

Stock Code: 3685



Tradetool Auto Co., Ltd.

2024 Annual Report

Annual Report available at <http://mops.twse.com.tw>

Disclosure of the Annual Report available at <http://www.tradetools.com.tw>

Printed on March 31, 2025

I. The Spokesperson and Deputy Spokesperson of the Company

Spokesperson

Name: Chang, Ming-Hung

Title: General manager

Tel: (04)2258-5821

E-mail: fa@tradetools.com.tw

Deputy spokesperson

Name: Wang, Cheng-Wen

Title: Deputy general manager

Tel: (04)2258-5821

E-mail: fa@tradetools.com.tw

II. Address and Contact Number of the Headquarters, Branches and Plant

<u>Name</u>	<u>Address</u>	<u>Tel</u>
Headquarters	4F.-7, No. 213, Chaofu Rd., Xitun Dist., Taichung City, Taiwan	(04)2258-5821

III. Stock Transfer Agent

Name: Horizon Securities Corp.

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Address: 3F., No. 236, Sec. 4, Xinyi Rd., Xinyi Dist.,
Taipei City, Taiwan

Tel: (02)2326-8818

IV. Auditors

CPAs: Huang, Tzu-Ping, Tu, Qing-Yuan

Accounting Firm: Ernst & Young, Taiwan

Website: <http://ey.com/taiwan>

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Tel: (04)2259-8999

V. Overseas Securities Exchange

None.

VI. Corporate Website : <http://www.tradetools.com.tw>

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Chapter I. A Letter to Shareholders



Dear Shareholders,

The Group's optical injection molding division is currently focused on the research and development, as well as the production, of bicycle lighting products. It has successfully developed optical patented structures with high LED efficiency and compact size, continuously providing innovative lighting structures to various bicycle brands. As a result of actively seeking partnerships with leading global bicycle brands, the division's bicycle lighting revenue for 2024 has shown consistent growth. In the metal stamping division, during 2024, the Chinese domestic car market saw a significant increase in the market share of domestic brands due to the rising adoption of new energy vehicles, while the sales of Japanese car manufacturers, mainly focusing on internal combustion engine vehicles, did not experience a noticeable rebound. As a result, the division's operations continued to face losses, influenced by the reshuffling of brands in the Chinese car market. However, in an effort to diversify the company's business, substantial investments were made in the green energy sector in July 2024. Through the collective efforts of the entire management team, the company actively expanded its customer base, optimized production processes, and reduced costs, which led to the generation of operating profits for 2024.

1. Operating Performance in 2024

Unit: NTD (in thousands)

Item	2024	2023	Increase (decrease) amount	Increase (decrease) rate
Operating revenue	1,246,499	1,518,911	(272,412)	-18%
Operating cost	1,047,381	1,253,713	(206,332)	-16%
Gross profit	199,118	265,198	(66,080)	-25%
Operating expense	196,207	284,263	(88,056)	-31%
Operating income(losses)	2,911	(19,065)	21,976	-115%
Non-operating expenses	(13,474)	(26,815)	13,341	-50%
Net loss before tax	(10,563)	(45,880)	35,317	-77%
Tax expense	(9,564)	(2,692)	(6,872)	255%
Net loss for the period	(20,127)	(48,572)	28,445	-59%
Net loss attributable to the shareholders of the parent	(41,906)	(61,204)	19,298	-32%

The Company's consolidated revenue and costs for 2024 declined compared to 2023, primarily due to the impact on the Group's metal stamping division from the brand restructuring in the Chinese automotive market. The decline in sales of Japanese joint venture brands, along with a downturn in fuel vehicle sales, led to a reduction in component revenue and costs. Additionally, in 2024, the optical injection molding division experienced a downward revision in order demand for small and medium-sized light guide plates, affected by the overall market conditions in the automotive display sector. This resulted in a corresponding decrease in revenue and costs for the division. Furthermore, due to the reduced orders, the optical injection division faced lower production efficiency, leading to a 25% decline in the Group's gross profit compared to 2023.

The Company's operating expenses in 2024 decreased compared to 2023, which was mainly because of certain customer receivables were not collected on time, resulting in bad debt provisions, whereas no such situation occurred this year. Additionally, the Group made appropriate adjustments to human resources in 2024, leading to a 31% reduction in operating expenses compared to 2023, which contributed to the generation of operating profit in 2024.

Non-operating expenses in 2024 has decreased by 50% than that of 2023, which was mainly because of the rise in US dollar interest rates in 2024. As a result, the foreign exchange gains this year has increased than that of 2023.

To sum up, in 2024, the Company's comprehensive net loss was NT\$20,127 thousands and the net loss attributable to the shareholders of the parent was NT\$41,906 thousands.

2. 2024 Financial Income and Expenditure and Profitability Analysis

Item	2024	2023
Debts ratio (%)	38.20	42.58
Current ratio (%)	178.39	133.59
Assets return ratio (%)	(0.07)	(1.03)
Equity return ratio attributable to owners of the parent (%)	(5.14)	(7.07)
Net profit margin (%)	(1.61)	(3.20)
Earnings per share (NT\$)	(0.53)	(0.77)

Note: The table above is prepared based on International Financial Reporting Standards (IFRS) for the compilation of consolidated financial statements.

The Company's debt ratio in 2024 has decreased than that of 2023, while the current rate has increased than that of 2023. It was mainly because the gradual repayment of bank borrowings in 2024, which resulted in the decrease in current liabilities than that of 2023 and further improved the related performance of financial ratio.

Although the metal stamping business remained unprofitable, the Company expanded into the green energy industry in July 2024. Additionally, the Group continued to implement various cost improvement measures, resulting in an improvement in the Company's assets return ratio, equity return ratio, net profit margin and earnings per share (after tax) compared to 2023.

3. Budget implementation for 2024

The Company did not prepare its financial forecast for 2024.

4. R&D status in 2024

To maintain the development of the industry, the Company has been continuously developing new customers of optical component injection of automotive display and automotive metal stamping and welding parts. Also, the Company has been actively optimizing the automotive lighting products for light source efficiency, power consumption, and compactness. Moreover, the Company is continuously optimizing materials and processes for automotive metal stamping parts, with a proactive investment in research and development. In 2024, the Group invested NT\$33,317 thousands in total for R&D, which accounted for about 3% of operating revenues.

5. Summary of the business plan for 2025 and the Company's future development strategy

With rising geopolitical risks, economic uncertainty, trade protection policies, and climate change, numerous research institutions forecast that the global economy will enter

a phase of steady growth. However, Asia is still expected to be the main engine driving global economic growth. Currently, in addition to steady domestic growth in China's car market, the total production and sales volume of vehicles continues to rank first in the world. Moreover, China's share in the global new energy vehicle market has seen significant growth. Nevertheless, the current global economic landscape faces complex challenges. Whether it's the global economy or the development of the Chinese automotive market, we must approach with caution. Therefore, the Company has been actively seeking growth opportunities in other Asian regions outside of China.

The Company will pay close attention to global economic development, domestic and international policy trends, as well as regulatory changes, and strive to gain further business opportunities. Moreover, the Company will adjust its production capacity arrangement, continuously improve manufacturing process and keep engaging in various cost rationalization improvement activities to create better performance and increase the Company's benefits and profits and also to give back to shareholders' support to the Company.

Wishing you good health and good luck

Chairman:

Chiang, Kai-Liang

General manager:

Chang, Ming-Huang

Chief accounting officer:

Wang, Cheng-Wen



Chapter II. Corporate Governance Report

I. Information on Directors, Supervisors, General managers, Deputy general managers, Associates, Heads of Departments and Branches

(I) Directors and Supervisors

1. Information on Directors and Supervisors

April 1, 2024

Title	Nationality	Name	Gender /Age	Date Elected	Term(Y)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Experience (Education)	Concurrent Positions with the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	R.O.C	Fu Ya Enterprise Co., Ltd.	—	2022/05/30	3	2015/06/18	18,344,076	22.93%	17,418,076	21.89%	—	—	—	—	—	—	—	—	—
	R.O.C	Representative: Chiang, Kai-Liang	Male 41~50	2022/05/30	3	2016/05/05	—	—	528,000	0.66%	—	—	—	—	Master's degree/ Department of business management, Institute of National Tsing Hua University.	(Note 4)	Director	Chiang, Ming-Huang	First-degree relative
Director	R.O.C	Chang, Ming-Hung	Male 51-60	2022/05/30	3	2016/05/05 (Note 1)	399,000	0.55%	389,000	0.49%	—	—	—	—	Ph.D./College of Management, YunTech University Deputy general manager/ Horizon Securities Capital Market Division Taichung Office. Concurrent position as lecturer / College of Management, YunTech University Concurrent position as lecturer/ Department of finance, Tunghai University. Senior manager/ First Securities Inc. Capital Market Division Taichung Office. Manager/ Jianhua (Hong) Securities and Capital Market Division Taichung Branch	(Note 4)	—	—	—

Title	Nationality	Name	Gender /Age	Date Elected	Term(Y)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Experience (Education)	Concurrent Positions with the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director	R.O.C	Lin, Shrng-Chieh	Male 61~70	2022/05/30	3	2016/05/05 (Note 2)	439,000	0.55%	439,000	0.55%	—	—	—	—	Master's degree/ Department of business administration, National Chung Cheng University. Remuneration Committee member/ Cyber Power Systems, Inc. Concurrent position as assistant professor/ Asia University. Lecturer/ Overseas Chinese University. Chief/ PricewaterhouseCoopers Taiwan.	(Note 4)	—	—	—
Director	R.O.C	Ai Po Technology Co., Ltd.	—	2022/05/30	3	2022/05/30	18,344,076	22.93%	17,418,076	21.89%	—	—	—	—	—	—	—	—	—
	R.O.C	Representative: Chiang, Ming-Huang	Male 61~70	2022/05/30	3	2015/06/18 (Note 3)	—	—	—	—	—	—	—	—	Hwa Hsia University of Technology	(Note 4)	Chairman	Chiang, Kai-Liang	First-degree relative

Title	Nationality	Name	Gender /Age	Date Elected	Term(Y)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Experience (Education)	Concurrent Positions with the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Independent Director	R.O.C	Chen, Chun-Mao	Male 61~70	2022/05/30	3	2017/06/08	—	—	—	—	—	—	—	—	Master of law/ Soochow University. EMBA/ Fengchia University. Concurrent position as lecturer/ Department of financial and economic law, Asia University. Concurrent position as lecturer/National Taichung University of Science and Technology Concurrent position as lecturer/ EMBA of Fengchia University Lecturer/Taiwan Corporate Governance Association Chief legal officer/ Mosa Industrial Corporation. Prosecutor/ Taiwan Taichung District Prosecutors Office. Prosecutor/ Taiwan Taoyuan District Prosecutors Office. Engineer/ Eva Airways Corporation Engineer/ Yeu Tyan Machinery MFG Co., Ltd.	(Note 4)	—	—	—

Title	Nationality	Name	Gender /Age	Date Elected	Term(Y)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Experience (Education)	Concurrent Positions with the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Independent Director	R.O.C	Liu, Te-Shou	Male 51~60	2022/05/30	3	2022/05/30	—	—	—	—	—	—	—	—	Studied/ Chung Yuan Christian University. Legal consultant/ Taoyuan Management Office, Irrigation Agency, Council of Agriculture Executive Yuan, Litigation counseling for military, Counseling lawyer/ Ministry of National Defense, R.O.C. Legal consultant/ Civil Affairs Office of Pingzhen District, Taoyuan. Legal consultant/ Department of Land Administration, Taoyuan. Clerk/ Taiwan Taoyuan District Court	(Note 4)	—	—	—
Independent Director	R.O.C	Lin, Yun-Shan	Female 41~50	2022/05/30	3	2022/05/30	—	—	—	—	—	—	—	—	Master of business management/ University of East Anglia. CPA/ Chia-Chung accounting firm Project director/ Audit plan for project of Environmental Protection Administration and Local Department of Environmental Protection. Project manager/ BDO Taiwan. Financial manager/ Sports-Ace International Co., Ltd. Financial manager/ Taiwan Auto-Design Co. (TADC) Cost accounting deputy manager/ Formica Taiwan Corporation Audit deputy manager/ Deloitte	(Note 4)	—	—	—

Note 1: Director Chang, Ming-Hung first served as the director of the Company on 5 May 5 2016 as the representative of Fu Ya Enterprise Co., Ltd..

Note 2: Director Lin, Shrng-Chieh was first appointed as the Company's supervisor on 5 May 5 2016.

Note 3: Director Chiang, Ming-Huang first served as the director of the Company on 18 June 2015 as the representative of Fu Ya Enterprise Co., Ltd..

Note 4: Directors are currently holding positions in the Company and other companies, please refer to the table on the below table.

Title	Name	The positions currently holding in the Company and other companies
Director	Chiang, Kai-Liang	Chairman/ Tradetool Auto Co., Ltd. (The Company), Chairman/ Tan De Tech Co., Ltd., Chairman/ Tradetool Green Energy Co., Ltd., Chairman/ Yuan Jie Photovoltaics System Co., Ltd., Director/ Ching Way Industrial Co., Ltd. (Anguilla), Director/ Success Horizon Global Limited (Samoa), Director/ Samoa Jeng Shiang Investment Holdings Co., Ltd., Director/ Suzhou Tradetool Trading Co., Ltd., Director/ Xiangyang Tradetool Automobile Parts Co., Ltd., Director/ Hunan Baoyuan Automotive Parts Co., Ltd., Director/ Henan Baoheyuan Auto Parts Co., Ltd., Director/ Conserve & Associates, Inc., Supervisor/ Chyan Feng Xing Machinery Co., Ltd., Director / Yuanchuang Energy Co., Ltd., Director/ Weidian Power Co., Ltd., Director/ Vitron Power Co., Ltd., Director/ Vitron Co., Ltd., Director/ Xingxi Technology Co., Ltd., Director/ Aipulasih Technology Co., Ltd., Supervisor/ Fu Ya Enterprise Co., Ltd., Supervisor/ Ai Po Technology Co., Ltd., Director/ YSG Trade Co., Ltd., Director/Chongqing Xingqiao Industry Co., Ltd., Director/ Hangzhou Xingqiao Industry Co., Ltd., Director/ Cosma Automotive Systems (Chongqing) Co., Ltd.
Director	Chang, Ming-Hung	General manager/ Tradetool Auto Co., Ltd. (The Company), Chairman/ Suzhou Tradetool Trading Co., Ltd., Chairman and General manager/ Xiangyang Tradetool Automobile Parts Co., Ltd., Chairman and General manager/ Hunan Baoyuan Automotive Parts Co., Ltd., Chairman and General manager/ Henan Baoheyuan Auto Parts Co., Ltd., Chairman/ Kaifeng Shengfayuan Auto Parts Co., Ltd., Director/ Tan De Tech Co., Ltd., Director/ King Metal Technology Co, Ltd., Director and General manager/ Tradetool Green Energy Co., Ltd., Director and General manager/ Yuan Jie Photovoltaics System Co., Ltd.
Director	Lin, Sheng-Chieh	Office Director of the head office/ Wan Tai Certified Public Accountant, Independent director/ Chu Yu Hsiang Co., Ltd., Supervisor/ King Metal Technology Co, Ltd., Supervisor/ Apogean Metal Co., Ltd., Supervisor/ Ysg Trade Co., Ltd., Supervisor/ Jiacheng Investment Co., Ltd.
Director	Chiang, Ming-Huang	Chairman / Chyan Feng Xing Machinery Co., Ltd., Chairman /Chyan Feng Tooling Industrial Co., Ltd., Chairman /Uen Art & Tech, Incorporated., Chairman / Aipulasih Technology Co., Ltd., Chairman / Yuanchuang Energy Co., Ltd., Chairman /Xingxi Technology Co., Ltd., Chairman / Ai Po Technology Co., Ltd., Chairman / Fu Ya Enterprise Co., Ltd., Chairman /Vitron Co., Ltd., Chairman/ Apogean Metal Co., Ltd., Chairman/ Jiacheng Investment Co., Ltd., Chairman/Weidian Power Co., Ltd., Director/Ysg Trade Co., Ltd., Director/ King Metal Technology Co, Ltd., Director/ Treadtool International Limited., Director/ Vitron Power Co., Ltd., Director/ Hunan Yuanchuang Machinery Co., Ltd., Director/ Yuanchuang Machinery (Kaifeng) Co., Ltd., Director/ Yuanchuang Industrial (Zhengzhou) Co., Ltd., Director/ Hunan Tradetool Machinery & Technical Co., Ltd., Director/ Zhuzhou Tradetool Machinery & Technical Co., Ltd., Director/ Hainan Yuanchung Machinery Co., Ltd., Director/ Nanjing Tradetool Automobile Parts Co., Ltd., Director/ Hainan Yuanda Machinery Co., Ltd.
Independent director	Chen, Chun-Mao	Attorney-at-law/ Chang Yao Attorney at Law, Director/ Chain Yarn Co., Ltd.
Independent director	Liu, Te-Shou	Attorney-at-law/ Shou De Attorney at Law
Independent director	Lin, Yun-Shan	CPA/ EnWise CPAs & Co., Independent director/ Amulair Thermal Technology, Inc., Independent director/ Power Win Taiwan Co., Ltd.

2.Directors and Supervisors are major shareholders of institutional shareholders

March 31, 2025

Name of institutional shareholder(Note1)	Dominant shareholders of institutional shareholders (Note 2)	Shareholding ratio(%)
Fu Ya Enterprise Co., Ltd.	Sky Lucky Development Limited (Hong Kong)	100.00%
Ai Po Technology Co., Ltd.	Jo Wi Investment Limited (Seychells)	100.00%

Note1:If the Director or Supervisor is the representative of an institutional shareholder, put down the name of the institution.

Note2:Put down the names of the dominant shareholders of this institutional shareholder (Top 10 by shareholding) and the proportion of shareholding. If the dominant shareholders are institutional shareholders, fill in the sheet below.

3.The major shareholders as exhibited in the abovementioned Table 2 are institutional shareholders, the major shareholders of these institutional shareholders.

March 31, 2025

Name of institutional shareholder	Major shareholders of institutional shareholders	Shareholding ratio(%)
Sky Lucky Development Limited (Hong Kong)	Chiang, Ming-Huang	100.00%
Jo Wi Investment Limited (Seychells)	Berkeley Enterprise Global Limited	63.50%

Source: Information provided by each company and the information listed in the business registration of Ministry of Economic Affairs.

4.Professional qualifications and independence of the Directors and Supervisors and disclosure of information on the independence of independent directors.

March 31, 2025

Condition Name	Professional Qualifications and Experience	Independent Status	Number of public companies where the director concurrently serves as an independent director
Chairman: Fu Ya Enterprise Co., Ltd. Representative: Chiang, Kai-Liang	<p>1. Marketing technology, business management, work experience required for leadership decision-making and company business.</p> <p>2.Work experience: Chairman/ Tradetool Auto Co., Ltd., Chairman/ Tan De Tech Co., Ltd., Chairman/ Tradetool Green Energy Co., Ltd., Chairman/ Yuan Jie Photovoltaics System Co., Ltd., Director/ Ching Way Industrial Co., Ltd. (Anguilla), Director/ Success Horizon Global Limited (Samoa), Director/ Samoa Jeng Shiang Investment Holdings Co., Ltd., Director/ Suzhou Tradetool Trading Co., Ltd., Director/ Xiangyang Tradetool Automobile Parts Co., Ltd., Director/ Hunan Baoyuan Automotive Parts Co., Ltd., Director/ Henan Baoheyuan Auto Parts Co., Ltd., Director/ Conserve & Associates, Inc., Supervisor/ Chyan Feng Xing Machinery Co., Ltd., Director/Yuanchuang Energy Co. Ltd., Director/ Weidian Power Co., Ltd., Director/ Vitron Power Co., Ltd., Director, Vitron Co., Ltd., Director/ Xingxi Technology Co., Ltd., Director/ Aipulasih Technology Co., Ltd., Supervisor/ Fu Ya Enterprise Co., Ltd., Supervisor/ Ai Po Technology Co., Ltd., Director/ Ysg Trade Co., Ltd., Director/ Chongqing Xingqiao Industry Co., Ltd., Director/ Hangzhou Xingqiao Industry Co., Ltd., Director/ Cosma Automotive Systems (Chongqing) Co., Ltd.</p> <p>3. None of any circumstances related to Article 30 of Company Law.</p>	—	0

<div>Condition</div> <div>Name</div>	Professional Qualifications and Experience	Independent Status	Number of public companies where the director concurrently serves as an independent director
Director: Chang, Ming-Hung	<p>1. Marketing technology, business management, work experience required for leadership, decision-making and company business.</p> <p>2. Work experience: Director and General manager/ Tradetool Auto Co., Ltd., Chairman/ Suzhou Tradetool Trading Co., Ltd., Chairman and General manager/ Xiangyang Tradetool Automobile Parts Co., Ltd., Chairman and General manager/ Hunan Baoyuan Automotive Parts Co., Ltd., Chairman and General manager/ Henan Baoheyuan Auto Parts Co., Ltd., Chairman/ Kaifeng Shengfayuan Auto Parts Co., Ltd., Director/ Tan De Tech Co., Ltd., Director/ King Metal Technology Co, Ltd., Director and General manager/ Tradetool Green Energy Co., Ltd., Director and General manager/ Yuan Jie Photovoltaics System Co., Ltd., Deputy general manager/ Horizon Securities Capital Market Division Taichung Office, Concurrent position as lecturer/ College of Management, YunTech University, Concurrent position as lecturer/ Department of finance, Tunghai University. Senior manager/ First Securities Inc. Capital Market Division Taichung Office. Manager/ Jianhua (Hong) Securities and Capital Market Division Taichung Branch.</p> <p>3. None of any circumstances related to Article 30 of Company Law.</p>	—	0
Director: Lin, Sheng-Chieh	<p>1. A professional who passed the state examinations for accountants and have obtained certificates.</p> <p>2. Work experience: Office Director of the head office/ Wan Tai Certified Public Accountant, Independent director/ Chu Yu Hsiang Co., Ltd., Supervisor/ King Metal Technology Co, Ltd., Supervisor/ Apogean Metal Co., Ltd., Supervisor/ Ysg Trade Co., Ltd., Supervisor/ Jiacheng Investment Co., Ltd., Remuneration Committee member/ Cyber Power Systems, Inc., Concurrent position as assistant professor/ Asia Universit, Lecturer/ Overseas Chinese University, Chief/ PwC Taiwan.</p> <p>3. None of any circumstances related to Article 30 of Company Law.</p>	—	1
Director: Ai Po Technology Co., Ltd. Representative: Chiang, Ming-Huang	<p>1. Possess the required work experience in marketing technology, business management, leadership, decision-making and company business.</p> <p>2. Work experience: Chairman/ Chyan Feng Xing Machinery Co., Ltd., Chairman/ Chyan Feng Tooling Industrial Co., Ltd., Chairman/ Uen Art & Tech, Incorporated, Chairman/ Aipulasih Technology Co., Ltd., Chairman/ Yuanchuang Energy Co., Ltd, Chairman/ Xingxi Technology Co., Ltd., Chiarmnan/ Ai Po Technology Co., Ltd., Chairman/ Fu Ya Enterprise Co., Ltd., Chiarmnan/ Vitron Co., Ltd., Chiarmnan/ Apogean Metal Co., Ltd., Chiarmnan/ Jiacheng Investment Co., Ltd., Chiarmnan/ Weidian Power Co., Ltd., Director/ Ysg Trade Co., Ltd., Director/ King Metal Technology Co., Ltd., Director/ Tradetool International Co., Ltd., Director/ Vitron Power Co., Ltd., Director/ Hunan Yuanchuang Machinery Co., Ltd., Director/ Yuanchuang Machinery (Kaifeng) Co., Ltd., Director/ Yuanchuang Industrial (Zhengzhou) Co., Ltd., Director/ Hunan Yuanchuang Machinery Co., Ltd., Director/ Yuanchuang Machinery (Kaifeng) Co., Ltd., Director/ Yuanchuang Industrial (Zhengzhou) Co., Ltd., Director/ Hunan Tradetool Machinery & Technical Co., Ltd., Director/ Zhuzhou Tradetool Machinery & Technical Co., Ltd., Director/ Hainan Yuanchung Machinery Co., Ltd., Director/ Nanjing Tradetool Automobile Parts Co., Ltd., Director/ Hainan Yuanda Machinery Co., Ltd.</p> <p>3. None of any circumstances related to Article 30 of Company Law.</p>	—	0

<div>Condition</div> <div>Name</div>	Professional Qualifications and Experience	Independent Status	Number of public companies where the director concurrently serves as an independent director
Independent director: Chen, Chun-Mao	<p>1.A professional who passed the state examinations for lawyers and accountants and have obtained certificates.</p> <p>2.Work experience: Attorney-at-law/ Ever Light International Law Firm, Director/ Chain Yarn Co., Ltd., Concurrent position as lecturer/ Department of financial and economic law of Asia University, Concurrent position as lecturer/ National Taichung University of Science and Technology, Concurrent position as lecturer/ EMBA of Fengchia University , Lecturer/ Taiwan Corporate Governance Association, Special Assistant to the Chairman/ Mosa Industrial Corporation, Prosecutor/ Taiwan Taichung District Prosecutors Office, Prosecutor/ Taiwan Taoyuan District Prosecutors Office, Engineer/ Eva Airways Corporation, Engineer/ Yeu Tyan Machinery Mfg Co., Ltd.</p> <p>3. None of any circumstances related to Article 30 of Company Law.</p>	<p>1.An Independent director that is qualified for independence. Including but not limited to the person, spouse, relatives within the second degree who are not Directors, Supervisors or employees of the Company or its affiliates.</p> <p>2.Not holding the shares of the Company.</p> <p>3.Not serving as a Director, Supervisor or employee of a company that has a specific relationship with the Company.</p> <p>4. No business, legal, financial and accounting services rendered to the Company or its affiliates in the last 2 years.</p>	0

<div>Condition</div> <div>Name</div>	Professional Qualifications and Experience	Independent Status	Number of public companies where the director concurrently serves as an independent director
Independent Director: Liu, Te-Shou	1. A professional who passed the state examinations for lawyers and have obtained certificates. 2. Work experience: Attorney-at-law/ Shou De Attorney at Law, Legal consultant/ Taoyuan Management Office, Irrigation Agency, Council of Agriculture Executive Yuan, Litigation counseling for military, Counseling lawyer/ Ministry of National Defense, R.O.C., Legal consultant/ Civil Affairs Office of Pingzhen District, Taoyuan, Legal consultant/ Department of Land Administration, Taoyuan, Clerk/ Taiwan Taoyuan District Court. 3. None of any circumstances related to Article 30 of Company Law.	1. An Independent director that is qualified for independence. Including but not limited to the person, spouse, relatives within the second degree who are not Directors, Supervisors or employees of the Company or its affiliates. 2. Not holding the shares of the Company. 3. Not serving as a Director, Supervisor or employee of a company that has a specific relationship with the Company. 4. No business, legal, financial and accounting services rendered to the Company or its affiliates in the last 2 years.	0

Name Condition	Professional Qualifications and Experience	Independent Status	Number of public companies where the director concurrently serves as an independent director
Independent Director: Lin, Yun-Shan	1. A professional who passed the state examinations for accountants and have obtained certificates. 2. Work experience: CPA/ EnWise CPAs & Co., Independent director/ Amulair Thermal Technology, Inc., Independent director/ Power Win Taiwan Co., Ltd., CPA/ Chia-Chung accounting firm, Project director/ Audit plan for project of Environmental Protection Administration and local Department of Environmental Protection, Project manager/ BDO Taiwan, Financial manager/ Sports-Ace International Co., Ltd., Financial manager/ Taiwan Auto-Design Co. (TADC), Cost accounting deputy manager/ Formica Taiwan Corporation, Audit deputy manager/ Deloitte. 3. None of any circumstances related to Article 30 of Company Law.	1. An Independent director that is qualified for independence. Including but not limited to the person, spouse, relatives within the second degree who are not Directors, Supervisors or employees of the Company or its affiliates. 2. Not holding the shares of the Company. 3. Not serving as a Director, Supervisor or employee of a company that has a specific relationship with the Company. 4. No business, legal, financial and accounting services rendered to the Company or its affiliates in the last 2 years.	0

5. Diversity and independence of the Board.

(1) Diversity of the Board:

The Company values the diversity of the composition of the board of directors. To improve the corporate governance and promote sound composition and structure of the board of directors, the Article 20 of the Corporate Governance Best Practice Principle of the Company has stated that the Board of the Directors should possess the following capabilities: 1. Judgement in operation, 2. Accounting and financial analysis, 3. Corporate management, 4. Crisis management, 5. Industry knowledge, 6. International view of market, 7. Leadership, 8. Decision-making.

The members of the Company's board of directors possess diverse and complementary cross-industry capabilities. Also, all of them possess industry experience and related skills, such as law, accounting, finance, marketing, technology, corporate governance, professional skills and work experience related to the industry.

To achieve the ideal goal of corporate governance, currently the implementation of the diversity policy by individual members of the board of directors of the Company

is as follows:

Diversified core items	Composition					Professional qualification		Capabilities							
	Nationality	Gender	Serve as an employee of the Company, parent, subsidiary or brother company.	Tenure of Independent director		Accountant qualification	Lawyer qualification	Operational evaluation	Accounting and financial analysis capabilities	Management capability	Crisis management	Industrial knowledge	Global market perspective	Leadership	Decision-making
				Less than 9 years(included 9 years)	More than 9 years										
Names of Directors															
Chiang, Kai-Liang	R.O.C	Male	None					✓	✓	✓	✓	✓	✓	✓	✓
Chang, Ming-Hung	R.O.C	Male	Concurrently serving as the general manager of the Company					✓	✓	✓	✓	✓	✓	✓	✓
Lin, Sheng-Chieh	R.O.C	Male	None			✓		✓	✓	✓	✓	✓	✓	✓	✓
Chiang, Ming-Huang	R.O.C	Male	None					✓	✓	✓	✓	✓	✓	✓	✓
Chen, Chun-Mao (Independent director)	R.O.C	Male	None	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Liu, Te-Shou (Independent director)	R.O.C	Male	None	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓
Lin, Yun-Shan (Independent director)	R.O.C	Female	None	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓

In order to implement the diversity policy of the composition of the board of directors to improve the Company's overall performance and, abide by Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, and also consider gender equality in the composition of the board of directors to strengthen the corporate governance. The company underwent a complete election of 7 directors, including 3 independent directors, at the 2022 shareholders' meeting. The age range of the directors includes 2 directors aged 41-50, 2 directors aged 51-60, and 3 directors aged 61-70. Meanwhile, the independent directors have served for less than 9 years and the terms do not exceed three consecutive terms. Currently, one of the board members is a woman, accounting for 14% of the total board seats. In the future, the Company aims to increase the proportion of female directors to at least 33%. Gender balance will be taken into consideration during the board member nomination and selection process. An evaluation mechanism will be established to regularly review the gender composition of the board and its impact on corporate performance. Through active participation in government-led gender equality initiatives, the company is committed to effectively enhancing gender diversity on the board of directors.

(2) Independence of the Board:

The board of directors of the Company consists of 7 people, and 3 independent

directors are included, which accounted for 42.86% of the total board seats. There are no such relations regulated in Paragraphs 3 and 4 under Article 26-3 of the Securities and Exchange Act between the board members of the Company. The Directors of the Company uphold a high degree of self-discipline. For those who have an interest in the proposals listed by the board of directors, themselves or the juridical person they represent should not participate in discussions or votes if the person might harm the interests of the Company during the board meeting's explanation on the important contents of one's interest. Moreover, one should also avoid discussions and votes, and shall not act on behalf of other Directors to execute their voting rights.

(II) Information on general managers, deputy general managers, senior managers and function heads and branch heads

March 31 2025 Unit: shares;%

Title	Nationality	Name	Gender	Date Elected (Note1)	Shareholding when Elected		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Experience (Education)	Concurrent positions in other companies	Manager who is spouse or kindred within the 2nd tier		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
General manager	R.O.C.	Chang, Ming-Hung	Male	2016/05/01	389,000	0.49%	—	—	—	—	Ph.D./College of Management, YunTech University Deputy general manager/ Horizon Securities Capital Market Division Taichung Office Concurrent position as lecturer / College of Management, YunTech University Concurrent position as lecturer/ Department of finance, Tunghai University Senior manager/ First Securities Inc. Capital Market Division Taichung Office Manager/ Jianhua (Hong) Securities and Capital Market Division Taichung Branch	(Note 2)	—	—	—
General manager/ Tan De Tech	R.O.C.	Li, Chao-Pei	Male	2005/03/18	1,316,000	1.65%	66,000	0.80%	—	—	Master's degree of Mechanical engineering/ New Jersey Institute of Technology Chairman/ the Company Chairman/ Tan De Tech Co., Ltd. Chairman/ Jeng Shiang Precision Optonics (Suzhou) Co., Ltd. Senior engineer/ INNOLUX Senior engineer/ AUO Corporation	(Note 2)	—	—	—

Title	Nationality	Name	Gender	Date Elected (Note1)	Shareholding when Elected		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Experience (Education)	Concurrent positions in other companies	Manager who is spouse or kindred within the 2nd tier		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Deputy general manager, CFO and corporate governance manager	R.O.C.	Wang, Cheng-Wen	Male	2013/10/01	25,703	0.03%	—	—	—	—	EMBA/ Department of International Business Studies, Jinan University Deputy manager/ KPMG Financial Manager of the Company	(Note 2)	—	—	—
Deputy general manager/ Henan Baoheyuan	P.R.C	Dong, Kan	Male	2022/10/26	—	—	—	—	—	—	Department of Automotive Engineering/ Shanghai University of Engineering Science, Supervisor/ Jiangsu Huaduei Metal Technology Co., Ltd. Commercial specialist/ Shanghai Yifong Mold Manufacturing Co., Ltd.	(Note 2)	—	—	—
Senior manager	R.O.C	Wang, Pei-Fang	Female	2017/05/01	5,000	0.01%	—	—	—	—	Department of Accounting/ Tunghai University Manager/ KPMG	—	—	—	—
Manager/ Audit office	R.O.C	Lai, Yi-Chen	Female	2025/01/01	—	—	—	—	—	—	Department of Business/ Fengchia University Manager/ Ability Opto-Electronics Technology Co, Ltd. Deputy manager/ Sunrex Technology Corp.	—	—	—	—

Note 1: The date of office is the date of inauguration of the Company.

Note 2: Positions Held Concurrently at the Company and other companies

Title	Name	Concurrent Positions with the Company and Other Companies
General manager	Chang, Ming-Hung	Director and General manager/ Tradetool Auto Co. Ltd.(the Company), Chairman/ Suzhou Tradetool Trading Co., Ltd., Chairman and General manager/ Xiangyang Tradetool Automobile Parts Co., Ltd., Chairman and General manager/ Hunan Baoyuan Automotive Parts Co., Ltd., Chairman and General manager/ Henan Baoheyuan Auto Parts Co., Ltd., Chairman/ Kaifeng Shengfayuan Auto Parts Co., Ltd., Director/ Tan De Tech Co., Ltd., Director/King Metal Technology Co, Ltd., Director and General manager/ Tradetool Green Energy Co., Ltd., Director and General manager/ Yuan Jie Photovoltaics System Co., Ltd.
General manager/ Tan De Tech	Li, Chao-Pei	Director and General manager/ Tan De Tech Co., Ltd.
Deputy general manager, CFO and corporate governance manager	Wang, Cheng-Wen	Supervisor/ Suzhou Tradetool Trading Co., Ltd. Plant director and Supervisor/ Xiangyang Tradetool Automobile Parts Co., Ltd. Supervisor/ Tradetool Green Energy Co., Ltd. Supervisor/ Yuan Jie Photovoltaics System Co., Ltd.
Deputy general manager	Dong, Kan	General manager/ Fujian Baolu Auto Parts Co., Ltd., Supervisor/ Shanghai Huaduei Metal Limited, Supervisor/ Shanghai Yueding Automobile Parts Limited Supervisor/ Shanghai Siecyun Co., Ltd.

II. Remuneration to the Directors (Including Independent Directors), Supervisors, General Managers and Deputy General Managers in the Most Recent Year

(I) Remuneration to directors and independent directors (Disclose the name of each individual and the corresponding remuneration amount)(2024)

Unit: NTD (in thousands)

Title	Name	Remuneration to Directors								The sum of A, B, C and D in proportion to net income		Related payment in performing the duties as employees								The sum of A, B, C, D, E, F and G in proportion to net income (%)		Any payment from direct investee companies other than the subsidiaries or the parent company		
		Remuneration (A)		Pension and severance payment (B)		Remuneration to Directors (C)		Professional allowances (D) (Note 2)				Salaries, bonus and special expense account (E)		Pension and severance payment (F) (Note1)		Remuneration to employees (G)								
		The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company		Companies in the financial report		The Company	Companies in the financial report			
																Cash	Stock	Cash	Stock					
Chairman	Fu Ya Enterprise Co., Ltd. Representative: Chiang, Kai-Liang	3,744	5,395	0	0	0	0	760	820	4,504 (10.75%)	6,215 (14.83%)	0	0	0	0	0	0	0	0	0	0	4,504 (10.75%)	6,215 (14.83%)	219
Director	Chang, Ming-Hung	0	0	0	0	0	0	50	110	50 (0.12%)	110 (0.26%)	3,680	4,867	108	108	0	0	0	0	0	0	3,838 (9.16%)	5,085 (12.13%)	0
Director	Lin, Sheng-Chieh	0	0	0	0	0	0	50	50	50 (0.12%)	50 (0.12%)	0	0	0	0	0	0	0	0	0	0	50 (0.12%)	50 (0.12%)	0
Director	Ai Po Technology Co., Ltd. Representative: Chiang, Ming-Huang	0	0	0	0	0	0	10	10	10 (0.02%)	10 (0.02%)	0	0	0	0	0	0	0	0	0	0	10 (0.02%)	10 (0.02%)	0
Independent director	Chen, Chun-Mao	240	240	0	0	0	0	85	85	325 (0.78%)	325 (0.78%)	0	0	0	0	0	0	0	0	0	0	325 (0.78%)	325 (0.78%)	0

Title	Name	Remuneration to directors								The sum of A, B, C and D in proportion to net income	Related payment in performing the duties as employees								The sum of A, B, C, D, E, F and G in proportion to net income (%)	Any payment from direct investee companies other than the subsidiaries or the parent company				
		Remuneration (A)		Pension and severance payment (B)		Remuneration to Directors (C)		Professional allowances (D) (Note 2)			Salaries, bonus and special expense account (E)		Pension and severance payment (F) (Note1)		Remuneration to employees (G)									
		The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report		The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	Cash	Stock			Cash	Stock	The Company	Companies in the financial report
Independent director	Liu, Te-Shou	240	240	0	0	0	0	85	85	325 (0.78%)	325 (0.78%)	0	0	0	0	0	0	0	0	0	0	325 (0.78%)	325 (0.78%)	0
Independent director	Lin, Yun-Shan	240	240	0	0	0	0	85	85	325 (0.78%)	325 (0.78%)	0	0	0	0	0	0	0	0	0	0	325 (0.78%)	325 (0.78%)	0
1. Specify the policy, system, standard and structure of the remuneration for independent directors, and the association between the duties performed, the risk, the commitment of time and related factors and the amount of payment: The remuneration for the Company's independent directors is determined by the board of directors after considering the standards of peers and OTC companies. The Company pays fixed remuneration on monthly basis, and professional allowances shall follow the standard of Directors. In addition to paying and receiving fixed monthly remuneration, Directors' remuneration in accordance with the Company's articles of association shall not be paid. separately. According to Article 5 of the Company's “Rules Governing the Scope of Powers of Independent Directors” the remuneration of independent directors may be determined at a reasonable rate different from that of Directors																								
2. Further to the disclosure in the above table, the remuneration to the directors from all companies included in the financial statements for the service rendered (such as consultant of patent companies/all the companies in the financial report, which is not in the capacity as employee): None.																								

Note 1: There was no pension actual payments in 2024

Note 2: The professional allowances in 2024 refers to transport expenses.

(II) Remuneration to general managers and deputy general managers (disclosure of the names in relevant bracket of the payment scale) (2024)

Unit: NTD (in thousands)

Title	Name	Salaries (A)		Pension and severance payment (B) (Note 1)		Bonus and special expense account (C)		Amount of remuneration to employees (D)				The sum of A, B, C and D in proportion to net income(%)		Any remuneration from direct investee companies other than the subsidiaries or the parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash	Stock	Cash	Stock			
General manager	Chang, Ming-Hung	5,480	8,023	270	270	2,447	2,711	0	0	0	0	8,197 (19.56%)	11,004 (26.26%)	0
Deputy general manager, CFO, and corporate governance manager	Wang, Cheng-Wen													
Deputy general manager	Lin, San-Hsii (Note 2)													
Deputy general manager	Tseng, Wu-Chin (Note 3)													
Deputy general manager	Dong, Kan													

Note 1: The pension provision was NTD317 thousands in 2024, and there was no actual retirement pension being paid.

Note 2: Lin, San-Hsii resigned on 31 March 2024

Note 3: Tseng, Wu-Chin retired on 31 January 2025.

Remuneration Scale

Remuneration to individual General manager and Deputy general manager along the payment scale	Name of General manager and Deputy general manager	
	The Company	Parent Company and all the reinvestment businesses
Less than NTD1,000,000	Lin, San-Hsii, Dong, Kan	Lin, San-Hsii, Dong, Kan
NTD1,000,000(inclusive)-NTD2,000,000	Tseng, Wu-Chin	—
NTD2,000,000(inclusive)-NTD3,500,000	Wang, Cheng-Wen	Wang, Cheng-Wen, Tseng, Wu-Chin
NTD3,500,000(inclusive)-NTD5,000,000	Chang, Ming-Hung	—
NTD5,000,000(inclusive)-NTD10,000,000	—	Chang, Ming-Hung
NTD10,000,000(inclusive)-NTD15,000,00	—	—
NTD15,000,000(inclusive)-NTD30,000,000	—	—
NTD30,000,000(inclusive)-NTD50,000,000	—	—
NTD50,000,000(inclusive)-NTD100,000,000	—	—
More than NTD100,000,000(inclusive)	—	—
Total	5	5

(III) Managerial officers with the top five highest remuneration amounts in the Company (disclose their names and remuneration method) (2024)

Unit: NTD (in thousands)

Unit: NT\$ (in thousands)

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
General manager	Chang, Ming-Hung	2,375	3,458	108	108	1,355	1,519	0	0	0	0	3,838 (9.16%)	5,085 (12.13%)	0
Deputy general manager, CFO, and corporate governance executive	Wang, Cheng-Wen	2,004	2,004	108	108	857	857	0	0	0	0	2,969 (7.08%)	2,969 (7.08%)	0
Deputy general manager	Lin, Ssn-Hsui (Note 1)	303	435	16	16	0	0	0	0	0	0	319 (0.76%)	451 (1.08%)	0
Deputy general manager	Tseng, Wu-Chin (Note 2)	798	2,126	38	38	235	335	0	0	0	0	1,071 (2.56%)	2,499 (5.96%)	0
Senior manager	Wang, Pei-Fang	1,464	1,464	87	87	251	251	0	0	0	0	1,802 (4.30%)	1,802 (4.30%)	0

Note 1: Lin, San-Hsui resigned on 31 March 2024.

Note 2: Tsrng, Wu-Chin retired on 31 January 2025.

(IV) Names of managers with remuneration as employees and the disbursement:

6 March 2025 Unit: NTD (in thousands)

	Title	Name	Stock (NTD)	Cash (NTD)	Total	The total amount in proportion to net income (%)
Managers	General manager	Chang, Ming-Hung	0	0	0	—
	Deputy general manager, CFO, and corporate governance executives	Wang, Cheng-Wen				
	General manager of Tan De Tech Co., Ltd	Li, Chao-Pei				
	Deputy general manager	Dong, Kan				
	Senior manager	Wang, Pei-Fang				

Note 1: The Company incurred losses in 2024. As a result, the decision of not issuing employee remuneration was made by the board of directors on 6 March 2025 withhold employee remuneration.

(V) The total payment from the Company and all companies included in the financial statements to the directors, supervisors, general managers, and deputy general managers as remuneration in the last 2 years in proportion to the net income and related analysis, and explain the policy, standard and components of payment, the procedure for setting the amount of payment, and the association with the operation performance and the risks in the future:

1. The total payment from the Company and all companies included in the financial statements to the directors, supervisors, general managers, and deputy general managers as remuneration in the last two years in proportion to the net income.

Unit: NTD (in thousands)

Item \ Year	2023		2024	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Total remuneration to directors	5,451	7,222	5,589	7,360
Total remuneration to directors in proportion to the net income	(8.81%)	(11.80%)	(13.34%)	(17.56%)
Total remuneration to supervisors	—	—	—	—
Total remuneration to supervisors in proportion to the net income	—	—	—	—
Total remuneration to general manager and deputy general manager	9,010	12,648	8,197	11,004
Total remuneration to general manager and deputy general manager in proportion to the net income	(14.72%)	(20.67%)	(19.56%)	(26.26%)

2. The policy, standard and component of remuneration payment, the procedures for deciding remuneration, and the relation between business performance and future risks

(1) The remuneration of the Directors and Supervisors of the Company mainly includes remuneration, transportation allowances and remuneration to Directors, and according to the regulation of “Remuneration to Directors and Supervisors and Remuneration Management Rules” of the Company, the payment will refer to the market standard. In terms of the remuneration to Directors. According to Article 26 of the "Articles of Association", less than 3% of surplus should be allocated to the Directors other than Independent directors as remuneration to Directors, if there is surplus in Company. And according to the degree of participation of individual Directors in the Company's operating activities, serving as the person in charge of the parent company or subsidiary, or the joint guarantor, etc., submitted to the Shareholders' Meeting for reporting after

being reviewed by the Remuneration Committee and approved by the Board of directors. For Independent directors, they receive fixed remuneration on monthly basis regardless of the Company's operating profit or loss. But they will not be included in the abovementioned allocation of surplus.

- (2) The appointment, dismissal and remuneration of the general manager and deputy general manager of the Company is subject to the resolution of the board of directors. The remuneration includes salaries and employee compensation. The salary payment standard is determined according to the degree of participation, contribution and future risk of the individual in the Company's operations and is determined with reference to the industry's standards in the market. Employee bonuses are assessed in accordance with the Company's "Employee Remuneration Management Measures" based on employees' rank, seniority and performance appraisal. Performance evaluation items include management and operation performance, communication and coordination, organizational planning, supervision and training, cost control, sense of responsibility, spirit of cooperation, knowledge level and innovation ability. When the Company has surplus, according to the provisions of Article 26 of the "Articles of Association", 2% ~10% of the surplus is allocated for employee remuneration, and according to the above evaluation criteria of individual managers, the result of assessment will be submitted to the Remuneration Committee for review and approval by the board of directors and then submitted to the Shareholders' Meetings for reporting.
- (3) The Company's remuneration policy is based on the individual's ability, contribution to the Company, personal performance and the relevance of business performance. In addition, the Company has moderately controlled future risks when measuring business performance. The remuneration policy and future risks are interrelated.

III. Operation of Corporate Governance

(I) Pursuit of corporate governance:

The Board of the Company convened for 5 times (A) in the previous (2024) period. The attendance of the Directors is specified below:

Title	Name	Actual Frequency Attendance 【B】	Frequency of Attendance by Proxy	Actual Attendance Rate 【B/A】 (%)	Remarks
Chairman	Fu Ya Enterprise Co., Ltd. Representative: Chaing, Kai-Liang	5	0	100.00	Re-elected on May 30, 2022
Director	Chang, Ming-Hung	5	0	100.00	Appointed on May 30, 2022
Director	Lin, Sheng-Chieh	5	0	100.00	Appointed on May 30, 2022
Director	Ai Po Technology Co., Ltd. Representative: Chiang, Ming-Huang	1	4	20.00	Appointed on May 30, 2022
Independent director	Chen, Chun-Mao	5	0	100.00	Re-elected on May 30, 2022
Independent director	Liu, Te-Shou	5	0	100.00	Appointed on May 30, 2022
Independent director	Lin, Yun-Shan	5	0	100.00	Appointed on May 30, 2022

Additional information:

I. If any of the following applies to the Board in session, specify the date, the session of the meeting, the content of the motions, the opinions of all independent directors, and the response of the Company to the opinions of the independent directors:

(I) Particulars inscribed in Article 14-3 of the Securities and Exchange Act

The Company has established an audit committee after the election of the new board members at the shareholder's meeting on May 30, 2022. Therefore, the operation of board of directors after the establishment of audit committee, is not subject to the regulations of Article 14-3 of the Securities and Exchange Act. For more information, please refer to the operation status of the audit committee in the annual report.

(II) Aside from the above-mentioned matters, other resolutions of the board of directors meeting with objections or reservations of independent directors and records or written statements: None.

II. The implementation of Directors' recusal of proposals related to interests shall state the Director's name, content of the proposal, reasons for recusal of interests, and participation in voting:

Date/Session of shareholder's meeting	Name of Director	Content of proposal	Reasons for avoidance of interests	Participation in Voting
2024/02/01 The 1 st meeting in 2024	Chiang, Kai-Liang	Discussion on the amount of year-end bonus to chairman in 2023.	The Director who attended the proposal, Chiang, Kai-Liang, was the recipient of the year-end bonus for this proposal. Therefore, he should recuse himself from the meeting. The Chairman appointed the Director Chang, Ming-Hung as the	Have recused himself from participating the voting.

				acting Chairman of this proposal. After the acting Chairman consulted the opinions of Independent directors, except for the Directors who have recused from the meeting, all the Directors passed the proposal without objection.	
2024/02/01 The 1 st meeting in 2024	Chang, Ming-Hung	Discussion on the amount of year-end bonus to the managers in 2023.	The Directors Chang, Ming-Hung who attended the proposal, and the deputy general manager Wang, Cheng-Wen and Senior Manager Wang, Pei-Fang who attended the proposal were the recipients of the year-end bonus for this proposal. Therefore, they should recuse themselves from meeting. After the Chairman consulted the opinions of independent directors, except for the Directors who have recused from the meeting, all the Directors passed the proposal without objection.	Have recused himself from participating the voting.	
2025/01/23 The 1 st meeting in 2025	Chiang, Kai-Lian	Discussion on the amount of year-end bonus to chairman in 2024.	The Director who attended the proposal, Chiang, Kai-Lian, was the recipient of the year-end bonus for this proposal. Therefore, he should recuse himself from the meeting. The Chairman appointed the Director Chang, Ming-Hung as the acting Chairman of this proposal. After the acting Chairman consulted the opinions of Independent directors, except for the Directors who have recused from the meeting, all the Directors passed the proposal without objection.	Have recused himself from participating the voting.	
2025/01/23 The 1 st meeting in 2025	Chang, Ming-Hung	Discussion on the amount of year-end bonus to the managers in 2024.	The Directors Chang, Ming-Hung who attended the proposal, and the deputy general manager Wang, Cheng-Wen and Senior Manager Wang, Pei-Fang who attended the proposal were the recipients of the year-end bonus for this proposal. Therefore, they should recuse themselves from meeting. After the Chairman consulted the	Have recused himself from participating the voting.	

			opinions of independent directors, except for the Directors who have recused from the meeting, all the Directors passed the proposal without objection.	
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III. Implementation of self-assessment by the board of directors:

On 20 January 2020, the Company passed the resolution of the board of directors to formulate the performance evaluation method of the board of directors (The latest revision: 2 November 2020)
The assessment of 2024 was completed on 23 January 2025.

Evaluation Cycle	Duration of evaluation	Scope of evaluation	Means of evaluation	Content of evaluation
In addition to the regular performance evaluation of the internal board of directors every year, it should be evaluated at least every three years by an external, professional, and independent agency or a team of external experts and scholars	<p>Duration of internal performance evaluation: 1 January 2024-31 December 2024</p> <p>Duration of external performance evaluation: 1 January 2022-31 December 2022</p>	<p>The internal performance evaluation includes: The board of director, individual board members and functional committee.</p> <p>The evaluation by an external, professional, and independent agency includes the board of directors (excluding functional committees such as the audit committee and remuneration committee).</p>	<p>1. Internal self-assessment of the board of Director</p> <p>2. Self-Assessment of the members of the Board</p> <p>3. Self-Assessment of the members of the functional committee</p> <p>4.Appointment of an external expert agency or experts to carry out the evaluation</p>	<p>1.Evaluation items of the board of directors:</p> <p>(1) The participation degree in operation of the Company.</p> <p>(2) Improve the quality of decision-making of the board of directors.</p> <p>(3) The composition and structure of the board of directors.</p> <p>(4) Election and Continuing Education of Directors.</p> <p>(5) Internal control</p> <p>2. The assessment items of members of the board of directors (self-assessment or peer assessment):</p> <p>(1) The controlling of company goals and tasks.</p> <p>(2) Awareness of Directors' responsibilities.</p> <p>(3) The degree of participation in company operations.</p> <p>(4) Internal relationship management and communication.</p> <p>(5) Professional and continuing Education for Directors.</p> <p>(6) Internal control.</p> <p>3.Evaluation items of the functional committee:</p> <p>(1) The degree of participation in company operations.</p> <p>(2) Awareness of functional committee responsibilities.</p> <p>(3) Improve the quality of decision-making of the board of directors.</p> <p>(4) The composition and election of the functional committee members of the board of directors.</p> <p>(5) Internal control.</p>

- IV. The goal of strengthening the function of the board of directors in the current year and the most recent year(e.g. Set up an Audit Committee, improve the transparency of information, etc.) and implementation status assessment:
- (I) The Audit Committee was established on May 30, 2022 and performed relevant duties in accordance with the Securities and Exchange Act, the Company Act, and other relevant laws and regulations. For information on the operation status of the audit committee, please refer to P.29 of the annual report.
 - (II)The Remuneration Committee was established on December 1, 2011. Formulate organizational regulations for the Remuneration Committee, and hold the meeting at least twice a year. Responsible for formulating and regularly evaluating policies, systems, standards and structures for Directors and managers' performance evaluation and remuneration. The Remuneration Committee held 2 meetings in 2024. During the meeting, all relevant personnel attended the consultation and discussion. The operation and communication were going well.
 - (III) The Company arranges training for Directors and Independent Directors every year. The training courses cover relevant refresher courses on corporate governance topics. Conforms to the implementation points of training for Directors and Supervisors of TWSE/GTSM Listed Companies, and discloses the status of training in annual reports and Market Observation Post System.
 - (IV)To implement corporate governance and improve the Company's function of the board of directors. The Company passed "Rules for Performance Evaluation of board of directors" on January 20, 2020, and implement the internal self-evaluation of the board of directors and the self-evaluation of board members have been carried out regularly every year according to the rule. Moreover, an external, professional, and independent agency or a team of external experts and scholars will carry out the evaluation at least every three years. The latest external evaluation has been completed in the first quarter of 2023.

(II) The operation of the Audit Committee or the participation of Supervisors in the operation of the board of directors.

The Company has established an audit committee after the election of the new board members at the shareholder's meeting on 30 May 2022. The Company convened a total of 5 (A) meetings in 2024. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B) 【B】	Actual attendance rate 【B/A】 (%)	Remarks
Independent director (Convenor and chairman)	Chen, Chun-Mao	5	100.00	Appointed on 30 May 2022
Independent director (Member)	Liu, Te-Shou	5	100.00	Appointed on 30 May 2022
Independent director (Member)	Lin, Yun-Shan	5	100.00	Appointed on 30 May 2022

Other items required to be stated:

I. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, content of independent director's dissenting opinion and reservation, or significant recommendation resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

(I). Matters referred to in Article 14-5 of the Securities and Exchange Act.

Date/Session of the Audit Committee	Content of Proposal	Matters Referred to in Article 14-5 of the Securities and Exchange Act	Content of Independent Director's Dissenting Opinion and Reservation, or Significant Recommendation Resolution
2024/02/01 1st term, 9 th Meeting	Proposal 2. Discussion on "Regulations Governing Procedure for Board of Directors Meetings"	✓	—
	Proposal 3. Discussion on the Amendment to the Organizational Regulations of Audit Committee.	✓	—
	Proposal 4. Discussion on the Amendment to "Risk Management Policy and Procedure.	✓	—
	Proposal 5. Discussion on endorsement guarantee for Xiangyang Tradetool Automobile Parts Co., Ltd. and Henan Baoheyuan Auto Parts Co., Ltd..	✓	—
	Resolution result of the Audit Committee: The Audit Committee unanimously approved the proposal with all attending members present.		
	The Company's response to Audit Committee's opinions: The proposal was passed unanimously by all members present, so this shall not		

	apply.		
2024/03/11 1st term, 10 th Meeting	Proposal 1. Discussion on the Company's Statement on Internal Control for 2023.	✓	—
	Proposal 2. Discussion on the Company's draft of financial statements (including parent company only financial statements and consolidated financial statements) for 2023 and independent auditor's report.	✓	—
	Proposal 3. Discussion on the Company's business report for 2023.	✓	—
	Proposal 4. Discussion on the Company's loss off-setting for 2023.	✓	—
	Proposal 5. Discussion on the Confirmation of Change in the Internal Audit Supervisor of Our Company.	✓	—
	Proposal 6. Discussion on endorsement guarantee for Hunan Baoyuan Automotive Parts Co., Ltd..	✓	—
	Resolution result of the Audit Committee: The Audit Committee unanimously approved the proposal with all attending members present.		
	The Company's response to Audit Committee's opinions: The proposal was passed unanimously by all members present, so this shall not apply.		
2024/05/10 1st term, 11 th Meeting	Proposal 2. Discussion on endorsement guarantee for Xiangyang Tradetool Automobile Parts Co., Ltd. and Henan Baoheyuan Auto Parts Co., Ltd..	✓	—
	Proposal 3. Discussion on the proposed loan of funds to subsidiaries Xiangyang Tradetool Automobile Parts Co., Ltd. and Hunan Baoyuan Automotive Parts Co., Ltd..	✓	—
	Resolution result of the Audit Committee: The Audit Committee unanimously approved the proposal with all attending members present.		
	The Company's response to Audit Committee's opinions: The proposal was passed unanimously by all members present, so this shall not apply.		
2024/08/12 1st term, 12 th Meeting	Proposal 2. Discussion on endorsement guarantee for Xiangyang Tradetool	✓	—

	Automobile Parts Co., Ltd., Henan Baoheyuan Auto Parts Co., Ltd. and Hunan Baoyuan Automotive Parts Co., Ltd..		
	Proposal 3. Discussion on the proposed loan of funds to subsidiaries Xiangyang Tradetool Automobile Parts Co., Ltd..	✓	—
	Proposal 4. Discussion on the Company's-assessment of the independence and competence of the CPA who certified the Company's financial report., and the proposed attestation fee.	✓	—
	Proposal 5. Discussion on formulating the general policy for pre-approval of non-assurance services by the CPA firm of the Company.	✓	—
	Proposal 6 Discussion on the amendment of the "Procedures for Professional Accounting Judgment and the Management of Changes in Accounting Policies and Estimates."	✓	—
	Resolution result of the Audit Committee: The Audit Committee unanimously approved the proposal with all attending members present.		
	The Company's response to Audit Committee's opinions: The proposal was passed unanimously by all members present, so this shall not apply.		
2024/11/11 1st term, 11 th Meeting	Proposal 2. Discussion on endorsement guarantee for Xiangyang Tradetool Automobile Parts Co., Ltd., Henan Baoheyuan Auto Parts Co., Ltd..	✓	—
	Proposal 3. Discussion on the proposed loan of funds to subsidiaries Xiangyang Tradetool Automobile Parts Co., Ltd. and Hunan Baoyuan Automotive Parts Co. Ltd..	✓	—
	Resolution result of the Audit Committee: The Audit Committee unanimously approved the proposal with all attending members present.		
	The Company's response to Audit Committee's opinions: The proposal was passed unanimously by all members present, so this shall not apply.		

(II) In addition to the above matters, matters resolved by over two-thirds of the Board of Directors but not yet resolved by the Audit Committee: Not applicable.

II. With respect to independent directors excusing themselves in the case of conflict of interest, the independent directors' names, contents of motion, reasons for conflict of interest and votes should be specified: None.

III. Independent communication status between independent directors, audit supervisors and CPAs (which should include major events, methods and results of communication on the Company's

financial and business conditions, etc.)

- (I) The internal audit supervisor submits audit reports to each independent director on a monthly basis, and if any independent director raises questions, immediate discussion and communication will take place. The audit supervisor also presents reports to the Audit Committee and the board of directors regarding significant findings related to the Company's internal control management. The supervisor then follows the instructions given by the Audit Committee and the board of directors as the basis for execution.
- (II) In accordance with the International Standard on Auditing No. 260 "Communication with the Governance Unit of the Auditee," the auditor shall, on a semi-annually basis, communicate governance-related matters related to the audit or review of the company's consolidated financial statements (which includes individual financial statements for the year). After compiling these matters, the auditor shall conduct in-person communication with the Audit Committee.

(III) Differences between Company policy and Corporate Governance Best-Practice Principles for TSE/ GTSM Listed Companies and reasons for differences

Items	The pursuit			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary Explanation	
I. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has established and its Corporate Governance Best Practice Principles in accordance with the “Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies”, which has been amended and approved by the board of directors, and has been disclosed the principles on the Company’s website and the Market Observation Post System.	No significant difference.
II. Equity structure and shareholder equity of the Company				
(I) Has the Company established the internal operation procedures for responding to the suggestion, queries, disputes and lawsuits of the shareholders, and proceed with the procedures?	✓		The Company has a spokesperson and acting spokesperson system, and external handling of shareholder suggestions and other matters. The Company complies with the regulations on information disclosure, and regularly disclose the Company's financial and business information in the Market Observation Post System for shareholders' reference.	No significant difference.
(II) Has the Company kept list of the dominant shareholders actually controlling the Company, and the list of ultimate controlling parties of these dominant shareholders?	✓		The Company keeps abreast of the shareholding status of Directors, managers and major shareholders holding more than 5% of the shares. Report to the Market Observation Post System every month in accordance with relevant laws and regulations. After the Shareholders’ Meeting held every year and the ex-rights (dividend) is closed, the Company has a list of major shareholders and ultimate controllers based on the list of shareholders provided by the stock affairs agency.	No significant difference.

Items	The pursuit			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary Explanation	
(III) Is there any control and firewall mechanisms established between the Company and its affiliates with proper execution?	✓		The asset management, finance and accounting among affiliated companies of the company are operated independently, and are being audited by the relevant departments of the Company. The Company's internal control system has stipulated the "Subsidiary Supervision Operation Measures" and "Related Operation Standards for Financial Business between Related Enterprises" to control the risks between the Company and its affiliates, and set up appropriate firewall.	No significant difference.
(IV) Has the Company instituted related internal rules and regulations for prohibiting the use of undisclosed information in market by insiders for trading of securities?	✓		The Company has established the "Insider's new employment (discharge) information reporting procedures", "Integrity Management Code", "Ethical Behavior Standards" and "Internal Major Information Handling Operational Procedures" related operating procedures. The content regulated that insiders are not allowed to use unpublished information that has a significant impact on their stock prices to buy or sell securities. Promote to insiders at least once a year, and educate and train employees to implement the controlling internal transactions mechanism. On March 2, 2023, the board of directors of the Company revised the "Corporate Governance Best Practice Principles", requiring insiders not to trade stocks during the closed period of 30 days before the announcement of the annual financial statements and 15 days before the announcement of the quarterly financial statements.	No significant difference.

Items	The pursuit			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary Explanation	
III. The organization and function of the board				
(I) Has the Board established the policy of diversity, the substantive management objective, and the attainment?	✓		The nomination and selection of the Company’s board members of Directors adopts the candidate nomination system, and abides by “Guidelines Governing Election of Directors” And “Corporate Governance Guidelines” to confirm the competence, diversity, and independence of each member. The Company elected a total of 7 directors (including 3 independent directors) at the general shareholders’ meeting on 30 May 2022, and the current Directors of the Company are all experienced in operation and management, decision-making and leadership, and related industry knowledge. The education and work experience of the Directors include finance, law, marketing, and technology, etc. Please refer to page 13 of the annual report for the description of relevant professional fields and the age distribution. The management target of the Company's board of directors is to reduce the proportion of directors who are employees to less than 20% and add a female director. After the re-election of the shareholders' meeting in 2022, the proportion of directors with employee status and female directors is both 14%, which achieved the expected management goals.	No significant difference.
(II) Has the Company voluntarily set other functional committees apart from the Remuneration Committee and Audit Committee?	✓		At present, the Company merely sets up the functional committee of the Remuneration Committee and Audit Committee. In the future, the Company may establish various functional committees as required by legal regulations or practical needs.	No significant difference.
(III) Has the Company formulated the performance evaluation method and evaluation means of the board of directors, and regularly carried out performance evaluation each year? And reported the evaluation result reported to board of directors, references applied to	✓		The Company has passed the resolution of stipulating “Board Performance Evaluation Measures” on 21 January 2020, and was disclosed on the Company’s website. In the performance evaluation of the year, the board of directors self-assess through questionnaires and complete the evaluation assignment before the end of the first quarter of the following year. And every three years, it will be evaluated by an external professional independent institution or a team of external experts and scholars. The results of the	No significant difference.

individual Directors' remuneration and nomination for reappointment?		<p>performance evaluation will be sent to the board of directors for report review and serve as a reference for individual Directors to determine individual salaries.</p> <p>Please refer to the evaluation cycle, evaluation terms, evaluation scope, evaluation means, and evaluation content of “Implementation of self-assessment by the board of directors” on Page 27 of the annual report.</p> <p>In 2024, the board of directors' performance evaluation was conducted through self-assessment questionnaires completed by all board members and members of various functional committees. The evaluation results were submitted to the board of directors on 23 January 2025.</p> <p>The overall average score for the board of directors' self-assessment is 4.07 out of 5, indicating strong performance. Individually, the average score for each board member's self-assessment is 4.80 out of 5, reflecting a high level of performance. These results suggest that the board of directors is operating effectively.</p> <p>The Audit Committee's self-assessment score is 4.79 out of 5, and the Remuneration Committee's self-assessment score is 4.81 out of 5, indicating positive evaluations of the efficiency and effectiveness of their operations across various metrics. These results demonstrate that both the Audit Committee and the Remuneration Committee are effectively enhancing the functions of the board of directors.</p>					
(IV) Does the Company regularly evaluate the independence of CPAs?	✓	<p>1. Based on the "Statement of Independence" provided by certified accountants every year, and concerning the content of the "The Norm of Professional Ethics for Certified Public Accountant No. 10", the finance department of the Company conducts a preliminary assessment of the certified accountants' independence and suitability, and submits it to the Audit Committee for review. After the review by the Audit Committee, the finance department submits it to the board of directors for approval. The Company's assessment items are as follows. The assessment results have not been found any violation of independence. On August 12, 2024, the board of directors discussed and approved the assessment of the independence and competence of certified accountants.</p> <table><tr><th>Evaluation item</th><th>Independence</th></tr><tr><td>1. The appointed CPAs have not provided audit services for the Company for seven consecutive years.</td><td>Yes</td></tr></table>	Evaluation item	Independence	1. The appointed CPAs have not provided audit services for the Company for seven consecutive years.	Yes	No significant difference.
Evaluation item	Independence						
1. The appointed CPAs have not provided audit services for the Company for seven consecutive years.	Yes						

			2. The appointed CPAs and their spouse or dependents or members of the audit team do not served as the company's directors, managers, or positions that have a significant impact on audit cases currently or in the past two years; it is also confirmed that they will not hold the above-mentioned relevant positions in the future audit period.	Yes	
			3. The appointed CPAs and members of the audit team have not accepted endowments of great value or gifts from the Company, directors, supervisors, and managers of the Company (the value of which does not exceed the general social etiquette standard).	Yes	
			4. The appointed CPAs do not have relationship with the Company in joint investment or benefit sharing.	Yes	
			5. The appointed CPAs do not get involved in management of decision-making of the Company.	Yes	
			6. The appointed CPAs do not have direct or material indirect financial interest relationship with the Company.	Yes	
			7. The appointed CPAs has no financing or guarantee activities with the Company or the directors of the Company.	Yes	
			8. The appointed CPAs do not have close business relationship or potential employment with the Company.	Yes	
			9. The appointed CPAs or members of the audit team do not take care of money on behalf of the Company.	Yes	
			10. The appointed CPAs do not provide non-audit service items that may directly affect the audit of the Company.	Yes	
			11. The appointed CPAs do not have intermediary of shares or other securities issued by the Company.	Yes	
			12. The appointed CPAs do not act as the Company's defender or coordinate conflicts with other third parties on behalf of the Company.	Yes	
			13. Whether the professionalism and professional services of the appointed CPAs meet the needs of the Company.	Yes	
			14. Whether the appointed CPAs completed inspection or review report of the Company within the prescribed time limit.	Yes	
			15. Whether the appointed CPAs have fulfilled the duty of confidentiality of the Company's secrets obtained from the entrusted matters.	Yes	

		2. Furthermore, the Company evaluates the independence and suitability of certified accountants in 2023 in accordance with the provisions of Article 29 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and refers to the audit quality indicators (AQIs). And was reviewed and approved by the Audit Committee and approved by the board of directors on 12 August 2024.	
IV. Does the Company have a suitable number of competent corporate governance personnel, and has it appointed a corporate governance Supervisor responsible for corporate governance matters (including but not limited to providing information for Directors and Supervisors to perform their duties, assisting Directors and Supervisors with regulatory compliance, handling matters related to Board Meetings and Shareholders' Meetings, and preparing proceedings for Board Meetings and Shareholders' Meetings)?	✓	<p>On 12 August 2021, the Company complied with the regulations of the "Main Points of Matters to be Followed by the Board of Directors of OTC Companies to Executing their Powers", The resolution of appointing Wang, Cheng-Wen, the deputy general manager, as the Director of corporate governance has been approved. He possesses more than ten years of experience in financial management of public offering companies, and the major responsibilities includes:</p> <ol style="list-style-type: none"> 1. Handle matters related to meetings of the board of directors and shareholders' meetings 2. Prepare proceedings of Board Meetings and Shareholders' Meetings 3. Assist Directors in their appointment and continuing education. 4. Providind Information Necessary for Directors to Execute the duties. 5. Evaluate and take out “Directors and Officers Liability Insurance” 6. Report to the Board of Directors the results of its review of whether the qualifications of independent directors at the time of nomination, election and term of office comply with relevant laws and regulations. 7. Handle matters related to the Company's industrial and commercial change registration. 8. Other matters as stipulated in the Company’s Articles of Incorporation or Contracts. <p>Continuing education for corporate governance supervisors in 2024:</p>	No significant difference.

			<table><tr><td>Date</td><td>Name of course</td><td>Course hour</td></tr><tr><td>2024/04/19</td><td>Independent Directors and Functional Committees</td><td>3 hours</td></tr><tr><td>2024/09/06</td><td>Seminar on Insider Shareholding Regulations for Listed and Emerging Stock Companies</td><td>3 hours</td></tr><tr><td>2024/11/19</td><td>Sustainability Committee and Chief Sustainability Officer Roundtable</td><td>3 hours</td></tr><tr><td>2024/12/05</td><td>How to Effectively Mitigate Cybersecurity Risks in Business Operations</td><td>3 hours</td></tr></table>	Date	Name of course	Course hour	2024/04/19	Independent Directors and Functional Committees	3 hours	2024/09/06	Seminar on Insider Shareholding Regulations for Listed and Emerging Stock Companies	3 hours	2024/11/19	Sustainability Committee and Chief Sustainability Officer Roundtable	3 hours	2024/12/05	How to Effectively Mitigate Cybersecurity Risks in Business Operations	3 hours	
Date	Name of course	Course hour																	
2024/04/19	Independent Directors and Functional Committees	3 hours																	
2024/09/06	Seminar on Insider Shareholding Regulations for Listed and Emerging Stock Companies	3 hours																	
2024/11/19	Sustainability Committee and Chief Sustainability Officer Roundtable	3 hours																	
2024/12/05	How to Effectively Mitigate Cybersecurity Risks in Business Operations	3 hours																	
V. Does the Company establish channels for communications with stakeholders (including but not limited to shareholders, employees, customers and suppliers), and set up a section for stakeholders at its official website with proper response to stakeholders on issues of corporate social responsibility for their concern?	✓	<table><tr><td colspan="3">The Company has set up employees, investors, communities, non-governmental organizations, customers and suppliers and other stakeholders services. The contact information has been put on the Company website as a communication channel between the Company and stakeholders.</td></tr><tr><td>Stakeholder</td><td>Important issues of concern</td><td>Communication channel and responses</td></tr><tr><td>Shareholders and investors</td><td>Operating performance Corporate governance Shareholders' equity</td><td><ul style="list-style-type: none">● Disclose the Company's financial performance regularly through the stock exchange website and annual report. Review and analyze operating conditions and data.● Hold Shareholders' Meetings on regular basis. Explain operating performance to investors and respond to related concerns.● Simultaneously publish important real-time information on the Market Observation Post System of the Taiwan Stock Exchange and the Company's website.● Set up an email address and contact numbers on the</td></tr></table>	The Company has set up employees, investors, communities, non-governmental organizations, customers and suppliers and other stakeholders services. The contact information has been put on the Company website as a communication channel between the Company and stakeholders.			Stakeholder	Important issues of concern	Communication channel and responses	Shareholders and investors	Operating performance Corporate governance Shareholders' equity	<ul style="list-style-type: none">● Disclose the Company's financial performance regularly through the stock exchange website and annual report. Review and analyze operating conditions and data.● Hold Shareholders' Meetings on regular basis. Explain operating performance to investors and respond to related concerns.● Simultaneously publish important real-time information on the Market Observation Post System of the Taiwan Stock Exchange and the Company's website.● Set up an email address and contact numbers on the	No significant difference.							
The Company has set up employees, investors, communities, non-governmental organizations, customers and suppliers and other stakeholders services. The contact information has been put on the Company website as a communication channel between the Company and stakeholders.																			
Stakeholder	Important issues of concern	Communication channel and responses																	
Shareholders and investors	Operating performance Corporate governance Shareholders' equity	<ul style="list-style-type: none">● Disclose the Company's financial performance regularly through the stock exchange website and annual report. Review and analyze operating conditions and data.● Hold Shareholders' Meetings on regular basis. Explain operating performance to investors and respond to related concerns.● Simultaneously publish important real-time information on the Market Observation Post System of the Taiwan Stock Exchange and the Company's website.● Set up an email address and contact numbers on the																	

					Company's website to set up a smooth communication channel for investors.	
			Community/ Non- Governmental Organization Services	Social engagement Environmental protection	<ul style="list-style-type: none"> ● Participation in social welfare activities ● Greenhouse gas inventory 	
			Customers	Customer relationship management Product quality	<ul style="list-style-type: none"> ● Customer satisfaction survey ● Daily Business Communication and Regular Meetings ● Adhering to customer requirements for products, environment, and responsibility: collaborating with customers on product, environmental, and responsibility requirements, audits, and cooperating in prevention and continuous improvement ● Product quality management 	
			Supplier	Supplier management	<ul style="list-style-type: none"> ● Regular supplier appraisal ● Monitoring of incoming inspection sampling according to GP standards 	
			Employee	Employee benefits measures Education training Performance evaluation Occupational health and safety	<ul style="list-style-type: none"> ● Establishment of employee communication and grievance channels and regular holding of labor-management meetings ● Implementation of comprehensive compensation and benefits systems to provide employees with fair treatment and rewards 	

					<ul style="list-style-type: none">● Regularly organize various educational training courses every year● Conduct performance appraisal annually● Obtained ISO 45001 Occupational Health and Safety Certification	
VI. Does the Company commissioned a professional investor service agent to handle matters pertinent to the Shareholders Meeting?	✓		The Company appointed Horizon Securities Co., Ltd. to handle affairs related to the shareholders' meeting.			No significant difference.
VII. Transparency of information						
(I) Does the Company establish a website for the disclosure of information on the financial position and business of the Company?	✓		The Company’s website: http://www.tradetools.com.tw Regularly update and maintain the financial business and corporate governance related information on the website.			No significant difference.
(II) Does the Company adopt other means of information disclosure (such as set up websites in English language, appointment of designated person to collect and disclose information for the Company, proper pursuit of the system of spokesman, and the upload the record on the entire process of institutional investors conferences to the Company website)?	✓		The Company designates a dedicated person to be responsible for the collection and disclosure of company information, and the spokesperson and acting spokesperson will speak on behalf of the Company to ensure that the information that may affect the decision-making of shareholders and interested parties can be disclosed in a timely and appropriate manner.			No significant difference.
(III) Does the Company disclose and declare its annual financial reports within two months after the end of the fiscal year, and declares its financial reports in Q1, Q2, and Q3, and the monthly business reports before respective deadlines at regular intervals?	✓		The Company's annual financial report cannot be announced in advance within two months after the end of the fiscal year due to internal operations. However, the Company's quarterly financial reports and monthly operating conditions are announced and reported on the day before the deadline stipulated by the competent authority.			Although there was a slightly different from the provisions of the Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, we still complete the declaration within the time limit stipulated by the law.

VIII. If there any important information that helps to under the pursuit of corporate governance of the Company (including but not limited to employee rights, employee care, investor relation, supplier relation, stakeholder right, continuing education of the Directors, risk management policy and risk assessment standard in action, customer policy in action, taking professional liability insurance for the protection of the Directors)?	✓	<ol style="list-style-type: none"> 1.The Company has always treated its employees with integrity, and established a good relationship with them through various welfare measures and education and training. 2.The Company holds shareholders' meetings every year following the Company Act and relevant laws and regulations, giving shareholders sufficient opportunities to ask questions and make proposals. Additionally, the Company has a spokesperson system to deal with shareholders' suggestions and doubts. The Company discloses company information honestly in accordance with laws and regulations to protect the basic rights and interests of investors and fulfill the corporate responsibilities to shareholders. 3.The communication channels between the Company and suppliers are smooth and the interaction is well. 4.The investment relationship, supplier relationship and the rights of interested parties are all implemented in accordance with the Company's internal control system and management measures. And in accordance with the relevant laws and regulations to fulfill the responsibility of the enterprise to the society. 5.The Company's Directors participate in corporate governance courses in accordance with regulations. The Company holds at least one Board Meeting every quarter. More than half of the Directors are present at each board meeting. 6.The implementation of risk management policies and risk measurement standards is based on job duties and responsibilities. In case of any special situation, it will be reported to the Board of directors at any time. The Company's Directors and Supervisors will attend the Board Meeting to evaluate and measure the risks of the Company's operations. In case of any special situation, it will be reported to the Board of directors at any time. The Company understands, analyzes and makes decisions on various major businesses. In addition, the Company has established a complete internal control system in accordance with relevant laws and regulations and implemented it effectively. Conduct risk assessments properly for major banks, customers and suppliers to reduce credit risks, and keep the seamless flow of communication channel. 7.Good communication with customers, and business units solve customers' problems at any time. 8.The Company has purchased liability insurance for Directors and. 	No significant difference.
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IX. Explain the corrective action taken in response to the evaluation result released by Corporate Governance Center of Taiwan Stock Exchange Corporation in the previous period, and special attention and additional effort on issues that needed to be addressed to at top priority: (Those who are not included in the rated company do not need to fill in)

The 2024 corporate governance evaluation results of the Company is listed as 6%-20% of TPEX listed companies. Considering the improvement of unscored items in the previous period and the new and revised indicators this year, the Company conducts self-assessment on the latest corporate governance evaluation indicators, and review the reasons for the discrepancies between the evaluation results and the self-evaluation. Furthermore, improve the unscored self-assessment items according to the degree of difficulty to meet the requirements of corporate governance.

The education and training of Directors in 2024:

Title	Name	Date of appointment	Date of study		Organizer	Name of course	Study hours	Whether the raining meet the regulation or not (Note 1)
			Date of course (Start)	Date of course (End)				
Chairman/ Representative of judicial person	Chiang, Kai-Liang	2022/05/30	2024/07/03	2024/07/03	TWSE	2024 Cathay Sustainable Finance and Climate Change Summit	6	Yes
Director	Chang, Ming-Hung	2022/05/30	2024/09/06	2024/09/06	TPEX	TPEX Listed Company and Emerging Stock Company Internal Equity Advocacy Presentation	3	Yes
			2024/10/04	2024/10/04	Taiwan Corporate Governance Association	Net-Zero Carbon Emissions Awareness Seminar	3	Yes
Director	Lin, Sheng-Cheih	2022/05/30	2024/03/28	2024/03/28	Certified Public Accountant of the Republic of China	Introduction to Corporate Control Dispute Cases and Legal Framework Analysis	3	Yes
			2024/09/03	2024/09/03	Taiwan Investor Relations Institute	Introduction to Sustainability Reports	3	Yes
Representative of judicial person	Chiang, Ming-Huang	2022/05/30	2024/08/12	2024/08/12	Accounting Research and Development Foundation	Practical Approaches to Corporate Fraud Investigation and Case Analysis	6	Yes
Independent director	Chen, Chun-Mao	2022/05/30	2024/11/01	2024/11/01	Securities& Futures Institute	Techniques for Directors and Supervisors to Interpret Financial Information	3	Yes
			2024/11/26	2024/11/26	Accounting Research and Development Foundation	Common Deficiencies in Financial Statement Reviews and Frequently Encountered Issues in Asset Acquisition and Disposal	3	Yes
Independent director	Liu, Te-Shou	2022/05/30	2024/11/06	2024/11/06	Accounting Research and Development Foundation	Practical Approaches to Corporate Fraud Investigation and Case Analysis	6	Yes

Independent director	Lin, Yun-Shan	2022/05/30	2024/04/16	2024/04/16	Taiwan Institute of Directors	Common Misunderstandings in Business Law and Their Real-World Example	3	Yes
			2024/07/03	2024/07/03	TWSE	2024 Cathay Sustainable Finance and Climate Change Summit	6	Yes

Note 1: Refer to whether it meets the number of training hours, training scope, training system, training arrangement, and information disclosure stipulated in the “Directions for the Implementation of Continuing Education for directors and supervisors of TWSE Listed and TPEX Listed Companies

The education and training of managers in 2024:

Title	Name	Date of study		Organizer	Name of course	Study hours
		Start	End			
Deputy general manager, CFO, and corporate governance manager	Wang, Cheng-Wen	2024/04/19	2024/04/19	Corporate Operating and Sustainable Development Association	Independent Directors and Functional Committees	3
		2024/06/13	2024/06/13	Accounting Research and Development Foundation	Latest Amendments to the “Regulations Governing the Establishment of Internal Control Systems by Public Companies” and Compliance Practices for Internal Audit and Control in Financial Reporting	6
		2024/07/09	2024/07/09	Accounting Research and Development Foundation	Latest ESG Regulatory Developments for Annual Report Preparation and Practical Analysis of Net-Zero Carbon Emission Impacts on Financial Reporting	6
		2024/09/06	2024/09/06	TPEX	TPEX Listed Company and Emerging Stock Company Internal Equity Advocacy Presentation	3
		2024/11/19	2024/11/19	Securities& Futures Institute	Sustainability Committee and Chief Sustainability Officer Roundtable	3
		2024/12/05	2024/12/05	Corporate Operating and Sustainable Development Association	How to Effectively Mitigate Cybersecurity Risks in Business Operations	3
Senior manager	Wang, Pei-Fang	2024/06/13	2024/06/13	Accounting Research and Development Foundation	Latest Amendments to the “Regulations Governing the Establishment of Internal Control Systems by Public Companies” and Compliance Practices for Internal Audit and Control in Financial Reporting	6
		2024/07/09	2024/07/09	Accounting Research and Development Foundation	Latest ESG Regulatory Developments for Annual Report Preparation and Practical Analysis of Net-Zero Carbon Emission Impacts on Financial Reporting	6

(IV) If the Company has established a Remuneration Committee, the composition, responsibilities and operation should be disclosed:

After a complete board of directors election by the shareholders' meeting on May 30, 2022, the members of the 5th Remuneration Committee were appointed by the board of directors on August 8, 2022.

1. Information on members of Remuneration Committee

March 31, 2025

April 1, 2024 Identity	Condition Name	Professional qualification and Work experience	Independence status	Number of public companies where the independent director also holds positions as the member of remuneration Committee	Remarks
Independent director Convenor	Chen, Chun-Mao	● Please refer to the disclosure of Directors and Independent directors on P.13 of the annual report.		—	Re-election on August 8, 2022
Independent director	Liu, Te-Shou			—	Newly-appointed on August 8, 2022
Independent director	Lin, Yun-Shan			—	Newly-appointed on August 8, 2022

2. Information on the operation of the Remuneration Committee:

(1) The Company's 5th Remuneration Committee consists of 3 members.

(2) Tenure of the 5th Remuneration Committee members: From August 8, 2022 ~ May 29, 2025.

The Remuneration Committee convened for 2 times (A) in the most recent year (2024) (A) .

The eligibility of the members and attendance to committee sessions of the members are specified below:

Title	Name	Actual frequency of attendance (B)	Frequency of attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convenor (Independent director)	Chen, Chun-Mao	2	0	100.00	Re-elected on August 8, 2022
Member (Independent director)	Liu, Te-Shou	2	0	100.00	Newly appointed on August 8, 2022
Member (Independent director)	Lin, Yun-Shan	2	0	100.00	Newly appointed on August 8, 2022

The operation of Remuneration Committee for 2024 is as follow:			
Date of the session	Content of the motions and follow-up action	Resolutions	Response of the Company to the opinions of the Remuneration Committee
The 5 th Remuneration Committee The 4 th meeting 2024/02/01	1. Discussing the amount of the annual chairman's year-end bonus for 2023. 2. Discussing the amount of the year-end bonus for executives in 2023. 3. Discussing the adjustment of content and amount of remuneration to managers.	Passed by all members in common consent.	After the chairman consulted the opinions of independent directors, all directors had no objection and passed the proposal in accordance with the recommendation of the Remuneration Committee, except for the directors who had recused themselves from the interests.
The 5 th Remuneration Committee The 5 th meeting 2024/03/11	1. Discussion on the remuneration distribution for managers of the Group in 2023.	Passed by all members in common consent.	After the chairman consulted the opinions of independent directors, all directors had no objection and passed the proposal in accordance with the recommendation of the Remuneration Committee, except for the directors who had recused themselves from the interests.
Additional information: I. If the board turned down or revised the recommendation of the Remuneration Committee, specify the date, session of the Board, the content of the motion, the resolution of the board and the response of the Company to the opinions of the Remuneration Committee (if the resolution on remuneration passed by the board is senior to the recommendation of the Remuneration Committee, explain the difference and the reason): None. II. If there is any adverse opinion or qualified opinion on record or in written declaration on the resolutions of the Remuneration Committee, specify the date, session of the committee meeting, content of the motion, opinions of all members and response to the opinions of the members: None.			

3. Responsibilities of Remuneration Committee

The Company's Remuneration Committee should exercise good faith and fulfill the following duties with due care, and submit its suggestions to the Board of directors:

- (1) Regularly review the Company' Remuneration Committee Charter and propose modify suggestions.
- (2) Formulate and regularly review the Company's policies, systems, standards and structures for performance evaluation and remuneration to directors and managers.
- (3) Regularly evaluate the achievement status of performance targets of directors and managers and formulate their individual remuneration content and amount.

(V) The advocacy of sustainable development and variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason:

Evaluation Item	Implementation Status			Deviations from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
I.Does the Company establish a governance structure to promote sustainable development, and set up dedicated (part-time) position to promote sustainable development, which is authorized by the board of directors to handle Senior Manager, and the board of directors supervises the situation?	✓		<p>At present, the chairman and of the Company cooperate with the heads of various departments to jointly review the Company's core competencies. The Company holds regular meetings and sets up taskforces according to different issues, identifies sustainable issues related to the Company's operations and stakeholders' concerns, and formulates goals and work guidelines. The Company reports the results of sustainable development and future work plans to the board of directors before the end of each year. The board of directors is responsible for the supervision of the Company's sustainable development strategy, goal formulation and review measures.</p> <p>On November 11, 2024, a report was presented to the board of directors regarding the implementation of sustainable development in 2024. The proposal included:</p> <ol style="list-style-type: none"> 1. Focusing on environmental protection issues, promoting greenhouse gas inventory, and continuously reducing carbon emissions. 2. Implementing workplace safety and creating a good working environment. 3. Implementing corporate governance and emphasizing on communication with stakeholders. 	No significant difference.

II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the company’s operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?	✓	<p>The Company's organizational structure for supervising, planning and implementing related risk management affairs include the general manager’s office, internal audit and each responsible unit. The Company formulates the following year's operational goals and directions every year, covering the risk assessment of environmental, social and corporate governance issues related to operations.</p> <table><tr><td>Major issues</td><td>Risk evaluation items</td><td>Policy on risk management</td></tr><tr><td>Environment</td><td>Environmental protection</td><td><ul style="list-style-type: none">● Passed ISO14001 Environmental Management System Certification.● Understanding carbon emissions through greenhouse gas inventory, identifying emission hotspots as evaluation basis for carbon reduction measures.</td></tr><tr><td>Society</td><td>Occupational health and safety in the workplace</td><td><ul style="list-style-type: none">● Regular employee health check-up.● Obtained ISO45001 Occupational Safety and Health Management Systems certification.● Regular implementation of occupational safety education and training courses to ensure a safe working environment for employees.</td></tr></table>	Major issues	Risk evaluation items	Policy on risk management	Environment	Environmental protection	<ul style="list-style-type: none">● Passed ISO14001 Environmental Management System Certification.● Understanding carbon emissions through greenhouse gas inventory, identifying emission hotspots as evaluation basis for carbon reduction measures.	Society	Occupational health and safety in the workplace	<ul style="list-style-type: none">● Regular employee health check-up.● Obtained ISO45001 Occupational Safety and Health Management Systems certification.● Regular implementation of occupational safety education and training courses to ensure a safe working environment for employees.	No significant difference.
Major issues	Risk evaluation items	Policy on risk management										
Environment	Environmental protection	<ul style="list-style-type: none">● Passed ISO14001 Environmental Management System Certification.● Understanding carbon emissions through greenhouse gas inventory, identifying emission hotspots as evaluation basis for carbon reduction measures.										
Society	Occupational health and safety in the workplace	<ul style="list-style-type: none">● Regular employee health check-up.● Obtained ISO45001 Occupational Safety and Health Management Systems certification.● Regular implementation of occupational safety education and training courses to ensure a safe working environment for employees.										

					<ul style="list-style-type: none"> ● Conducting regular maintenance and reporting of fire safety equipment according to regulations, and organizing regular fire safety drills to enhance colleagues' awareness of disaster prevention and response capabilities. 	
			Corporate governance	Socioeconomic, legal compliance, director capability enhancement	<ul style="list-style-type: none"> ● Implement internal control mechanisms to ensure that company's personnel and operations comply with laws and regulations. ● Plan training courses for directors to enhance the knowledge of the latest laws and regulations and systems. ● Periodic communications between CPAs and the and audit managers and independent directors to strengthen corporate governance. 	

III. Environmental issue				
(I) Does the Company establish proper environmental management system based on its industrial characteristics?	✓		<p>(I) The Company's "Production Cycle" of internal control system has formulated environmental protection safety and sanitation rules in the regulations. The Company complies with the "Labor Safety and Health Act", "Pollution Control Act", "Air Pollution Control Act", "Noise Control Act" and other related laws and regulations. The Company's China subsidiary obtained ISO14001(note 1) "environmental management system certification" and ISO45001 (Note1) "Occupational Safety and Health Management Systems" Subsidiaries in China conduct multi-faceted management for environment and occupational safety and comply with domestic environmental, safety and health regulations to reduce the operation risks related to environmental protection.</p> <p>(Note 1) Object imported ISO14001 and ISO45001: Xiangyang Tradetool Parts and Henan Baoheyuan</p> <p>The Company's product manufacturing process includes a cleaning process. The cleaning agent used in the process avoids using of domestically or internationally controlled substances, such as ozone depleting substances, and replacing those substances with other less toxic substances to reduce the impact on the environment, and lower the possibility of exposing the operators to hazardous chemicals. The related domestic sewage is sent to the sewage treatment plant through pipelines.</p>	No significant difference.
(II) Does the Company make effort in upgrading energy efficiency and using regenerated materials for mitigating the impact on the environment?	✓		<p>(II) In order to integrate and promote the Company's environmental protection, safety and sanitation, energy saving and other related work, we are committed to improving the utilization efficiency of various resources and reducing the negative impact on the environment. In terms of environmental safety and health, we are committed to becoming a sustainable development enterprise.</p>	No significant difference.

<p>(III) Does the Company assess the potential risk and opportunity to the enterprise bring about by climate change, and take appropriate measures in responding to climate change issues?</p>	<p>✓</p>	<ol style="list-style-type: none"> 1. The Company has set up recycling bins for resource classification. The Company also advocates the social responsibility of recycling to employees from time to time. 2. The Company also avoids the use of disposable culteries. 3. The waste oil generated during the operation of the machine is treated by a waste disposal company with a qualified license commissioned bt the Company before being disposed of. <p>(III) In the face of global climate risk issues, the Company's assessment of potential risks of climate change includes Rising price levels, which leads to an increase in raw material costs and production costs, extreme weather such as typhoons and floods, which cause operational interruptions, affect employees' lives, and supply interruptions from suppliers, greenhouse gas reduction and net-zero emission trends, which increase the company's operating costs. To reduce the aforementioned potential risks, the Company adopts the following adaption strategies, such as continuously monitoring climate-related legislative amendments status and trends, assessing potential impacts, developing response strategies and implementing solar photovoltaic systems to increase renewable energy and reduce the dependency on purchased electricity and promoting energy conservation and carbon reduction measures and development. Since 2018, the Company has voluntarily disclosed the status of carbon emissions and reviewed its carbon management capabilities. In 2021, the Company followed the ISO14064-1 standard procedures to conduct greenhouse gas inventory, data collection, and emission calculations in each factory, and passed the ISO14061-1 (Note 2) external verification company verification.</p> <p>(Note 2) The company obtained ISO14061-1 verification: Tradetool Auto Co., Ltd.(2021, 2022 and 2023) and Tan De Tech (2021).</p>	<p>No significant difference.</p>
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(IV) Does the Company keep statistical data on the greenhouse gas emission volume, water consumption capacity and weight of solid wastes in the past two years, and make policies of energy saving and carbon reduction, greenhouse gas reduction, efficient use of water or the management of solid wastes?	✓	<div>(IV) The Company's greenhouse gas emissions, water consumption and total waste weight in 2024 and 2023 are as follows:</div> <div>1. Greenhouse gas: The Company conducted a greenhouse gas emissions inventory. The greenhouse gas inventory of each factory in Taiwan (Tradetool Auto Co., Ltd. and Tan De Tech.) has passed the ISO14064-1 greenhouse gas inventory and SGS verification for 2021, and in 2023 the Company has been verified by SGS for third-party GHG verification to ensure the accuracy of the inventory data.</div> <div>Unit: tons</div> <table><tr><td>Item</td><td>2024</td><td>2023</td></tr><tr><td>Scope 1</td><td>350.99</td><td>385.86</td></tr><tr><td>Scope 2</td><td>5,194.43</td><td>5,405.63</td></tr><tr><td>Greenhouse gas emission intensity (Note 1)</td><td>4.4488</td><td>3.8129</td></tr></table> <div>The greenhouse gas emissions intensity of the Company in 2024 increased compared to 2023, mainly due to the revenue decline being larger than the reduction in emissions. The greenhouse gas reduction measures implemented by the Company include purchasing environmentally certified energy-saving equipment, using elevators only during shipment times; otherwise, stairs are utilized, installing LED energy-saving light tubes in office and factory ceiling lamps, using sunshade curtains in areas with direct sunlight to reduce solar radiation heat, turning off lighting fixtures in certain public areas during lunch and after work hours, promoting habits of turning off lights and unplugging devices when not in use, setting office air conditioning/heating to operate at 26 degrees Celsius or above and 16 degrees Celsius or below before activation, installing solar-powered lighting, promoting the digitization of processes to move towards a paperless office, reducing paper and toner usage, and gradually replacing fuel-powered</div>	Item	2024	2023	Scope 1	350.99	385.86	Scope 2	5,194.43	5,405.63	Greenhouse gas emission intensity (Note 1)	4.4488	3.8129	No significant difference.
Item	2024	2023													
Scope 1	350.99	385.86													
Scope 2	5,194.43	5,405.63													
Greenhouse gas emission intensity (Note 1)	4.4488	3.8129													

			<p>vehicles with electric vehicles for official use.</p> <p>To sustainably achieve the international reduction trend, based on technical, economic, and feasibility considerations, the Company's greenhouse gas reduction targets aim to decrease electricity intensity and increase the proportion of renewable energy by at least 1% each by 2025 (base on the 2021 as the baseline).</p> <p>2. Water consumption of the two years:</p> <p style="text-align: right;">Unit: tons</p> <table><tr><th>Item</th><th>2024</th><th>2023</th></tr><tr><td>Tap water consumption</td><td>22,311</td><td>22,665</td></tr><tr><td>Water density (Note 1)</td><td>17.8989</td><td>14.9219</td></tr></table> <p>The Company is committed to addressing water resource utilization issues by implementing daily water conservation practices. As a result, the water usage for 2024 decreased by 354 tons, representing a reduction of 2% compared to 2023. The significant decrease is mainly attributed to thorough the implementation of water resource reduction measures as follows:</p> <ul style="list-style-type: none">(1) Installing sensor-operated faucets in restroom sinks to conserve water resources.(2) Evaluating the reduction of watering for landscaping and plantings within the facility without compromising plant growth(3) Enhancing the 5S program within the facility to maintain cleanliness and reduce the frequency of cleaning, thus minimizing water usage. <p>Under the considerations of technical feasibility, economic viability, and practicality, the Company is striving to reduce water consumption. The Company' goal is to achieve a minimum reduction</p>	Item	2024	2023	Tap water consumption	22,311	22,665	Water density (Note 1)	17.8989	14.9219
Item	2024	2023										
Tap water consumption	22,311	22,665										
Water density (Note 1)	17.8989	14.9219										

			<p>of 1% by 2025, using 2021 as the baseline year.</p> <p>3. Total weight of waste for the two years: Unit: tons</p> <table><tr><th>Item</th><th>2024</th><th>2023</th></tr><tr><td>The total weight of non-hazardous waste</td><td>4,233</td><td>4,213</td></tr><tr><td>The total weight of hazardous waste</td><td>0</td><td>0</td></tr><tr><td>Non-hazardous waste density (Note 1)</td><td>3.3959</td><td>2.7737</td></tr><tr><td>Hazaraous waste density (Note 1)</td><td>0</td><td>0</td></tr></table> <p>(Note 1) The density is calculated based on the revenue (in thousands of dollars)</p> <p>(Note 2) The above data includes statistical information from subsidiary companies</p> <p>The Company is dedicated to environmental protection, emphasizing waste reduction, reuse, and proper disposal, and is certified through the ISO 14001 Environmental Management System. All waste generated during the manufacturing process is recycled without posing any environmental threats or generating any hazardous waste. The total weight of non-hazardous waste in 2024 showed little difference compared to the same period last year, while the intensity increased compared to 2023. This is primarily due to an 18% decline in revenue in 2024.</p> <p>The Taiwan companies within our Group signed a user waste (sewage) water commissioned treatment contract with the Industrial Development Bureau, Ministry of Economic Affairs. The process wastewater and domestic sewage generated by the factory are both discharged to the sewage discharge facilities. To meet the emission standard, the commissioner sends personnel to the Company’s factory to collect water samples for testing regularly.</p>	Item	2024	2023	The total weight of non-hazardous waste	4,233	4,213	The total weight of hazardous waste	0	0	Non-hazardous waste density (Note 1)	3.3959	2.7737	Hazaraous waste density (Note 1)	0	0
Item	2024	2023																
The total weight of non-hazardous waste	4,233	4,213																
The total weight of hazardous waste	0	0																
Non-hazardous waste density (Note 1)	3.3959	2.7737																
Hazaraous waste density (Note 1)	0	0																

IV. Social issues				
(I) Does the Company establish related policies and procedures in accordance with applicable legal rules and the International Conventions on Human Right?	✓		(I) In order to protect the rights and interests of all workers, the Company abides by the Labor Standards Act and related laws and regulations. The Company complies with various international human rights conventions such as the International Bill of Human Rights, The United Nations Global Compact, and the International Labor Organization Convention as the standards for internal management to safeguard the human rights of employees and discloses on the Company's website.	No significant difference.
(II) Does the Company establish and pursue reasonable employee benefit policies (including remunerations, leaves and other benefits), and reflect operation performance or result appropriated in the remuneration to employees?	✓		(II) The Company understands that the employees are the important assets of the company and provides a competitive overall salary system and multiple welfare measures. The relevant measures are as follows: 1. Employees' remuneration: The Company's Articles of Association has stipulated that if there are profits in the year, no less than 2% and no more than 10% should be allocated as employee remuneration. The Remuneration Committee is in charge of setting up and reviewing the performance evaluation and policies, systems, and standards on remuneration to directors and managers. 2. Employee welfare measures: The Company has set up an employee welfare committee, which is responsible for planning and providing various benefits for employees, such as marriage, childbirth, funeral subsidies, employee travel subsidies, and other welfare measures. 3. Workplace diversity and equality: In the Taiwan headquarters, the proportion of female employees in 2024 was 75%.	No significant difference.
(III) Does the Company provide a safe and healthy environment for the employees at workplace, and provided education on safety and health at regular intervals?	✓		(III) The Company and our affiliates provide good working environments and pay attention to employee safety and health education, and the relevant measures are as follows:	No significant difference.

			<ol style="list-style-type: none"> 1. During the new employee orientation, new employees are educated and trained on the working environment, safety regulations, etc. so they know more about the hazards and dangers that may occur in their working environment. For current employees, the factory sets up occupational safety and health training personnel to give occupational safety education training course regularly, to make sure that we provide a safe working environment for employees. 2. The factory complies with regulations by conducting regular maintenance and reporting of fire safety equipment, as well as holding periodic fire safety drills to enhance employees' awareness of disaster prevention and their ability to handle emergency situations. In 2024, there were no instances of fire throughout the entire group. 3. The Company and its affiliated companies have strict access control and are equipped with 24-hour guards. The Company implements regular security inspections to prevent illegal personnel from entering, and make sure the personal safety protection of each office area and factory. 4. For factory machinery and equipment, regular inspections are conducted to confirm that the relevant equipment is operating normally. Relevant operators are required to wear earplugs, goggles, gloves and steel-toed shoes to ensure work safety. A total of 5 occupational accidents occurred in the Company and its 	
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(IV) Does the Company establish effective career development planning and training program for the employees?	✓		<p>subsidiaries in 2024, accounting for 1.7% of the total number of employees in the group. When an accident occurs, an investigation team will be organized by the personnel of the environmental safety and relevant departments of each factory to discuss and review the cause of the accident and issue an accident investigation report. For occupational accidents, in addition to strengthening employee safety propaganda and education and training, protective fences are also added to areas where accidents occur for effective protection.</p> <p>5. The Company's subsidiaries China (Xiangyang Tradetools Parts and Henan Baoheyuan) have obtained ISO45001:2018 Occupational health and safety management systems certification.</p> <p>(IV)The Company plans an "education and training plan" every year according to the needs of employees' capabilities. The training courses include orientation training, professional capacity training, etc., to help employees improve their skills.</p>	No significant difference.
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<p>(V) Regarding customer health and safety, customer privacy, marketing and labeling of product and services, does the Company comply with applicable legal rules and international standards, and established the policies for the protection of consumer or customer rights and procedure for complaints?</p>	<p>✓</p>	<p>(V) The Company implements the IATF quality system to ensure quality and environmental protection. And the Company will carry out labeling and other operations according to customer's Green Products Standard(GP), to comply with relevant laws and regulations and international standards. The Company and its affiliates attach importance to the maintenance of customer relationship, and provide relevant operating procedures to handle customer complaints. We put emphasis on product quality and consumer rights, with written regulations on "Customer Complaint Handling Procedures" to try to solve and deal with customer complaints as soon as possible. If customers have comments or complaints, they can submit their opinions through the "Stakeholders Zone" on the Company's website. For accepted cases, the Company handles them in accordance with relevant regulations and procedures.</p>	<p>No significant difference.</p>
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<p>(VI) Does the Company establish policies for the management of suppliers and required suppliers to comply with applicable rules and regulations governing environmental protection, occupational safety and health, or human rights of the labor, and the pursuit of these policies?</p>	✓		<p>(VI)The Company maintains good interactive relationships with suppliers and safeguard the reasonable rights and interests of both parties on the basis of mutual trust and reciprocity. The Company established a "supplier management program" to ensure that the supplier's delivery date, quality and price meet the Company's needs. The materials entering the Company premises comply with national laws and regulations and the Company's own safety and health requirements. The Company has implemented procedures to require suppliers to provide certificates related to the environment; the transaction will be terminated if one fails to provide any certificate. When our factory purchases raw materials, we regularly obtain external inspection reports, SDS safety data sheets, etc. from suppliers. In this way, we can make sure the products do not contain hazardous ingredients. The relationship between the Company and suppliers upholds the principle of good faith and mutual benefit. Therefore, there is no mention in the contract of violating the relevant clauses of the corporate social responsibility policy. We will consider improving corporate social responsibility together by cooperating with suppliers at appropriate timing.</p>	No significant difference.
<p>V. Does the Company consult the internationally adopted standard or guide in compiling its Sustainability Report for disclosure of non-financial information on the Company? Has the aforementioned reports been accredited or guaranteed by a third party accreditation institution?</p>		✓	<p>The Company has prepared the 2024 Sustainability Report with reference to internationally recognized reporting standards. The report is currently still under preparation, and there are no plans at this stage to obtain external assurance or verification. The Company will disclose the implementation of advocating sustainability development.</p>	<p>The Company has not yet complied with the Code of Practice for Sustainable Development of Listed OTC Companies has not yet meet Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies. We will conduct reviews and constantly make improvement.</p>

<p>VI. If the Company has established the Sustainable Development Best Practice Principles in accordance with the “Sustainable Development Best Practice Principles for TWSE Listed and TPEx Listed Companies”, specify the variation between the practice and the principles: The Company adopted the Sustainable Development Best Practice Principles as approved by the board of directors on August 10, 2023, and subsequently reported to the shareholders' meeting on May 30, 2024. There are no significant differences between the company's sustainability practices and the principles set forth in the guidelines.</p>
<p>VII. Any other vital information that helps to under the pursuit of sustainability better: On November 11, 2024, the board of directors approved the establishment of the Sustainability Report Preparation and Assurance Procedures and the Sustainability Information Management Guidelines to support the Company's commitment to sustainable development.</p>

(Note) The execution status of climate-related information:

Item	Implementation Status
1. Please specify the supervision and governance by the board of directors and management regarding climate-related risks and opportunities.	<p>In response to the high level of uncertainty brought about by climate change, as well as the rapidly evolving policy and market environment, the Company actively incorporates climate-related factors into its corporate strategy and long-term action plans. This approach ensures that decision-making and operational planning can proactively address the challenges posed by climate change. The board of directors serves as the highest governance body for climate change oversight and governance, conducting an annual review of the impact of climate-related risks on operations and supervising the implementation and effectiveness of the Company's response measures.</p> <p>Although the Company has not yet established a dedicated sustainability unit, it places great importance on the potential risks and opportunities that climate change may pose to its operations. The General Manager's Office, in collaboration with department heads and staff, identifies climate-related risks and opportunities. The findings are compiled and submitted to the General Manager's Office for preliminary review. The consolidated report on climate-related risks and opportunities is presented annually to the board of directors by the chairman and the general manager to ensure the effectiveness of high-level decision-making and oversight.</p> <p>In addition, the Audit Committee regularly reviews the effectiveness of internal controls and climate risk management in accordance with the Sustainability Information Management Guidelines, thereby strengthening oversight and governance of climate-related risks and opportunities. Through a sound management mechanism, the company ensures that the management team considers the environmental and social impacts of its decisions while pursuing profitability, thereby promoting sustainable corporate development.</p>
2. Please specify how identified climate risks and opportunities will impact the business, strategy, and finances of the enterprise (short-term, medium-term, long-term).	<p>The Company assesses the potential impacts of climate-related risks and opportunities, conducts a comprehensive review of facility operations, and formulates corresponding solutions. These efforts aim to mitigate the operational and financial impacts of climate change and enhance the organization's climate resilience.</p> <p>By defining the short term as within 3 years, the medium term as 3 to 5 years, and the long term as over 5 years, and carefully assessing materiality intervals in collaboration with the Finance Department, the Company identifies and consolidates the potential operational and financial impacts of climate-related risks and opportunities. This approach serves as a basis for planning and implementing corresponding actions to address future climate-related risks and opportunities.</p>

Item	Implementation Status			
	Risk Categories and Opportunities	Short-term (within 3 years)	Medium-term (within 3 years)	Long-term (over 5 years)
	Physical Risks		<ul style="list-style-type: none"> Increasing severity of extreme weather events such as typhoons and floods 	
	Transition Risks	<ul style="list-style-type: none"> Greenhouse gas emissions cap and carbon tax/fee 	<ul style="list-style-type: none"> Governance risks under regulatory and policy uncertainty Pressure to retire and upgrade traditional infrastructure 	
	Opportunity	<ul style="list-style-type: none"> Efforts to reduce carbon emissions 	<ul style="list-style-type: none"> Development of low-carbon products and services Identification of climate risks within the company and supply chain 	
	<p>The Company has outlined climate-related risks and opportunities that could potentially impact financial performance, along with the strategies to mitigate or capitalize on them as follows:</p>			
	Period	Potential Financial Impact – / +		Countermeasures
	Short-term (within 3 years)	R: Greenhouse gas emissions cap and carbon tax/fee O: Efforts to reduce carbon emissions	If the emissions surpass the carbon fee limit, the Company will be required to pay carbon taxes or fees, thereby increasing operational expenditures. – To meet the emission reduction requirements, internal equipment upgrades and technological improvements are necessary, leading to increased costs. ° + Investing in solar panels and energy-efficient, environmentally certified equipment to enhance long-term energy efficiency and reduce operating costs.	<ul style="list-style-type: none"> Arrange for staff to pursue further studies and research, and discuss countermeasures with senior management. The rooftop of the Douliu plant has been leased for the installation of a solar power generation system, with a total generation capacity of 4.39 million kWh in 2024.
	Medium-term (within 3 years)	R: Increasing severity of extreme weather events such as typhoons and floods	– This may result in flooding of office areas and damage to related equipment, leading to increased maintenance expenses. – When assets incur irreparable damage, they must be retired in advance.	<ul style="list-style-type: none"> Require management units to clearly define their responsibilities and implement disaster prevention measures. Establish flexible remote work policies to reduce operational risks caused by extreme weather events.

Item	Implementation Status			
		<p>R: Governance risks under regulatory and policy uncertainty O: Identification of climate risks within the company and supply chain</p>	<p>— Frequent policy changes require the company to invest additional resources to ensure regulatory compliance, resulting in increased compliance costs — Failure to disclose on time may result in compliance risks, including fines or legal lawsuits, leading to increased operational costs. + Strengthening risk management helps reduce the company's insurance premiums, further decreasing risk-related expenses. + Accurately assessing and addressing supply chain climate risks helps improve supply chain stability, prevent production disruptions, and reduce operational costs.</p>	<ul style="list-style-type: none"> • Continuously monitor regulatory changes to ensure the company's operations comply with the latest regulatory standards. • Establish a comprehensive risk monitoring system with clear regulatory requirements and risk management procedures. ° • Continuously optimize internal control measures to ensure compliance with operational processes, and conduct regular audits and reviews to reduce potential governance risks. • Climate risks have been incorporated into the comprehensive risk assessment framework to ensure that factors such as climate change and extreme weather events are fully considered in overall risk management. °
		<p>R: Pressure to retire and upgrade traditional infrastructure O: Development of low-carbon products and services</p>	<p>— As traditional equipment ages, the frequency of system maintenance and repairs increases, leading to higher maintenance or replacement costs. — Upgrading old, energy-intensive equipment requires the company to invest additional capital expenditures to upgrade servers, office equipment, and other information services. + Expanding the low-carbon product line to meet market demand helps attract customers</p>	<ul style="list-style-type: none"> • Implemented measures include hardware maintenance warranties and upgrade plans, along with the proactive phasing out of outdated facilities to enhance system stability and performance. • To achieve industrial diversification, the company increased its investment in the green energy sector in 2024 and will actively promote the development of renewable energy to boost EPC project

Item	Implementation Status			
			<p>focused on carbon reduction goals, increasing market share.</p> <p>+ Investing in renewable energy projects, such as solar power installations, not only enhances the company's positive image but also generates stable revenue by selling excess power.</p> <p>+ Promoting circular economy products can reduce material usage and waste, thereby lowering long-term production costs.</p>	<p>revenue.</p> <ul style="list-style-type: none"> • The Company has added carbon emission criteria for new suppliers to select those that meet environmental standards. °
<p>3. Please specify the financial impact of extreme weather events and transition actions.</p>	<p>The financial impact of extreme weather events:</p> <p>In recent years, the increasing frequency of extreme weather events has gradually heightened the risks faced by businesses. Typhoons, floods, and other severe climate conditions may damage operational facilities and hinder employee commutes, thereby affecting both operations and attendance management. These events not only raise operational and repair costs, but—given the Company's office-based environment—may also prevent employees from reporting to work, potentially delaying the headquarters' ability to make timely operational decisions and resulting in revenue decline.</p> <p>To address these risks, the Company has evaluated and adopted several measures. Internally, management units are required to clearly define their responsibilities, ensure proper waterproofing of exterior balconies and various areas of the building, prevent water leakage and damage, and improve waterproofing systems. Additionally, flexible remote work policies have been established to ensure that employees can continue working remotely during extreme weather events, thereby reducing property losses and the risk of operational disruption.</p> <p>Through these preventive actions, the company aims to enhance its resilience against climate-related risks, mitigate financial impacts, and maintain stable business development. Failure to respond in a timely manner could lead to increased operating costs and heightened reputational risks.</p> <p>The financial impact of transition actions:</p> <p>From the perspective of transition risk, the Company must respond to changes in policies, regulations, and reputation brought about by the shift to a low-carbon economy. During the analysis period, notable factors include greenhouse gas emission caps and carbon taxes/fees, regulatory uncertainties, and the pressure to phase out or</p>			

Item	Implementation Status
	<p>upgrade traditional infrastructure. These challenges may lead to increased operational costs or reduced revenue. Governments around the world, including Taiwan, are progressively implementing greenhouse gas emission caps and establishing regulations related to carbon taxes, carbon fees, and carbon trading mechanisms, while also setting clear emission reduction targets. As a result, companies are facing increasingly stringent compliance requirements, leading to higher carbon emission costs. In addition, uncertainties in certain regulations and the influence of international political dynamics on climate and sustainability issues have made business decision-making more complex. This compels senior management to continuously adjust operational strategies, impacting both operational costs and market competitiveness. In response to tightening regulations, companies may need to accelerate the phase-out of high-emission equipment to mitigate carbon-related risks. Failure to do so could result in significantly higher carbon tax or carbon fee burdens. In summary, transition risks may lead to increased operational costs and pose challenges to market position and corporate reputation. If not addressed in a timely manner, these risks could further impact the company's financial stability and competitiveness.</p>
<p>4. Please specify how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.</p>	<p>The Company, under the leadership of the chairman and general manager, collaborates with all departments to develop a structured process for identifying and assessing climate-related risks and opportunities. This process is integrated into the Company's internal control system for sustainability information to enhance resilience in the face of climate change. The Company divides the overall assessment and management into four stages: analysis, identification, evaluation, and reporting. The execution process for each stage is as follows: by referencing domestic sustainability trends and the status of related industries, the company evaluates potential climate risks and opportunities under current operational conditions. Discussions are held to assess the scope and magnitude of the impact of each issue on the Company's operations. Each department conducts evaluations based on the nature of its operations, identifying relevant climate risks and opportunities the company may face. The collected information is then consolidated and subjected to cross-departmental communication and evaluation to identify material risks and opportunities for the Company.</p> <p>With reference to the TCFD (Task Force on Climate-related Financial Disclosures) framework, the Company conducts financial risk assessments on the identified risks and opportunities. It also takes stock of current mitigation measures already implemented. This process is designed to provide senior management with a comprehensive evaluation mechanism to establish performance indicators and goals aligned with the Company's operations.</p> <p>Finally, the General Manager's Office performs an overall assessment of the materiality of climate-related risks based on the impact and likelihood of each event. The results of this analysis are reported annually to the board of</p>

Item	Implementation Status
	directors to ensure that resource allocation aligns with the company's sustainability development strategy.
5. When using scenario analysis to assess resilience to climate change risks, the context, parameters, assumptions, analysis factors, and key financial impacts should be explained.	At present, the Company does not employ scenario analysis to assess resilience to climate change. The Company will consider incorporating it into its evaluation criteria based on its necessity in the future.
6. If there is a transformation plan in place to address and manage climate-related risks, describe the contents of that plan, as well as the indicators and objectives used to identify and manage physical and transition risks.	At present, the Company does not yet have a transformation plan in place to manage climate-related risks; however, such a plan will be considered for future inclusion based on necessity.
7. If internal carbon pricing is utilized as a planning tool, the basis for price determination should be explained.	At present, the Company has not adopted internal carbon pricing as a planning tool; however, it will consider incorporating it in the future based on necessity and in alignment with energy-saving and carbon-reduction initiatives.
8. If climate-related goals are set, the activities covered, greenhouse gas emission scopes, planning timelines, annual progress towards achievement, etc., should be explained. If carbon offsetting with Renewable Energy Certification(RECs) is used to achieve these goals, the sources and	At present, the Company has not set climate-related goals; however, it will consider incorporating them into future planning based on necessity.

Item	Implementation Status
quantities of offset carbon credits or the number of RECs should be detailed.	
9. Greenhouse gas inventory and assurance status, along with reduction targets, strategies, and specific action plans. (The relevant content are filled in Sections 1-1 and 1-2).	Please refer to the explanation in the table below.

1-1-1 Greenhouse Gas Inventory Information

Specify the greenhouse gas emissions (in tons of CO ₂ e), emission intensity (tons of CO ₂ e per million NTD), and the data coverage for the most past two years.
<p>1. The parent company entity shall begin conducting greenhouse gas inventories starting in 2025 and disclose the inventory information of the parent company entity in the annual report in 2026.</p> <p>2. Subsidiaries included in the consolidated financial statements shall begin conducting greenhouse gas inventories starting in 2026 and disclose the inventory information of the parent company entity in the 2027 annual report.</p> <p>The Company has established a greenhouse gas inventory mechanism in accordance with ISO 14064-1:2018, Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals, published by the International Organization for Standardization (ISO). Since 2021, the Company has conducted annual greenhouse gas inventories for both the parent company entity (Tradetool Auto Co., Ltd.) and its consolidated subsidiary (Tan De Tech Co., Ltd.), in order to comprehensively monitor greenhouse gas usage and emissions.</p> <p>Since 2021, the Company has conducted annual greenhouse gas inventories for both the parent company entity (Tradetool Auto Co., Ltd.) and its consolidated subsidiary (Tan De Tech Co., Ltd.), in order to comprehensively monitor greenhouse gas usage and emissions.</p> <p>Furthermore, the greenhouse gas inventory data for the past two years has been compiled based on the operational control approach. The data encompasses greenhouse gas emissions from both the parent company entity (Tradetool Auto Co., Ltd.) and its consolidated subsidiary under</p>

the financial report (Tan De Tech Co., Ltd.), as detailed below.

Item		2024		2023	
		Emissions (Tons of CO2e)	Emission Intensity (Tons of CO2e/NT\$ million in revenue)	Emissions (Tons of CO2e)	Emission Intensity (Tons of CO2e/NT\$ million in revenue)
Tradetool Auto Co., Ltd.	Scope 1 Direct greenhouse gas emissions	5.95		9.27	
	Scope 2 Energy indirect greenhouse gas emissions	19.85		19.28	
	Scope 3 Other indirect emissions	4.95		6.04	
	Subtotal	30.75		34.59	
Tan De Tech Co., Ltd.	Scope 1 Direct greenhouse gas emissions	245.45		254.01	
	Scope 2 Energy indirect greenhouse gas emissions	2,477.15		2,420.86	
	Scope 3 Other indirect emissions	7,128.02		8,746.91	
	Subtotal	9,850.62		11,421.78	
Total		11,456.37	7.93	9,881.37	7.54
Explanation:					
1. Direct greenhouse gas emissions (Scope 1: Direct emissions from sources owned or controlled by the company), Energy indirect greenhouse gas emissions (Scope 2: Indirect greenhouse gas emissions from the consumption of purchased electricity, steam, or heating) and other indirect emissions (Scope 3: Emissions generated by company activities that are not classified as energy indirect emissions but are instead sourced from emissions from other companies' owned or controlled sources.)					

2. The data for Tan De Tech Co., Ltd. in 2023 and 2024 are based on internal inventory results and have not yet been verified by an external party.

1-1-2 The greenhouse gas inventory assurance status for the past two years

Specify the assurance status for the past two years as of the annual report printing date, including the scope of assurance, the assurance provider, the assurance standards, and the assurance opinion.
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1. The parent company entity shall begin implementing assurance starting in 2026 and disclose the assurance information of the parent company entity in the 2027 annual report.

2. Subsidiaries under the consolidated financial statements shall begin implementing assurance starting in 2028 and disclose the assurance information of the parent company entity in the 2029 annual report.
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The Company discloses its total greenhouse gas emissions in Table 1-1-1. Since 2021, the Company has continuously implemented assurance. For 2023, the scope of assurance covered the parent company entity, Tradetool Auto Co., Ltd. (as the other subsidiaries are gradually implementing greenhouse gas inventory planning and therefore not disclosed at this time). The assurance was conducted by SGS (SGS TAIWAN LIMITED) in accordance with ISO 14064-3:2019. The assurance opinion complies with the reasonable assurance level recognized by the competent authorities. The Company will continue to implement greenhouse gas assurance, with the assurance work for 2024 expected to be conducted in September 2025.

1-2 Greenhouse gas inventory and assurance status for the past two years

Specify details on the baseline year for greenhouse gas reductions, including the corresponding data, reduction targets, strategies, specific action plans, and the progress made towards achieving the reduction targets.
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Not Applicable. Currently, the Company is an TPEx listed company with a capital of less than NT\$5 billion and has not yet reached the disclosure timeline required by the Financial Supervisory Commission. Therefore, the Company is not required to disclose the related information at this time. According to regulatory requirements, the baseline year for disclosure is no later than 2026, with the reduction targets, strategies, and specific action plans for 2027 to be disclosed, and subsequent updates will be provided in future years, including disclosure of the progress toward achieving the reduction targets for the previous year.

(VI) Practice of ethical corporate government and the variation with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies:

Items	The pursuit			Variation from the Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEx Listed Companies
	Yes	No	Summary explanation	
I. Establishment of the ethical corporate management policy and action plans				
(I) Does the Company make policies of ethical corporate management passed by the board, and explicitly stated the ethical corporate management policy and related action plans, and the commitment of the Board and the senior management in the proper pursuit of the ethical corporate management policy?	✓		(I) The Company has stipulated the "Corporate Governance Best Practice Principles", "Codes of Ethical Conduct" and "Integrity Management Operation Procedures and Guidelines for Conduct" which have been approved by the board of directors. The contents clearly set forth the ethical corporate management policies to advocate to the board of directors, management and employees, all of which can uphold the principle of integrity.	No significant difference.
(II) Does the Company develop the mechanisms for the assessment of the risk of unethical practices, and conducted analysis and assessed the kind of business activities vulnerable to the risk of unethical practices within the scope of operation at regular intervals, and mapped out the solution for preventing such practices covering at least the preventive measures as stated in Paragraph 2 under Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEx Listed Companies"?	✓		(II) The Company's "Corporate Governance Best Practice Principles" includes the preventive measures under Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEx Listed Companies". All employees are required to uphold the principle of faith when conducting business dealings, and suppliers or other partners are asked to engage in transactions with honesty. In the event of any failure to comply with the principle, the Company will immediately report and disclose it on the Company's website after verification.	No significant difference.

Items	The pursuit			Variation from the Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEx Listed Companies
	Yes	No	Summary explanation	
(III) Does the Company map out the solution for preventing unethical practices, and specified the operation procedures, code of conduct, penalty on violation and the system for complaints in the solutions, and properly implemented the plans with routine review and revision of the aforementioned solutions	✓		(III)The Company has formulated the related regulations, such as “Procedures for Ethical Management and Guidelines for Conduct”, “Measures for the Report on Illegal, Unethical and Dishonest Conducts” that dishonest behaviors, such as offering or taking bribes, engaging in fraud to make profit, and insider trading, are prohibited. The Company has set up a clear disciplinary system, and promote information to employees on a regular basis.	No significant difference.
II. Practice of ethical corporate management				
(I) Does the Company assess the record of integrity on the counterparties of trade, and explicitly stated the integrity clause in the contracts binding the counterparties and the Company?	✓		(I) The Company's trading partners have any records of dishonest behavior. The Company will perform due diligence and evaluation before engaging in transactions to avoid dishonest behavior that damages the Company's rights and interests.	No significant difference.
(II) Does the Company establish a designated body charged with the advocacy of business integrity under ethical corporate management on a regular basis (at least once a year) basis under the direct supervision of the Board, and report to the Board of the ethical corporate management policy and the plans for prevention of unethical practices with monitoring on the enforcement of the plans at regular intervals (at least once a year)?	✓		(II) The Company is currently a part-time unit that is responsible for promoting corporate ethical governance by the general manager's office. The auditing unit is responsible for supervising the implementation and reporting the implementation of integrity management to the board of directors once a year. It reported to the board of directors the 2024 implementation of ethical governance on November 11, 2024. The contents of implementation include:	No significant difference.

Items	The pursuit			Variation from the Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEX Listed Companies
	Yes	No	Summary explanation	
(III) Does the Company establish the policies for the prevention of the conflict of interest and appropriate channels for expression, and properly pursued these policies?	✓		<p>1. Promotion of Ethic Policy awareness and training.</p> <p>2. Establish an "Employee Opinion and Complaint Mailbox" for employees and related personnel to report any improper behaviors. In 2024, we did not receive any complaint.</p> <p>(III) The Company has set forth policies for the prevention of conflict of interest and provided appropriate channels to voice opinions and implement the policies strictly.</p> <p>1. The Company has expressly provided in the "Corporate Governance Best Practice Principles" and "Regulations Governing Procedure for Board of Directors Meetings" that directors, managers and other interested parties who attend or are present at the board meeting shall not use their positions in the Company to obtain improper benefits for themselves, their spouses, parents, children or others. Those who submit proposals on the board meeting agenda that may benefit themselves or the juridical person they represent which may cause harm to the interests of the Company may state their opinions and answer questions, but will not participate in discussion or voting.</p>	No significant difference.

			<p>2. The Company has expressly provided in the “Management of Employee Integrity” and “Social Responsibility and Business Ethics Management Regulations” that employees shall strictly abide by the code of conduct for recusing oneself to avoid conflict of interests.</p>	
<p>(IV) For the proper pursuit of ethical corporate management, has the Company established an effective accounting system and internal control system, with related audit plans designed by the internal audit function on the basis of the findings of the assessment on the risk of unethical practices basing on which audit on prevention of unethical practice will be conducted, or CPAs will be delegated for conducting the audit?</p>	✓		<p>(IV) The Company has set up effective accounting system and internal control system. The Company has no overseas accounts or secret accounts, and shall review the system at any time to ensure that the design and implementation of the system continue to be effective. The Company has established an audit unit under the Company's board of directors to perform internal audits. Auditors interview relevant personnel and collect relevant supporting materials when inspecting information related to integrity management. The Company appoints an accounting firm to conduct financial and tax compliance audit. Also, the Company conducts internal control tests for the Company to evaluate the effectiveness of the implementation of the internal control system.</p>	No significant difference.
<p>(V) Does the Company organize internal and external training on ethical corporate management at regular intervals?</p>	✓		<p>(V) The Company promotes employee integrity and asks employees to sign the "Employee Integrity Guarantee" during the employee orientation when they first join the Company, so the employees are able to understand more about the Company's ethical policies and complaint channels. A total of 4 hours of education and training on integrity management have been arranged in 2024.</p>	No significant difference.

<p>III. The functioning of the informing and complaint system of the Company</p>				
<p>(I) Does the Company establish the informing and complaint system and channels for facilitating informing and complaint, and appointed designated personnel to appropriately handle the personnel accused of unethical practice?</p>	✓		<p>(I) The Company has stipulated whistleblowing and reward measures in the “Anti-corruption and Bribery and Moral Improvement Measures”.</p> <p>Depending on the object of the whistleblowing, the General manager or the Director of the factory affairs department is the dedicated person in charge of handling whistleblowing. The Company has provided whistleblowing channels on the Company’s website. The identity of whistleblower and the contents of whistleblowing are kept confidential. For those who violate the ethical conduct, depending on the seriousness of the case, punishment or dismissal will be given in accordance with relevant laws or "Reward and Punishment Management Measures”, or deal with the whistleblowing through the court system.</p>	No significant difference.
<p>(II) Does the Company establish the standard operation procedure for processing reports and complaints, the actions to be taken after the investigation, and the mechanisms of confidentiality?</p>	✓		<p>(II) The Company has set up standard operating procedures for the investigation of reported matters and the follow-up measures to be taken after the investigation is completed and related confidentiality mechanisms in “Integrity Management Guidelines”.</p>	No significant difference.
<p>(III) Does the company take measures to protect whistleblowers from being improperly dealt with due to whistleblowing?</p>	✓		<p>(III) The Company has promised to protect the whistleblowers from being improperly treated due to the whistleblowing, which is stipulated in Article 21 of the “Procedures for Ethical Management and Guidelines for Conduct”.</p>	No significant difference.

Items	The pursuit			Variation from the Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEX Listed Companies
	Yes	No	Summary explanation	
IV. Improve information disclosure (I) Does the Company disclose the content of its Ethical Corporate Management Best Practice Principles and the result of implementation at its official website and MOPS?	✓		(I)The Company's website: http://www.tradetools.com.tw The Company has disclosed the content of our Ethical Corporate Management Best Practice Principle. No record on violation of ethical corporate management by the Company.	No significant difference.
V. If the Company has established its Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEX Listed Companies", specify the practice and variation from the principles: No significant difference.				
VI. Any other vital information that help to understand the practice of ethical corporate management better: (e.g.: review and revise the Ethical Corporate Management Best Practice Principles): Regularly arrange Directors to participate in relevant corporate governance courses to enhance their supervision and governance Capabilities. Improve the effectiveness of corporate governance and the implementation of honest management.				

(VII) Any other vital information that helps to understand the pursuit of corporate governance by the Company better: None

(VIII) Internal Control System Execution Status

1. Statement of Internal Control System

Tradetool Auto Co., Ltd.
Statement of Internal Control System



March 6, 2025

Based on the findings of a self-assessment, Tradetool Auto Co., Ltd. states the following with regard to its internal control system during the year 2024:

- I. Tradetool Auto Co., Ltd.'s board of directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with applicable rulings, laws and regulations.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and Tradetool Auto Co., Ltd. takes immediate remedial actions in response to any identified deficiencies.
- III. Tradetool Auto Co., Ltd. evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component also includes several items which can be found in the Regulations
- IV. Tradetool Auto Co., Ltd. has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations
- V. Based on the findings of such evaluation, Tradetool Auto Co., Ltd. believes that, on 31 December 2024, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations
- VI. This Statement is an integral part of Tradetool Auto Co., Ltd.'s annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law
- VII. This Statement was passed by the Board of directors in their meeting held on March 6, 2025, with none of the seven attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Tradetool Auto Co., Ltd.

Chairman: Chiang, Kai-Liang



General manager: Chang, Ming-Hung



2. If a CPA is appointed to conduct a dedicated audit on the internal control system, disclose the Auditor's Report: None.

(IX) Major resolutions of the shareholders' meetings and the board in the previous period to the date this report was printed:

Date	Major resolutions	Resolution result/Implementation status
2024/05/30	<p>Proposed resolutions:</p> <ol style="list-style-type: none"> 1. Adoption of 2023 Business Report and Financial Statements. 2. Adoption of the Proposal for 2023 Deficit Compensation. 	<p>The resolution has been approved.</p> <p>The resolution has been approved. In accordance with the resolution of the shareholders' meeting, legal reserves of NT\$16,614,332 and capital reserves of NT\$44,590,084 will be used to offset accumulated losses. Upon execution, the year-end accumulated earnings will be NT\$0.</p>

Date	Term of the board	Resolutions
2024/02/01	The 1 st meeting in 2024	<ol style="list-style-type: none"> 1. Approved (proposed by the Remuneration Committee) the amount of 2023 year-end bonus to the chairman. 2. Approved (proposed by the Remuneration Committee) the amount of 2023 year-end bonus to the managers. 3. Approved (proposed by the Remuneration Committee) the adjustment of the contents and amounts of remuneration to the managers, as submitted by the Remuneration Committee. 4. Approved (proposed by the Audit Committee) the Company's 2024 annual business plan and budget. 5. Approved (proposed by the Audit Committee) the amendment to the Company's "Rules of Procedure for board of directors Meetings". 6. Approved (proposed by the Audit Committee) the amendment to the Company's "Audit Committee Charter". 7. Approved (proposed by the Audit Committee) the amendment of the Company's "Risk Management Policies and Procedures". 8. Agreed (proposed by the Audit Committee) the endorsement guarantee case for Xiangyang Tradetool Automobile Parts Co., Ltd. and Henan Baoheyuan Auto Parts Co., Ltd.
2024/03/11	The 2 nd meeting in 2024	<ol style="list-style-type: none"> 1. Approved (proposed by the Remuneration Committee) the Company's 2023 remuneration to employees who are managers. 2. Approved (proposed by the Audit Committee) the Company's 2023 Statement of Internal Control System. 3. Approved (proposed by the Audit Committee) the Company's 2023 financial statement (Parent Only Financial Statements and Consolidated Financial Reports included) and the manuscript of Audit Report by an independent certified public accountant. 4. Approved (proposed by the Audit Committee) the Company's 2023 Business Report. 5. Approved (proposed by the Audit Committee) the Company's 2023 loss off-setting proposals. 6. Approved (proposed by the Audit Committee) the change of the company's internal audit supervisor. 7. Agreed (proposed by the Audit Committee) to add a new endorsement guarantee case for Hunan Baoyuan Automotive Parts Co., Ltd. 8. Financing through the Company's financial institutions. 9. Approved the dismissal of the manager of the Company's group. 10. Agreed the directors' and managers' liability insurance contract. 11. Agreed the proposal to convene the 2024 annual meeting of shareholders.

Date	Term of the board	Resolutions
2024/05/10	The 3rd meeting in 2024	1.Approved (proposed by the Audit Committee) the Company’s consolidated financial statements for the first quarter of 2024. 2.Approved (proposed by the Audit Committee) the endorsement/guarantee for Xiangyang Tradetool Automobile Parts Co., Ltd. and Henan Baoheyuan Auto Parts Co., Ltd.. 3.Approved (proposed by the Audit Committee) providing capital loan from the Company to its subsidiary, Xiangyang Tradetool Autotomobile Parts Co., Ltd and Hunan Baoyuan Automotive Parts Co., Ltd.. 4.Approved financing from financial institution.
2023/08/12	The 4 th meeting in 2024	1.Approved (proposed by the Audit Committee) the Company’s consolidated financial statements for the second quarter of 2024. 2.Approved (proposed by the Audit Committee) the addition of endorsement/guarantee for Xiangyang Tradetool Autotomobile Parts Co., Ltd., Henan Baoheyuan Auto Parts Co., Ltd. and Hunan Baoyuan Automotive Parts Co., Ltd.. 3.Approved (proposed by the Audit Committee) the capital loan to the subsidiary Xiangyang Tradetool Autotomobile Parts Co., Ltd.. 4.Approved (proposed by the Audit Committee) the assessment of independence and competence of the Company's CPAs for financial statement. 5.Approved (proposed by the Audit Committee) establishment of “approval of general principles in certified accounting firm non-assurance service policy in advance.” of the Company for 2024. 6.Discussion on the amendment of the “Procedures for Professional Accounting Judgment and the Management of Changes in Accounting Policies and Estimates.
2024/11/11	The 5 th meeting in 2024	1.Approved (proposed by the Audit Committee) the Company’s consolidated financial statements for the third quarter of 2024. 2. Approved (proposed by the Audit Committee) the Company’s audit plan for 2025. 3.Approved (proposed by the Audit Committee) the addition of endorsement/guarantee for Hunan Baoyuan Automotive Parts Co., Ltd.. 4. Approved (proposed by the Audit Committee) the capital loan to the subsidiary Xiangyang Tradetool Autotomobile Parts Co., Ltd.. 5.Approved (proposed by the Audit Committee) the amendment of the Company’s “Internal Audit Implementation Guidelines”. 6.Approved (proposed by the Audit Committee) the amendment of the Company’s “Regulations for the Management of Seal Usage”. 7. Approved (proposed by the Audit Committee) the amendment of the Company's “Approval Authority Matrix”. 8.Approved (proposed by the Audit Committee) the amendment of the Company's “Procedures for the Preparation and Assurance of the Sustainability Report”. 9. Approved (proposed by the Audit Committee) the amendment of the Company's “Corporate Governance Best Practice Principles”. 10. Approved (proposed by the Audit Committee) the amendment of the Company's “Procedures for the Preparation and Assurance of the Sustainability Report”.

Date	Term of the board	Resolutions
2025/01/23	The 1 st meeting in 2025	<p>1.Approved (proposed by the Remuneration Committee) the amount of the chairman's year-end bonus for 2024.</p> <p>2.Approved (proposed by the Remuneration Committee) the amount of the year-end bonus paid to managers in 2024.</p> <p>3.Approved (proposed by the Remuneration Committee) the adjustment of the content and amount of the manager's remuneration.</p> <p>4.The Company's 2025 annual business plan and budget (proposed by the Audit Committee) was not resolved during this meeting and will be presented for resolution at the next meeting of the board of directors.</p> <p>5. Approved (proposed by the Remuneration Committee) the appointment of the Company's internal audit head.</p> <p>6.Approved the dismissal of the manager of the Company's group.</p>
2025/03/06	The 2 nd meeting in 2025	<p>1.Approved (proposed by the Remuneration Committee) the employee remuneration for the 2024 annual manager of the Group.</p> <p>2.Approved (proposed by the Remuneration Committee)the definition and scope of the Company's grassroot employees.</p> <p>3.The Company's 2025 annual business plan and budget (proposed by the Audit Committee).</p> <p>4. Approved (proposed by the Audit Committee) the Company's 2024 Statement of Internal Control System.</p> <p>5.Approved (proposed by the Audit Committee) the Company's 2024 annual financial statements (including individual financial reports and consolidated financial reports) and the draft of the accountant's audit report.</p> <p>6.Approved (proposed by the Audit Committee) the Company's 2024 annual business report.</p> <p>7.Approved (proposed by the Audit Committee) the Company's 2024 annual loss appropriation case.</p> <p>8.Approved (proposed by the Audit Committee) the amendment of the Company's "Articles of Incorporation".</p> <p>9.Approved (proposed by the Audit Committee) the Company's re-election of directors.</p> <p>10.Approved (proposed by the Audit Committee) lifting the non-compete restrictions on the newly appointed director.</p> <p>11.Approved the directors' and managers' liability insurance contract.</p> <p>12. Approved the proposal to convene the 2025 annual meeting of shareholders.</p> <p>13. Approved the Nominee list of candidates for 7 board seats (including 3 independent directors) to be elected at the 2025 annual general meeting of shareholders.</p>

(X) Adverse opinions from the Directors or Supervisors over the resolutions of the board on record or in written declaration, in the previous period to the date this report was printed, and the summary of the content: None.

IV. Information on Fee for CPAs Service

Unit: NTD(in thousands)

Name of CPA firm	Name of CPA	CPA Audit period	Auditing fee	Non-auditing fee (Note)	Total	Remarks
EY	Huang, Tzu-Ping Tu, Ching-Yuan	2024/01/01~2024/12/31	1,248	435	1,683	-

(Note) : The non-auditing fee refers to tax compliance audit fees and English translation fees.

(I) If the accounting firm was replaced and if the audit fees paid for the fiscal year in which such replacement took place are lower than those for the previous year: None.

(II) If the auditing fee reduced by more than 10% from the same period of the previous year: None.

V. Information on Replacement of CPAs : None.

VI. In Case where the Chairman, General Manager or Manager Responsible for Financial or Accounting Matters of the Company, who has Worked for the Firm of the CPA or its Affiliated Companies in the Most Recent Year: None.

VII. Transfer of Shareholding and Pledge of Shareholding by Directors, Supervisors, Managers and Shareholders Holding More Than 10 Percent of the Shares During the Latest Year and up to the Date of Printing of the Annual Report

(I) Changes in shareholding of Directors, Supervisors, managers, and major shareholders

Unit: Shares

Title	Name	2024		From 2025 as of March 31	
		Holding Increase (Decrease)	Pledged Holding	Holding Increase (Decrease)	Pledged Holding
			Increase (Decrease)		Increase (Decrease)
Chairman	Fu Ya Enterprise Co., Ltd.	(926,000)	0	0	0
	Representative: Chiang, Kai-Liang	0	0	0	0
Director	Chang, Ming-Hung	0	0	0	0
Director	Lin, Sheng-Chieh	0	0	0	0

Title	Name	2024		From 2025 as of March 31	
		Holding Increase (Decrease)	Pledged Holding	Holding Increase (Decrease)	Pledged Holding
			Increase (Decrease)		Increase (Decrease)
Director	Ai Po Technology Co., Ltd.	926,000	0	0	0
	Representative: Chiang, Ming-Huang	0	0	0	0
Independent director	Chen, Chun-Mao	0	0	0	0
Independent director	Liu, Te-Shou	0	0	0	0
Independent director	Lin, Yun-Shan	0	0	0	0
General manager	Chang, Ming-Hung	0	0	0	0
Deputy general manager	Wang, Cheng-Wen	0	0	0	0
Deputy general manager	Lin, San-Hsii(Note 1)	0	0	0	0
Deputy general manager	Tseng, Wu-Chin(Note 2)	0	0	0	0
Deputy general manager	Dong, Kan	0	0	0	0
Senior manager	Wang, Pei-Fang	0	0	0	0
General manager of subsidiary	Li, Chao-Pei	(147,000)	0	(24,000)	0
Major shareholders	Fu Ya Enterprise Co., Ltd.	(926,000)	0	0	0
Major shareholders	Ai Po Technology Co., Ltd.	926,000	0	0	0

Note 1: Lin, San-Hsii resigned on 31 March 2024.

Note 2: Tseng, Wu-Chin retired on 31 January 2025

(II) Directors, Supervisors, managers, and major shareholders' shares trading with Related Parties: None.

March 31, 2025 Unit: Shares

Name	Reason for transfer	Date of transaction	Counterparty	Relationship between the counterparty and the Company, directors supervisors, managers, and major shareholders	Shares	Trading Price
Fu Ya Enterprise Co., Ltd.	Punishment	April 12, 2024	Ai Po Technology Co., Ltd.	The chairman of the board of directors is the same person	(926,000)	20.03
Ai Po Technology Co., Ltd.	Acquire	April 12, 2024	Fu Ya Enterprise Co., Ltd.	The chairman of the board of directors is the same person	926,000	20.03

(III) Directors, Supervisors, managers, and major shareholders' shares pledge with Related Parties: None

VIII. The Top 10 Shareholders by Proportion of Shareholding are Related Parties, Spouse, Kindred within the 2nd Tier to One Another

March 31, 2025 Unit: Shares

Name	Current Shareholding		Spouse & Minors Shareholdings		Shares Held in the Name of a Third Party		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Title (or Name)	Relation	
Fu Ya Enterprise Co., Ltd. Representative: Chiang, Ming-Huang	17,418,076	21.89%	—	—	—	—	Ai Po Technology Co., Ltd. Chiang, Kai-Liang	The same chairman. Supervisor	—
Ai Po Technology Co., Ltd. Representative: Chiang, Ming-Huang	17,418,076	21.89%	—	—	—	—	Fu Ya Enterprise Co., Ltd. Chiang, Kai-Liang	The same Chairman. Supervisor	—
Hsu, Jih-Hsin	3,516,000	4.42%	162,000	0.20%	—	—	—	—	—
Shengyi Investment Co., Ltd. Representative: Wang, Wei-Si	1,798,000	2.26%	—	—	—	—	—	—	—
Chen, Wen-Tang	1,716,000	2.16%	—	—	—	—	—	—	—
Li, Chao-Pei	1,316,000	1.65%	66,000	0.08%	—	—	—	—	—
Hong, Su-Zhen	1,106,000	1.39%	—	—	—	—	—	—	—
Li, Chung-Chun	721,363	0.91%	—	—	—	—	—	—	—
Chiang, Ke-Pei	533,000	0.67%	—	—	—	—	—	—	—
Chiang, Kai-Liang	528,000	0.66%	—	—	—	—	Chiang, Ming-Huang	First-degree relative	—

IX. The Quantity of Shares Issued by Particular Investee Company Held Jointly by the Directors, Managers, and Direct or Indirect Controlled Entity of the Company, and the Proportion of Shares Under Joint Holding

March 31, 2025 Unit: thousand shares; %

Affiliated Enterprise (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Tan De Tech	12,918	36.91%	4,266	12.18%	17,184	49.09%
Jeng Shiang Samoa	50	100.00%	—	—	50	100.00%
Ching Way Anguilla	2,069	100.00%	—	—	2,069	100.00%
Success Horizon Global	10,682	100.00%	—	—	10,682	100.00%
Tradetool Green Energy	1,798	58.00%	233	7.50%	2,031	65.50%
Yuan Jie Photovoltaics	1,100	55.00%	—	—	1,100	55.00%
Suzhou Tradetool	—	—	—	100.00%	—	100.00%
Xiangyang Tradetool Parts	—	—	—	100.00%	—	100.00%
Hunan Baoyuan	—	—	—	51.00%	—	51.00%
Henan Baoheyuan	—	—	—	51.00%	—	51.00%
Kaifeng Shengfayuan	—	—	—	100.00%	—	51.00%
Tradetool Green Energy (Thailand)	900	100.00%	—	—	900	100.00%

Note: The Company adopted investment under equity method.

Chapter III. Status of Fundraising

I. Capital Stock and Shares

(I) Sources of capital

1. History of share capital formation

March 31, 2025 Unit: 1,000 shares/ NTD (in thousands)

Month, year	Offering price (NTD)	Authorized capital		Paid-in capital		Remark		
		Quantity of shares	Amount	Quantity of shares	Amount	Sources of capital	Non-cash investment in kind	Others
September, 1983	10	100	1,000	100	1,000	Share capital established	None	—
August, 1986	10	280	2,800	280	2,800	Cash capital increase of NTD1,800 thousands	None	—
June, 1988	10	500	5,000	500	5,000	Cash capital increase of NTD2,200 thousands	None	—
August, 1988	10	1,500	15,000	1,500	15,000	Cash capital increase of NTD10,000 thousands	None	—
May, 2005	10	3,300	33,000	3,300	33,000	Cash capital increase of NTD18,000 thousands	None	Note 1
August, 2005	10	20,000	200,000	5,100	51,000	Cash capital increase of NTD18,000 thousands .	None	Note 2
August, 2005	13.48	20,000	200,000	8,954	89,539	Cash capital increase of NTD38,539 thousands .	None	Note 3
March, 2006	10	20,000	200,000	9,277	92,767	Cash capital increase of NTD2,648 thousands . Capitalization of capital reserve into new shares amounting to NTD580 thousands .	None	Note 4
September, 2006	11	20,000	200,000	10,286	102,858	Cash capital increase of NTD10,091 thousands .	None	Note 5
December, 2006	11.25	40,000	400,000	26,586	265,858	Cash capital increase of NTD163,000 thousands	None	Note 6
December, 2007	20	40,000	400,000	30,086	300,858	Cash capital increase of NTD35,000 thousands	None	Note 7
August, 2008	22	40,000	400,000	32,086	320,858	Cash capital increase of NTD20,000 thousands	None	Note 8
July, 2009	12.50	40,000	400,000	33,686	336,858	Cash capital increase of NTD16,000 thousands	None	Note 9
May, 2010	31.70	50,000	500,000	35,886	358,858	Private placement of cash capital increase of NTD22,000 thousands	None	Note 10
August, 2010	10.5	50,000	500,000	36,286	362,858	Conversion of employee share options into ordinary shares amounting to NTD4,000 thousands	None	Note 11
October, 2010	10.48	50,000	500,000	37,541	375,408	Conversion of employee share options into ordinary shares amounting to NTD12,550 thousands	None	Note 12
December, 2010	25.5	50,000	500,000	41,058	410,578	Cash capital increase of NTD35,170 thousands	None	Note 13

Month, year	Offering price (NTD)	Authorized capital		Paid-in capital		Remark		
		Quantity of shares	Quantity of shares	Sources of capital	Sources of capital	Sources of capital	Non-cash investment in kind	Others
December, 2011	10	50,000	500,000	40,249	402,488	Reducing capital of NTD8,090 thousands through cancellation of treasury shares	None	Note 14
October, 2013	10	50,000	500,000	40,449	404,488	Capitalization of restricted employee rights into new shares amounting to NTD2,000 thousands	None	Note 15
July, 2014	10	50,000	500,000	40,449	404,488	Reducing capital of NTD400 thousands on cancellation of new shares with restricted staff rights recovered	None	Note 16
October, 2014	13.39	80,000	800,000	60,409	604,088	Private placement of cash capital increase of NTD200,000 thousands	None	Note 17
May, 2015	24.32	80,000	800,000	80,000	800,000	Private placement of cash capital increase of NTD195,912 thousands	None	Note 18
May, 2016	10	200,000	2,000,000	80,000	800,000	Raising authorized capital of NTD2,000,000 thousands	None	Note 19
April, 2017	10	200,000	2,000,000	79,995	799,950	Reducing capital of NTD50 thousands on cancellation of new shares with restricted staff rights recovered	None	Note 20
July, 2017	10	200,000	2,000,000	79,990	799,900	Reducing capital of NTD50 thousands on cancellation of new shares with restricted staff rights recovered	None	Note 21
January, 2022	10	200,000	2,000,000	79,574	795,740	Reducing capital of NTD4,160 thousands through cancellation of treasury shares	None	Note 22

Note 1: Approved under Ministry of Economic Affairs, 20th June 2005, Letter No. 09432297020

Note 2: Approved under Ministry of Economic Affairs, 18th August 2005, Letter No. 09432687300

Note 3: Approved under Ministry of Economic Affairs, 2nd September 2005, Letter No. 09432755650

Note 4: Approved under Ministry of Economic Affairs, 1st May 2006, Letter No. 09532114370

Note 5: Approved under Ministry of Economic Affairs, 18th October 2006, Letter No. 09533004320

Note 6: Approved under Ministry of Economic Affairs, 5th January 2007, Letter No. 09631500670

Note 7: Approved under Ministry of Economic Affairs, 18th February 2008, Letter No. 09731736130

Note 8: Approved under Central Taiwan Science Park, 5th September 2008, Letter No. 0970017347

Note 9: Approved under Central Taiwan Science Park, 22nd July 2009, Letter No. 0980014652

Note 10: Approved under Ministry of Economic Affairs, 11th May 2010, Letter No. 09932026690

Note 11: Approved under Ministry of Economic Affairs, 23rd August 2010, Letter No. 09932487000

Note 12: Approved under Ministry of Economic Affairs, 22nd October 2010, Letter No. 09932744820

Note 13: Approved under Ministry of Economic Affairs, 23rd December 2010, Letter No. 09933010400

Note 14: Approved under Ministry of Economic Affairs, 19th December 2011, Letter No. 10032873780

Note 15: Approved under Ministry of Economic Affairs, 8th October 2013, Government Grant No. 10208452720

Note 16: Approved under Ministry of Economic Affairs, 17th July 2013, Government Grant No. 10307611500

Note 17: Approved under Ministry of Economic Affairs, 8th October 2014, Letter No. 10301205080

Note 18: Approved under Ministry of Economic Affairs, 13th May 2015, Letter No. 10401087220

Note 19: Approved under Ministry of Economic Affairs, 16th May 2016, Letter No. 10501096230

Note 20: Approved under Ministry of Economic Affairs, 13th April 2017, Letter No. 10601046100

Note 21: Approved under Ministry of Economic Affairs, 18th July 2018, Letter No. 10601097340

Note 22: Approved under Ministry of Economic Affairs, 17th January 2022, Letter No. 11101006620

2.Type of Stock

March 31, 2025 Unit: share

Share Type	Authorized share capital			Remark
	Issued Shares (Note)	Unissued shares	Total Shares	
Registered ordinary shares	79,574,000	120,426,000	200,000,000	Of which 3,000,000 shares were reserved for the conversion of subscription warrants, preferred shares featured subscription warrants, or corporate bonds featured subscription rights.

Note: The shares are listed at TPEX.

3. Information on the Shelf Registration System: Not applicable.

(II) List of Substantial Shareholders:

March 31, 2025 Unit: share

Names of Substantial Shareholders	Shareholdings	Shares	Percentage
Fu Ya Enterprise Co., Ltd.		17,418,076	21.89%
Ai Po Technology Co., Ltd.		17,418,076	21.89%
Hsu, Jih-Hsin		3,516,000	4.42%
Shengyi Investment Co., Ltd.		1,798,000	2.26%
Chen, Wen-Tang		1,716,000	2.16%
Li, Chao-Pei		1,316,000	1.65%
Hong, Su-Zhen		1,106,000	1.39%
Li, Chung-Chun		721,363	0.91%
Chiang, Ke-Pei		533,000	0.67%
Chiang, Kai-Liang		528,000	0.66%

(III) Status of the Company's Dividend Policy and Implementation

1. Dividend policy:

In accordance with Article 26-1 of the Company's Articles of Incorporation, if there is any surplus in the annual balance of the Company, it shall first be set aside for tax purposes to cover accumulated tax losses, and then 10% shall be appropriated as legal reserve, except when the legal reserve has reached the amount of the Company's paid-in capital. The Board of directors shall prepare an appropriation of earnings for distribution to the shareholders if there is any unappropriated earnings at the beginning of the period, and shall distribute the earnings in accordance with the Company's business situation and legal requirements.

The amount of dividends to be distributed is determined based on the Company's current year's earnings and accumulated retained earnings from previous years, taking into account the Company's profitability, capital structure and future operating requirements; Dividends will be paid in the form of stock dividends or cash dividends, depending on factors such as capital requirements and the dilution of earnings per share, and will be distributed at a rate of 10% to 80% of distributable earnings for the year, with cash dividends paid at a rate of no less than 20% of the amount of dividends paid for the year.

The aforementioned dividend distribution ratio is only a guideline in principle. The Company may determine the appropriate dividend policy based on the actual operating conditions of the year and take into account the capital budget planning for the following year.

2. Circumstances of the proposed distribution of dividends at the Shareholders' Meeting:

The Company's net loss after tax for 2024 was NTD41,905,282. Pursuant to Article 26-1 of the Company's Articles of Association, after adding in unappropriated retained earnings and deducting deficit yet to be compensated – at the beginning of 2024 NTD0 and the deficit to be compensated become NT\$41,905,282. It is proposed to cover the accumulated loss with in a capital surplus of NT\$41,905,282. The loss to be made up after execution is NTD0. No dividend will be distributed this time.

3. Material changes expected to be made to the dividend policy: Not applicable.

(IV) The influence of the stock dividend proposed to this session of the Shareholder Meeting for release on the operation performance and earnings per share of the Company: Not applicable.

(V) Remunerations to employees, Directors and Supervisors:

1. The percentage and scope of remunerations to the employees, Directors and Supervisors of the Company as stated in the Articles of Incorporation:

If the Company has a profit for the year, it shall contribute not less than 2% and not more than 10% to the remuneration to the employees and not more than 3% to the remuneration to the Directors and Supervisors. However, the Company shall appropriate for covering carryforwards loss, where applicable. The aforementioned employees are paid in shares or cash, including employees of subsidiaries who meet certain criteria.

2. The basis for estimating the amount of remuneration to employees, Directors and Supervisors for the period, the basis for calculating the number of shares for remuneration to employees distributed in shares and the accounting treatment if the actual amount distributed differs from the estimated amount.

The company had net loss after tax in 2024, therefore, the employees' and directors' reward has not been estimated. If there is a difference between the actual distribution amount and the estimated amount, it will be dealt according to the change in accounting estimate, and it will be adjusted and recorded in the current year of the resolution of the shareholders' meeting.

3. Circumstances of distribution of remuneration approved by the Board:

(1) Amount of remuneration to employees and remuneration to Directors and Supervisors distributed in cash or shares:

The company had net loss after tax in 2024, therefore, the board of directors decided to make up for the loss first, and not to pay employees' and directors' reward.

(2) Amount of remuneration to employees distributed in shares and its proportion to the aggregate of the parent only or individual financial statements after tax and total remuneration to employees for the period: Not applicable.

4. The actual distribution of remuneration to employees, Directors and Supervisors in the previous year (including the number of shares distributed, the amount and the price of the shares), the difference between the distribution and the recognition of remuneration to employees, Directors and Supervisors, and the amount of the difference, the reasons for the difference and the treatment of the difference: None.

(VI) Buy-back of Treasury Stock: None.

II. Corporate Bonds

Not applicable.

III. Preferred Shares

Not applicable.

IV. Overseas Depository Receipts

Not applicable.

V. Employee Stock Option

(I) Status of the Company's outstanding employee share options and the impact on shareholders' equity: None.

(II) Names of managers and top ten employees who have acquired employee share options cumulatively as at the date of printing of the annual report and the status of acquisition: None.

VI. Restrictions on the Issue of New Shares of Employee Rights

None.

VII. Merger or Acquisition of Shares in Other Companies for the Issue of New Shares

None.

VIII. Information on the Implementation of the Capital Utilization Plan

None.

Chapter IV. Operational Highlights

I. Business Content

(I) Business scope

1. Main areas of business operations

The Company's business content is recorded as follows according to the information registered by the Ministry of Economic Affairs:

C805050 Industrial Plastic Products Manufacturing

CC01040 Lighting Equipment Manufacturing

CC01080 Electronics Components Manufacturing

CC01110 Computer and Peripheral Equipment Manufacturing

CC01120 Data Storage Media Manufacturing and Duplicating

CE01030 Optical Instruments Manufacturing

CQ01010 Mold and Die Manufacturing

CD01030 Motor Vehicles and Parts Manufacturing

CD01040 Motorcycles and Parts Manufacturing

F113020 Wholesale of Electrical Appliances

F119010 Wholesale of Electronic Materials

F401010 International Trade

I501010 Product Designing

F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories

IG02010 Research and Development Service

H201010 Investment

ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Revenue distribution

Unit: NTD (in thousands)

Item \ Year	2024	
	Amount	Percentage (%)
Metal stamping parts	669,204	53.69
Injection Parts	394,965	31.69
Tooling	79,910	6.41
Construction	76,633	6.15
Headlight	13,475	1.08
Others	12,312	0.98
Total	1,246,499	100.00

3. The Company's current products and items

The main business items of the Company are the manufacturing and sales of automotive optics parts such as the light guide plates, frames, auto motive LENSs, automotive lamp assembly, and welding parts, the development and sales of relevant tooling and the installation of self-use renewable energy generation equipment and related operation and maintenance services.

4. New products development

Our company's main technology in optical injection parts is optical design and mechanism design combined with ultra-finishing molds and precision injection. We have successfully developed lamps such as externally mounted and built-in bicycle headlights, automobile and motorcycle headlights, daytime running lights, signal lights. And by strengthening cooperation with domestic and foreign customers to jointly develop and establish basic technical capabilities with various experimental testing institutions, we will strengthen the company's research and development capabilities, enhance our optoelectronic technology capabilities and product development service capabilities, and become a car lamp with differentiated products and competitive advantages. supplier. In the future, we will continue to develop and promote innovative lighting technologies to the major global bicycle brands, automobile market, motorcycle market, etc. In terms of metal stamping parts, automotive metal stamping parts continue to optimize material reduction and strengthen the welding process of high-strength steel plates to cope with the environment of the mainland auto market.

(II) Industry overview

1. Industry overview and development

(1) Automotive industry main development:

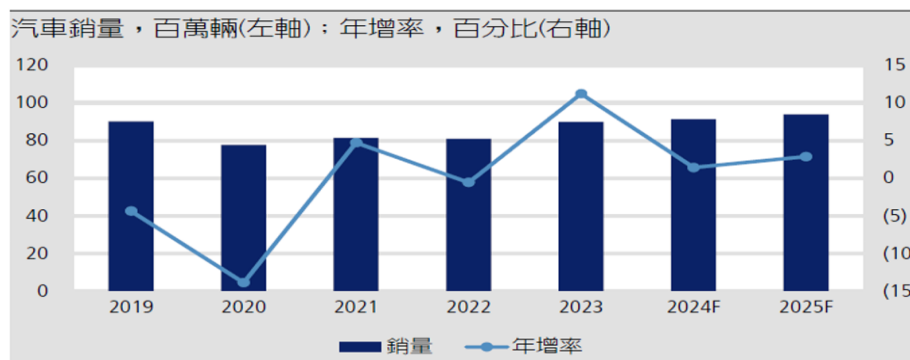
Automotive industry:

The global automotive industry has developed from the 19th century to the present, and the automotive industry is undergoing a revolution. Automobiles are developing rapidly in the direction of intelligence, comfort, energy saving and eco-friendly. However, in recent years, due to the fluctuation of international oil prices, the extension of automobile's service life, and the saturation of the automotive market, etc., the problem that the automotive industry facing now and in the future is how to improve performance, including the comfort of cars, energy saving and new energy for environmental protection, etc. to stimulate consumers to replace their cars. On the other hand, with the increasingly serious air pollution and oil shortage problems, governments all over the world are advocating the research on hybrid and electric vehicles.

According to the latest forecast by TrendForce, the global new car market sales are projected to reach 90.6 million units in 2025, with an annual growth rate of 2.4%. The International Energy Agency (IEA) released the " Net Zero by 2050: A Roadmap for the Global Energy Sector " in 2021, pointing out that countries should stop selling internal combustion engine vehicles in 2035, and the proportion of electric vehicles in global car sales should increase to over 60% in 2030. By 2050, all cars on the roads of the world should be electric or fuel cell vehicles.

The U.S. Department of Energy predicts that by 2030, new energy vehicles will account for 28% of the entire light vehicle and truck market, a 20% increase compared to 2005. With the era of population explosion and climate change, environmental issues have become urgent priorities. Governments around the world are vigorously promoting various energy-saving and carbon reduction policies and incentive schemes. Electric vehicles are the primary beneficiary industry, and electric vehicles have become a crucial layout for industry breakthroughs.

Global Car Sales and Annual Growth Rate from 2019 to 2025 (Unit: Million Units)



Source: LMC Automotive; KGI

In China's automotive market, in 2024, the Chinese automotive market saw significant growth driven by the rapid development of new energy vehicles. After continuous improvements in relevant policies, regulations, and supporting infrastructure, the market share of Chinese domestic automotive brands notably increased compared to joint venture brands. However, sales of German and Japanese brands, which were traditionally dominated by fuel-powered vehicles, have not yet rebounded. According to the China Association of Automobile Manufacturers (CAAM), the production and sales volume in 2024 reached 31.282 million and 31.436 million units, respectively, representing a growth of 3.7% and 4.5% compared to 2023, maintaining China's position as the world's largest automotive market. New energy vehicles continued to grow in 2024, with production and sales reaching 12.888 million and 12.866 million vehicles, respectively, representing year-on-year growth of 34.4% and 35.5%, with the market share increasing to 40.9%. This marks a gradual transition into a fully commercialized expansion phase, ushering in a new stage of development and growth for the industry. Moreover, in 2025, with the continued promotion of policies such as the trade-in program and the exemption of purchase taxes for new energy vehicles, the CAAM predicts that the total sales volume in China's automotive market will reach 32.9 million vehicles, with an annual growth of around 4.7%. Among them, sales of new energy vehicles are expected to reach 16 million vehicles, offering strong business expansion opportunities for automotive-related suppliers.

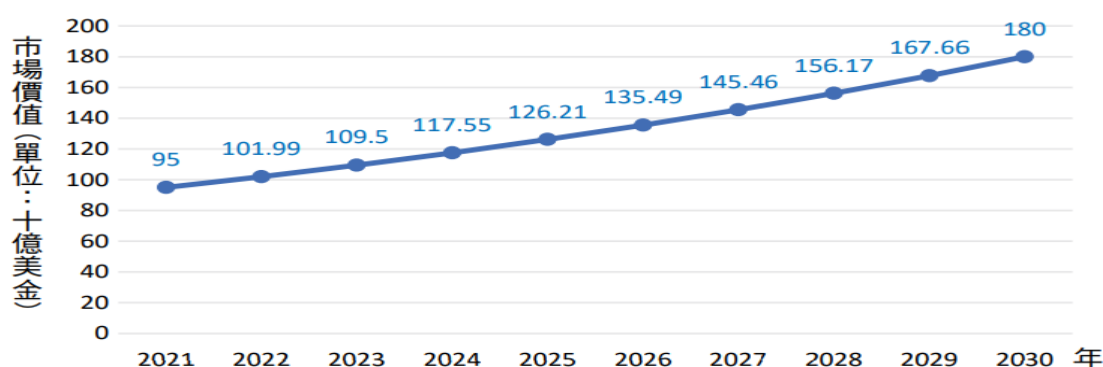
Bicycle Industry:

As global attention to energy shortages and environmental protection grows, policies such as the European Green Deal in the EU, the Green New Deal in the United States, and commitments to achieve net-zero emissions by 2050 in Japan, South Korea, and others, along with China's goals of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060, are driving the development of green economies worldwide. Bicycles, as green transportation, are being vigorously promoted and have become an important part of the global public transportation system. With the maturity of electric vehicle products in recent years and their advantages in energy saving, carbon reduction, ease of use, and lightweight design, they have gained favor in the market, gradually replacing traditional modes of commuting.

According to an analysis report by Grand View Research, the global bicycle market is

expected to grow to USD 75 billion by 2025, with a compound annual growth rate (CAGR) of 4%. Meanwhile, according to a report by Allied Market Research, the global electric bicycle market is projected to reach a value of USD 23.8 billion by 2025, with a CAGR of over 5%.

Global Bicycle Market Size from 2021 to 2030 (Unit: Billion USD)



Source: Precedence Research

The four major trends in the global bicycle industry are lightweight design, electrification, smart and connected features, and sharing and service-oriented models. Among them, electrification and connectivity are the main development directions for major bicycle manufacturers. Electric bicycles, equipped with electric motors, can assist pedaling by converting electrical energy into mechanical energy. The strengthening of environmental awareness and the increasing demand for electric bicycles are among the main factors driving market growth. Looking ahead, the IMARC Group predicts that the global electric bicycle market will reach \$34.6 billion by 2028, with a compound annual growth rate (CAGR) of 6.78% from 2023 to 2028. Key factors driving the development of the electric bicycle market include increased public awareness of environmental protection, the proliferation of shared micro-mobility services, technological advancements to enhance electric bicycle functionality, and more.

Motorcycle Industry:

With the rise of electrification, key elements of the global motorcycle industry are actively transitioning toward electrification. Mainland China, under the new national standard, is establishing its own technologies, deepening service systems, improving product quality, and expanding overseas investments. Indian fuel motorcycle manufacturers are actively entering the electric motorcycle market, with startups expanding fundraising, urban planning, experiential marketing, and investing in high-performance lithium battery research. Japanese electric motorcycle manufacturers are deeply cultivating emerging markets and hoping to enter the service application side through internet technology, while fuel motorcycle manufacturers continue to deepen the development of electric motorcycles, strengthen patent layouts, and propose solutions for the transition to electrification.

In Taiwan, the National Development Council has released the "Taiwan's 2050 Net Zero Emission Pathway and Strategy" blueprint, setting a policy goal of comprehensive

electrification of new motorcycle sales starting from 2040 and allocating NT\$168.3 billion for scrappage and new purchase subsidies. The global motorcycle industry landscape is shifting, and with policies, technological advancements, and business model innovation advancing together, the electric motorcycle market has maintained stable growth in recent years. Through government support, the increasing popularity of electric motorcycles in Taiwan not only helps reduce carbon emissions for environmental sustainability but also allows consumers to enjoy the health benefits of green transportation.

(2) Automotive display panel industry:

The products developed and produced by the Company are light guide plates and frame for automotive liquid-crystal display backlight module, which are important components that affect optical efficiency. Liquid crystal display(LCD) is a non-luminous display device, which needs a backlight module to provide a uniform area light source for display. The backlight module is comprised of light-emitting diode (LED) 、light guide plates, diffuser, prism sheet, reflector, frame and other components. The function of light guide plates is to convert the point source of light emitted by the light-emitting diode into a uniformly luminous point source of light. Then atomize and adjust the perspective through other components, so that the backlight module can provides a uniform area light source for LCD. A light guide plate is a clear optical component and its optical structure is composed of millions of tiny structures, and has different density distributions depending on the distance from the light source to display a uniform area light source. Light guide plates and frame are produced by dies and injection molding machines.

Benefiting from the steady recovery of the global economy and the continuous improvement of car design specifications, the automakers not only improve safety, but put more emphasis on comfort and various entertainment devices. While pursuing differences, the automakers are making car interiors into more futuristic digital user experiences with displays. In this way, consumers can obtain more entertainment, information and media content on high-definition displays than ever. Few years ago, only luxury cars are available to be equipped with high-definition and large screen displays. Nonetheless, these high-quality displays have entered into the general RV market as panel prices drop and consumer demand increases with the decrease in panels. In addition, the automakers from different brands have started to increase the installation of high-definition displays, expecting to create more values. According to the survey from IHS, the main impetus for the development of automotive display systems is due to the improvement of technology and production capacity of the supply chain.

The automotive market has grown steadily in recent years, which has drawn various panel industries to actively enter the TFT-LCD automotive high-end panel product market that requires high technical thresholds. Moreover, these panel industries formed the design concept of integrating automotive panels with touch sensors and systems, which successfully attracted Japanese, European, American, Korean and China automakers to introduce and adopt the system.

In order to realize technological appearance and various smart service circumstances, the development of automotive panels can be regarded as the biggest change in recent years.

Consumer demand for cars will gradually change from simple transportation tools to the so-called “third living space”. With the development of smart cockpit, the stimulation of electric vehicles and self-driving cars and as the number of panels installed on a single car continues to rise, driving the increased demand for the global automotive display market. According to observations by DIGITIMES Research, there is a clear trend toward larger automotive displays, particularly in center consoles and instrument panels. In 2024, global shipments of automotive displays sized 9 inches and above are expected to reach 91.47 million units, accounting for 40.7% of total automotive display shipments. Looking ahead over the next five years, with the increasing penetration of integrated smart cockpits and the adoption of larger and more advanced displays even in mid- to lower-end vehicle models to improve information visibility, global shipments of 9-inch and larger automotive displays are projected to reach 152 million units by 2029, accounting for 54.3% of total automotive display shipments. The CAGR from 2024 to 2029 is estimated at 10.7%.

(3) Automotive lighting industry:

In the bicycle lighting industry, current regulations globally do not mandate bicycles to be equipped with lighting devices, coupled with insufficient reflectors on bicycle bodies, riding bicycles at night can easily lead to accidents. In 2023, the global bicycle headlights market was valued at USD 374 million, with a projected CAGR of 9.8% from 2024 to 2030. One of the key factors driving market growth is the increasing awareness of road safety among cyclists. The significant rise in urban cycling and recreational bicycle use has led to greater demand for bicycle lights to ensure visibility and safety in low-light conditions. In many regions, including Europe and North America, regulations mandate the use of front and rear lights on bicycles, further boosting sales in this segment. In fact, headlights hold the largest market share, as they play a crucial role in illuminating the road and enhancing visibility for other road users.

The rise in global fuel prices, pollution, and traffic congestion—particularly in major metropolitan areas—has increased the appeal of electric bicycles across continents. Furthermore, as a reliable and efficient means of daily commuting, electric bicycles contribute to reducing carbon footprints and have attracted significant attention from governments worldwide.

As people become increasingly aware of the environmental risks associated with driving fossil fuel-dependent vehicles, governments around the world are taking steps to reduce carbon footprints through the promotion of electric bicycles, electric vehicles, and traditional bicycles. In addition, many governments are offering tax incentives and purchase subsidies to encourage the adoption of electric bicycles. These measures are expected to drive product demand in the coming years. For example, in June 2023, the state of Vermont reopened the nation’s first statewide incentive program, offering prepaid vouchers for the purchase of e-bikes. The program aims to provide citizens with cleaner transportation options to curb greenhouse gas emissions while meeting daily commuting needs. Similarly, in September 2022, the French government announced a personal incentive program for individuals who replace their cars with electric bicycles. This subsidy program is designed to reduce emissions, as France promotes cycling to catch up with bike-friendly neighbors like the Netherlands and Germany. The investment and participation of major operators in the development and participation of self-fired lighting technology will make a significant contribution to the growth of the global bicycle lighting market in the coming years.

LEDs are the preferred choice for bicycle lights due to their small size, long lifespan, and environmental friendliness. However, the design of bicycle lights is quite demanding in

terms of size, weight, and price due to the lightweight requirements of bicycles. Changes in consumer habits and the improvement in performance of electric-assisted bicycles have attracted the preference of both the elderly and young people, especially as electric-assisted bicycles are becoming increasingly popular in European and American markets. This trend has resulted in a decline in the output of conventional bicycles in Taiwan, while electric bicycles have shown rapid growth.

With the wave of electrification across various modes of transportation, in addition to LED lighting for bicycles, our company also assists in the development of similar products for automobiles and motorcycles.

(4) Solar energy industry:

With the increasing frequency of extreme weather events worldwide, the importance of carbon reduction and subsidies for energy-saving equipment has gained significant attention across various sectors. In December 2019, the European Commission announced the European Green Deal, pledging to achieve carbon neutrality by 2050 through measures such as the use of renewable energy. This includes continued incentives for the public to purchase electric motorcycles in order to reduce carbon emissions and achieve net-zero emissions by offsetting emitted carbon with reductions. In East Asia, countries such as South Korea, China, and Japan have also announced their timelines for achieving carbon neutrality. Both South Korea and Japan are targeting 2050, while China has committed to achieving this goal before 2060. Amid growing concerns over climate change and limited resources, rising environmental awareness has driven the rise of green economies focused on environmental protection and energy efficiency. To enhance energy security, foster green economic innovation, and promote environmental sustainability, more than 90 countries around the world have set targets for renewable energy to account for 50% of total electricity generation by 2025, with over 50 countries aiming for 100% renewable electricity by 2050.

Among renewable energy sources, solar photovoltaics have become a key technological option in the global journey toward net-zero emissions due to their relatively mature commercialization. As a result, the end-market continues to grow vigorously. According to the International Renewable Energy Agency (IRENA) 2023 statistics, the cumulative global installed capacity of solar PV reached 861.5 GW in 2021 and rose to 1,053.1 GW in 2022, officially surpassing the 1,000 GW milestone. Based on current international market research, such as projections from Bloomberg, global cumulative capacity is likely to exceed 2,000 GW by the end of 2025. This demonstrates the continued strong growth momentum of solar PV under the global push for net-zero emissions.

Driven by the national policy target of achieving 20 GW of installed solar capacity by 2025, Taiwan's solar PV market has experienced rapid growth since 2016. According to the *Monthly Energy Statistics Report*, the cumulative installed capacity at the end of 2016 was 1,245 MW, and by the end of June 2023, it had reached 11,000 MW—an increase of 7,456 MW over six and a half years, representing a 7.8-fold growth.

In the past one to two years, several new breakthroughs have emerged. For instance, the promotion of *aquavoltaics* (fishery-solar coexistence projects) has resulted in a grid-connected capacity of 0.5 GW, with nearly 2 GW currently under construction or undergoing administrative procedures. Many large-scale projects have set exemplary standards in environmental and social impact assessment and local stakeholder engagement. With the upcoming results from aquaculture operations and harvests, this innovative model—grounded in the spirit of agriculture-first and value-added green electricity—is expected to inject new momentum into domestic aquaculture and promote a win-win model of integrated utilization,

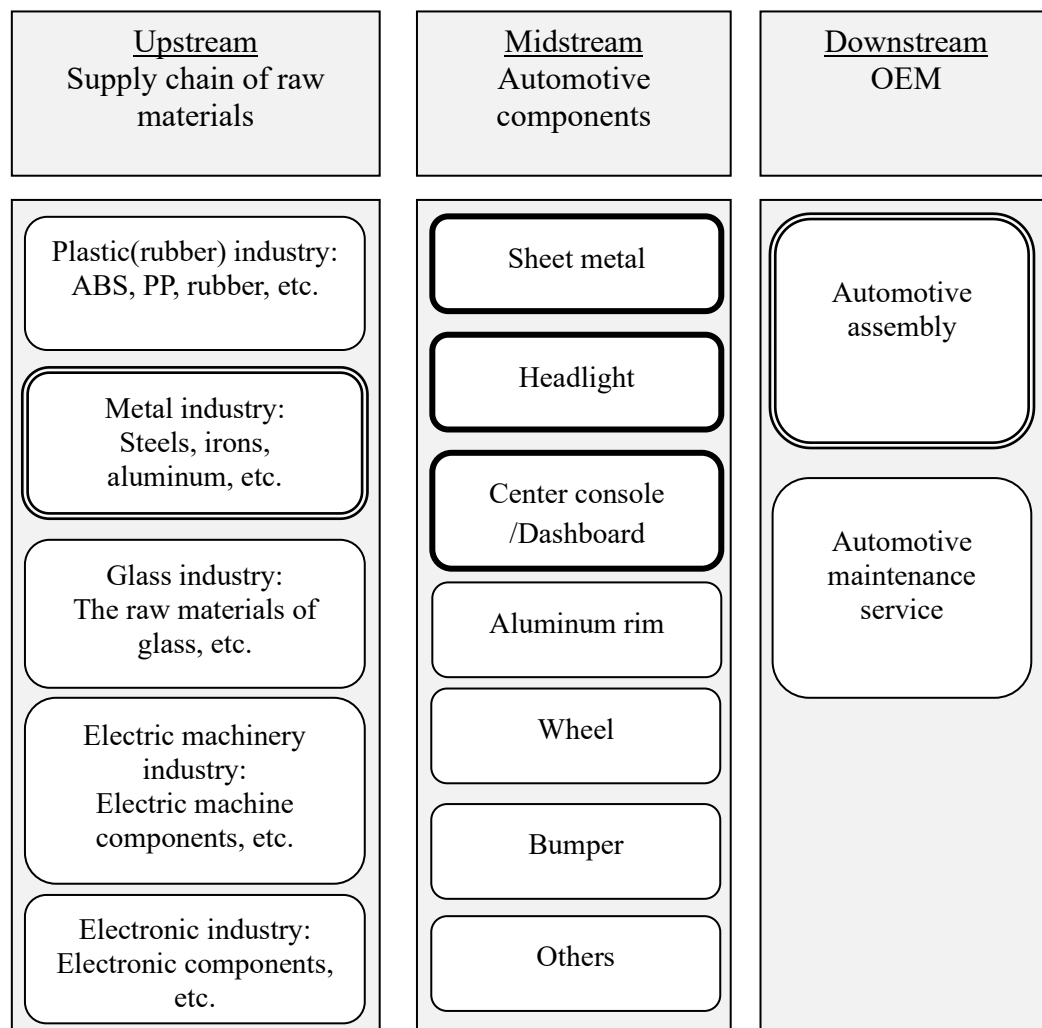
positioning Taiwan as a global leader in multifunctional solar applications.

In terms of rooftop solar systems, the 2023 amendment to the *Renewable Energy Development Act* mandates the installation of a certain proportion of solar PV on newly constructed, expanded, or renovated rooftops. Once the supporting regulations are fully implemented, this policy is expected to consistently generate an additional 200 to 300 MW of rooftop solar potential annually, providing a stable boost to domestic capacity expansion.

2. The links between the upstream, midstream, and downstream segments of the industry supply chain

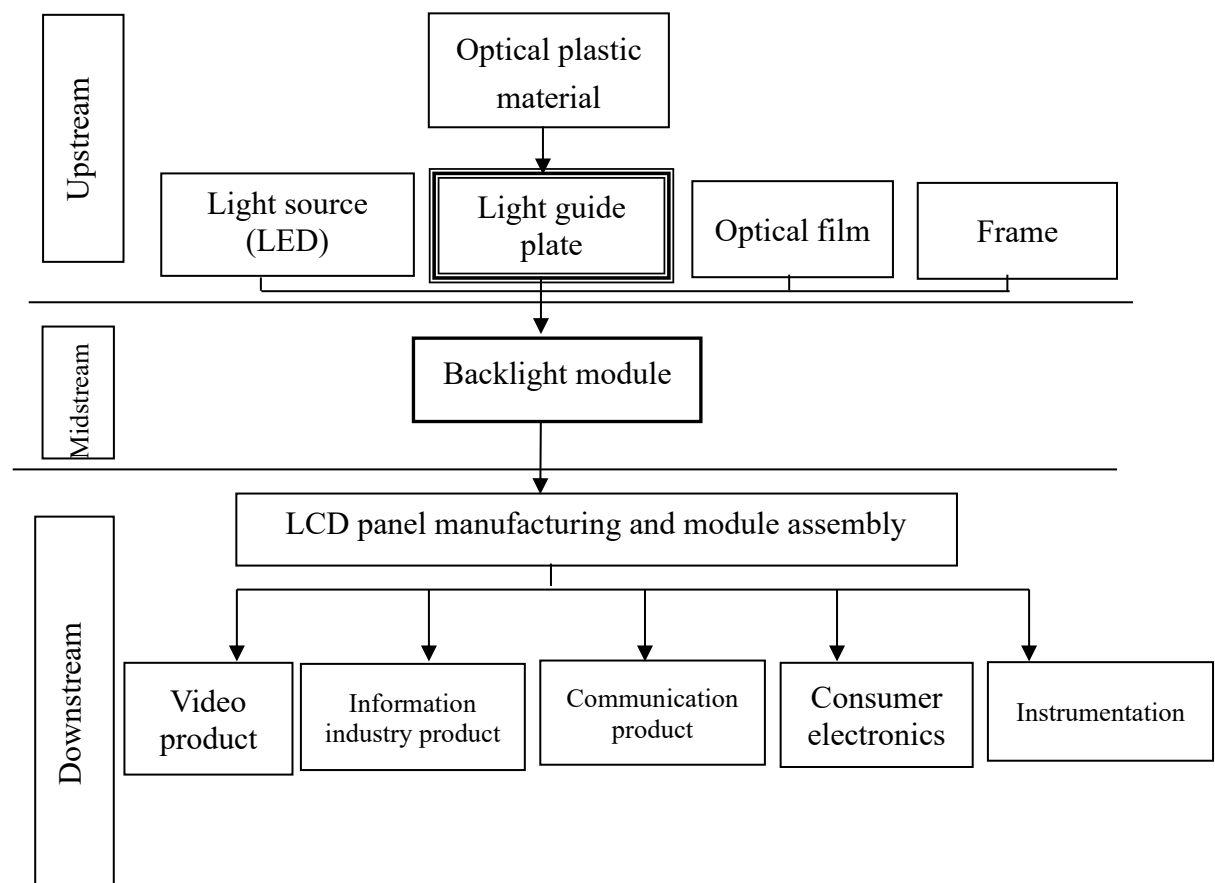
(1) Automotive industry

Due to the wide scope of the automotive industry, the industrial chain formed by the mutual cooperation between relevant satellite manufacturers and various industries is extremely extensive. From the system design of upstream, providing raw material to downstream OEM for assembly and after-sales maintenance are all included in the scope of the automotive industry. The upstream, midstream, and downstream of the automotive components in the automotive industry are shown in the figure below. For the suppliers of the Company's sheet metal products, steel and other metal parts are purchased from the upstream suppliers, and they are delivered to downstream OEMs after stamping and welding processes.



(2) Automotive liquid crystal display industry

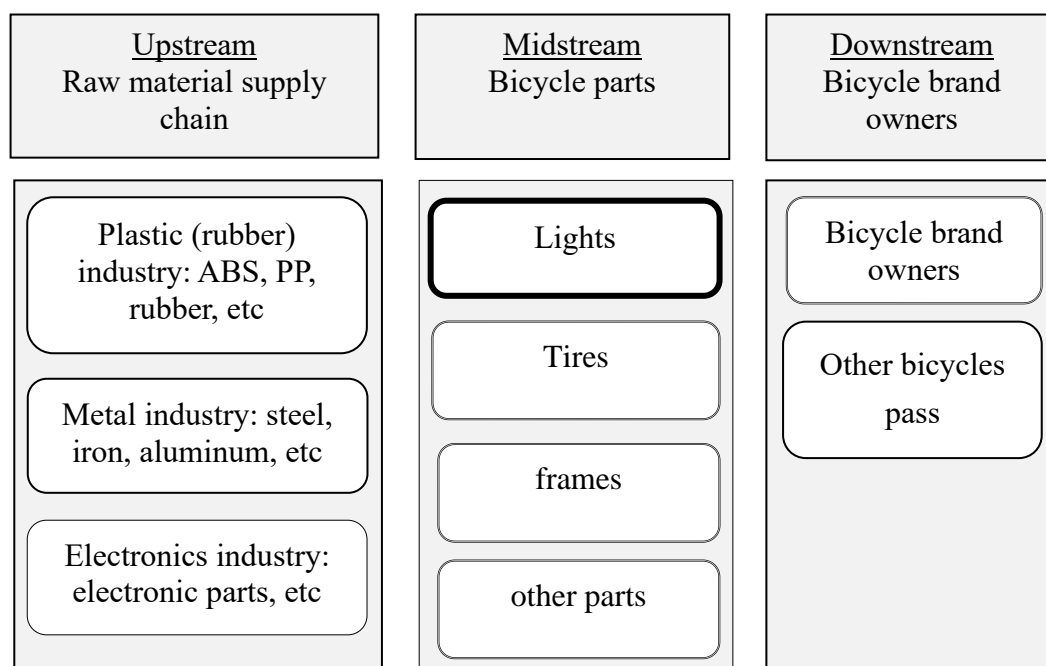
The mainstream display technology for the development of automotive liquid crystal display industry is the thin film transistor liquid crystal display (TFT-LCD). The upstream of LCD includes the suppliers of chemical materials, back light, mask, ITO conductive substrate, plastic frame, prism sheet, diffuser film, brightness enhancement film, light guide plate, backlight module and driver IC; The midstream of LCD includes the suppliers of liquid crystal panel, display module assembly and relevant production process and inspection equipment; The downstream of LCD includes the suppliers of various flat panel display applications such as laptops , LCD monitor, LCD TV and smartphone. For the suppliers of the Company's injection part products, the optical plastic materials are purchased from the upstream suppliers, and after the injection molding process, they are delivered to the downstream suppliers such as backlight module factories or panel factories.



(3) Automotive lighting industry

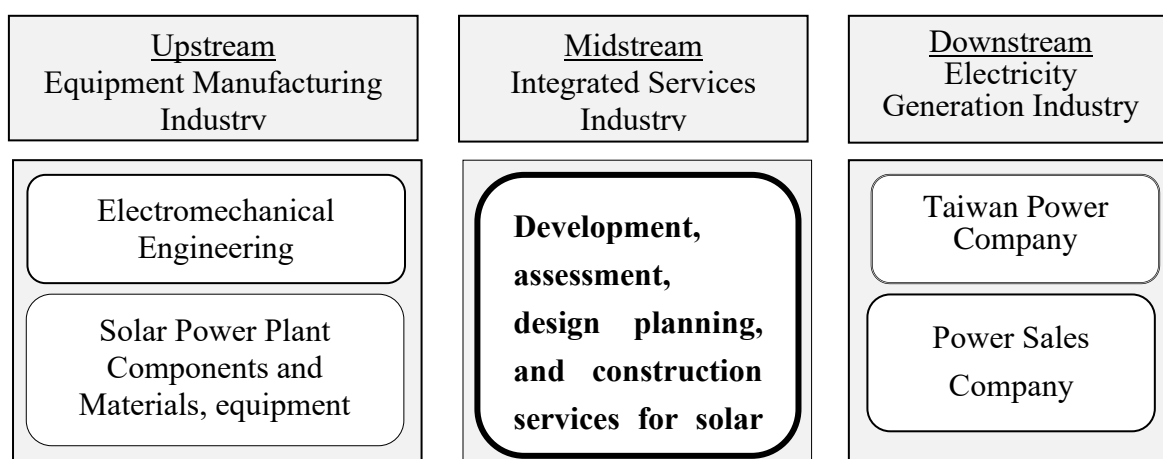
Due to the wide scope of the automotive industry, the industrial chain formed by the mutual cooperation between relevant satellite manufacturers and various industries is extremely extensive. From the system design of upstream, providing raw material to downstream OEM for assembly and after-sales maintenance are all included in the scope of the automotive industry. The upstream, midstream, and downstream of the automotive components in the automotive industry are shown in the figure on P108. The Company's headlights are mainly purchase plastic (rubber) rubber, metal, electronic components, etc. from upstream, and after being assembled into headlights, they are delivered to downstream OEMs.

In terms of the bicycle industry supply chain, the scope of the bicycle extends from upstream raw material suppliers to downstream bicycle brand manufacturers. The collaboration among relevant manufacturers and industries forms a vast supply chain. The upstream, midstream, and downstream of bicycle components are illustrated in the diagram below. Our company primarily sources upstream materials such as plastics (rubber), metals, and electronic components, which are then assembled into bicycle lights and delivered to downstream bicycle brand manufacturers.



(4) Solar energy industry

The owner (land property owner) either develops or leases the land to investors for the construction of renewable energy power plants. Through the engineering, procurement, and construction model, an EPC contractor, appointed by the landowner, is entrusted with the project's feasibility study, surveying, design, procurement, construction, trial operation (and final acceptance). The EPC contractor is responsible for the quality, safety, construction schedule, and cost of the project. The landowner or investor sells the electricity generated from the renewable energy power plant to Taiwan Power Company or electricity distributors based on a power purchase agreement. At present, the Company primarily generates revenue from the construction of renewable energy plants under the EPC model.



3. The development trends and competition for the Company's products

(1) Various development trends of products

Metal stamping parts

A. New stamping processing technology:

Hot stamping technology, progressive die stamping technology, multi-station stamping technology

B. Mold development:

Use the digitalized system management technology to conduct immediate detection of relevant processing parameters during mold manufacturing process, improve the initial precision of the mold and reduce the time spending on subsequent benchwork and mold manufacturing process.

C. New material development trends:

Under the energy-saving and environmental protection trend of lightweight vehicles, using high strength steel sheet can reduce the weight of the car body and have been used for the components of vehicle structure and reinforcements such as A-pillar, B-pillar, and C-pillars or body panel. Furthermore, there is also aluminum alloy body or magnesium alloy body that might come into existence in the future. The manufacturing of different materials will have different process and production parameters.

Injection parts

Regarding the automotive display, due to the stable growth of the automotive market and the trend of automotive electrification, the number of automotive display equipped in cars is expected to continue to increase. In addition to the central unit, dashboard, head-up display, and automotive entertainment device, the trend of cameras replacing automotive rearview mirror is becoming more obvious. Therefore, it is estimated that the demand for automotive display will continue to show a high growth trend in the future. According to data from TrendForce and IHS Markits, the market for automotive display is estimated based on the sales of vehicles, smart cockpit (including domain controller, automotive display, HUD, automotive entertainment system, and other smart cockpit components). It is expected to reach 241 million units in terms of automotive display shipments by 2026, with a compound annual growth rate of 7% from 2022 to 2026.

In terms of new technologies for automotive display, the original light source technology used edge type backlight module. To improve brightness and contrast, various panel manufacturers have tried using Mini LED direct type backlight module, combined with Adaptive Driving Beam technology, hoping to be used in high-level vehicles. In the future, electric vehicles will drive the demand for automotive display, as electric vehicles will require more display panels, including central display, head-up display, and even displays for rear seat entertainment, all of which are expected by consumers and related manufacturers. With consumers increasingly pursuing entertainment and intelligent service needs while driving, high-resolution automotive display will become mainstream products with higher penetration rates in the future. In terms of panel size, it can be observed that products with 10 inches or more in both the central unit and dashboard have a rapidly increasing penetration rate, especially in the central unit, which may reach a penetration rate of over 50% in the future.

Automotive lighting

The LED luminous efficacy has been improved and the cost has been reduced, making automotive headlights start to use LED as the main light source one after another. The competition of product function has also transformed the low and high beams from monocular projection optical system to matrix. Moreover, the shape of the headlights of the top models is gradually developing in the direction of slender design, which further drives other automakers to imitate the type of design. Observing the electric vehicles that have been released by various automakers, it can be clearly seen that this trend has become the mainstream of automotive lighting. In response to the future development trend of automotive lighting in the direction of flat and streamlined shapes, minimized LED high/low beams are required for making the appearance more technological and futuristic. Additionally, with the increasing popularity and affordability of LED light sources, there is a trend towards using micro high, dipped beam headlight in low-level motorcycles.

Automobile manufacturers constantly innovate the design and additional features of automotive headlights to be different from the competition. For example, micro structure optical are being used in signal light such as position light in back light assembly, which compared to the current mainstream design with diffusion plate, this approach provides more uniformity and reduces power consumption. The trend of the tail light is more slender to match the overall car design. Ordinary tail light design uses a string of LEDs with diffusion plate, but to achieve better energy efficiency and meet design requirements, LED edge type with light guide component is now being employed. The research and development of lighting using hyperbolic lenses can solve the problems of color dispersion, long forming time and high costs associated with thick traditional lighting lenses. Additionally, different lighting can be integrated into a single unit, such as combining the function of front fog lamp and headlight into a lamp, which further reduces manufacturing costs.

As the issue of safe driving continues to be discussed globally, in addition to Adaptive Driving Beam Headlamp(ADB) and sequel direction light, the automotive lamp will have more active functions in the future to provide a safer driving environment for vehicle drivers, other vehicles, and pedestrians. The lighting effect when motorcycles are turning could be enhanced by using advanced motorcycle headlights, which can also achieve a safer driving environment. In response to the trend of future autonomous driving, the characteristic of using millimeter wave penetrable material in the Adaptive Cruise Control (ACC) will be incorporated into automotive lamps, and the change of manufacturing process of lampshade will elevate the added value of lighting.

Moreover, most electric bicycles available on the market today are equipped with standard bicycle lights. Many e-bikes feature sensors that automatically activate the LED bicycle lights when entering low-light environments. In countries like Germany, it is mandatory for every bicycle sold to be equipped with bicycle lights.

Solar Photovoltaic System Engineering

Due to the increasingly severe issue of global warming, reducing carbon emissions and eventually achieving net-zero carbon has become a shared international goal. In 2023, in response to industrial needs and the transition to net-zero, the Taiwanese government accelerated the promotion of green energy installations. Regarding the development of solar power plants, Taiwan's limited land area has led to near-saturation in ground-mounted and floating solar installations. Therefore, the current focus has shifted to rooftop systems as

well as agrivoltaics and aquavoltaics (solar power combined with agriculture or aquaculture). For example, in May 2024, the Legislative Yuan passed a third reading requiring certain newly constructed, expanded, or renovated buildings to install a specified capacity of rooftop solar photovoltaic systems, which is expected to significantly increase the overall deployment of solar power facilities.

(2) The competition of products

Metal stamping parts

The automotive industry is an oligopolistic and closed market. All automotive part and accessory factories have to go through a strict and lengthy certification process before they can enter the supplier systems. The automotive part and accessory factories not only have to go through the strict examination and certification before entering the supply system, but the quality of each supply must meet the strict requirements of the car dealerships. Furthermore, they have to cooperate with the regular and irregular on-site inspections of the car dealerships, the certification process and maintenance costs have become the entry barriers to the automotive supply chain. At present, the Company has cooperated with some joint ventures and self-owned brand automakers in China for long-term and stable supply. Moreover, the Company also possesses mold design, R&D and self-made capabilities. Therefore, the Company is able to deal with the design change of the automakers or mold repair of the manufacturing process immediately and communicate effectively, which can greatly shorten the manufacturing process and improve the interdependence between the automakers and the Company.

Injection parts

As the continuous oversupply in production capacity of TFT-LCD factories, the price of LCD modules has continued to fall. However, the product application will continue to be extended. How to effectively reduce the cost and improve the performance of the backlight module will be the key to the success of each light guide plate factories in the next stage. So far, many small and medium-sized manufacturers without independent design and development capabilities have withdrawn from the market due to insufficient production efficiency or continuous losses. The Company has considered how to produce high-quality products from the processing of molds and core parts, as well as the production of optical components in the later stage. For instance, the processing of optical microstructure is made by five-axis ultra-precision machining, which can make the surface roughness of optical core parts reach the nanoscale. In terms of manufacturing, automated production has been widely used to make the quality of the production process stable and can effectively save manpower. Therefore, it can provide customers with high-quality and low-cost products. Furthermore, with the joint efforts of the Company's team, in the field of automotive injection parts, in addition to the stable shipment of the original automotive panel and light guide plate, the Company has also successfully developed optical lens products for LED automotive lights.

Automotive lighting

There are four main development trends of headlights: halogen replacement, small aperture, adaptive driving beam and projection. There are different technologies and designs to respond to these trends. For example, halogen bulbs have changed from a large reflector to a LED with a PES and LENS design. This technology is currently used by most automotive lighting companies. But because of the streamlined shape of the car, the headlights need to be more miniaturized. As a result, the Company has developed new light

guide headlight technology. The technology is different from ordinary PES headlights, the structure used is based on basic optical theory and make use of the characteristic of optical plastics by combining LED with light guide components and LENS design. To make the LENS and light guide components can have the best performance, it is necessary that through sophisticated optical design and ultra-finishing technical capabilities to achieve the high-efficiency optical performance of total internal reflection of LED light LED. High-efficiency light source energy efficiency is the core of the Company's main development in optical technology innovation and competitiveness.

Furthermore, the shape of the headlights of the top models is gradually developing in the direction of slender design, which further drives other automakers to imitate the type of design. Observing the electric vehicles that have been released by various automotive manufacturers, it can be clearly seen that this trend has become the mainstream of automotive lighting. Nonetheless, due to the substantial reduction in thickness of the thin headlights, the projection area of the headlight opening is insufficient, and is difficult for the LED light to penetrate. How to meet the requirements of regulations and reliability without increasing power consumption and cost is a new challenge for automotive lighting manufacturers. The Company's exclusive and patented technology can not only assist automakers to achieve mass production of linear headlight, but also integrate daytime running lamp and headlight. And in full compliance with automotive lighting regulations and service life requirements, the mold development cost in the early stage and the total lamp price after mass production can be greatly reduced.

The optimization of the optical structure of the Company's headlights has changed the traditional reflector structure. By replacing the old design with the combination of LED and light guide, the efficiency of LED can be improved and the mechanism and components can be greatly simplified. Moreover, optical simulation and repeated testing can ensure the Company's products comply with optical regulations. The structure of light guide is applied to the light source of light guide headlights for cars and has successively completed the verification of product specification, automotive lighting PES module design and manufacturing, and ISO9001:2015 verification, etc. The company has successfully stepped into the automotive lighting market through the patented technology. Moreover, through the patented optical structure technology and the simplification of the parts of headlight mechanism, the Company has completed the development of the automotive headlight with a height of 2cm, the motorcycle headlight with a height of 1cm, and bicycle headlight with a height of 0.6cm, which can realize the demand for thinner lamps of cars, motorcycles or bicycles in the future.

Currently, the light source module inside LED headlights adopts the Projection Headlight System (PES). However, due to assembly and manufacturing tolerances between the oval mirror, reflector, and LENS, the focus may shift. This will result in non-compliance with lighting regulations and require rework or even scrapping, leading to a decrease in yield and increased costs. The Company has developed a new optical architecture patent to improve the manufacturing process. This architecture uses the light of LED to transmit light through a light guide and LENS to project an image in the desired location. As there is no aluminum coating process or focus displacement problems, the cost of production is lowered and the undesirable loss of poor focus in assembly is eliminated. Moreover, this simplified architecture reduces weight by approximately 65%, reduces product size by 3 times, and significantly lowers material costs. Fully automatic assembly, which greatly reduces the costs of product assembly, can be achieved in the mass production process.

Solar Photovoltaic System Engineering

Under the promotion of domestic solar energy policies, the demand for solar photovoltaic system installations has gradually expanded. Due to the optimistic outlook on the growth stage of Taiwan's solar EPC market, upstream solar industry players and other companies have begun to enter the fields of site development, system design, and construction, resulting in increased competition. Leveraging the experience accumulated from previous EPC projects, our management team continues to build on existing technologies—not only enhancing the quality of power plant construction, but also focusing on advancing operation and maintenance technologies and monitoring systems to strengthen the Company's overall competitiveness.

(III) Research and development

1. The research and development expenditures invested in the most recent fiscal year were NTD33,317 thousand.
2. The product successfully developed during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report

The Company has entered the optical industry since 2004. In addition to the continuous development of light guide plate technology and products, it has also continued to invest in the research of automotive lighting technology in recent years and has successfully developed thin car headlights. Furthermore, the Company has entered the automotive metal stamping and welding parts industry since 2018. With excellent R&D team and development strategy, meeting the application needs of customers, continuous design innovation and improvement, the Company has successfully developed various technologies and applications, and has gained the competitive advantages. As of the publication date of the annual report, the Company has applied for 27 patents and has been granted 137 patents, of which 28 are invention patents.

(IV) Long-term and Short-term Development

In addition to continuing to expand the small and medium-sized automotive light guide plate business and automotive lighting business, the Company expects to use the developed technology for further research and development. Also, the Company focuses on the improvement of automated production line to achieve the goal of substantial reduction in costs and develop the application of other injection parts at the same time. On the other hand, the global economy is affected by increasing geopolitical risks, uncertain financial situation and extreme weather, many research institutions predict that the future economic growth rate will tend to slow down, but Asia will continue to be the main pillar of global economic growth. The current world economy is facing complex challenges. Both the global economy and the development of Chinese automobile market need to be viewed with a cautious attitude. To diversify business operations, the Company is gradually expanding its investments in the green energy industry and has actively sought another growth and development opportunity in Asia outside China. The Company's development plan is as follows:

1. Short-term plan

- (1) Continuously improving the mold structure and production process of light guide plates larger than 10 inches to enhance yield rates and gross profit margins.
- (2) Actively promoting bicycle lighting modules to major domestic and international bicycle brand companies and entering the mass delivery stage.
- (3) Leveraging the mass production experience of automotive lighting assemblies to gradually expand into major global automotive manufacturers.
- (4) Collaborating with brand clients to jointly develop motorcycle lighting, assisting brand manufacturers in enhancing the aesthetics and driving safety of their vehicles.

- (5) Maintain the cooperation with the original delivery automotive manufacturers and obtain the opportunities of increasing new business from them. Maintain the partnership with existing delivery automobile manufacturers and obtain new business opportunities and growth from them.
- (6) Develop the expansion of business transaction of automotive OEMs in China and Thailand and keep up with the development trend of electric vehicles.
- (7) Continuously improve the production process, increase production efficiency, reduce unit cost, and maintain high gross profit.
- (8) In line with the global trend of net-zero carbon emissions, we will gradually participate in the development of the green energy industry.
- (9) Continuously and actively developing the construction of medium and large-scale solar power plants.

2.Long-term plan

- (1) Continuously improve R&D and design capabilities, and cultivate outstanding talents.
- (2) Improve optical design, electronic components and automotive lighting assembly R&D and manufacturing capabilities, establish complete development database and shorten the time of new products released to the market to meet the needs of rapid development of electric vehicles in the future.
- (3)To keep up with the business development of automotive OEMs, not only has the Company cooperated with China market, but also going to build up plants overseas for supply.
- (4) With the Company's self-made automotive metal mold capability, it can meet various customers' needs in the early stage of product development, shorten the development time of new products and increase the revenue of mold, and evaluating investments in the Thai market.
- (5) Enter into other high value-added automotive component markets through self-development of core technical capabilities, strategic collaboration or equity investment.
- (6) Focus on diversification. Develop on the basis of optics injection and metal stamping parts, and apply these products to other product markets to diversify the Company's business risks. In addition, in line with the advent of the ESG era, we will increase investment in the green energy industry and continuously seeking and evaluating the renewable energy market in Southeast Asia.

II. Market and Industry Overview

(I) Market analysis

1. Sales region of the Company's main product

Unit: NTD (in thousands); %

Sales region \ Year	2024	
	Amount	%
China	1,016,909	81.58
R.O.C.	213,659	17.14
Others	15,931	1.28
Total	1,246,499	100.00

2. Market share

According to data, the global total sales of automobiles in 2024 was 89 million vehicles, with a year-on-year increase of 2.1%. Meanwhile, according to the Information Department of the China Association of Automobile Manufacturers, the sales of automobiles in China in 2024 were about 31.44 million vehicles, an increase of 4.5% from the same period in 2023 when the sales were 30.09 million units. China's automobile sales still rank first in the world for a long time. In terms of injection parts, the Company mainly provides light guide plates for automotive display panels, etc. Most of the terminal brand factories that the Company supplies are well-known European and American car dealerships with high market share in the world. According to an estimate by the China Commercial Industry Research Institute, the global shipment of front-loaded automotive display panels in 2024 is expected to reach approximately 220 million units. In 2024, the Company shipped around 8,614 thousands units of light guide plates and frames, holding about a 4% market share in the global automotive panel market. Additionally, due to geographical location and transportation costs, the Company currently mainly supplies Japanese and German joint venture car manufacturers and self-owned brand car manufacturers in Central China.

3. Demand and supply conditions for the market in the future

"In 2024, the intensification of international trade protectionism has heightened competition among industries worldwide, creating operational difficulties for automotive component suppliers. However, China's automobile market has continued to grow, with vehicle production and sales ranking first globally for 16 consecutive years. As China's automotive supply chain becomes increasingly mature and cost control outperforms that of overseas markets, the country's export volume of automobiles is expected to maintain steady growth in 2025, driven by favorable government policies and technological innovation. According to forecasts by the China Association of Automobile Manufacturers, new car sales in China are expected to reach 32.9 million units in 2025, representing an annual growth rate of approximately 4.7%. Among these, sales of new energy vehicles are projected to reach 16.5 million units, with a year-on-year growth rate nearing 30%, creating promising business expansion opportunities for automotive-related suppliers.

Due to the fierce competition in the global car market, all types of car manufacturers are continuing to promote and deepen their collaborations. Global automotive groups are constantly exploring the potential for cooperation. The car manufacturers in China are accelerating their efforts to merge and restructure, and local car manufacturers and international car manufacturers are strengthening resource-sharing and complementary advantages. All of these are expected to bring better development opportunities for high-quality car companies.

In the automotive LCD panel industry, when automotive displays become the key interface for communication between people and vehicles, more and more information is put into them, including navigation systems, audio displays, air conditioning control screens, rear view display screens, and traditional Fuel gauge, speedometer, etc., the display only keeps getting bigger. Nowadays, the main display sizes are gradually moving from 5 to 6 inches to 12 to 13 inches, with the area expanding by an average of 10% every year. Many car models use large screens of 20 inches or more. In addition to the increase in shipment size, in terms of shipment quantity, according to TrendForce research, automotive panel demands are expected to reach 209 million pieces in 2024. Annual growth is 3.0%. After 2025 to 2026, as car models are introduced, in addition to the central control screen and instrument panel, which are already highly installed, there will be opportunities to install more automotive panels, including rearview mirrors and passenger seat display screens. The annual growth rate driven by automotive panel shipments

remains about 8% to 9%. With the global promotion of electric vehicles and the accelerated development of intelligent vehicle cockpits, the automotive panel market is expected to experience strong growth. As a key human-machine interface, the number of display panels installed per vehicle is anticipated to increase significantly, further driving demand in the global automotive display panel sector.

Due to the impact of global climate anomalies, the promotion of solar photovoltaic energy has become a shared global trend in green energy development. Countries around the world are striving toward net-zero emissions and sustainable development. In response to this green revolution, the Taiwanese government has set a target of installing 20 GW of solar PV capacity by 2025. To support this goal, various subsidies and incentive programs have been introduced, and regulations now mandate the installation of solar PV systems in designated areas. These measures are expected to significantly increase domestic demand for rooftop solar PV projects. With strong policy backing, Taiwan's solar PV market is expected to demonstrate strong growth potential in the future.

4. Competitive niche

Metal stamping parts

- (1) Ability to provide the quality that is able to satisfy customers
- (2) Self-made mold development capability
- (3) The- Company's management team has been exploring and working hard in the automotive component industry for years
- (4) Gain the advantages of quality stability and price through standard operating procedure (SOP).

Injection parts

- (1) Possess over 30 years of precision module and experience
- (2) Possess the equipment and professional capability of core part ultra-precision machining
- (3) Rapid optical development capability and high luminance performance
- (4) A plastic injection plant for optical parts that can simultaneously integrate molds, optical design, etc.

Automotive lighting

The Company's light guide optical structure is applied to headlamps and signal lamps, which can realize miniaturized headlight volume and low energy consumption that cannot be achieved by traditional headlight plants. In the future, the Company will focus on the improvement of light source energy efficiency and the research and development of reduction in the size of optical engine, hoping to provide customers with more choices for innovative headlights.

Solar Photovoltaic System Engineering

The Company's management team has integrated its accumulated experience in EPC project implementation, possessing extensive expertise in project planning, design, and construction. Engineering services are provided on a project basis, with close coordination based on client requirements and contract specifications. The Company maintains real-time control over project progress and construction quality to ensure customer satisfaction.

5. Advantages and disadvantages for future development and response measures

(1) Advantages

Metal stamping parts

A. The Company has adopted build-to-order, therefore the Company has lower stock and

stable long-term orders.

The orders of automotive OEMs are based on planned production, which has planned several months or annual predictive quantities and is beneficial to the production scheduling and planning of component satellite factories. Moreover, the suppliers must go through tedious tests and certifications when car dealerships are evaluating their new suppliers. As a result, Therefore, it increases the entry barrier to those new suppliers and the order volume is relatively long-term and stable.

B. China market has been the world's largest sales country for over ten consecutive years

China's continuous growing economy and rising wages has brought prosperity and stable growth to the automotive industry. In addition, after the implementation of urbanization in China, the income of residents will increase and China should continue to be the world's largest sales country. As a result, China is the most important market to the automotive component industry.

C. The long-term supply system of China's major car manufacturers

At present, it has stably supplied to China's major automakers such as SAIC Motor, Dongfeng Nissan, SAIC Volkswagen, and BAIC Motor, and is on a good foundation. With close cooperation with various car manufacturers, there will be stable growth.

Injection parts

A. The Company's R&D and design capabilities are cultivated and developed through its own technology, rather than technology transferred from other manufacturers. The Company establishes the advantages of its own technology by working on the study of optics, therefore, the Company's independent R&D and design capabilities are an important source of its market competitiveness.

B. The integration of optics, mold design and development, and injection molding technology enables the Company to continuously put in efforts, speed up new technology development and recruit optic-related talents to improve customer satisfaction.

C. Due to the competition from Japan, South Korea, China and other countries, Taiwan's panel plants are facing increasing pressure on panel prices. In addition to the consideration of cost, the stability of the supply source of components also needs to be taken into consideration. With the mentioned considerations, the Company established its injection parts production base in Taiwan and is committed to improving the degree of automation and reducing manpower needs. As A result, the Company has gained the competitive advantage in cost.

D. The Company has high process yield rate. Moreover, the mass production technology and the quality of the Company's factories possess a high degree of stability. Therefore, with these advantages, the Company can save considerable manufacturing costs and deliver goods in time to meet customers' needs.

Automotive lighting

A. The Company's technical team is mainly composed of talents from the panel industry and are equipped with rich experience in how to use LED light sources for optical structure design.

B. The Company's headlight technology is completely developed its own. After achieving the preliminary results, the Company will put more efforts into R&D resources in improving light source efficiency, power consumption and headlight volume and constantly provide

innovative headlight structure to two wheels and four wheels car dealerships.

Solar photovoltaic system engineering

- A. As environmental awareness continues to rise globally, the Taiwanese government has shown strong support for the renewable energy industry, driving domestic market demand.
- B. The Company's technical team has accumulated many years of experience in solar power plant construction, demonstrating strong expertise in the design, planning, and operational management of solar projects. The quality of its engineering work has earned the trust and recognition of its clients.

(2) Disadvantages and countermeasures

Metal stamping parts

- A. Annual price reduction pressure on car dealerships

After the mass production of new car models, the car dealerships have to face the competition from other brands. In order to maintain their sales, there is pressure for them to lower the prices. The price reduction pressure will be passed on to the upstream automotive component factories, which will result in a reduction in gross profit.

Countermeasures:

By closely cooperating with the process of automakers to achieve the improvement on material utilization and obtain mold design change orders to reduce the pressure on annual price reduction. On the other hand, the Company continues to put efforts into production process reengineering to improve production lines, increase automated equipment and enhance the quality of management and production efficiency to decrease the pressure on price reduction.

- B. Labor cost has been increased year by year

Every province in China raises the minimum wage and improves the social welfare every year. Since 2010, the minimum wage has been adjusted by an average of about 15% each year, which has been reducing enterprise profit.

Countermeasures:

Improve employees' productivity through setting goals and performance management. Increasing automated equipment to reduce manpower needs and continue to improve existing production and operating process to cut down on production cost.

Injection parts

- A. Increasing pressure on price competition

Due to the fierce competition of small and medium-sized panels, the pressure on the procurement of panel components has increased. The downstream panel or backlight module customers of the Company are all major international manufacturers, and the Company's shipment is large and stable. Moreover, the Company has an advantage in price negotiation, so the pressure on the Company lowering the prices will gradually increase.

Countermeasures:

The Company actively improves the yield rate, expand the economic scale and continue to shorten the molding time in the injection procedure to maintain the competitive advantage of high gross profit and reduce the stress on price competition.

- B. The main raw materials are controlled and supplied by a few manufacturers

The main raw materials of the light guide plates are plastic materials such as PMMA or PC. The source of supply is mainly supplied by a few major manufacturers in Japan and other countries, and those manufacturers must pass the certification of major panel manufacturers, therefore it is difficult to replace those suppliers. As a result, the procurement of raw materials is restricted to these conditions and price negotiation is not an easy thing.

Countermeasures:

In addition to actively maintaining good cooperation with key suppliers to ensure that there is no problem with all the Company's supply sources, the Company also cuts down on the use of materials, etc. thorough innovative research and development technology, with an expectation to reduce the dependence on external raw materials.

C. The Company's customers and products are excessively concentrated

The Company's current main product is the light guide plate of the automotive panel display. Moreover, this product is sold to a single customer, which is likely to cause a relatively high risk to the Company's business operation.

Countermeasure:

The main technology of the Company's subsidiary, Tan De Tech, is optical design combined with ultra-precision mold and precision injection. Therefore, the Company can take advantage of this edge to develop the optical components that require high precision technology, such as mirrors used in HUD, LENS for headlight, etc.

Automotive lighting

A. The entry barrier for automotive industry supply chain and lack of actual mass production performance of headlights

Automotive lighting is a niche market with high gross profit, coupled with high technical threshold and lengthy certification process; therefore, the manufacturers spend an average of three to five years to enter the supply chain of original equipment suppliers. Once they enter the supply chain of original equipment suppliers, based on traffic safety considerations, the automakers must ensure that shipments come from the same source. As a result, it is difficult to replace suppliers and there is no such problem as the price competition among 3C product suppliers. The bus lighting fixtures and the headlights for branded cars have completed development and are currently in mass production. Additionally, our company has partnered with a major German bicycle lighting brand to co-develop bicycle lights embedded within the handlebar, achieving a highly compact design. This innovation has brought new solutions to the bicycle lighting field, and the product is currently in the mass production phase.

Countermeasures:

For headlights, the Company has successfully developed luminaires such as headlights, daytime running lights and signal lights, etc. and have passed sample verification. So far, the Company has moved on to the stage of mass delivery. In the future, the Company will continue to invest in the R&D and production of smart headlights for vehicles. Simplify the structure of smart headlights through continuous R&D and innovation and realize the low price and universalization of smart headlights, and actively seek opportunities to cooperate with major car manufacturers around the world.

Also, the Company will continue to seek for the opportunity of cooperating with major car dealerships all over the world. For bicycle lights, we have developed several

new-generation embedded slim headlights for electric bicycles. These feature compact light source modules, offering bicycle manufacturers greater flexibility when designing headlight positions. We are actively seeking opportunities for collaboration in this regard. The product is currently in the stage of mass production and delivery to the European market.

Regarding motorcycles, we continue to collaborate with major motorcycle brands in the development of various micro-sized motorcycle headlight samples. Through this collaborative development process, we aim to provide motorcycle manufacturers with a better understanding of the advantages of our headlights, with the expectation of future integration into new vehicle models.

Solar Photovoltaic System Engineering

A. Intense market competition and rising construction costs

Due to fierce competition among domestic solar EPC companies, price wars between contractors have compressed profit margins. Additionally, the construction costs of solar projects are significantly affected by fluctuations in raw material prices, and the high wages for technical labor also contribute to the overall increase in construction costs.

Countermeasure:

The Company has accumulated years of experience in project construction, with a strong grasp of equipment and material suppliers, as well as bargaining power. By outsourcing to experienced contractors, we aim to effectively control project costs and maintain profitability.

(II) Usage and manufacturing processes for the Company's main products

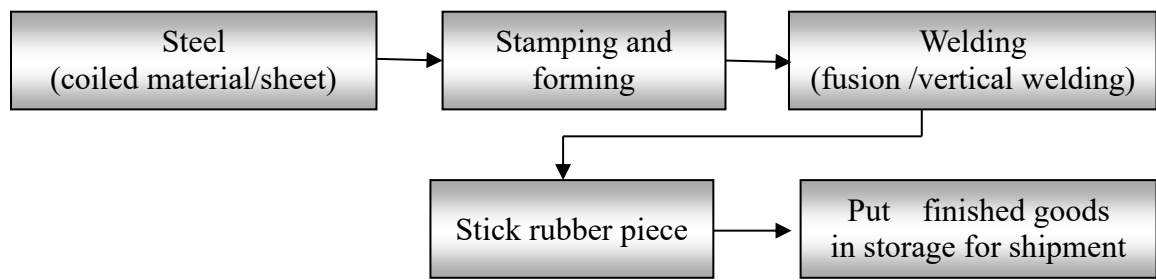
1. Usage for the Company's main products

- (1) Automotive metal stamping parts are mainly used for automotive components such as rear wheelhouse outer panel, exterior tail gate reinforcement, A-pillar reinforcement panel, B-pillar reinforcement panel, C-pillar reinforcement panel, D-pillar reinforcement panel, rear end panel, tail light bracket, rear carling reinforcement, etc.
- (2) Injection parts are mainly high-luminance light guide plates with LED backlights. Its main use is the key light source components of liquid crystal displays (LCD).
- (3) Automotive lighting parts are mainly used for the lighting of transportation tools and signal lamps, etc.
- (4) Solar photovoltaic system engineering refers to the installation of solar PV systems for power generation. This can provide owners with the option to sell electricity to Taiwan Power Company or use the electricity for self-consumption.

2. Manufacturing process for the Company's main products

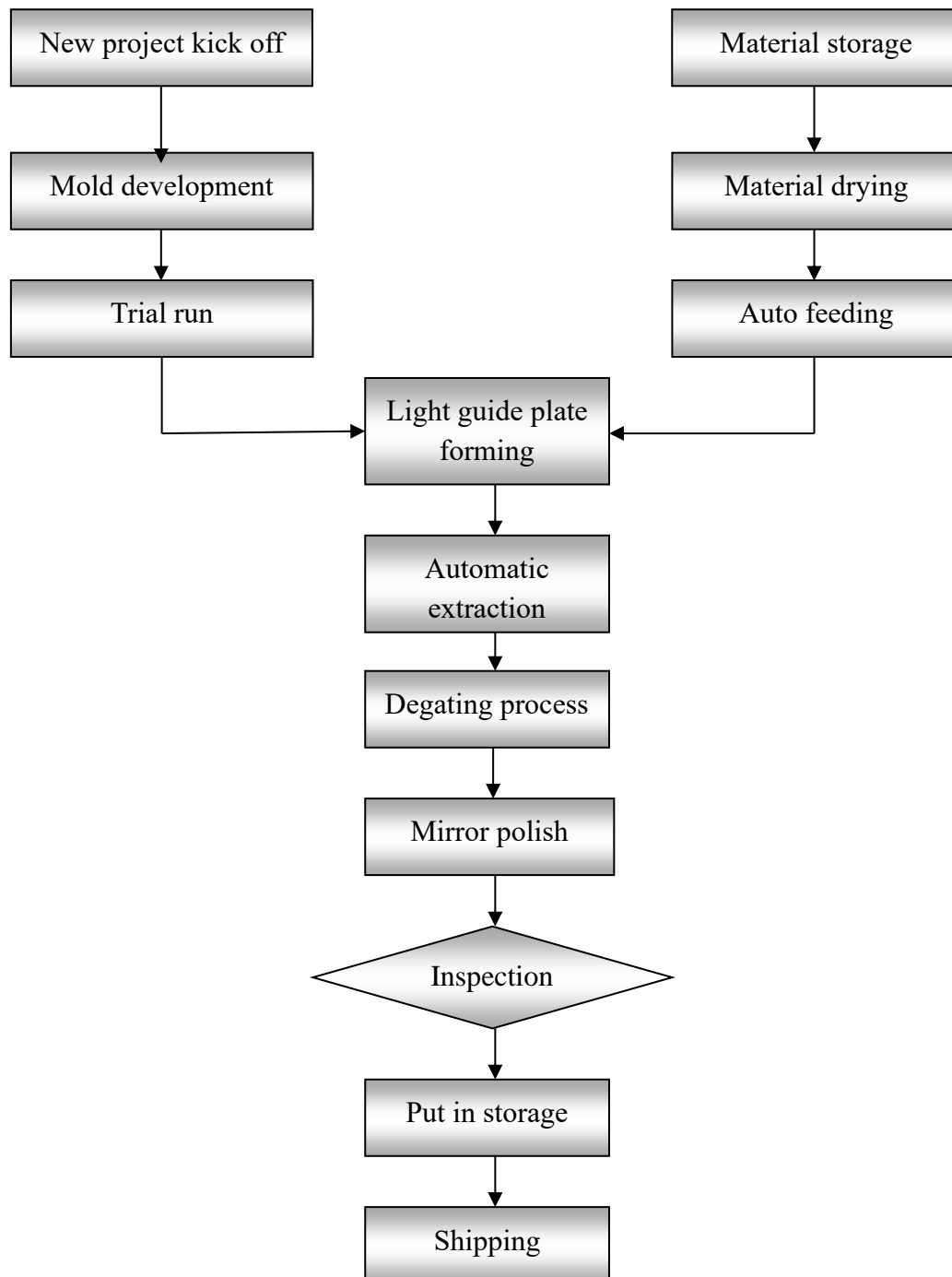
(1) Automotive metal stamping parts

The manufacturing process of the Company's automotive metal stamping parts is to blank the steel into sheets in the form of coiled material, and then send them into the stamping machine for stamping and forming. Next, after the shot-welding process and sticking rubber piece, it will be put into storage. The manufacturing process is shown in the following figure:



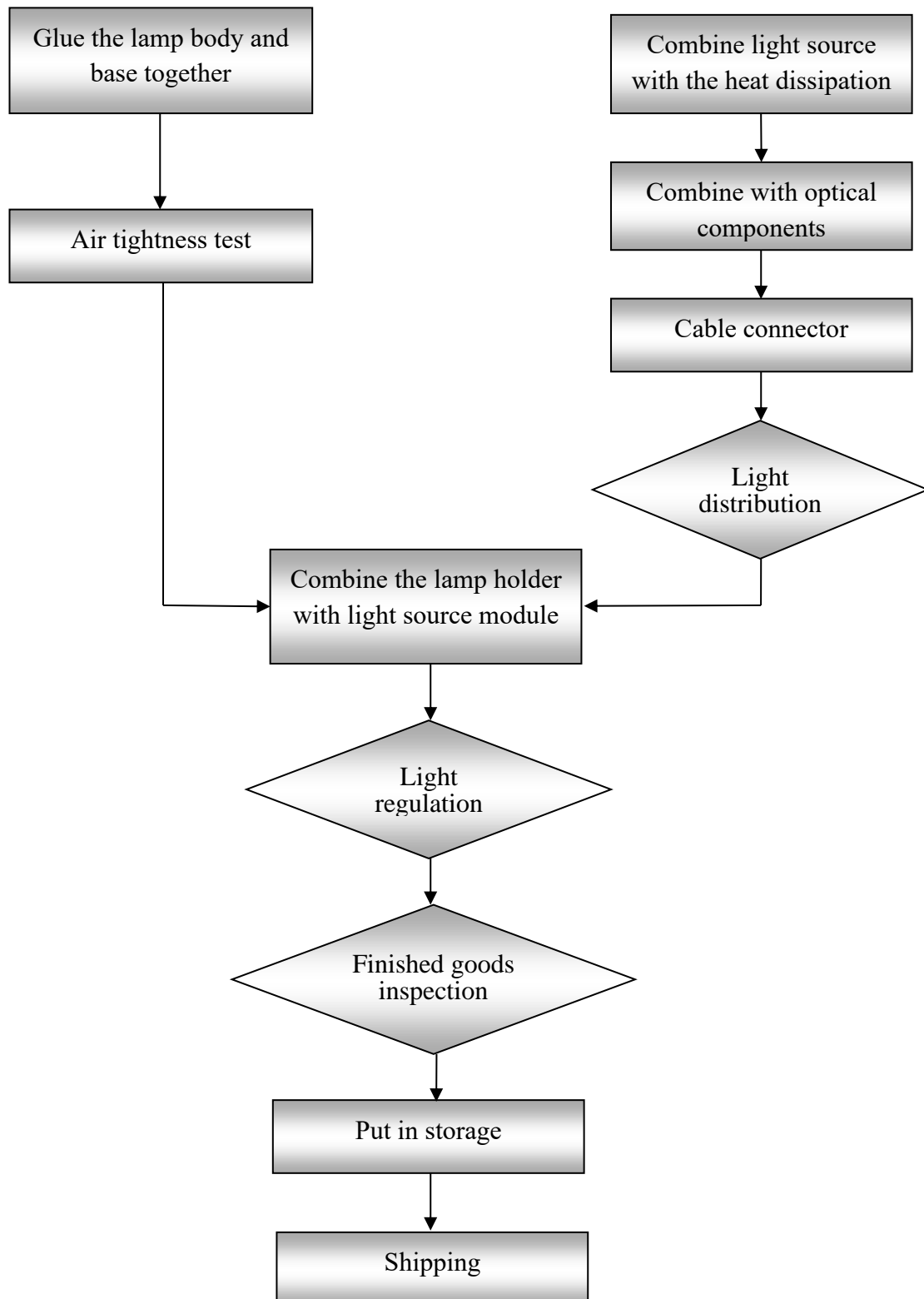
(2) Automotive liquid crystal display panel industry – injection parts

The manufacturing process of the Company's main products: light guide plate, light pipe and Lens is to put PMMA or PC and other optical-grade plastic materials into the dryer, and after drying the plastic raw materials, use the injection molding machine, molds and optical structures for plastic injection molding. After forming, use a degating machine or a polish machine to cut and polish and then put it into storage. The manufacturing process is shown in the following figure:



(3) Automotive lighting industry-headlight assembly

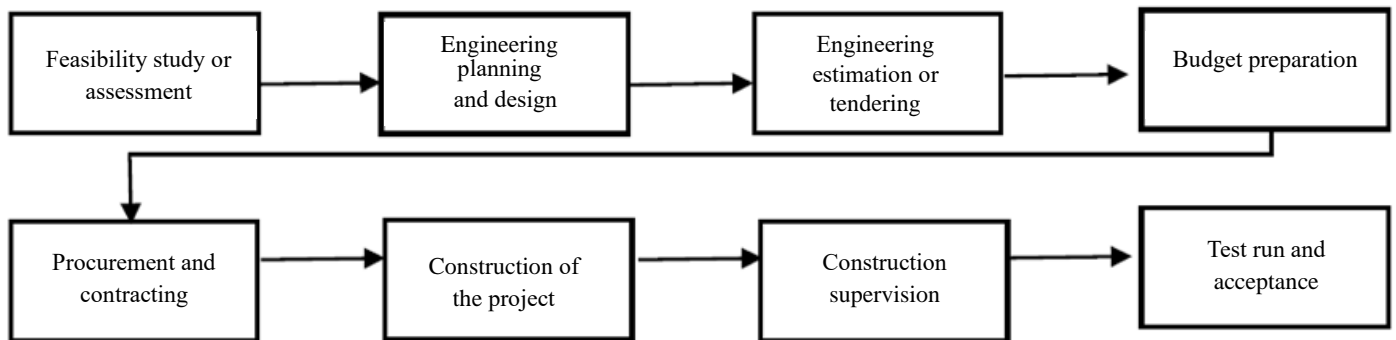
The manufacturing process of the headlight assembly parts, the Company's main product, is to combine the lamp holder with the light source module and the finished headlight assembly parts will be tested for light regulation test. Finally, they will be packed and put in storage. The manufacturing process is shown in the following figure:



(4) Solar photovoltaic system engineering

The Solar Photovoltaic System EPC (Engineering, Procurement, and Construction) primarily integrates upstream industries, including solar cells and modules (PV Modules), power regulators (including inverters, system controllers, and parallel protection devices), support structures, cables, junction boxes, and meters, to construct power generation plants.

The Company undertakes engineering projects and proceeds with the procurement of materials and equipment, including water, electricity, air conditioning, and fire protection systems. After clarifying the integration interfaces of each system, the project is completed, and upon the owner's inspection and acceptance, the project is officially completed and enters the warranty phase. The process flow is illustrated as follows:



(III) Supply Status of Main Materials

Most of the Company's main purchasers are suppliers of automotive steel plate and optical-grade plastic materials such as PC, etc. The Company's ultimate supplier is a well-known steel and petrochemical plant in the world and the supply status has been stable. The Company's purchasers of automotive lighting include lamp body, LED, wire assemblies, etc., most of which are also internationally well-known suppliers. Moreover, the Company has maintained a good relationship with these suppliers. As a result, the quality of raw materials supplied by these suppliers has been stable.

(IV) The suppliers and clients accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

1. The suppliers and clients accounting for 10 percent or more of the Company's total procurement amount in either of the 2 most recent fiscal years, the amounts bought from each, the percentage of total procurement accounted for by each, and an explanation of the reason for increases or decreases in the above figures

Unit: NTD (in thousands); %

Item	2023				2024			
	Company name	Amount	%	Relation with issuer	Company name	Amount	%	Relation with issuer
1	Company 1	231,377	22.93	—	Company A	206,878	28.84	—
2	Company A	188,480	18.68	—	Company 2	92,489	12.89	—
3	Company 2	112,497	11.15	—	Company 1	88,570	12.35	—
4	Other	476,644	0.16	—	Other	329,373	45.92	—
	Net purchase amount	1,008,998	100.00	—	Net purchase amount	717,310	100.00	—

The reason for increases or decreases:

- (1) Company A supplies steel materials for mass-produced vehicles. The increase in the purchase of Company A in 2024 compared to 2023 is mainly due to the need to accommodate customer orders. As a result, a larger inventory was prepared by the end of 2024.
- (2) The increase in the purchase of Company 1 in 2024 compared to 2023 is mainly due to the decrease in the order of metal stamping parts for the main car model, leading to an decrease in purchase from the supplier.
- (3) Company 2 primarily supplies PC plastic pellet raw materials. As the production of small and medium-sized automotive optical injection components is nearing its end in 2024, the demand for plastic resin used in manufacturing has decreased, resulting in a corresponding reduction in procurement.

2. The suppliers and clients accounting for 10 percent or more of the Company's total sales amount in either of the 2 most recent fiscal years, the amounts sold to each, the percentage of total procurement sales accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

Unit: NTD (in thousands); %

	2023				2024			
Item	Company name	Amount	%	Relation with issuer	Company name	Amount	%	Relation with issuer
1	Company C	445,055	29.30	—	Company B	285,168	22.88	—
2	Company B	364,870	24.02	—	Company C	281,162	22.56	—
3	Company A	286,511	18.86	—	Company A	270,477	21.70	—
4	Company F	157,573	10.37	—	Company F	35,793	2.87	—
5	Other	264,902	17.45	—	Other	373,899	29.99	—
	Net sales revenue	1,518,911	100.00	—	Net sales revenue	1,246,499	100.00	—

The reason for increases or decreases:

- (1) The decrease in sales for Company A in 2024 is mainly due to poor sales in the automotive terminal market, resulting in the decrease in sales of metal stamping parts compared to the 2023.
- (2) The decrease in sales for Company B in 2024, mainly due to the phasing out of light guide plates for optical injection products under 10 inches. As a result, the mass production demand declined in 2024, leading to a lower net sales amount compared to 2023.
- (3) The decrease in sales for Company C in 2024 is mainly due to the decrease in sales of main car model of metal stamping parts compared to 2023.
- (4) The decrease in sales for Company F in 2024 is mainly due to the recognition of tooling revenue in 2023 and a decline in the sales volume of metal stamping parts in 2024 compared to 2023.

III. The Number of Employees Employed for the 2 Most Recent Fiscal Years, and During the Current Fiscal Year Up To the Publication Date of the Annual Report, Their Average Years of Service, Average Age, and Education Levels

Year		2023	2024	As of March 31, 2025
Employee number	Indirect employee	215	165	155
	Direct employee	163	129	123
	Total	378	294	278
Average age		38.28	38.78	39.03
Average years of service		4.41	5.38	5.71
Education Distribution	Ph.D.	—	—	0.36%
	Master's Degree	4.23%	4.08%	3.96%
	College/University	39.68%	37.41%	36.33%
	Senior high school	28.84%	34.02%	33.81%
	Below Senior High School	27.25%	24.49%	25.54%

IV. Information on Environmental Protection Expenditures

Disbursements for environmental protection: any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing 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 of the facts of why it cannot be made shall be provided: The company has not been punished by the competent authority for polluting the environment.

V. Labor Relations

- (I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:

1. Benefit plans for employees

(1) Employee's remuneration

The Company's remuneration policy is determined based on an individual's professional abilities, contribution to the Company, market value of the position held, and correlation with the Company's performance. The Company does not provide any preferential treatment or discrimination based on factors such as gender, age, race, religion, and other similar factors. Moreover, the Company annually allocate its earning of no less than 2% and no more than 10% as employee remuneration according to the Company's Articles of Association.

(2) Annual salary adjustment

Salary adjustments will be based on the company's operational performance and individual's annual performance evaluations.

(3) Major holiday bonuses

Bonuses for the Dragon Boat Festival, Mid-Autumn Festival, and Lunar New Year will be distributed based on the company's operational condition.

(4) Employee welfare

A. The company has an employee welfare committee responsible for planning and implementing various employee welfares, including marriage subsidies, funeral subsidies, compensation for hospitalization due to illness or injury, children's education subsidies, employee gatherings, birth cash gift, birthday celebration meal expenses, travel subsidies and three major holiday bonuses.

B. Employees' holidays, including annual paid special leave, are handled in accordance with the labor laws and regulations of the location where each factory is located.

C. Hold year-end party, employee family day activities and corporate wellness activities, offering meal subsidies, and employee health check subsidies.

(5) Insurance:

Start from the first day of employment, the employees have been participating in group insurance. For the employees stationed abroad, they are additionally covered by accident insurance.

(6) Friendly workplace

A. The Taiwan headquarter implements flexible working hours to promote work-life balance and establish a friendly workplace.

B. The company has established "Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment", including information on complaint hotlines and dedicated email, and has disclosed in the management regulations, which provides employees with a work environment free from sexual harassment.

C. The Company offers equal pay and promotion opportunities for men and women, without discrimination based on factors such as gender, age, race, nationality, etc.

2. Continuing education and training

The company and its affiliated companies have established "Operating Procedure of education and training" as the basis for employee training. The Company annually provides diversified training courses based on employees' need of professional competency and leaning and various on-the-job professional courses, which include:

(1) The main contents of the training courses for new employees include orientation, Company culture, and explanation on rules and regulations.

(2) The main contents of the on-the-job training courses for employees currently employed include comprehensive or multilevel general education training courses, professional/skill-specific training courses required for various functions, and the development training programs for talent cultivation planning.

3. Retirement systems and the implementation status

The Company and domestic subsidiaries have all complied with the provisions of the "Labor Pension Act" The Company has adopted defined contribution pension plan according to the Labor Pension Act, which is to contribute 6% of the total monthly salary as retirement pension and deposit it into the individual account established by the Bureau of Labor Insurance. Furthermore, employees may also choose to contribute additional retirement pension within 6% of their monthly salary to their personal retirement account. The Company's contribution amount in 2024 was NTD4,576 thousand. The Company's overseas subsidiaries will allocate a certain percentage of employees' salaries for old-age pension in accordance with local laws and regulations, and their contribution amount in 2024 was NTD6,463 thousand.

4.The status of labor-management agreements and measures for preserving employees' rights and interests

- (1) The Company places great importance on communication between labor and management, maintains diverse and open channels for communication, and creates a humanistic working environment and harmonious working atmosphere, and everyone in the Company has been working on achieving these goals.
- (2) The stipulation of the Company's personnel management system and regulations comply with labor laws and respect the basic principles of human rights. The Company's personnel management system and regulations specify the rights and obligations of employees, as well as benefit plans, in order to protect the legal rights and interests of employees. Moreover, the Company reviews relevant systems and regulations from time to time to protect all the employees' rights and interests.
- (3) To provide a communication channel for employees, the Company regularly convenes labor-management meetings and sets up an Employee Welfare Committee. Also, sending e-mails from time to time to inform employees of the Company's related information on corporate operation. By these means, the Company establishes a communication channel for employees' regular communication and enable them to express their opinions.

5.Working environment and safety

- (1) To ensure maximum safety and security for employees while working, the Company has installed access control card devices at all entrances and emergency call buttons at certain locations. All main entrances are guarded by security 24 hours to ensure the safety of employees.
- (2) The Company and its domestic and foreign subsidiaries have established regulations for occupational safety and health management and have designated occupational safety and health personnel. The Company holds annual education and training programs related to labor safety and health and regularly arranges for employees to receive relevant labor safety refresher courses.
- (3) The Company and its domestic and foreign subsidiaries also conduct regular maintenance and inspections on the equipment used to ensure that the related equipment is operated properly and complies with safety standards. The Company continuously strengthens the personal protective awareness of the operators and provides instructions on the protective equipment. The Company's on-site workers are fully equipped and wear effective protective equipment.
- (4) The Company's subsidiaries in China, Xiangyang Tradetool Autotomobile Parts Co., Ltd. and Henan Baoheyuan Auto Parts Co., Ltd., has obtained the ISO 45001:2018 certification for occupational health and safety management systems (valid until March 6, 2026 and July 19, 2027 respectively), and implementing various safety and health measures in accordance with the management system requirements.

- (II) List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes, and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None.

VI. Cyber Security Management

- (I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management:

1.Cyber security risk management framework

The Company's IT department is responsible for matters relevant to cyber security, strengthening cyber and communication security management, inspections to ensure the confidentiality, integrity, and availability of related cyber and communication assets to provide an information environment that supports continuous business operations. Moreover, the Company has stipulated “Computer processing cycle”, “Personal Data Security Protection Act”, “Information Management Regulations” and other relevant internal control systems. The Company has regularly reviewed the internal control systems and report to the board of directors.

2. Cyber security policies

- (1) Manage and preserve the confidentiality, availability, integrity, and access authority of cyber security.
- (2) Ensure the stability of information services to enable the Company's business operations to run smoothly.

3. Concrete management programs and investments in resources for cyber security management

(1) Concrete management program:

- A. Conduct cyber and information security and personal data protection advocacy, and all the new employees must sign a confidentiality agreement.
- B. All the outsourced suppliers must sign a confidentiality agreement to ensure that when using the information services provided by the Company or performing related information business, individuals have the responsibility and obligation to protect the information assets obtained from or used that are provided by the Company to prevent unauthorized access, unauthorized alteration, destruction, or improper disclosure.
- C. All user computers have installed anti-virus software and the Company has regularly confirmed the update of virus definitions, and the use of unauthorized software is prohibited.
- D. Users are required to take responsibility for the safekeeping and use of their accounts, passwords and authorities; moreover, and have to regularly change their passwords.
- E. Appropriate backup or monitoring mechanisms have been established for critical information systems or equipment, and regular drills are conducted to maintain their availability
- F. An internal audit is conducted regularly each year to ensure the effectiveness of the cyber and information security and personal data protection management systems.

(2) Concrete management programs and investments in resources for cyber security management

- A. In addition to the deputy general manager being responsible for promoting cyber and communication security policies and resource allocation, the Company had discussed during the board meeting on November 11, 2022 and has established a dedicated cyber and communication security unit and a review of information security policies. The Company has appointed one information security manager and one dedicated personnel to be responsible for information and communication security related matters.
- B. In 2024, the Company conducted a advocacy of cyber security to strengthen employees' understanding and management of cyber security.

- (II) List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VII. Important Contracts

Year	Contract	Contracting party	Commencement date	Expiration date	Main content	Restrictive clauses
2016	Loan agreement	Taiwan Cooperative Bank (TCB)	2016/02/18	2031/02/18	Long-term secured loan-Plant procurement loan of NTD280,000 thousands	Establish a first priority mortgage
2023	Loan agreement	Taiwan Business Bank Co., Ltd.	2023/07/18	2026/07/15	Mid-term credit loan - CNY3,000 thousands	Parent company guarantee
2024	Loan agreement	Bank of China	2024/02/05	2027/02/05	Mid-term secured loan-CNY13,700 thousands	Mortgage on real estate
2024	Loan agreement	Postal Savings Bank of China	2024/03/07	2029/03/07	Mid-term credit loan-CNY5,000 thousands	Shareholder guarantee
2024	Loan agreement	The Shanghai Commercial & Savings Bank, Ltd.	2024/05/13	2027/05/13	Mid-term credit loan-NTD36,000 thousands	—
2024	Loan agreement	Taipei Fubon Bank	2024/06/11	2024/06/11	Mid-term guaranteed loan-NTD 20,000 thousands	Credit guarantee or credit insurance guarantee
2024	Loan agreement	Taipei Fubon Bank	2024/06/11	2024/06/11	Mid-term guaranteed loan-NTD20,000 thousands	Credit guarantee or credit insurance guarantee
2024	Loan agreement	Bank of China	2024/08/22	2027/08/22	Mid-term secured loan-CNY3,000 thousands	Mortgage on real estate
2016	Supply and sales contracts	Client A	2016/09/01	—	Sheet metal stamping parts supply and sales contract	—
2021	Supply and sales contracts	Client B	2021/06/29	—	Component procurement contract	—
2021	Supply and sales contracts	Client E	2021/06/29	—	Component procurement contract	—
2024	Supply and sales contracts	Client D	2023/01/01	2024/12/31	Components and molds purchase agreement	—
2024	Supply and sales contracts	Client C	2024/01/01	2024/12/31	Sheet metal stamping parts supply and sales contract	—
2024	Supply and sales contracts	Client F	2024/01/01	2024/12/31	Sheet metal stamping parts supply and sales contract	—
2024	Supply and sales contracts	Company 2	2024/03/14	—	Raw Material Procurement Contract	
2024	Supply and sales contracts	Client I	2024/11/01	—	Automotive Lighting Procurement Contract	
2024	Engineering Contract	Client G	2024/04/01	—	Solar power generation system engineering contract for Services	
2024	Engineering Contract	Client H	2024/04/10	—	Solar power generation system engineering contract for Services	
2024	Engineering Contract	Client H	2024/08/15	—	Solar power generation system engineering contract for Services	

Chapter V. Review and Analysis of Financial Position and Performance, and Risks

I. Analysis of Financial Status

The reasons for, and impact of, any significant change over the most recent 2 fiscal years in its assets, liabilities, or equity. Where the impact is significant, describe further how the insurance enterprise plans to respond.

Unit: NTD (in thousands)

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	1,028,481	1,093,126	(64,645)	(5.91)
Financial assets measured at fair value through other comprehensive income	19,254	19,991	(737)	(3.69)
Real estate, plant and equipment	879,247	949,002	(69,755)	(7.35)
Right-of-use assets	167,453	180,769	(13,316)	(7.37)
Intangible assets	25,625	38,587	(12,962)	(33.59)
Other assets	92,295	122,690	(30,395)	(24.77)
Total assets	2,212,355	2,404,165	(191,180)	(7.98)
Current liabilities	576,535	818,288	(241,753)	(29.54)
Non-current liabilities	268,637	205,334	63,303	30.83
Total liabilities	845,172	1,023,662	(178,450)	(17.43)
Capital stock	795,740	795,740	—	—
Capital surplus	86,376	130,965	(44,589)	(34.05)
Retained earnings	(41,906)	(44,589)	2,683	(6.02)
Other equity	(39,057)	(51,267)	12,210	(23.82)
Treasury shares	—	—	—	—
Non-controlling interests	566,030	549,694	16,336	2.97
Total Stockholders' Equity	1,367,183	1,380,543	(13,360)	(0.97)

I. The main reasons for any material change (the change reaches 20 percent or greater and the sum involved amounts to NTD10,000,000) in the Company's assets, liabilities, or equity during the past 2 fiscal years, and describe the effect thereof:

1. The decrease in intangible assets is mainly due to the continued amortization of computer software costs and the recognition of impairment losses in China during 2024.
2. The decrease in other assets is mainly due to the repayment of short-term bank loans and a reduction in outstanding payments to suppliers during 2024.
3. The decrease in current liabilities is mainly due to the repayment of short-term bank loans and a reduction in outstanding payments to suppliers during 2024.
4. The increase in non-current liabilities is mainly due to the increase in mid-term bank loans in 2024.

5. The decrease in capital surplus is mainly due to the use of capital reserve to offset losses during 2024.
 6. Increase in other equity is mainly due to the increase in exchange differences arising from the translation of financial statements of foreign operations with losses during 2024.
- II. If material changes in financial conditions have occurred in the past two years, future response plans should be explained: The abovementioned changes had no significant impact on the Company's financial position or operations.

II. Analysis of Financial Performance

Explain the reasons for any material changes over the most recent 2 fiscal years in operating revenue, operating income, and income before tax. Forecast the Company's expected sales volume and provide the basis for the forecast; and describe the possible impact of such changes upon the Company's financial and business affairs, and how the Company plans to respond.

Unit: NTD (in thousands)

Item \ Year	2024	2023	Increased (decreased) amount	%
Operating revenues	1,246,499	1,518,911	(272,412)	(17.93)
Operating costs	1,047,381	1,253,713	(206,332)	(16.46)
Gross profit	199,118	265,198	(66,080)	(24.92)
Operating expenses	196,207	284,263	(88,056)	(30.98)
Operating income	2,911	(19,065)	21,976	(115.27)
Non-operating income and expense	(13,474)	(26,815)	13,341	(49.75)
Net profit before tax	(10,563)	(45,880)	35,317	(76.98)
Tax income (expense)	(9,564)	(2,692)	(6,872)	255.27
Income before tax	(20,127)	(48,572)	28,445	(58.56)
Non-operating Expenses and Losses	—	—	—	—
Net profit for the period	(20,127)	(48,572)	28,445	(58.56)
Net profit for the period, attributable to owners of parent	(41,906)	(61,204)	19,298	(31.53)
Net profit for the period, non-controlling interests	21,779	12,632	9,147	72.41

I. The main reasons for any material change (the change reaches 20 percent or greater and the sum involved amounts to NTD10,000,000) in the Company's operating income, net profit before tax, during the past 2 fiscal years, and describe the effect thereof:

1. The decrease in operating revenues, operating costs, and gross profit is mainly due to the decreased sales volume in the end-market of the Metal Stamping Division during 2024, resulting in a decline in operating revenues, operating costs, and gross profit.
2. The decrease in operating expenses is mainly due to the recognition of bad debt losses in 2023, which did not recur in 2024, as well as the Group's appropriate adjustment of human resource allocation during 2024.
3. The increase in non-operating income and expense is mainly due to the appreciation of the U.S. dollar in 2024, which led to an increase in foreign exchange gains.
4. In summary, the net income after tax for 2024 increased compared to the same period in 2023.

II. The Company's expected sales volume and provide the basis for the forecast and describe the possible impact of such changes upon the Company's financial and business affairs, and how the Company plans to respond.

Based on the Company's production capacity, anticipated changes in the future economic climate, and estimated customer shipment schedules, the Company expects that the sales volume for automotive products orders will not undergo material changes. However, the Company will put efforts into adjusting or adding new product combination to generate better profits in the future.

III. Cash Flow

(I) Analyze and explain any changes over the most recent fiscal year in the Company's cash flows, describe how the Company plans to address any illiquidity problems and provide an analysis of the Company's cash liquidity for the coming fiscal year.

1. Cash flow analysis for the most recent fiscal year

Unit: NTD (in thousands)

Cash and cash equivalents, beginning of year (1)	Net cash flow from operating activities (2)	Cash inflow (outflow) (3)	Cash surplus (Deficit) (1)+(2)+(3)	Leverage of cash deficit	
				Investment plans	Financing plans
225,599	251,614	(118,150)	359,063	—	—

Analysis of change in cash flow in 2024:

1. Operating activities: The net cash inflow is NTD251,614 thousands which is mainly due to the cash outflow from operations in 2024.
2. Investment activities: The net cash outflow is NTD1,060 thousands mainly due to the increase in capital expenditure in 2024.
3. Fund-raising activities: The net cash inflow is NTD127,159 thousands mainly due to the increase in the amount of bank loans in 2024.
4. Additionally, cash inflows of NTD10,069 thousands is generated due to the impact of exchange rate changes.

2. Cash flow analysis for the coming fiscal year

Unit: NTD (in thousands)

Estimated cash and cash equivalents, beginning of year (1)	Estimated net cash flow from operating activities (2)	Estimated cash inflow (3)	Cash Surplus (Deficit) (1)+(2)+(3)	Leverage of Cash Surplus (Deficit)	
				Investment plans	Financing plans
359,063	32,086	(175,685)	215,464	—	—

Cash flow analysis for the coming fiscal year:

- (1) Operating activities: The net cash inflow from operating activities is NTD32,086 thousands mainly due to the expected net cash inflow from the operating performance in 2025.
- (2) Investment activities: Net cash outflow of NTD18,634 thousands is mainly due to the expected cash outflow from capital expenditure in 2025.
- (3) Fund-raising activities: The net cash outflow is NTD157,051 thousands, mainly due to the expected repayment of financing loans in 2025.

The corrective measures to be taken in response to the expected cash deficit and its cash flow analysis: Not applicable.

IV. The Effect upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year:

There were no major capital expenditures in 2024.

V. Investment Policy in the Most Recent Fiscal Year, Main Reasons for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

- (I) Investment policy in the most recent fiscal year: The Company's main policy for investment is to increase revenue and profits.
- (II) The main reasons for the profits or losses in the investments and the improvement plans: In 2024, the Company recognized an investment loss of NTD32,164 thousands by adopting equity method accounting for subsidiaries. The main reason is that the metal stamping business division was affected by brand restructuring in the China automotive market, which resulted in operational losses. To cope with a rapidly changing market and intense competition, each subsidiary will implement stricter controls over various processes and improve production efficiency and competitiveness to create higher profits. The Company will also continue to support the subsidiary that incurred losses, to accelerate the reduction of losses and achieve profit targets as soon as possible. On the other hand, we also continue to seek industries or regions that are helpful for future development to reduce operational risks and improve the group's overall operating performance.
- (III) Investment plans for the coming year: If there are appropriate investment targets that align with business expansion, the Company will carefully evaluate and make investments. The Company is currently actively seeking another opportunity for growth and development in regions outside of China, particularly in Asia.

VI. Analysis of Risk Management as of the Publication Date of the Annual Report:

- (I) Effects of changes in interest rates, foreign exchange rates and inflation on corporate finance, and future response measures

1. Effects of changes in interest rates and future response measures

The net interest expenditure of the Company in 2024 was NTD23,229 thousand, accounting for 1.86% of the net operating revenue for the same period, indicating that the impact of interest expenditure on the Company's profit and loss is not significant. Additionally, the Company will adjust capital utilization based on changes in financial interest rates in the future to reduce the impact of interest rate changes on the Company's profit and loss.

2. Effects of foreign exchange rates and future response measures

The Company's metal stamping parts are mainly sold in China, and the currency used for transactions is mainly in Chinese Yuan (CNY). However, the sales of optical injection parts are mainly quoted in US dollars and New Taiwan dollar short-term loans are mainly quoted in US dollars and New Taiwan dollar. Therefore, foreign currency assets and liabilities are offset by gains and losses arising from market exchange rate fluctuations. However, the company's foreign currency assets and foreign currency liabilities are still different, so it is exposed to foreign exchange risks. The foreign exchange losses for 2024 were NTD13,956 thousand, accounting for 1.12% of net operating revenue. Given the recent volatility in exchange rates, the Company's exchange rate policy is to consider global economic trends and future capital requirements for overseas market expansion and then decide whether to use derivative financial instruments or increase foreign currency liabilities to hedge against foreign currency fluctuations.

3. Effects of inflation and future response measures

According to the annual growth rate of the consumer price index in 2024 announced by the Directorate General of Budget, Accounting and Statistics, Executive Yuan, R.O.C. was 2.10%. The inflation risk is still within an acceptable range. However, due to the differences in industry characteristics, the inflation rate has no significant impact on the Company's operations. In the future, the Company will closely monitor market price fluctuations to mitigate the impact of inflation on its operations."

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

1. High-risk investments, highly leveraged investments:

The company is mainly engaged in research and development, manufacturing and sales. As of the publication date of this annual report, the Company hasn't engaged in any high-risk or highly leveraged investments.

2. Loans to other parties, endorsements, guarantees:

All related operations have been conducted in accordance with the provisions of the "Operational Procedures for Endorsements/Guarantees", and "Operational Procedures for Loaning Funds to Others". Currently, the Company only engages in fund loans or endorsements or guarantees between parent companies and affiliated companies within the group. As of the publication date of this annual report, there are no overdue and unpaid situations. As of the publication date of the annual report, there have been no losses incurred due to the endorsement/guarantee.

3. Derivatives trading:

As of the publication date of this annual report, the company has not engaged in any derivative financial derivatives trading. The Company has formulated the "Regulations Governing the Operational Procedures for Asset Acquisition or Disposition" as a basis for future execution to ensure the Company's best interests.

(III) Future Research & Development Projects and Corresponding Budget

1. Future Research & Development

(1) Short-term project

- A. Cooperating with existing automotive display customers to develop larger-sized automotive light guide plates.
- B. Cooperating with existing bicycle brand clients to optimize and develop bicycle lighting systems.
- C. Maintain the cooperation with bicycle brand clients and obtain new orders for the development of new headlights from them.
- D. Continuously cooperate with the development of headlight samples to meet the needs of new bicycle brands, in order to obtain new orders for headlight development from them.
- E. Continuously improve the production process, increase production efficiency, reduce unit costs, and maintain high gross profit.
- F. Improve the accuracy of CAE analysis for parts development and integrate it with mold design and development, which further increases the qualification rate of the first mold trial debugging and sampling.
- G. Enhance the automation level of the processes of vertical position of welding, fusion welding and stamping, and continue to obtain relevant automation patents.
- H. Conduct human factor engineering analysis on the stamping process and improve optimization, as well as enhance the automation level of the stamping machine.
- I. Adding Product Lifecycle Management (PLM) to improve the precision of the mold project development schedule.
- J. R&D of fusion welding process: In response to business development, the Company has

obtained the parts fusion welding order from new energy automotive manufacturers. The fusion welding process has been introduced to achieve the delivery goal for final assembled components of automotive components.

- K. Collect and analyze the production parameters of the stamping process for high-strength steel parts and the welding process for final assembled components and improve the production process.
- L. Increase the proportion of self-developed and designed fixtures for welding automation.

(2) Mid-and long-term project

- A. Continuously improve the Company's R&D capability and cultivate outstanding talents.
- B. Actively introduce non-consumer electronic application products, such as those used in the automotive market by utilizing the Company's existing core competencies.
- C. Continuously improve the optical efficiency of bicycle headlights, lower the power consumption and costs and enhance the Company's competitiveness.
- D. Continuously reduce the height of headlight optical lenses to reduce the overall thickness of the headlights, and provide higher design flexibility for automotive exterior styling.
- E. Continuously conduct research and development on the mechanism and heat dissipation of headlights to achieve the goals of size reduction and cost reduction.
- F. Continuously carry out industry-academia collaboration development projects for smart headlights, in order to achieve the goal of making smart headlights affordable and widely available.
- G. Participate in the research and development project of new lightweight components for new energy vehicle manufacturers, and the Company has been transforming from a simple component OEM to a major R&D partner for automotive manufacturers to meet the principles of lightweighting and improve the structural safety of car body for new energy vehicles.
- H. Complete vertical integration production to ensure the development plan for supply quality from mold design, debugging, stamped parts to the finished product of welded assemblies.
- I. The integration research of automated systems for the manufacturing processes, including vertical position welding, fusion welding, and stamping, with the aim of cutting down on labor costs and improve production efficiency.
- J. Research and development of fusion welding and stamping process:
With the energy-saving and environmental trend of lightweighting in automobiles, the demand for high-strength steel plates has been increasing. The Company will increase the stamping of high-strength steel plates and the development on fusion welding process.
- K. Research and development of hot stamping process:
To meet the trend of lightweighting in the automotive industry while maintaining the same strength, the Company will actively develop hot stamping processes to meet the development of high-strength steel plates.
- L. Establish big data systems with various automated production process parameters, with the expectation of shortening production process and delivery time, reducing inventory and cutting down on the cost of losses caused by manual operations and enhancing the consistency of delivery quality.

2. Further expenditures expected for research and development work

The Company's annual investment in research and development expenses is gradually adjusted according to the new product portfolio and development progress to support future research and development plans and increase the company's competitiveness in the market.

(IV) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response

The Company conducts all business operations in accordance with the laws and regulations set

forth by the governing authorities. Furthermore, in the most recent fiscal year and as of the date of this annual report, the Company's financial or business operation have not been affected by any important policy changes in the legal environment at home and abroad. In the future, the management of the Company will keep an eye on changes in important policies and legal environment at home and abroad and consult relevant professionals if needed, and proactively propose response measures as appropriate.

(V) Effect on the Company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response

The Company's primary business operations involve investment holding in various automotive components and solar energy-related industries. We closely monitor developments and changes in these sectors and the broader environment, gather relevant research and survey data, and stay abreast of market trends. The Company adjusts its business strategies and product portfolio in a timely manner to ensure continued market competitiveness. In the most recent fiscal year and up to the date of this annual report, the Company has not experienced any impact on its financial condition or business operations due to technological changes or industry shifts

To implement cyber security management, the Company has adopted the following related protection measures to ensure the operation security of cyber system:

1. Computer system security management: Purchase and install legal anti-virus software, update virus definitions in a timely manner and regularly scan the computers.
2. Internet security management: The Company has taken various protection measures such as setting up firewalls, filtering malicious emails and protecting employees' security while using the Internet. Also, always stay alert to cyber security and monitor cyber security.
3. Regularly check access permissions, user password management, off-site backup of important data, and install backup power supplies to prevent losses caused by power outages.
4. Planning for sustainable business operations: Assess the impact of employees and natural disasters on the Company's normal operation and establish emergency response measures, and information recovery procedures.
5. Cyber security education and training: Regularly advocate cyber security and hold activities such as cyber security education and training for employees. As of the most recent fiscal year and up to the publication date of this annual report, there has no serious cyberattack that would cause negative impact on the Company occurred.

(VI) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

The Company focuses on the R&D and business operation of this industry. The Company has been actively improving internal management, enhancing product quality and efficiency, and complying with relevant regulations and laws. Meanwhile, the Company has been maintaining an amicable labor-management relation and continuing to maintain a great corporate image. As of the publication date of this annual report, there has no event that would have a negative impact on the Company's corporate image occurred.

(VII) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans

As of the publication date of the annual report, the Company has not engaged in any merger and acquisition plan. However, if there is any merger and acquisition plan in the future, the Company will carefully evaluate and consider whether the merger and acquisition can bring tangible benefits to the Company, in order to protect shareholder rights and interests.

(VIII) Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans

As of the publication date of the annual report, the Company has not engaged in any factory expansion.

(IX) Risks relating to and response to excessive concentration of purchasing sources and excessive customer concentration

1. Risks relating to and response to excessive concentration of purchasing sources

Most of the Company's main suppliers are reputable international steel and petrochemical manufacturers that provide us with strict automotive-grade steel plates and optical plastic materials. And the Company's ultimate suppliers are well-known international steel and petrochemical manufacturers. Therefore, the transaction price and source of supply have been steady. Moreover, these materials require certification from automotive OEMs and panel plants. As a result, the Company has no concern about supply source and the risks are under the Company's control.

2. Risks relating to and response to excessive concentration of excessive customer concentration

While selecting supplier, the OEMs and TFT-LCD panel manufacturers evaluate the supplier's capabilities in design, production capacity, product quality control, and financial stability at each stage from model development, testing, trial production to mass production. Only after careful evaluation of these factors will they choose their main suppliers. Due to the nature of the industry, it often takes a long time for automotive-related components to gain customer approval. Therefore, once the cooperation is established, customers will not easily change their suppliers to ensure product quality and stable supply. Since the Company was established, the Company has not only focused on improving product processes and research and development but has also actively developed other customer groups and products in other areas to reduce the risk of customer concentration.

In addition, after several years of R&D and manufacturing of car lighting products, we have optimized the light source efficiency, power consumption and car light volume, and successfully developed a patented optical architecture with high LED usage efficiency and small size, and continue to provide sales of cars, bicycles and motorcycles. We are actively seeking certification and cooperation opportunities with major car manufacturers around the world for our customers' innovative car lighting structures. We hope that this product will bring another wave of revenue growth to the company in the future. In addition, starting from 2023, we have been gradually increase the shipment volume of car lights in response to customer demand.

(X) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%:

As of the most recent fiscal year and up to the publication date of this annual report, there have been no transfers or changes in shareholdings the Company.

(XI) Effects of, Risks Relating to and Response to the Changes in Management Rights

As of the most recent fiscal year and up to the publication date of this annual report, the Company's management rights have not been changed.

(XII) Litigation or Non-litigation Matters: None.

(XIII) Other major risks and measures to be taken in response: None.

VII. Other Important Matters: None.

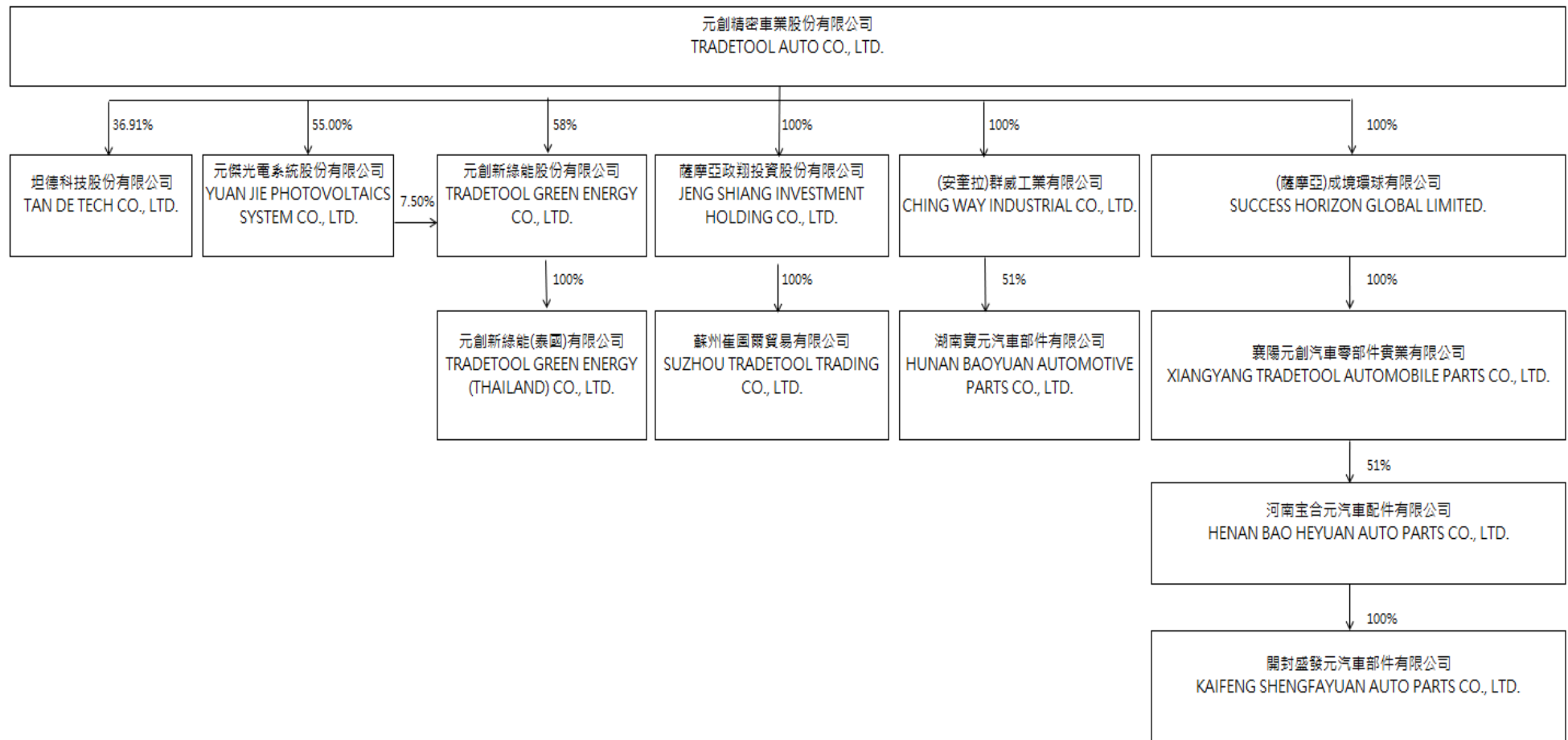
Chapter VI. Additional Information:

I. Information Related to the Company's Affiliates in the Most Recent Fiscal Year

(I) Consolidated Business Report of Affiliates

1. Organizational chart of affiliated companies

December 31, 2024



2. Summary of affiliated companies

December 31, 2024
(Unit: in thousands)

Name	Establishment date	Address	Paid-in capital	Main business content
Tan De Tech Co., Ltd. (hereinafter referred to as Tan De Tech)	February 2013	No. 8, Dougong 9th Rd., Liunan Village, Douliu City, Yunlin County, Taiwan	NTD350,000	Electronic parts and components manufacturing, wholesale of materials and product designing
Tradetool Green Energy Co., Ltd. (hereinafter referred to as Tradetool Green Energy)	March 2020	4F.-7, No. 213, Chaofu Rd., Xitun Dist., Taichung City, Taiwan	NTD31,000	Investment holding
Yuan Jie Photovoltaics System Co., Ltd. (hereinafter referred to as Yuan Jie Photovoltaics)	2017 July	2F., No. 51-2, Ln. 50, Sec. Jiulong, Zhongxing Rd., Longtan Dist., Taoyuan City, Taiwan	NTD20,000	Installation, operation, and maintenance of self-use renewable energy power generation equipment
Samoa Jeng Shiang Investment Holdings Co., Ltd. (hereinafter referred to as Jeng Shiang Samoa)	April 2005	P.O.Box 217, Apia, Samoa	USD50	Investment holding
Suzhou Tradetool Trading Co., Ltd. (hereinafter referred to as Suzhou Tradetool)	August 2016	No. 69, Wei Hsin Rd., Suzhou Industrial Park	USD50	Various electronic parts and components processing and trading
Ching Way Industrial Co., Ltd. (Anguilla) (hereinafter referred to as Ching Way Anguilla)	April 2013	P.O.Box 941, The Valley AI-2640, Anguilla	USD2,069	Investment holding
Success Horizon Global Limited (Samoa) (hereinafter referred to as Success Horizon Global)	March 2018	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	USD10,682	Investment holding
Xiangyang Tradetool Automobile Parts Co., Ltd. (hereinafter referred to as Xiangyang Tradetool Parts)	November 2011	No. 32, Yeh Tien Rd., Hubei Xiangyang Technology Industrial Development Park	CNY49,500	Various auto parts and components manufacturing and selling.
Hunan Baoyuan Automotive Parts Co., Ltd. (hereinafter referred to as Hunan Baoyuan)	October 2014	Hunan Liling Economic Development Zone Phase II of Innovation and Entrepreneurship Park	CNY26,000	Various auto parts and components manufacturing and selling
Henan Baoheyuan Auto Parts Co., Ltd. (hereinafter referred to as Henan Baoheyuan)	January 2018	No. 296, Zhengkai Avenue, Kaifeng Area, Henan Pilot Free Trade Zone (Production place: 200 meters west of the intersection of Longhai 2nd Road and Jiuda Street, Kaifeng City, Henan Province)	CNY80,000	Various auto parts and components manufacturing and selling

Name	Establishment date	Address	Paid-in capital	Main business content
Kaifeng Shengfayuan Auto Parts Co., Ltd. (hereinafter referred to as Kaifeng Shengfayuan)	April 2020	No. 296, Zhengkai Avenue, Kaifeng Area, Henan Pilot Free Trade Zone (Production place: 100 meters west of the intersection of Tenth Street and Longhai Second Road, Xinghuaying Town, Kaifeng City, Henan Province)	CNY32,530	Various auto parts and components selling and housing rental business
Tradetool Green Energy (Thailand) Co., Ltd.	July 2024	No. 238/7, 5th Floor, Ratchadaphisek Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok 10310	THB22,500	Installation of self-use renewable energy power generation equipment

3. The matters should be disclosed about the affiliated companies presumed to have a relationship of control and subordination: None.
4. The industries covered by the business operated by the affiliated companies overall: Investment, light guide plate, automotive metal stamping parts and welding parts manufacturing and selling, and related molds development and selling, as well as the installation and operation and maintenance of self-use renewable energy generation systems

5. Director, supervisor, and General manager of affiliated companies

December 31, 2024

Company name	Title	Name	Shareholding	%
Tan De Tech	Chairman	Representative of Tradetool Auto Co., Ltd.: Chiang, Kai-Liang	-	-
	Director/General manager	Representative of Tradetool Auto Co., Ltd.: Li, Chao-Pei	-	-
	Director	Representative of Tradetool Auto Co., Ltd.: Chang, Ming-Hung	-	-
	Director	Representative of He Shun Hsing Smart Mobile: Li, Po-Ning	(10,000 thousand shares)	28.57%
	Independent director	Shen, Cuan-Cih	-	-
	Independent director	Chen, Jin-Hua	-	-
	Independent director	Lin, Meng-Yi	-	-
			(12,918 thousand shares held by Tradetool Auto Co., Ltd.)	36.91%
Tradetool Green Energy	Chairman	Representative of Tradetool Auto Co., Ltd.: Chiang, Kai-Liang	-	-
	Director/General manager	Representative of Tradetool Auto Co., Ltd.: Chang, Ming-Hung	-	-
	Director	Ysg Trade Co., Ltd.	(272 thousand shares)	17.00%
	Supervisor	Wang, Cheng-Wen	-	-
			(928 thousand shares held by Tradetool Auto Co., Ltd.)	58.00%

Company name	Title	Name	Shareholding	%
Yuan Jie Photovoltaics	Chairman	Representative of Tradetool Auto Co., Ltd.: Chiang, Kai-Liang	-	-
	Director/General manager	Representative of Tradetool Auto Co., Ltd.: Chang, Ming-Hung	-	-
	Director	Representative of Yuanchuang Energy Co., Ltd.: Chiang, Chia-Ying	(540 thousand shares)	27.00%
	Supervisor	Wang, Cheng-Wen	(1,100 thousand shares held by Tradetool Auto Co., Ltd.)	55.00%
Jeng Shiang Samoa	Director	Representative of Tradetool Auto Co., Ltd.: Chiang, Kai-Liang	-	-
			(50 thousand shares held by Tradetool Auto Co., Ltd.)	100.00%
Suzhou Tradetool	Chairman/General manager	Representative of Jeng Shiang Samoa: Chang, Ming-Huang	-	-
	Director	Representative of Jeng Shiang Samoa: Chiang, Kai-Liang	-	-
	Director	Representative of Jeng Shiang Samoa: Liao, Yu-Siang	-	-
	Supervisor	Representative of Samoa Jeng Shiang: Wang, Cheng-Wen	-	-
			(50 thousand shares held by Jeng Shiang Samoa)	100.00%
Ching Way Anguilla	Director	Representative of Tradetool Auto Co., Ltd.: Chiang, Kai-Liang	-	-
			(2,069 thousand shares held by Tradetool Auto Co., Ltd.)	100.00%
Success Horizon Global	Director	Representative of Tradetool Auto Co., Ltd.: Chiang, Kai-Liang	-	-
			(10,682 thousand shares held by Tradetool Auto Co., Ltd.)	100.00%
Xiangyang Tradetool Parts	Chairman/General manager	Representative of Success Horizon Global: Chang, Ming-Hung	-	-
	Director	Representative of Success Horizon Global: Chiang, Kai-Liang	-	-
	Director	Representative of Success Horizon Global: Chen, Jheng-Jhong	-	-
	Supervisor	Representative of Success Horizon Global: Wang, Cheng-Wen	-	-
			(49,500 thousand shares held by Success Horizon Global)	100.00%

Company name	Title	Name	Shareholding	%
Hunan Baoyuan	Chairman / General manager	Representative of Ching Way Anguilla: Chang, Ming-Hung	-	-
	Director	Representative of Ching Way Anguilla: Chiang, Kai-Liang	-	-
	Director	Representative of Shanghai Baoshan Dalu: Lu, Jian-Guo	(12,740 thousand shares)	49.00%
	Supervisor	Representative of Ching Way Anguilla: Chen, Jheng-Jhong	-	-
			(13,260 thousand shares held by Ching Way Anguilla)	51.00%
Henan Baoheyuan	Chairman / General manager	Representative of Xiangyang Tradetool Parts.: Chang, Ming-Hung	-	-
	Director	Repbaoherepresentative of Xiangyang Tradetool Parts: Chiang, Kai-Liang	-	-
	Director	Representative of Shanghai Baoshan Dalu: Lu, Jian-Guo	(39,200 thousand shares held by Shanghai Baoshan Dalu)	49.00%
	Supervisor	Representative of Shanghai Baoshan Dalu: Wu, Hai	-	-
			(40,800 thousand shares held by Xiangyang Tradetool Parts.)	51.00%
Kaifeng Shengfayuan	Director	Representative of Henan Baoheyuan: Chang, Ming-Hung	-	-
	Supervisor	Representative of Henan Baoheyuan: Geng, Jheng-Fang	-	-
			(32,530 thousand shares held by Henan Baoheyuan)	100.00%
Tradetool Green Energy (Thailand)	Director	Chiang, Kai-Liang	(900 thousand shares held by Tradetool Green Energy)	100.00%
	Director	Chang, Ming-Hung		

6. Summarized operation results of affiliated companies

December 31, 2024 Unit: NTD (USD; CNY) in thousands

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenues	Operating profit(loss)	Profit(loss) in the period	Earnings per share (after-tax) (NTD)
Tan De Tech	350,000	588,693	84,087	504,606	435,198	107,027	28,310	0.81
Tradetool Green Energy	31,000	29,813	692	29,121	(113)	(2,257)	(2,345)	(0.76)
Yuan Jie Photovoltaics System (Note 2)	20,000	53,616	29,962	23,654	118,567	3,967	2,758	1.38

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenues	Operating profit(loss)	Profit(loss) in the period	Earnings per share (after-tax) (NTD)
Jeng Shiang Samoa	US\$50	US\$130	—	US\$130	—	—	US\$16	Note 1
Suzhou Tradetool	CNY334	CNY1,008	CNY75	CNY933	CNY1,309	CNY28	CNY111	Note 1
Ching Way Anguilla	US\$2,069	US\$1,984	—	US\$1,984	—	—	US\$(139)	Note 1
Success Horizon Global	US\$10,682	US\$6,866	—	US\$6,866	—	—	US\$(1,243)	Note 1
Xiangyang Tradetool Parts	CNY49,500	CNY105,098	CNY55,741	CNY49,357	CNY78,361	CNY(6,051)	CNY(8,862)	Note 1
Hunan Baoyuan	CNY26,000	CNY61,553	CNY44,636	CNY16,917	CNY20,766	CNY(1,844)	CNY(1,522)	Note 1
Henan Baoheyuan	CNY80,000	CNY119,490	CNY45,858	CNY73,632	CNY107,655	CNY5,809	CNY3,005	Note 1
Kaifeng Shengfayuan	CNY32,530	CNY32,813	CNY281	CNY32,532	CNY3,228	CNY135	CNY63	Note 1
Tradetool Green Energy (Thailand) (Note 3)	THB22,500	THB22,685	THB302	THB22,383	—	THB(280)	THB(243)	Note 1

Note 1: The affiliated company is not a joint stock company.

Note 2: The Company increased its capital investment in the affiliated enterprise on July 1, 2024, thereby acquiring a 55% equity interest.

Note 3: The affiliated company was newly established on July 8, 2024.

(II) Consolidated Financial Statements of Affiliates

Statement

The entities that are required to be included in the consolidated statements of affiliates of Tradetool Auto Co., Ltd. as of and for the year ended December 31, 2024 (from January 1, 2024 to December 31, 2024) under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No.10 “Consolidated Financial Statements”. Relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Tradetool Auto Co., Ltd. and its subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Truly yours,

Company name: Tradetool Auto Co., Ltd.



Chairman: Chiang, Kai-Liang



Date: March 6, 2025

(III) Affiliation Report: Not applicable.

II. Has the Company Carried Out a Private Placement of Securities During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Publication Date of the Annual Report:

None.

III. Other Matters that Require Additional Description:

None.

IV. Are There Any of The Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities, Has Occurred During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Publication Date of the Annual Report: None

Tradetool Auto Co., Ltd.



Representative: Chiang, Kai-Liang



March 31, 2025