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T.Y.C. BROTHER IND. CO., LTD.

2024 Annual Report

Date of Publication: May 20, 2025

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Company website : <http://www.tyc.com.tw>

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I. Letter to Shareholders

1. Operating Performance in 2024:

(1) Consolidated financial results:

In the past year, TYC's operating revenue reached NT\$20,121,705,000, a 4.38% increase from the net operating revenue of NT\$19,277,545,000 for the same period in 2023, with a gross profit on sales of NT\$5,881,119,000 and a net profit before tax of NT\$1,945,768,000, thanks to the concerted efforts of all our employees.

Unit: (In Thousand NTD)

Item	2023 Performance	2024 Performance	Growth Rate %
Operating income	19,277,545	20,121,705	4.38%
Operating Costs	14,109,060	14,235,378	0.90%
Gross profit	5,168,485	5,881,119	13.79%
Operating Expenses	3,421,541	3,530,420	3.18%
Operating Benefit	1,746,944	2,350,699	34.56%
Non-operating income and expenses	-242,719	(404,931)	66.83%
Net income before tax	1,504,225	1,945,768	29.35%
Income tax	347,856	352,413	1.31%
Net income after tax	1,156,369	1,593,355	37.79%

(2) Budget implementation: Undisclosed financial forecast for 2024.

(3) Financial Revenue and Expenditure & Profitability analysis:

Item		Year	2023	2024
Financial structure (%)	Debt to asset ratio		63.17%	61.47%
	Long term capital to fixed assets ratio		210.87%	214.40%
Profitability (%)	Return on assets (%)		5.42%	7.11%
	Return on equity (%)		12.38%	15.93%
	Paid-in capital ratio (%)	Operating income	50.95%	68.55%
		Profit before tax	43.87%	56.74%
	Net profit ratio		6.00%	7.92%
	Earnings per share (in NT\$)		3.31	4.76

(4) Research and development status:

A. R&D expenses for the Past Two Years

(a) Research and development expenses in 2023 were NT\$396,267,000, accounting for 2.06% of the operating income of 2023.

(b) Research and development expenses in 2024 were NT\$448,847,000, accounting for 3.18% of the operating income of 2024.

B. Successful R&D projects:

- (1) Imaging optics front floor projecting technology
- (2) Smart interactive lighting design
- (3) Optical electric heating modular design

2. Overview of Business Plan for 2025:

(1) Operating principle

- A. Continue to pass product certification and expand the performance of the relevant product group to enhance turnover and profit.
- B. Actively invest in the development of electronic and electronic control technologies for smart lighting, as well as increasing optical and institutional patents and innovative style to ensure technological leadership of our products.
- C. Utilize internal and external resources to make the cost and quality of products more competitive.
- D. Speed up the development of new products and shorten the time to market effectively in order to obtain the first market opportunity.

(2) Expected sales volume and its basis:

- A. Expected sales volume: Both AM and OEM sales are expected to grow in 2025 compared to 2024.
- B. Sales basis: Planning based on estimated domestic and international market demand.

(3) Important Production and Marketing Policies:

- A. Continue on cost improvement to strengthen operating quality and market price competitiveness.
- B. Build manpower-savings and automated production systems to improve output and production efficiency.
- C. Effective management of expenditure of fixed assets, reduce the fixed cost allocation and promote the flexible use of funds.

3. The future development strategy of the company is affected by the external competitive environment, regulatory environment and overall business environment:

On one hand, the Company's future development strategy continues to secure the existing position in global AM product market. The revenue of CAPA product in North America is continuously growing. As for the European and general regional markets, they will continue to increase the product group and enhance the price competitiveness of products, and pay attention to the influence and timely countermeasures of the changes of US tariff policy. On the other hand, it will continue to distribute and develop OEM business as the global supply chain ecology changes, and promote growth in revenue and profit by AM and OE business.

We would like to thank all the shareholders for taking the time to attend the shareholders' meeting. The operation team and staff will do everything we can to meet the expectations of all shareholders. We wish you all good health and all the best.

Chairman: WU, KUO-CHEN

Manager: SU, YAN-SHUO

Chief accountant: WENG, YI-FENG

II. Corporate Governance Report

1.Information of directors, supervisors, general managers, deputy general managers, associates, heads of departments and branches:

(I) Directors' Information:

2025/3/31

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date of initial election	Shareholding when elected		Current Shareholding		Existing shares held by spouse, minor children		Holding shares in the name of others		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark
							Holding shares in the name of others	Holding shares in the name of others	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Taiwan	WU, KUO-CHEN	Male 41-50 years old	2024/6/18	3	2015/6/17	296,211	0	296,211	0.09%	0	0	0	0	Supervisor VarroTYC Auto Lamps Co., Ltd. Education: University of Southern California Business School master's degree	CEO TYC CEO of Kuo-Chi-Min Investment Co., Ltd. CEO Juoku Technology	Director	WU, CHUN-CHI	Father-Son	N/A
		Legal representative of CHI-MIN INVESTMENT CO., LTD.				2006/6/21	7,200,893	2.30%	7,450,893	2.38%	0	0	0	0			N/A	N/A	N/A	N/A
Vice-president	Taiwan	WU, CHUN-LANG	Male 71-80 years old	2024/6/18	3	1997/4/26	5,401,383	1.73%	5,401,383	1.73%	828,278	0.26%	0	0	CEO of Yuan-Hong Investment Co., Ltd. Education: National Pei-men Senior High School	Vice-president of TYC Director of YUAN-HONG INVESTMENT CO., LTD.	Director Director	WU, CHUN-CHI WU, CHUN-I	Brother Brother	N/A
Director	Taiwan	WU, CHUN-CHI	Male 71-80 years old	2024/6/18	3	1997/4/26	824,081	0.26%	824,081	0.26%	828,278	0.26%	0	0	CEO TYC Brother Industrial Co., Ltd. Education: National Pei-men Senior High School	Director of Kuo-Chi-Min Investment Co., Ltd. CEO of DBM REFLEX OF TAIWAN CO., LTD.	Director Director	WU, CHUN-LANG WU, CHUN-I	Brother Brother	N/A
Director	Taiwan	WU, CHUN-I	Male 81-90 years old	2024/6/18	3	2018/6/21	4,593,613	1.47%	4,593,613	1.47%	823,474	0.26%	0	0	CEO of TAYIH Ind. Co., Ltd Education: National Pei-men Senior High School	CEO of TAYIH KENMOS AUTO PARTS CO., LTD.	Director Director	WU, CHUN-CHI WU, CHUN-LANG	Brother Brother	N/A
Director	Taiwan	TING, CHENG-TAI	Male 71-80 years old	2024/6/18	3	2003/6/17	0	0	0	0	1,055	0	0	0	Director of DBM REFLEX OF TAIWAN CO., LTD. Education: Chien Hsin University department of mechanical engineering	Vice-GM of TYC Director of DBM REFLEX OF TAIWAN CO., LTD.	N/A	N/A	N/A	N/A
		Legal representative yuan-Hong Investment Co., Ltd.				2006/6/21	5,354,451	1.71%	5,354,451	1.71%	0	0	0	0			N/A	N/A	N/A	N/A
Director	Taiwan	CHUANG, TAI-SHIE	Male 71-80 years old	2024/6/18	3	2021/8/3	0	0	0	0	0	0	0	0	Director, Ford Motor Greater China Education: Master of College of Management, Yuan Ze University	CEO VarroTYC Auto Lamps Co., Ltd	N/A	N/A	N/A	N/A
Independent Director	Taiwan	HOU, RONG-HSIEN	Male 61-70 years old	2024/6/18	3	2012/6/21	0	0	0	0	0	0	0	0	Certified accountant Education: Master of Management, NCKU	Independent Director of MOSPEC SEMICONDUCTOR CORP. Independent Director, PHD, Jiyuan Packaging Holdings Limited	N/A	N/A	N/A	N/A
Independent Director	Taiwan	HSU, CHIANG	Male 71-80 years old	2024/6/18	3	2019/6/21	0	0	4,000	0	0	0	0	0	Chair Professor, CJC Education: Ph.D. HE UNIVERSITY OF WYOMING	Chair Professor, CJC Independent Director, KNH Enterprise Co., Ltd.	N/A	N/A	N/A	N/A
Independent Director	Taiwan	HUANG, HUI-LING	Female 51-60 years old	2024/6/18	3	2018/6/21	0	0	0	0	0	0	0	0	Department Head, Department of Business Administration, CJC	N/A	N/A	N/A	N/A	N/A

1. Major Shareholders of corporate shareholder:

2025/3/31

Name of corporate shareholder	Major Shareholders of corporate shareholder
YUAN-HONG INVESTMENT CO., LTD.	WU, TIEN-LING. WU, CHENG-YUAN. WU, CHENG-HUNG.
CHI-MIN INVESTMENT CO., LTD.	WANG, LI-HSIA (5%). WU, KUO-CHEN (50%). WU, CHI-CHEN (25%). WU, MIN-CHEN (20%).

2. Major Shareholders are juridical person: Not applicable

3. Directors' Information:

A. Disclosure of directors' professional qualifications and independence:

Name	Condition	Professional qualification and experience (Note 1)	Compliance with the case of independence (Note 2)	Number of independent directors of other public offering companies
WU, KUO-CHEN - Legal representative of CHI-MIN Investment Co., Ltd.		1. Chairman of Board of Directors 2. Expertise in operation management/foreign language/risk management/leadership decision 3. Not been a person of any conditions defined in Article 30 of the Company Law	1. Not an employee of the Company or its affiliates 2. Does not provide commercial, legal, financial, and accounting services to the Company or its affiliates in the last two years	0
WU, CHUN-LANG		1. Expertise in operation management/risk management/leadership decision/cross-industry management 2. Not been a person of any conditions defined in Article 30 of the Company Law	1. Not an employee of the Company or its affiliates 2. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law	0
WU, CHUN-CHI		1. Expertise in operation management/risk management/engineering management/leadership decision/cross-industry management 2. Not been a person of any conditions defined in Article 30 of the Company Act	1. Not an employee of the Company or its affiliates 2. Does not 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings 3. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law	0
WU, CHUN-I		1. Expertise in operation management/risk management/engineering management/leadership decision 2. Not been a person of any conditions defined in Article 30 of the Company Law	1. Not an employee of the Company or its affiliates 2. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law	0
CHUANG, TAI-SHIE		1. Expertise in operation management/foreign language/risk management/engineering management/leadership decision 2. Not been a person of any conditions defined in Article 30 of the Company Law	1. Does not hold more than 1% of the total number of issued shares or the top ten shares 2. The said person, the person's spouse, a relative within the second degree of kinship (or held by the person under others' names) does not hold company shares 3. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law	0
TING, CHENG-TAI - Legal Representative of Yuan-Hong Investment Co., Ltd.		1. Expertise in operation management/foreign language/risk management/engineering management/leadership decision 2. Not been a person of any conditions defined in Article 30 of the Company Law	1. Is not a spouse or a relative within the second degree of kinship of another director. 2. Does not provide commercial, legal, financial, and accounting services to the Company or its affiliates in the last two years	0
HOU, RONG-HSIEN		1. Chairman of the Remuneration Committee and Audit Committee 2. Expertise in Accounting and Finance/operation management/risk management/leadership decision/cross-industry management 3. Certified accountant, currently a certified public accountant 4. Not been a person of any conditions defined in Article 30 of the Company Law	1. The said person, the person's spouse, a relative within the second degree of kinship is not a director, supervisor, or employee of the Company or its affiliates 2. The said person, the person's spouse, a relative within the second degree of kinship (or held by the person under others' names) does not hold company shares 3. Is not a director, supervisor, or employee of a company that has special relation with the Company 4. Does not provide commercial, legal, financial, and accounting services to the Company or its affiliates in the last two years	3
HSU, CHIANG		1. Member of the Remuneration Committee and Audit Committee 2. Expertise in operation management/foreign language/risk management/leadership decision/cross-industry management 3. Not been a person of any conditions defined in Article 30 of the Company Law	1. The said person, the person's spouse, a relative within the second degree of kinship is not a director, supervisor, or employee of the Company or its affiliates 2. The said person, the person's spouse, a relative within the second degree of kinship (or held by the person under others' names) does not hold company shares 3. Is not a director, supervisor, or employee of a company that has special relation with the Company 4. Does not provide commercial, legal, financial, and accounting services to the Company or its affiliates in the last two years	1

Name \ Condition	Professional qualification and experience (Note 1)	Compliance with the case of independence (Note 2)	Number of independent directors of other public offering companies
HUANG, HUI-LING	<ol style="list-style-type: none"> 1. Member of the Audit Committee 2. Expertise in Accounting and Finance/operation management/foreign language/risk management/leadership decision/cross-industry management 3. Not been a person of any conditions defined in Article 30 of the Company Law 	<ol style="list-style-type: none"> 1. The said person, the person's spouse, a relative within the second degree of kinship is not a director, supervisor, or employee of the Company or its affiliates 2. The said person, the person's spouse, a relative within the second degree of kinship (or held by the person under others' names) does not hold company shares 3. Is not a director, supervisor, or employee of a company that has special relation with the Company 4. Does not provide commercial, legal, financial, and accounting services to the Company or its affiliates in the last two years 	0

Note: 1. Professional qualification and experience: state the professional qualifications and experience of each director. If it is a member of an Audit Committee and has accounting or financial expertise, the accounting or financial background and work experience shall be stated. Also, describe whether has been a person of any conditions defined in Article 30 of the Company Law.

2. Independent director shall describe whether or not he or she meets the independence requirements, including but not limited to, the person, the person's spouse, a relative within the second degree of kinship is not a director, supervisor, or employee of the Company or its affiliates; the number of shares and proportion that the person, the person's spouse, and relative within the second degree of kinship (or held by the person under others' names) hold; whether is a director, supervisor, or employee of a company that has special relationship with the Company (in accordance with the provisions in Subparagraph 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); remuneration amount acquired from providing business, legal, finance, and accounting services to the Company or its affiliates in the past two years.

B. The Board of Directors' diversification and independence:

(A) The Board of Directors' diversification

I. According to Paragraph 3, Article 23 of the Company's Corporate Governance Best Practice Principles, all members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. An international market perspective.
7. Ability to lead.
8. Ability to make policy decisions.

II. The Company has amended Paragraph 2, Article 23 of the Company's Corporate Governance Best Practice Principles on March 24, 2020 to formulate an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs, i.e., basic requirements and values (such as gender, nationality, and tenure as an independent director), professional knowledge and skills (accounting and finance, operation management, foreign language, risk management, engineering management, leadership decision, and cross-industry management).

The Company has nine directors (including three independent directors, proportion for director has reached 33.3%, and proportion for 1 female director has reached 11.11%), one of whom are certified public accountants, two of whom has a professional background in business management, and the other directors have many years of experience in the industry, so they are able to carry out the duties and responsibilities of the Board of Directors and protect the interests of shareholders.

The Company values the competency of the board members. Two or more directors shall possess one of the expertise to be diversified. Two or more directors possess one of the expertise so far, therefore the compliance rate is 100%. The tenure of the independent director may not exceed nine years. All three independent directors' tenure is under nine years, so the compliance rate is 100%. The implementation status is as follow:

Diversified core	Basic requirements					Professional knowledge and skills						
Name of Director	Gender	Age	Nationality	Tenure as an independent director		Financial accounting	Operating management	Foreign language ability	Risk management	Engineering management	Leadership Decisions	Cross-Industry Operations
				Under 3 years	3 to 9 years							
WU, KUO-CHEN	Male	41-50 years old	Taiwan				V	V	V		V	
WU, CHUN-CHI	Male	71-80 years old	Taiwan				V		V	V	V	V
WU, CHUN-LANG	Male	71-80 years old	Taiwan				V		V		V	V
WU, CHUN-I	Male	81-90 years old	Taiwan				V		V	V	V	
TING, CHENG-TAI	Male	71-80 years old	Taiwan				V	V	V	V	V	
CHUANG, TAI-SHIE	Male	71-80 years old	Taiwan				V	V	V	V	V	
HOU, RONG-HSIEN	Male	61-70 years old	Taiwan		V	V	V		V		V	V
HSU, CHIANG	Male	71-80 years old	Taiwan		V		V	V	V		V	V
HUANG, HUI-LING	Female	51-60 years old	Taiwan	V		V	V	V	V		V	V

III. If any gender is less than one-third of the total number of directors, the reason and measure planned for improving the board member diversity shall be described:

One of the genders is less than one-third of the total number of directors. The Company will make up the shortfall after the term of service is due.

(B) The Board of Directors' independence:

1. Currently, there are nine members in the Board of Directors including three Independent Directors. The proportion of the independent director has reach 33.33%, and the Company has obtained written declaration from all Independent Directors.
2. The Company's CEO, General Manager or equivalent position is not the same person.
3. There are eight directors who are not employees of the Company. The proportion has reach 88.88%.
4. Relationship among Directors: Wu Chun-Chi, Wu Chun-Lang, and Wu Chun-I are brothers. Wu Chun-Chi and Wu Kuo-Chen are father and son.
5. Not been a person of any conditions defined in Paragraph 3 and 4, Article 26-3 of the Securities and Exchange Act.

(II) Information for General Managers, Deputy General Managers, Associates, Heads of Departments and Branches:

2025/3/31

Title	Nationality	Name	Gender	Date of initial election	Shareholdings		Shares held by spouse, minor children		Holding shares in the name of others		Experience (Education)	Current duties in other companies	A manager who is related to a spouse or consanguineous within two degrees			Remark
					Share	%	Share	%	Share	%			Title	Name	Relationship	
General Manager	Taiwan	SU, YAN-SHUO	Male	2023/2/1	0	0	0	0	0	0	Institute graduation	Director of Varroc TYC Auto Lamps Co., Ltd	N/A	N/A	N/A	N/A
Deputy General Manager, Business Division	Taiwan	TING, CHENG-TAI	Male	2006/11/1	0	0	1,055	0	0	0	College graduation	Director of DBM Reflex of Taiwan Co., Ltd.	N/A	N/A	N/A	N/A
Deputy General Manager, Financial Division	Taiwan	WENG, YI-FENG	Male	2008/6/1	0	0	0	0	0	0	Institute graduation	Supervisor of Juoku Technology	N/A	N/A	N/A	N/A
Deputy General Manager, Material Supply Division	Taiwan	WU, PING-HUI	Male	2006/8/10	0	0	0	0	0	0	University graduation	N/A	N/A	N/A	N/A	N/A
Associate, Administration Office	Taiwan	HSU, YU-HUI	Female	2012/2/1	1,212	0	0	0	0	0	College graduation	N/A	N/A	N/A	N/A	N/A
Associate, Business Division	Taiwan	CHAO, YUAN-CHUN	Male	2020/9/1	0	0	0	0	0	0	Institute graduation	N/A	N/A	N/A	N/A	N/A
Associate, R&D Business Division	Taiwan	CHIANG, CHUNG SHOU	Male	2024/6/1	0	0	0	0	0	0	University graduation	N/A	N/A	N/A	N/A	N/A
Associate, Quality Control Department	Taiwan	LIU, YU-CHUNGMR	Male	2006/2/1	0	0	0	0	0	0	College graduation	N/A	N/A	N/A	N/A	N/A
Associate, Production Division	Taiwan	WU, WEN-KUEI	Male	2019/3/1	0	0	0	0	0	0	University graduation	N/A	N/A	N/A	N/A	N/A

Note: General Manager Chen Chin-Chao was replaced by Su Yan-Shuo on January 19, 2023 due to job adjustment.

2. Remuneration of Directors, General Managers and Deputy General Managers paid in the latest year:

(1) Remuneration of general and independent directors:

2024/12/31 (Unit: NTD)

Title	Name	Directors' remuneration								Total of A, B, C and D and its percentage of net income after tax		Part-time employees receive related remuneration								Total of A, B, C, D, E, F and G and its percentage of net income after tax		Receipt of remuneration from a subsidiary other than a transferring investment undertaking or a parent company
		Remuneration (A)		Pension(B)		Directors' remuneration (C)		Implementation expense(D)				Salaries, bonuses and special expenses, etc. (E)		Pension ((F)		Employee bonus (G)						
		TYC	All companies in the financial report	TYC	All companies in the financial report	TYC	All companies in the financial report	TYC	All companies in the financial report	TYC	All companies in the financial report	TYC	All companies in the financial report	TYC	All companies in the financial report	TYC		All companies in the financial report		TYC	All companies in the financial report	
																Cash Amount	Stock Amount	Cash Amount	Stock Amount			
CEO	WU, KUO-CHEN	31,691,425	31,691,425	0	0	24,000,000	24,000,000	420,000	420,000	56,111,425 / 3.63%	56,111,425 / 3.63%	4,153,230	4,153,230	0	0	0	0	0	0	60,264,655 / 3.90%	70,732,121 / 4.58%	None
	Legal representative of Chi Min Investment Co., Ltd																					
Vice-president	WU, CHUN-LANG																					
Director	WU, CHUN-CHI																					
Director	WU, CHUN-I																					
Director	CHUANG, TAI-SHIE																					
Director	TING, CHENG-TAI Legal representative of Yuan Hong Investment (Stock) Co. Ltd																					
Independent director	HUANG, CHUNG-HUI	1,512,000	1,512,000	0	0	0	0	240,000	240,000	1,752,000/0.11%	1,752,000/0.11%	0	0	0	0	0	0	0	1,752,000/0.11%	1,752,000/0.11%	None	
Independent director	HOU, RONG-HSIEN																					
Independent director	HSU, CHIANG																					
Independent director	HUANG, HUI-LING																					

Remark 1: Please describe the policy, system, criteria and structure for the remuneration of independent directors, and the relevance of the amount of remuneration to the responsibilities, risks and time commitment:

The remuneration policy for independent directors: The remuneration policy is based on the Company's operating objectives, financial position and the duties of independent directors, and then approved by the Compensation Committee and submitted to the Board of Directors for approval.

Remark 2: Except as disclosed in the table above, remuneration received by the directors of the Company for services rendered (such as consultants to the Company/all companies in the financial statement/re-investment business that are not employees, etc.) in the latest year: None

Remark 3: Independent director was re-elected on June 18, 2024, and Mr. Huang Chung-Hui was changed to Ms. Huang, Hui-Ling.

Remuneration scale

Levels of remuneration payable to each of the Company's Directors	Name of Director			
	Total remuneration for the first four items (A+B+C+D)		Total remuneration for the first seven items (A+B+C+D+E+F+G)	
	TYC	All companies in the financial report	TYC	All companies in the financial report
Less than \$1,000,000	HUANG, CHUNG-HUI. HOU, RONG- HSIEN. HSU, CHIANG. WU, CHUN-I. TING, CHENG-TAI HUANG, HUI-LING	HUANG, CHUNG-HUI. HOU, RONG- HSIEN. HSU, CHIANG. WU, CHUN-I. TING, CHENG-TAI HUANG, HUI-LING	HUANG, CHUNG-HUI. HOU, RONG- HSIEN. HSU, CHIANG WU, CHUN-CHI HUANG, HUI-LING	HUANG, CHUNG-HUI. HOU, RONG- HSIEN. HSU, CHIANG WU, CHUN-CHI HUANG, HUI-LING
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Kuo Chi Min Investment Co., td. Yuan Hong Investment (Stock) Co. Ltd.	Kuo Chi Min Investment Co., td. Yuan Hong Investment (Stock) Co. Ltd. CHEN, CHIN-CHAO. WU, KUO-CHEN. WU, CHUN-I. TING, CHENG-TAI	Kuo Chi Min Investment Co., Ltd. Yuan Hong Investment (Stock) Co., Ltd.	Kuo Chi Min Investment Co., Ltd. Yuan Hong Investment (Stock) Co. Ltd.
NT\$ 2,000,000 (inclusive) ~ NT\$ 3,500,000 (exclusive)				
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	CHUANG, TAI-SHIE	CHUANG, TAI-SHIE	CHUANG, TAI-SHIE TING, CHENG-TAI	CHUANG, TAI-SHIE TING, CHENG-TAI
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	WU, KUO-CHEN. WU, CHUN-CHI. WU, CHUN-LANG	WU, KUO-CHEN. WU, CHUN-CHI. WU, CHUN-LANG	WU, CHUN-LANG. WU, CHUN-CHI	WU, CHUN-LANG
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	-	-		WU, CHUN-CHI
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	-	-	-	
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-	-	-
NT\$ 50,000,000 (inclusive) ~ NT\$ 100,000,000 (exclusive)	-	-	-	-
Over \$100,000,000	-	-	-	-
Total	12	12	12	12

(2) Remuneration of the General Manager and Deputy General Manager:

2024/12/31(Unit:NTD)

Title	Name	Salary (A)		Pension (B)		Bonuses, special expenses, etc. (C)		Employee bonus amount (D)				Total of A, B, C and D as a percentage of net income after tax (%)		Receive remuneration from a business other than a subsidiary or from the parent company
		TYC	All companies in the financial report	TYC	All companies in the financial report	TYC	All companies in the financial report	TYC		All companies in the financial report		Total of A, B, C and D as a percentage of net income after tax (%)		
								Cash amount	Stock amount	Cash amount	Stock amount	TYC	All companies in the financial report	
General Manager	SU, YAN-SHUO	14,879,514	14,879,514	0	0	1,200,600	0	0	0	0	0	16,080,114 1.04%	16,080,114 1.04%	N/A
Deputy General Manager	WU, KUO-CHEN													
Deputy General Manager	TING, CHENG-TAI													
Deputy General Manager	WENG, YI-FENG													
Deputy General Manager	WU, PING-HUI													

Remuneration scale

Remuneration scale for each General Manager and Deputy General Manager of the Company	Name of General Manager and Deputy General Manager	
	TYC	All companies in the financial report
Less than \$1,000,000	-	-
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	-	-
NT\$ 2,000,000 (inclusive) ~ NT\$ 3,500,000 (exclusive)	WENG, YI-FENG. WU, PING-HUI	WENG, YI-FENG. WU, PING-HUI
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	SU, YAN-SHUO TING, CHENG-TAI	SU, YAN-SHUO TING, CHENG-TAI
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	-	-
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-
NT\$ 50,000,000 (inclusive) ~ NT\$ 100,000,000 (exclusive)	-	-
Over \$100,000,000	-	-
Total	4	4

(3) Name of the manager who was distributed the employee's remuneration and distribution:

2024/12/31(Unit:NTD 1,000)

	Title	Name	Stock amount	Cash amount	Total	Total as a percentage of net income after tax (%)
Managers	General Manager	SU, YAN-SHUO	0	0	0	0
	Deputy General Manager	TING, CHENG-TAI				
	Deputy General Manager	WENG, YI-FENG				
	Deputy General Manager	WU, PING-HUI				
	Senior manager	HSU, YU-HUI				
	Senior manager	CHAO, YUAN-CHUN				
	Senior manager	CHIANG, CHUNG SHOU				
	Senior manager	LIU, YU-CHUNGMR				
	Senior manager	WU, WEN-KUEI				

Note: Due to the retirement of Senior Manager LIN, MIN-FENG, Senior Manager CHIANG, CHUNG SHOU is on board since June 1, 2024.

- (4) An analysis comparing the total remuneration paid to the TYC's directors, supervisors, general manager and deputy general manager as a percentage of the net profit after tax of the individual or individual financial reports of the Company and all companies in the consolidated financial statements for the past two years respectively, and an explanation of the policy, criteria and composition of remuneration payments, the extent to which remuneration is set, and the correlation with operating performance and future risks:

Item	2023 annual remuneration as a percentage of Net Profit after Tax (TYC)	2023 Total remuneration as a percentage of net income after tax (Consolidated Financial Statements)	2024 Total remuneration as a percentage of net income after tax (TYC)	2024 Total remuneration as a percentage of net income after tax (Consolidated Financial Statements)
Title				
Directors	4.84%	5.41%	4.02%	4.69%
Supervisor	0.00%	0.00%	0.00%	0.00%
General manager and deputy general manager	1.33%	1.33%	1.04%	1.04%

Note: The Audit Committee was established on 21 June 2018 to replace the Supervisor function.

1. Analysis of the ratio difference: Mainly due to the increase in net income after tax in 2024.

2. The policy of remuneration for directors and supervisors of the Company:

In accordance with the Articles of Incorporation, if there is a profit for the year, the Company shall pay no less than 1% of it for the employee bonus and (no more than 3%) for the director bonus. However, if there is still a cumulative loss, an amount to make up for the loss should be retained in advance.

Directors will be given appropriate remuneration based on evaluations of alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control in the "Performance Evaluation Method of the Board of Directors".

The remuneration of the Manager is in accordance with the Company's "Salary Management Regulations" from evaluation items such as professional knowledge, operation knowledge, leadership responsibility, complex problem solving, impact on operation, impact scope on operation, and interpersonal relationship difficulty, while taking into account the usual standards in the industry.

3. Corporate Governance Status:

(1) Operation of the Board of Directors:

The board of directors has held five meetings (A) in recent years, and the attendance of directors and supervisors is as follows:

Title	Name	Actual number of meetings attended (B)	No. of meetings with entrusted attendance	Actual attendance rate (%) (%) 【B/A】	Remark
Chairman	WU, KUO-CHEN—Legal representative of Kuo Chi Min Investment Co., Ltd	2	0	40 %	Predecessor
Chairman	WU, KUO-CHEN—Legal representative of Chi Min Investment Co., Ltd	2	0	40 %	Newly elected on Jun 18, 2024
Vice-president	WU, CHUN-LANG	5	0	100 %	Succeed on Jun 18, 2024
Director	WU, CHUN-I	5	0	100 %	Succeed on Jun 18, 2024
Director	WU, CHUN-CHI	5	0	100%	Succeed on Jun 18, 2024
Director	TING, CHENG-TAI—Legal representative of Yuan Hong Investment (Stock) Co., Ltd	4	0	80%	Succeed on Jun 18, 2024
Director	CHUANG, TAI-SHIE	4	0	80 %	Succeed on Jun 18, 2024
Independent Director	HUANG, CHUNG-HUI	2	0	40 %	Predecessor
Independent Director	HOU, RONG- HSIEN	5	0	100%	Succeed on Jun 18, 2024
Independent Director	HSU, CHIANG	5	0	100%	Succeed on Jun 18, 2024
Independent Director	HUANG, HUI-LING	3	0	60%	Newly elected on Jun 18, 2024

Other items to be recorded:

- The Board of Directors shall state the date and date of the Board of Directors' meeting, the date and time of the meeting, the content of the motion, the opinions of all independent directors and the Company's handling of the opinions of the independent directors if any of the following circumstances apply to the operation of the Board of Directors:
 - Items listed in article 14-3 of the securities and exchange act: None.
 - Except for the preceding items, the resolutions of the Board of Directors' meetings, which were opposed or qualified by the independent directors and for which records or written statements are available, were approved by the independent directors without dissenting opinions at each of the Board of Directors' meetings: The results of the resolutions at each of the 2024 Board meetings were approved without objection by the independent directors.
- The recusal of a director from the implementation of an interest motion shall include the name of the director, the content of the motion, the reasons for the recusal and the circumstances of the vote: Interested directors have individually recused themselves from the discussion and voting on the directors' remuneration proposals.
- We shall disclose information on the period and duration, scope, manner and content of the of the self- (or peer) evaluation by the directors, and shall include information on the implementation of the evaluation by the Board of Directors: Please refer to table (1-1) below for the Board's evaluation of the Performance.
- Assessment of the current and most recent year's targets for enhancing the Board's functions (e.g., establishment of an audit committee, enhancing information transparency, etc.) and their implementation:
 - In accordance with the provisions of the Rules of Procedure of the Board of Directors laid down by the Company.
 - The Company's (TYC) internal auditors regularly audit the operations of the Board of Directors and prepare audit reports.
 - The Company (TYC) has a person in charge of the matters that should be announced by the competent authority and the disclosure of significant information to enhance the transparency of information.
 - The Company (TYC) has established the "Code of Corporate Governance Practices", "Procedures for Handling Material Internal Information", "Code of Ethical Conduct" and "Procedures and Guidelines for Integrity Management Practices" to establish a corporate culture of integrity management and a better corporate governance system.
 - The Company (TYC) has three independent directors to enhance the functioning of the Board.
 - The Company (TYC) established an Audit Committee in 2018.
 - The Company (TYC) has assigned Corporate Governance Manager in 2021.

(1-1) Evaluation of implementation by the Board of Directors in 2024:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content	Evaluation result
Annual	2024/1/1 2024/12/31	Board of directors, individual directors, and functional Committee	Self-evaluation by the board of directors	1. The degree of participation in the operation of the Company. 2. Improve the quality of board decisions. 3. Composition and structure of the Board of Directors. 4. Election of Directors and Continuing Education. 5. Internal controls.	The performance evaluation score of the Board of Directors is 95.56%, which is "better than standard".
			Self-evaluation of directors	1. Grasp the company's goals and tasks. 2. Recognition of Directors' Responsibilities. 3. The degree of participation in the operation of the company. 4. Internal relationship management and communication. 5. Professional and continuing education of directors. 6. Internal control.	The performance evaluation score of the Board member is 97.58%, which is "better than standard".
			Self-evaluation of functional Committee	1. The degree of participation in the operation of the Company. 2. Recognition of functional Committee' Responsibilities. 3. Improve the quality of functional Committee decisions. 4. Composition of the functional Committee and the election of the members 5. Internal control.	The performance evaluation score of the Board member is 95.65%, which is "better than standard".

The above result will be used as a reference for directors' election or nomination and remuneration.

(2) Operation of the Audit Committee:

The audit committee has held five meetings in the past year (A), and the attendance of the independent directors is as follows:

Title	Name	Actual number of meetings attended (B)	Number of delegated attendances	Actual attendance rate (%) 【B/A】	Remark
Independent Director	HOU, RONG- HSIEN	4	0	100 %	Succeed on Jun 18, 2024
Independent Director	HSU, CHIANG	4	0	100 %	Succeed on Jun 18, 2024
Independent Director	HUANG, HUI-LING	2	0	50 %	Newly elected on Jun 18, 2024
Independent Director	HUANG, CHUNG-HUI	2	0	50 %	Predecessor

Other items to be recorded:

- If the Audit Committee operates under any of the following circumstances, it shall state the date and period of the Board of Directors' meeting, the content of the motion, Independent Directors' objection, reserved opinion, or major proposal content, the results of the Audit Committee's resolution, and the Company's handling of the Audit Committee's opinion.

(1) Section 14-5 of the Securities Exchange Act: None.

(2) In addition to the previous matters, other matters that have not been approved by the Audit Committee and have been agreed by more than two-thirds of all directors: None.

(A) Annual work priorities of the audit committee:

The Audit Committee consists of three independent directors. The Audit Committee operates primarily to oversee the fair presentation of the Company's financial statements, the selection (dismissal) and independence and performance of the certified public accountants, the effective implementation of the Company's internal controls, the Company's compliance with laws and regulations, and the control of the Company's existing or potential risks.

The audit committee held four meetings in 2024, and the issues considered mainly include:

1. Internal control system effectiveness assessment.
2. Financial report and business report.
3. Increase capital and fund loaning of the re-investment company.
4. Appointment, independence and competence assessment of the certifying accountant.
5. Whether the company's disguised financing is classified as a loan of funds.
6. Annual audit plan.

(B) Review of financial reports by the Audit Committee:

The financial statements of 2023 have been checked and endorsed by Taiwan, together with the business report and the statement of profit distribution. The audit committee finds that there is no discrepancy.

(C) Endorsement accountant appointed by the audit committee:

In order to ensure the independence and competence of the endorsement accounting firm, the 12th Audit Committee of the second session and the 17th meeting of the 15th Board of Directors on March 14, 2024 deliberated and approved that HU, TZU-REN and HUNG, KUO-SEN from EY Taiwan, both meet the independent and competence evaluation criteria, and are qualified to serve as the company's financial and tax endorsement accountants.

(D) Performance of the Audit Committee for the year:

Session and Time of meeting	Contents of the major motion and follow-up actions	Matters listed in the Securities and Exchange Act 14-5	Resolution not approved by the Audit Committee but approved by 2/3 of the Directors
12 th , 2 nd session 2024.03.14	1. Internal control system effectiveness assessment in 2023.	V	None
	2. Review the 2023 financial report and Business Report.	V	None
	3. Review the independent and competency evaluation of endorsement Accountants.	V	None
	4. Set up general principles on pre-approved non-assurance services policy.	V	None
	5. Capital increase for subsidiary.	V	None
	6. To consider whether disguised financial accommodation is classified as a loan of funds.		None
	The results of the audit committee's decisions on the above cases: all the members present agreed to pass the case. The company's handling of the opinions of the audit committee: all the directors present agreed to pass the case.		
13 th , 2 nd session 2024.05.09	1. Consolidated Financial Report for the first quarter of 2024.		None
	2. Capital increase for subsidiary.	V	None
	3. Fund loaning for subsidiary.	V	None
	4. To consider whether disguised financial accommodation is classified as a loan of funds.		None
	The results of the audit committee's resolution: all the members present agreed to pass the case.		
	The company's handling of the opinions of the audit committee: all the directors present agreed to pass the case.		
1 st , 3 rd session 2024.08.08	1. Consolidated Financial Report for the second quarter of 2024.	V	None
	2. To consider whether disguised financial accommodation is classified as a loan of funds.	V	None
	Resolution of the audit committee on the above cases: all members present agreed to adopt the resolution as presented.		
	The company's handling of the opinions of the audit committee: all the directors present agreed to pass the case.		

Session and Time of meeting	Contents of the major motion and follow-up actions	Matters listed in the Securities and Exchange Act 14-5	Resolution not approved by the Audit Committee but approved by 2/3 of the Directors
2 nd , 3 rd session 2024.11.07	1. 2025 annual audit plan.	V	None
	2. Consolidated Financial Report for the third quarter of 2024.		None
	3. Endorsement and guarantee for reinvestment company.		None
	4. Establish automated storage for finished goods.	V	None
	5. Amendment on internal control system and internal audit implementation regulations	V	None
	6. To consider whether disguised financial accommodation is classified as a loan of funds.		None
	Resolution of the audit committee on the above cases: all members present agreed to adopt the resolution as presented.		
	The company's handling of the opinions of the audit committee: all the directors present agreed to pass the case.		

2. The recusal of an independent director from the implementation of an interest motion shall include the name of the independent director, the content of the motion, the reasons for the recusal, and the circumstances under which the independent director participated in the vote: None.

3. Communication between the independent directors and the internal auditors and accountants (including the major issues, methods and results of communication regarding the Company's financial and business conditions):

(1) Communication between the independent directors and the head of internal audit and the accountant:

A. Communication between the audit director, the accountant and the independent directors are conducted directly by e-mail, telephone or in person, as necessary.

B. We submit a monthly written summary report of the audit deficiencies and improvements to the servicemen of the previous month to the independent directors for their review and the independent directors approve the explanatory notes/reports or other recommendations on the report.

C. The head of internal audit of the Company conducts audit reports to the independent directors in the Audit Committee and the Board of Directors, and communicates the results of audit reports and their follow-up implementation to the independent directors.

(2) Summary of historical communication between independent directors and head of internal audit:

The independent directors of our company have good communication regarding the execution and effectiveness of the audit operations.

A summary of the key communications for 2024 is as follows:

Date	Communication Highlights
2024.03.14	Report on the implementation results of the internal audit plan for 2023
2024.05.09	Report on the implementation results of the internal audit plan for 2024
2024.08.08	Report on the implementation results of the internal audit plan for 2024
2024.11.07	Report on the implementation results of the internal audit plan for 2024 and the internal audit plan for 2025

(3) Summary of Communication between Independent Directors and Certified Public Accountants

Our company's independent directors have had good communication with the certifying accountants and a summary of the major communication items for 2024 is as follows:

Date	Communication Highlights
2024.3.14	Report on the audit of individual financial statements and consolidated financial statements, report on internal control audits for 2023

(3) Corporate Governance Status and Deviations from “The Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1.Has the company developed and disclosed principles of corporate governance practices in accordance with the Code of Corporate Governance Practices for Listed Companies?	V		In accordance with the "principles of Corporate Governance Practices for Listed Companies", the Company has amended the "Principles of Corporate Governance Practices" for the Company at the 10 th meeting of the 15th Board of Directors (2022.11.11) and disclosed it on the Company's website.	No major differences from the requirements of the Principles of Practice on Governance of TWSE/TPEX listed companies
2.Shareholding structure and shareholders' equity of the Company (1) Does the company have internal procedures to deal with shareholders' suggestions, queries, disputes and litigation matters, and implement them in accordance with the procedures? (2) Does the company have a list of the substantial shareholders and ultimate controllers of the substantial shareholders who effectively control the company? (3) Has the company established and implemented a risk control mechanism and a firewall mechanism with its affiliates? (4) Does the company have internal regulations that prohibit insiders from trading marketable securities using information not publicly available in the market?	V V V V		(1) The Company has a spokesperson and proxy spokesperson system to ensure shareholders' rights and interests, and is dedicated to handling shareholders' suggestions, queries, disputes and litigation matters. (2) The major shareholders informed the Company of the increase, decrease or pledge of their shares in accordance with the regulations, and the Company reported on the Market Observation Post System in accordance with the law. (3) The Company has established relevant system in the internal control system in accordance with the regulation, and audits are conducted by the audit department, the finance department or by an accountant on a regular or irregular basis. (4) The Company has established "Internal Procedures for Handling Material Information", "Principles of Ethical Conduct" and "Integrity Management Regulations" to regulate internal personnel from having the opportunity to profit from their duties.	(1) No major differences from the requirements of the Principles of Practice on Governance of TWSE/TPEX listed companies (2) No major differences from the requirements of the Principles of Practice on Governance of TWSE/TPEX listed companies (3) No major differences from the requirements of the Principles of Practice on Governance of TWSE/TPEX listed companies (4) No major differences from the requirements of the Principles of Practice on Governance of TWSE/TPEX listed companies
3.Composition and responsibilities of the Board of Directors (1) Does the Board of Directors formulate and implement a diversity policy and specific management goal on the composition of its members?	V		(1) In accordance with Item 3 of Article 30 of the Company's Principles of Corporate Governance Practices, the composition of the Board of Directors should generally possess the knowledge, skills and qualities necessary for the performance of its duties. In order to achieve the desired objectives of corporate governance, the Board of Directors as a whole should possess the following competencies: 1.Operational judgment ability. 2.Accounting and financial analysis capabilities. 3.Operational management capacity. 4.Crisis management capacity. 5.Industry knowledge. 6.International Market View. 7.Leadership 8.Decision-making ability.	(1) No major differences from the requirements of the Principles of Practice on Governance of TWSE/TPEX listed companies

The Company has amended Paragraph 2, Article 23 of the Company's Corporate Governance Best Practice Principles on March 24, 2020 to formulate an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs, i.e., basic requirements and values (such as gender, nationality, and tenure as an independent director), professional knowledge and skills (accounting and finance, operation management, foreign language, risk management, engineering management, leadership decision, and cross-industry management).

The Company has nine directors (including three independent directors, which is more than one-third in proportion), one of whom are certified public accountants, two of whom has a professional background in business management, and the other directors have many years of experience in the industry, so they are able to carry out the duties and responsibilities of the Board of Directors and protect the interests of shareholders.

The Company pays attention on the expertise of the Board members. Two or more directors shall possess one of the expertise to be diversified. Two or more directors possess one of the expertise so far, therefore the compliance rate is 100%. The tenure of the independent director may not exceed nine years. All three independent directors' tenure is under nine years, so the compliance rate is 100%. The implementation status is as follow:

Diversity of Board Members.

Diversified Core Programs	Basic Members						Professional Capability					
Name of directors	Gender	Age	Nationality	Term qualification of the independent directors		Financial accounting	Operating management	Foreign language ability	Risk management	Engineering management	Leadership Decisions	Cross-Industry Operations
				Less than 3 years	3 to 9 years							
WU, CHUN-CHI	Male	41-50 years old	Taiwan				V		V	V	V	V
WU, CHUN-LANG	Male	71-80 years old	Taiwan				V		V		V	V
WU, CHUN-I	Male	81-90 years old	Taiwan				V		V	V	V	
TING, CHENG-TAI	Male	71-80 years old	Taiwan				V	V	V	V	V	
HUANG, CHUNG-HUI	Male	71-80 years	Taiwan		V	V	V		V		V	V

					old														
			HOU, RONG- HSIEN	Male	61-70 years old	Taiwan			V	V	V		V		V		V		
			HSU, CHIANG	Male	71-80 years old	Taiwan			V		V	V	V		V		V		
			HUANG, HUI-LING	Female	51-60 years old	Taiwan	V			V	V	V	V		V		V		
(2) In addition to the remuneration committee and audit committee set up in accordance with the law, does the company voluntarily set up other functional committees?	V		(2) In addition to the remuneration committee set up in accordance with the law, the audit committee has been set up in 2018, and sustainable development committee has been set up in 2025. Other functional committees are still under discussion.														(2) No major differences from the requirements of the Principles of Practice on Governance of TWSE/TPEX listed companies.		
(3) Has the company established the performance evaluation method of the Board of Directors and its evaluation method, conducted the performance evaluation every year and regularly, and reported the results of the performance evaluation to the Board of Directors, and applied the reference for individual directors ' remuneration and nomination for renewal?	V		(3) At the 12th meeting of the 14th session of the Board of Directors (2020.03.24), the Board of Directors approved the "Board Performance Evaluation Method", which will start to conduct regular performance evaluation in 2024 and report the results of the evaluation to the Board on March 13, 2025 and apply it to the reference of individual directors ' remuneration and nomination for renewal.														(3) No major differences from the requirements of the Principles of Practice on Governance of TWSE/TPEX listed companies.		
(4) Does the company regularly assess the independence of the CPA?	V		(4) 1. The Company's Audit Committee has regularly evaluated the independence of endorsement accountants every year and submitted the result to the Board. It has been approved in the 12 th meeting of the 2 nd Audit Committee (March 14, 2024) and submitted and approved in the 17th meeting of the 15th Board of Directors (March 14, 2024). 2. The Audit Committee and the Board of Directors evaluated the independence and competence of the certifying accountant in accordance with Statement of Ethics No. 10, "Integrity, Impartiality, Objectivity and Independence," with respect to financial interests, financing and guarantees, business relationships, family and personal relationships, employment relationships, gifts and special privileges, rotation of certifying accountants and non-audit engagements, as well as 5 major scopes and 13 indicators such as profession, independence, quality control, monitor and creativity in Audit Quality Indicators (AQIs), and obtained a statement of independence and AQIs from the certifying accountant and was not aware of any circumstances that might affect the independence and competence of the certifying accountant.														(4) No major differences from the requirements of the Principles of Practice on Governance of TWSE/TPEX listed companies		
4.Does the listed company have a suitable and appropriate number of corporate governance personnel and designate a corporate governance officer to be responsible for corporate governance-related matters (including but not limited to providing	V		Passed by the Board's resolution on May 13, 2021 to assign Financial Management Assistant Manager Lin, Ya-Hsuan as the Corporate Governance Manager and in charge of supervising corporate governance related issues. Assistant Manager Lin, Ya-Hsuan has over three years experience as a financial manager in a public company. The main duties of a Corporate Governance Manager are as follow:														No major differences from the requirements of the Principles of Practice on Governance of TWSE/TPEX listed companies.		

information necessary for directors and supervisors to perform their business, assisting directors and supervisors in complying with laws and regulations, conducting board and shareholders' meeting-related matters in accordance with the law, and preparing minutes of board and shareholders' meetings, etc.)?)		<div>(1) To assist in matters related to the board or shareholders' meetings in accordance with the law.</div> <div>(2) To produce board or shareholders' minute meetings.</div> <div>(3) To assist directors to take office and in advanced studies.</div> <div>(4) To assist directors with required information for the execution of duties.</div> <div>(5) To assist directors' compliance with statutory requirements.</div> <div>(6) Other matters prescribed by the Articles of Incorporation or contract agreements.</div> <div>The advanced studies status of the Corporate Governance Manager is as follows:</div> <table><thead><tr><th colspan="2">Date</th><th rowspan="2">Organization</th><th rowspan="2">Course Name</th><th rowspan="2">Hours</th><th rowspan="2">Total hours of the year</th></tr><tr><th>From</th><th>To</th></tr></thead><tbody><tr><td>2024/07/03</td><td>2024/07/03</td><td>Taiwan Stock Exchange</td><td>Cathay Sustainable Finance and Climate Change Summit</td><td>6</td><td rowspan="3">12</td></tr><tr><td>2024/08/08</td><td>2024/08/08</td><td>Taiwan Corporate Governance Association</td><td>Labor dispute and corporate governance</td><td>3</td></tr><tr><td>2024/11/07</td><td>2024/11/07</td><td>Taiwan Corporate Governance Association</td><td>Geography and Sustainable Trends for Directors</td><td>3</td></tr></tbody></table>	Date		Organization	Course Name	Hours	Total hours of the year	From	To	2024/07/03	2024/07/03	Taiwan Stock Exchange	Cathay Sustainable Finance and Climate Change Summit	6	12	2024/08/08	2024/08/08	Taiwan Corporate Governance Association	Labor dispute and corporate governance	3	2024/11/07	2024/11/07	Taiwan Corporate Governance Association	Geography and Sustainable Trends for Directors	3	
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5. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.) and set up a stakeholder area on the company's website, and appropriately respond to important CSR issues of concern to stakeholders?	V	<div>1. The Company has set up an Investor Zone and a Stakeholder Zone on its website to serve as a channel for communication and feedback between investors and stakeholders, which are also disclosed on the Company's website. The website link as follows: http://www.tyc.com.tw/index.php/investors/view/61 Website link for stakeholders: https://tyc.com.tw/stakeholders</div> <div>2. The Company uses the above communication channels to respond appropriately to the relevant issues of concern to the relevant stakeholders.</div>	No major differences from the requirements of the Principles of Practice on Governance of TWSE/TPEX listed companies.																								
6. Does the company appoint a professional stockbroker to conduct the shareholders' meeting?	V	The Company's appointed stockbroker is: Capital Securities Corporation; for details, please refer to the inner page of the annual report.	No major differences from the requirements of the Principles of Practice on Governance of TWSE/TPEX listed companies.																								
7. Disclosure of Information (1) Does the company have a website to disclose financial operations and corporate governance information?	V	(1) The Company's website: http://www.tyc.com.tw Investor Zone discloses relevant financial operations and corporate governance information.	(1) No major differences from the requirements of the Principles of practice on Governance of TWSE/TPEX listed companies																								

(2) Has the Company adopted other methods of information disclosure (e.g., setting up an English website, designating a person in charge of collecting and disclosing company information, implementing a spokesperson system, placing the company's website in the process of corporate presentation, etc.)?	V	(2) The Company has established a website in English and Chinese to disclose relevant information for investors' reference, and has a person responsible for the collection and disclosure of corporate information, and the Company has established a spokesperson system to speak on behalf of the Company to ensure the interests of the Company and its shareholders.	(2) No major differences from the requirements of the Principles of Practice on Governance of TWSE/TPEX listed companies °
(3) Does the company announce and report its annual financial report within two months after the end of the fiscal year, and announce and report its first, second and third quarter financial reports and monthly operations well in advance of the required deadline?	V	(3) The Company did not announce and report its annual financial statements within two months after the end of the fiscal year, but completed the announcement and reporting of financial statements and monthly operations within the time limit set by the competent authorities.	(3) No major differences from the requirements of the Principles of Practice on Governance of TWSE/TPEX listed companies
8.Does the company have other important information to help understand the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, director and supervisor education, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the company's purchase of liability insurance for directors and supervisors)?	V	1. Staff Rights and Employee Care. (1) Handle employee labor and health insurance and group insurance, and arrange regular health check-ups for employees. (2) Actively operate the employee welfare committee to improve employee welfare. (3) Organize internal and external training for employees to enhance their professional skills. (4) Regular labor-management meetings are held to harmonize labor-management relations. 2. Investor Relations: The Company has an investor relations zone, a spokesperson and a proxy spokesperson system to handle investor proposals. 3. Supplier relationship: There is a supply chain management system between the company and the supplier, and the relationship is harmonious with no dispute and litigation arising. 4. Stakeholder Rights: Stakeholders may communicate with the Company in order to protect their rights. 5. Director training situation: All directors of the Company have completed training hours in 2024. 6. Implementation of risk management policies and risk measurement standards: The Company's auditing unit follows the internal control self-assessment procedures and actually performs the assessment of risk management in the procedures. 7. Implementation of customer policy: The company maintains a good relationship with customers, and there are no litigation cases. 8. Liability insurance taken out by the company for directors: The Company had liability insurance for the Directors as of 30 June 2020.	No major differences from the requirements of the Principles of Practice on Governance of TWSE/TPEX listed companies.
9. Please provide information on the results of the latest annual corporate governance assessment issued by the Corporate Governance Center of the TWSE, and propose priorities and measures to enhance those that have not yet been improved. The prioritized improvement items on the Company's corporate governance assessment for 2024 and improvements made are as follows: 1. The Company has been conducting performance evaluation of the functional committee since 2024. 2. The sustainable development committee has been set up in 2025, and will disclose its composition, duty, and operating status in the future. 3. An English version of the interim financial report and sustainability report are expected to be prepared in 2025.			

(4) Establishment of the Remuneration Committee, its composition, duties and operation:

1.Member Information of Salary and Compensation Committee:

Identity	Condition	Professional qualification and experience	Compliance with the case of independence	Number of independent directors of other public offering companies
	Name			
Independent Director (Convener)	HOU, RONG-HSIEN	Refer to Directors' Information (2) on p.10.	Refer to Directors' Information(2) on p.10.	0
Independent Director	HSU, CHIANG	Refer to Directors' Information(2) on p.10.	Refer to Directors' Information(2) on p.10.	0
Other	LIN, TSAI-YUAN	<ol style="list-style-type: none"> Have more than five years experience as a finance and accounting professor. Have more than five years experience in finance and accounting. 	<ol style="list-style-type: none"> The said person, the person's spouse, a second-tier relative is not a director, supervisor, or employee of the Company or its affiliates The said person, the person's spouse, a second-tier relative (or held by the person under others' names) does not hold company shares Is not a director, supervisor, or employee of a company that has special relation with the Company Does not provide commercial, legal, financial, and accounting services to the Company or its affiliates in the last two years Not been a person of any conditions defined in Article 30 of the Company Law 	1

Note: Due to directors' re-election on June 18, 2014, the former convener HUANG, CHUNG-HUI has resigned.

2.Information on the operation of the Remuneration Committee

(1) The Company's remuneration committee consists of 3 members

(2) The term of office of the current member: From June 18, 2024 to June 17, 2027, the most recent annual Remuneration Committee met two times

(A), the qualifications and attendance of the members are as follows:

Title	Name	Actual Attendance (B)	Number of Delegate attendance	Actual Attendance (%) (B/A)	Remarks
Former Convener	HUANG, CHUNG-HUI	2	0	100%	Predecessor
Convener	HOU, RONG- HSIEN	2	0	100%	Succeed on Jun 18, 2024
Members	HSU, CHIANG	0	0	0%	Newly elected on Jun 18, 2024
Members	LIN, TSAI-YUAN	2	0	100%	Succeed on Jun 18, 2024

Note: Due to directors' re-election on June 18, 2014, the former convener HUANG, CHUNG-HUI has resigned.

Other items to be recorded:

1.If the Board of Directors does not adopt or amend the recommendation of the remuneration committee, it shall state the date and period of the Board of Directors' meeting, the content of the resolution, the result of the Board of Directors' resolution and the Company's treatment of the recommendation of the remuneration committee (if the remuneration approved by the Board of Directors is better than the recommendation of the remuneration committee, it shall state the difference and the reasons for the difference): None

2.If a member of the remuneration committee has objections or reservations to a resolution and a record or written statement is kept, the date and time of the remuneration committee, the period, the content of the resolution, the opinions of all members, and the disposition of the opinions of the members shall be stated: None.

Meeting contents and resolution results of the Remuneration Committee

Remuneration Committee Session / Date	Contents of the motion	Resolution	The company's handling of the opinions of the Remuneration Committee
5 th of the 5th session 2024.03.14	1. Consideration of the 2023 Distribution of Employee Remuneration and Directors ' Remuneration 2. Consideration of the Board of Directors and its members' performance evaluation in 2023	All members present agreed to approve the motion as presented	The Board of Directors shall be approved with the consent of all present directors.
6 th of the 5th session 2024.05.09	1. 2023 Annual Remuneration of Directors	All members present agreed to approve the motion as presented	The Board of Directors shall be approved with the consent of all present directors.

(5) Sustainable development implementation status, deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies:

Promoted item	Implementation status			Differences between Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
I. Has the Company set up a sustainable development governance structure and a dedicated (or concurrent) sustainable development promotion unit which is authorized by the Board of Directors to be managed by high-level management and supervised by the Board of Directors?	V		Sustainable Development Committee is the Company's management organization that plans, supervises, and promotes sustainable development strategy. The Sustainable Development Committee Charter was approved by the Board of Directors on March 13, 2025. The functional committee - Sustainable Development Committee was officially set up. The Chairman serves as the general supervisor. The general manager is the chairman of this committee; the directors from each division are the accountable members; and the managers from functional departments are members. The Company promotes implementation of corporate sustainable development effectively through the members of the committee working closely together. It integrates company resources by cross-department and makes policy and action plan (P), implementation (D), and regular performance review (C), and continuous strengthen and improvement adjustment (A) for sustainable development targets. The Committee	No major differences from the requirements of Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promoted item	Implementation status			Differences between Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons																
	Yes	No	Summary description																	
			reports the implementing status and execution result of corporate sustainability to the Board of Directors once a year, and publishes sustainability report after the Board’s approval to disclose the result of environmental, social, and governance implementation in detail.																	
2. Has the Company conducted risk evaluation for environmental, social and corporate governance issues related to the operations of the Company based on the materiality principle, and formulated related risk management policies or strategies?	V		<div>In order to implement risk management mechanism and strengthen corporate governance, TYC assigns each authority to perform risk and opportunity identification based on the different aspects of operation management, including sustainable environment/employee/operational performance, etc. It continues to track and confirm on improvement through risk identification and effectively reduces operational risk.</div> <table><tr><th>Risk Type</th><th>Risk Explanation</th><th>Risk Management Strategy (Corresponding Measures)</th></tr><tr><td rowspan="3">Sustainable Environment</td><td>Greenhouse gas emission continues to increase</td><td>Gradually introduce strategies that reduce carbon emission and other environmental impact, such as improve the efficiency of factory facilities and equipment, electricity saving, and develop renewable energy.</td></tr><tr><td>Unable to effectively save energy</td><td>Replace old and electricity-consuming equipment (facilities): air conditioning, air compressor, relevant motor equipment, lighting, and continue to increase solar energy equipment (facilities); introduce energy management and obtain certification.</td></tr><tr><td>Increase in waste handling / decrease in recycling</td><td>Domestic waste: promote the reduction of plastic usage, increase recycling, increase resource recycling and reuse.</td></tr><tr><td></td><td>Water shortage, electricity shortage</td><td>Water shortage: increase water leakage inspection, increase usage of reused water. Electricity shortage: time control on public electricity consumption (strictly controlled), set up backup power for important equipment (battery or emergency power supply).</td></tr><tr><td>Employee</td><td>Overworked (long working hour)</td><td>1. Health risk management: care for employee health and prevent serious illness, continue to prevent abnormal workload.</td></tr></table>	Risk Type	Risk Explanation	Risk Management Strategy (Corresponding Measures)	Sustainable Environment	Greenhouse gas emission continues to increase	Gradually introduce strategies that reduce carbon emission and other environmental impact, such as improve the efficiency of factory facilities and equipment, electricity saving, and develop renewable energy.	Unable to effectively save energy	Replace old and electricity-consuming equipment (facilities): air conditioning, air compressor, relevant motor equipment, lighting, and continue to increase solar energy equipment (facilities); introduce energy management and obtain certification.	Increase in waste handling / decrease in recycling	Domestic waste: promote the reduction of plastic usage, increase recycling, increase resource recycling and reuse.		Water shortage, electricity shortage	Water shortage: increase water leakage inspection, increase usage of reused water. Electricity shortage: time control on public electricity consumption (strictly controlled), set up backup power for important equipment (battery or emergency power supply).	Employee	Overworked (long working hour)	1. Health risk management: care for employee health and prevent serious illness, continue to prevent abnormal workload.	No major differences from the requirements of Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
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Promoted item	Implementation status			Differences between Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons	
	Yes	No	Summary description		
				<div>2. Occupational disease prevention management: ergonomic hazards and relevant health promotion activity.</div> <div>3. Contine to enhance personnel recruitment. In addition to posting various job advertisements, the Company holds internal and external recruitments, and makes salary adjustments in reference to the market wage level from time to time to speed up the recruitment.</div> <div>4. Set up TYC scholarships and cultivate the potential talents in core technologies in light, mechanism, electronics (including automotive electronics), and heat of the automotive. Other than the excellent scholarships for the students during their studies, there are internship opportunities during summer or winter vacation to improve the practical skills. The student can work for the company right after graduation.</div>	
			High turnover rate (labor shortage)	<div>1. Understand the true reason why employees quit through exit interviews, and make adjustments and improvements based on the reason.</div> <div>2. Establish a complete welfare plan to increase employees' satisfaction and a sense of belonging and decrease brain drain.</div> <div>3. Improve career development and learning opportunities, provide professional training, management courses to help with employees' growth.</div> <div>4. Continue to retain talent evaluation and allocate retain bonus to increase long-term serving willingness.</div>	
			Operating Performance	Declining market competitiveness	

Promoted item	Implementation status			Differences between Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary description	
			<p>3. Increase high quality control and product reliability, in compliance with international standards such as ISO 26262, IATF 16949 to ensure product quality and stability, and integrate with environmental sustainability requirements.</p> <p>4. Internal training and regular employee development and skill training, environmental sustainability training, stimulate innovation and enthusiasm, introduce high end technical talents and strengthen R&D capabilities.</p> <p>5. Speed up digitization and smart transformation to upgrade the sales system, improve contract efficiency and data management capabilities, use big data to analyze market demand and climate risk, optimize production plan and product adjustment.</p>	
			<p>Security incidents occurred</p> <p>When an information security incident occurs, quick notification and response are crucial to keep business operations normal. Here are the summarized key points of these elements and relevant advices:</p> <ol style="list-style-type: none"> 1. Quick notification and response 2. Information security drill 3. Anti-virus vulnerability assessment 4. Emergency response plan 5. Follow up tracking and improvement 6. Complete backup/standby mechanism (plan and resources) 7. Information security training 	
			<p>Supply chains disconnected</p> <p>New supplier evaluation, existing supplier evaluation and counselling (Have 2 or more suppliers for critical materials)</p>	
			<p>The Company keeps observing changes in market and the industry and convening guideline for management strategy meeting regularly every year. With data collected by each authority to make analysis on internal and external environment before the meeting, it summarizes the Company's advantages, disadvantages, opportunities, and threats, and proposes a specific action plan based on a SWOT analysis result. It will be the reference for guideline for management strategy</p>	

Promoted item	Implementation status			Differences between Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
			<p>planning in making short-, medium-, and long-term strategic goals, Key Performance Indicators, and a practicable action plan. It sets up the "Regulations for planning and managing guideline for management strategy and Key Performance Indicators" and reviews the diagnostic operation standards based on Key Performance Indicators for effective management on operation. Operational meeting is regularly held to track and improve on operational performance, so the operational strategy can reach the operational goal.</p> <p>※Financial risk management Finance-related risk management that conducts risk assessment and explains coping strategy with focuses on market risks (exchange rate, interest rate, and equity price), credit risk, and liquidity risk.</p> <p>※Risk management of management systems 1. IATF 16949:2016 quality management system for organizations in the global automotive industry. 2. ISO 45001 and CNS 45001 Occupational Safety and Health Management System. 3. AEO Authorized Economic Operator.</p> <p>※Public health risk management It strengthens prevention in advance and tracking confirmation to prevent impacts on the Company from communicable disease (such as novel influenza, influenza, tuberculosis, dengue, and COVID-19, etc.) spreading. The Company has established prevention measures that enhance beforehand prevention and follow-up countermeasures to reduce impact and effect on operation.</p>	
<p>3.Environmental issues</p> <p>(1) Has the company established an appropriate environmental management system according to its industrial characteristics?</p>	V		<p>(1) 1. We have obtained ISO14001:2015 environmental management system certification (Certificate No. TW005050; expiry date: 2023/09/29) to promote industrial waste reduction, energy saving and resource recycling.</p> <p>2. In order to establish a safe and healthy working environment,</p>	<p>(1) No major differences from the requirements of Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Promoted item	Implementation status			Differences between Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
(2) Is the company committed to improving resource efficiency and using recycled materials with low impact on the environment?	V		<p>our company has been certified by ISO45001:2018 in September 2020 (certification number TW005051, expiry date: December 5, 2025) and CNS45001 occupational safety and health management system to implement safety and health management, and hold regular firefighting education and training for employees and regular inspection of related equipment.</p> <p>(2) 1. In the R&D and design stage, we try our best to develop green concept products to reduce the impact on the environment and ecology, and to introduce environment-friendly equipment and technology solutions to properly control and prevent pollution generation. The LED Street light has been certified on “carbon footprint” by the Environmental Protection Administration.</p> <p>2. The process wastewater in the plant is treated as secondary water to save water resources, and the raw materials of the production line are recycled to achieve the reduction of raw materials.</p> <p>3. The process-related equipment is continuously integrated into the inverter energy saving system to reduce the company's energy consumption. The resource waste generated in the plant is treated through the plant recycling system to reduce the amount of waste production.</p> <p>4. The plant water system has been upgraded to continuously improve the efficiency of recycled water use.</p> <p>5. The reduction of process gas emissions to reduce the emission of volatile organic pollutants.</p> <p>6. In line with Tainan City's Low Carbon Autonomy Ordinance, the company has installed a 5,072KW solar energy system to support the Renewable Energy Law in practice.</p>	(2) No major differences from the requirements of Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(3) Does the company evaluate the current and future potential	V		(3)1. Our company has established greenhouse gas inventory	(3) No major differences from the requirements of

Promoted item	Implementation status			Differences between Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
<p>risks and opportunities of climate change and take relevant corresponding measures?</p> <p>(4) Has the company compiled statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years, and has it formulated policies for greenhouse gas reduction, water use reduction or other waste management?</p>	V		<p>practices and regularly does an inventory of greenhouse gas emissions in accordance with the international ISO 14064-1:2018 carbon emission standard, and our production plants have been awarded the Carbon Reduction Action Award by the Environmental Protection Agency.</p> <p>2. Replace chilled water equipment with high efficiency energy saving models to reduce energy consumption and greenhouse gas generation.</p> <p>3. Continued introduction of variable frequency equipment into the production facilities to reduce energy consumption and greenhouse gas emissions within the plant.</p> <p>(4)1. Water consumption: 109.3 megalitre, 12.7% increase in comparison with 97.0 megalitre in 2023. Water recycling in the plant was 5.4 megalitre.</p> <p>2. Total weight of waste: a total of 739.3 tonnes in 2024. Direct disposal was 480.2 tonnes/year (8.4% decrease in comparison with 524.1 tonnes in 2023). Recycled waste was 259.1 tonnes (36% increase in comparison with 190.5 tonnes in 2023).</p> <p>3. Electricity consumption: carbon emission was 16,373.5 tonne CO₂ e (2.2% decrease in comparison with 16,748.4 tonne in 2023).</p> <p>4. The Company carried out water recycling plan in 2024. It directed effluent to reclaimed water system for manufacturing process and air conditioning.</p> <p>5. Management goal: the total carbon emission in scope 1 and 2 was 16,743.6 tonnes in 2024, decreased 2.3% in comparison with 17,144.6 tonnes in 2023.</p> <p>6. Measures for goal reaching, climate change estimation, and corresponding:</p> <p>1. Change cooled water chiller equipment to a high efficiency and energy saving model.</p>	<p>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p> <p>(4) No major differences from the requirements of Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Promoted item	Implementation status			Differences between Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
			<p>2. Successively introduce frequency conversion and energy saving systems for manufacturing process related equipment.</p> <p>3. Unit product carbon emission: 3.98 tonnes in 2024, 3.4% decrease in comparison with 4.12 tonnes in 2023.</p>	
<p>4.Social issues</p> <p>(1) Has the company established relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p>	V		<p>(1) In order to protect all employees and stakeholders' basic human rights, TYC has complied with the United Nations Universal Declaration of Human Rights, the International Labor Organization Convention and other relevant regulations to set up human rights norms, and support "Responsible Business Alliance (RBA) and Code of Conduct". The Company observes the "Labor Standards Act", "Employment Service Act", "Act of Gender Equality in Employment", "Sexual Harassment Prevention Act", "Occupational Safety and Health Act", and other labor-related laws and regulations to provide a respectful, dignified, and safe working environment and fulfill its social responsibility in caring for its employees. Meanwhile, the Company's major partners of the supply chain (including human resources agency) are required to follow the compliance and disclose on the company website.</p>	<p>(1) No major differences from the requirements of Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>(2) Does the company establish and implement reasonable employee welfare measures (including remuneration, leave and other benefits, etc.) and properly reflect operating performance or results in employee compensation?</p>	V		<p>(2) In order to practice the commitment and protection to human rights, the Company has clearly stipulated the commitment to human rights and employee protection in internal regulations such as "Work Rules", "Employee Recruitment and Hiring Regulations", "Sexual Harassment Prevention Regulations", "Prevention Plan for Unlawful Infringement in the TYC Workplace", and "Personnel Rewards and Punishment Regulations". "TYC Supplier's Code of Conduct" and "TYC labor policy questionnaire" are set up in accordance with the "Labor and Business Ethics Policy". Human rights commitment is also adopted in procurement policies, and supply chain</p>	<p>(2) No major differences from the requirements of Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Promoted item	Implementation status			Differences between Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
(3) Does the company provide a safe and healthy working environment for employees, and regularly implement safety and health education for employees?	V		<p>partners are required to follow the regulations. If violation against the above regulations is identified, it may be reported to the General Director's email (keep confidential). If the violation is verified to be true, relevant persons involved in the corruption will receive punishment in accordance with the regulations. Employees who violate the regulations will receive punishment accordingly to the company's regulations depending on the severity of the incident. For suppliers who receives inappropriate gifts, its partnership with TYC will be terminated immediately.</p> <p>(3) A total of 4,110 hours educational training on human rights policy with 2,775 people participated has been hold in 2024. The Company has clearly stipulated the commitment to human rights and employee protection in internal regulations such as "Work Rules", "Employee Recruitment and Hiring Regulations", "Sexual Harassment Prevention Regulations", "Prevention Plan for Unlawful Infringement in the TYC Workplace", and "Personnel Rewards and Punishment Regulations".</p> <p>TYC values occupational safety, health, and well-being for employees, and is devoted to provide a safe, friendly, and good quality working environment. In accordance with the Occupational Safety and Health Act, it has obtained ISO / CNS 45001: 2018 Occupational Health and Safety Management Systems certification since September 2020, and ensure effective operation and continuous improvement of the management system through regular inspection.</p> <p>The system applies for various operating activities and product manufacturing processes in scopes includes An-ping Plant, Tech Park Phase 1~3, and applies to all operating personnels (The employee ratio is 100%) and subcontractors' employees.</p>	(3) No major differences from the requirements of Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promoted item	Implementation status			Differences between Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
			<p>The Company conducts risk identification and evaluation, and establishes control countermeasures in the sequence of risk level, and further conducting policy update, employees' awareness improvement, prevention management reinforcement, and substantial improvement in execution, as well as focusing on the implementation of labor-management communication and participation mechanism. It continues to hold employee safety and health education training and conducts regular equipment inspections, which helps employees to focus on the consensus in occupational safety and health issues, and forms a comfortable, safe, healthy, and sustainable working environment.</p> <p>Safety and health training can increase the employees' knowledge and understanding in safety and health regulations. It reduces the incidence rate of accidents and occupational diseases and protects employees' safety and health. Educational training can also be done for employees to understand and follow relevant regulations. For foreign employees' training, an English explanation is also provided to establish safety culture in the company. It turns safety awareness and behavior into a self-conscious action for every employee, and further promotes everyone to practice safety management.</p> <p>In addition to safety and health training to employees who handle special operations, TYC also conducts safety and health communication course for new hires and all existing employees. Special operations include employees operate overhead crane, forklift, organic solvent, etc. Training includes overhead crane, forklift, first aid treatment, organic solvent, fire prevention, etc. In 2024, the Company held "safety and health hazard communication" for the new hires with a total of 906 hours and 151 people participated, as well as "occupational safety and health training" for the existing employees in all units with a</p>	

Promoted item	Implementation status			Differences between Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
(4) Does the company have an effective career development program for its employees?	V		<p>total of 3,940 hours and 2,879 people trained.</p> <p>The Company practices caring for all employees' safety and health, strives to establish a safety culture, creates a safe working environment, and promotes health prevention management for existing employees. It provides on-site services from family and occupational doctors in accordance with the number of employees in each plant. Science Park Plant and An-ping Plant conduct health consultation from doctors for health management such as abnormal physical examination or health checkup, special abnormal health checkup, return or fitness to work, the three highs, abnormal workload, maternity protection, and physical ergonomics on a monthly basis; whereas Science Park 3rd Plant had it every quarter. The health consultation takes a one-on-one form (abnormal health checkup, return to work evaluation, the three highs, abnormal workload, and physical ergonomics), so employees can receive professional medical consultation during office hours, understand health conditions and warning signs, and reach the purpose of "early detection and early treatment". Health seminars are also held from time to time, and on-site employees are welcomed to join. Sin-Lau Hospital was appointed to conduct an annual health checkup in 2024. 251 TYC employees had a general health checkup (100% participation rate), and 192 people had a special health checkup (100% participation rate).</p> <p>(4) The Company continues to strengthen employees' professionalism and career development, and has established "Educational Training Implementation", which includes new hire orientation, first time job position training, general vocational training, core vocational training, professional vocational training, etc. The Human Resources department will assist each department to systematically improve employees'</p>	(4) No major differences from the requirements of Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promoted item	Implementation status			Differences between Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
			<p>performance and professionalism in accordance with the training programs made for operations and management every year. Meanwhile, in order to cultivate management talents, the Company also provides management training courses for all levels every year to enhance the leadership of the management team.</p> <p>In addition to internal training activities, TYC also supports employees to join learning activities from external institutes to strengthen personal career competitiveness through various seminars, studies, observation and learning activities, etc, and gain professional knowledge for work via on-the-job training. The Company provides full subsidies for training and travelling expenses.</p> <p>To expand learning channels and flexibilities, TYC has established “TYC digital learning platform” in the second half of 2023. The courses cover from management, professionalism, occupational safety, to language learning, etc. Employees can have online learning through computer or mobile phone with their individual progress and needs.</p> <p>Also, TYC holds English, Japanese training, and Thai training for expatriates from time to time to encourage employees to take the initiative to strengthen their international perspective and improve foreign language skills. “Language Scholarships Regulations” are set up to encourage taking the language proficiency test.</p> <p>In 2024, there were 744 internal educational training courses, which took a total of 21,639 hours with 14,081 person-time. A total of 1,475 hours with 177 person-time were completed for the external training course. A total of 921 courses were held in 2024, and the total expense for training was NT\$3,489,409. The average training hour was 14 hours/person with NT\$2,114/person for all employees.</p>	
(5) Does the company comply with relevant laws and international standards for customer health and safety, customer privacy, marketing and labeling of products and services, and has it established relevant consumer or customer protection policies and complaint procedures?	V		<p>(5) The Company follows relevant marketing labeling regulations in product sales. We respect customers’ rights and increase the transparency in products and services to ensure the information is clear and correct. There was no violation of product and service information and labeling regulations in 2024.</p> <p>The Company has established “Customer Service and Satisfaction</p>	(5) No major differences from the requirements of Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promoted item	Implementation status			Differences between Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
(6) Does the company have a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health or labor human rights, and how is it implemented?		V	<p>Management Regulations” and “Customer Satisfaction Survey Standards”, and conducts customer satisfaction surveys once a year to actually understand the market trends and voice of the customers. It will be TYC’s future direction for continuous improvements to take the product quality and service level beyond customers’ expectation, and further strengthen customers’ loyalty to the company and increase the company’s competitiveness. The overall score for the customer satisfaction survey was 79.38 in 2024, which had reached the goal setting at 75.</p> <p>Grievance channels: for any complaint related to the products, customers may email to the Mr. CHAO, YUAN-CHUN, Associate of the Business Division, at Jason_Chao@tyc.com.tw.</p> <p>(6) To make sure the overall supply chain has met the requirements of domestic laws and regulations, international guidelines and standards, customer demand, as well as achieving the vision of sustainable prosperity, the Company has established the "TYC Supplier's Code of Conduct" in 2022 by complying with the "Guiding Principles on Business and Human Rights" and "The United Nations Global Compact" from the United Nations, and "Fundamental Principles and Rights at Work" from the International Labor Organization, as well as supporting Responsible Business Alliance (RBA), and strictly comply with the “Labor Act”, “Employment Service Act”, “Act of Gender Equality in Employment”, “Sexual Harassment Prevention Act”, “Occupational Safety and Health Act”, and labor related regulations in the Republic of China. All suppliers have been promoted on the subject to build a responsible, environmental, and transparent supply chain relationship. ESG training, explanation, and publication are held</p>	(6) No major differences from the requirements of Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promoted item	Implementation status			Differences between Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
			<p>for suppliers from time to time. “TYC labor policy questionnaire” is added to investigate the labor policy and compliance status of the raw material suppliers.</p> <p>There was no significant social and environmental impact from the suppliers in 2024.</p> <p>The Company echoed the Firefighting ESG promoted by Tainan City Government to encourage and promote key suppliers to participate in the training course of “Firefighting ESG Introduction and Application” by disaster prevention expert Mr. LIN, JIN-HONG on May 30, 2024, to promote suppliers to pay attention to fire safety.</p> <p>Supplier Evaluation: A total of 212 raw material suppliers were evaluated in 2024 (including 10 on-site evaluations), and all of them had passed the evaluation.</p> <p>The Company supports Responsible Business Alliance (RBA) and Responsible Minerals Initiative (RMI), and does not support or use minerals from illegal mining or minerals mining from the armed conflict areas. It has established “TYC’s Conflict Mineral Purchase Policy” to ensure all the Gold, Tantalum, Tungsten, Tin contained in the products do not directly or indirectly fund or benefit to the Democratic Republic of the Congo and severe human rights violation or forced labor and child labor issues in the neighborhood countries. TYC purchases the minerals responsibly and requests our suppliers to work together to ensure the responsible supply chain is better.</p> <p>The Company has requested the cardboard box suppliers to obtain FSC (Forest Stewardship Council) certification. All of the cardboard box suppliers have passed the FSC certification in 2024.</p>	

Promoted item	Implementation status			Differences between Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
5.Has the company made reference to international standards or guidelines for the preparation of reports, such as ESG reports, which disclose non-financial information about the company, and has the former report obtained a third-party verification or assurance opinion?		V	<ol style="list-style-type: none"> 1. The composing structure of this report is prepared in accordance with the GRI Standards (2021 version) issued by the Global Reporting Initiative (GRI) and met the requirement in the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", as well as SASB Standards by International Sustainability Standards Board (ISSB), and Task Force on Climate-related Financial Disclosures (TCFD) to reveal relevant strategies, goals, and action of TYC's material topics. 2. This report is certified by Bureau Veritas, a third-party notarization agency, with AA1000AS v3 of Type 1 Moderate Level on the inclusivity, materiality, responsiveness, and impact of the information disclosed in this report. 	No major differences from the requirements of Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
<p>6.If the company has its own ESG Principle in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe how it operates differently from the Principle:</p> <p>2024 Sustainable Development Committee operation summary and meeting key points:</p> <ol style="list-style-type: none"> 1. January 12, 2024: "2023 Sustainability Report" initiating meeting and significant issues, TCFD identification meeting. 2. January 17, 2024: "2023 Sustainability Report" GRI indicator grouping and education training. 3. April 1, 2024: "2023 Sustainability Report" first draft discussion meeting. 4. April 24-25, 2024: "2023 Sustainability Report" verification meeting. 				
<p>7.Other important information for understanding the promotion of sustainable development implementation.</p> <ol style="list-style-type: none"> 1. The Company has been using e-invoice for many years for carbon reduction. Carbon reduction for 2024 was 0.03 tonnes CO2e. 2. The Company subscribes to eNotice for stock matter instead of mailing notice for carbon reduction. 3. The annual notebook that the Company sends to customers, suppliers, and employees every year was made by recycled paper with 50% recycled pulp. It's an environment friendly uncoated woodfree paper with 0.12 tonne CO2e reduction compared with regular 70 pounds A4 copy paper. <p>The Company has issued a Sustainability Report and hopes the stakeholders can get a better picture on the contribution and result that TYC has done in promoting sustainable development. For more details, please visit the MOPS website for ESG Sustainability Report at https://esggenplus.twse.com.tw/inquiry/report.</p>				

8.Implementation of Climate-Related Information

1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.

The company refers to the framework from TCFD (Task Force on Climate-Related Financial Disclosures) climate-related financial information disclosure proposal to conduct risk assessment and management of climate change issue through task forces under the Sustainable Development Committee, and effectively reduce the climate change risks and opportunities' impact on finance through the involvement of top management, cross-function communication, and integration of the company resources. The general manager (Chairman of the Sustainable Development Committee) supervises the implementation of the promotion countermeasures and report the promoting plan and operating result to the Board of Directors annually

2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).

Summary of risk issue

Category	Item	Issue
Transitional risks	Policy and regulations	(1) Response to greenhouse gas carbon pricing from the government and European Union.
		(2) Strengthen emission reporting obligations
		(3) Requirement and supervision on existing products and services
		(4) Carbon management in compliance with government laws and regulations
	Technology	(5) Use low carbon products to replace existing products and services
		(6) Investment in new technology
		(7) The cost of low carbon technology transition caused the increase of raw material cost.
Physical risks	Market/reputation	(8) Uncertainty in customers' behavior preference/market information
	Acute risk	(9) Increase in severe level of extreme weather such as windstorm disaster, flood, etc.
	Chronic risk	(10) Rise of the average temperature (greenhouse gas)

Countermeasures of risk issues

Issue	Period	Countermeasures key points
(1) Response to greenhouse gas carbon pricing from the government and European Union.	Short-term	1. Conduct greenhouse gas inventory to clearly grasp the current situation, set medium to long term goal for carbon reduction. 2. Reduce energy consumption in critical process (reduce in carbon emission). 3. Join DHL GOGREEN sustainable aviation fuel transportation plan to reduce logistics related carbon emission. 4. Waste water recycle: softening waste water into recycled water. 5. Purchase locally to reduce carbon emission on transportation. 6. Electricity saving for plant facility and equipment, such as using timer for power switch.
(6) Investment in new technology		1. Continuous improvement in abnormal molds every year. 2. Introduction of energy management monitoring.
(7) The cost of low carbon technology transition caused the increase of raw material cost.		3. Invested in environment protection issue (material) for new product development. 4. Introduction of new optical software to increase optical utilization. 5. Reduce secondary processing.

(10) Rise of the average temperature (greenhouse gas)		1. Reduce energy consumption in critical process (reduce in carbon emission). 2. Join DHL GOGREEN sustainable aviation fuel transportation plan to reduce logistics related carbon emission. 3. Waste water recycle: softening waste water into recycled water.
(4) Carbon management in compliance with government laws and regulations	Mid-term	1. Set up base year and reduction goal, continue to introduce energy saving measures, reduce greenhouse gas total emission. 2. Expected for energy saving facility replacement.
(8) Uncertainty in customers' behavior preference/market information	Long-term	1. Respond to customers' order requirement, added energy storage equipment for uninterrupted production. 2. Customer end: 1. Require suppliers to be in compliance with international requirements such as environment regulations or human rights. 2. Require to follow regional regulations, such as EU regulations. 3. Large-scale AM after-sales customers will also require to meet ESG regulations, such as conflict minerals.

Summary of opportunity issue

Item	Issue
Resource Efficiency	(1) Introduction of low carbon production process
	(2) Recycle consumables from the production process
	(3) Process wastewater recycling
Energy Source	(4) Introduce other energy supply in response to government reward/compensation policy
	(5) Introduce green/low carbon material
Products and Services	(6) New product R&D and innovation
Markets	(7) Introduce carbon management/carbon footprint system
	(8) Product diversity/new market
Resilience	(9) Addition of solar energy facility (solar energy)
	(10) Addition of green building facility

Analysis of opportunity issue

Issue	Period	Countermeasures key points
(1) Introduction of low carbon production process	Short-term	1. Reduce plastic bag in material packaging, reduce wastes. 2. Improve ventilation equipment in the storage and manufacturing plants.
(4) Introduce other energy supply in response to government reward/compensation policy		1. Make renewable energy equipment construction in future long-term plan.
(6) New product R&D and innovation		1. Apply re-grinding on AM environmental protection products.
(7) Introduce carbon management/carbon footprint system		1. Reduce plastic bag in material packaging, reduce wastes.
(2) Recycle consumables from the production process	Mid-term	Recycle packaging materials, such as clamshell.

3. Describe the financial impact of extreme weather events and transformative actions.

1. Increase expenses greenhouse gas inventory, energy management, and ESG counselling and verification fees
2. Increase expenses in carbon border tax, carbon fee
3. Expenses for environmental protection new product R&D and introduction of the new R&D equipment.
4. Increase expenses of energy storage and energy saving equipment replacement or purchase.
5. Reduce energy consumption and cost at the same time.
6. Increase local purchase can reduce transportation cost.
7. Reduce and recycle material packaging can reduce waste disposal expense.
8. Recycle and reuse process wastewater can reduce water purchasing expense.
9. Establishing renewable energy can strengthen the resilience against the weather and reduce reliance on purchase energy but will increase establishment expense.
10. Expand new market of environmental protection products and increase in revenue.

4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.
- At the TCFD and ESG risk assessment meeting on February 25, 2025, TYC has made discussion and evaluation on risk assessment of climate change issues conducted by the Sustainable Development Committee related to transformation risks (policy and regulation, technology, market, and reputation), physical risks (acute and chronic), and opportunities (resource efficiency, energy source, products and services, markets, and resilience (flexibility) in TCFD.

Evaluation and identification

The Company refers to climate risk and opportunity sources by TCFD to check possible risk and opportunity factors, while evaluating risk value and opportunity value by possibility (chance of occurrence, frequency) and identifying items that requires primary attention. Four short-term risks, one medium risk, and one high risk, as well as six short-term opportunities, one medium opportunity, and 0 long-term opportunity are identified this year. Corresponding strategy and financial impact evaluation have been made by relevant department to set up relevant management mechanism.

5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.

Mild scenario: low emission scenario with temperature rising less than 2°C, warming is under control and lower physical risk.

Severe scenario: high emission scenario with temperature rising less than 4°C.

Scenario analysis (includes 2°C or more severe scenario): please refer to the strategy and risk management in ESG “3.3 Risk and Opportunity in Respond to Climate Change”.

6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.

In response to the action part, such as transition risk issue. The Company responds to the government’s regulation requirements and continues to implement ISO14064-1. When facing the physical risk issues, the Company will adjust operating strategy and adopt specific countermeasures.

7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.

The Company hasn’t made plan for internal carbon pricing, yet.

8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.

Indicator	Goal	Specific action
Greenhouse gas emission	<p>Use carbon emission for unit product in 2022 as the base year (4.38 Metric Tons CO₂e /unit product)</p> <p>◆short-term: reduce 5% by 2025</p> <p>◆mid-term: reduce 7% by 2028</p> <p>◆long-term: reduce 10% by 2030</p>	<p>Promote energy management and make improvement according to the plan each year to reduce energy consumption and greenhouse gas production. The results are as follows:</p> <ol style="list-style-type: none"> 1. Carbon emission for unit product in 2024 was 3.83 Metric Tons CO₂e/unit product, 0.55 Metric Tons CO₂e/unit product reduced in comparison with 2022, which was 12.55%. 2. Recycle water 5,421 Metric Tons in the plant 3. Completed 1200RT chill water system set up in the Science Park Plant Building E. 4. Replace the old injection machine with a new one. 5. Air compressor system improvement. 6. Complete virtualization of 17 hosts. 7. Introduce ISO 50001 and expected to receive certification in 2026.

Greenhouse gas inventory	<ul style="list-style-type: none"> Completed the greenhouse gas inventory of the parent company for the first time in 2022 , and external verification. According to the requirements of the FSC, the consolidated subsidiary plans to complete the inventory in 2027 and pass the verification by 2029. 	Completed the greenhouse gas inventory and verification in An-ping Plant, Science Park I, Science Park II, and Science Park III in 2023.
Water resources	Use water consumption for unit product in 2021 as the base year (0.024 megalitre / unit product) <ul style="list-style-type: none"> Water consumption for unit product reduced 3% in 2023. Water consumption for unit product reduced 5% in 2025. Water consumption for unit product reduced 10% in 2030. 	1. Water intake in 2024 was 109.3 megalitre, recycled process water 5.4 megalitre, water consumption for unit product 0.026 megalitre / unit product. 2. Process wastewater used as secondary water after pre-treatment to save water resources; improve plant water system efficiency and continue to improve recycled water efficiency; wastewater recycling for process water curtain system and air conditioning system by establishing water recycled system, and estimated to save 30% of the cooling water consumption.

9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan. (seperately fill out in points 1-1 and 1-2)

1-1 Greenhouse gas inventory and assurance status for the most recent two fiscal years

1-1-1 Greenhouse gas inventory information

Describe the emission volume (Metric Tons CO₂e), intensity (Metric Tons CO₂e / Metric Tons) and data coverage of greenhouse gasses in the most recent two fiscal years.

TYC greenhouse gas emission volume			
Item	Unit	2023	2024
Scope one: direct GHG emission	Metric Tons CO ₂ e	366.2	397.6
Scope two: indirect GHG emission	Metric Tons CO ₂ e	16,748.4	15710.6
Scope three: other indirect (scope three) GHG emission	Metric Tons CO ₂ e	6,105.5	4125.1
Operation revenue (individual)	Million-dollar revenue	12,664.1	13374.7
Scope one GHG emission density (Total emission/operation revenue (individual))	Metric Tons CO ₂ e/ Million-dollar revenue	0.03	0.03
Scope two GHG emission density (Total emission/operation revenue (individual))	Metric Tons CO ₂ e/ Million-dollar revenue	1.32	1.17
Scope three GHG emission density (Total emission/operation revenue (individual))	Metric Tons CO ₂ e/ Million-dollar revenue	0.48	0.31

Data covering scope includes the Company: TYC Brother Industrial Co., Ltd. (Parent company An-ping plant, Tech Park Phase 1~3)

Note 1: Direct emission (scope one, direct emission from sources owned or controlled by the Company), indirect energy emissions (scope two, indirect greenhouse gas emissions from electricity, heat, or steam), and other indirect emissions (scope three, emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT\$ 1 million) shall be disclosed.

1-1-2 Greenhouse gas assurance information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

Item / Year	2023	2024
Assurance scope	Parent company An-ping plant, Tech Park Phase 1~3	Parent company An-ping plant, Tech Park Phase 1~3
Assurance institution	BV	BV
Assurance principles and assurance opinion	According to ISO14064-1, it complies with the reasonable assurance level of the agreement for scope one and two, and limited assurance level for scope three.	According to ISO14064-1, it complies with the reasonable assurance level of the agreement for scope one and two, and limited assurance level for scope three.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Describe the greenhouse gas reduction baseline year and its data, reduction targets, strategies, and specific action plans, as well as the achievement of reduction targets

Indicator	Goal	Specific action
Greenhouse gas emission	<p>Use carbon emission for unit product in 2022 as the base year (4.38 Metric Tons CO₂e/unit product)</p> <ul style="list-style-type: none"> ◆short-term: reduce 5% by 2025 ◆mid-term: reduce 7% by 2028 ◆long-term: reduce 10% by 2030 	<p>Promote energy management and make improvement according to the plan each year to reduce energy consumption and greenhouse gas production. The results are as follows:</p> <ol style="list-style-type: none"> 1. Carbon emission for unit product in 2024 was 3.83 Metric Tons CO₂e/unit product, 0.55 Metric Tons CO₂e/unit product reduced in comparison with 2022, which was 12.55%. 2. Recycle water 5,421 Metric Tons in the plant 3. Completed 1200RT chill water system set up in the Science Park Plant Building E. 4. Replace the old injection machine with a new one. 5. Air compressor system improvement. 6. Complete virtualization of 17 hosts. 7. Introduce ISO 50001 and expected to receive certification in 2026.

(6) The company's performance of integrity and the measures taken deviations from the Performance of Integrity Best Practice
Principles for TWSE/TPEX Listed Companies:

Evaluation item	Operational status			Differences and reasons between the principle of good faith operation of listed and OTC companies
	Yes	No	Summary Description	
1. Establish integrity management policies and programs				
(1) Does the company have an ethical management policy that is approved by the Board of Directors, and does it state in its bylaws and external documents its policies and practices on ethical management, as well as the commitment of the Board of Directors and senior management to actively implement the management policy?	V		(1) The Company's Board of Directors has approved the "Procedures and Conduct Guidelines for Integrity Management" and a separate "Principle of Ethical Conduct" to establish a comprehensive ethics and regulation compliance system, including a clear reporting channel and reporter protection regulations. The management team shall lead by example. Internally, it continues to strengthen the principle of integrity management through a completely new hire orientation and propaganda. Externally, it establishes and promotes suppliers' responsible code of conduct for subcontractors, contractors, outsourcers, and stakeholders to report to the General Manager's email on any unlawful event is found related to the employees or relevant stakeholders. If the report is verified to be true, a proper reward will be given to the reporter (in private). The Company has zero tolerance policy on anti-corruption to maintain healthy partnership.	(1) No major difference from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons.
(2) Has the company established a mechanism to assess the risk of dishonest conduct, regularly analyze and evaluate the business activities within the scope of business that have a higher risk of dishonest conduct, and accordingly formulate a plan to prevent dishonest conduct, and at least cover the preventive measures for the conducts mentioned in paragraph 2 of Article 7 of the "Principle of Conduct for Listed Companies with Integrity"?	V		(2) On March 24, 2020, the directors of the Company revised the "Operating Procedures and Conduct Guidelines on Integrity" to include the handling of dishonest conduct by the Company's personnel to prevent dishonest conduct, and to uphold the principle of honesty and integrity and comply with the code of ethical conduct when performing their duties.	(2) No major difference from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons.
(3) Is the company's dishonesty prevention program clearly defined in the operating procedures, conduct guidelines, disciplinary and grievance systems for non-compliance, and implemented, and is the former program reviewed and revised regularly?	V		(3) Handling of company personnel involved in dishonest conduct 1. The Company encourages internal and external personnel to report dishonest behavior or misconduct, and will pay a discretionary bonus according to the seriousness of the report. Internal personnel who make false reports or malicious accusations shall be subject to disciplinary action and shall be dismissed in serious cases. 2. The Company has established and posted an internal independent whistleblower box on the Company's website and intranet site for use by internal and external personnel of the Company. The whistleblower should provide at least the following information: (1) The name and ID number of the person making the report may also be reported anonymously, and the address, telephone number, and e-mail address where the person can be reached. (2) The name or other identifying information of the person being prosecuted. (3) Specific facts that can be investigated.	(3) No major difference from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons.

Evaluation item	Operational status			Differences and reasons between the principle of good faith operation of listed and OTC companies
	Yes	No	Summary Description	
			<p>3.The Company's personnel handling the whistleblower case shall declare in writing that the identity of the whistleblower and the contents of the whistleblower case shall be kept confidential, and the Company undertakes to protect the whistleblower from being improperly dealt with as a result of the whistleblower case.</p> <p>4.The following procedures are followed by the Company's dedicated unit for handling complaints.</p> <p>(1) Reports should be made to the department head for general employees and to the independent directors for directors or senior executives.</p> <p>(2) The Company's specialized units and the officers or personnel reported in the preceding paragraph shall immediately ascertain the relevant facts and, if necessary, provide assistance from regulatory compliance or other relevant departments.</p> <p>(3) If it is proven that the person being reported has violated the relevant laws and regulations or the Company's policies and regulations on honest behavior/operation, the Company shall immediately request the person being reported to stop the said behavior, and if necessary, report to the competent authorities, refer to the judicial authorities for investigation, or request for damages through legal proceedings in order to protect the Company's reputation and rights.</p> <p>(4) The acceptance of the report, the investigation process and the results of the investigation shall be kept in writing and shall be kept for five years, and shall be kept electronically. Before the expiration of the retention period, in the event of a lawsuit related to the content of the report, the relevant information shall be kept until the end of the lawsuit.</p> <p>(5) If the report is verified to be true, it is responsible to the relevant units of the Company to review the relevant internal control system and operating procedures, and to propose improvement measures to prevent the recurrence of the same behavior.</p> <p>(6) The Company's dedicated unit shall report to the Board of Directors on the reported cases, their handling and subsequent review of improvement measures.</p>	
2.Implementation of integrity management				
(1) Does the company assess the integrity record of its counterparties and specify the integrity clause in the contracts signed by its counterparties?	V		(1) The Company has established credit principles and credit limit management system to effectively grasp the information of customers and reduce the risk of the Company's operation.	(1) No major difference from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons.
(2) Does the company have a dedicated unit under the Board of Directors to promote corporate integrity and report regularly (at least once a year) to the Board of Directors on its integrity policy and its plans to prevent dishonest practices and monitor their implementation?	V		(2) 1. In order to improve the management of honest behavior/operations, the human resources department is responsible for formulating and monitoring the implementation of honesty policies and preventive programs, and reporting to the Board of Directors when necessary.	(2) No major difference from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons.

Evaluation item	Operational status			Differences and reasons between the principle of good faith operation of listed and OTC companies
	Yes	No	Summary Description	
(3) Does the company develop conflict-of-interest prevention policies, provide appropriate presentation channels, and implement them?	V		(3) 2. The Company has zero tolerance for corruption. To ensure all employees and partners are aware and in compliance with “Integrity Management Regulations” and “Procedures and Guidelines for Integrity Management Practices”, TYC regularly holds anti-corruption/integrity management training and promotion for employees and partners. Relevant policies and requirements are regularly announced on the suppliers’ website to strengthen the integrity concept practice and implement the company’s anti-corruption spirit to prevent corruption from occurring. (3) The Company’s conflict of interest prevention policy is used to identify, monitor and manage the risk of conflicts of interest that may lead to dishonest conduct and to provide appropriate channels for directors, managers and other interested persons attending or participating in Board meetings to proactively state whether they have potential conflicts of interest with the Company.	(3) No major difference from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons.
(4) Does the company implement the effective accounting system and internal control system established by the integrity management, and the internal audit unit draws up the relevant audit plan based on the assessment results of the risk of dishonest behavior, and checks the compliance of the plan to prevent dishonest behavior, or entrusts the accountant to perform the audit?	V		(4)1. The Company ensures that the design and implementation of the system is effective on an ongoing basis by establishing and keeping under review an effective accounting system and internal control system to prevent business activities with higher risk of dishonest acts. 2. The Company’s internal auditors regularly review compliance with the preceding system and prepare an audit report for the Board of Directors and may appoint an accountant to perform the review and, if necessary, engage professional assistance.	(4) No major difference from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons.
(5) Does the company regularly hold internal and external education and training in good faith management?	V		(5)1. New hire employees will have integrity management training on the first day of work, and internal integrity management training will be arranged by each unit as well. 2. Total anti-corruption training hours were 260.77 with 267 participants in 2024.	(5) No major difference from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons.
3.Operation of the Corporate Prosecution System				
(1) Does the company have a specific reporting and reward system, and has it established a channel to facilitate reporting and assigned appropriate staff to receive reports on the subject?	V		(1) The Company encourages internal and external personnel to report dishonest behavior or misconduct, and will pay a discretionary bonus according to the seriousness of their reports. Internal personnel who make false reports or malicious accusations shall be subject to disciplinary action, and those with serious cases shall be dismissed from their positions.	(1) No major difference from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons.

Evaluation item	Operational status			Differences and reasons between the principle of good faith operation of listed and OTC companies
	Yes	No	Summary Description	
(2) Does the company have standard operating procedures for investigation of whistleblowing matters, follow-up measures to be taken after completion of investigation and relevant confidentiality mechanism?	V		(2)1. The Company has established and posted an internal independent whistleblower mailbox on the Company's website and intranet site for use by internal and external personnel of the Company. The whistleblower should provide at least the following information. (1) The name and ID number of the person making the report may also be reported anonymously, and the address, telephone number, and e-mail address where the person can be reached. (2) The name or other identifying information of the person being prosecuted. (3) Specific facts that can be investigated. 2. The Company's personnel handling the report shall declare in writing that the identity of the whistleblower and the content of the report shall be kept confidential, and the Company undertakes to protect the whistleblower from being improperly dealt with as a result of the report. 3. The following procedures should be followed by the company's dedicated unit for handling complaints. (1) Report cases involving general staff should be reported to the head of the department, report cases involving directors or senior executives should be reported to independent directors. (2) The Company's specialized units and the officers or personnel reported in the preceding paragraph shall immediately ascertain the relevant facts and, if necessary, provide assistance from regulatory compliance or other relevant departments. (3) If it is proved that the person being reported has violated the relevant laws and regulations or the Company's policies and regulations on honesty, the Company shall immediately request the person being reported to stop the said behavior, and if necessary, report it to the competent authorities, refer it to the judicial authorities for investigation, or seek damages through legal proceedings in order to protect the Company's reputation and rights. (4) If a lawsuit related to the contents of the report is filed before the expiration of the retention period, the relevant information shall be retained until the end of the lawsuit. (5) If the report is verified to be true, it shall be responsible to the relevant units of the Company to review the relevant internal control system and operating procedures, and propose improvement measures to prevent the recurrence of the same behavior. (6) The responsible unit of the Company shall report to the Board of Directors regarding its handling and follow-up review and improvement measures. (3) Reports will be handled confidentially and employees will be made aware that the Company will do its utmost to protect the safety of those who make good faith reports.	(2) No major difference from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons.
(3) Does the company take measures to protect the whistleblower from improper handling/treatment?	V			(3) No major difference from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons.

Evaluation item	Operational status			Differences and reasons between the principle of good faith operation of listed and OTC companies
	Yes	No	Summary Description	
4.Enhanced information disclosure Does the company disclose the contents and effectiveness of its Principle of Conduct on its website and the Market Observation Post System?	V		The Company discloses its "Integrity Procedures and Behavior Guidelines" and their effectiveness on the Company's website and the Market Observation Post System. http://www.tyc.com.tw/index.php/governance/statute ° Specific measures to operate with integrity. http://www.tyc.com.tw/index.php/investors/view/46 °	No major difference from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons.
5.If the company has its own code of Integrity in accordance with the "Principle of Integrity Management of Listed Companies", please describe the differences between its operation and the principle set out: The Company has established "Operating Procedures and Conduct Guidelines for Integrity" which are posted on the Company's website and there are no material differences between the Company's operations and the prescribed operating procedures.				
6.Other important information to help understand the company's integrity management operation: (Such as the company reviews and amends its code of integrity management, etc.): The company complies with the relevant government laws and regulations, and implements the integrity management policy, for stakeholders to prohibit acts involving dishonesty, pay attention to the rights and interests of each stakeholder, and indeed implement the relevant provisions of corporate governance.				

- (7) Other important information that is sufficient to improve understanding of the state of corporate governance operations:
- (A) prepare 2024 Sustainability Report.
 - (B) The Company adopts eNotice volunteering.
- (8) Status of implementation of the internal control system:
- 1. Statement regarding the Internal Control System:
Please refer to the MOPS / single company / corporate governance -> company regulations / internal control / inquire on internal control statement announcement
(Website: <https://mops.twse.com.tw/mops/#/web/t06sg20>)
 - 2. If an accountant is engaged to review the internal control system, the accountant's review report should be disclosed: None

(9) Significant resolutions of the shareholders' meeting and the Board of Directors for the latest year and up to the date of printing of the annual report:

1. Board of shareholders

Meeting date	Summary of Important Proposals	Voting results	Implementation
2024.06.18	2023 Financial Statements	The case was passed by a vote Number of voting rights: 185,061,853, accounting for 82.16% of the shareholders present	Not applicable
	FY 2023 Surplus Distribution Proposal	The case was passed by a vote Approval right: 185,324,042, accounting for 82.27% of the shareholders present	Cash dividend for preferred share \$2 and common share \$2 per share are paid on August 16, 2024

2. Board of Directors

Period	Meeting date	Summary of Important Proposals	Resolution result
15-18	2024.05.09	1. CPA's review status on consolidated financial reports of 2024 Q1. 2. Payment of Directors' remuneration of 2023. 3. Capital increase/loaning of funds for reinvestment company. 4. Changes of managers.	All the directors present (including the independent directors) passed the resolution without objection.
16-01	2024.06.18	1. Election of the Chairman and Vice President.	All the directors present (including the independent directors) passed the resolution without objection.
16-02	2024.08.08	1. CPA's review status on consolidated financial reports of 2024 Q2. 2. Appointment of the Compensation Committee members' qualification. 3. Establishing Rules Governing the Preparation and Filing of Sustainability Reports.	All the directors present (including the independent directors) passed the resolution without objection.
16-03	2024.11.07	1. Audit plan 2025. 2. CPA's review status on consolidated financial reports of 2024 Q3. 3. Establishing Automatic Storage Retrieval System	All the directors present (including the independent directors) passed the resolution without objection.
16-04	2025.01.03	1. Purchase the land of Science Park 3 plant instead of rental. 2. Capital increase/loaning of funds for reinvestment company.	All the directors present (including the independent directors) passed the resolution without objection.
16-05	2025.03.13	1. The "Assessment of the Effectiveness of the Internal Control System" and the "Statement of Internal Control System" for the year 2024. 2. Employee compensation and director compensation distribution for fiscal 2024. 3. The Annual Accounts Book and business report 2024. 4. FY 2024 Surplus Distribution Case. 5. Review the independence, competency assessment, and the compensation of the company's certified public accountants. 6. General principle for pre-approval on non-assurance services policy. 7. Amendments of "Articles of Incorporation" 8. Establishing Sustainable Development Committee Charter. 9. Purchase the land for Automatic Storage Retrieval System. 10. Appointment of the Sustainable Development Committee members. 11. Re-election of the independent directors. 12. Candidate list of the 2025 re-election of independent director nomination. 13. Matters related to the convening of the 2025 Ordinary Shareholders' Meeting.	All the directors present (including the independent directors) passed the resolution without objection.

(10) Directors' dissenting views on important resolutions passed by the Board of Directors during the latest year and up to the date of printing of the annual report, which are recorded or stated in writing: None

4.CPA Public Fee Information:

CPA Audit Fee Information

Unit: NT\$1,000

Name of accounting firm	Name of Accountant	Accountant's audit period	Audit Fee	Non-audit Fee	Total	Remarks
ERNST & YOUNG, TAIWAN	HU, TZU-REN	2024.01.01~2024.12.31	7,570	1,418	8,988	
	HUNG, KUO-SEN					

Content of non-audit fee: tax compliance audit, business registration, and transfer pricing.

5.Change of accountant information: None

6.If the chairman, general manager, or manager in charge of financial or accounting matters of the Company has worked for the firm of the certified public accountant or its affiliates within the past year, he/she should disclose his/her name, title, and period of employment with the firm of the certified public accountant or its affiliates: None

7. The following are the movements in shareholdings and pledges of shareholdings of 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:

1.Changes in shareholdings of directors, supervisors, managers and substantial shareholders.

Please refer to MOPS -> summarized report -> changes in equity / securities issuance -> shareholding, pledge, and transfer of the directors, supervisors, and major shareholders -> shareholding balance inquire of the directors, supervisors, and major shareholders
(Website: https://mops.twse.com.tw/mops/#/web/stapap1_all)

2.Information on the transfer of shares to related parties: None

3.Information on the pledge of shares by a related party: None

8. Information on the relationship between the top 10 shareholders and their respective shareholdings.

1. Ordinary share

Name	Shares held by owning		Spouse, Minor children holding shares		Total shareholding in the name of others		The top10 shareholders are related to each other or are spouses. The names and relationships of the top ten shareholders who are related to each other or are spouses or relatives within the second degree of consanguinity		Remark
	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Title (or name)	Relationships	
KUO-CHI-MIN INVESTMENT CO., LTD.	66,587,044	21.28%	0	0	0	0	None	None	-
Representative: WU, KUO-CHEN	296,211	0.09%	828,278	0.26%	0	0	Representative of CHI-MIN INVESTMENT CO., LTD. WU, CHUN-CHI	Father and son	-
YIH HENG INVESTMENT CO., LTD	50,420,654	16.11%	0	0	0	0	None	None	-
Representative: WU, CHUN-LANG	5,401,383	1.73%	828,278	0.26%	0	0	WU, CHUN-I 、 Representative of CHI-MIN INVESTMENT CO., LTD.WU, CHUN-CHI Representative of YUAN-HONG INVESTMENT CO., LTD. WU, CHENG-YUAN	brotherhood	-
DING WAN INVESTMENT CO., LTD	10,522,852	3.36%	0	0	0	0	None	None	-
Representative: WU, MAI-HUI-E	823,474	0.26%	4,593,613	1.47%	0	0	WU, CHUN-I 、 Representative of TA WEI INVESTMENT CO., LTD. WU, CHEN-YI	Spouse/Mother and daughter	-
TA WEI INVESTMENT CO., LTD.	10,498,871	3.36%	0	0	0	0	None	None	-
Representative: WU, CHEN-YI	283,211	0.09%	0	0	0	0	Representative of DING WAN INVESTMENT COLTD. WU, MAI-HUI-E, WU, CHUN-I	Mother and daughter/Father and son	-
Chi-Min Investment Co., Ltd.	7,776,893	2.48%	0	0	0	0	None	None	-
Representative: WU, CHUN-CHI	824,081	0.26%	828,278	0.26%	0	0	WU, CHUN-I 、 WU, CHUN-LANG 、 Representative of YIH HENG INVESTMENT CO., LTD. WU, CHUN-LANG	Brotherhood	-
							Representative of KUO-CHI-MIN INVESTMENT CO., LTD. WU, KUO-CHEN	Father and son	
WU, CHUN-LANG	5,401,383	1.73%	828,278	0.26%	0	0	WU, CHUN-I 、 Representative of TA WEI INVESTMENT CO., LTD. WU, CHUN-I Representative of CHI-MIN INVESTMENT CO., LTD.WU, CHUN-CHI	brotherhood	-
Yuan-Hong Investment Co., Ltd.	5,354,451	1.71%	0	0	0	0	None	None	-
Representative: WU, CHENG-YUAN	236,969	0.08%	0	0	0	0	WU, CHUN-LANG, Representative of YIH HENG INVESTMENT CO., LTD. WU, CHUN-LANG	Father and son	-
WU, CHUN-I	4,593,613	1.47%	823,474	0.26%	0	0	Representative of Ding Wan Investment Co., Ltd-WU, MAI-HUI-E TA WEI INVESTMENT CO., LTD. WU, CHEN-YI	Spouse Father and daughter	-
Standard Charter Commercial Bank Business Division in custody for Vanguard	2,410,099	0.77%	0	0	0	0	None	None	-
CHIA-YUAN INVESTMENT CO., LTD	2,259,000	0.72%	0	0	0	0	None	None	-

2. Preferred share

Name	Shares held by owning		Shares held by Spouse, Minor children		Total shareholding in the name of others		The top10 shareholders are related to each other or are spouses. The names and relationships of the top ten shareholders who are related to each other or are spouses or relatives within the second degree of consanguinity		Remark
	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Title (or name)	Relationships	
KUO-CHI-MIN INVESTMENT CO., LTD.	8,062,000	26.87%	0	0	0	0	None	None	-
Representative: WU, KUO-CHEN	400,000	1.33%	0	0	0	0	Representative of CHI-MIN INVESTMENT CO., LTD. WU, CHUN-CHI	Father and son	-
YIH HENG INVESTMENT CO., LTD	7,000,000	23.33%	0	0	0	0	None	None	-
Representative: WU, CHUN-LANG	0	0	0	0	0	0	WU, CHUN-I; WU, CHUN-CHI - Representative of CHI-MIN INVESTMENT CO., LTD.	brotherhood	-
Chi-Min Investment Co., Ltd.	3,999,500	13.33%	0	0	0	0	None	None	-
Representative: WU, CHUN-CHI	0	0	0	0	0	0	WU, CHUN-I; WU, CHUN-LANG; WU, CHUN-LANG - Representative of YIH HENG INVESTMENT CO., LTD	Brotherhood	-
							WU, KUO-CHEN, Representative of KUO-CHI-MIN INVESTMENT CO., LTD. WU, KUO-CHEN	Father and son	
TA WEI INVESTMENT CO., LTD.	3,000,000	10.00%	0	0	0	0	None	None	-
Representative: WU, CHEN-YI	0	0	0	0	0	0	None	None	
YULON MOTOR CO., LTD.	1,000,000	3.33%	0	0	0	0	None	None	
Representative: YAN CHEN, LI-LIAN	0	0	0	0	0	0	None	None	-
HUANG, CHIN-YUEH	607,000	2.02%	0	0	0	0	None	None	-
KWANG DAH TRADING CO., LTD.	600,000	2.00%	0	0	0	0	None	None	-
Representative: KE, JUN-BIN	0	0	0	0	0	0	None	None	-
XIAO, YI-HUI	566,000	1.89%	0	0	0	0	None	None	-
WU, KUO-CHEN	400,000	1.33%	0	0	0	0	Representative of CHI-MIN INVESTMENT CO., LTD. WU, CHUN-CHI	Father and son	-
CHEN, CHIN-CHAO	400,000	1.33%	0	0	0	0	None	None	-

9.Consolidated shareholding:

Units: Shares ; %

Transfer of Investment Business (Note)	Investment of the Company		Investment of directors, supervisors, managers and directly or indirectly controlled enterprises		Consolidated investment	
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio
TI YUAN INVESTMENT CO., LTD.	3,820	100%	-	-	3,820	100%
TI FU INVESTMENT CO., LTD.	7,550	100%	-	-	7,550	100%
JUOKU TECHNOLOGY CO., LTD.	27,923,401	72.10%	432,550	1.11%	28,355,951	73.21%
SUPRA-ATOMIC CO., LTD	59,786,060	100%	-	-	59,786,060	100%
BESTE MOTOR CO., LTD	22,072,000	100%	-	-	22,072,000	100%
CONTEK CO., LTD.	2,436,000	100%	-	-	2,436,000	100%
I YUAN PRECISION INDUSTRIAL CO., LTD.	5,617,854	15.66%	-	-	5,617,854	15.66%
INNOVA HOLDING CORP.	6,279	100%	-	-	6,279	100%
TYC VIETNAM INDUSTRIAL CO., LTD.	-	60%	-	-	-	60%
TSM TECH CO., LTD.	-	-	300,000	100.00%	300,000	100.00%
PT.ASTRA JUOKO	-	-	1,126,500	50.00%	1,126,500	50.00%
DBM REFLEX OF TAIWAN CO., LTD.	-	-	3,000,000	50.00%	3,000,000	50.00%
EUROPILOT CO., LTD	-	-	14,359,821	100.00%	14,359,821	100.00%
MOTOR-CURIO CO., LTD	-	-	3,993,400	100.00%	3,993,400	100.00%
SPARKING CO., LTD	-	-	30,915,717	100.00%	30,915,717	100.00%
EUROLITE CO., LTD	-	-	10,984,582	100.00%	10,984,582	100.00%
UNIMOTOR INDUSTRIAL CO., LTD	-	-	6,887,000	100.00%	6,887,000	100.00%
TYC EUROPE B.V	-	-	120,000	100.00%	120,000	100.00%
T.I.T INTERNATIONAL CO., LTD	-	-	3,694,860	99.98%	3,694,860	99.98%
VARROC TYC CORPORATION	-	-	14,072,000	50.00%	14,072,000	50.00%
ATECH INTERNATIONAL CO.,LTD.	-	-	2,500,000	25.00%	2,500,000	25.00%
JNS AUTOTECH (THAI) CO., LTD.	-	-	-	30.00%	-	30.00%
GENERA CORPORATION	-	-	12,388,505	100.00%	12,388,505	100.00%
W&W REAL PROPERTY,INC.	-	-	1,000,000	100.00%	1,000,000	100.00%
VARROC TYC CORPORATION	-	-	-	50.00%	-	50.00%
TYC AMERICAS AUTO PARTS COMPANY LLC	-	-	-	100.00%	-	100.00%
CHANGZHOU DAMAO PRECISION INDUSTRIAL CO.,LTD.	-	-	-	100.00%	-	100.00%
SUNNYTECH.CN Inc.	-	-	-	30.00%	-	30.00%
XIANLIANG (KUN SHAN)AUTO PARTS CO., LTD.,	-	-	-	20.00%	-	20.00%
KUN SHAN TYC HIGH PERFORMANCE LIGHTING TECH CO., LTD.	-	-	-	100.00%	-	100.00%
Chin-Li-Ma Hight Performance Luminaire Co., Ltd.	-	-	-	30.00%	-	30.00%
Kunshan Atech Autoparts Manufacturing Co., Ltd.	-	-	-	25.00%	-	25.00%
Jiangsu imperial standard dustrial technology co., Ltd	-	-	-	25.00%	-	25.00%

Note: Investments accounted for using the equity method.

III. Fund raising situation

1.Capital and share capital:

(1) Source of share capital:

1.Share capital formation

Year/Month	Issue price	Authorized share capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash against shares	Others
1986.09	10	600,000	6,000,000	600,000	6,000,000	Establishment	None	-
1987.10	10	3,600,000	36,000,000	3,600,000	36,000,000	Cash capital increase 30,000,000	None	-
1988.06	10	10,000,000	100,000,000	10,000,000	100,000,000	Cash capital increase 64,000,000	None	-
1989.03	10	17,000,000	170,000,000	17,000,000	170,000,000	Cash capital increase 70,000,000	None	-
1989.12	10	42,000,000	420,000,000	42,000,000	420,000,000	Cash capital increase 250,000,000	None	-
1995.06	10	47,880,000	478,800,000	47,880,000	478,800,000	Surplus to capital increase 16,800,000 Capital reserve to increase capital 42,000,000	None	Approved by TWSE (1) No. 37257 on June 26, 1995
1996.07	10	80,000,000	800,000,000	60,500,000	605,000,000	Surplus to capital increase 71,820,000 Capital reserve to increase capital 23,940,000 Cash capital increase 30,440,000	None	Approved by TWSE (1) No. 39773 on July 3, 1996
1996.05	10	80,000,000	800,000,000	72,600,000	726,000,000	Surplus to capital increase 121,000,000	None	Approved by TWSE (1) No. 40709 on May 29, 1997
1998.05	10	186,000,000	1,860,000,000	114,380,000	1,143,800,000	Surplus to capital increase 181,500,000 Capital reserve to increase capital 36,300,000 Cash capital increase 200,000,000	None	Approved by TWSE (1) No. 37130 on May 8, 1998
1999.06	10	190,000,000	1,900,000,000	137,256,000	1,372,560,000	Surplus to capital increase 228,760,000	None	Approved by TWSE (1) No. 52440 on June 7, 1999
2000.06	10	280,000,000	2,800,000,000	164,707,200	1,647,072,000	Surplus to capital increase 192,158,400 Capital reserve to increase capital 82,353,600	None	Approved by (2000) TWSE (1) No. 50760 on June 14, 2000
2001.06	10	280,000,000	2,800,000,000	169,648,416	1,696,484,160	Surplus to capital increase 49,412,160	None	Approved by TWSE (1) No. 139164 on June 19, 2001
2002.06	10	280,000,000	2,800,000,000	183,220,290	1,832,202,900	Surplus to capital increase 135,718,740	None	Approved by TWSE No. 1 letter 0910132228 dated June 14, 2002
2003.07	10	280,000,000	2,800,000,000	192,381,305	1,923,813,050	Surplus to capital increase 91,610,150	None	Approved by TWSE No. 1 letter 0920130067 on July 7, 2003
2004.06	10	280,000,000	2,800,000,000	216,428,968	2,164,289,680	Surplus to capital increase 240,476,630	None	Approved by TWSE No. 1 letter 0930127901 on June 24, 2004
2004.10	10	280,000,000	2,800,000,000	216,617,011	2,166,170,110	Conversion of corporate bonds into shares 1,880,430	None	Approved by MOEA No. 09301196240 on October 18, 2004
2004.07	10	280,000,000	2,800,000,000	242,611,052	2,426,110,520	Surplus to capital increase 259,940,410	None	Approved by FSC No. 0940127302 on July 7, 2005

Year/Month	Issue price	Authorized share capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash against shares	Others
2005.10	10	280,000,000	2,800,000,000	244,961,775	2,449,617,750	Conversion of corporate bonds into shares 23,507,230	None	Approved by MOEA No. 09501010450 on January 18, 2006
2006.04	10	280,000,000	2,800,000,000	245,069,906	2,450,699,060	Conversion of corporate bonds into shares 1,081,310	None	Approved by MOEA No. 09501010450 on January 18, 2006
2006.07	10	400,000,000	4,000,000,000	248,638,304	2,486,38,3040	Conversion of corporate bonds into shares 35,683,980	None	Approved by MOEA No. 09501152710 on July 28, 2006
2007.01	10	400,000,000	4,000,000,000	249,061,432	2,490,614,320	Conversion of corporate bonds into shares 4,231,280	None	Approved by MOEA No. 09601011330 on January 16, 2007
2007.04	10	400,000,000	4,000,000,000	249,070,834	2,490,078,340	Conversion of corporate bonds into shares 94,020	None	Approved by MOEA No. 09601079840 on April 19, 2007
2007.09	10	400,000,000	4,000,000,000	252,806,896	2,528,068,960	Surplus to capital increase 37,360,620	None	Approved by MOEA No. 09601222870 on September 12, 2007
2007.10	10	400,000,000	4,000,000,000	261,068,257	2,610,682,570	Conversion of corporate bonds into shares 82,613,610	None	Approved by MOEA No. 09601263180 on October 25, 2007
2008.01	10	400,000,000	4,000,000,000	261,778,783	2,617,787,830	Conversion of corporate bonds into shares 7,105,260	None	Approved by MOEA No. 09701013290 on January 21, 2008
2008.04	10	400,000,000	4,000,000,000	267,658,522	2,676,585,220	Conversion of corporate bonds into shares 58,797,390	None	Approved by MOEA Letter No. 09701093330 on April 18, 2008
2008.07	10	400,000,000	4,000,000,000	267,668,059	2,676,680,590	Conversion of corporate bonds into shares 95,370	None	Approved by MOEA No. 09701178920 on July 31, 2008
2008.11	10	400,000,000	4,000,000,000	278,321,754	2,783,217,540	Surplus to capital increase 106,536,950	None	Approved by MOEA No. 09701282450 on November 5, 2008
2008.12	10	400,000,000	4,000,000,000	272,218,754	2,722,187,540	Cancellation of treasury shares 61,030,000	None	Approved by MOEA No. 09701318420 on December 22, 2008
2009.10	10	400,000,000	4,000,000,000	280,286,316	2,802,863,160	Surplus to capital increase 80,675,620	None	Approved by MOEA no.09801226020 on October 1, 2009
2010.10	10	400,000,000	4,000,000,000	307,984,948	3,079,849,480	Surplus to capital increase 276,986,320	None	Approved by MOEA no.09901222580 on October 4, 2010
2011.10	10	400,000,000	4,000,000,000	317,125,496	3,171,254,960	Surplus to capital increase 91,405,480	None	Approved by MOEA No. 10001227970 on October 6, 2011
2012.01	10	400,000,000	4,000,000,000	312,338,496	3,123,384,960	Cancellation of treasury shares 47,870,000	None	Approved by MOEA Letter No. 1010101840 on January 4, 2012
2012.10	10	400,000,000	4,000,000,000	314,261,881	3,142,618,810	Surplus to capital increase 31,233,850	None	Approved by MOEA No. 10101203870 on October 3, 2012
						Cancellation of treasury shares 12,000,000		
2013.05	10	400,000,000	4,000,000,000	312,897,881	3,128,978,810	Cancellation of treasury shares 13,640,000	None	Approved by MOEA No. 10201091880 on May 17, 2013
2021.08	10	400,000,000	4,000,000,000	342,897,881	3,428,978,810	Cash capital increase (preferred shares) 300,000,000	None	Approved by MOEA No. 11001147460 on August 19, 2021

2. Type of shares:

Units: Shares

Shares	Approved share capital			Remark
Type of Shares	Outstanding shares	Unissued shares	Total	
Ordinary Shares	312,897,881	57,102,119	400,000,000	Listed
Preferred Shares	30,000,000			

3. Information about the master reporting system: None

(2) List of major shareholders:

1. Ordinary shares:

April 21, 2025

Shares Name of Major Shareholders	Number of shares held	Holding ratio
Kuo-Chi-Min Investment Co., Ltd	66,587,044	21.28%
Yih Heng Investment Co., Ltd	50,420,654	16.11%
Ding Wan Investment Co., Ltd	10,522,852	3.36%
Ta Wei Investment Co., Ltd.	10,498,871	3.36%
Chi-Min Investment Co., Ltd	7,776,893	2.49%
WU, CHUN-LANG	5,401,383	1.73%
YUAN-HONG INVESTMENT CO., LTD.	5,354,451	1.71%
WU, CHUN-I	4,593,613	1.47%
Standard Charter Commercial Bank Business Division in custody for Vanguard	2,410,099	0.77%
CHIA-YUAN INVESTMENT CO., LTD	2,259,000	0.72%

2. Preferred Shares:

April 21, 2025

Shares Name of Major Shareholders	Number of shares held	Holding ratio
Kuo-Chi-Min Investment Co., Ltd	8,062,000	26.87%
Yih Heng Investment Co., Ltd	7,000,000	23.33%
Chi-Min Investment Co., Ltd.	3,999,500	13.33%
Ta Wei Investment Co., Ltd.	3,000,000	10.00%
Yulon Motor Co., Ltd.	1,000,000	3.33%
HUANG, CHIN-YUEH	607,000	2.02%
Kwang Dah Trading Co., Ltd.	600,000	2.00%
XIAO, YI-HUI	566,000	1.89%
WU, KUO-CHEN	400,000	1.33%
CHEN, CHIN-CHAO	400,000	1.33%

(3) Company Dividend Policy and Enforcement Status.

1.Dividend policy:

In accordance with the revised Articles of Incorporation, the Company's industrial environment is changing rapidly and the Company is in the growth stage. Based on the capital expenditure requirements and sound financial planning for sustainable operation, if there is any surplus after each year's final accounts, in addition to paying all taxes and contributions in accordance with the law, the Company shall first make up for the deficits of previous years and then set aside 10% of the remaining amount as legal reserve, and after setting aside a special reserve or reversal of the special reserve for the net reduction in shareholders' equity that occurred in the current year and accumulated in the previous years in accordance with the regulations, the Company shall consolidate the accumulated undistributed earnings at the beginning of the period as dividends to shareholders, and distribute the remaining amount as dividends on common shares after distributing the preferred dividends in accordance with Article 7-1 of the Articles of Incorporation.

2.The shareholders' committee proposed the following dividend distribution:

The 2024 earnings distribution is approved on the Board of Directors meeting on March 13, 2025. The total accumulated distributable earnings for fiscal 2024 amounted to NT\$998,693,643 (all amounts stated below are in New Taiwan dollars). \$3 per common share, and \$2 for preferred share A. All dividend is distributed in cash.

(4) Effect of the proposed gratis allotment of shares at the shareholders' meeting on the Company's operating results and earnings per share: Not applicable

(5) Employees, Directors' Remuneration:

1. The percentage or range of remuneration of employees and directors as set out in the Articles of Association. In accordance with the revised Articles of Incorporation, the Company shall contribute not less than 1% of its annual profits to the remuneration of its employees and the remuneration of its directors (up to 3%), provided that the Company shall reserve in advance an amount to cover any accumulated losses.

2. The basis for estimating the amount of remuneration to employees and directors, the basis for calculating the number of employee compensation shares to be distributed in shares, and the accounting treatment if the actual amount distributed differs from the estimated amount.

Approved by the annual general meeting on June 18, 2024, the distribution for employee remuneration in 2023 (no less than 1%) is \$36,000,000 and \$18,000,000 for the director remuneration (no more than 3%), all payable in cash. No difference from the amount to be recognized in 2023.

3. Information on the proposed distribution of employee remuneration and other information adopted by the Board of Directors:

Approved by the Board of Directors meeting on March 13, 2025, the suggested distribution for employee remuneration in 2024 (no less than 1%) is \$46,000,000 and \$24,000,000 for the director remuneration (no more than 3%), all payable in cash. No difference from the amount to be recognized in 2024.

4. Actual distribution of remuneration of employees and directors in the previous year:

(1) The actual amount of employee and director's remuneration distributed in the previous year :

Actual distributions for 2023 were NT\$36,000,000 for employee remuneration and NT\$18,000,000 for director remuneration.

(2) If there is any difference between the actual amount of remuneration to employees and directors in the previous year and the estimated amount of expenses to be recognized, the amount of the difference, the reasons for the difference and the circumstances under which the difference was handled should be disclosed: No difference.

(6) The Company buys back shares in the Company in the following circumstances.

2024/3/31

Buyback issue	1st	2nd	3rd
Purpose of buy-back	Protect the company's credit and shareholders' rights	Transfer of shares to employees	Protect the company's credit and shareholders' rights
Buyback Period	2008/7/10 ~ 2008/9/8	2008/10/22~2008/12/19	2011/9/13 ~ 2011/10/14
Buyback interval price	Unit price per share NT\$11 to NT\$25	Unit price per share NT\$8 to NT\$18	Unit price per share NT\$8.75 to NT\$20.76
Type and number of shares bought back	CSTO/ 6,103,000 shares	CSTO / 3,300,000 shares	CSTO / 1,487,000 shares
Amount of shares bought back	NT\$ 95,865,633	NT\$ 34,476,022	NT\$ 18,820,541

Buyback issue	1st	2nd	3rd
Number of shares cancelled and transferred	Approved by the Ministry of Economic Affairs on December 22, 2008, application for cancellation of registration of change of treasury shares 6,103,000 shares	Approved by the Ministry of Economic Affairs on 04/01/2012, the application for cancellation of the registration of change of treasury shares 3,300,000 shares	Approved by the Ministry of Economic Affairs on 04 January 2012, application for cancellation of registration of change of treasury shares 1,487,000 shares
Number of shares of the Company held cumulatively	-	-	-
Number of shares of the Company held cumulatively as a percentage of the total number of shares in issue (%)	-	-	-

2024/3/31

Buyback issue	4th	5th
Purpose of buy-back	Protect the company's credit and shareholders' rights	Protect the company's credit and shareholders' rights
Buyback Period	2012/6/4 ~ 2012/8/3	2012/11/19 ~ 2013/01/18
Buyback interval price	Unit price per share NT\$8.50 to NT\$16	Unit price per share NT\$8.50 to NT\$14
Type and number of shares bought back	CSTO / 1,200,000 shares	CSTO/ 1,364,000 shares
Amount of shares bought back	NT\$ 14,157,848	NT\$ 14,422,096
Number of shares cancelled and transferred	Approved by the Ministry of Economic Affairs on October 3, 2012, application for cancellation of registration of change of treasury shares 1,200,000 shares	Approved by the Ministry of Economic Affairs on May 17, 2013, application for cancellation of registration of change of treasury shares 1,364,000 shares
Number of shares of the Company held cumulatively	-	-
Number of shares of the Company held cumulatively as a percentage of the total number of shares in issue (%)	-	-

2. Handling of corporate bonds:

(1) Ordinary corporate bonds.

Types of corporate bonds		1st unsecured corporate bonds
Issue Date		2004/6/25
Denomination		100,000 per sheet
Place of issuance and transaction		Not applicable
Par Value (NT\$)		The bonds were issued in full at par value.
Total amount		NT\$ 1,000,000,000
Interest rate		Coupon rate 0 %
Duration		5-year maturity date: 24 June 2009
Assurance agency		Not applicable
Trustee		Taipei Fubon Bank Trust Department
Underwriter		None
Attorney		Chang An Attorney J.A. Huang
Accountant		Diwan & Company TSAI, CHING-TIEN、WU, JIAN-YUAN
Repayment method		Not applicable
Outstanding principal amount		NT\$ 0
Terms of redemption or early repayment		<p>(1) If the closing price of the Company's common stock on the TSE exceeds the then current conversion price of the Bonds by 50% or more for 30 consecutive business days from the day after the first month from the date of issuance of the Bonds to the 40th day prior to the expiration of the issuance period, all of the Bonds may be redeemed in cash within the next 30 business days at the redemption price calculated based on the redemption yield rate of the Bonds listed in (3).</p> <p>(2) From the day after the first month of issuance to the 40th day before the expiration of the issuance period, if the outstanding balance of the Bonds is less than \$100 million, the Bonds shall be redeemed in cash at the redemption price calculated based on the redemption yield of the Bonds listed in (3).</p> <p>(3) The redemption rates are as follows.</p> <ol style="list-style-type: none"> 1. From the day after the first month of the issue to the day after the second year of the issue, the bonds shall be redeemed at a yield rate of 1.00% per annum. 2. From the day after the second year of issue to the day after the third year of issue, the bonds shall bear a redemption yield rate of 1.25% per annum. 3. Redemption of this convertible bond at par value from the day after the third year of issuance until 40 days prior to the maturity of this convertible bond.
Restrictions		None
Credit rating agency, date of assessment and corporate bond assessment results		None
Other rights	Amount of converted (exchanged or warrants) ordinary shares, overseas depositary receipts or other securities as of the date of publication of the Annual Report	Due for redemption
	Issuance and conversion (exchange or share option) method	Creditors convert ordinary shares by way of book transfer or to the Company's share agency at the conversion price.
The method of issuance and conversion, exchange or share option, the possible dilution of shareholdings by the terms of issue and the effect on the interests of existing shareholders.		Not applicable
Custodian of the subject after conversion		None

(2) Information about the convertible corporate bond:

Types of corporate bonds		First domestic unsecured convertible corporate bond	
Item	Year	2009	Current year as of 20 April 2010
Market value of convertible bonds	Max	101.00	Expired on 24 June 2009 and fully redeemed
	Min	94.10	
	Avg	99.14	
Conversion price		20.15	
Issuing (processing) date and the conversion price at the time of issuance		Issued on June 25, 2004 / Conversion price at issuance NT\$33.50	
Conversion method		Delivery of new shares upon conversion of the issue, with the same rights and obligations as ordinary shares	

(3) Exchange of corporate bond information: Not applicable

(4) Omnibus reporting of issuance of corporate bonds: Not applicable

(5) Information on corporate bonds with warrants: Not applicable

3.Special shares:

Item\Issuance Date		August 10, 2021 TYC Preferred Share A
Denomination		NT\$10
Issuance Price		NT\$50 per share
Number of shares		Total number of shares: 30,000 thousand shares
Total amount		NT\$1,500,000 thousand dollars
Rights and Obligations	Dividends and bonuses distribution	<p>(1) The dividend yield of the preferred share A is 4% (annual rate), (record date: June 16, 2021, 5-year interest rate swap (IRS) rate, 0.64275% + fixed rate, 3.35725%) and calculated at the issue price per share. The five-year IRS rate will be reset on the next business day five years after the issue date and every five years thereafter. The record date of the reset is two business days of financial institutions in Taipei prior to the reset date. The five-year IRS rate is the arithmetic mean of the offer prices of Reuter's TAIFXIRS and COSMOS3 at 11 a.m. on the record date of the reset (business day of financial institutions in Taipei). If the aforesaid offer prices are unavailable on the record date of the reset, the five-year IRS rate shall be determined by the Company based on the principle of good faith and reasonable market conditions</p> <p>(2) Dividends distribution: The preferred share dividends are fully distributed in cash every year. After the financial statements are adopted in an annual general meeting, the Board of Directors shall authorize the chairman to set the record date for paying the preferred share dividends of the previous year. The number of dividends issued in the year of issue and in the year of redemption is calculated based on the actual number of days of issue in the current year.</p> <p>(3) The Company shall apply the current year's earnings, if any, to pay for taxes as stipulated by laws and regulations, offset accumulated</p>

Item\Issuance Date		August 10, 2021 TYC Preferred Share A
		<p>losses of previous years, and allocate 10% as legal reserve pursuant to laws and regulations. Special reserve shall be set aside or reversed from net shareholder's equity reduction in current or accumulative in prior years in accordance with related regulations. The remaining earnings along with the accumulated unappropriated earnings in prior years as shareholder bonus, and shall be appropriated as preferred share dividends in accordance with the Article 7-1, Articles of Incorporation.</p> <p>(4) The Company has discretion over the distribution of preferred stock dividends. If the Company does not generate any or sufficient profits during the year for the distribution of preferred stock dividends, it may resolve not to pay out the dividends and preferred stockholders have no rights to object. The Board of Directors shall propose a surplus earnings distribution in accordance with Article 32-1, Articles of Incorporation to be adopted by the annual general meeting. After the surplus earnings distribution is adopted, the distributable amount of preferred share and common shares shall be distributed to preferred shares first.</p> <p>(5) The preferred shares A issued are non-cumulative; that is, the undistributed dividends or shortages in dividends distributed shall not be accumulated and paid in subsequent years when profits are generated.</p> <p>(6) The preferred shareholders A are not entitled to common shares' cash or share dividends derived from earnings or capital reserve.</p>
	Distribution of remaining assets	Preferred shareholders A have a higher claim to the Company's residual properties than common stockholders. Different types of preferred shares issued by the Company grant holders the same rights to claims, and preferred shareholders stay subordinate to general creditors. The amount preferred shareholders are entitled to is capped at the product of number of outstanding preferred shares at the time of distribution and issuance price.
	Execution of voting rights	Preferred shareholders A have neither voting nor election rights. However, they may be elected as Directors. They have voting rights in preferred shareholders' meetings or with respect to agendas associated with the rights and obligations of preferred shareholders in shareholders' meetings
	Others	<p>(1) For cash offering of new shares, the preferred shareholders have the same preemptive rights as the common shareholders.</p> <p>(2) Capital reserve issued at preferred share A premium shall not be used as capital during the issuance of the preferred share.</p>
Outstanding Preferred Shares	Amount of preferred shares redeemed or converted	NT\$0
	Balance of preferred shares redeemed or	NT\$1,500,000,000

Item\Issuance Date		August 10, 2021 TYC Preferred Share A	
	converted		
	Redemption or conversion terms	(1) Conversion to common share: Preferred share A cannot be converted into common share. (2) Expiration date: The Company's preferred share A does not have an expiration date. Preferred shareholders A may not ask the Company to redeem their preferred shares. The Company may, at any time from the next day of the five-year expiration of the issue, redeem all or part of the preferred stocks based on the original issue price. Unredeemed preferred shares shall continue to be subject to the rights and obligations of the aforesaid issuance terms. If the Company decided to distribute dividend, it shall be calculated according to the actual issuance days of the current year.	
Market Price per Share	2024	Highest	47.50
		Lowest	44.20
		Average	45.70
	Current year as of March 1	Highest	49.20
		Lowest	47.60
		Average	48.58
Other Rights Attached	Amount of stock conversion or subscription as of the publication date of the Annual Report	Preferred share A cannot be converted into common share.	
	Issuance and conversion or subscription regulations	None	
Impact of conditions of issuance on the rights and interests of preferred shareholders and possible dilution of shareholders' equity and impact on existing shareholders' equity		None	

4.Data of preferred shares with warrants: Not applicable

5.Overseas Depositary Receipts: Not applicable

6.Employee stock option certificate application situation: Not applicable

7.M & A or transfer of shares of other companies to issue new shares: Not applicable

8.Implementation of the fund use plan: The Company does not issue or privately places securities; therefore, it is not applicable.

IV. Operations Profile

1. Business Content

(1) Business Scope

1. Main Content:

- (a) Manufacture, processing and sales of automobile and motorcycle parts (lighting equipment, engines, body parts, lights, horns, electronics, transceivers, cigarette lighters, mirrors, trim, wheel covers, door handles, door locks, starter switches, dashboards, rearview mirrors, and car detectors).
- (b) Manufacturing, processing and sales of aircraft parts and marine parts.
- (c) Manufacturing, processing and sales of transportation machinery and parts.
- (d) Manufacture, processing, and sales of transportation machinery and its spare parts, including AC and DC air compressors, vacuum cleaners, waxers, oil pumps, and maintenance equipment.
- (e) Manufacturing and sales of plastic injection molded products (vacuum cleaner, waxer, air compressor, and other plastic parts and automotive parts).
- (f) The above items are related to the import and export trading business.
- (g) We are the agent of domestic and foreign manufacturers for the quotation, tender and distribution of the above products.
- (h) Except for the permitted business, the business that is not prohibited or restricted by law may be carried on.

2. The company's current product, business proportion:

<u>Product</u>	<u>Operating share (2024)</u>
Automotive	90.96 %
Motorcycles	3.69 %
Other	5.35 %

3. Planned development of new products (services)

- (a) 50K Digital control HIAS imaging headlamp.
- (b) Hidden lighting.
- (c) Micro-pupil wide area condenser.

(2) Industry overview:

1. Current status and development of the industry.:

(a) Current status:

According to the Taiwan Vehicle Industry Association, the total output value of Taiwan's vehicle industry continues to grow. January to September 2024, it amounted to NT\$572.8 billion, accounting for 4.02% of Taiwan's total manufacturing output and down by 8.96%, making it an extremely important industry in Taiwan.

Unit: NTD10 billion

Year / Industry	2024/Jan-Sept	2023	2022	2021	2020
Automotive / Growth rate	1,570 / - 6.68%	2,302 / 10.50%	2,083 / 8.43%	1,921 / 12.62%	1,705 / 1.89%
Motorcycle / Growth rate	417 / -1.40%	576 / 12.34%	513 / - 9.68%	568 / -10.61%	635 / 9.92%
Bicycle / Growth rate	400 / -35.65%	780 / - 17.39%	945 / 40.42%	673 / - 16.09%	580 / - 10.69%
Automotive parts /	2,187 / -	3,060 /	3,023 /	2,271 /	2,026 / -

Year / Industry	2024/Jan-Sept	2023	2022	2021	2020
Growth rate	3.07%	1.19%	33.11%	11.50%	9.00%
Motorcycle parts / Growth rate	399 / - 4.62%	547 / - 10.88%	613 / 9.27%	561 / 10.99%	507 / - 9.92%
Bicycle parts / Growth rate	756 / - 15.17%	1,101 / - 47.05%	2,080 / 93.13%	1,077 / 46.57%	773 / 7.49%
Total / Growth rate	5,728 / - 8.96%	8,366 / - 9.63%	9,258 / 30.93%	7,071 / 14.09%	6,227 / - 1.47%
Percentage to manufacturing	4.02%	4.75%	4.67%	4.40%	4.89%

Source: Statistical release by the Ministry of Economic Affairs and consolidated by the Taiwan Transportation Vehicle Manufacturers Association. Automotive electronics are not included in automotive parts.

Taiwan's auto parts industry has the advantage of small quantity and flexible manufacturing, and has become internationally competitive after continuous investment in R&D and upgrading of production technology.

In recent years, although the domestic market for complete vehicles has been fluctuating, the amount of export sales of auto parts has continued to expand every year after accumulating competitive strength. In 2022, the amount grew by approximately 14.58% to reach a record high of NT\$253 billion, and in 2023, due to economic depression and high inventory volume, the amount from January to December was NT\$225.4 billion, a decrease of 10.91%. The export amount from January to September 2024 was NT\$170.1 billion, an increase of 2.21%.

Unit: NT\$10 billion

Year	2024/1-9	2023	2022	2021	2020
Amount	1,701	2,254	2,530	2,208	1,927
Growth rate	2.21%	-10.91%	14.58%	14.58%	-10.26%

Source: Import and export statistics, compiled by Taiwan Vehicle Industry Association.

(b) The future development trend of the industry:

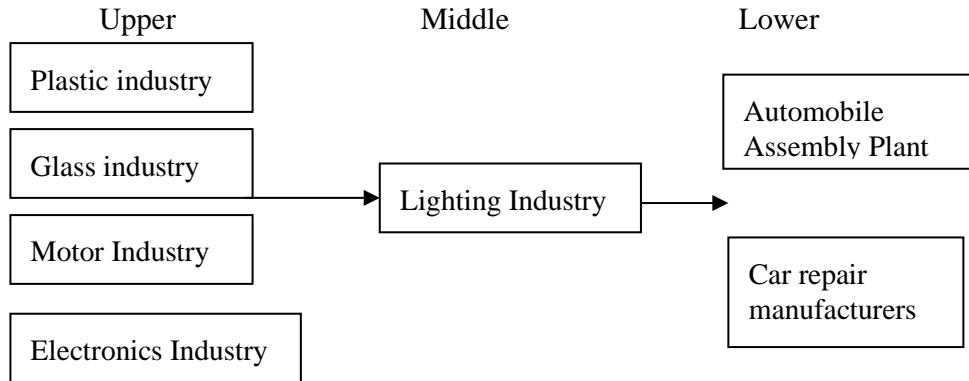
1. Products:

Taiwan SMEs have the best stage to innovate flexibly, especially related to car safety concept products combined with electronic technology, such as: MiniCCD color camera, anti-glare autodimming rear view mirror, wireless tire pressure monitoring systems, rain sensor, satellite navigation, etc. In addition, a variety of audio and video equipment for cars attract many buyers and so there are also innovative products launched, such as: combined with TFT LCD screen and DVD/VDC/CD/MP3/TV +AM/FM function audio and video equipment.

In summary, automotive electronics is the fastest growing project in the automotive industry. The strength of Taiwan's information electronics industry will be one of the thrusts of Taiwan's auto parts industry transformation in the future. According to Strategy Analysis estimates, the automotive electronics market related to driving information has a compound annual growth rate of about 7%, the automotive electronics market related to chassis systems has a compound annual growth rate of 8%, and the safety systems related to automotive electronics products have a compound annual growth rate of up to 14%.

The future technology and trend of the vehicle industry still lies in the development of oil-electric/electric vehicles. Taiwan already has the capability of independent research and development of key components for electric vehicles.

2. The relevance of the industry in the upper, middle and lower reaches:



3. Various development trends of products:

With the booming development of LED light source technology, new-style car taillights, including driving lights, brake lights, almost all LED lights emerge, mainly because LED has the advantages of power saving and shape flexibility, so that the taillight power consumption is reduced from 27W down to 5W or less. Also because of the different arrangements that can be done with LED, a variety of designs for car lights can be done unlike the traditional ones.

High-power LED luminous efficiency continues to improve and thermal resistance continues to decrease, but also provides the opportunity to use LED lighting as a light source, including LED direction lights, LED daytime running lights, LED front fog lights, LED near and far lights and so on. In 2010, the company also has the first near-lamp with diurnal lamp function LED headlamp output. Not only is it another important breakthrough in technical capabilities, but also different from Taiwan aftermarket (AM) competitors, and with the higher layer, it is bound to bring higher market profit opportunities for the company. In 2013, the full-featured LED headlights with natural heat dissipation, higher reliability and more energy-saving effect, have been approved and adopted by Ducati heavy locomotives, from VW group!

In addition, committed to the evolution of optical design and light source, and in order to increase the safety of driving and adapt to a variety of driving conditions with automatic steering, automatic adjustment of the light type by the adaptive lighting system (AFS) has gradually become the focus of research and development of each lamp factory. The company completed the mass production of AFS headlights in 2012, using the latest technology, actively detecting the condition of the car, after MCU calculation, and then sending the signal to the lights, a real-time response to compensate for the lighting area and improve driving safety. In response to market competition and customer demand, the company actively invested in technology research and development of full-featured including steering assist LED headlights, and in 2020 successfully mass-produced these lights to supply multiple motorcycle manufacturers.

4. Competitive Situation:

(a) R & D Modified Car Lights (PM):

As the company has superior design ability and quality than competitors in the industry, the product acceptance in the market is higher than other competitors. The company still persists in improving its product design ability and product refinement, in order to enhance the company's brand value, to stay a step ahead of competition.

(b) General Aftermarket (AM).

In the background of uncertain global economic outlook, the consumers usually extend the service life of vehicles. The growth in promoting demand for the aftermarket is stable. According to Market Xcel's report, the global aftermarket size revenue has reached US\$501.2 billion in 2023, and is expected to increase to US\$713.3 billion in 2031. The compound annual growth rate (CAGR) is 4.51%. The growing trend is mainly driven by the increase in the number of vehicles, extended service life of vehicles, and increase in digital service demand.

(<https://www.gii.tw/report/gd1476290-automotive-aftermarket-size-trends-analysis-by.html>)

TYC's products in the aftermarket focus on quality, due date, and service. It successfully passed various regulation requirements (SAE, ECE, ADR, JIS, GB, CAPA, CCC, IRAM, SABS certificates). To further consolidate the leading status in the market, the Company adopts multiple measures includes:

- A. Introduction of PDM/PLM system to optimize product daily data management.
- B. Actively establishing an exclusive R&D department and setting up a module testing center and module factory.
- C. Increase development efficiency and reduce new product development time by at least 15% to 20%, which has more competitiveness than traditional processes.

Furthermore, according to the latest data, the Asia Pacific region is the fastest growing region in the global automobile aftermarket. It is estimated to maintain a 5.5% GAGR for the next few years. As for the North American and European markets, it pays more attention to high quality parts and components and digital service integration.

With the strategies mentioned above, TYC can not only launch the new products to the market faster, but also expand market share in the global aftermarket to respond to the increasingly fierce competitive challenge.

(c) OEM market:

OEM lamps usually require a higher level in design technology, the company in addition to the existing optical foundation, is actively engaged in the LED, PES, AFS, ADB and other aspects, seeking technological breakthroughs, and improving the development process. It has obtained factory certification and a number of product patents, synchronous design and development, and through cooperation with LED light source technology manufacturers and special production craft suppliers, TYC can be more competitive in the market.

(3) Technology and R & D Overview:

1. R & D expenses invested for the year ended in the date of publication of the annual report:

Unit:NT\$1,000		
Item \ Year	2024	Current year as at 31 March
R&D costs	448,847	103,312
Operation revenue	20,121,705	4,912,745

2. R & D expenses invested for the year ended the date of publication of the annual report:

(1) Imaging optics front floor projecting technology

(2) Smart interactive lighting design

(3) Optical electric heating modular design

3. Future Annual Research Development Plan.

The revolution of the traditional automotive light is relatively slow. It took six years for the halogen light to evolve to mature production of full LED light. However, the revolution speed of automotive light, like general electronic products, is changing rapidly, so the development speed must catch up, too. Moreover, the idea of independent development for the automotive light needs to be changed as well. With the emergence of auto driving, automotive lighting is becoming intelligent. The movement of automotive light needs to coordinate with the environmental data collected from camera, radar, and LiDAR, and then passed on to the ADAS system to turn on the light. Due to the complex system, the modules in this system need to coordinate with each other and safeguard the drivers and pedestrians' safety.

Automotive light incorporates two major elements: visual and safety. These two elements have been gradually carrying forward in the market development. In the visual element, from square light/through light/light-craft position light/star light/diamond light/hidden light/ISD light, it gets more glorious and sophisticated. In the safety element, it upgrades the ADB with ten thousand pixels to DLP with mega pixels to achieve from "function" to "intelligence". It realizes messages conveyed with interactive images to enhance the interaction between automotive and people and the communication between automotive and other road users, as well as safety driving experience with various sceneries. After DLP is applied to automotive light, it can be used as a projector to enhance the entertaining application. It gradually transforms the automotive light from a functional product into an entertaining product and bring in the distance between automotive light and people.

Automotive light develops rapidly from the influence of the Chinese market. The function/appearance/lighting effect are just as important. TYC also incorporates various intelligence and appearance elements in automotive lights. It is expected to develop high-end products and standard products for two-wheel vehicles. High-end products use ten-thousand pixels lighting through programming to design an automotive light with driving safety; whereas standard ones use multiple fill light design to improve the safety and comfort of turning, and make no blind spot for lighting. As for four-wheel vehicles, due to their larger dimension, they can develop to a special and stylish appearance design through light crafting/mirror reflecting/star optics. A flat full-beam light module is developed to fit both two-wheel and four-wheel vehicles due to the needs for miniaturized car light, which makes the overall look more stereoscopic and sharper. For non-lighting functions, vehicle information can be projected in the surrounding area or on the side view mirror by projecting technology and programming, including vehicle information (remaining mileage/tire pressure/detection of errors), traffic warning, turning instruction, floor lighting, and

other enhancing functions that help the vehicle communicate with the driver and pedestrian.

In technology aspect, Adaptive Driving Beam Headlamp technology is the developing mainstream in smart headlamp, and mostly with matrix with 24 pixels LED on major automotive models, which does not increase much when compared with the pixel in 2024. Nevertheless, it is more commonly seen in many vehicle models, which indicates that 24 pixels is the main stream of the ADB headlamp. 100 pixels is applied on high-end models of the luxury imported brand. Most of them are used to show off technical capabilities, and not applied on every model series. ADB system is composed by ADAS camera, main controller, LED driver, ADB optical module, and transmission line. The cost of ADB is getting higher in smart headlamp. Whether ADB will be popular in the future depends on if the price can be reduced. Therefore, research on ADB lighting with lower cost is a significant developing direction for TYC in the future.

TYC has invested considerable resources in light design, optical design, heat dissipation design, materials, LED and electronic control system, simulation analysis, mold design and development, and production technology.

Lighting mechanism: With modularized and miniaturized lighting design, it keeps the part simple. The automotive light is greatly reduced in size to directly fit inside customers' lamp shape to save module developing quantity, which match the concept of sustainable development, energy saving, and carbon reducing.

Optical design: The optical design of smart headlamp is through multi-layer lens system and special appearance effect. With the complex optical design, it effectively increases the optical utilization rate. Other than the lighting visual effect, it meets the brightness requirement and clear light source by regulations.

Lighting design: It requires a more precise processing technology in module technology. We invest in ultraprecision NC processing machine that makes the product fits with the design, and create a more competitive LED lighting.

Material: As to environmental protection from ESG, the application and introduction of recycle material is very important when working on how to reduce carbon emission. TYC has been increasing the ratio of recycle material every year to carry out circular economy that would assist in reaching sustainable development goal.

Electronic control: The emerging of electronic vehicle and the development of smart lighting have relatively increased the application of CAN/LIN BUS. After receiving feedback from the computer to identify the type, distance, and speed of the environment through camera and LiDAR in the car, it signals the smart lighting control system to control the automotive light, which makes the autonomous vehicle quickly switch to the appropriate light pattern under different road conditions for safe driving needs. The pixel of the lighting is developing from hundred pixels to ten thousand pixels, which makes the electronic control and communication more complicated, especially for the requirements in firmware. The old electronic lighting control module can only provide function required by regulation. With automotive communication design, it can deliver customized driving message (such as welcoming light, breathing light) and programmable ISD intelligent interactive light, which replaced the static with a dynamic function and giving life in automotive lighting.

TYC research and development team has improved the automotive lighting technology to the same level in the market in response to rapid change and demand of the market. Regardless of the future mainstream, TYC is ready and will focus on smart automotive lighting development to improve driving safety.

(4) Long and short-term business development plan:

1. Short term plan:

- (a) In order to expand the largest AM market in North America, we have invested capital and manpower to obtain CAPA certification. As of 2024, 2,235 lamps have been certified by CAPA, and it is estimated that by 2025, more than 2,400 lamps will have been certified. Now we continue to invest all resources to obtain CAPA certification to increase sales in insurance market, Improve product quality.
- (b) Headlamp related optic and mechanism patents, about 299 patents, are the fundamental niche of the company in the competitive world.
- (c) The company has added new strategic product lines and expanded TYC brand products such as compressor for automotive air conditioning, mirrors, condensers, fans, water tanks, blowers, lifts, air filters, chassis parts, electrical products, and new product groups such as automotive electronics, and is actively seeking strategic alliances with high quality and competitive domestic and foreign manufacturers to strengthen its competitiveness in the market. It provides an ONE STOP SHOP for customers from 130 countries to increase customer's loyalty and dependency of TYC.
- (d) We are actively developing OEM markets, strengthening quality and enhancing relationships with international car manufacturers.

2. Long-term Plan:

- (1) Establish global distribution system and expand distribution network.
- (2) To grasp the local market in China and expand the scale of the company's operations.
- (3) To build up the production and supply capacity of the ASEAN.
- (4) Actively strive for customer development in electronic car/new and innovative automobile manufacturer, mostly in Europe and American markets.

2. Market and Production Overview.:

(1) Market Analysis:

1. Major product sales regions

The Company's main sales regions are mainly overseas, with foreign sales comprising 93.27% and 93.08% of sales in 2023 and 2024 respectively. The high proportion of foreign sales is mainly due to the limited appetite of the domestic automobile market, and in recent years, apart from the continuous AM market expansion, the Company has also devoted itself to the development of other markets.

In addition, due to the larger market size in Europe and the United States, the quality requirements of the products are higher, and they must pass the quality test of SAE (American Society of Automotive Engineers) in the United States and obtain the quality certification of ECE (European Economic Commission) in Europe before they can be sold to Europe and the United States respectively. Sales to the U.S. amounted to NT\$9,422,893,000 in 2024, representing 46.83% of total net sales, and sales to the Netherlands amounted to NT\$3,216,557,000 in 2024, representing 15.99% of total net sales, with a total of NT\$12,639,450,000 in sales to the U.S. and the Netherlands.

Sales of major products in the past two years

Units: NT\$1000; %

Sales target and area		2023		2024	
		Amount	Ratio	Amount	Ratio
Domestic Sales		1,297,500	6.73%	1,393,075	6.92%
Export sales	China	170,486	0.88%	255,765	1.27%
	Netherlands	2,354,868	12.22%	3,216,557	15.99%
	USA	9,383,384	48.68%	9,422,893	46.83%
	Other countries	6,071,307	31.49%	5,833,415	28.99%
	Subtotal	17,980,045	93.27%	18,728,630	93.08%
Total		19,277,545	100.00%	20,121,705	100.00%

2. Future market supply and demand conditions

- (a) Demand in the refurbishment market is currently unsaturated, as it is in the introduction stage.
- (b) The results of our cultivating the European locations, the increase in orders and the expansion of our sales channels have led to an increase in market share.
- (c) In order to meet the new sales strategy, the company continues to strengthen the establishment and implementation of the quality assurance system, and has passed the ISO9002 certification in 1993, which has reached the internationally recognized quality standard. In order to continuously improve quality, the company began to implement the Quality System Standard (QS9000) of the Big Three in the United States in 1996 and was certified in December 1998. The company passed ISO14001 certification in July 2002, TS-16949 certification in October 2003, CAPA Certificate of Conformity in September 2005, and the Top 20 Excellent Brands in Taiwan. In March 2006, we obtained the Q1 Quality Award certificate; in February 2007, we obtained CCC certification in China; in October 2007, we obtained IRAM certification in Argentina; in February 2010, we obtained SABS certification in South Africa; in December of the same year, we obtained OHSAS18001, TOSNMS certification and AEO quality enterprise; in July 2012, we obtained CZ certification in Europe; in September, we passed the APCP factory evaluation by NSF certification agency, and in October, the first group of lamps passed the certification and we became the qualified supplier of NSF-APCP. In 2014, we were awarded one of the most valuable brands in the top 35 of the Global Best Brands (Taiwan Region) by Interbrand; in April 2018, the ISO/TS 16949 quality management system certification was successfully changed to IATF 16949; in July, we passed the ISO 26262 functional safety management system certification by Rheinland; The recognition of new technology includes two awards of the 19th Taiwan Excellence Award (LED headlamp with DRL and delicate patio light), the 20th Taiwan Excellence Award (AFS intelligent steering headlamp), and three awards of the 21st Taiwan Excellence Award (full LED tail lamp, LED light guide bar motorcycle headlamp, and sailboat LED street lamp), the 22nd Taiwan Excellence Award for LED DRL Guide Bar Headlamp, the 23rd Excellence Award for two products (Transformers Full LED Motorcycle Headlamp, Energy Saving Street Lamp-Ruyi), the 24th Excellence Award for 3D Full LED Depth of Field Tail Lamp, and the 25th Excellence Award for three products (5-in-1 Full Function Bus Headlamp, Full LED Cruiser Heavy Motorcycle Headlamp, Full LED Hawkeye Motorcycle Headlamp), the 27th Silver Award and Award of Excellence for Full Function LED Motorcycle Tail Light, the 28th Award of Excellence for two products (Innovative Thin Full LED Motorcycle Tail Light, Vertical Side Light Emitting Motorcycle Directional Light), and the 29th Award of Excellence for two products (Innovative Full Function LED Motorcycle Head Light, T Type, and Innovative Full Function LED Motorcycle Head Light, V Type), the 30th Taiwan Excellence Award (Full LED Motorcycle Headlamp), and the 33th Taiwan Excellence Award (GR86/BRZ Full LED Modified Tail Light, Multi-Pixel Full LED Motorcycle Tail Light). These show that our company not only strives to improve our technology and product quality competitiveness year after year, but also speeds up the local customs clearance for foreign customers, making our company rise to the level of a world class manufacturer.

- (d) With the rising awareness on environmental protection, the Company has been actively strengthening its management system, and received the Carbon Reduction Action Award from the Environmental Protection Administration of the Executive Yuan at the end of 2015. It is certified by ISO 14064-1:2018 Greenhouse gas inventory in 2022, and takes initiative to issue the first version of Sustainability Report. Based on the responsibility and obligation in environmental protection, social improvement, and economic growth, the Company has established a sustainable development policy, so it can be effectively launched and practiced, as well as meeting the expectation of the interest parties and determination to a sustainable development. Policy scope includes 3 major aspects in sustainable development: environment, society, and governance in response to the interest parties' concerns from employee, supplier, business partner, customer, government, investor, and community. It has been working with DHL Express Taiwan to be partner on the net zero emission journey since October 2023, which uses Sustainable Aviation Fuel (SAF) in GoGreen Plus plan to reduce 10% of carbon emission during logistics and transportation, and get one step closer to the net zero emission goal.
- (e) In response to the development needs of the vast market in Mainland China, the company actively engages in marketing planning. It set up a lamp factory and mold factory in Changzhou, China, and set up Kunshan TYC Energy-saving Lighting Technology Co., Ltd. to produce automotive lights. In addition, through the design team owned by the company, we conducted lamp modeling modification design to meet the needs of major automakers and to actively expand the Mainland China domestic demand market, hoping to master the sales network.
- (f) In order to strengthen the supply chain in Southeast Asia, we not only produce automotive lights in Thailand, but also produce OEM lights for motorcycles in Vietnam through a joint venture. 109 years ago, our Thailand plant was awarded the honor of "2019 Honorary Manufacturer" by GM, demonstrating our ability to produce OEM quality.

3. Advantages and disadvantages of the development vision

(a) Advantages:

A. Improved light distribution technology of vehicle lights:

With the rapid development of LED and laser spectrum technology, the light distribution technology of vehicle lights is more precise. The compliance of the products with international regulations (ECE and SAE certificates) and market demands have further improved product quality, shortened delivery time and reduced costs, which have helped to expand sales market.

B. Mature in informatization and digital trade system:

The conversion of the information trade system was completed and the international network communication capacity and trade efficiency were greatly enhanced to support global supply chain management and cross-border sales.

C. Strong brand image and market influence:

The company has a good brand image in the automotive lighting market. With the best quality and outstanding technology, we are the best in the industry who has been working in global market for long with a wide sales region coverage, which contributes steadily to the growth of business.

D. Value of employee education and teamwork:

We emphasize on employee education training and personality building to promote teamwork, and establish customer-oriented culture to strengthen good centripetal force in the corporate and further increase the overall competitiveness.

E. Integration of global production sites and resources:

The resource integration of our global production sites (US/Mainland China/Thailand/Vietnam) distribution is completed. It achieves significant operation cost reduction with regional cost advantage and enhance international competitiveness.

F. Changes in market demand under the influence of economic recession:

The global recession has inhibited the demand for new vehicles, but it brings up the relative increase in usage of older vehicles that has a consequent impact on the demand for automotive light in the refurbished market (aftermarket).

G. Taiwan's parts and components are critical in the global supply chain:

With the redouble of global division of labor, Taiwan's high quality parts and components are favored by international automotive manufacturers and becoming one of the key sources in the global supply chain.

(b) Disadvantages:

A. Fierce price competition among global automotive light manufacturers:

The fierce price competition puts pressure on the selling price and profitability, especially when facing the challenge of low price products in the emerging market.

B. Meteoric rising of the mainland China and other emerging markets:

Emerging markets from mainland China and India are on a meteoric rise. With low cost advantage and economies of scale, it has threatened the existing Taiwanese market share. In addition, as the serious recession in mainland China, massive suppliers have re-entered the market with low price strategy to muscle for market segments that do not require high certification requirement to survive.

C. Competitive advantages of low cost countries:

Mainland China, India and Eastern Europe have low cost advantages in labor and raw materials, which makes their products more price competitive in the international market.

D. Pressure of environmental requirements and the materials selection:

Global environmental regulations are getting strict for the selection of materials and testing standards, which lead to continuous increase in development cost.

E. Continuous increase in technology requirement:

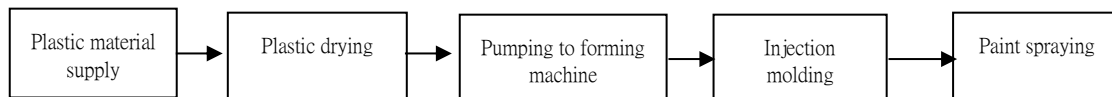
The technology requirement in automotive light products is getting complicated. Demands for matrix LED, AI intelligence lighting, and Adaptive Driving Beam (ADB) are getting higher. It brings double pressure in technology and funding to small and medium-sized businesses.

(2) Important applications and production processes of the main products.

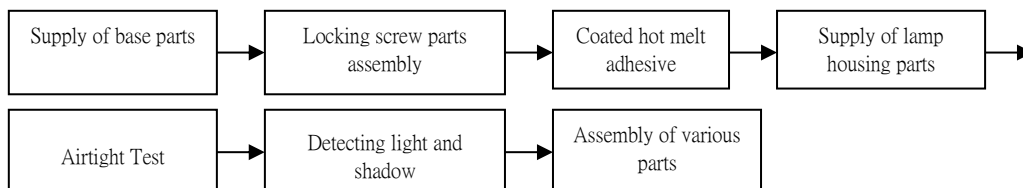
1. Main products' important applications: Our main products are used in various brands of motorcycle lighting.

2. Main product production process:

(1) Injection molding manufacturing process:



(2) Component assembly manufacturing process.



(3) Supply status of main raw materials

Name of raw material	Supply situation
Base, lamp housing	Good
Hardware and iron parts	Good
Rubber Parts Housing	Good
Wire group	Good
Light bulb	Good
Glass lamp housing	Good
Plastics, BMC materials	Good
Paper box packaging	Good

The main raw materials for our motorcycle lights are lamp housings, lamp bulbs and plastic materials, which are mostly supplied by well-known domestic manufacturers, with only a few imported by ourselves. Since we have a wide range of customers and have maintained good cooperative relationships with major suppliers, the quality of the raw materials supplied is stable and the source of raw material supply should be safe.

(4) Name of customer who has accounted for more than 10% of the total amount of goods imported (sold) in any of the past two years:

1. Key supplier information for the past two years:

Unit:NT\$1,000 ; %

	2023				2024				FY 2025 as at 31 March			
Item	Name	Amount	Percentage of net purchases for the year (%)	The relationship with the issuer	Name	Amount	Percentage of net purchases for the year (%)	The relationship with the issuer	Name	Amount	Percentage of net purchases for the year (%)	The relationship with the issuer
1	A company	914,573	9.72%	Non-related person	A company	915,262	9.03%	Non-related person	A company	254,885	9.74%	Non-related person
2	Others	8,497,684	90.28%	None	Others	9,222,702	90.97%	None	Others	2,360,708	90.26%	None
	Net Purchase	9,412,257	100.00%		Net Purchase	10,137,964	100.00%		Net Purchase	2,615,593	100.00%	

Explanation of changes: None of the major suppliers accounted for more than 10% of total purchases in the last two years, so it is not applicable.

2. Key sales customer information for the past two years:

Unit:NT\$1,000 ; %

	2023				2024				FY 2025 as at 31 March			
Item	Name	Amount	Percentage of net purchases for the year (%)	The relationship with the issuer	Name	Amount	Percentage of net purchases for the year (%)	The relationship with the issuer	Name	Amount	Percentage of net purchases for the year (%)	The relationship with the issuer
1	A company	2,863,386	14.85%	Non-related person	A company	2,860,649	14.22%	Non-related person	A company	733,915	14.94%	Non-related person
2	Others	16,414,159	85.15%	None	Others	17,261,056	85.78%	None	Others	4,178,830	85.06%	None
	Net Purchase	19,277,545	100.00%	-	Net Purchase	20,121,705	100.00%	-	Net Purchase	4,912,745	100.00%	-

Note on changes. :

(1) Turnover for FY2024 was NT\$20,121,705,000 an increase from FY2023 turnover of NT\$19,277,545,000 due to major sales area – Taiwan and Netherlands sales increased.

3.Number of employees in the past two years and up to the date of printing of the annual report:

2025/3/31

Year		2023	2024	Current year as of March 31
No. of employees	Sales staff	243	240	243
	Management staff	925	970	971
	Factory staff	1,599	1,534	1,522
	Total	2,767	2,744	2,736
Average age		41.02	41.86	42.40
Average years of service		10.43	11.17	11.37
Education distribution ratio	Ph. D.	1	1	1
	M.D.	156	167	164
	College	1,437	1,449	1,449
	High School	949	910	923
	Below high school	224	217	199

4.Environmental Expenditure Information.

- (1) We produce products without creating pollution. The discharge of runoff water is treated by the industrial area sewage treatment plant to be environmental friendly and avoid environmental pollution.
- (2) The company invested in environmental protection expense. The expense for hardware equipment, air pollution, and waste management (general waste) in 2024 was NT\$43,357,212 in total.

Unit:NTD

Expense Category	Amount	Proportion (%)
Air pollution preventive cost	10,126,500	23.4
Water pollution preventive cost	1,900,952	4.3
Waste treatment cost	11,598,410	26.8
Environmental system certification cost	631,350	1.4
Environmental hardware expense	19,100,000	44.1
Total	43,357,212	100.0

- (3) No environmental pollution has occurred in the past year.
- (4) No loss or compensation has been suffered as a result of environmental pollution in the past year and up to the date of publication of the annual report.

5.Labor relations:

Employees are TYC's best partners for sustainable development. We continue to make improvements on the employee welfare system to implement physical and mental care for employees. It helps the employees with stress relief and gains balance between work and life.

TYC has established a comprehensive employee welfare systems and activities, as well as a staff welfare committee composed of representatives from every department. It is responsible to coordinate, plan, and implement various welfare measures. Other than various statutory welfare measures from the government, the welfare measures that TYC offers are comprehensive and diverse, including signing corporate offers with physical stores for employees to enjoy special benefits in food, clothing, accommodation, transportation, education, and entertainment.

(1) The company's employee welfare measures, further education, training, retirement system and implementation, as well as the agreement between labor and management and the protection of employee rights and interests of the situation:

1.1. Employee welfare measures and implementation:

- (1) Domestic and overseas travels
- (2) Festive and year-end party
- (3) Year-end bonus
- (4) Various free facilities: car/scooter parking, breastfeeding(collecting) room, reading room, etc.
- (5) Refreshments: afternoon snacks
- (6) Employee psychological counseling.
- (7) Movie night
- (8) Club activity
- (9) Health promotion seminars
- (10) Welfare and compensation: meal allowance, birth celebration, injury and illness hospitalization consolation money, wedding gift money and funeral condolence gift money, festival holiday and birthday gift money, language learning compensation, and cooperative stores.
- (11) Flexible working schedule system
- (12) Life insurance, health insurance, group insurance, and onsite consultation from group insurance personnel.
- (13) Annual health checkup
- (14) Service anniversary gold medal
- (15) Annual leave system: special leaves, personal and sick leaves, maternity leaves, child caring leaves, and marriage leaves, etc.

2. Implementation of Staff Development and Training:

- (1) The Company continues to strengthen employees' professionalism and career development, and has established "Educational Training Implementation", which includes new hire orientation, first time job position training, general vocational training, core vocational training, professional vocational training, etc. The Human Resources department will assist each department to systematically improve employees' performance and professionalism in accordance with the training programs made for operations and management every year. Meanwhile, in order to cultivate management talents, the Company also provides management training courses for all levels every year to enhance the leadership of the management team.
- (2) In 2024, there were 744 internal educational training courses, which took a total of 21,639 hours with 14,081 person-time. A total of 1,475 hours with 177 person-time were completed for the external training course. A total of 921 courses were held in 2024, and the total expense for training was NT\$3,489,409. The average training hour was 14 hours/person with NT\$2,114/person for all employees.

Year	2024 Training category and total hour			
	Male		Female	
Training category	Training hour	Number of trainees	Training hour	Number of trainees
General ability training	6,444	4,551	3,084	2,119
The core ability of training	2,079	362	444	88
Job-specific training	827	252	120	70
Professional ability training	6,222	4,897	2,381	1,582
Management ability training	1,087	232	426	105
Total	16,659	10,294	6,455	3,964

Item / Year		2024
Internal training	Total training hour	21,639
	Number of trainees	14,081
External training	Total training hour	1,475
	Number of trainees	177

3. Employee Retirement System and Implementation:

- (1) The Company's employee retirement method under the "Labor Pension Ordinance". The Company has allocated 6% of the employee's salary per month to the personal pension account of the Labor Insurance Bureau in accordance with the employee retirement method established in the Ordinance.
- (2) Implementation situation: The amount of pension expenses allocated by the Company in 2024 and 2023 is NT\$43,641,000 and NT\$41,160,000 respectively.
- (3) The employee pension scheme is a defined benefit plan established by the Company in accordance with the "Labor Standards Act", the payment of the employee pension is calculated based on the length of service and the average salary of one month at the time of approval of retirement. Two bases are given for service years within 15 years (inclusive), and one base is given for each year of service for more than 15 years, provided that the base accumulation is limited to a maximum of 45 bases. In accordance with the provisions of the Labor Standards Act, the Company allocates a pension fund

on a monthly basis for 3% of the total salary, which is stored in a special account in the name of the Labor Retirement Reserve Supervision Committee in a special account of the Bank of Taiwan. In addition, the Company estimates the balance of the aforementioned workers' retirement reserve account before the end of each year. If the balance is less than the amount of the pension calculated by the estimated workers eligible for retirement in the following year, the difference will be made by the end of March of the following year.

- (2) Losses suffered as a result of labor disputes in the most recent year and as of the date of publication of the annual Report, and estimated amounts and countermeasures that may occur now and in the future:

The Company values labor-management relations. Although there is no union or group agreement, it provides various communication channels for employees, such as face to face communication, set up online/physical employee suggestion box. Employees can provide constructive feedback to all management levels and human resources at anytime. It handles report cases confidentially and verifies objectively, so the employees know the company will protect whistle blower's safety from revenge. The Company protects employees' employment rights by giving the minimum period of advance notice when terminates a labor contract due to significant operational changes, which complies with the Article 16 of the Labor Standards Act.

Labor management meetings are held every three months to meet the regulation requirement. Representatives from labor and management and human resources will join the meeting to explain and discuss on the company's major policy, management issue, and benefit. Suggestions proposed in the meeting will be included in the meeting minutes for follow up and effective implementation to ensure employees' labor rights. 6 labor management meetings were held in 2024 (4 regular meetings and 2 unscheduled meetings). No major labor management dispute occurred in 2024, so there was no relevant loss.

The Company always makes great efforts to protect employees' rights by establishing various policies and building unimpeded internal communication channels, so the employees' ideas and suggestions can be immediately responded and handled. The company also established "Sexual Harassment Prevention Regulations" and "Preventive Plan for Unlawful Infringement in the Workplace", and promoted the system and practice on sexual harassment prevention and unlawful infringement via internal webpages and other channels from time to time to establish correct awareness for employees on gender respect and equality, as well as a working environment without discrimination and sexual harassment.

6. Cyber Security Management

- (1) Cyber security risk management structure, cyber security policy, specific management plan, and resource invested in cyber security management:

1. Cyber security risk management structure:

To strengthen TYC internal data security protection, management mechanism, and customer-related information, the Company has established "Information Security System Center", a dedicated unit of information security with 1 supervisor and 4 specialists in order to meet the requirement of cyber security by competent authority, to execute information security related business and strengthen information security defensive ability.

2. Cyber security policy:

To strengthen information security protection and management mechanism, the Company has organized and established a dedicated unit of information security with adequate professional manpower and resources, made information security policy, management procedure, and regulations, and performed risk control to reach the goal of information security management. It is TYC's commitment to stakeholders to proactively promote on information security management system, technology reinforcement, and sensitive information protection, and to protect the interest of the customers and business partners, as well as the company's competitiveness.

Purpose:

To strengthen information security management, establish a safe and reliable global automotive light smart manufacturer, ensure information, system, equipment, and internet security, and protect the interest of the customers and business partners, T.Y.C. Brother Ind. Co., Ltd. (hereinafter referred to as "the Company") has established this policy for the employees and stakeholders to follow in accordance with relevant regulations in the "Regulations Governing Establishment of Internal Control Systems by Public Companies", "Guidelines for Information Security Management and Control for the Listed Company", and "Personal Data Protection Act".

Goal:

It is to promote all units to enhance information security management and establish a concept of "everyone is responsible for information security" to reduce the occurring rate of information security incident and to manage the impact caused by the incident to an acceptable level. Also, the Company enhances continuous business management and information security tenacity to meet the expectation, as well as ensuring normal operation of the company's business and protect the interest of the customers and business partners.

Scope:

- Applicable to safety management of the Company's information asset, including its confidentiality, completeness, and availability.
- All employees, suppliers, contractors, consultants, temporary employees, customers, and third party personnel that involve with the Company's information operation or data usage shall follow this policy.

Principle:

- All information security management regulations and procedures must follow government regulations (such as: Criminal Law, The Classified National Security Information Protection Act, Patent Act, Trademark Act, Copyright Act, Computer-processed Personal Data Protection Act, and "Guidelines for Information Security Management and Control for the Listed Company").
- Set up information security organization and clearly stipulate its responsibility to promote and maintain information security management, execution, and verification.
- Establish information security management regulations and procedure to protect the confidentiality, completeness, and availability of the personnel, data, information system, equipment, and internet.

- Conduct regular information security management meeting to review internal and external risks, technology, business needs and latest updates for countermeasure.
- Conduct regular information security tests and audits in order to evaluate the risk of information environment and make improvement.
- Deploy information security protection system and monitoring equipment, continue to improve the security of the overall information environment, and reduce the incidence of various risks.
- Authorization must be required for using system and data, and the minimum level of authorization shall be granted based on business needs.
- Set up adequate backup and backup mechanism for information system, conduct regular emergency drill to strengthen the tenacity of information service when facing threats.
- Establish response and reporting procedure on information security incident and improve the responding and coordinating ability of the internal personnel in an emergency.
- Conduct regular employee training on information security to continue improving the awareness of information security.
- All employees and stakeholders shall be responsible to maintain cyber security and follow relevant cyber security management regulations.

Information security management and implementing priority

To prevent and reduce information security risks, the Company practices and continues to update cyber security measures more strictly, such as set up advance virus scanning tools to prevent factory equipment from virus, strengthen internet firewall and internet control to stop virus from spreading to other equipment or factory, set up virus protection and malware detection solution, improve deployment time of information security to strengthen data center security, establish and review information security performance index, introduce new technology to enhance data protection, strengthen phishing mail detection and conduct regular test on employees' awareness, establish an integrated automation information security maintenance platform by AI service to reinforce the automation for information security incident detection and handling, continue to practice on handling information security attack drill, and entrust external experts to conduct information security assessment.

On-going annual information security priorities are as follows:

1. Internet safety control
2. Assets management and data protection
3. Access control
4. Computer operation security management
5. Personnel and physical security
6. Application security
7. Information security incident handling and management
8. Supply chain security
9. Personnel information security management and educational promotion
10. Internal/External information security assessment and risk management

Cyber security incident handling and reporting

Establish corporate risk management mechanism and information security incident handling standard procedures, stipulate relevant process and measures including reporting procedure of information security incident, assign specialists to handle major cyber security incident, loss evaluation and further necessary responding measure, evaluate cyber risk's possible impact on the Company's finance and operation and its responding and make up measures.

3. Cyber security management control measures:

Management item	Implementation Item
System specification	1. Establish cyber security regulation and system to regulate employees' cyber security behavior. 2. Regularly check if the relevant systems meet the changes of the operating environment, and make timely adjustment.
Internet security	1. Establish mail protection system and regularly sign and update service for relevant protection mechanism. 2. Regularly update and sign for firewall-related protection service. 3. External supplier system is limited to IP or VPN connection to improve internet security. 4. Protection measure for potential weakness of the internal system and anti-virus and anti-hacking. 5. Anti-virus and anti-hacking, junk mail and malware program detection.
Computer system security	1. Centralized control on servers and PCs and update anti-virus engine and virus code regularly. 2. Set up auto dispatch for repair update. 3. Restriction on USB usage on PCs.
Cyber system access control	1. Relevant account/authorization opening will be review under application. 2. Activate complexity mechanism in account and password management and require to change password regularly by system. 3. The account of the resigned personnel will be deleted automatically by the system on the date of resignation.
Data backup	1. Data backup is done daily with complete backup and differential backup by plan. 2. Backup data is stored remotely. 3. Regularly check on the availability of backup data.
System availability planning	1. Set up High Availability (HA). 2. Set up backup mechanism.
Daily inspection and verification	1. Establish daily management checking item. 2. Regular drill on disaster recovery.
Personnel training	Regularly hold cyber security training to new employees and irregularly promote cyber security to improve employees' cyber security knowledge and professional skills.

4. Cyber security management resource:

Cyber security in 2024 is to improve defense ability. NT\$12,731,496 was invested to complete, set up, and upgrade equipment as follows:

- (1) Software, hardware, and system maintainance.
 - (i)Software and hardware maintainance contract.
 - (ii)AD system upgrade service.
 - (iii)Junk mail (SPAM) system protection.
- (2) Hardware upgrade (improve efficiency and availability).
 - (i) SAP host virtualization (hardware/storage equipment)
 - (ii)Firewall upgrade/eliminate
- (3) Anti-virus software update and deployment (EDR/MDR).
- (4) Cyber security health check: cyber security health check once a year.
- (5) Cyber security scan: vulnerability assessment once a year.
- (6) TiSAX system set up counselling related expense.

5. Cyber security implementing status:

- (1) In order to prevent hacker invasion, TYC has prepared measures such as anti-virus software, employee cyber education training and promotion, regular update on operation system, software, firewall protection, backup and restoration to avoid loss of the company's cyber assets.
- (2) TYC manages email security by classification as follows:category includes attacks on mail, application, URLS, Domains, etc.

2024 Cyber security threat incident category

Equipment/Item	Description	2024	
		Numbers	%
SAPM email management	Total quarantined emails intercepted	116,794	8.66
	Total virus emails intercepted	564	0.04
	Total emails	1,348,660	--
Firewall security management	High risk	0	0.00
	Medium risk	1,147,800	11.35
	Low risk	8,968,000	88.65
	Total threat activities	10,115,800	--

D. The important measure adopted by TYC to strengthen information security was completed information security checkup and scan service in 2024 Q4 to identify potential vulnerability and weakness and make timely correction. It keeps the sensitivity to the latest threats, reduces information security risks, and strengthen system defence.

In addition, TYC also introduced email social engineering drill by simulating phishing email scenario to improve employees' identification and responding ability to email scam and strengthen the information security's line of defense at personnel level.

(A) Information security checkup: test on key equipment and infrastructure
Key equipment: AD server, etc.

Infrastructure: Firewall, core switch, networking, etc.

There were 40 items for improvement in this checkup. After evaluation analysis, 24 of them can be proceed, and 23 items were done.

(B) Vulnerability scan: includes PC vulnerability assessment, website vulnerability assessment, and penetration test. Analysis was made on main servers in the server room. There were 41 items with severe to high vulnerability, and 21 of them were improved. The rest of the items can only be solved by upgrading system or program. It is included in the upgrade plan in 2025.

(C) Social drill: email social attack drill was done in 2024 Q4. A total of 893 people were tested, and 99 of them clicked on the “link” or “open attachment” in the email. These 99 employees have completed a three-tier information security training on March 26, 2025, and all of them had passed the test.

(D) In order to strengthen information security management, TYC has completed the ISO 27001 and TISAX training in 2024 Q4 and will receive TISAX certification in 2025 Q2.

6. Cyber security education training:

TYC has conducted information security training quarterly for new employees, which includes learning company’s computer system, data access control, and regulations of internet usage. For existing employees, cyber security training is held every year. 31 new employees and 462 existing employees had participated in information security training in 2024 (contents include information and confidential data leak, and internet attack issue). The total training was 477.5 hours.

In order to receive TISAX certification that helps to strengthen corporate’s internal information security, maintain normal operation, increase market competitiveness, and meet customers’ requirement for the Company’s information security, TYC has completed TISAX training with 32 people in 2024 with a total of 208 training hours.

(2)Any losses, possible impacts therefrom, and measures to be taken due to significant cyber security incidents: None.

7.Important Contract: None

V. Analysis of the Financial Status, Business Outcomes and Risk Issues:

1. Analysis of the financial status:

Unit: NT\$ 1,000 ; %

Item \ Year	2023	2024	Difference	
			Amount	%
Current assets	11,189,047	11,857,759	668,712	5.98%
Real estate, plant and equipment	8,186,160	8,541,802	355,642	4.34%
Intangible assets	56,905	57,286	381	0.67%
Other Assets	6,398,569	6,762,548	363,979	5.69%
Total assets	25,830,681	27,219,395	1,388,714	5.38%
Current liabilities	8,568,363	8,905,635	337,272	3.94%
Non-current liabilities	7,747,698	7,826,425	78,727	1.02%
Total liabilities	16,316,061	16,732,060	415,999	2.55%
Share capital	3,428,979	3,428,979	0	0.00%
Capital Provident Fund	2,580,384	2,582,447	2,063	0.08%
Retention of surplus	3,442,222	4,317,578	875,356	25.43%
Other interests	(269,742)	(159,777)	109,965	-40.77%
Treasury Stock	(5,996)	(5,996)	0	0.00%
Equity attributable to owners of the parent company	9,175,847	10,163,231	987,384	10.76%
Non-controlling interests	338,773	324,104	(14,669)	-4.33%
Total equity	9,514,620	10,487,335	972,715	10.22%
<p>The main reasons for the significant changes in assets, liabilities and shareholders' equity in the last two years (changes of more than 20% and the amount of NT\$ 10 million) and their impact and future response plans:</p> <p>(1) The main reasons for the major change: 1. Other equity: increase in other equity due to exchange rate.</p> <p>(2) Impact: There is no significant impact.</p> <p>(3) Future Response Plan: Not Applicable</p>				

2. Financial Performance Review Analysis:

Unit: NT\$ 1,000 ; %

Item \ Year	2023	2024	Increase (decrease) amount	Change ratio (%)
Operating revenues	19,277,545	20,121,705	844,160	4.38%
Gross profit	5,168,485	5,881,119	712,634	13.79%
Operating profit or loss	3,421,541	3,530,420	108,879	3.18%
Non-operating income and expenses	1,746,944	2,350,699	603,755	34.56%
Net profit before tax	(242,719)	(404,931)	(162,212)	66.83%
Net profit for the current period of continuing operating units	1,504,225	1,945,768	441,543	29.35%
Losses of closed units	347,856	352,413	4,557	1.31%
Net profit (Loss) for the period	1,156,369	1,593,355	436,986	37.79%
Other consolidated profit or loss for the current period (Net after tax)	(147,792)	130,497	278,289	-188.30%
Total Consolidated Profit and Loss for the current period	1,008,577	1,723,852	715,275	70.92%
Net profit attributable to owner of parent company	1,093,134	1,544,086	450,952	41.25%
Net profit attributable to non-controlling interests	63,235	49,269	(13,966)	-22.09%
Total consolidated profit or loss attributable to owners of the parent company	951,686	1,671,117	719,431	75.60%
Total consolidated profit or loss attributable to non-controlling interests	56,891	52,735	(4,156)	-7.31%
<p>The main reasons for the significant changes in operating income, net operating income and net profit before income taxes (changes of 20% or more) in the last two years, the expected sales volume and its basis, the possible impact on the Company's future financial operations and the corresponding plans:</p> <p>(1) The main reasons for the major changes:</p> <p style="padding-left: 20px;">Due to increase in exchange rate and operating income.</p> <p>(2) Expected sales volumes and their basis: Expected AM and OEM sales volumes in 2024 are expected to grow than 2023.</p> <p>(3) Possible impact on future financial operations: No material impact</p> <p>(4) Future plans in response: Not applicable</p>				

3. Cash flow analysis:

(1) Analysis of recent annual cash flow movements:

Item \ Year	2023	2024	Increase (decrease) ratio
Cash flow ratio (%)	44.96%	35.42%	-9.54%
Cash flow ratio (%)	95.97%	99.00%	3.03%
Cash flow ratio (%)	13.47%	9.79%	-3.68%
Change analysis description: 1. Cash flow ratio: The main reason is the increase in current liabilities in the current period compared with the previous period. 2. Cash flow allowable ratio: The main reason for the increase in net cash flow from operating activities in the current period compared with the previous period. 3. Cash reinvestment ratio: The main reason for the increase in working capital in the current period compared with the previous period.			

(2) Cash flow analysis for the coming year:

Unit: NT\$ 1,000

Initial cash balance	Annual net cash flow from operating activities	The total cash outflow	Cash Surplus (insufficient) amount	Remedial measures for cash shortfall	
				Investment plan	Financial plan
200,000	15,753,254	15,758,546	194,707	—	—
Description of the cash flow analysis for the coming year (2025). In order to meet the business needs and new product development, some of the equipment was retired and replaced.					

(3) Cash flow shortage improvement plan: None.

4. Impact of significant capital expenditures on financial operations in the past year :

(1) The use of major capital expenditure and sources of funds.

Unit: NT\$ 1,000

Project	Actual or anticipated source of funds	Actual or expected completion date	Total funds required	Actual or scheduled use of funds
				2024
Machines, mold equipment, etc.	Working capital and loans	2024.12	2,392,502	2,392,502

(2) Expected potential earnings:

In response to the significant increase in sales volume, market share expansion and future operational development, the Company has continued to expand its facilities to improve production efficiency and reduce production costs.

5.Recent annual investment policy, the main reasons for its profit or loss, improvement plan and investment plan for the next year:

Company Name	Amount	Investment Policy	Main Reason for Profit or Loss	Improvement Plan	Investment Plan for the Next Year
INNOVA	US\$7,300,000	Invest in the U.S-TYC AMERICAS AUTO PARTS COMPANY LLC to expand production base	Newly founded	Not applicable	Depend on operation needs
MOTOR-CURIO	US\$1,620,000	Invest in Thai-JNS AUTOTECH (THAI)CO., LTD. to expand production base	Newly founded	ot applicable	Depend on operation needs

6.Risk Event Analysis Assessment. :

(1)Effect of interest rate, exchange rate and inflation on the Company's profit or loss and future measures.

Unit:NT\$1,000

Item \ Year	2024		3/31 of the current year	
	Amount	%	Amount	%
Net operating income	20,121,705	100.00%	4,912,745	100.00%
Net profit before tax	1,945,768	9.67%	559,286	11.38%
Interest income	37,515	0.19%	2,380	0.05%
Interest expenses	364,553	1.81%	80,018	1.63%
Redemption (loss)	283,800	1.41%	135,945	2.77%

Source: Financial statements audited by certified public accountants for the year 2024 Financial statements audited by certified public accountants for the first quarter of the current year.

1. Impact of interest rate changes on the Company's profit or loss and future measures.

(1) Effect on profit or loss.

The Company's bank loans are fixed-rate loans and variable-rate loans; therefore, they did not have a significant impact on the Company.

(2) Future measures in response.

The Company maintains an appropriate mix of fixed and floating interest rates, supplemented by interest rate swap contracts to manage interest rate risk. The Company maintains good relationships with its counterparties and is able to control changes in interest rates at any time and adjust them opportunistically.

2. Effect of exchange rate changes on the Company's profit or loss and future measures.

(1) Effect on profit or loss.

The Company is primarily an external seller and is affected by changes in foreign exchange rates. The main exchange gains and losses are those arising from derivative financial instruments.

(2) Future measures in response.

A. The finance department staff keeps abreast of the exchange rate trend through newspaper

publications, internet system and professional consultation with banks.

B. Forward foreign exchange operations to hedge the risk of foreign currency debts and exchange rate fluctuations with reference to exchange rate trend forecasts.

C. In accordance with the relevant provisions of the Financial Supervisory Commission's letter dated December 20, 2013, No. 1 O2O5373, "Guidelines for the Acquisition or Disposal of Assets by Public Companies", the Company regulates the procedures for engaging in derivative financial instrument transactions and strengthens the risk control management system.

3. The impact of inflation on the Company's profit and loss in the most recent year and future measures to address it.

There is no impact from inflation in FY2024, but changes in the prices of raw materials required for production will still be closely monitored.

(2) The Company's policy on engaging in high-risk, highly leveraged investments, lending of funds to others, endorsement of guarantees and derivative transactions, the main reasons for profits or losses, and future measures:

1. The Company does not engage in high-risk, highly leveraged investments.

2. Loans of funds to others: The Company's loans of funds to others are mainly due to business transactions and are made in accordance with the "Procedures for Loans of Funds to Others", with the total amount of loans not exceeding 40% of the Company's net worth. The balance of loans of funds was US\$3,000,000 and RMB\$60,000,000 as of 2024.

3. The total amount of endorsement and guarantee is limited to 40% of the Company's current net worth, of which the amount of endorsement and guarantee for a single enterprise shall not exceed 20% of the current net worth, and the balance of endorsement and guarantee is US\$31,468,000 as of 2024.

4. The purpose of these transactions in 2024 is to hedge the risks arising from foreign currency debts and exchange rate fluctuations. The natural hedge and the management of exchange rate risks by means of forward exchange contracts do not meet the requirements of hedge accounting and therefore hedge accounting is not applied.

(3) Future R&D plans and estimated R&D costs.

Item	Topic	R & D Expenses	Estimated MPT	Key influences on the success of future R&D
1	50K Digital control HIAS imaging headlamp	15 million	4th quarter of 2025	When the car is turning, the shape of light changes due to tilting of the car body, which causes the dark area to increase. HIAS can provide lighting for the dark area to enhance the driver's identification to the road environment and increase driving safety.
2	Hidden lighting	8 million	4th quarter of 2025	Lighting and the bumper or radiator grille in front of the car are the same color. When the light is not on, it can be hidden and blended in the front of the car to increase the overall sense of technology.
3	Micro-pupil wide area condenser	6 million	4th quarter of 2025	Use optical design to flatten and lighten the components and achieve the goal for miniaturizing the whole lighting. The module design with fog lights and corner lights dual function in a small lighting can also be applied on two-wheel and four-wheel lightings, and get the benefits for lower cost and higher production efficiency.

(4) Effect of significant domestic and foreign policy and legal changes on the Company's financial operations and measures taken in response: None.

(5) The impact of technological (including cyber security risk) and industrial changes on the company's financial business and the corresponding measures:

We will continue to provide high technical standards and quality services through our design and development team, educate and train our sales and technical staff to adapt to product changes, maintain regular interaction with our customers, understand their operating conditions, keep abreast of market information, reduce inventory of raw materials and finished products, and make good commitment to quality and delivery to ensure the company's interests.

(6) Impact of corporate image change on corporate crisis management and response measures: Not applicable.

(7) Expected benefits, possible risks and contingencies of the merger and acquisition: Not applicable.

(8) Expected benefits, possible risks and response measures for plant expansion: Not applicable.

- (9) Risks of purchase or sale concentration and countermeasures:
The company's largest purchaser accounted for about 9.03% of the total purchase amount, mainly to produce the company's products sold to North America. In addition, the largest purchaser accounted for about 14.22% of the total sales amount, in view of the future growth trend of the company, and actively mapped out global sales locations, in order to maintain more balanced and stable operating results.
- (10) The impact, risk and response measures of a significant transfer or change in the Company.:
Since the establishment of the Company, there have been changes in or transfers of shareholdings of directors or substantial shareholders, but due to the Company's sound operation and maintenance of good operating results, no significant transfer or replacement of shareholdings has occurred.
- (11) Impact of the change on the operating rights of the Company, risks and countermeasures:
Not applicable.
- (12) Litigation or non-litigation events, including litigation, non-litigation or administrative disputes that have been determined or are still pending against the Company, its directors, general manager, persons in charge of the Company, substantial shareholders holding more than 10% of the shares, and affiliated companies, the outcome of which may have a significant impact on shareholders' equity or securities pricing: None.
- (13) Other significant risks and response measures: None.

VI. Special notes:

1.Related information on affiliated companies.

(1) Report on Consolidated Operations of Affiliated Companies:

Please refer to MOPS ->single company ->electronic document download / inquiry for affiliated companies' chart

(Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

(2) Consolidated Financial Statements of Affiliated Companies:

Consolidated financial statements with parent and subsidiary

(3) Relationship report: None

2.Private securities in the past year and as of the date of publication of the annual report: None

3.Other necessary supplementary information: None

VII. Matters in the past year and as of the date of publication of the annual report which have a substantial impact on the owner's equity as stipulated in item 2, paragraph 3 of Article 36 of the Securities Exchange Law: None.

T.Y.C. BROTHER IND. CO., LTD

Chairman WU , KUO-CHEN