industrial Co., Ltd. and Its Subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2024 and 2023

Unit: TWD thousand

		Equity attributable to owners of the Company										
				Retained earnings								
Code		Common stock capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Total	Exchange differences on translation of foreign operations financial statements in other equity	Treasury shares	Total	Non-Controlling Interests	Total equity
A1	Balance on January 1, 2023	$ 1,030,865	$ 150,532	$ 96,923	$ 44,054	$ 359,046	$ 500,023	($ 31,293)	($ 11,780)	$ 1,638,347	$ -	$ 1,638,347
	Earnings appropriation and distribution for 2022 (Remark 22)											
B1	Legal reserve	-	-	16,745	-	(16,745)	-	-	-	-	-	-
B3	Special reserve	-	-	-	(12,761)	12,761	-	-	-	-	-	-
B5	Cash dividend	-	-	-	-	(112,581)	(112,581)	-	-	(112,581)	-	(112,581)
		-	-	16,745	(12,761)	(116,565)	(112,581)	-	-	(112,581)	-	(112,581)
D1	Net income for 2023	-	-	-	-	273,734	273,734	-	-	273,734	-	273,734
D3	Other comprehensive income after tax for 2023	-	-	-	-	(591)	(591)	31,293	-	30,702	-	30,702
D5	Total comprehensive income for 2023	-	-	-	-	273,143	273,143	31,293	-	304,436	-	304,436
Z1	Balance on December 31, 2023	1,030,865	150,532	113,668	31,293	515,624	660,585	-	(11,780)	1,830,202	-	1,830,202
	Earnings appropriation and distribution for 2023 (Remark 22)											
B1	Legal reserve	-	-	27,314	-	(27,314)	-	-	-	-	-	-
B3	Special reserve	-	-	-	(31,293)	31,293	-	-	-	-	-	-
B5	Cash dividend	-	-	-	-	(137,144)	(137,144)	-	-	(137,144)	-	(137,144)
		-	-	27,314	(31,293)	(133,165)	(137,144)	-	-	(137,144)	-	(137,144)
N1	Share-based transactions (Remarks 22 and 27)	-	8,969	-	-	-	-	-	-	8,969	-	8,969
D1	Net income for 2024	-	-	-	-	163,150	163,150	-	-	163,150	(2,573)	160,577
D3	Other comprehensive income after tax for 2024	-	-	-	-	(42)	(42)	(1,827)	-	(1,869)	(1,867)	(3,736)
D5	Total comprehensive income for 2024	-	-	-	-	163,108	163,108	(1,827)	-	161,281	(4,440)	156,841
O1	Increase in non-controlling interests (Remark 22)	-	-	-	-	-	-	-	-	-	41,194	41,194
Z1	Balance as of December 31, 2024	$ 1,030,865	$ 159,501	$ 140,982	$ -	$ 545,567	$ 686,549	($ 1,827)	($ 11,780)	$ 1,863,308	$ 36,754	$ 1,900,062

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

Chairman: SU, CHI-TSE Manager: SU, CHI-HU Chief Accounting Officer: CHEN, HUI-JUNG

Tsang Yow Industrial Co., Ltd. and Its Subsidiaries

Consolidated Statement of Cash Flows

January 1 to December 31, 2024 and 2023

Unit: TWD thousand

Code		2024	2023
	Cash flows from operating activities		
A00010	Net profit before tax of continuing operations	$208,591	$249,712
A00020	Net income before tax of the discontinued operation	-	87,769
A10000	Net income before tax for this year	208,591	337,481
A20010	Income and expense items		
A20100	Depreciation expenses	82,037	99,671
A20200	Amortization expenses	2,619	4,673
A20300	Expected credit reversal of loss recognized in profit or loss	(47)	(3,057)
A20400	Gain on financial assets at fair value through profit or loss	(151)	(42)
A20900	Financial costs	3,983	10,503
A21200	Interest income	(21,885)	(11,063)
A21300	Dividend income	(7)	(6)
A21900	Cost of employee stock options	8,969	-
A22500	Gain on disposal of property, plant and equipment	(11,850)	(15,034)
A29900	Gain on disposal of subsidiary	-	(214,201)
A23700	Inventory loss	8,143	18,124
A30000	Net change in operating assets and liabilities		
A31130	Notes receivable	-	334
A31150	Accounts receivable	(3,231)	73,569
A31180	Other receivables	1	17,844
A31200	Inventory	63,160	79,827
A31240	Other current assets	1,080	4,780
A32125	Contract liabilities	29,236	(10,502)
A32130	Notes payable	(8,227)	3,160
A32150	Accounts payable	(49,167)	(43,260)
A32180	Other payables	(9,893)	37,228
A32230	Other current liabilities	(14,745)	(20,748)
A32240	Net defined benefit liability	(5,810)	(1,797)
A33000	Cash from operations	282,806	367,484
A33100	Interest received	21,039	11,063
A33200	Dividends received	7	6
A33300	Interest paid	(4,929)	(10,735)
A33500	Income tax paid	(117,407)	(40,881)
AAAA	Net cash inflow from operating activities	181,516	326,937

(Continued on next page)

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Code		2024	2023
	Cash flows from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	($ 5,710)	$ -
B01800	Long-term equity investments using equity method	(58,008)	-
B02300	Net cash inflow from disposal of subsidiary	-	477,784
B02700	Acquisition of property, plant and equipment	(175,279)	(48,576)
B02800	Proceeds from disposal of property, plant and equipment	18,608	39,626
B04500	Acquisition of intangible assets	(1,230)	(438)
B06500	Increase in other financial assets	(1,830)	(1,265)
B06800	Decrease in other non-financial assets	3,972	-
B07300	Increase in other non-current assets	-	(3,972)
BBBB	Net cash inflows (outflows) from investing activities	(219,477)	463,159
	Cash flows from financing activities		
C00200	Decrease in short-term borrowings	(20,000)	(80,000)
C01600	Long-term borrowings	-	100,000
C01700	Repayment of long-term borrowings	(250,424)	(358,253)
C04020	Repayment of principal of lease liabilities	(4,102)	(2,426)
C04500	Cash dividend paid out	(137,144)	(112,581)
C05100	Receipt of employee treasury stock subscription	11,796	-
C05800	Changes in non-controlling interests	41,194	-
CCCC	Net cash outflow from financing activities	(358,680)	(453,260)
DDDD	Effect of movements in exchange rates on cash and cash equivalents	(4,003)	64,696
EEEE	Net increase (decrease) in cash and cash equivalents	(400,644)	401,532
E00100	Opening balance of cash and cash equivalents	860,249	458,717
E00200	Ending balance of cash and cash equivalents	$459,605	$860,249

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

Chairman: SU, CHI-TSE Manager: SU, CHI-HU Chief Accounting Officer: CHEN, HUI-JUNG

Tsang Yow Industrial Co., Ltd. and Its Subsidiaries

Notes to Consolidated Financial Statements

January 1 to December 31, 2024 and 2023

(In TWD thousand, unless otherwise specified)

I. Company History

Tsang Yow Industrial Co., Ltd. (hereinafter referred to as “the Company”) was incorporated in January 1985 and mainly engages in the business activities below:

(I) Manufacturing and wholesale of other machinery (automatic transmission and drivetrain systems).

(II) Manufacturing and wholesale of ships and parts.

(III) Manufacturing and wholesale of automobiles and parts.

(IV) Manufacturing and wholesale of other machinery and devices (automatic transmission and drivetrain systems).

The Company’s stock has been listed and traded on the Taiwan Stock Exchange since May 2014.

The consolidated financial statements are presented in the Company’s functional currency, i.e. New Taiwan dollars (TWD).

II. Date and Procedures for Approval of Financial Statements.

The consolidated financial statements were published after being approved by the Board of Directors on February 24, 2025.

III. Application of New and Revised Standards and Interpretation

(I) Initial application of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC), and Interpretations (SIC) 1 endorsed and issued by the Financial Supervisory Commission (FSC) (hereinafter referred to as “IFRS Accounting Standards”).

The application of the IFRS Accounting Standards endorsed and issued into effect by the FSC will not cause a material change in the accounting policies of the Company and entities controlled by the Company (hereinafter referred to as “the Consolidated Company”).

(II) Application of IFRS Accounting Standards endorsed by FSC in 2025

New/amended/revised standards or interpretation	Effective date announced by IASB
Amendments to IAS 21 “Lack of Convertibility”	January 1, 2025 (Note)

Note: Applicable to the annual report period starting from January 1, 2025.When the Amendments apply for the first time, the comparative period shall not be reprepared, and the affected amount shall be recognized as the exchange differences on translating foreign operations (as appropriate) under the retained earnings or equity on the date of initial application, as well as the related affected assets and liabilities.

(III) IFRS Accounting Standards issued by International Accounting Standards Board ("IASB") but not yet endorsed and issued into effect by FSC

New/amended/revised standards or interpretation	Effective Date Issued by IASB (Note)
Annual Improvements to IFRS Accounting Standards – Book 11	January 1, 2026
Amendments to the "Classification and measurement of financial instruments" of IFRS 9 and IFRS 7	January 1, 2026
Amendments to the "Contracts related to nature dependent power" of IFRS 9 and IFRS 7	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	Not decided
IFRS 17 Insurance Contracts	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Disclosure of Subsidiaries not Publicly Responsible for Public Expenditure":	January 1, 2027

Note: Unless otherwise noted, the above new/revised/amended standards and interpretations take effect in their respective annual reporting periods beginning on or after their respective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements," and the main changes to the Standards include:

- The income and loss items shall be categorized into types of operating, investment, financing, income tax, and discontinued operations in the income statements.
- The operating income and loss, income and loss before financing and income tax, as well as subtotals and total amounts of income and loss shall be presented in the income statement.

- Guidance is provided to strengthen consolidation and segmentation regulations. The Consolidated Company must identify assets, liabilities, equity, income, expenses, losses, and cash flows from individual transactions or other matters and classify and summarize them according to common characteristics. This ensures that each individual line item presented in the primary financial statements has at least one similar characteristic.The items with different characteristics shall be subdivided in the primary financial statements and notes.The Consolidated Company only marks the items as “Others” when a more informative name cannot be found.
- Disclosure in performance measurement defined by the management is increased: When the Consolidated Company makes public communications outside of financial statements and communicates with users of financial statements about the management’s views on a certain aspect of the overall financial performance of the Consolidated Company, it shall disclose relevant information on performance measurement defined by the management in a single note to the financial statements, including a description of the measurement, how it is calculated, its adjustment from subtotals or aggregates specified in the IFRS Accounting Standards, and the impact of income tax and non-controlling interests on related adjustment items.

In addition to the aforementioned impacts, as of the date of approval and issuance of the consolidated financial statements by the Board of Directors, the Consolidated Company has continued to evaluate the impact of amendments to other standards and interpretations on its financial condition and performance. The relevant impacts will be disclosed upon completion of the evaluation.

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS Accounting Standards endorsed and issued into effect by the FSC.

(II) Basis of preparation

The consolidated financial statements were prepared on the historical cost basis, except for financial instruments at fair value and net defined benefit liabilities recognized at the present values of defined benefit liabilities (assets), less the fair values of plan assets.

The fair value measurement is classified into three levels based on the observability and significance of relevant inputs:

1. Level 1 inputs: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date.
2. Level 2 inputs: Inputs, other than quoted market prices within level 1 that are observable, either directly (i.e. prices) or indirectly (derived from prices) for assets or liabilities.
3. Level 3 inputs: Unobservable inputs for assets or liabilities.

(III) Criteria for classification of current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash or cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the balance sheet date; and
3. Liabilities that do not have substantial rights to defer the settlement period to at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current.

(IV) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company (subsidiaries).The consolidated statements of comprehensive income have been included in the operating income of the acquired or disposed subsidiaries from the acquisition date to the disposition date.The subsidiaries' financial statements have been properly adjusted to make their accounting policies consistent with the Consolidated Company’s.When the consolidated financial statements were prepared, all inter-company transactions, account balances, gains and losses have been eliminated.The total comprehensive income of the subsidiary is attributed to the owners of the Company and non-controlling interests, even if the non-controlling interests have a loss balance.

Movements in the Consolidated company’s ownership interests in subsidiaries that do not result in the Consolidated Company losing control over those subsidiaries are accounted for as equity transactions.The book amounts of the Consolidated company and non-controlling interests have been adjusted to reflect the changes in their relative interests in the subsidiaries.Any difference between the adjustment to non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

For the details of subsidiaries, shareholding ratios, and operating items, please refer to Note 13, Table 2 and Table 3.

(V) Foreign currency

When the financial statements of each individual entity in the Group were prepared, transactions in currencies other than the entity’s functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing on the transaction dates.

On each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on that date.Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the year in which they arise.

Foreign currency non-monetary items at fair value are translated at the exchange rate on the date when the fair value is determined, and the resulting exchange differences are recognized in current profit or loss; however, regarding changes in fair values recognized in other comprehensive income, the resulting exchange differences are recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not retranslated.

When the consolidated financial statements were prepared, the assets and liabilities of the Group's foreign operations (i.e. subsidiaries operating in a country or using a currency different from that of the Company) were translated into New Taiwan dollars (TWD) at the exchange rate prevailing on each balance sheet date.Income and expense items are translated at the year's average exchange rate, and the resulting exchange differences are recognized in other comprehensive income. (And attribute to the owners of the Company and non-controlling interests separately.)

(VI) Inventories

Inventory includes raw materials, supplies, work in process, and finished goods.The value of inventory is measured at the lower of weighted average cost or net realizable value. The comparison of the cost and net realizable value is based on individual items except for the same category of inventory.The net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.The cost of inventory is calculated using the weighted average method.

(VII) Investment in associates

An associate is an enterprise over which the consolidated company has significant influence but is not a subsidiary or a joint venture.

The consolidated company adopts the equity method to account for its investments in associates.

Under the equity method, investments in associates are initially recognized at cost and adjusted thereafter to recognize the consolidated company's share of the profit or loss, other comprehensive income, and profit margins of the associates.Moreover, changes in the equity of associates are recognized in proportion to the ownership interest.

The excess of the acquisition cost over the acquirer's share of the net fair value of the associate's identifiable assets and liabilities at the acquisition date is recognized as goodwill, which is included in the carrying amount of the investment and is not amortized. The excess of the acquirer's share of the net fair value of the associate's identifiable assets and liabilities at the acquisition date over the acquisition cost is recognized in profit or loss for the period.

When associates issue new shares and the Company does not subscribe in proportion to its shareholding, resulting in a change in shareholding percentage and a corresponding increase or decrease in the equity net value of the investment, the change is adjusted to capital surplus – changes in equity net value of associates and joint ventures accounted for using the equity method and investments accounted for using the equity method.However, if the Company does not subscribe or acquire shares in proportion to its shareholding, resulting in a reduction of its ownership interest in the associate, the amounts recognized in other comprehensive income related to the associate are reclassified in proportion to the reduction, based on the same basis as if the associate had directly disposed of the related assets or liabilities. If the aforementioned adjustment requires a debit to capital surplus and the balance of capital surplus from equity method investments is insufficient, the difference is debited to retained earnings.

When the consolidated company's share of loss in the affiliated enterprise is equal to or exceeds its interest in the affiliated enterprise (including the book value of investment in the affiliated enterprise under the equity method and other long-term equity that, in substance, form part of the consolidated company's net investment in the affiliated enterprise), the consolidated company ceases to recognize the further loss.The consolidated company only recognizes additional losses and liabilities within the scope of the occurrence of a legal obligation, presumed obligation or within the scope of the payment made on behalf of the associate.

When the consolidated company assesses impairment, it treats the entire book value of the investment (including goodwill) as a single asset and tests for impairment by comparing it with recoverable amount and book amount. The impairment loss recognized is not allocated to any asset forming part of the book amount of the investment, including goodwill.Any reversal of impairment loss is recognized within the range of subsequent increase in the recoverable amount of the investment.

The consolidated company ceases to apply the equity method from the date its investment ceases to be an associate. Its retained interest in the former associate is measured at fair value, and the difference between this fair value and the consideration from disposal, if any, and the carrying amount of the investment at the date the equity method is discontinued is recognized in profit or loss for the period.Furthermore, all amounts related to the associate recognized in other comprehensive income are accounted for on the same basis as would be required if the associate directly disposed of the related assets or liabilities.

Profits or losses arising from upstream, downstream, and lateral transactions between the consolidated company and its associates are recognized in the consolidated financial statements only to the extent that they are unrelated to the consolidated company's interest in the associates.

(VIII) Property, plant and equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost, less accumulated depreciation.

Property, plant and equipment under construction are recognized at cost.The cost includes professional service expenses and the borrowing costs eligible for capitalization.Such assets are classified into appropriate property, plant and equipment categories upon completion and reaching the status of intended use, and the depreciation begins.

Except for owned land, which is not depreciated, property, plant and equipment are depreciated on a straight-line basis over their useful lives. Each significant part is depreciated separately.The Consolidated Company conducts at least an annual review at the end of each year to assess the estimated useful life, residual value, and depreciation methods, and apply the effects of changes in accounting estimates prospectively.

When property, plant and equipment are derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(IX) Intangible assets

1. Separate acquisition

Intangible assets with finite useful lives that are acquired separately (mainly computer software and patents) are initially measured at cost and subsequently measured at cost, less accumulated amortization and accumulated impairment loss. The intangible assets are amortized on a straight-line basis over their useful lives, and at least one annual review is conducted at the end of each year to assess the estimated useful lives, residual values, and amortization methods, and to apply the effects of changes in accounting estimates prospectively.

2. Derecognition

When an intangible asset is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in current profit or loss.

(X) Impairment of property, plant and equipment, right-of-use assets, and intangible assets

The Consolidated Company assesses if there are any signs of possible impairment of property, plant, and equipment as well as right-of-use assets, and intangible assets at each balance sheet date.If there is any sign of impairment, an estimate is made of its recoverable amount.If it is not possible to determine the recoverable amount of an individual asset, the Consolidated Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.Shares assets are apportioned to individual cash-generating units or the smallest group of cash-generating units on a reasonable and consistent basis.

The recoverable amount is the fair value less cost of sales or its value in use, whichever is higher.If the recoverable amount of an individual asset or a cash-generating unit is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or the cash-generating unit is increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset or the cash-generating unit, which was not recognized in impairment loss in prior years.The reversal of the impairment loss is recognized in profit or loss.

(XI) Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the Consolidated Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities not at fair value through profit or loss are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities.The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss is immediately recognized in profit or loss.

1. Financial assets

   Regular trading of financial assets is recognized and derecognized in accordance with trade date accounting.

   (1) Measurement types

      Financial assets held by the Consolidated Company are those measured at fair value through profit or loss and financial assets at amortized cost.

      A. Financial assets at fair value through profit or loss

         Financial assets at fair value through profit or loss are those that are measured mandatorily at fair value through profit or loss.Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments that are not designated to be measured at fair value through other comprehensive income as well as investments in debt instruments that do not qualify for measurement at amortized cost or at fair value through other comprehensive income.

         Financial assets at fair value through profit or loss are measured at fair value with dividends and remeasurement gains or losses recognized in “other income” and “other gains and losses,” respectively.Please refer to Note 30 for the method of determining the fair value.

      B. Financial assets at amortized cost

         If the financial assets, in which the Consolidated Company invests, are aligned with both the following two criteria, such assets are classified as financial assets measured at amortized cost:

         a. Held under a certain business model, of which the objective is to collect contractual cash flows by holding the financial assets; and

         b. The cash flows on specific dates specified in the contractual terms are solely payments of the principal and interest on the principal amount outstanding.

After initial recognition, financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable measured at amortized cost (including related parties), other receivables and other financial assets) are measured at the amortized cost of the total carrying amount determined by the effective interest method less any impairment loss. Any foreign currency exchange differences are recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the gross carrying amount of financial assets.

Credit-impaired financial assets means that the issuer or debtor has experienced material financial difficulties or default, and the debtor is likely to file for bankruptcy or other financial restructuring, or the active market for such financial assets has disappeared due to the financial difficulties.

Cash equivalents, including time deposits, are highly liquid and readily convertible into a fixed amount of cash at any time while featuring little risk of value changes and can be used to meet short-term cash commitments within three months from the acquisition date.

(2) Impairment of financial assets

The Consolidated Company assesses the impairment loss of financial assets at amortized cost (including accounts receivable) based on the expected credit loss at each balance sheet date.

Accounts receivable are recognized as loss allowance based on the lifetime expected credit losses. Other financial assets are first assessed based on whether the credit risk has increased significantly since the initial recognition. If there is no significant increase in the risk, the impairment is recognized in allowance for losses in an amount equal to 12-month expected credit loss. If the risks have increased significantly, the impairment is recognized in allowance for losses at an amount equal to lifetime expected credit loss.

The expected credit loss refers to the weighted average credit loss with the risk of default as the weight.The 12-month expected credit loss represents the expected credit loss from possible defaults of a financial instrument within 12 months after the reporting date. The lifetime expected credit loss represents the expected credit loss from all possible defaults in a financial instrument over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Consolidated Company, without considering the collateral held, determines that the following situations represent defaults in the financial assets:

A. Internal or external information indicates that it is impossible for the debtor to settle the debt.

B. It is overdue for more than 180 days, unless there is reasonable and corroborative information showing that a default date postponed is more appropriate.

All impairment losses on financial assets are reduced to their carrying amounts through an allowance account for losses.

(3) Derecognition of financial assets

The Consolidated Company derecognizes a financial asset when the contractual rights to the cash inflow from the financial asset expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

Upon derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the consideration received is recognized in profit or loss.

2. Equity instruments

Equity instruments issued by the Consolidated Company are recognized at the proceeds received, less the cost of direct issue.

The Company's equity instruments repurchased are recognized and debited to equity.The purchase, sale, issue, or cancellation of the Consolidated Company's equity instruments are not recognized in profit or loss.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost in the effective interest method.

(2) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(XII) Revenue recognition

After the Consolidated Company identifies its performance obligations in contracts with clients, it allocates the transaction costs to each obligation in the contracts and recognizes revenue upon completion of performance obligations.

Merchandise sales revenue

Merchandise sales revenue is mainly from the sales of automatic transmission components.As the merchandise arrives at/is delivered to the location designated by a client, the client has the right to set the price and use the merchandise and assume the main responsibility for reselling the merchandise, while bearing the risk of obsolescence of the merchandise, upon which the Consolidated Company recognizes it in revenue and accounts receivable.

Revenue is measured at the fair value of the consideration received or receivable, less estimated returns, discounts, and other similar discounts.Returns and discounts are recognized at reasonable estimates of the monetary amount of future returns based on the past experience and other relevant factors.

For outsourced processing with raw materials supplied by the Group, as the control over the ownership of the processed goods has not been transferred, it is not recognized in revenue when the raw materials are supplied.

Service income

The income from processing on order is recognized in revenue when the performance obligation is satisfied over time.

(XIII) Leases

The Consolidated Company assesses whether a contract belongs to (or contains) a lease on the date of establishment of the contract.

The Consolidated Company as a lessor

The Group recognizes right-of-use assets and lease liabilities for all leases at the lease commencement date, except for low-value asset leases and short-term leases accounted for with recognition exemption applied where lease payments are recognized in expenses on a straight-line basis over the lease terms.

The right-of-use assets are initially measured at cost (including the initially measured amount of a lease liability, the lease payment paid before the lease commencement date, less lease incentives received, the initial direct cost, and the estimated cost of restoring the underlying asset) and subsequently measured at cost, less accumulated depreciation and accumulated impairment loss, with the remeasurement of the lease liability adjusted.Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the end of the useful life or the end of the lease term, whichever is earlier.

A lease liability is initially measured at the present value of the lease payment (fixed payments).If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at such an interest rate.If the interest rate cannot be easily determined, the lessee's incremental borrowing rate applies.

Subsequently, lease liabilities are measured at the amortized cost using the effective interest rate method, and interest expense is amortized over the lease term.If changes in the amount of the fixed payment and the lease term lead to changes in future lease payments, the Consolidated Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss.Lease liabilities are presented on a separate line in the consolidated balance sheets.

(XIV) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are included as part of the cost of the asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Except for the above, all other borrowing costs are recognized in profit or loss in the year in which they are incurred.

(XV) Government grants

Government grants are not recognized until there is reasonable assurance that the Consolidated Company will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis during the periods, in which the Consolidated Company recognizes the relevant costs, for which the grants are intended to offset, in expenses.

Government grants are recognized in profit or loss during the period, in which they can be received, if they are used to offset incurred expenses or losses or for the purpose of providing immediate financial support to the Consolidated Company without relevant costs to be incurred in the future.

(XVI) Employee benefits

1. Short-term employee benefits

   Relevant liabilities for short-term employee benefits are measured by the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

   For pension under the defined contribution plan, the amount of pension contributed is recognized in expenses during employees' service period.

   The defined benefit cost under the defined benefit pension plan (including service cost, net interest, and remeasurement) is calculated based on the projected unit credit method.The service costs and net interest on net defined benefit assets are recognized in employee benefit expenses when incurred.The remeasurement (including actuarial gains and losses and plan asset remuneration net of interest) is recognized in other comprehensive income and listed in retained earnings when it occurs, and will not be reclassified to profit or loss after the balance sheet date.

   The net defined benefit liability (assets) is the contribution deficit (surplus) in the defined benefit pension plan.A net defined benefit asset must not exceed the present value of the economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

(XVII) Share-based payment agreement

Employee stock options granted to employees

Employee stock options are recognized in expenses at the fair values of the equity instruments on the grant date and the best estimate of the number of equity instruments that will vest during the vesting period on a straight-line basis, while "capital surplus – employee stock options" is adjusted accordingly.If it is immediately vested on the grant date, the full amount is recognized in expenses on the grant date.The Company transfers treasury stock to employees, and the grant date is the date when the employee subscribes the shares.

(XVIII) Income tax

Income tax expense is the sum of the current income tax and deferred income tax.

1. Current income tax

The Consolidated Company calculates the current income in accordance with the laws and regulations formulated by the authority in the jurisdiction, to which an income tax return should be filed, and calculates the income (loss) tax payable (recoverable) accordingly.

A surtax is imposed on the undistributed earnings pursuant to the Income Tax Act of R.O.C. is recognized via the resolution at the annual shareholders' meeting.

Adjustment to income tax payable from prior years are recognized in the current income tax.

2. Deferred tax

Deferred tax is calculated based on the temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases used in the computation of taxable income.

All taxable temporary differences are generally in deferred tax liabilities, and deferred tax assets are recognized when it is probable that future taxable income will be available against the income tax credits arising from the deductible temporary differences and carryforward of the unused losses.

Taxable temporary differences associated with investments in subsidiaries are recognized in deferred liabilities, except where the Consolidated Company is able to control the reversal of the temporary difference and it is probable that said temporary difference will not be reversed in the foreseeable future.Deferred tax assets arising from the deductible temporary differences related to said investments are recognized in deferred tax assets only if it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences, and they are expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.A previously unrecognized deferred tax asset is also reviewed at each balance sheet date, and its carrying amount will be increased as it has become probable that future taxable income will allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates in the period in which the liabilities are expected to be settled or assets realized, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.The measurement of deferred tax liabilities and assets reflects the tax consequences that would ensue in a manner expected by the Company at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred income tax

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly credited to equity; in which case, the current and deferred taxes are recognized in other comprehensive income or directly credited to equity.

V. Significant Accounting Judgments and Estimations, and Main Sources of Assumption Uncertainties

When the Consolidated Company adopts accounting policies, the management is required to make judgments, estimates and assumptions that are based on historical experience and other factors that are not readily apparent from other sources.Actual results may differ from the estimates.

The management will continue to review the estimates and basic assumptions.If a revision of an estimate affects only the current year, it is recognized in the period in which it is revised. If a revision of an accounting estimate affects both the current year and future periods, it is recognized in the year in which it is revised and in the future periods.

Estimations and Main Sources of Assumption Uncertainties

(I) Impairment of inventory

The net realizable value of inventory is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. (As an inventory priced at the lower of cost or net realizable value, the Consolidated Company should exercise judgment and make estimates to determine the net realizable value of the inventory at the end of the financial reporting period.) Such estimates are made based on the real-time market conditions and historical sales of similar products, and changes in such market conditions may significantly affect the results of such estimates.

VI. Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and working capital	$ 566	$ 618
Checking and demand deposits in bank	133,576	152,244
Cash equivalents		
Demand deposit in bank with initial duration of more than 3 months	325,463	707,387
	$459,605	$860,249

The range of annual rate of interest of cash equivalents on the balance sheet date is as follows:

	December 31, 2024	December 31, 2023
Time deposits in bank (%)	1.23-4.93	2.68-5.65

The credit ratings of the financial institutions, with which the Consolidated Company deals are great, and the Consolidated Company deals with multiple financial institutions at the same time to diversify the risk, so the probability of default is expected to be very low.

VII. Financial instruments at fair value through profit or loss

Financial assets – current	December 31, 2024	December 31, 2023
Mandatorily at fair value through profit or loss		
Non-derivative financial assets – domestic listed stocks	$ 636	$ 485

VIII. Financial assets at amortized cost - only December 31, 2024

Non-current	December 31, 2024
Foreign investment	
Corporate bonds	$ 5,710

In December 2024, the consolidated company purchased a 5-year corporate bond of Shinhan Card Co., Ltd. with a face value of USD 200 thousand. The maturity date was June 23, 2026, with a coupon rate of 1.38% and an effective interest rate of 1.84%.

IX. Accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable – from business operations		
At amortized cost		
Gross carrying amount (including related parties)	$209,345	$206,114
Less: Allowance for losses	928	975
	$208,417	$205,139

The Consolidated Company's average credit period for the merchandize sales is 45–90 days.To mitigate credit risk, the Consolidated Company's management assigns a team dedicated to determining and approving clients' credit lines and carrying out other monitoring procedures to ensure that appropriate actions have been taken to recover overdue accounts receivable.In addition, the Consolidated Company will review the recoverable amount of receivables on each balance sheet date to ensure that appropriate impairment loss has been recognized for the uncollectible receivables.In view of this, the Consolidated Company's management believes that the credit risk has been significantly reduced.

The Consolidated Company recognizes an allowance for losses on accounts receivable on the basis of lifetime expected credit losses.Lifetime expected credit losses are calculated using a provision matrix based on each client's past default records, current financial position, economic situation in the industry, and industry outlook.Based on the

Consolidated Company's history of credit losses, there was no significant difference in the loss patterns among different groups of clients. The groups of clients were not further differentiated in the provision matrix, and only the expected credit loss ratio was set based on the number of days for which accounts receivable was past due.

When there was evidence indicating that the counterparty was in severe financial difficulty and the Consolidated Company could not reasonably expect the amount to be recovered, the Consolidated Company would write off relevant receivables and continue to collect the overdue receivables. The receivable recovered was recognized in profit or loss.

The table below shows the allowance for losses on receivables based on the Consolidated Company's provision matrix:

December 31, 2024

	Not past due	Overdue 1 to 30 days	Overdue 31 to 90 days	Overdue more than 91 days	Total
Expected credit loss (%)	-	-	1-2	9-100	
Gross carrying amount	$ 152,699	$ 41,714	$ 6,404	$ 8,528	$ 209,345
Allowance for losses (lifetime expected credit losses)	-	-	(120)	(808)	(928)
Amortized cost	$ 152,699	$ 41,714	$ 6,284	$ 7,720	$ 208,417

December 31, 2023

	Not past due	Overdue 1 to 30 days	Overdue 31 to 90 days	Overdue more than 91 days	Total
Expected credit loss (%)	-	-	1-2	9-100	
Gross carrying amount	$ 150,165	$ 41,282	$ 11,915	$ 2,752	$ 206,114
Allowance for losses (lifetime expected credit losses)	-	-	(139)	(836)	(975)
Amortized cost	$ 150,165	$ 41,282	$ 11,776	$ 1,916	$ 205,139

The information on the movement in the allowances for losses on receivables is as follows:

	2024	2023
Opening balance	$ 975	$ 5,389
Impairment loss reversed for this year	(47)	(3,057)
Foreign currency translation difference	-	(55)
Disposal of subsidiary this year	-	(1,302)
Ending balance	$ 928	$ 975

X. Inventories

	December 31, 2024	December 31, 2023
Finished good	$140,338	$181,041
Work in progress	118,880	128,776
Raw materials	25,806	41,388
Materials	12,724	17,846
	$297,748	$369,051

The nature of the operating cost is as follows:

	2024	2023
Inventory costs of goods sold	$ 757,609	$ 1,005,888
Loss on inventory valuation	6,603	12,034
Loss on inventory scrapped	1,928	6,631
Income from sales of scrap	(10,294)	(11,722)
Gain on physical inventory	(388)	(541)
Others	2,006	2,005
Belonging to discontinued operations	-	(222,664)
	$ 757,464	$ 791,631

XI. Other financial assets

	December 31, 2024	December 31, 2023
Pledged time deposits (Note 32)	$ 10,919	$ 10,181
Guarantee deposits paid	4,052	2,960
	$ 14,971	$ 13,141
Current	$ 10,419	$ 9,681
Non-current	4,552	3,460
	$ 14,971	$ 13,141

The range of annual rate of interest of pledged time deposits on the balance sheet date is as follows:

	December 31, 2024	December 31, 2023
Time deposits in bank (%)	1.47-2.85	1.58-3.05

The credit ratings of the financial institutions, with which the Consolidated Company deals are great, and the Consolidated Company deals with multiple financial institutions at the same time to diversify the risk, so the probability of default is expected to be very low.

XII. Discontinuing operation

Based on overall strategic considerations and effective recovery of resources invested in investee companies in Mainland China, the Company and its related subsidiaries decided on May 26, 2023 to dispose of all equity of a subsidiary, Wuxi Tsang Yow Auto Parts Co., Ltd. (Wuxi Tsang Yow), at a price not less than CNY 105,000 thousand through a resolution adopted by the Board of Directors on May 26, 2023. On May 31, 2023, the Company signed a sales contract with a non-related party.With respect to the aforementioned equity transaction, equity delivery and change registration were completed in July 2023, a final disposal price of CNY 111,000 thousand was fully received, and all funds were remitted back to its subsidiary Giant Finance Inc. (Giant) by its subsidiary, Business International Corp (Business) in November 2023, and were then remitted back to the Company by Giant in December 2023. Business and Giant completed the liquidation procedures in 2023 and recognized the relevant disposal gains and losses. Please refer to Note 28 for the description of the disposal of the subsidiary.

Due to the fact that the above transaction complies with the provisions of IFRS 5 "Non-current Assets Held for sale and Discontinued Operations," Wuxi Tsang Yow, Business, and Giant meet the definition of discontinued operations, and were presented as discontinued operations in 2023. In order to make the profit and loss of continuing operations more comparable, the Consolidated Company reclassified the profit and loss items of discontinued operations for the period from January 1 to December 31, 2023.

Details and cash flows of profit and loss from discontinued operations are as follows:

	2023
Operating revenue	$179,866
Operating costs	222,664
Operating losses	(42,798)
Selling expenses	4,406
Administrative expenses	11,904
Research and development expenses	11,509
Expected credit reversal of impairment loss recognised in profit or loss	(2,303)
Net operating losses	(68,314)
Interest income	3,099
Other gains and losses	(4,438)
Financial costs	(101)
Net loss before tax	(69,754)
Tax gains	(10,627)
Current losses	(80,381)
Gain on disposal (Note 28)	157,523
Gain on discontinued operation	$ 77,142

Loss from discontinued operation

attributable to:	
Owners of the Company	$ 77,142
Cash Flow	
Operating activities	$ 38,747
Investing activities	491,312
Net cash inflow	$530,059

XIII. Subsidiary

The subsidiaries included in the consolidated financial statements are as follows:

Investor	Subsidiary	Nature of business	Shareholding (%) December 31, 2024	Shareholding (%) December 31, 2023	Explanation
The Company	YORU Tech SDN. BHD. （YORU-MY）	Production and sale of semiconductors and medical-related components	55	55	Note 1
	YORU Tech PTE. LTD. （YORU-SIN）	General trade	55	-	Note 2
	YOWIN Tech SDN. BHD.（YOWIN-MY）	Investment in real estate	100	-	Note 3

Note 1: The Company established YORU Tech SDN. BHD.in Malaysia through a resolution adopted by the Board of Directors on August 29, 2023, with an expected investment amount of USD 6.6 million and a shareholding ratio of 55%. Its establishment registration had been completed.As of December 31, 2024, the Company had contributed USD 1,588,100 and had not yet completed the capital verification process.

Note 2: The Company established YORU Tech PTE. LTD. on January 5, 2024, with a shareholding ratio of 55%. Its establishment registration had been completed. As of December 31, 2024, the Company had contributed approximately USD 282 thousand, and had not yet completed the capital verification process.

Note 3: The Company established YOWIN Tech SDN. LTD. on January 5, 2024, with a shareholding ratio of 100%. Its establishment registration had been completed. As of March 31, 2024, the Company had not yet been capitalized.

XIV. Investment Using Equity Method

Investment in associates

	December 31, 2024
Affiliated enterprise not important individually	$ 58,008

The Company established Apex Fortune Co., Ltd. in Thailand through a resolution adopted by the Board of Directors on November 6, 2023, with an expected investment amount of THB 60 million and a shareholding ratio of 20%.As of December 31, 2024, the Company had contributed THB 60 million and had not yet completed the capital verification process.

XV. Property, plant and equipment

(I) The movements in costs and accumulated depreciation are as follows:

2024

	Land	Buildings	Machinery and equipment	Other equipment	To-be-inspected equipment and construction in progress	Total
Cost						
Balance on January 1, 2024	$ 317,004	$ 549,659	$ 675,734	$ 128,685	$ 10,557	$ 1,681,639
Additions	55,281	-	18,518	20,326	73,703	167,828
Disposal	-	-	(18,275)	(20,753)	-	(39,028)
Net exchange difference	(148)	-	-	-	-	(148)
Balance as of December 31, 2024	$ 372,137	$ 549,659	$ 675,977	$ 128,258	$ 84,260	$ 1,810,291
Accumulated depreciation						
Balance on January 1, 2024	$ -	$ 181,393	$ 338,982	$ 52,344	$ -	$ 572,719
Depreciation expenses	-	11,315	49,932	16,567	-	77,814
Disposal	-	-	(18,275)	(13,995)	-	(32,270)
Balance as of December 31, 2024	$ -	$ 192,708	$ 370,639	$ 54,916	$ -	$ 618,263
Net amount on December 31, 2024	$ 372,137	$ 356,951	$ 305,338	$ 73,342	$ 84,260	$ 1,192,028

2023

	Land	Buildings	Machinery and equipment	Other equipment	To-be-inspected equipment and construction in progress	Total
Cost						
Balance on January 1, 2023	$ 317,004	$ 705,063	$ 1,111,901	$ 182,667	$ 17,816	$ 2,334,451
Additions	-	-	14,613	33,983	(7,259)	41,337
Disposal	-	-	(25,465)	(44,235)	-	(69,700)
Net exchange difference	-	(3,520)	(9,047)	(1,032)	-	(13,599)
Disposal of subsidiary	-	(151,884)	(416,268)	(42,698)	-	(610,850)
Balance on December 31, 2023	$ 317,004	$ 549,659	$ 675,734	$ 128,685	$ 10,557	$ 1,681,639
Accumulated depreciation						
Balance on January 1, 2023	$ -	$ 288,162	$ 611,329	$ 84,923	$ -	$ 984,414
Depreciation expenses	-	14,388	63,189	19,571	-	97,148
Disposal	-	-	(23,810)	(21,298)	-	(45,108)
Net exchange difference	-	(2,749)	(6,498)	(746)	-	(9,993)
Disposal of subsidiary	-	(118,408)	(305,228)	(30,106)	-	(453,742)
Balance on December 31, 2023	$ -	$ 181,393	$ 338,982	$ 52,344	$ -	$ 572,719
Net amount on December 31, 2023	$ 317,004	$ 368,266	$ 336,752	$ 76,341	$ 10,557	$ 1,108,920

In March 2024, YORU-MY signed a contract for building a plant and purchasing land with a non-related party. The plant will be used for production, and the contract price was MYR 24,446 thousand. In October 2024, the final land payment was made and the transfer of ownership was completed according to the contract. Additionally, MYR 7,803 thousand was transferred from prepaid land, buildings, and equipment to land.As of December 31, 2024, the related plant payments paid totaled MYR 3,329 thousand (booked in the prepayment for buildings and equipment account).

(II) Useful lives

The Consolidated Company's property, plant and equipment are depreciated on a straight-line basis over the following useful lives:

Buildings	
Main buildings of plants	50 years
Landscape engineering and fences	7–15 years
Machinery and equipment	3–15 years
Other equipment	5–15 years

Please refer to Note 32 for the amount of property, plant and equipment, pledged by the Consolidated Company as collateral for borrowings.

(III) Investing activities that affect both cash and non-cash items

	2024	2023
Increase in property, plant and equipment	$167,828	$ 41,337
Increase in prepayment for equipment purchase	28,562	4,763
Interest capitalization	(735)	(234)
Decrease (increase) in payables for machinery and equipment	(20,376)	2,710
Cash paid for purchase of property, plant and equipment	$175,279	$ 48,576

XVI. Lease agreements

(I) Right-of-use assets

	December 31, 2024	December 31, 2023
Carrying amount of right-of-use assets		
Transportation equipment	$ 4,928	$ 5,753

	2024	2023
Additions to right-of-use assets	$ 3,398	$ 4,207
Right-of-use asset depreciation expense		

Land	$ -	$ 183
Transportation equipment	4,223	2,340
	$ 4,223	$ 2,523

The land refers to the land use right located in mainland China, which is amortized on a straight-line basis over a lease term of 50 years to 143 years.

Except for the additions and depreciation expenses recognized listed in Note 12 and above, there were no significant subleases or impairments of the consolidated company's right-of-use assets in 2024 and 2023.

(II) Lease liabilities

	December 31, 2024	December 31, 2023
Carrying amount of lease liabilities		
Current	$ 3,025	$ 2,991
Non-current	$ 1,961	$ 2,699

The range of discount rates (%) for lease liabilities is as follows:

	December 31, 2024	December 31, 2023
Transportation equipment	1.38-1.84	1.37-1.84

(III) Other leasing information

	2024	2023
Low-value asset lease expenses	$ 238	$ 265
Total cash outflows from leases	$ 4,458	$ 2,761

The Consolidated Company has elected to apply the recognition exemptions to the leasing of photocopiers that qualify as low-value asset leases and does not recognize such leases in relevant right-of-use assets and lease liabilities.

XVII. Other Assets

	December 31, 2024	December 31, 2023
Current		
Excess business tax paid	$ 4,751	$ 3,974
Prepaid expenses	2,867	3,339
Others	2,000	3,385
	$ 9,618	$ 10,698
Non-current		
Prepaid investment amount	$ -	$ 3,972
Others	592	592
	$ 592	$ 4,564

XVIII. Borrowings

(I) Short-term borrowings - only December 31, 2023

	December 31, 2023
Unsecured bank borrowings	
Unsecured borrowings	TWD 20,000

The rates of annual interest on the above short-term borrowings are as follows:

	December 31, 2023
Unsecured borrowings in bank (%)	1.65

(II) Long-term borrowings

	December 31, 2024	December 31, 2023
Secured borrowings (Note 31)	$104,848	$312,337
Unsecured borrowings	15,264	58,199
	120,112	370,536
Less: Current portion	55,034	109,233
Long-term borrowings	$ 65,078	$261,303
Secured borrowings		
Rate of annual interest (%)	1.98-2.01	1.84-1.90
Maturity period	114.12-122.11	114.12-122.11
Unsecured borrowings		
Rate of annual interest (%)	1.85	1.73-1.78
Maturity period	114.12	113.09-114.12

XIX. Notes and accounts payable

	December 31, 2024	December 31, 2023
Notes payable	$ 2,642	$ 10,869
Accounts payable (including related parties)	$ 96,688	$145,855

The above payments are all incurred due to business operations.The credit period for raw material purchases is 30 to 120 days. The Consolidated Company has a financial risk management policy in place to ensure that all payables are repaid within the pre-agreed credit period.

XX. Other liabilities

	December 31, 2024	December 31, 2023
Other payables		

Salary and wages and bonuses payable	$ 40,064	$ 42,770
Payables for machinery and equipment	23,975	3,599
Payables for remuneration of employees and directors (Note 24)	13,479	22,218
Bonus payable for unused paid leave	8,699	8,762
Others	29,865	28,461
	$116,082	$105,810

Other current liabilities		
Other advance receipts	$ 27,489	$ 42,022
Refund liabilities	574	666
Advance receipts for treasury stock	11,796	-
Others	376	496
	$ 40,235	$ 43,184

XXI. Post-employment benefit plan

(I) Defined contribution pension plan

The Company adopted a pension scheme under the Labor Pension Act, which is a government-managed defined contribution plan. Under the act, the Company makes monthly contributions, equal to 6% of their monthly salary and wages, to employees' individual pension accounts under the Bureau of Labor Insurance.

(II) Defined benefit plan

The pension scheme adopted by the Company in accordance with the Labor Standards Act of R.O.C. is a government-managed defined benefit pension plan.The payment for employee pensions is calculated based on the length of service and the average salary in the six months prior to the approved retirement date. The Company contributes a certain percentage of the total monthly employee salaries, which is deposited by the Supervisory Committee of Labor Retirement Reserve into the pension account with the Bank of Taiwan in the name of the committee. Before the end of each year, if the balance in the pension account is inadequate to pay for the retirement benefits to employees who meet the retirement requirements in the following year, the Group will make a contribution to make up for the difference in a lump sum by the end of March of the following year. The pension account is managed by the Bureau of

Labor Funds, Ministry of Labor; the Company has no right to influence its investment management strategy.

The amounts included in the consolidated balance sheets in respect of such defined benefit plans are as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	TWD 11,149	TWD 10,791
Fair value of plan assets	(12,120)	(6,004)
Net defined benefit liability (assets)	(TWD 971)	TWD 4,787

The movements in the net defined benefit liability (asset) are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability (assets)
Balance on January 1, 2023	$ 14,079	($ 8,234)	$ 5,845
Interest expense (income)	148	(81)	67
Recognized in profit or loss	148	(81)	67
Remeasurement			
Return on plan assets	-	(84)	(84)
Actuarial loss – experience adjustments	727	-	727
Actuarial losses - changes in financial assumptions	96	-	96
Recognized in other comprehensive income	823	(84)	739
Employer's contributions	-	(1,864)	(1,864)
Benefit payment	(4,259)	4,259	-
Balance on December 31, 2023	10,791	(6,004)	4,787
Interest expense (income)	93	(68)	25
Recognized in profit or loss	93	(68)	25
Remeasurement			
Return on plan assets	-	(739)	(739)
Actuarial loss – experience adjustments	1,069	-	1,069
Actuarial gain – changes in financial assumptions	(278)	-	(278)
Recognized in other comprehensive income	791	(739)	52

Employer's contributions	-	(5,835)	(5,835)
Benefit payment	(526)	526	-
Balance as of December 31, 2024	$ 11,149	($ 12,120)	($ 971)

The Company is exposed to the following risks due to the pension scheme stem under the Labor Standards Act:

1. Investment risk

   The Bureau of Labor Funds, Ministry of Labor, invests labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits for its own use and through agencies entrusted. However, the income from the Company's amount allocated to plan assets is calculated based on the interest rate not lower than the local bank's interest rate for two-year time deposits.

2. Interest rate risk

   A decrease in the interest rate in the government bonds will increase the present value of the defined benefit obligation; however, the return on the debt investment through the plan assets will also increase, and the increases will partially offset the effect of the net defined benefit liability.

3. Salary risk

   The present value of the defined benefit obligation is calculated with reference to the future salaries of the participants in the plan.Therefore, an increase in the salary of the participants in the plan will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the Company's defined benefit obligation were carried out by qualified actuaries. The critical assumptions made on the measurement date are as follows:

	December 31, 2024	December 31, 2023
Discount rate (%)	1.6	1.3
Expected salary increase (%)	1.5	1.5

If each of the critical actuarial assumptions is subject to reasonably possible changes, when all other assumptions remain unchanged, the amounts by which the present value of the defined benefit obligation would increase (decrease) are as follows:

	December 31, 2024	December 31, 2023
Discount rate		
Increase by 0.25%	($236)	($246)
Decrease by 0.25%	$244	$254
Expected salary increase (%)		
Increase by 0.25%	$236	$246
Decrease by 0.25%	($230)	($239)

As actuarial assumptions may be correlated, it is unlikely that only a single assumption would occur in isolation of one another, so the sensitivity analysis above may not reflect the actual changes in the present value of the defined benefit obligation.

	December 31, 2024	December 31, 2023
The expected contributions to the plan for the following year	$ 889	$ 5,796
The weighted average duration of the defined benefit obligations	9 年	10 年

XXII. Equity

(I) Common stock capital

	December 31, 2024	December 31, 2023
Authorized number of shares (in thousands)	150,000	150,000
Authorized capital stock	$1,500,000	$1,500,000
Number of shares issued and fully paid (in thousands)	103,087	103,087
Share capital already publicly offered	$1,030,865	$1,030,865

The ordinary shares issued are at a par value of TWD 10 per share, and each share is entitled to one vote and receive dividends.

(II) Capital surplus

	December 31, 2024	December 31, 2023

May be used to offset losses, pay out cash, or capitalize equity (Note) -		
Additional paid-in capital – issuance of shares	$145,471	$145,471
Treasury shares traded	14,030	5,061
	$159,501	$150,532

Note: Such capital surplus may be used to offset losses or, when the Company has no losses, to pay out cash or to capitalize equity, provided that the capitalization is limited to a certain percentage of the paid-in capital each year.

(III) Retained earnings and dividend policy

As per the earnings distribution policy outlined in the Articles of Incorporation, if the Company makes a profit for a fiscal year, the profit shall first be used to pay taxes in accordance with applicable laws and regulations. The profit shall be used for offsetting the cumulative deficit, providing 10% of the remaining profit as a legal reserve, providing an amount for or reversing a special reserve in accordance with the laws and regulations or operational needs. Then, any remaining profit, together with any cumulative undistributed retained earnings, shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal. The distribution proposal shall then be submitted to the shareholders' meeting for a resolution before the distribution of dividends to shareholders.

In addition, in accordance with the Articles of Incorporation, when the dividends and bonuses are paid out in cash, it shall be adopted by supermajority resolution of the Board of Directors and reported to the shareholders' meeting.

The Company will consider the industry condition and the growth stage of the Company to meet capital needs and cash flow demands from shareholders in alignment with the long-term financial plan. Therefore, a certain percentage of distributable earnings will be allocated for shareholder dividends, with cash dividends not to be lower than 10% of all dividends to be paid out. The types and percentages of such dividends may be adjusted depending on the year's profit and capital needs, as determined by the resolution of the shareholders' meeting.

An amount shall be provided to the legal reserve unless the balance reaches the amount of the Company's total paid-in capital.The legal reserve may be used to offset losses.If there is no loss, when the amount of the legal reserve is 25% more than the paid-in capital, it can be used to contribute to the share capital and paid out in cash.

The Company's 2023 and 2022 earnings distribution proposals are as follows:

	Earnings distribution proposals		Dividends per share (TWD)	
	2023	2022	2023	2022
Legal reserve	$ 27,314	$ 16,745		
Reversal of special reserve	(31,293)	(12,761)		
Cash dividend to shareholders	137,144	112,581	$ 1.34	$ 1.10

The distribution of the above cash dividends has been approved by the resolutions of the Board of Directors in March 2024 and 2023, respectively, and the rest of the items distributed from the earnings were also approved by the resolution of the general shareholders' meetings in May, 2024 and 2023, respectively.

The 2024 earnings distribution proposal made by the Board of Directors in February 2025 is as follows:

	Earnings distribution proposals	Dividends per share (TWD)
Legal reserve	$ 16,311	
Special reserve	1,827	
Cash dividend to shareholders	123,704	$ 1.20

The distribution of the above cash dividends has been approved by the resolution of the Board of Directors, and the remaining items are pending resolution by the general shareholders' meeting scheduled to be held in May, 2025.

(IV) Special reserve

The special reserve of TWD 19,782 thousand, which was provided for the first time using the IFRS Accounting Standards due to the exchange differences in translating the financial statements of foreign operations, will be reversed in proportion to the disposal of foreign operations by the Consolidated Company. When the Consolidated Company loses the significant impacts, it will be fully reversed.Upon the distribution of earnings, the special reserve shall also be provided according to the difference between the net reduction amount of other shareholders' equity presented at the end of the reporting period and the special reserve provided for the first time using the IFRS Accounting Standards.Afterwards, when there is a reversal for the net reduction amount of other shareholders' equity in the future, the earnings may be distributed for the reversal portion. The Company had reversed the special reserve in full amount in 2023 when disposing of the subsidiary.

(V) Other equity interest – exchange differences arising from the translation of the financial statements of foreign operations

	2024	2023
Opening balance	$ -	($ 31,293)
-		
Exchange differences arising from the translation of the financial statements of foreign operations this year	(2,284)	-
Relevant income taxes	457	-
Reclassification adjustment		
Disposal of foreign operations	-	31,313
Disposal income tax related to items that may be reclassified	-	(20)
Ending balance	($ 1,827)	$ -

(VI) Treasury Shares

	Shares transferred to employees	
	In thousands of shares	Amount
Balances as of January 1, 2024 and December 31, 2024	740	$ 740
Balances as of January 1,	740	$ 11,780

2023 and December 31,
2023

The Company transferred the treasury shares to employees by the resolution of the Board of Directors on November 6, 2024. A total of 740 thousand treasury shares were transferred, and the cost of repurchase was TWD11,780 thousand.The treasury stock was set the record date for employee share option on November 22, 2024, and the delivery date to employees was January 9, 2025.The Company recognized the employee remuneration cost of TWD 8,969 thousand on the grant date. Please refer to Note 27.

The treasury share held by the Company must not be pledged in accordance with the Securities and Exchange Act, nor shall they be entitled to dividends paid out and votes.

(VII) Non-controlling equity

	2024	2023
Opening balance	$ -	$ -
Current net loss	(2,573)	-
Total comprehensive equity for the period		
Exchange differences arising from foreign operations	(1,867)	-
Non-controlling interests in newly established subsidiaries	41,194	-
Closing balance	$ 36,754	$ -

XXIII. Revenue

	2024	2023
Revenue from contracts with customers		
Merchandise sales revenue	$ 1,043,941	$ 1,367,612
Income from processing	72	318
Income from sales of electricity	5,311	5,012
Net sales revenue attributable to discontinued operations	-	(179,866)
	$ 1,049,324	$ 1,193,076

(I) Please refer to Note 4 (12) for details of contracts with customers.

(II) Balance of contracts

	December 31, 2024	December 31, 2023	January 1, 2023

Accounts receivable (Note 9)	$ 208,417	$ 205,139	$ 433,463
Contract liabilities – current			
Merchandise sales	$ 37,121	$ 7,885	$ 18,387

The movement in contract liabilities mainly arises from the difference between the point at which performance obligations are satisfied and the point at which customers pay. There were no other major movements during 2024 and 2023.

The amounts recognized in revenue for this period from the contract liabilities at the beginning of the year and the performance obligations that have been fulfilled in the prior period are as follows:

	2024	2023
Contract liabilities at the beginning of the year		
Merchandise sales	$ 6,161	$ 10,199

(III) Breakdown of revenue from contracts with customers

Please refer to Note 36 for the breakdown of revenue.

XXIV. Net income before tax

Net income before tax includes the following items:

(I) Other gains and losses

	2024	2023
Net foreign exchange gain (loss)	$ 50,396	($ 12,716)
Net gain on disposal of property, plant and equipment	11,850	15,034
Subsidies	181	5,860
Gain on investment disposal (Note 28)	-	754
Others	8,654	5,274
Belonging to discontinued operations	-	4,438
	$ 71,081	$ 18,644

(II) Financial costs

	2024	2023
Interest on borrowings	$ 4,600	$ 10,667
Interest on lease liabilities	118	70
Less: Amounts included in the cost of qualifying assets	735	234
Belonging to discontinued	-	(101)

operations	$ 3,983	$ 10,402

Information on interest capitalization is as follows:

	2024	2023
Amount of capitalized interest	$ 735	$ 234
Rate of annual interest on interest capitalization (%)	1.81-2.05	1.54-1.96

(III) Depreciation and amortization

	2024	2023
Property, Plant and Equipment	$ 77,814	$ 97,148
Right-of-use assets	4,223	2,523
Intangible assets	2,619	4,673
Belonging to discontinued operations	-	(17,963)
	$ 84,656	$ 86,381
Depreciation expenses aggregated by function		
Operating costs	$ 68,295	$ 83,867
Operating expenses	13,742	15,804
Belonging to discontinued operations	-	(17,904)
	$ 82,037	$ 81,767
Amortization expenses aggregated by function		
Operating costs	$ 501	$ 896
Operating expenses	2,118	3,777
Belonging to discontinued operations	-	(59)
	$ 2,619	$ 4,614

(IV) Employee benefit expenses

	2024	2023
Short-term employee benefits	$264,900	$359,021
Retirement benefits	-	43,141
Post-employment benefits		
Defined contribution	9,952	14,980

pension plan		
Defined benefit plans (Note 21)	25	67
	9,977	15,047
Belonging to discontinued operations	-	(123,491)
	$274,877	$293,718
Aggregated by function		
Operating costs	$177,988	$290,771
Operating expenses	96,889	126,438
Belonging to discontinued operations	-	(123,491)
	$274,877	$293,718

(V) Employee remuneration and directors' remuneration

The Company provides no lower than 3% of the year's income before tax (before employee remuneration and directors' remuneration are deducted) as employee remuneration and no higher than 5% of the balance as directors' remuneration.The employee remuneration for 2024 and 2023, as well as the directors' remuneration to be paid out in cash as decided by the Board of Directors' resolutions in February 2025 and March 2024, respectively, is as follows:

	2024	2023
Percentages for estimation		
Employee remuneration (%)	4.0	4.0
Director's remuneration (%)	2.0	2.0
Amount		
Employee remuneration	$ 8,986	$ 14,812
Director's remuneration	4,493	7,406

If there is a change in the amount after the release date of the annual consolidated financial statements is approved, the change will be accounted for as a change in accounting estimate and the adjustment will be accounted for in the following year.

There is no difference between the amounts of remuneration paid out to employees and directors for 2023 and 2022 and the amounts recognized in the 2023 and 2022 consolidated financial statements.

Please visit the Market Observation Post System (MOPS) of the Taiwan Stock Exchange for the information on the remuneration to employees and directors resolved by the Company's Board of Directors.

(VI) Net foreign currency exchange benefits

	2024	2023
Total foreign exchange gain	$ 78,912	$ 44,907
Total foreign exchange loss	(28,516)	(57,623)
Belonging to discontinued operations	-	(15,492)
Net foreign currency exchange benefits	$ 50,396	$ 2,776

XV. Income tax of continuing operations

(I) Income tax recognized in profit or loss

The main components of income tax expenses are as follows:

	2024	2023
Current income tax		
Incurred during this year	$ 38,048	$ 55,956
Additional tax on undistributed earnings	5,852	1,531

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	2024	2023
Adjustment to the prior years	(\$ 99)	(\$ 1,109)
	43,801	56,378
Deferred tax		
Incurred during this year	4,213	(3,258)
Income tax expenses recognized in profit or loss	\$ 48,014	\$ 53,120

A reconciliation of accounting profit and income tax expense is as follows:

	2024	2023
Net income before tax	\$208,591	\$249,712
Income tax expenses calculated at the statutory tax rate	\$ 42,862	\$ 51,283
Income included for tax	29	4,047
Effect of deferred tax on subsidiary earnings	(629)	(2,631)
Tax-free income	(1)	(1)
Additional tax on undistributed earnings	5,852	1,531
Adjustment to the prior years	(99)	(1,109)
Income tax expenses recognized in profit or loss	\$ 48,014	\$ 53,120

(II) Income tax recognized in other comprehensive income

	2024	2023
Deferred tax benefit		
Remeasurement of defined benefit plans	\$ 457	\$ 148
Exchange differences arising from foreign operations	10	(20)
	\$ 467	\$ 128

(III) Current income tax assets and liabilities

	December 31, 2024	December 31, 2023
Current income tax assets		
Tax refund receivable	\$ -	\$ 937
Current income tax		

liabilities		
Income tax payable	$ 3,615	$ 78,158

(IV) Deferred tax assets and liabilities

The movements in deferred tax assets and liabilities are as follows:

2024

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred tax assets				
Temporary difference				
Unrealized inventory loss	$ 24,311	$ 1,034	$ -	$ 25,345
Unrealized exchange loss	1,764	(1,764)	-	-
Others	6,741	1,434	457	8,632
	$ 32,816	$ 704	$ 457	$ 33,977
Deferred tax liabilities				
Temporary difference				
Unrealized exchange gain	$ -	$ 3,784	$ -	$ 3,784
Others	-	1,133	(10)	1,123
	$ -	$ 4,917	($ 10)	$ 4,907

2023

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange difference	Disposal of subsidiary	Ending balance
Deferred tax assets						
Temporary difference						
Defined benefit pension plan	$ 1,191	($ 354)	$ 148	$ -	$ -	$ 985
Exchange differences arising from foreign operations	20	-	(20)	-	-	-
Unrealized inventory loss	41,091	(5,582)	-	(67)	(11,131)	24,311
Unrealized exchange loss	-	1,764	-	-	-	1,764
Others	6,676	1,019	-	(16)	(1,923)	5,756
	48,978	(3,153)	128	(83)	(13,054)	32,816
Loss carryforwards	16,162	12,337	-	(104)	(28,395)	-
	$ 65,140	$ 9,184	$ 128	($ 187)	($ 41,449)	$ 32,816
Deferred tax liabilities						
Temporary difference						
Investment income recognized using the equity method	$ 2,631	($ 2,631)	$ -	$ -	$ -	$ -
Unrealized exchange gain	1,959	(1,959)	-	-	-	-
Others	-	-	-	-	-	-
	$ 4,590	($ 4,590)	$ -	$ -	$ -	$ -

(V) Income tax assessment status

The declaration of the Company for profit-seeking enterprise income tax as of 2022 had been assessed by the tax collection authority.

XXVI. Earnings per share

The net income and weighted average number of ordinary shares used to calculate earnings per share are as follows:

Net income for this year

	2024	2023
Net income attributable to the owners of the Company used to calculate basic and diluted earnings per share	$163,150	$273,734
Less: Net loss of discontinued operations used to calculate their basic and diluted gains per share	-	77,142
Net profit used to calculate the basic and diluted earnings per share of continuing operations	$163,150	$196,592

Number of shares

Unit: In thousands of shares

	2024	2023
The weighted average number of ordinary shares used to calculate basic earnings per share are as follows:	102,347	102,347
Effect of dilutive potential ordinary shares		
Employee remuneration	405	557
The weighted average number of ordinary shares used to calculate diluted earnings per share are as follows:	102,752	102,904

If the Company may elect to pay employee remuneration in stock or cash, when diluted earnings per share are calculated, it is assumed that employee remuneration will be paid out in stock, and when the ordinary shares are potentially dilutive, they will be included in the weighted average number of outstanding shares to calculate diluted earnings per share.The dilution effect of such potential ordinary shares will also continue to be considered when the diluted earnings per share is calculated before the following year's shareholders' meeting resolves a decision on the number of shares distributed for employee remuneration.

XVII. Share-based payment agreement

The Company's rules of share repurchase and transfer to employees were approved by the resolution of the Board of Directors in August, 2020. It clearly stipulates that employees are entitled to the right to subscribe for such shares. After deliberation and approval by the Board in November, 2024, 740 thousand treasury shares can be purchased at a subscription price of TWD15.94, and those to whom the shares can be granted include the Company's employees who meet specific criteria.

The information on employee stock options for treasury shares is as follows:

Employee stock options	Unit (in thousands of shares)	Exercise price (TWD)
Outstanding at the beginning of the year	-	$ -
Granted during this year	740	15.94
Exercised during this year	-	
Outstanding at the end of the year	740	
The fair value of the employee stock options granted in the current year (TWD)	$ 12.12	

The employee stock options granted by the Company in November 2024 were based on the Black-Scholes valuation model, and the parameters used in the valuation model are as follows:

Share price on grant date (TWD)	28.05
Exercise price (TWD)	15.94
Expected volatility (%)	27.19
Duration	16 days
Risk-free interest rate (%)	1.225

Expected volatility is based on the past historical stock price volatility.

XXVIII. Disposal of subsidiary

(1) As stated in Note 12, the consolidated company completed the liquidation procedures for AAI and Giants in December 2023 and lost control. The liquidation information is as follows:

1. Consideration received

	AAI	Giant
Total consideration received	$ 33,603	$553,515

2. Analysis of assets lost control

	AAI	Giant
Current assets		
Cash and cash equivalents	$ 33,603	$553,515
Disposal of net assets	$ 33,603	$553,515

3. Income on disposal of subsidiary

	AAI	Giant
Consideration received	$ 33,603	$553,515
Disposal of net assets	(33,603)	(553,515)

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	AAI	Giant
The accumulated exchange difference reclassified from the net assets of the subsidiary to the income due to the loss of control over the subsidiary	$ 754	($ 56,678)
Gain (loss) on disposal	$ 754	($ 56,678)

The loss from the disposal of the Giant mentioned above plus the gain from the disposal of the Wuxi Tsang Yow (2-3) are recognized as gains on disposal of the discontinued operation. Please refer to Note 12 for details.

4. Net cash inflow from disposal of subsidiary

	AAI	Giant
Consideration received in cash and cash equivalents	$ 33,603	$553,515
Less: Cash and cash equivalents from disposals	33,603	553,515
	$ -	$ -

(II) As stated in Note 12, the consolidated company's subsidiary, Wuxi Tsang Yow's equity sale was completed in July 2023 and the control was lost. The disposal information is as follows:

1. Consideration received

	Wuxi Tsang Yow
Total consideration received	$493,073

2. Analysis of assets and liabilities lost control

	Wuxi Tsang Yow
Current assets	
Cash and cash equivalents	$ 15,289
Notes receivable	2,193
Net accounts receivable	157,980
Other receivables	1,105
Inventories	72,382
Other current assets	2,128

Non-current assets	
Property, Plant and Equipment	159,853
Right-of-use assets	11,165

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	Wuxi Tsang Yow
Intangible assets	$ 583
Deferred tax assets	41,449
Current liabilities	
Accounts payable	(98,224)
Other payables	(54,817)
Other current liabilities	(521)
Disposal of net assets	$310,565

3. Gain on disposal of subsidiary

	Wuxi Tsang Yow
Consideration received	$493,073
Disposal of net assets	(310,565)
The accumulated exchange difference reclassified from the net assets of the subsidiary to the income due to the loss of control over the subsidiary	31,693
Gain on disposal	$214,201

4. Net cash inflow from disposal of subsidiary

	Wuxi Tsang Yow
Consideration received in cash and cash equivalents	$493,073
Less: Cash and cash equivalents from disposals	15,289
	$477,784

XXIX. Capital risk management

The Consolidated Company conducts capital management to ensure that each company in the Group has the ability to continue as a going concern and then maximize shareholder returns by optimizing the balances of debt and equity.The consolidated company's overall strategy has not undergone any change in the most recent two years.

The Consolidated Company does not need to follow other external capital requirements.

XXX. Financial instruments

(I) Fair value information – financial instruments not measured at fair value

Except for corporate bonds measured at amortized cost, the consolidated company's management believes that the carrying amounts of financial assets and financial liabilities not at fair value approximate their fair values.

The book value and fair value of the corporate bonds are as follows:

December 31, 2024

Financial assets	Carrying amount	plan assets Level 1	Level 2	Level 3	Total
Financial assets at amortized cost					
Foreign corporate bonds	$ 5,710	$ -	$ 6,199	$ -	$ 6,199

The fair value of the above-mentioned corporate bonds is measured by the open market quotation provided by a third-party organization.

(II) Fair value information – financial instruments measured at fair value on a recurring basis

Fair value hierarchy

	Level 1	Level 2	Level 3	Total
December 31, 2024				
Financial assets at fair value through profit or loss				
Domestic listed stocks	$636	$ -	$ -	$636
December 31, 2023				
Financial assets at fair value through profit or loss				
Domestic listed stocks	$485	$ -	$ -	$485

There were no transfers between Level 1 and Level 2 fair values during the years ended December 31, 2024 and 2023.

(III) Types of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
Mandatorily at fair value through profit or loss	$ 636	$ 485
Financial assets at amortized cost (Note 1)	689,549	1,078,530
Financial liabilities		
at amortized cost (Note 2)	335,524	653,070

Note 1: The balance includes cash and cash equivalents, accounts receivable (including related parties), other receivables, among other financial assets at amortized cost.

Note 2: The balance includes short-term borrowings, notes payable, accounts payable (including related parties), other payables, long-term borrowings – current portion, long-term borrowings, among other financial liabilities at amortized cost.

(IV) Purpose and policy of financial risk management

The consolidated company's main financial instruments include accounts receivable, other financial assets, notes payable, accounts payable, borrowings, and lease liabilities.The consolidated company's Financial Management Department provides services to each business unit, coordinates the operations of investments in the financial markets, and supervises and manages the financial risks related to the consolidated company's operations by analyzing the exposures.Such risks include market risks (including exchange rate risk and interest rate risk), credit risk, and liquidity risk.

The Financial Management Department reports to the consolidated company's management per quarter.

1. Market risks

The main financial risk arising from the operating activities to the consolidated company is the risk of movements in foreign exchange rates.

(1) Exchange rate risk

The Consolidated Company engages in foreign currency-denominated sales and purchases and is thus exposed to the risk of exchange rate fluctuations.

Please refer to Note 34 for the carrying amounts of the Consolidated Company's significant monetary assets and monetary liabilities denominated in non-functional currencies on the balance sheet date, including monetary items denominated in non-functional currencies that have been written off from the consolidated financial statements.

Sensitivity analysis

The Consolidated Company is mainly affected by fluctuations of the exchange rates of USD and CNY.

The table below shows the Consolidated Company's sensitivity analysis when the exchange rate of the Consolidated Company's functional currency against each of relevant foreign currencies increased and decreased by 1%.One percent is the sensitivity rate used in reporting the exchange rate risk to the key management team within the consolidated company and represents the management's assessment of the reasonable range of potential changes in foreign-currency exchange rates.The sensitivity analysis only included monetary items in foreign currencies in circulation, and the translation at the end of the year is adjusted with 1% as the exchange rate change.The sensitivity analysis covers overseas deposits, borrowings, receivables, and payables.The positive numbers in the table below represent the amount of net income before tax would increase when the functional currency depreciated by 1% against each of relevant foreign currencies; when the functional currency appreciated by 1% against each of relevant foreign currencies, the impact on the net income before tax would be the same amounts in negative numbers.

	2024	2023
Impact of 1% change on gains/losses		
USD	$ 3,379	$ 3,789
CNY	1,199	5,041

(2) Interest rate risk

The carrying amounts of the Consolidated Company's financial assets and financial liabilities exposed to the interest rate risk on the balance sheet date are as follows:

	December 31, 2024	December 31, 2023
Fair value interest rate risk		
Financial assets	$ 500	$ 500
Financial liabilities	4,986	5,690
Cash flow interest rate risk		
Financial assets	468,045	865,686
Financial liabilities	120,112	390,536

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposure of the non-derivative instruments on the balance sheet date.For assets and liabilities at floating rates, the analysis is based on the assumption that the amounts of the assets and liabilities outstanding at the balance sheet date were all outstanding throughout the reporting period.

If the interest rate decreased/increased by 1%, with all other variables remaining unchanged, the Consolidated Company’s net income before tax for 2024 and 2023 would have increased/decreased by TWD 3,479 thousand and TWD 4,752 thousand, respectively, mainly due to the Consolidated Company’s bank borrowings and deposits in bank at floating rates.

2. Credit risk

Credit risk refers to the risk that a counterparty defaults on its contractual obligations, resulting in a financial loss to the consolidated company.As of the balance sheet date, the consolidated company’s maximum exposure to credit risk of financial loss due to non-performance by counterparties is mainly from the carrying amount of financial assets recognized in consolidated balance sheets.

The Consolidated Company only engages in transactions with financial institutions and counterparties with great credit ratings and obtains sufficient collateral when necessary to reduce the risk of financial losses due to default.The Consolidated company uses other publicly available financial information and mutual transaction records to rate major clients’ credit.The Consolidated company continues to monitor the credit risk and counterparties’ credit ratings and distributes the total transaction amount to clients with qualified credit ratings, while controlling the credit risk by monitoring their annual credit limits.

When the Consolidated company’s credit risk is relatively concentrated on certain clients, most of whom engage in similar business activities and have similar economic characteristics, and their ability to perform contractual agreements is also similarly influenced by their economic position or other conditions, then a significant credit risk concentration may arise.The balance of accounts receivable from clients with significant credit risk concentration is as follows:

	December 31, 2024	December 31, 2023
Company A	$ 55,008	$ 34,843
Company B	29,230	26,116
Group C	25,888	29,019
Company D	22,455	-
Company E	16,569	25,864
Company F	16,354	22,859
	$165,504	$138,701

As of December 31, 2024 and 2023, the percentage of total accounts receivable from the aforementioned companies was 79% and 67%, respectively.

3. Liquidity risk

The ultimate responsibility for the Consolidated Company's liquidity risk management lies with the Board of Directors, which has established an appropriate liquidity risk management framework to meet the Consolidated Company's financing and liquidity management needs.

Table of liquidity and interest rate risk

The table below details the Consolidated Company's analysis of the remaining contractual maturities of non-derivative financial liabilities, which was prepared based on the undiscounted cash flows of the financial liabilities based on the earliest possible date on which the Consolidated Company can be required to make repayment.

	Required to be paid immediately – 1 month	1 month – 3 months	3 months – 1 year	1–5 years
December 31, 2024				
Non-derivative financial assets				
Floating rate instruments	$ -	$ 9,288	$ 47,619	$ 68,753
Lease liabilities	337	674	2,072	1,974
Non-interest-bearing liabilities	53,781	148,049	13,582	-
	$ 54,118	$158,011	$ 63,273	$ 70,727
December 31, 2023				
Non-derivative financial assets				

Floating rate instruments	$ -	$ 40,195	$ 95,017	$272,537
Lease liabilities	276	551	2,231	2,849
Non-interest-bearing liabilities	59,743	180,462	22,329	-
	$ 60,019	$221,208	$119,577	$275,386

The amount of floating rate instruments of the above non-derivative financial assets and liabilities will change with the difference between the floating rates and the estimated rates on the balance sheet date.

XXXI. Related party transactions

All intra-group transactions, account balances, income, and expenses are eliminated in full upon consolidation and, thus, not disclosed in this note.The transactions between the Consolidated Company and related parties are as follows.

(I) Name of related party and relations therewith

Name of related party	Relations with the Company
SU, CHI-TSE	Chairman
Sun Forging Industrial Co., Ltd. (Sun)	Substantive related party
Jin Shiang Forging Co., Ltd. (Jin Shiang)	Substantive related party
Linesoon Industrial Co., Ltd. (Linesoon)	Substantive related party

(II) Operating revenue

Account	Category/Name of related party	2024	2023
Operating revenue	Substantive related party	$ 5,768	$ 3,814

There is no significant difference between the price of sale to the related parties and the collection price of the Consolidated Company's sales to the related parties referred to above and other customers, and the consolidated company's monthly settlement of 60 days.

(III) Purchase

Category/Name of related party	2024	2023
Substantive related party	$ 47,922	$ 34,380

The Consolidated Company did not buy the same kind of goods from non-related parties, so there was no related transaction price available for comparison.The payment term is the same as that for non-related parties, which is net 60 to 120 days at the end of each month.

(IV) Accounts receivable from and payable to related parties

The balances at the balance sheet date are as follows:

Account	Category/Name of related party	December 31, 2024	December 31, 2023
Accounts receivable	Substantive related party	$ 13	$ 553
Accounts payable	Substantive related party	$ 9,714	$ 12,499

Outstanding accounts payable are unsecured and will be settled in cash. Accounts receivable from related parties are unsecured.No allowance for impairment loss was provided for receivables from related parties in 2024 and 2023.

(V) Disposal of property, plant and equipment

Category/Name of related party	Price of disposal		Gain on disposal	
	2024	2023	2024	2023
Substantive related party	$ -	$ 781	$ -	$ 781

(VI) Remuneration for key management

The total remuneration for directors and other key management personnel is as follows:

	2024	2023
Short-term employee benefits	$ 25,369	$ 27,659
Share-based payment	848	-
Post-employment benefits	395	385
	$ 26,612	$ 28,044

The remuneration to directors and other key management personnel is determined by the Remuneration Committee depending on individual performance and the market trends.

(VII) Guarantee

Part of the Consolidated Company’s financial loan facilities are jointly guaranteed by the Chairman.

XXXII.. Pledged assets

The Consolidated Company provides the following assets as collateral for long-term borrowings from banks, tariffs on imported raw materials, and issuance of acceptance bills:

	December 31, 2024	December 31, 2023
Property, Plant and Equipment	$664,024	$674,953
Other financial assets (current and non-current)	10,919	10,181
	$674,943	$685,134

XXXIII. Material contingencies and unrecognized contractual commitments

The Consolidated Company's major commitments on the balance sheet date are as follows:

As of December 31, 2024 and 2023, the unrecognized commitments in the contracts signed by the Group for the purchase of property, plant and equipment amounted to TWD 116,244 thousand and TWD 16,205 thousand, respectively.

XXXIV. Information on foreign currency assets and liabilities with significant effect

The information below is aggregated and presented in foreign currencies other than the functional currency of each entity of the Consolidated Company. The exchange rates disclosed refer to the rates at which these foreign currencies are converted to the functional currency.The information on foreign currency assets and liabilities with significant effect is as follows:

	Foreign currency	Exchange rate:		Carrying amount
December 31, 2024				
Foreign currency asset				
Monetary item				
USD	$ 10,200	32.785	(USD: TWD)	$ 334,407
USD	40	4.6398	(USD: MYR)	1,311
USD	275	1.3587	(USD: SGD)	9,016
CNY	26,297	4.5608	(CNY: TWD)	119,936
Non-monetary item				
Subsidiary using the equity method				
THB	60,000	0.9623	(THB: TWD)	58,008
Foreign currency liability				
Monetary item				
USD	95	32.785	(USD: TWD)	3,115
USD	112	1.3587	(USD: SGD)	3,672
December 31, 2023				
Foreign currency asset				
Monetary item				
USD	12,370	30.705	(USD: TWD)	379,821
CNY	116,315	4.3352	(CNY: TWD)	504,250
Foreign currency liability				
Monetary item				
USD	31	30.705	(USD: TWD)	952
CNY	33	4.3352	(CNY: TWD)	145

The Consolidated Company's realized and unrealized foreign currency exchange gains and losses in 2024 and 2023 were TWD 50,396 thousand and TWD 12,716 thousand, respectively. As there is a wide variety of foreign currency transactions and the functional currencies adopted by the entities of the Company, it is impossible to disclose the exchange gains and losses in each foreign currency with a material influence.

XXXV. Additional disclosures

(I) Information on material transactions and (II) information on investees:

1. Financing provided to others: None
2. Endorsements/guarantees provided for others: None
3. Securities held at the end of the year: Table 1.

4. Securities acquired or sold at costs or prices at least TWD 300 million or 20% of the paid-in capital: None.
5. Acquisition of individual property at costs of at least TWD 300 million or 20% of the paid-in capital: None.
6. Disposal of individual property at costs of at least TWD 300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least TWD 100 million or 20% of the paid-in capital: None.
8. Receivables from related parties amounting to at least TWD 100 million or 20% of the paid-in capital: None.
9. Derivatives trading: None.
10. Information on investees: Table 3.
11. Other: Business relations and important transactions between parent company and subsidiaries and among subsidiaries and amounts: Table 2.

(III) Information on investment in Mainland China: None.

1. Information on investees in mainland China, including the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, percentage of ownership, investment income or loss, carrying amount of the investment at the end of the period, repatriation of investment income or loss, and limit on the amount of investment in the mainland China area.
2. Any of the following significant transactions with investees in mainland China, either directly or indirectly through a third region, and the price, payment term, and unrealized gains or losses:
   (1) The amount and percentage of purchases and the balance and percentage of the relevant payables at the end of the period.
   (2) The amount and percentage of sales and the balance and percentage of the relevant receivables at the end of the period.
   (3) The amount of property transactions and the amount of the resulting gains or losses.
   (4) The ending balance of negotiable instrument endorsements or guarantees or collateral pledged at the end of the period and the purposes.

(5) Maximum balance, ending balance, interest rate range, and total interest expense for the period related to financing.

(6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of labor services

(IV) Main shareholders information: Name, shareholding amount, and proportion of shareholders with an equity ratio of 5% or more: Table 4

XXXVI. Segment information

(I) Information on operating units

Operating decisions, which involve the use of consolidated financial information to allocate resources and assess operating performance, indicate that while the Consolidated Company operates in multiple segments, the disclosure of segment information is not required, as certain operating segments do not meet the quantitative thresholds under IFRS 8 "Operating Segments."

(II) Revenue from major products

	2024	2023
Automatic transmission components for automobiles	$ 778,164	$ 994,184
Clutch parts for heavy-duty trucks	95,304	132,088
Drivetrain parts for industrial machinery	21,163	61,545
Automatic transmission components for air conditioner compressors	-	16,528
New energy vehicle motor	2,456	39,548
Parts finishing	72	318
Others	152,165	128,731
Discontinuing operation	-	(179,866)
	$ 1,049,324	$ 1,193,076

(III) Information by region

The Consolidated Company's main operating sites are in Taiwan and Southeast Asia, and the revenue is listed as follows depending on clients' locations:

	Revenue from external clients	
	2024	2023

	Amount	As a % of net operating revenue	Amount	As a % of net operating revenue
America	$ 628,630	60	$ 845,660	62
Europe	299,121	29	285,370	20
Asia	121,573	11	241,912	18
	1,049,324	100	1,372,942	100
Discontinuing operation	-		(179,866)	
	$ 1,049,324		$ 1,193,076	

The locations of the Consolidated Company's non-current assets are listed as follows:

Non-current assets	2024	2023
Taiwan	$ 1,157,389	$ 1,130,559
Southeast Asia	78,654	-
	$ 1,236,043	$ 1,130,559

Non-current assets exclude financial instruments, deferred income tax assets, and net defined benefit assets.

(IV) Information on important clients

Each single client who accounts for at least 10% of the Consolidated Company's net income is as follows:

	2024		2023	
	Amount	As a % of net operating revenue	Amount	As a % of net operating revenue
Customer A	$ 161,388	15	$ 174,477	13
Customer B	159,260	15	186,756	14
Customer C	142,737	14	108,596	8
Customer D	2,045	-	178,429	13
Discontinuing operation	-		(155,389)	
	$ 465,430		$ 492,869	

Tsang Yow Industrial Co., Ltd. and Its Subsidiaries

Securities held at the end of the year

December 31, 2024

Table 1

Unit: TWD thousand

(unless otherwise specified)

Company	Type and name of securities	Relationship with the issuers	Account title	End of the year				Remark
				Number of shares	Carrying amount	Shareholding (%)	plan assets	
The Company	Common shares Highwealth Construction Corp.	-	Financial assets at fair value through profit or loss – current	14,642	$ 636	-	$ 636	
	Corporate bonds Shinhan Card Co., Ltd.	-	Financial assets at amortized cost – non-current	-	$ 5,710	-	$ 6,199	

Tsang Yow Industrial Co., Ltd. and Its Subsidiaries

Business relations and important transactions between parent company and subsidiaries and among subsidiaries and amounts

2024

Table 2

Unit: In TWD thousand, unless otherwise specified

No.	Name of trader	Counterparty	Relations with trader	Transactions (Note 2)			
				Account title	Amount	Transaction conditions	Percentage of consolidated total revenue or total assets
0	The Company	YORU-SIN	Parent company to a subsidiary	Operating revenue	$ 7,553	Note 1	1
			Parent company to a subsidiary	Accounts receivable	7,831	Note 1	-
1	YORU-SIN	YORU-MY	A subsidiary to another subsidiary	Operating revenue	898	Note 1	-
			A subsidiary to another subsidiary	Accounts receivable	869	Note 1	-

Note 1: The transaction price of sales revenue is determined by both parties through negotiation, and the payment terms are all 60-day monthly settlements.

Note 2: It has been written off when the consolidated financial statements were prepared.

Tsang Yow Industrial Co., Ltd. and Its Subsidiaries

Information on investees

From January 1 to December 31, 2024

Table 3 Unit: TWD/USD/THB Thousand (unless otherwise specified)

Investor	Investee	Location	Principal business	Initial investment amount		Shareholding at the end of the year			(Loss) Profits of the invested company in the current year	Investment profit (loss) recognized in the current year	Remark
				End of this year	End of last year	Number of shares	% (%)	Carrying amount			
The Company	YORU Tech SDN. BHD.	Malaysia	Production and sale of semiconductors and medical-related components	$ 50,942 (USD 1,588.1)	-	550	55	45,529	($ 5,738)	($ 3,156)	Note 2
	YORU Tech PTE. LTD.	Singapore	General trade	9,169 (USD 282.1)	-	550	55	5,235	22	12	Note 1
	YOWIN Tech SDN. BHD.	Malaysia	Investment in real estate	-	-	2,000	100	-	-	-	
	Apex Fortune Co., Ltd	Thailand	Production and sale of aluminum forging, aluminum extrusion, other metal components	58,008 (THB 60,000)	-	-	20	58,008	-	-	

Note 1: Unrealized gross profit from sales has been eliminated.

Note 2: It has been written off when the consolidated financial statements were prepared.

Tsang Yow Industrial Co., Ltd.

Information on major shareholders

December 31, 2024

Table 4

Name of Major Shareholders	Shares	
	Shareholding (shares)	Shareholding (%)
Linesoon Investment Co.,Ltd.	19,955,314	19.35
Rich Pool Investment Co., Ltd.	7,961,779	7.72
Golden Top Investment Co., Ltd.	7,427,058	7.20

Note: The major shareholders in this table are shareholders holding at least 5% of the ordinary and preference shares (including treasury shares) with dematerialized registration and delivery completed on the last business day of the quarter calculated by the Taiwan Depository & Clearing Corporation.Share capital indicated in the Company’s consolidated financial statements may differ from the actual number of shares that have been issued and delivered with registration of dematerialized securities completed as a result of different bases of preparation.

Tsang Yow Industrial Co., Ltd.

Chairman: SU, CHI-TSE