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Stock Code: 1589



Yeong Guan Energy Technology Group Company Limited
永冠能源科技集團有限公司

2024
ANNUAL REPORT

Taiwan Stock Exchange Market Observation System <http://mops.twse.com.tw/>
This annual report is available at <http://www.ygget.com/>

Printed on April 10, 2025

I. Spokesperson and Deputy Spokesperson:

Spokesperson

Name: Tsai, Shu-Ken

Title: Vice Chairman

Tel: (886)2-2791-7198

E-mail address: andy@ygget.com

Deputy Spokesperson

Name: Tsai, Ching-Wu

Title: Chief Financial Officer

Tel: (886) 2-2791-7198

E-mail address: chingwutsai@ygget.com

II. Headquarters and branches (contact information)

(a) Company information:

Name: Yeong Guan Energy Technology Group Company Limited

Address: Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands

Tel: (86)574-8622-8866

Address: 4F, No.93, Xinhua 1st Rd., Neihu Dist., Taipei City

Tel: (886)2-2791-7198

(b) Corporate HQ:

Address: No.95, Huanghai Rd., Beilun Dist., Ningbo City, Zhejiang Province, China

Tel: (86)574-8622-8866

(c) Subsidiaries:

1. BVI Subsidiary

Name: Yeong Guan Energy Holdings Co., Ltd.

Address: OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands

Tel: (86)574-8622-8866

Taiwan Branch

Address: No. 168, Huangang Rd., Longjing Dist., Taichung City

Tel: (886) 4-3702-1589

2. Taiwan Subsidiary

Name: Yeong Chen Asia Pacific Co., Ltd.

Address: No. 350, Section 2, Dazhi Road, Wuqi District, Taichung City

Tel: (886) 4-3702-1589

3. Hong Kong Subsidiary

Name: Yeong Guan Holdings Co., Limited Taiwan Branch

Address: 1501 Capital Centre, 151 Gloucester Road, Wan Chai, Hong Kong

Tel: (86)574-8622-8866

4. Mainland China Subsidiaries

Name: Dongguan Yeong Guan Mould Factory Co., Ltd.

Tel: (86)769-8773-9480

Address: Yinquan Industrial Zone, Qingxi Town, Dongguan City, Guangdong Province, China

Name: Ningbo Yeong Shang Casting Iron Co., Ltd. Tel: (86)574-8622-8866

Address: No.95, Huanghai Rd., Beilun Dist., Ningbo City, Zhejiang Province, China

Name: Ningbo Lu Lin Machine Tool Foundry Co., Ltd. Tel: (86)574-8627-5777

Address: No. 28, Dinghai Rd., Economic and Technology Development Zone, Zhenhai Dist., Ningbo City, Zhejiang Province, China

Name: Ningbo Yeong Chia Mei Trade Co., Ltd. Tel: (86)574-8622-8866

Address: No.95, Huanghai Rd., Beilun Dist., Ningbo City, Zhejiang Province, China

Name: Jiangsu Bright Steel Fine Machinery Co., Ltd. Tel: (86)519-8089-5588

Address: No.9, Yueming Rd., Tienmu Industrial Zone, Liyang City, Jiangsu Province, China

Name: Shanghai No.1 Machine Tool Foundry (Suzhou) Co., Ltd.

Tel: (86)512-8287-0666

Address: No.999 Laixiu Road, Fen Lake Economic Development Zone, Fenhu, Suzhou City, Jiangsu Province, China

5. Thailand Subsidiary

Name: Yeong Guan Heavy Industry (Thailand) Co., Ltd.

Address: No.200 Mool 3138 Road, Khlong Keiew Subdistrict, Ban Bueng District, Chon

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Buri Thailand

Tel: (81)3-300-2288

III. Contact information of Litigation/Non-litigation Agent in the Republic of China:

Name: Chang, Hsien-Ming
Title: Chairman
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IV. Stock Transfer Agent:

Name: Capital Securities Corp., Registrar Agency Department
Tel: (886)2-2702-3999
Address: B2, No.97, Sec. 2, Dunhua South Rd., Daan Dist., Taipei City
Website: <http://agency.capital.com.tw>

V. Contact information of CPA for the latest Annual Financial Report:

Accountant name: Chen, Chih-Yuan and Gong, Ze-Li
Name of Accounting Firm: Deloitte & Touche
Tel: (886)2-2725-9988
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Website: <http://www.deloitte.com.tw>

VI. Overseas Securities Exchange Name and Query Method: NA

VII. Corporate Website: <http://www.ygget.com/>

VIII. List of board members:

Title	Name	Nationality	March 31, 2025
			Professional Background
Chairman of the board	Chang, Hsien-Ming	ROC	Chairman of Yeong Guan Energy Technology Group Company Limited.
Vice Chairman	Tsai, Shu-Ken	ROC	Vice Chairman of Yeong Guan Energy Technology Group Company Limited.
Board director	Tsai, Chang-Hung	ROC	President of Eastern China Area, Yeong Guan Energy Technology Group Company Limited.
Board director	Li, Yi-Tsang	ROC	Chief Strategy Officer of Yeong Guan Energy Technology Group Company Limited.
Board director	Chang, Chun-Chi	ROC	President of Shanghai No. 1 Machine Tool Foundry (Su Zhou) Co., Ltd.
Board director	Wu, Su-Chiu	ROC	General Manager of JIAYUAN INVESTMENT CO., LTD.
Board director	Sun, Rui-Chien	ROC	General Manager of TAIWAN SINTONG MACHINERY CO., LTD.
Independent director	Wei, Chia-Min	ROC	Vice CEO of Metal Industries Research & Development Centre
Independent director	Chang, De-Wen	ROC	President of You Shih CPA Firm
Independent director	Chan, Wen-Yin	ROC	Director of Taiwan Area, Agilent Technologies

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I. LETTER TO SHAREHOLDERS

Looking back to 2024, European and North American markets were impacted by multiple factors such as hyperinflation, which was caused by drastic rise in energy costs, and geopolitical risks. Because of this, there was an insufficiency in the momentum for economic growth. Market demands for injection machines and industrial machinery in China remained flat, and installation of wind turbine was not as expected. Nevertheless, opportunities always go side-by-side with challenges in the market. For the prospect of 2025, Yeong Guan will look for changes and breakthrough with a more dedicated resolution and practical measures. In terms of internal management, the Group conducts in-depth reform, optimization of organization structure as well as efficiency enhancement for decision-making. The Group also continues its pushing for lowered costs and increased efficiency while enhancing its operation effectiveness. As for market strategy, China's installation of new wind turbines is expected to grow from 80GW in 2024 to 110GW in 2025 because 2025 is the final year of the 14th Five-Year Plan. Prospect for the market as whole is optimistic. This not only helps to increase the number of orders received, it also helps to drive up prices slightly. Meanwhile, with the commencement of Trump 2.0 era, there is a hope of ending Russia-Ukraine war. Post-war reconstruction and development together with the economic growth in Europe may boost demands for injection machine and machinery industry. Number of orders received may also increase over the basis of 2024. The Group shall also conduct in-depth market cultivation, strengthen its efforts in exploring new clients as well enhance its capability for services. Furthermore, with the successful development and commencement of mass production for major products, such as hub and base, of megawatt wind turbine, the Group is expected to produce large-scale wind power products ranging from 10,000 tons to 11,000 tons. In the meantime, Thailand plant will strive to start production as soon as possible in order to contribute its share to production. Leading whole-machine wind turbine factories and numerous international injection machine and industrial machine factories are showing their interests in Thailand plant's production capacity. They hope to deepen collaboration with the Company which will provide production capability for their offshore markets. The Group will assess respective industries' development potential in a meticulous manner, adjust industry compositions and develop businesses which come with competitive advantages for the purpose of achieving this year's goal of 190,000 tons of shipments. In 2025, we're convinced that the Company will improve its performance obviously, turn loss into surplus, demonstrate resilience when encountered with challenges and grab opportunities amidst changes to explore new path for the Group's sustainable development.

1. State of operations in 2024

- (A) Business plan implementation achievement: Consolidated revenue for Yeong Guan Group in 2024 was NT\$7,202,000,000 as opposed to NT\$8,671,000,000 for the previous year. Shipment quantity was 162,889 tons as opposed to 175,045 tons for 2023. Gross profit for 2024 was negative NT\$0.051 billion as opposed to NT\$1.2 billion for the previous year.
- (B) Budget execution: Not applicable since the Company did not make its financial forecasts

for 2024 public.

- (C) Analysis of financial revenues and expenditures and profitability: Please refer to the consolidated statement of comprehensive income.
- (D) State of R&D: In 2024, the R&D budget accounted for 3% of the net operating revenue. The Group will persist in its efforts to research new manufacturing technologies and ameliorating existing ones with the ultimate goal of shortening R&D cycles for new products, lowering reject rates in the field of product development, and enhancing product development capabilities and technologies.

2. Business plan summary

Yeong Guan is a leading supplier of castings for wind turbine, injection molding machinery, and industrial machinery manufacturers all over the world. Its highly advanced process technologies, quality control procedures, and metallurgical engineering technologies with high technology content ensure superior product quality and stable supply, earning the Group the trust and respect of its customers. The Group's main competitive advantage lies in its production capacities characterized by economies of scale, its castings manufacturing technologies which are constantly refined, and its ability to integrate its production processes vertically and horizontally. These factors have solidified the leadership position of Yeong Guan in its industry.

Group development strategy

(A) Short-term goals (1~2 years)

In 2025, a target of a shipping volume of 190,000 tons or more was set after comprehensive assessments and analysis based on key considerations such as global economic outlook, changes in the business environment, supply and demand conditions, industry competition, progress in business development through acquisition of new and retention of existing customers, and autonomous production capacities. Against the backdrop of an increase in demand caused by the wind power localization policy adopted by the Taiwanese government, the new Taichung plant of Yeong Guan started to supply large castings for domestically produced offshore wind turbines in 2024. Yeong Guan is currently the only company in Taiwan that is capable of manufacturing such castings. This new demand is expected to act as a driving force for enhanced productivity and revenue performance of Yeong Guan. Additionally, for the purpose of exploring new market as well as utilizing Thailand government's recent business recruitment preferential policies, construction for production base in Thailand had already started as scheduled in August 2022 and production is expected to start in mid-2025.

(B) Medium-term goals (3~5 years)

With a view to maintaining effective and efficient operations of all manufacturing bases, the Group's strategies will place higher emphasis on the development of the Taichung Harbor Plant and the new manufacturing base in Thailand. The Group will enhance the production capacities and efficiency of its Taichung Plant and lower its production costs

in sync with the gradually rising global demand for wind power with the ultimate goal of seizing opportunities generated by market demand to the maximum extent possible. Furthermore, the production capacity of the manufacturing base in Thailand will be expanded in line with market and customer demands. Due to the competitive advantages of emerging Southeast Asian countries including size of working-age populations, low wage levels, and superior geographic location, the strategic value of the manufacturing base in Thailand for the Group cannot be overstated. Moreover, a large number of customers attach increasing importance to supply chain risk management after experiencing first-hand the severe impacts of the Sino-US trade friction, the COVID-19 pandemic, and the Russia-Ukraine War. These customers intend to expand their supply chain layout to achieve the goals of short-chain supply and risk diversification. This represents an ideal opportunity for the Group to realize the goal of sustained, stable growth through the creation of distinct service zones all over the world.

(C) Long-term goals (5~10 years)

With a view to sharpening the Group's competitive edge, fulfilling its corporate social responsibility, and realizing corporate sustainability, the following priorities have been identified:

i. ESG (Environmental, Social, and Governance dimensions)

The issue of socially responsible investments has garnered increasing attention in investment circles and has seen vigorous growth in recent years. Nowadays, investors base their investment decisions not solely on the financial status of companies (e.g., growth potential) but also extend their feelers into the ESG dimensions. In line with the Corporate Governance 3.0 – Sustainable Development Blueprint developed by the R.O.C. Financial Supervisory Commission, the Group actively promotes board diversity, strengthens the functions of the Board of Directors, and steps up risk management in the governance dimension. As for environmental issues, top emphasis is placed on the impact of GHG and carbon emissions on the environment. In addition to the disclosure of quantitative information in the fields of carbon emissions, water consumption, and waste generation, the Group is firmly committed to enhancing its resource usage efficiency. In the social dimension, the Group strives to reinforce disclosure of ESG-related information and aims to put corporate sustainability into practice through release of occupational safety and accident statistics, implementation of workplace diversity and gender equality, quantification of social issue contents, and proactive engagement in the protection of human rights and employee care.

ii. Promotion of green production modes and innovation

The Group will maintain its unwavering commitment to installation of noise, dust, atmosphere, and water treatment systems, adoption of digitized management for lighting, waste heat recovery, and electric furnaces, replacement and upgrades of green energy facilities, and ongoing implementation of green factory concepts to

make strides towards the goal of energy conservation and carbon reduction and eco-friendly transformation.

iii. Promotion of lean manufacturing and management

Lean manufacturing is founded on key considerations such as utilization of system and personnel structure, operation modes, and market supply and demand. It is a business philosophy that aims to eliminate unnecessary waste and enable manufacturing systems to rapidly adapt to ever-changing user demands and with the ultimate goal of optimizing the Group's production management modes.

iv. Implementation of talent cultivation and succession programs

The Group has made a long-term commitment to organizing professional talent cultivation programs with a view to ensuring effective development of executives at all levels by equipping trainees with the ability to solve problems in a proactive manner. Training course and performance appraisal contents are designed in line with personal characteristics and work attributes to facilitate the building of a management and technical talent reservoir. The goal is to lay a more solid foundation for sustainable development of the Group.

Looking ahead, the Group will spare no effort to optimize its business model in close coordination with policy planning. The Group is steadfastly committed to gaining a clear understanding of customer demands and requirements, placing top emphasis on customer values, upgrading the management and production capabilities of organizational teams, and implementing ESG and corporate governance principles. Yeong Guan has adopted sustainability as its ultimate objective and is firmly devoted to fulfilling its CSR and creating maximum value for all stakeholders.

I'd like to conclude by expressing my sincere gratitude to all of you present for your valuable feedback and suggestions and look forward to your continued support and encouragement.

I wish you good health and success in all your endeavors!

Chairman:

President:

Accountant in Charge:

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II. Corporate Governance Report

2. Data on directors, supervisors, presidents, vice presidents, associate general managers, and executives of all departments and branch organizations.

(a) Directors and supervisors (the company has not established supervisor positions)

1. Director data

March 31, 2025; Unit: Shares

Title	Name	Gender Age	Nationality or domicile	Date first elected	Election Date	Term	Shareholding when elected		Current shareholding		Shareholding of spouse or minor children		Shareholding by Nominee Arrangement		Professional background (Education)	Concurrent positions at this or other companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation
Chairman	Chang, Hsien-Ming	Male Aged 61-70	ROC	2008.01.22	2022.06.17	3 years	11,093,540	10.03	11,093,540	8.33	3,476	0.00	6,332,000	4.76	Graduation from Dept. of Electronics, Xihu Vocational High School Chairman, and President of Yeong Guan Mould Factory Co., Ltd. Chairman, President and Sales Manaer of Shin Shang Special Industry Co., Ltd.	Director, Yeong Guan Energy Holdings Co., Ltd. President of Yeong Guan Holdings Co., Ltd. Taiwan Branch Director, Yeong Guan International Co., Ltd. Chairman & President, Yeong Chen Asia Pacific Co., Ltd. Director, Yeong Guan Heavy Industry (Thailand) Co., Ltd. Supervisor, Taipin Co., Ltd.	-	-	-
Vice Chairman	Tsai, Shu-Ken	Male Aged 71-80	ROC	2009.05.29	2022.06.17	3 years	678,137	0.61	755,631	0.57	—	—	—	—	EMBA, National Taiwan University of Science and Technology Engineer & Director, Metal Industries R&D Center President, Shieh Yih Machinery Industry Co., Ltd.	Spokesperson, Yeong Guan Energy Technology Group Company Limited. President, Nitinol Innovative Technology Co., Ltd.	-	-	-
Director	Tsai, Chang-Hung	Male Aged 51-60	ROC	2019.06.20	2019.06.20	3 years	-	-	-	-	-	-	-	-	Department of Industrial Engineering and Management, Ching Yun Institute of Technology President, Eastern China, Yeong Guan Energy Technology Group Company Limited. Jiangsu Bright Steel Fine Machinery Co., Ltd.	Special Assistant to the Chairman, Yeong Guan Energy Technology Group Company Limited Director, Jiangsu Bright Steel Fine Machinery Co., Ltd. Chairman, Shanghai No.1 Machine Tool Foundry (Suzhou) Co., Ltd. Director, Dongguan Yeong Guan Mould Factory Co., Ltd. Director, Ningbo Yeong Shang Casting Iron Co., Ltd. Director, Ningbo Lu Lin Machine Tool Foundry Co., Ltd.	-	-	-
Director	Li, Yi-Tsang	Male Aged 41-50	ROC	2019.06.20	2022.06.17	3 years	15,639	0.01	15,639	0.01	—	—	—	—	School of Business, University of British Columbia, Canada Dept. of Management, Okanagan College, Canada Assisant Manager, Operation Department, Jiangsu Bright Steel Fine Machinery Co., Ltd.	Chief Strategy Officer of Yeong Guan Energy Technology Group Company Limited. Supervisor, Formosa 5 International Investment Co., Ltd.	-	-	-

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Title	Name	Gender Age	Nationality or domicile	Date first elected	Election Date	Term	Shareholding when elected		Current shareholding		Shareholding of spouse or minor children		Shareholding by Nominee Arrangement		Professional background (Education)	Concurrent positions at this or other companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation
Director	Chang, Chun-Chi	Male Age 41-50	ROC	2019.06.20	2022.06.17	3 years	469,022	0.42	242,022	0.18	—	—	—	—	Department of Public Finance and Taxation, Takming University of Science and Technology, President, Shanghai No.1 Machine Tool Foundry (Suzhou) Co., Ltd. President, Yeong Guan Holdings Co., Ltd. Taiwan Branch	Special Assistant to the President, Jiangsu Bright Steel Fine Machinery Co., Ltd.	-	-	-
Independent director	Wu, Su-Chiu	Female Aged 61-70	ROC	2022.06.17	2022.06.17	3 years	—	—	—	—	—	—	—	—	Master of Finance, Syracuse University, New York, US Chief Strategy Officer of PJ Asset Management Co., Ltd	General Manager, JIAYUAN INVESTMENT CO., LTD			
Independent director	Sun, Rui-Chien	Male Age 71-80	ROC	2022.06.17	2022.06.17	3 years	20,852	0.02	23,234	0.02	—	—	—	—	Mechanical Engineering Department, Chung Yuan Christian University Director & Executive Director, Taiwan Foundry Society General Manager, TAIWANABRATOR CO., LTD. General Manager, TAIWAN SINTONG MACHINERY CO., LTD. Director, SAN YANG METAL INDUSTRIAL CO., LTD.	—	—	—	—
Independent director	Wei, Chia-Min	Male Aged 61-70	ROC	2013.06.17	2022.06.17	3 years	—	—	—	—	—	—	—	—	PhD, Graduate Institute of Resource Engineering, National Cheng Kung University Deputy CEO, Metal Industries R&D Center Managing Director, Taiwan Wind Industry Association Managing Supervisor, Taiwan Wind Industry Association Director, SAE International Taipei Section Vice Chairman, Taiwan Foundry Society Vice Chairman, Taiwan Steel & Iron Industries Association. Director, Taiwan Wind Energy Association	Independent director, CVC Technologies Inc. Director, PRESIDENT CO., LTD. Independent director, LAUNCH TECHNOLOGIES CO., LTD. Director, PRESIDENT CO., LTD.	—	—	—
Independent director	Chang, De-Wen	Male Aged 61-70	ROC	2021.07.30	2021.07.30	3 years	—	—	—	—	—	—	—	—	Dept. of Business Administration, National Taiwan University	President, You Shih CPA Firm	—	—	—

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Title	Name	Gender Age	Nationality or domicile	Date first elected	Election Date	Term	Shareholding when elected		Current shareholding		Shareholding of spouse or minor children		Shareholding by Nominee Arrangement		Professional background (Education)	Concurrent positions at this or other companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation
Independent director	Chan, Wen-Yin	Male Aged 71-80	ROC	2022.06.17	2022.06.17	3 years	—	—	—	—	—	—	—	—	Institute of Electrical and Control Engineering, National Chiao Tung University Top-level Managers Management, Wharton School of the University of Pennsylvania Director, Microelectronics Technology, Inc. Vice President, ADVANIXS CORPORATION Vice President, CyberTAN Technology Inc. Vice President, Avago Technologies	Consultant, Chroma ATE Inc.	—	—	—

Noet: Where the chairman of the board of directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as adding more independent directors to the board and there shall be a majority of directors who do not serve concurrently as an employee or officer): NA

2: Supervisor: The Company installed an Audit Committee on March 19, 2013. However, no supervisor has been established accordingly.

3: Major shareholders for legal person shareholders: All directors of the Company are natural person and there is no juristic person director.

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4. Information Disclosure on Director's Professional Qualification and Independent Director's Independence

Name \ Qualification	Professional Qualification and Experience	Independence Status	Number of Publicly Listed Companies Where This Director Also Assumes Independent Director
Director Chang, Hsien-Ming	<u>Education</u> Graduated from Dept. of Electronics, Xihu Vocational High School <u>Experience</u> Chairman of the Board, Yeong Guan Energy Technology Group Company Limited with casting industry expertise and years of industry management experience. Qualification hereto complies with terms stipulated in respective clauses of Article 30 of the Company Act.		0
Director Tsai, Shu-Ken	<u>Education</u> EMBA, National Taiwan University of Science and Technology <u>Experience</u> Vice Chairman of the Board, Yeong Guan Energy Technology Group Company Limited with casting industry expertise and years of industry management experience. Qualification hereto complies with terms		0

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Name \ Qualification	Professional Qualification and Experience	Independence Status	Number of Publicly Listed Companies Where This Director Also Assumes Independent Director
	stipulated in respective clauses of Article 30 of the Company Act.		
Director Tsai, Chang-Hung	<u>Education</u> Dept. of Industrial Engineering and Management, Ching Yun Institute of Technology <u>Experience</u> Special Assistant to the Chairman, Yeong Guan Energy Technology Group Company Limited with machinery industry expertise and industry management experience. Qualification hereto complies with terms stipulated in respective clauses of Article 30 of the Company Act.		0
Director Li, Yi-Tsang	<u>Education</u> Dept. of Business, University of British Columbia, Canada; Dept. of Management, Okanagan College, Canada <u>Experience</u> Chief Strategy Officer, Yeong Guan Energy Technology Group Company Limited with experiences of business, marketing and operation		0

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<div> <div>Qualification</div> <div>Name</div> </div>	Professional Qualification and Experience	Independence Status	Number of Publicly Listed Companies Where This Director Also Assumes Independent Director
	<p>management.</p> <p>Qualification hereto complies with terms stipulated in respective clauses of Article 30 of the Company Act.</p>		
<p>Director Chang, Chun-Chi</p>	<p><u>Education</u> Dept. of Public Finance and Taxation, Takming University of Science and Technology</p> <p><u>Experience</u> Special Assistant to the President, Shanghai No.1 Machine Tool Foundry (Suzhou) Co., Ltd. with expertise in finance and casting as well as experience of operation management.</p> <p>Qualification hereto complies with terms stipulated in respective clauses of Article 30 of the Company Act.</p>		<p>0</p>
<p>Director Wu, Su-Chiu</p>	<p><u>Education</u> Master of Finance, Syracuse University, New York, US</p> <p><u>Experience</u> General Manager, JIAYUAN INVESTMENT CO., LTD. with years of experience in finance,</p>		<p>0</p>

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Name \ Qualification	Professional Qualification and Experience	Independence Status	Number of Publicly Listed Companies Where This Director Also Assumes Independent Director
	<p>banking and operation management.</p> <p>Qualification hereto complies with terms stipulated in respective clauses of Article 30 of the Company Act.</p>		
<p>Director Sun, Rui-Chien</p>	<p><u>Education</u> Mechanical Engineering Department, Chung Yuan Christian University</p> <p>Previously Director & Executive Director, Taiwan Foundry Society; General Manager, TAIWANABRATOR CO., LTD.; General Manager, TAIWAN SINTONG MACHINERY CO., LTD.; Director, SAN YANG METAL INDUSTRIAL CO., LTD., with machinery industry expertise and years of industry operation and management experience.</p> <p>Qualification hereto complies with terms stipulated in respective clauses of Article 30 of the Company Act.</p>		
<p>Independent Director Wei, Chia-Min</p>	<p><u>Education</u> Ph. D., Dept. of Resource Energy, National Cheng Kung University</p>	<p>1. The director himself or herself, his or her spouse or relatives within second degree of kinship does not or do not assume posts of director, supervisor</p>	<p>1</p>

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<div> <div>Qualification</div> <div>Name</div> </div>	Professional Qualification and Experience	Independence Status	Number of Publicly Listed Companies Where This Director Also Assumes Independent Director
	<p><u>Experience</u> Previously Vice President, Metal Industries Research and Development Center, with machinery industry expertise and years of industry operation and management experience.</p> <p>Qualification hereto complies with terms stipulated in respective clauses of Article 30 of the Company Act.</p>	<p>or employee in the Company or its affiliated business.</p> <p>2. The director himself or herself, his or her spouse or relatives within second degree of kinship does not or do not own the Company's shares either under his/her/their own name(s) or other's name.</p> <p>3. The director himself or herself does not assume posts of a director or an employee in a company having specific relationship with the Company.</p> <p>4. The director himself or herself did not offer services related to business, law, finance or accounting to the Company or its affiliated business within the last two years.</p>	
Independent Director Chang, De-Wen	<p><u>Education</u> Dept. of Business Administration, National Taiwan University</p> <p><u>Experience</u> President, You Shih CPA Firm, with CPA qualification and years of experience in accounting, finance and operation management.</p> <p>Qualification hereto complies with terms stipulated in respective clauses of Article 30 of the Company Act.</p>	<p>1. The director himself or herself, his or her spouse or relatives within second degree of kinship does not or do not assume posts of director, supervisor or employee in the Company or its affiliated business.</p> <p>2. The director himself or herself holds 33,347 shares of the Company. his or her spouse or relatives within second degree of kinship does not or do not own the Company's shares either under his/her/their own name(s) or other's name.</p> <p>3. The director himself or herself does not assume posts of a director or an employee in a company having specific relationship with the Company.</p>	

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Name \ Qualification	Professional Qualification and Experience	Independence Status	Number of Publicly Listed Companies Where This Director Also Assumes Independent Director
		4. The director himself or herself did not offer services related to business, law, finance or accounting to the Company or its affiliated business within the last two years.	
Independent Director Chan, Wen-Yin	<u>Education</u> Institute of Electrical and Control Engineering, National Chiao Tung University Top-level Managers Management Class, Wharton School of the University of Pennsylvania <u>Experience</u> Previously Director, Microelectronics Technology, Inc.; Vice President, ADVANIXS CORPORATION; Vice President, CyberTAN Technology Inc. with years of experience in operation management. Qualification hereto complies with terms stipulated in respective clauses of Article 30 of the Company Act.	1. The director himself or herself, his or her spouse or relatives within second degree of kinship does not or do not assume posts of director, supervisor or employee in the Company or its affiliated business. 2. The director himself or herself, his or her spouse or relatives within second degree of kinship does not or do not own the Company's shares either under his/her/their own name(s) or other's name. 3. The director himself or herself does not assume posts of a director or an employee in a company having specific relationship with the Company. 4. The director himself or herself did not offer services related to business, law, finance or accounting to the Company or its affiliated business within the last two years.	0

5. Diversity and Independence of the Board of Directors Meeting

- (1) We strongly advocate board diversity policies to enhance corporate governance and foster sound development of board composition and structure. We firmly believe that such diversity policies are highly conducive to elevating the overall performance of the Company. The

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election of board directors is based on meritocratic principles. All board members possess a wide range of complementary skills and abilities spanning various industries and fields. This includes board composition principles (e.g., age, gender, nationality, and culture), industrial expertise and competence (e.g., legal affairs, accounting, industry, finance, or technology), and operational judgment & business management, leadership & decision-making, and crisis management skills. With a view to strengthening board functions and realize the goal of ideal corporate governance, Article 20 of the Group's Corporate Governance Best Practice Principles clearly stipulates that the board of directors shall possess the following abilities: 1. Operation Judgement; 2. Accounting and Financial Analysis; 3. Operation Management; 4. Crisis Management; 5. Industry Knowledge; 6. Perspective on International Market; 7. Leadership Capability; 8. Decision-Making Capability.

Fulfillment of Diversity in the Company's Board of Directors Meeting:

Job Title	Name	Basic composition					Core Capabilit							
		Gender	Nationality	Serves as the Company's employee	Age	Independent Director's Years of Service	Independent Director's Years of Service	Operation Judgement	Accounting and Financial Analysis	Operation Management	Crisis Management	Industry Knowledge	Perspective on International Market	Leadership Capability
Director	Chang, Hsien-Ming	Male	ROC	✓	61~70	-	✓	✓	✓	✓	✓	✓	✓	✓
Director	Tsai, Shu-Ken	Male	ROC	✓	71~80	-			✓	✓	✓	✓		
Director	Tsai, Chang-Hung	Male	ROC	✓	51~60	-	✓		✓	✓	✓		✓	✓
Director	Li, Yi-Tsang	Male	ROC	✓	41~50	-	✓	✓		✓	✓	✓		✓
Director	Chang, Chun-Chi	Male	ROC	✓	41~50	-		✓	✓	✓	✓		✓	✓
Director	Wu, Su-Chiu	Female	ROC		61~70	-		✓	✓	✓		✓	✓	✓
Director	Sun, Rui-Chien	Male	ROC		71~80	-	✓		✓	✓	✓	✓	✓	✓
Independent Director	Chang, De-Wen	Male	ROC		61~70	4		✓	✓	✓		✓	✓	✓
Independent Director	Wei, Chia-Min	Male	ROC		61~70	12			✓	✓	✓	✓	✓	✓
Independent Director	Chan, Wen-Yin	Male	ROC		71~80	3	✓		✓	✓		✓	✓	✓

- (2) Originally, the Company's Board of Directors for this plenary has 11 directors (including 4 independent directors). On November 30, 2024, independent director Chen, Tien-Wen resigned due to his tight business schedule. Currently, there are a total of 10 directors (including 3 independent directors). It has been determined through detailed analysis that all members of the board possess the ability to lead and make

operational judgments and policy decisions, the ability to conduct management administration and crisis management, an international market perspective, industrial experience and professional competence. In the future, this board diversity policy (including, but not limited to, basic requirements and values and standards in the two major dimensions of professional knowledge and skills) will be amended as deemed necessary in line with actual board operations, adopted business models, and development needs. The ultimate goal is to ensure that all board members have the knowledge, skills, and experience necessary to perform their duties.

All board directors are R.O.C. nationals. The three independent directors account for 30% of the board seats. As for the age distribution of the board, two directors are aged 41-50, one is aged 51-60, four are aged 61-70, and the remaining three directors fall within the age group 71-80. In addition to the aforementioned factors, we also emphasize gender equality in the field of board composition. The current-term board has one female member, accounting for 10% of all board seats. Since this percentage falls short of the goal of 1/3 of all board seats, we will persist in our efforts to raise the ratio of female to male board members. In addition, four board members concurrently serve as managerial officers of the company, which exceeds the target of no more than 1/3 of the board membership. We will therefore maintain our commitment to increasing the number of external directors.

- (3) Independence of Board of Directors: Originally, the Company had 4 independent directors. This accounted for 36% of all director members. However, independent director Chen, Tien-Wen resigned on November 30, 2024 due to his tight business schedule. Currently, there are 3 independent directors which account for 30% of all director members. During the selection process, the qualifications of all independent directors were reviewed, and a statement was issued to confirm that none of the conditions laid out in Paragraph 3 and 4 of Article 26-3 of the Securities and Exchange Act apply. No spousal or familial relationship within the second degree of kinship exists among the directors of Group.

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(b) Data on presidents, vice presidents, associate general managers, and executives of all departments and branch organizations

March 31, 2025; Unit: Shares

Title	Nationality or Domicile	Name	Gender	Appointment date	Current shareholding		Shareholding of spouse or minor children		Shareholding by Nominee Arrangement		Professional background (Education)	Concurrent positions at other companies	Managers who are spouses or within two degrees of kinship			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
Chairman President of Yeong Chen Asia Pacific Co., Ltd. President of Yeong Guan Holdings Co., Limited Taiwan Branch	ROC	Chang, Hsien-Ming	Male	2008.01.22	11,093,540	8.33	3,476	0.00	6,332,000	4.76	Graduation from Xihu High School of Industry and Commerce, Electronics Department Chairman, Yeong Guan Mould Factory Co., Ltd. President, Yeong Guan Mould Factory Co., Ltd. Chairman, Shin Shang Special Industry Co., Ltd. President, Shin Shang Special Industry Co., Ltd. Sales Manager, Shin Shang Special Industry Co., Ltd.	Director, Yeong Guan Holdings Co., Ltd. Director, Yeong Guan International Co., Ltd. President, Yeong Chen Asia Pacific Co., Ltd. Director, Yeong Guan Heavy Industry (Thailand) Co., Ltd. Supervisor of Taipin Corporation Ltd.	-	-	-	Note 1
Vice Chairman and Spokesperson	ROC	Tsai, Shu-Ken	Male	2010.01.29	755,631	0.57	-	-	-	-	EMBA, National Taiwan University of Science and Technology Engineer and Director, Metal Industries R&D Center President, Shieh Yih Machinery Industry Co., Ltd.	President, Nitinol Innovative Technology Co., Ltd.	-	-	-	-
President	PRC	Li Rong	Male	2024.09.01	-	-	-	-	-	-	Department of Economics, Nihon University Director of Foundry Chemicals Division, Shanghai Kao Chemical Co., Ltd.	-	-	-	-	-
Director and Special Assistant to the President	ROC	Tsai, Chang-Hung	Male	2019.06.20	-	-	-	-	-	-	Department of Industrial Engineering and Management, Ching Yun Institute of technology President, Eastern China, Yeong Guan Energy Technology Group Company Limited.	Director, Jiangsu Bright Steel Fine Machinery Co., Ltd. Director, Shanghai No. 1 Machine Tool Foundry (Su Zhou) Co., Ltd. Director, Dongguan Yeong Guan Mould Factory Co., Ltd. Director, Ningbo Yeong Shang Casting Iron Co., Ltd. Director, Ningbo Lu Lin Machine Tool Foundry Co., Ltd.	-	-	-	-
Executive Vice President, President of of Ningbo Yeong Shang Casting Iron Co., Ltd., President of Jiangsu Bright Steel Fine Machinery Co., Ltd.	PRC	Fang, Cheng-Chiang	Male	2019.07.02	-	-	-	-	-	-	Business Administration, Southwest University of Science and Technology Mechatronic Engineering of Jilin University	Director, Dongguan Yeong Guan Mould Factory Co., Ltd. Director, Ningbo Yeong Shang Casting Iron Co., Ltd. Director, Ningbo Lu Lin Machine Tool Foundry Co., Ltd. Director, Jiangsu Bright Steel Fine Machinery Co., Ltd. Director, Shanghai No. 1 Machine Tool Foundry (Su Zhou) Co., Ltd. Director, Ningbo Yeong Chia Mei Trade Co., Ltd. Director, Jiuquan Yizhong Wind Power Group Co., Ltd.	-	-	-	-
Executive Vice President	PRC	Liang, Li-Sheng	Male	2019.07.02	-	-	-	-	-	-	Mechatronics, North China University of Water Resources and Electric Power	-	-	-	-	-
Director & Chief Strategy Officer	ROC	Li, Yi-Tsang	Male	2019.07.02	15,639	0.01	-	-	-	-	School of Business, University of British Columbia Department of Administration, Okanagan College, Canada Assisant Manager, Operation Department, Jiangsu Bright Steel Fine Machinery Co., Ltd.	Supervisor, Formosa 5 International Investment Co., Ltd.	-	-	-	-

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Title	Nationality or Domicile	Name	Gender	Appointment date	Current shareholding		Shareholding of spouse or minor children		Shareholding by Nominee Arrangement		Professional background (Education)	Concurrent positions at other companies	Managers who are spouses or within two degrees of kinship			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
President, Sales Division	ROC	Liu, Han-Pang	Male	2019.07.02	-	-	-	-	-	-	Master of International Marketing, Bournemouth University	-	-	-	-	-
President of Shanghai No. 1 Machine Tool Foundry (Su Zhou) Co., Ltd.	ROC	Chang, Tsan-Yu	Male	2023.07.01	-	-	-	-	-	-	Department of Electronic Engineering, Feng Chia University Innolux Corporation Chi Mei Optoelectronics Corporation Vice President, Jiangsu Bright Steel Fine Machinery Co., Ltd.	Chairman, Jiangsu Bright Steel Fine Machinery Co., Ltd. Chairman, Ningbo Yeong Shang Casting Iron Co., Ltd. Chairman, Dongguan Yeong Guan Mould Factory Co., Ltd. Chairman, Ningbo Lu Lin Machine Tool Foundry Co., Ltd. Chairman, Shanghai No. 1 Machine Tool Foundry (Su Zhou) Co., Ltd.	-	-	-	-
Chief Governance Officer	ROC	Chiang, Shu-Kan	Female	2019.08.08	-	-	-	-	-	-	Department of Economics, Chung Cheng University Certified Public Accountant Certified Securities Certified Internal Auditor Project Manager, Department of Securities Underwriting, Capital Securities Corporation	AVP of the Office of the Chairman, Yeong Guan Energy Technology Group Company Limited	-	-	-	-
Head of Finance and Accounting	ROC	Tsai, Ching-Wu	Male	2021.02.17	-	-	-	-	-	-	Department of Accounting, National Chengchi University Financial Manager, Zhenxin Company Ernst & Young Director of Audit Office, Yeong Guan Energy Technology Group Company Limited	Officer of Finance Division, Yeong Guan Energy Technology Group Company Limited Supervisor, Dongguan Yeong Guan Mould Factory Co., Ltd. Supervisor, Ningbo Yeong Shang Casting Iron Co., Ltd. Supervisor, Ningbo Lu Lin Machine Tool Foundry Co., Ltd. Supervisor, Jiangsu Bright Steel Fine Machinery Co., Ltd. Supervisor, Ningbo Yeong Chia Mei Trade Co., Ltd.	-	-	-	Note 1

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(2) Remuneration of Directors, Supervisors, Presidents, and Vice Presidents in the most recent financial year

1. Remuneration of Directors (incl. Independent Directors)

Unit: 1000 NTD

Title	Name	Remuneration								Ratio of total remuneration (A+B+C+D) to the net profit after tax (%)				Relevant remuneration received by directors who are also employees								Ratio of total compensation (A+B+C+D+E+F+G) to the net profit after tax, (%)				Compensation paid to directors from an invested company other than the company's subsidiary
		Base compensation (A)		Severance pay and retirement pension (B)		Remuneration from distribution of profits(C)		Expenses for execution of business(D)						Salary, Bonuses, and Allowances (E)		Severance pay and retirement pension (F)		Profit Sharing- Employee Bonus (G)								
		The company	Companies in the financial statements	The company	Companies in the financial statements	The company	Companies in the financial statements	The company	Companies in the financial statements	Total compensation of the company	The proportion of the compensation of the Company against the net profit after tax	Total compensation of companies in the financial statements	The proportion of total compensation of companies in the financial statements against the net profit after tax	The company	Companies in the financial statements	The company	Companies in the financial statements	The company		Companies in the financial statements		Total compensation of the company	The proportion of the compensation of the Company against the net profit after tax	Total compensation of companies in the financial statements	The proportion of total compensation of companies in the financial statements against the net profit after tax	
																		Cash bonus	Stock bonus	Cash bonus	Stock bonus					
Chairman	Chang, Hsien-Ming	360	360	-	-	-	-	8	8	368	(0.06)	368	(0.06)	2,415	4,485	-	-	-	-	-	-	2,783	(0.44)	4,853	(0.77)	2,783
Vice Chairman	Tsai, Shu-Ken	360	360	-	-	-	-	8	8	368	(0.06)	368	(0.06)	1,800	5,238	-	-	-	-	-	-	2,168	(0.35)	5,606	(0.90)	2,168
Director	Tsai, Chang-Hung	360	360	-	-	-	-	8	8	368	(0.06)	368	(0.06)	1,600	5,158	-	-	-	-	-	-	1,968	(0.31)	5,526	(0.88)	1,968
Director	Li, Yi-Tsang	360	360	-	-	-	-	8	8	368	(0.06)	368	(0.06)	1,216	3,040	-	-	-	-	-	-	1,584	(0.25)	3,408	(0.54)	1,584
Director	Chang, Chun-Chi	360	360	-	-	-	-	8	8	368	(0.06)	368	(0.06)	-	912	-	-	-	-	-	-	368	(0.06)	1,280	(0.20)	368
Director	Su, Su-Chiu	360	360	-	-	-	-	8	8	368	(0.06)	368	(0.06)	-	-	-	-	-	-	-	-	368	(0.06)	368	(0.06)	368
Director	Sun, Rui-Chien	360	360	-	-	-	-	8	8	368	(0.06)	368	(0.06)	-	-	-	-	-	-	-	-	368	(0.06)	368	(0.06)	368
Independent Director	Wei, Chia-Min	799	799	-	-	-	-	12	12	811	(0.13)	811	(0.13)	-	-	-	-	-	-	-	-	811	(0.13)	811	(0.13)	811
Independent Director	Chen, Tien-Wen (Note)	733	733	-	-	-	-	12	12	745	(0.12)	745	(0.12)	-	-	-	-	-	-	-	-	745	(0.12)	745	(0.12)	745
Independent Director	Chang, De-Wen	799	799	-	-	-	-	12	12	811	(0.13)	811	(0.13)	-	-	-	-	-	-	-	-	811	(0.13)	811	(0.13)	811
Independent Director	Chan, Wen-Yin	799	799	-	-	-	-	12	12	811	(0.13)	811	(0.13)	-	-	-	-	-	-	-	-	811	(0.13)	811	(0.13)	811

- Please describe compensation policy, system, standards and structure for independent director as well as relevance between amount of compensation paid and factors of assumed obligations, risks and amount of time spent: The Company takes references from the industry in establishing standards for fixed amount allowances such as travelling allowance or attendance allowance for directors. However, no variable compensations are paid to directors. There is no connection between a director's compensation payment and performance.
- In addition to aforementioned disclosure, compensation paid to directors for services provided to all companies (such as being a consultant instead of an employee for parent company/all companies in financial statement/invested businesses) in financial statement during the latest year: none.

Note: Independent director Chen, Tien-Wen resigned on November 30, 2024 due to his tight business schedule.

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Range of Remunerations

Range of remunerations paid to directors of the company	Names of directors			
	Total of A+B+C+D		Total of A+B+C+D+E+F+G	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Below NT\$ 1,000,000	Wei, Chia-Min; Chen, Tien-Wen; Chang, De-Wen; Chan, Wen-Yin; Chang, Hsien-Ming; Tsai, Shu-Ken; Tsai, Chang-Hung; Li, Yi-Tsang; Chang, Chun-Chi; Wu, Su-Chiu; Sun, Rui-Chien	Wei, Chia-Min; Chen, Tien-Wen; Chang, De-Wen; Chan, Wen-Yin; Chang, Hsien-Ming; Tsai, Shu-Ken; Tsai, Chang-Hung; Li, Yi-Tsang; Chang, Chun-Chi; Wu, Su-Chiu; Sun, Rui-Chien	Wei, Chia-Min; Chen, Tien-Wen; Chang, De-Wen; Chan, Wen-Yin; Chang, Chun-Chi; Wu, Su-Chiu; Sun, Jui-Chi	Wei, Chia-Min; Chen, Tien-Wen; Chang, De-Wen; Chan, Wen-Yin; Wu, Su-Chiu; Sun, Jui-Ch
NT\$ 1,000,000 or more but less than NT\$ 2,000,000	—	—	Tsai, Chang-Hung; Li, Yi-Tsang	Chang, Chun-Chi
NT\$ 2,000,000 or more but less than NT\$ 3,500,000	—	—	Chang, Hsien-Ming Tsai, Shu-Ken;	Li, Yi-Tsang
NT\$ 3,500,000 or more but less than NT\$ 5,000,000	—	—	—	Chang, Hsien-Ming
NT\$ 5,000,000 or more but less than NT\$ 10,000,000	—	—	—	Tsai, Shu-Ken; Tsai, Chang-Hung;
NT\$ 10,000,000 or more but less than NT\$ 15,000,000	—	—	—	—

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NT\$ 15,000,000 or more but less than NT\$ 30,000,000	—	—	—	—
NT\$ 30,000,000 or more but less than NT\$ 50,000,000	—	—	—	—
NT\$ 50,000,000 or more but less than NT\$ 100,000,000	—	—	—	—
Over NT\$ 100,000,000	—	—	—	—
Total	11 persons	11 persons	11 persons	11 persons

Note: Independent director Chen, Tien-Wen resigned on November 30, 2024 due to his tight business schedule.

2. Remuneration of supervisors: Not applicable since the company has not established any supervisor positions

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3. Remuneration of Presidents and Vice Presidents

Unit: 1000 NTD; %

Title	Name	Base compensation (A)		Severance pay and retirement pension (B)		Bonuses and allowances (C)		Profit Sharing- Employee Bonus (D)				Ratio of total remuneration (A+B+C+D) to the net profit after tax (%)		Number of received Employee Stock Option Certificates		Number of acquired shares through Employee Stock Option		Number of acquired shares through Restricted Stock Awards		Compensation paid to presidents/ vice presidents from an invested company other than the company's subsidiary
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		Total compensation of the company	The proportion of the compensation of the Company against the net profit after tax	Total compensation of companies in the financial statements	The proportion of total compensation of companies in the financial statements against the net profit after tax	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	
								Cash Bonus	Stock Bonus	Cash Bonus	Stock Bonus									
Vice Chairman and Spokesperson	Tsai, Shu-Ken	-	1,800	-	-	1,800	3,438	-	-	-	-	1,800	(0.29)%	5,238	(0.84)%	-	-	-	-	2,168
Director and Special Assistant to Chairman	Tsai, Chang-Hung	-	1,920	-	-	1,600	3,238	-	-	-	-	1,600	(0.26)%	5,158	(0.82)%	-	-	-	-	1,968
President	Hsu, Ching-Hsiung	-	800	-	3,720	-	607	-	-	-	-	-	0.00%	5,127	(0.82)%	-	-	-	-	-
Chairman; President of Yeong Chen Asia Pacific Co., Ltd.; President of Yeong Guan Holdings Co., Limited Taiwan Branch	Chang, Hsien-Ming	-	2,070	-	-	2,415	2,415	-	-	-	-	2,415	(0.39)%	4,485	(0.72)%	-	-	-	-	2,783
President of Shanghai No. 1 Machine Tool Foundry (Su Zhou) Co., Ltd.	Chang, Tsai-Yu	-	1,260	-	-	735	2,395	-	-	-	-	735	(0.12)%	3,655	(0.58)%	-	-	-	-	735
President	Li Rong	-	11,014	-	1,470	3,812	9,015	-	-	-	-	3,812	(0.61)%	21,499	(3.43)%	-	-	-	-	4,180
Executive Vice President; President of Ningbo Yeong Shang Casting Iron Co., Ltd.; President of Jiangsu Bright Steel Fine Machinery Co., Ltd.	Fang, Cheng-Chiang																			
Executive Vice President	Liang, Li-Sheng																			
Director & Chief Strategy Officer	Li, Yi-Tsang																			
President, Ningbo Yeong Shang Casting Iron Co., Ltd.	Huang, Ching-Chung																			
President, Sales Division	Liu, Han-Pang																			
Head of Finance and Accounting (Chief Financial Officer)	Tsai, Ching-Wu																			
Chief Governance Officer	Chinag, Su-Kan																			

Note: Due to the Company's management needs, President post for Jiangsu Bright Steel Fine Machinery Co., Ltd. was assumed by Mr. Fang, Cheng-Chiang on May 13, 2024. The Company's original President, Mr. Hsu, Chin-Hsiung, retired on May 31, 2024. Mr. Li Rong succeeded to the President post on September 1, 2024. Mr. Huang, Ching-Chugn, the Company's Vice President and President for Ningbo Yeong Shang Casting Iron Co., Ltd., retired on May 31, 2024. Post of President for Ningbo Yeong Shang Casting Iron Co., Ltd. was succeeded by Mr. Fang, Cheng-Chiang.

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Range of Remunerations

Range of remunerations paid to presidents and vice presidents of the company	Names of presidents and vice presidents	
	The company	Parent company/all invested businesses
Below NT\$ 1,000,000	Hsu, Ching-Hsiung; Li Rong; Liang, Li-Shang; Fang, Cheng-Chiang; Huang, Ching-Chung; Liu, Han-Pang; Li, Yi-Tsang; Chang, Tsan-Yu; Chiang, Su-Kan	—
NT\$ 1,000,000 or more but less than NT\$ 2,000,000	Tsai, Su-Ken; Tsai, Chang-Hung; Li, Yi-Tsang; Tsai, Ching-Wu	Li Rong; Chiang, Su-Kan
NT\$ 2,000,000 or more but less than NT\$ 3,500,000	Chang, Hsien-Ming	Li, Yi-Tsang; Liang, Li-Shang; Fang, Cheng-Chiang; Huang, Ching-Chung; Liu, Han-Pang; Tsai, Ching-Wu
NT\$ 3,500,000 or more but less than NT\$ 5,000,000	—	Chang, Hsien-Ming; Chang, Tsan-Yu
NT\$ 5,000,000 or more but less than NT\$ 10,000,000	—	Tsai, Su-Ken; Hsu, Ching-Hsiung; Tsai, Chang-Hung
NT\$ 10,000,000 or more but less than NT\$ 15,000,000	—	—
NT\$ 15,000,000 or more but less than NT\$ 30,000,000	—	—
NT\$ 30,000,000 or more but less than NT\$ 50,000,000	—	—
NT\$ 50,000,000 or more but less than NT\$ 100,000,000	—	—
Over NT\$ 100,000,000	—	—
Total	13 persons	13 persons

Note: Due to the Company's management needs, President post for Jiangsu Bright Steel Fine Machinery Co., Ltd. was assumed by Mr. Fang, Cheng-Chiang on May 13, 2024. The Company's original President, Mr. Hsu, Chin-Hsiung, retired on May 31, 2024. Mr. Li Rong succeeded to the President post on September 1, 2024. Mr. Huang, Ching-Chugn, the Company's Vice President and President for Ningbo Yeong Shang Casting Iron Co., Ltd., retired on May 31, 2024. Post of President for Ningbo Yeong Shang Casting Iron Co., Ltd. was succeeded by Mr. Fang, Cheng-Chiang

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4. Top Five Highest Paid Executives

Unit: 1000 NTD; %

Title	Name	Salary (A)		Severance pay and retirement pension (B)		Bonuses and allowances (C)		Compensation (D)				Ratio of total remuneration (A+B+C+D) to the net profit after tax (%)		Compensation paid to presidents/vice presidents from an invested company other than the company's subsidiary
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The proportion of the compensation of the Company against the net profit after tax (%)	The proportion of total compensation of companies in the financial statements against the net profit after tax (%)	
								Cash bonus	Stock bonus	Cash bonus	Stock bonus			
Vice Chairman and Spokesperson	Tsai, Shu-Ken	-	1,800	-	-	1,800	3,438	-	-	-	-	1,800 (0.29)%	5,238 (0.84)%	2,168
Director and Special Assistant to the President	Tsai, Chang-Hung	-	1,920	-	-	1,600	3,238	-	-	-	-	1,600 (0.26)%	5,158 (0.82)%	1,968
President	Hsu, Ching-Hsiung	-	800	-	3,720	-	607	-	-	-	-	- 0.00%	5,127 (0.82)%	-
Chairman; President of Yeong Chen Asia Pacific Co., Ltd.; President of Yeong Guan Holding Co., Ltd. Taiwan Branch	Chang, Hsien-Ming	-	2,070	-	-	2,415	2,415	-	-	-	-	2,415 (0.39)%	4,485 (0.72)%	2,783
President of Shanghai No. 1 Machine Tool Foundry (Su Zhou) Co., Ltd.	Chang, Tsai-Yu	-	1,260	-	-	735	2,395	-	-	-	-	735 (0.12)%	3,655 (0.58)%	735

Note 1: Due to the Company's management needs, President post for Jiangsu Bright Steel Fine Machinery Co., Ltd. was assumed by Mr. Fang, Cheng-Chiang on May 13, 2024. The Company's original President, Mr. Hsu, Chin-Hsiung, retired on May 31, 2024. Mr. Li Rong succeeded to the President post on September 1, 2024. Mr. Huang, Ching-Chugn, the Company's Vice President and President for Ningbo Yeong Shang Casting Iron Co., Ltd., retired on May 31, 2024. Post of President for Ningbo Yeong Shang Casting Iron Co., Ltd. was succeeded by Mr. Fang, Cheng-Chiang

Note 2: Net profit (loss) after tax refers to the amount listed in the 2024 Consolidated Financial Statement prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the Republic of China.

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5. Managers and their allotted employee bonuses:

Unit: 1,000 NTD; %

	Title	Name	Stock bonus	Cash Bonus	Total	Ratio of total amount to net profit after tax (%)
Managers	Chairman; President of Yeong Chen Asia Pacific Co., Ltd.; President of Yeong Guan Holdings Co., Limited Taiwan Branch	Chang, Hsien-Ming	-	-	-	0%
	Vice Chairman and Spokesperson	Tsai, Shu-Ken				
	President	Li Rong				
	Executive Vice President; President of Ningbo Yeong Shang Casting Iron Co., Ltd.; President of Jiangsu Bright Steel Fine Machinery Co., Ltd.	Fang, Cheng-Chiang				
	Executive Vice President	Liang, Li-Sheng				
	Director & Special Assistant to the Chairman	Tsai, Chang-Hung				
	Director & Chief Strategy Officer	Li, Yi-Tsang				
	President, Sales Division	Liu, Han-Pang				
	President of Ningbo Yeong Shang Casting Iron Co., Ltd.	Huang, Ching-Chung				
	Head of Finance and Accounting (Chief Financial Officer)	Tsai, Ching-Wu				
	Chief Governance Officer	Chinag, Su-Kan				

Note: Due to the Company's management needs, President post for Jiangsu Bright Steel Fine Machinery Co., Ltd. was assumed by Mr. Fang, Cheng-Chiang on May 13, 2024. The Company's original President, Mr. Hsu, Chin-Hsiung, retired on May 31, 2024. Mr. Li Rong succeeded to the President post on September 1, 2024. Mr. Huang, Ching-Chugn, the Company's Vice President and President for Ningbo Yeong Shang Casting Iron Co., Ltd., retired on May 31, 2024. Post of President for Ningbo Yeong Shang Casting Iron Co., Ltd. was succeeded by Mr. Fang, Cheng-Chiang

- (d) Analysis of the ratio of total remuneration paid by the company and by all companies included in the consolidated financial statements to directors, supervisors, presidents and vice presidents of the Company within the two most recent fiscal years, to the net income and description of remuneration policies, standards, and mixes, setting of relevant procedures, and correlation between business performance and future risks:

1. Analysis of the ratio of total remuneration paid by the company and by all companies included in the consolidated financial statements to directors, supervisors, presidents and vice presidents of the Company, to the net income:

Unit: 1000 NTD; %

Item	2023		2024	
	Amount	%	Amount	%
Director	25,895	(9.60)	24,587	(3.93)
Presidents and Vice Presidents	42,777	(15.86)	45,163	(7.21)

Note: The total remuneration of directors includes compensations for concurrent positions. The calculation of the remuneration of directors is therefore overlapping with that of presidents and vice presidents therefore

2. Remuneration policies, standards, and mixes, setting of relevant procedures, and correlation between business performance and future risks
 - (1) Directors and independent directors of the Company only receive regular compensation without any other payments except for director's receiving of attendance allowance for attending each Board of Directors Meeting.
 - (2) Compensations for General Manager and Vice President are established in accordance with job title, contribution to the Company, references of industry standards as well as the Company's human resource regulations. Manager compensation includes salary and bonus. Salary is based on items of industry reference, job title, job rank, education (experience), professional capability and responsibility. Bonus is based on considerations of manager's performance assessment items which include two major parts of financial indicators (such as company revenue, pre-tax net profit and after-tax net profit) and non-financial indicators.

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3. Implementation of Corporate Governance

(1) Operations of the board of directors

A total of 4 board meetings (A) were convened in the most recent fiscal year (2024). Director attendance was follows:

Job Title	Name	Number of Actual Attendance (B)	Number of Commissioned Attendance(C)	Actual Attendance Rate (%) 【B/A】	Note
Chairman	Chang, Hsien-Ming	4	0	100.00%	
Director	Tsai, Shu-Ken	4	0	100.00%	
Director	Tsai, Chang-Hung	4	0	100.00%	
Director	Li, Yi-Tsang	4	0	100.00%	
Director	Chang, Chun-Chi	4	0	100.00%	
Director	Su, Su-Chiu	4	0	100.00%	
Director	Sun, Rui-Chien	4	0	100.00%	
Independent Director	Wei, Chia-Min	4	0	100.00%	
Independent Director	Chen, Tien-Wen	4	0	100.00%	Resigned on November 30, 2024
Independent Director	Chang, De-Wen	4	0	100.00%	
Independent Director	Chan, Wen-Yin	4	0	100.00%	

Note: On November 30, 2024, independent director Chen, Tien-Wen resigned due to his tight business schedule.

Other items to be recorded:

1. Items listed in Article 14-3 of the Securities Exchange Act:

Board of Directors	Contents of Resolutions Consistent with Article 14-3 of Securities and Exchange Act	Independent Director's Opinion	The Company's Handling Over Independent Director's Opinion	Resolution Result
2024.03.12	1. Recognition of the Company's Annual Consolidated Financial Statement for 2023 2. Discussion to Change Certified Public Accountant 3. Discussion of the Company's Accountant Retaining and Business Expense 4. Discussion of The Company's Planned 2024 New Share Issuance for Cash Capital Increase	Nil	Nil	Attending Directors' Unanimous Approval without Objection after Chairman's Enquiry
2024.05.09	1. Recognition of the Company's Consolidated Financial Statement for 2024 Q1 2. Discussion of the Company's Participation in Subsidiary Yeong Guan Heavy Industry (Thailand) Co., Ltd.'s Cash Capital Increase	Nil	Nil	Attending Directors' Unanimous Approval without Objection after Chairman's Enquiry
2024.08.22	1. Recognition of the Company's Consolidated Financial Statement for 2024 Q2.	Nil	Nil	Attending Directors' Unanimous Approval without Objection

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	<p>2. Recognition of the Company's Intending to Provide Endorsement Guarantee for Subsidiary Yeong Guan Holdings Co., Ltd.</p> <p>3. Discussion of the Company's Intending to Provide Endorsement Guarantee for Subsidiary Yeong Guan Holdings Co., Ltd.</p> <p>4. Yeong Guan Holdings Co., Limited Taiwan Branch, a branch office of the Company's subsidiary Yeong Guan Holdings Co., Limited, is planning to apply for a credit extension not exceeding NTD800,000,000 from a syndicated bank loan with Mega International Commercial Bank as the arranger bank and agent bank. This is a discussion of the Company's intending to sign credit extension agreement as a joint guarantor.</p> <p>5. Discussion of the Company's intending to provide endorsement guarantee for subsidiary Yeong Guan Holdings Co., Limited.</p>			after Chairman's Enquiry
2024.11.07	<p>1. Recognition of the Company's 2024 Q3 consolidated financial statement.</p> <p>2. Discussion of the Company's drafting of "Internal Control System - Operation Guidelines for Sustainable Information Management".</p> <p>3. Discussion over pre-approval for certified public accountant's providing of Non-Assurance Services.</p> <p>4. Discussion of the Company's intended capital loan to Yeong Guan Holdings Co., Limited Taiwan Branch which is a branch office of the Company's subsidiary Yeong Guan Holdings Co., Limited.</p>	Nil	Nil	Attending Directors' Unanimous Approval without Objection after Chairman's Enquiry

2. Where other board resolutions exist for which dissenting or qualified opinions of independent directors are on record or written statements have been issued, the date and term of the board meeting, proposal contents, all opinions of independent directors, and the handling of such opinions shall be clearly specified: NA

B. Where a director recuses himself/herself from the discussion and voting process for a proposal due to a conflict of interest, the name of the director, the proposal contents, the reasons for recusal, and his/her participation in the voting process shall be clearly specified:

1. On March 12, 2024, the board of directors deliberated the approval of the year-end bonus for managerial officers in 2023. In view of the fact that Chairman Chang, Hsien-Ming, Director Tsai, Shu-Ken, Director Tsai, Chang-Hung and Director Li, Yi- Tsang hold concurrent appointments as managerial officers and are therefore interested parties in relation to this proposal, they did not participate in the discussion and voting process.

C. Evaluation of goals associated with the strengthening of board functions in the current and most recent year (e.g., establishment of an audit committee, enhancement of information transparency) and their implementation status:

1. With a view to strengthening and optimizing board functions including its supervisory and management capabilities, the Company established an audit and remuneration committee on March 19, 2010, and October 14, 2011, respectively. These committees are composed of the independent directors of the Company.
2. In order to implement the spirit of corporate governance and effectively enhance information transparency, the Company fully discloses business and financial information in its annual reports, on its corporate website, and on the Market Observation Post System.

D. TWSE/TPEX Listed Companies shall disclose evaluation periods and cycles and the scope, method, and contents of self (or peer) evaluations of their boards of directors. The implementation status of board evaluations is shown in the table below:

Cycle	Period	Scope	Method	Contents
Once a year	January 1, 2024 to December 31, 2024	Board of directors (functional committee) performance evaluation	Internal self-evaluation	<p>Evaluations covered the following five items:</p> <ol style="list-style-type: none"> 1. Level of participation in the operations of the Company 2. Improvement of the quality of the board decision- making process

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				3. Composition and structure of the board of directors 4. Election and continuing education of the directors 5. Internal control system
Once a year	January 1, 2024 to December 31, 2024	Evaluation of the performance of individual board members	Internal self-evaluation	Evaluations covered the following six items: 1. Familiarity with the goals and missions of the company 2. Awareness of the duties of a director 3. Level of participation in the operations of the Company 4. Management of internal relationships and communication 5. The director's professionalism and continuing education 6. Internal control

(2) Operations of the Audit Committee

A total of 4 meetings (A) were convened in the most recent fiscal year (2024). Director attendance was follows:

Job Title	Name	Number of Actual Attendance (B)	Number of Commissioned Attendance(C)	Actual Attendance Rate (%) 【B/A】	Note
Independent Director	Wei, Chia-Min	4	0	100.00%	
Independent Director	Chen, Tien-Wen	4	0	100.00%	Resigned on November 30, 2024
Independent Director (Convener)	Chang, De-Wen	4	0	100.00%	
Independent Director	Chan, Wen-Yin	4	0	100.00%	

The Company's Audit Committee is composed of 3 independent directors. A total of 5 Audit Committee meetings were held during 2024 and 2025 up to the date of printing of the annual report.

The main audited items included:

1. Financial statement audit and accounting policy and procedures.
2. Internal control system and related policy and procedures.
3. Transactions of critical assets or derivative commodities.
4. Endorsement and guarantee on major capital loan.
5. Certified Public Accountant's qualifications, independence and performance assessment.
6. Commissioning, decommissioning or compensation for Certified Public Accountant.
7. Engagement or discharge of heads of finance, accounting or internal audit.
8. Audit Committee's self-assessment questionnaire on performance assessment.

■Review of Financial Statements

Board of Directors Meeting complied 2023business report, financial statements and surplus earning distribution proposal. Deloitte Taiwan was commissioned to inspect financial statements and issued an inspection report accordingly. This Audit Committee also conducted audit on aforementioned business report, financial statement and surplus earning distribution proposal and therefore considered them as compliant with requirements.

■Assessment of Internal Control System's Effectiveness

Audit Committee conducts assessments on policy and process effectiveness of the Company's internal control system (including control measures on finance, operation, risk management, data security, outsourcing, regulation compliance, and so on), and reviews routine reports from the Company's Audit Department, Certified Public Accountant and management including risk management and regulation compliance. Audit Committee hereby considers that the Company's risk management and internal control systems are effective, and that the Company has already adopted necessary control mechanisms to supervise and rectify violation behavior.

■ Commissioning of Certified Public Accountant

Audit Committee has been delegated with the responsibility to supervise CPA accounting firm's independence to ensure impartiality of financial statements. To ensure CPA accounting firm's independence, Audit Committee takes references from Article 47 of Certified Public Accountant Act and contents of "integrity, impartiality, objectiveness and independence" prescribed in No 10 of Norm for Certified Public Accountant's Professional Ethics in its establishing of Independence Assessment Form. With this, CPA's independence, professionalism and suitability will be assessed to verify items that if they and the Company are mutual stakeholders, if they have transactions with the Company or if they and the Company have mutual financial benefit relationship. During reviews conducted by the Audit Committee meeting held on March 12, 2024 and Board of Directors Meeting dated March 12, 2024, it was verified that CPA Chen, Chih-Yuan and CPA Huang, Yao-Lin from Deloitte Taiwan had both met with independence assessment standards, and thus they were qualified for the posts of the Company's finance and tax CPA.

Other items to be documented:

I. Items prescribed on Article 14-5 of Securities and Exchange Act of ROC:

Board of Directors	Contents of Resolutions Consistent with Article 14-5 of Securities and Exchange Act	Independent Director's Opinion	The Company's Handling Over Independent Director's Opinion	Resolution Result
2024.03.12	1. Recognition of the Company's Annual Consolidated Financial Statement for 2023 2. Discussion to Change Certified Public Accountant 3. Discussion of the Company's Accountant Retaining and Business Expense 4. Discussion of The Company's Planned 2024 New Share Issuance for Cash Capital Increase	Nil	Nil	Attending Directors' Unanimous Approval without Objection after Chairman's Enquiry
2024.05.09	1. Recognition of the Company's Consolidated Financial Statement for 2024 Q1 2. Discussion of the Company's Participation in Subsidiary Yeong Guan Heavy Industry (Thailand) Co., Ltd.'s Cash Capital Increase	Nil	Nil	Attending Directors' Unanimous Approval without Objection after Chairman's Enquiry
2024.08.22	1. Recognition of the Company's Consolidated Financial Statement for 2024 Q2. 2. Recognition of the Company's Intending to Provide Endorsement Guarantee for Subsidiary Yeong Guan Holdings Co., Ltd. 3. Discussion of the Company's Intending to Provide Endorsement Guarantee for	Nil	Nil	Attending Directors' Unanimous Approval without Objection after Chairman's Enquiry

	<p>Subsidiary Yeong Guan Holdings Co., Ltd.</p> <p>4. Yeong Guan Holdings Co., Limited Taiwan Branch, a branch office of the Company's subsidiary Yeong Guan Holdings Co., Limited, is planning to apply for a credit extension not exceeding NTD800,000,000 from a syndicated bank loan with Mega International Commercial Bank as the arranger bank and agent bank. This is a discussion of the Company's intending to sign credit extension agreement as a joint guarantor.</p> <p>5. Discussion of the Company's intending to provide endorsement guarantee for subsidiary Yeong Guan Holdings Co., Limited.</p>			
2024.11.07	<p>1. Recognition of the Company's 2024 Q3 consolidated financial statement.</p> <p>2. Discussion of the Company's drafting of "Internal Control System - Operation Guidelines for Sustainable Information Management".</p> <p>3. Discussion over pre-approval for certified public accountant's providing of Non-Assurance Services.</p> <p>4. Discussion of the Company's intended capital loan to Yeong Guan Holdings Co., Limited Taiwan Branch which is a branch office of the Company's subsidiary Yeong Guan Holdings Co., Limited.</p>	Nil	Nil	Attending Directors' Unanimous Approval without Objection after Chairman's Enquiry

2. For items in addition to aforementioned ones and which were not approved by Audit Committee but have obtained resolution under consent from more than two-thirds of all directors, date of Board of Directors Meeting, number of plenary, contents of resolution, resolution result from Audit Committee and the Company's response to Audit Committee's opinion shall be explained accordingly: None.

- I. For execution of independent director's recusal on proposal with conflict of interest, name of independent director, contents of proposal, reason for recusal and participation in voting shall all be explained accordingly: None.
- II. Communication between independent directors and head of internal audit and CPA (for example, communication items, methods and results on the Company's finance and business conditions):
 1. Each month, the Company's head of internal audit will deliver audit report, which is implemented in accordance with audit plan, to each commissioner of Audit Committee through mail for the purpose of communicating audit report result, and report contents of each quarter's audit report in Board of Directors Meetings held each quarter, and attend Board of Directors Meeting and each Audit Committee meeting. In the event of special

- circumstances, real-time reports will be provided to respective audit commissioners accordingly. No special incidents occurred in 2024. The Company's Audit Committee maintains good communication with head of internal audit.
2. CPA will attend Audit Committee meeting depending on needs from contents of each meeting. In the event of special circumstances, reports will be made to Audit Committee commissioners in a timely manner. There were no special circumstances for 2024. The Company's Audit Committee maintains good communication with CPA.

Date of Audit Committee Meeting	Items for Communication with CPA	Communication Result
Audit Committee 2024.03.12	Accountant explained inspection focuses on 2023 financial statement and critical matters, and conducted discussion and communication over questions raised by meeting attendants.	No Objection
Audit Committee 2024.08.22	Accountant explained inspection focuses on 2024 half-year financial statement and critical matters, and conducted discussion and communication over questions raised by meeting attendants.	No Objection
2024.09.11	<ol style="list-style-type: none"> 1. Discussion of related matters from Stock Exchange mail. 2. Discussion of budget for Thailand plant construction. 3. Discussion of depreciation residual value related issues for Yeong Guan Holdings Co., Limited (Taichung factory). 4. Discussion of difference issues between the Company's statement and accountant's adjustment. 	Independent director asked accountant to offer more suggestions or assistance to the Company in professional fields. Accountant replied that the Company may consider checking with accounting firm for related services.

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

Assessment items	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
	Y	N	Brief description	
1. Has the company formulated and duly disclosed corporate governance best practice principles pursuant to the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”	✓		The company formulated and duly disclosed corporate governance best practice principles pursuant to the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”. Corresponding norms and regulations are observed and implemented in accordance with the spirit of corporate governance. In the future, the company will continue to strengthen information transparency and board functionality through the amendment of relevant management regulations with the goal of promoting corporate governance.	No major deviations
2. Shareholding Structure & Shareholders’ Rights				
(1) Have internal operating procedures for the handling of shareholder suggestions, uncertainties, disputes, or grievances been formulated and implemented?	✓		(1) The company has formulated internal operating procedures. The spokesperson and deputy spokesperson are in charge of handling shareholder suggestions, uncertainties, disputes, or grievances in coordination with related units.	No major deviations
(2) Does the company possess a list of major shareholders that have actual control over the company and a list of ultimate controllers of these major shareholders?	✓		(2) The company discloses Shareholdings of insiders (directors, supervisors, managerial officers, and 10-percent shareholders) on a regular basis in accordance with the Article 25 of Securities and Exchange Act.	No major deviations
(3) Has the company established and implemented a risk management and firewall mechanism with its affiliates?	✓		(3) All affiliates are independently responsible for the management of their assets and finances in accordance with the internal control system of the company to ensure the implementation of the risk control and firewall mechanism	No major deviations
(4) Has the company formulated internal norms and regulations that prohibit insiders from using non-public information on the market to conduct security transactions?	✓		(4) The company has formulated internal norms and regulations that prohibit insiders from using non-public information on the market to conduct security transactions	No major deviations
3. Composition and Responsibilities of Board of Directors Meeting				
(1) In terms of its member composition, did the Board of Directors Meeting establish diversity policy, specific management objective and execute them truthfully without fail?	✓	✓	(1) Originally, the Company’s Board of Directors for this plenary has 11 directors (including 4 independent directors). On November 30, 2024, independent director Chen, Tien-Wen resigned due to his tight business schedule. The Company’s current Board of Directors Meeting is composed of 11 directors which include 7 directors and 3 independent directors. Diversified guidelines on the composition of members has already been established and therefore these directors come with expertise and backgrounds in industry, finance, accounting and management.	No major deviations
(2) In addition to the Company’s establishment of Salary and Compensation Committee and Audit Committee in	✓		(2) The Company established the Sustainable Development Committee on November 7, 2024, Board of Directors Meeting will authorize	The Company hasn’t established other

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Assessment items	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”
	Y	N	Brief description	
accordance with laws, does the Company voluntarily establish other committees with various functions?			installation of other committees if needed.	committees with various functions.
(3) Does the Company establish performance assessment guidelines and assessment measures for Board of Directors Meeting and conduct regular performance assessments each year? And if the Company submits performance assessment result to Board of Directors Meeting and uses such results for references on individual director’s salary and compensation as well subsequent nomination for next tenure?	✓		(3) The Company’s Board of Directors Meeting complies with related regulations such as Regulations Governing Procedure for Board of Directors Meeting of Public Companies, and established Assessment Guideline and Assessment Measures for Board of Directors Meeting’s performance on May 6, 2020 and later amended this guideline on May 6, 2021. Assessment result for 2024 has already been submitted to Board of Directors Meeting during Board of Directors Meeting held on March 12, 2025.	No major deviations
(4) Does the Company conduct regular assessment on CPA’s independence?			(4) The Company’s Board of Directors Meeting conducts assessment over CPA’s independence at least once every year. In addition to obtaining independence statement issued by CPA, the Company also verifies that there is no financial interest or business relationship between CPA and the Company other than expenses incurred from financial statement certification and tax cases. Family members of CPA also comply with independence requirements. Consequently, Audit Committee meeting dated March 12, 2024 and Board of Directors Meeting dated March 12, 2024 reviewed and approved that CPA Huang, Yao-Lin and CPA Lee, Tung-Fong from Deloitte Taiwan had both met with independence assessment standards. (Please refer to Note 1 for details of assessment on CPA’s independence.)	No major deviations
4. Does a public company/OTC company assign competent and appropriate number of corporate governance personnel, and assign corporate governance head for responsibilities of corporate governance related matters (including but not limited to providing director, supervisor with information needed for business execution, assisting director and supervisor in regulation compliance, conducting related matters on Board of Directors Meeting and Shareholder’s Meeting in accordance with laws and regulations, or preparing meeting minutes for Board of Directors Meeting and Shareholder’s Meeting)?	✓		The Company’s Board of Directors Meeting passed a resolution on August 8, 2019 to designate Assistant Vice President Chiang, Shu-Kan as the Head of Corporate Governance to protect shareholders’ rights and enhance Board of Directors Meeting’s competence. Assistant Vice President Su-Gan Jiang has more than 3 years of experience in shareholders’ affair and supervisor duty for Board of Directors Meeting in a public company, and he is also a certified accountant for accounting practices. Currently, the Company has established 2 staffs for corporate governance. Main responsibilities for Head of Corporate Governance are, as required by laws and regulations, to work on related matters of Board of Directors Meeting and Shareholder’s Meeting, prepare meeting minutes for Board of Directors Meeting and Shareholder’s Meeting, assist directors (including independent directors) to assume their posts and continue to learn, provide	No major deviations

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Assessment items	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”																														
	Y	N	Brief description																															
			<p>directors and supervisors with materials needed for their execution of business and assist directors (including independent directors) to comply with laws and regulations, and so on.</p> <p>■ Details of the Company corporate governance management’s advance learning in 2024 are as follows:</p> <table border="1"> <thead> <tr> <th>Name</th><th>Education Date</th><th>Hours of Education</th><th>Holding Organization</th><th>Name of Course</th></tr> </thead> <tbody> <tr> <td rowspan="6">Chiang, Su-Kan</td><td>2024/06/26</td><td>3</td><td>Taiwan Corporate Governance Association</td><td>Seminar for Performance Assessment Practices over Board of Directors (2024)</td></tr> <tr> <td>2024/07/03</td><td>6</td><td>Taiwan Stock Exchange</td><td>2024 Cathay Pacific Sustainable Finance & Climate Change Summit</td></tr> <tr> <td>2024/09/03</td><td>9</td><td>Taiwan Corporate Governance Association</td><td>Climate Risk Identification Workshop & Net-Zero Carbon Emission Promotion – Taipei Event</td></tr> <tr> <td>2024/11/22</td><td>3</td><td>Securities & Futures Institutes</td><td>2024 Promotion Workshop on Insider Equity Transaction Law Compliance</td></tr> <tr> <td>2024/12/12</td><td>3</td><td>Taiwan Corporate Governance Association</td><td>How to Map Out a Route for Corporate Sustainability – Take Green Power as Example</td></tr> <tr> <td>2024/12/12</td><td>3</td><td>Taiwan Corporate Governance Association</td><td>Trend and Risk Management for Digital Technology & Artificial Intelligence</td></tr> </tbody> </table>	Name	Education Date	Hours of Education	Holding Organization	Name of Course	Chiang, Su-Kan	2024/06/26	3	Taiwan Corporate Governance Association	Seminar for Performance Assessment Practices over Board of Directors (2024)	2024/07/03	6	Taiwan Stock Exchange	2024 Cathay Pacific Sustainable Finance & Climate Change Summit	2024/09/03	9	Taiwan Corporate Governance Association	Climate Risk Identification Workshop & Net-Zero Carbon Emission Promotion – Taipei Event	2024/11/22	3	Securities & Futures Institutes	2024 Promotion Workshop on Insider Equity Transaction Law Compliance	2024/12/12	3	Taiwan Corporate Governance Association	How to Map Out a Route for Corporate Sustainability – Take Green Power as Example	2024/12/12	3	Taiwan Corporate Governance Association	Trend and Risk Management for Digital Technology & Artificial Intelligence	
Name	Education Date	Hours of Education	Holding Organization	Name of Course																														
Chiang, Su-Kan	2024/06/26	3	Taiwan Corporate Governance Association	Seminar for Performance Assessment Practices over Board of Directors (2024)																														
	2024/07/03	6	Taiwan Stock Exchange	2024 Cathay Pacific Sustainable Finance & Climate Change Summit																														
	2024/09/03	9	Taiwan Corporate Governance Association	Climate Risk Identification Workshop & Net-Zero Carbon Emission Promotion – Taipei Event																														
	2024/11/22	3	Securities & Futures Institutes	2024 Promotion Workshop on Insider Equity Transaction Law Compliance																														
	2024/12/12	3	Taiwan Corporate Governance Association	How to Map Out a Route for Corporate Sustainability – Take Green Power as Example																														
	2024/12/12	3	Taiwan Corporate Governance Association	Trend and Risk Management for Digital Technology & Artificial Intelligence																														
5. Has the company established communication channels with its stakeholders (include but not limited to shareholder, employers, clustomers and suppliers) and a special section for stakeholders on its website? Does the company deal with CSR issues of concern to stakeholders in an appropriate manner?	✓		<p>The company maintains open communication channels with banks it has dealings with as well as employees, consumers, and suppliers and respects and protects their lawful rights and interests.</p> <p>The company has established a spokesperson system and a Litigation/Non-Litigation Agent position and requires that company information is disclosed in an honest manner to provide stakeholders with highly transparent financial and business information. It is also planned to set up a special section for stakeholders on the corporate website to enable the company to deal with CSR issues of concern to stakeholders in an appropriate manner</p>	No major deviations																														
6. Has the company commissioned a professional service agency to handle shareholders meeting affairs?	✓		The company has commissioned Capital Securities Corp., Registrar Agency Department to handle shareholders meeting affairs	No major deviations																														
7. Information disclosure (1) Has the company established a corporate website to disclose information regarding the Company’s financials,	✓		(1) The company has set up a Chinese-language website and will continue to disclose relevant information. Finance, business, and	No major deviations																														

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Assessment items	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”																																
	Y	N	Brief description																																	
business, and corporate governance status?	✓	✓	corporate governance related information of the company can also be queried on the Market Observation Post System after the company goes public.	No major deviations																																
(2) Has the company adopted other information disclosure methods (e.g., maintenance of an English-language website, appointment of dedicated personnel in charge of handling information collection and disclosure, implementation of a spokesperson system, webcasting of investor conferences)?			(2) The company has already established a spokesperson and deputy spokesperson position as well as a Chinese-language website. Finance, business, and corporate governance related information have been made available and investor conference related announcements are handled in accordance with regulations prescribed by the Taiwan Stock Exchange.																																	
(3) Did the Company make public announcement and report its annual financial statements within two months after the end of fiscal year, and make an advance public announcement and report financial statements for Q1, Q2 and Q3 as well as operation status for respective months prior to deadlines required by laws?			(3) The Company has already reported its annual financial statements before deadlines prescribed by laws, and has made public announcements and reports on Q1, Q2 and Q3 financial statements as well as operation status for respective months prior to deadlines prescribed by laws.																																	
8. Other important information to facilitate better understanding of the Company’s corporate governance practices (e.g., employee rights, employee care, investor relations, supplier relations, rights of stakeholders, advanced training of directors and supervisors, implementation of risk management policies and risk evaluation standards, implementation of customer relations policies, and purchase of liability insurance for directors and supervisors):	✓		(1) Director’s continued learning: The Company has already arranged learning courses for all directors. Details of continued learning for 2024 are as follows: <table><tr><th>Title</th><th>Name</th><th>Education Date</th><th>Hours of Education</th><th>Holding Organization</th><th>Name of Course</th></tr><tr><td rowspan="2">Independent Director</td><td rowspan="2">Wei, Chia-Min</td><td>2024/06/27</td><td>3</td><td>Taiwan Corporate Governance Association</td><td>Start from TIPS: How a Enterprise Builds Up Controls for Intelligent Property Risks</td></tr><tr><td>2024/06/27</td><td>3</td><td>Taiwan Corporate Governance Association</td><td>ESG Governance Roles & Duties for Board of Directors/Senior Management</td></tr><tr><td rowspan="2">Independent Director</td><td rowspan="2">Chen, Tien-Wen (Note)</td><td>2024/07/11</td><td>3</td><td>Securities & Futures Institutes</td><td>Digital Re-Birth Creates AI New Future – Case Sharing of Generative AI Application</td></tr><tr><td>2024/10/16</td><td>3</td><td>Securities & Futures Institutes</td><td>Carbon Right Transaction Mechanisms & Application of Carbon Management</td></tr><tr><td>Independent Director</td><td>Chang, De-Wen</td><td>2024/12/26</td><td>3</td><td>Certified Public Accountant Association of Republic of China</td><td>Legal Liability for Financial Statement Preparation & Related</td></tr></table>	Title	Name	Education Date	Hours of Education	Holding Organization	Name of Course	Independent Director	Wei, Chia-Min	2024/06/27	3	Taiwan Corporate Governance Association	Start from TIPS: How a Enterprise Builds Up Controls for Intelligent Property Risks	2024/06/27	3	Taiwan Corporate Governance Association	ESG Governance Roles & Duties for Board of Directors/Senior Management	Independent Director	Chen, Tien-Wen (Note)	2024/07/11	3	Securities & Futures Institutes	Digital Re-Birth Creates AI New Future – Case Sharing of Generative AI Application	2024/10/16	3	Securities & Futures Institutes	Carbon Right Transaction Mechanisms & Application of Carbon Management	Independent Director	Chang, De-Wen	2024/12/26	3	Certified Public Accountant Association of Republic of China	Legal Liability for Financial Statement Preparation & Related	No major deviations
Title	Name	Education Date	Hours of Education	Holding Organization	Name of Course																															
Independent Director	Wei, Chia-Min	2024/06/27	3	Taiwan Corporate Governance Association	Start from TIPS: How a Enterprise Builds Up Controls for Intelligent Property Risks																															
		2024/06/27	3	Taiwan Corporate Governance Association	ESG Governance Roles & Duties for Board of Directors/Senior Management																															
Independent Director	Chen, Tien-Wen (Note)	2024/07/11	3	Securities & Futures Institutes	Digital Re-Birth Creates AI New Future – Case Sharing of Generative AI Application																															
		2024/10/16	3	Securities & Futures Institutes	Carbon Right Transaction Mechanisms & Application of Carbon Management																															
Independent Director	Chang, De-Wen	2024/12/26	3	Certified Public Accountant Association of Republic of China	Legal Liability for Financial Statement Preparation & Related																															

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Assessment items	Implementation Status							Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”		
	Y	N	Brief description							
								Policies for Sustainable Finance		
					2024/12/12	3	Certified Public Accountant Association of Republic of China	International Guidelines and Domestic Laws on Anti-Money Laundering & Countering Proliferation Financing		
			Independent Director	Chan, Wen-Yin	2024/12/12	3	Taiwan Corporate Governance Association	Trend and Risk Management for Digital Technology & Artificial Intelligence		
					2024/12/12	3	Taiwan Corporate Governance Association	How to Map Out a Route for Corporate Sustainability – Take Green Power as Example		
			Director	Chang, Hsien-Min	2024/12/12	3	Taiwan Corporate Governance Association	How to Map Out a Route for Corporate Sustainability – Take Green Power as Example		
					2024/12/12	3	Taiwan Corporate Governance Association	Trend and Risk Management for Digital Technology & Artificial Intelligence		
			Director	Tsai, Shu-Ken	2024/12/12	3	Taiwan Corporate Governance Association	How to Map Out a Route for Corporate Sustainability – Take Green Power as Example		
					2024/12/12	3	Taiwan Corporate Governance Association	Trend and Risk Management for Digital Technology & Artificial Intelligence		
			Director	Tsai, Chang-Hung	2024/12/12	3	Taiwan Corporate Governance Association	How to Map Out a Route for Corporate Sustainability – Take Green Power as Example		
					2024/12/12	3	Taiwan Corporate Governance Association	Trend and Risk Management for Digital Technology & Artificial Intelligence		
					2024/11/19	3	Securities & Futures Institutes	Seminar for Sustainability Committee & Chief Sustainability Officer		
					2024/07/03	6	Taiwan Stock Exchange	2024 Cathay Pacific Sustainable Finance & Climate Change Summit		

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Assessment items	Implementation Status							Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”	
	Y	N	Brief description						
					2024/06/04	3	Taiwan Corporate Governance Association	ESG Governance Roles & Duties for Board of Directors/Senior Management	
					2024/04/30	3	Taiwan Corporate Governance Association	Operation Practices for Sustainable Development Committee (Chief Sustainability Officer, Task Force)	
			Director	Li, Yi-Tsang	2024/12/12	3	Taiwan Corporate Governance Association	How to Map Out a Route for Corporate Sustainability – Take Green Power as Example	
					2024/12/12	3	Taiwan Corporate Governance Association	Trend and Risk Management for Digital Technology & Artificial Intelligence	
			Director	Chang, Chun-Chi	2024/12/12	3	Taiwan Corporate Governance Association	Trend and Risk Management for Digital Technology & Artificial Intelligence	
					2024/12/12	3	Taiwan Corporate Governance Association	How to Map Out a Route for Corporate Sustainability – Take Green Power as Example	
					2024/10/25	3	Securities & Futures Institutes	2024 Promotion Workshop on Insider Equity Transaction Law Compliance	
			Director	Wu, Su-Chiu	2024/12/17	3	Cross-Strait Business Development Association	Present & Future for Engergy/Engineering Service Company (ESCO)	
					2024/08/14	3	Taiwan Corporate Governance Association	Trend and Risk Management for Digital Technology & Artificial Intelligence	
			Director	Sun, Rui-Chien	2024/12/12	3	Taiwan Corporate Governance Association	Trend and Risk Management for Digital Technology & Artificial Intelligence	
					2024/12/12	3	Taiwan Corporate Governance Association	How to Map Out a Route for Corporate Sustainability – Take Green Power as Example	
			Note: On November 30, 2024, independent director Chen, Tien-Wen resigned.						

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Assessment items	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
	Y	N	Brief description	
			<p>(2) Recusal of directors from discussion and voting on motions that involve conflicts of interest: Restrictions and recusal of directors with regard to motions that involve conflicts of interest are clearly stated in the provisions prescribing methods of exercise of rights by shareholders in the articles of incorporation.</p> <p>(3) Purchase of liability insurance for directors and supervisors: The company has purchased liability insurance for all directors</p> <p>(4) Investor relations, supplier relations, rights of stakeholders: The company has established a spokesperson system to facilitate inquiries on business conditions and consultation with regard to right and interest related issues by investors, suppliers, and stakeholders. The company maintains positive communication channels with banks, suppliers, and stakeholders.</p>	
<p>9. Please describe adopted improvements and planned measures for prioritized areas requiring improvement as identified in the most recent corporate governance evaluation carried out by the TWSE Corporate Governance Center. (not required for companies which have not been evaluated)</p> <p>(1) Improvement Status:</p> <p>1. The Company will search for appropriate candidate for general manager. Chairman will not assume the post of general manager concurrently.</p> <p>2. One more seat for independent director was elected during shareholders meeting dated June 17, 2022.</p> <p>(2) Priorities for Enhancement Matters & Measures: None.</p>				

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Note 1: CPA independence assessment

Assessment criteria	Assessment results	Conformity to independence requirements
1. Does the CPA have a direct or material indirect financial interest/relationship with the Company?	No	Yes
2. Has the CPA extended any loans or issued any guarantees to the Company or its directors?	No	Yes
3. Does the CPA have a close business relationship or potential employment relationship with the Company?	No	Yes
4. Have the CPA and members of his/her assurance task force served as director or manager or fill a position for the Company that has a material impact on the Audit Committee at present or within the last two years?	No	Yes
5. Does the CPA provide non-assurance services for the Company that have a direct impact on audit tasks?	No	Yes
6. Does the CPA serve as a broker for shares or other securities issued by the Company?	No	Yes
7. Does the CPA serve as a defender or representative for the Company in the resolution of conflicts with third parties?	No	Yes
8. Is the CPA related to a director or manager of the Company or to personnel performing duties that have a material impact on audit cases?	No	Yes

(4) Operation of Remuneration Committee

1. Information for Members of Remuneration Committee

Qualification Name	Professional Qualification & Experience	Status of Independence	Number of Publicly Listed Companies Where This Director is Also a Member of Remuneration Committee
Independent Director Wei, Chia-Min	<p><u>Education</u> Ph. D., Dept. of Resource Energy, National Cheng Kung University</p> <p><u>Experience</u> Previously Vice President, Metal Industries Research and Development Center, with machinery industry expertise and years of industry operation and management experience.</p> <p>Qualification hereto complies with terms stipulated in respective clauses of Article 30 of the Company Act.</p>	<ol style="list-style-type: none"> 1. The director himself or herself, his or her spouse or relatives within second degree of kinship does not or do not assume posts of director, supervisor or employee in the Company or its affiliated business. 2. The director himself or herself, his or her spouse or relatives within second degree of kinship does not or do not own the Company's shares either under his/her/their own name(s) or other's name. 3. The director himself or herself does not assume posts of a director or an employee in a company having specific relationship with the Company. 4. The director himself or herself did not offer services related to business, law, finance or accounting to the Company or its affiliated business within the last two years. 	2
Independent Director Chang, De-Wen (Convener)	<p><u>Education</u> Dept. of Business Administration, National Taiwan University</p> <p><u>Experience</u> President, You Shih CPA Firm, with CPA qualification and years of experience in accounting, finance and operation management.</p>	<ol style="list-style-type: none"> 1. The director himself or herself, his or her spouse or relatives within second degree of kinship does not or do not assume posts of director, supervisor or employee in the Company or its affiliated business. 2. The director himself or herself, his or her spouse or relatives within second 	0

<div>Qualification</div> <div>Name</div>	Professional Qualification & Experience	Status of Independence	Number of Publicly Listed Companies Where This Director is Also a Member of Remuneration Committee
	Qualification hereto complies with terms stipulated in respective clauses of Article 30 of the Company Act.	<p>degree of kinship does not or do not own the Company's shares either under his/her/their own name(s) or other's name.</p> <p>3. The director himself or herself does not assume posts of a director or an employee in a company having specific relationship with the Company.</p> <p>4. The director himself or herself did not offer services related to business, law, finance or accounting to the Company or its affiliated business within the last two years.</p>	
Independent Director Chan, Wen-Yin	<p><u>Education</u> Institute of Electrical and Control Engineering, National Chiao Tung University Top-level Managers Management Class, Wharton School of the University of Pennsylvania</p> <p><u>Experience</u> Previously Director, Microelectronics Technology, Inc.; Vice President, ADVANIXS CORPORATION; Vice President, CyberTAN Technology Inc.; Vice President; Vice President, Avago Technologies; Director of Taiwan Area, Agilent Technologies with years of experience in operation management.</p> <p>Qualification hereto complies with terms stipulated in</p>	<p>1. The director himself or herself, his or her spouse or relatives within second degree of kinship does not or do not assume posts of director, supervisor or employee in the Company or its affiliated business.</p> <p>2. The director himself or herself, his or her spouse or relatives within second degree of kinship does not or do not own the Company's shares either under his/her/their own name(s) or other's name.</p> <p>3. The director himself or herself does not assume posts of a director or an employee in a company having specific relationship with the Company.</p> <p>4. The director himself or herself did not offer services related to business, law, finance or accounting</p>	

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Qualification Name	Professional Qualification & Experience	Status of Independence	Number of Publicly Listed Companies Where This Director is Also a Member of Remuneration Committee
	respective clauses of Article 30 of the Company Act.	to the Company or its affiliated business within the last two years.	

2. Remuneration Committee Competencies

- (1) Assessment and monitoring of the company's remuneration policies
- (2) Assessment and setting of remuneration standards for directors (incl. Chairman and Vice Chairman)
- (3) Assessment and setting of remuneration standards for executives above the level of president and Associate GM
- (4) Assessment and setting of remuneration standards for executives
- (5) Regular reviews of remunerations of directors (incl. Chairman and Vice Chairman) and top executives (incl. executives above the level of manager and associate GM) based on company goals, business performance, and competitive environment

3. Operations of the remuneration committee

- (1) Originally, there were 4 commissioners for the Company's Remuneration Committee. However, Commissioner Mr. Chen, Tien-Wen resigned on November 30, 2024. Therefore, the Company currently has 3 commissioners for Remuneration Committee.
- (2) Term of office of the current committee:
The term of office began on June 17, 2022 and will end on June 16, 2025 (on the same day as the 7th board of directors)

A total of 3 committee meetings (A) were convened in the most recent fiscal year (2024). Member qualifications and attendance records are as follows:

Title	Name	Attendance in person (B)	By proxy (C)	Attendance rate (%) 【B/A】	Remarks
Independent director	Wei, Chia-Min	3	0	100%	
Independent director	Chen, Tien-Wen	3	0	100%	Resigned on November 30, 2024.
Independent director (Convener)	Chang, De-Wen	3	0	100%	
Independent director	Chan, Wen-Yin	3	0	100%	

Information of the Company Remuneration Committee's meeting, review and assessment of the Company's remuneration for last year is as follows:

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Date of Meeting	Contents of Proposals	Opinions from Remuneration Committee	Company's Response to Remuneration Committee's Opinion	Resolution Result
2024.03.12	1. Recognition of the Company's 2023 manager bonus. 2. Discussion of the Company's 2023 employee compensation and director remuneration.	Nil	Unanimous approval from all attending commissioners	Proposal was submitted to Board of Directors for approval from all attending directors.
2024.08.22	1. Recognition of the Company's manager early retirement bonus. 2. Recognition of the Company's manager fixed compensation adjustment.	Nil	Unanimous approval from all attending commissioners	Proposal was submitted to Board of Directors for approval from all attending directors.
2024.11.07	1. Recognition of the Company's new manager fixed compensation.	Nil	Unanimous approval from all attending commissioners	Proposal was submitted to Board of Directors for approval from all attending directors.

Other items to be recorded:

1. If the board rejects or revises suggestions submitted by the remuneration committee, the date of the board meeting, the session, content of the motion, the board resolution, and the response by the company to opinions of the remuneration committee members should be specified (if remunerations and compensations approved by the board are higher than those suggested by the committee, the actual discrepancies and reasons should be stated clearly): None
2. If objections or reservations to resolutions by committee members are recorded or declared in writing, the dates of committee meetings, sessions, contents of motions, the opinions of all committee members and responses to such opinions by the company should be specified: None

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(e) Execution of Sustainable Development Promotion, and Differences with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons

Assessment Items	Operation Conditions			Difference with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Differences
	Yes	No	Summarized Explanation	
1. Does the Company establish structures to promote sustainable development and establish full-time (part-time) unit responsible for promoting sustainable development? Does Board of Directors Meeting authorize and supervise senior management over management of these issues?	√		The Company complied with sustainability policy and vision and, with Board of Directors' approval dated November 7, 2024, established Sustainability Committee which serves as the Company's ultimate decision-making center for sustainability. This committee installed departments for communication both vertically and horizontally with independent directors and directors assuming commissioners. Meanwhile, a "Sustainability Development Office" was established in Chairman's Office to serve as the designated (concurrent) unit for sustainability development promotion. This unit is engaged in consolidation and planning, and works together with middle/senior level management from different fields to review corporate sustainability operation policy and establish the Company's various short/mid/long-term indicators and goals to encounter climate risks and sustainability development. To ensure effective promotion of various tasks, this Committee will hold at least one meeting each year for discussion of issues and reports implementation effectiveness of various tasks to Board of Directors. Board of Directors reviews strategy progress and proposes feedback based on needs for the purpose of supervising sustainability development. All related information will be disclosed yearly in the Company's website and annual report to deepen sustainability	No Material Difference

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Assessment Items	Operation Conditions			Difference with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Differences
	Yes	No	Summarized Explanation	
			governance culture and enhance the Company's transparency.	
2. Has the Company conducted assessments over risks related to the Company operation's environmental, social and corporate governance issues, and established related risk management policy or strategy accordingly?	√		To ensure appropriate promotion of environment, society and corporate governance issues related to the Company's operation, each year the Company is engaged in negotiations of critical issues with respective interest parties through feedback channels of questionnaire, survey, document and mails. This identifies risk levels of various critical issues which shall serve as the framework for the Company's sustainability report. Preparation is therefore made through perspectives of corporate governance, sustainable environment, social benefits, disclosure of sustainability information and risk management. Related indicators and goals are established to fulfill the Company's sustainability development policy. Status on management policy, implementation strategy and goal achievement is periodically complied into related achievement materials on the Company's sustainability report. This report compiles related achievement materials and reports critical issues of economy, society and environment, and is submitted to Board of Directors for report and verification.	No Material Difference

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Assessment Items	Operation Conditions			Difference with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Differences						
	Yes	No	Summarized Explanation							
3. Environmental Issues (1) Has the Company established appropriate environment management systems in accordance with industry characteristics?	√		<div>(1) The Company emphasizes environmental protection and energy saving. To fulfill a corporate’s responsibility on environmental protection, pollution prevention equipment has been installed in accordance with regulations from respective production sites. Through establishment and verification of ISO14001 (please refer to the follow table) especially guidelines on environmental management plan, pollution prevention and garbage reduction, the Company fulfills environmental protection task and is committed to fulfilling its share of duty with regards to global environmental protection. Additionally, respective factories are responsible for installing responsible persons for air pollution, waste water and wastes. These persons are responsible for environmental protection related business as well as management of requirements from environmental protection regulations. Respective Production Units’ ISO14001 expirations range from September of 2025 to September of 2027.</div> <table><tr><td>Name of Company</td><td>ISO14001Environment Certificate Expiration Dates</td></tr><tr><td>Jiangsu Bright Steel</td><td>2023/6/15 ~ 2026/7/5</td></tr><tr><td>Shanghai No.1</td><td>2022/9/27 ~ 2025/9/28</td></tr></table>	Name of Company	ISO14001Environment Certificate Expiration Dates	Jiangsu Bright Steel	2023/6/15 ~ 2026/7/5	Shanghai No.1	2022/9/27 ~ 2025/9/28	
Name of Company	ISO14001Environment Certificate Expiration Dates									
Jiangsu Bright Steel	2023/6/15 ~ 2026/7/5									
Shanghai No.1	2022/9/27 ~ 2025/9/28									

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Assessment Items	Operation Conditions			Difference with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Differences
	Yes	No	Summarized Explanation	
(2) Is the Company dedicated to enhancing utilization efficiency for various resources, and utilizing recycled materials with low impact to environment?	√		Machine Tool Foundry	
			Ningbo Yeong Shang	
			2023/7/5 ~ 2026/7/16	
			Dongguan Mould Factory	
			2024/9/10 ~ 2027/9/9	
			Ningbo Lu Lin	
			2024/6/3 ~ 2027/6//16	
			Yeong Guan Holding Co., Limited Taiwan Branch	
			2023/9/4 ~ 2026/9/3	
			(2) The Company has established management systems for energy utilization efficiency. Respective production sites have gradually obtained ISO50001 energy management certification. The Company is dedicated to enhancing utilization efficiency on various energy, and conducts management and recycling on recycle resources during production process. Through enhancement of work skill, change of ratios for raw materials utilized, reduction of cast iron and utilization of recycled steel, overall production quantity for 2024 was roughly 170,000 tons. Percentage for recycled steel utilization has reached more than 47%. Recycled scraps during production process can be re-utilized as raw materials. Recycled old ore sands can be recycled for utilization. Utilization of recycled sands can reach as high as more than 96%. Currently, the Company is already planning to	

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Assessment Items	Operation Conditions			Difference with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Differences
	Yes	No	Summarized Explanation	
(3) Does the Company assess corporate's current and future potential risks and opportunities from climate change, and adopt measures responding to climate related issues?	√		<p>install solar energy generator equipment to support production and increase utilization rate for clean energy.</p> <p>(3) We shall include climate change considerations into our routine information disclosure to ensure our sustainability development efforts are in line with global trend. Through these standardized indicators and references, we shall be able to assess more effectively of our performance in the fields of environment, society and governance, and continue to optimize subsequent strategies as well as to promote the Company's long term development when faced with climate change and social responsibility. These measures not only enhance our transparency, they also demonstrate to the outside world of our commitment and responsibility towards sustainable development. Starting from 2023, the Company takes references from Task Force on Climate-related Financial Disclosure (TCFD) framework in delivering its response in Chapter 4 of Sustainability Report while disclosing the Company's risks and opportunities related to climate change. These contents include governance, strategy, risk management, indicators and goals as well as risks and opportunities defined in accordance with TCFD guidelines. Through collecting cross-department discussion and external consultation over extensive issues, the Group's major risks and opportunities as well as corresponding potential</p>	

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Assessment Items	Operation Conditions			Difference with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Differences
	Yes	No	Summarized Explanation	
(4) Has the Company calculated greenhouse gas emission amount, water utilization amount and total weight of wastes, and established policies for energy saving and carbon reduction, reduction in greenhouse emission and water utilization or management over other wastes?	√		occurrence scenarios and levels of impact have been specifically identified.	
			(4) The Company reviews its greenhouse gas emission, water consumption and total weight of waste for the last 2 years and plans on reducing greenhouse gas emission amount, decreasing water consumption as well as improving waste management. Implementation will be conducted under TCFD references and in accordance with short/mid/long-term goals. The Company utilizes waste reduction, recycle utilization and recycled economy (resin sand) as goals for its reduction promotion. Percentages for recycled old sand are increasing year by year. Please refer to Sustainability Report for details. Respective production sites have gradually introduced ISO50001 to serve as framework and system for energy management and consumption improvement. Expirations for respective factories' ISO50001 energy certificates range from May, 2025 to December, 2026.	
			<table><tr><th>Company Name</th><th>ISO50001 Energy Certificate Effective Periods</th></tr><tr><td>Jiangsu Bright Steel Fine Machinery</td><td>2022/5/27 ~ 2025/5/26</td></tr></table>	Company Name
Company Name	ISO50001 Energy Certificate Effective Periods			
Jiangsu Bright Steel Fine Machinery	2022/5/27 ~ 2025/5/26			

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Assessment Items	Operation Conditions			Difference with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Differences						
	Yes	No	Summarized Explanation							
			<table border="1"> <tr> <td>Shanghai No.1 Machine Tool Foundry</td> <td>2023/12/5 ~ 2025/11/5</td> </tr> <tr> <td>Ningbo Yeong Shang</td> <td>2023/8//7 ~ 2026/8/6</td> </tr> <tr> <td>Ningbo Lu Lin Machine Tool</td> <td>2023/12/21 ~ 2026/12/24</td> </tr> </table> <p>Although the Company’s industrial water consumption is lower than that of average industries, we still establish targets to lower water consumption density (water consumption/revenue in millions) as our basis for reduction. We hope to reduce at least 5% of water density by the year of 2030 and maximize recycling of production water and rain drops. In terms of waste management, gradually we will utilize recycled packaging and repeated utilization of devices as our basis for improvement. We also establish waste reduction target of at least 5% by the year of 2030 in order to reduce burden to environment. In Sustainability Report, we list out details of our annual plan which includes specific targets, implementation steps and progress. The Company also provides transparent data and case analysis in the fields of environmental protection, social responsibility and corporate governance. The Company’s disclosure of greenhouse gas emission, waste and water consumption for 2023 and 2024 is as follows:</p>	Shanghai No.1 Machine Tool Foundry	2023/12/5 ~ 2025/11/5	Ningbo Yeong Shang	2023/8//7 ~ 2026/8/6	Ningbo Lu Lin Machine Tool	2023/12/21 ~ 2026/12/24	
Shanghai No.1 Machine Tool Foundry	2023/12/5 ~ 2025/11/5									
Ningbo Yeong Shang	2023/8//7 ~ 2026/8/6									
Ningbo Lu Lin Machine Tool	2023/12/21 ~ 2026/12/24									

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Assessment Items	Operation Conditions			Difference with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Differences												
	Yes	No	Summarized Explanation													
			<table border="1"> <tr> <th>Category Year</th> <th>2023(tons)</th> <th>2024(tons)</th> </tr> <tr> <td>Greenhouse Gas Emission (Scope I, II)</td> <td>124,327.68</td> <td>117,325.80</td> </tr> <tr> <td>Water Consumption</td> <td>274,898</td> <td>310,253</td> </tr> <tr> <td>Total Wastes</td> <td>33,749.78</td> <td>29,202.16</td> </tr> </table> <p>◆ (Note: Data disclosed herein are the Company’s internal statistics. Information for final disclosure shall be based on Sustainability Report which will be reviewed and approved by contractors.)</p>	Category Year	2023(tons)	2024(tons)	Greenhouse Gas Emission (Scope I, II)	124,327.68	117,325.80	Water Consumption	274,898	310,253	Total Wastes	33,749.78	29,202.16	
Category Year	2023(tons)	2024(tons)														
Greenhouse Gas Emission (Scope I, II)	124,327.68	117,325.80														
Water Consumption	274,898	310,253														
Total Wastes	33,749.78	29,202.16														
4. Social Issues (1) Does the Company establish related management policies and programs in accordance with related laws and regulations and International Bill of Human Rights?	√		(1) The Company established its human rights protection policies and specific management plans under references of International Covenant of Civil and Political Rights, and is committed to reasonable assurance of employee and work environment’s safety, respect and dignity for personnel, promotion of environmental protection in its operation and compliance of regulations and moral. To fulfill that commitment, the Company sticks to integrity, treats every colleague with dignity and equality and respects individual differences. For details, please refer to the Company’s internal requirement of guides for sustainable development in the	No Material Difference												

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Assessment Items	Operation Conditions			Difference with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Differences
	Yes	No	Summarized Explanation	
			<p>website.</p> <p>The Company complies with labor related regulations from respective production sites around the world, supports and complies with human rights protection spirit and fundamental principles disclosed in various international human rights covenants such as “The United Nations Global Compact”, “Universal Declaration of Human Rights” and “ILO Declaration on Fundamental Principles and Rights at Work”, fully demonstrates its responsibility for respect and protection of human rights and treats all current colleagues, which include contract personnel and interns, with dignity and respect. Scope of application for the Group’s human rights policy includes the Company, domestic and offshore subsidiaries, joint venture and other Group affiliated corporate organizations with substantial control capability. We comply with the following principles to safeguard human rights:</p> <ol style="list-style-type: none"> 1. Inclusion of Diversity & Equal Opportunity: There won’t be any differential treatments out of gender, race, age, marriage, language, political stance or religious belief. 2. Prohibition of Forced Labor: Employee’s willingness is respected and forced labor is prohibited. 3. Prohibition of Child Labor: 	

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Assessment Items	Operation Conditions			Difference with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Differences
	Yes	No	Summarized Explanation	
(2) Does the Company establish and implement reasonable employee benefit measures (including compensation, vacation and other benefits), and reflect	√		<p>Employment standards comply with minimum age restrictions from local regulations.</p> <p>4. Reasonable Compensation & Work Conditions: Employees are provided with reasonable compensation and related benefit terms in accordance with laws and regulations.</p> <p>5. Healthy & Safe Work Place: Healthy and safe work environments are established to promote employee's physical and mental health for the purpose of obtaining work/life balance.</p> <p>6. Harmonious Labor/Management Relationship: The Company establishes smooth labor/management communication channels and is dedicated to promoting harmonious labor/management relationship in order to mediate opinion differences effectively. The Company's human rights policy has been approved and signed by Chairman, and it is publicly disclosed in the Company's corporate social responsibility webpage and Sustainability Report.</p> <p>(2) Corporate governance guidelines are not only for obtaining substantial operation achievements. It is also for more elaborate and complete combination of management indicators, department work targets, individual performance and</p>	No Material Difference

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Assessment Items	Operation Conditions			Difference with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Differences
	Yes	No	Summarized Explanation	
operation performance or achievements appropriately on employee compensation?	√		sustainability indicators for the purpose of accomplishing the mission of fulfilling corporate social responsibility. In addition to corporate profit, what's more important is that the Company from top to down must implement each and every step truthfully in being friendly to environment, recognizing the nature as the main body and being dedicated to the purpose of social benefits. To fully take care of employees and protect their living conditions, we are dedicated to providing reasonable and competitive compensation for the purpose of attracting, retaining and stimulating talents so as to facilitate achievements of the Company's long-term development and operation goals. The Company has established its compensation policy. In addition to stable fundamental salary, a flexible compensation policy was designed based on duty contents, responsibility assumed, level of contribution and personal work performance. The Company shall disburse 2 percent to 15 percent of profits for employee compensation if the Company enjoys profits during that year. Parties receiving Employee compensation shall include employees working for subsidiaries which meet this criterion. Nevertheless, profits shall first be reserved to make up for losses in the event that the Company has accumulated losses. After that, disbursement shall than be made in accordance with percentages.	No Material Difference

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Assessment Items	Operation Conditions			Difference with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Differences
	Yes	No	Summarized Explanation	
	√		<p>Requirements applied in Taiwan area in accordance with Labor Pension Act are as follows:</p> <ol style="list-style-type: none"> 1. Application of Retirement: A labor may apply for retirement in case of one of the following circumstances: (For individuals choosing to apply Labor Pension Act, handling shall be conducted in accordance with requirements from the same act.) <ul style="list-style-type: none"> (i) Individuals working for more than 15 years and aged 55 years old; (ii) Individuals working for more than 25 years; (iii) Individuals working for more than 10 years and aged 60 years old. 2. Mandatory Retirement: Unless with one of the following circumstances, the Company shall not force an employee to retire: <ul style="list-style-type: none"> (i) Aged 65 years old; (ii) Mentally incompetent or physically disadvantaged to the extent of not being capable of working. (iii) For age prescribed in the first clause of the aforementioned paragraph, the Company may apply for central competent authority's approval for adjustment with regard to workers engaged in tasks of special nature such as dangerous tasks or tasks requiring sturdy physical 	No Material Difference

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Assessment Items	Operation Conditions			Difference with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Differences
	Yes	No	Summarized Explanation	
			<p>strength. However, age shall not be younger than 55 years old.</p> <p>3. Pension Disbursement Standards</p> <p>(i) For labors with years of service prior to or after application of Labor Standards Act and those choosing to continue application of pension rules prescribed in “Labor Standards Act” in accordance with Labor Pension Act, or labors choosing to reserve years of service prior to application of Labor Pension Act, their pension disbursement standards shall follow Article 84-2 and Article 55 of Labor Standards Act.</p> <p>(ii) For employees with years of service prescribed in aforementioned paragraph and mandatory retirement prescribed in clause 2, paragraph 1 of Article 35, 20% more shall be disbursed in accordance with clause 2, paragraph 1, Article 55 of Labor Standards Act in the event that their mental incompetency or physical disadvantage are caused from duty execution.</p> <p>(iii) For employees applying pension rules prescribed in Labor Pension Act, each month the Company pays 6% of their salaries to their labor personal pension accounts.</p> <p>4. Payment of Pension: For pensions payable to employees by the Company, payments</p>	

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Assessment Items	Operation Conditions			Difference with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Differences
	Yes	No	Summarized Explanation	
(3) Does the Company provide safe and healthy work environments to employees and regularly conduct safety and health education to employees?	√		<p>shall be made within 30 days after employee's retirement date. Additionally, subsidiaries shall also comply with local regulations in making mandatory disbursements of social security fund and housing provident fund. The Company's female employees account for 14% of total employees. For senior posts, percentage for female employees is 17.65%.</p> <p>(3) To prevent occurrence of work safety incidents, the Company provides friendly work environments, protects employees and contract workers' safety and establishes occupational health and safety policy. The Company's occupational safety management is marching towards a full-scale systematic management. The Company establishes, plans and promotes health and safety management matters, related education and training, planning, suggestion and guidance on disaster prevention and emergency handling for its work place in accordance with labor health and safety related laws and regulations. Environmental protection and pollution prevention in experiment locations are conducted in accordance with environmental regulations. Management is exerted upon listed poisonous chemicals and resources are recycled. The Company implements green purchase and promotes sustainable energy</p>	No Material Difference

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Assessment Items	Operation Conditions			Difference with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Differences										
	Yes	No	Summarized Explanation											
			<p>saving as well as electricity safety and fire prevention. Occupational health and safety management department regularly holds employee representatives meeting during which employees can fully reflect their needs and report their unique organizational health and safety issues for management to understand accordingly. They can also make suggestions for improvement matters and specifics on how to improve. The Company provides routine training and reviews shortcomings during safety meetings for the purpose of creating corporate safety culture and safeguarding employee’s safety. Expiration dates for ISO45001 occupational health and safety certificates rang from September of 2025 to June of 2027.</p> <table> <tr> <th>Company Name</th> <th>ISO14001 Environment Certificate Effective Periods</th> </tr> <tr> <td>Jiangsu Bright Steel Fine Machinery</td> <td>2023/6/15 ~ 2026/7/5</td> </tr> <tr> <td>Shanghai No.1 Machine Tool Foundry</td> <td>2022/9/27 ~ 2025/9/28</td> </tr> <tr> <td>Ningbo Yeong Shang</td> <td>2023/7/5 ~ 2026/7/16</td> </tr> <tr> <td>Dongguan Yeong Guan Mould Factory</td> <td>2024/9/10 ~ 2027/9/9</td> </tr> </table>	Company Name	ISO14001 Environment Certificate Effective Periods	Jiangsu Bright Steel Fine Machinery	2023/6/15 ~ 2026/7/5	Shanghai No.1 Machine Tool Foundry	2022/9/27 ~ 2025/9/28	Ningbo Yeong Shang	2023/7/5 ~ 2026/7/16	Dongguan Yeong Guan Mould Factory	2024/9/10 ~ 2027/9/9	
Company Name	ISO14001 Environment Certificate Effective Periods													
Jiangsu Bright Steel Fine Machinery	2023/6/15 ~ 2026/7/5													
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Assessment Items	Operation Conditions			Difference with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Differences				
	Yes	No	Summarized Explanation					
(4) Does the Company establish effective career capability development and training programs for employees?	√		<table><tr><td>Ningbo Lu Lin Machine Tool</td><td>2024/6/3 ~ 2027/6//16</td></tr><tr><td>Yeong Guan Holdings Co., Ltd. Taiwan Branch</td><td>2023/9/4 ~ 2026/9/3</td></tr></table> <p>(4) The Company establishes annual employee training programs based on employee’s responsibilities and capabilities. Through comprehensive talent training contents, new employee training, on-job-training, internal/external training, EHS education and training and management trainee training are included to provide diversified learning channels. Employees under training are under constant observation to verify if their business performance is enhanced and if training effectiveness is achieved for the purpose of obtaining efficient talent training programs.</p>	Ningbo Lu Lin Machine Tool	2024/6/3 ~ 2027/6//16	Yeong Guan Holdings Co., Ltd. Taiwan Branch	2023/9/4 ~ 2026/9/3	No Material Difference
Ningbo Lu Lin Machine Tool	2024/6/3 ~ 2027/6//16							
Yeong Guan Holdings Co., Ltd. Taiwan Branch	2023/9/4 ~ 2026/9/3							
(5) In terms of products and services, does the Company comply with related regulations and international standards on customer’s health and safety, customer confidentiality and marketing and labelling, and establish related customer protection policy and customer complaint procedures?	√		<p>(5) 1. Our products and services are clearly labeled pursuant to applicable laws and international standards at the Company’s operation and sales locations or in accordance with customer requirements. We have formulated relevant rules, norms, and regulations to protect confidential business information and customer privacy and prevent</p>	No Material Difference				

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Assessment Items	Operation Conditions			Difference with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Differences
	Yes	No	Summarized Explanation	
(6) Does the Company establish supplier management policies requesting suppliers to comply with related requirements on environmental protection, occupational safety and health or labor human rights? What about implementation of these policies?	√		<p>unauthorized access, tampering, or improper disclosure of such information, posing a threat to customer privacy and interests. In addition to provision of the latest company news and product information and the phone numbers and e-mail addresses of persons in charge of different business areas on the corporate website, we have set up stakeholder communication channels that enable stakeholders to convey grievances and engage in communication with the company. After receiving information provided by stakeholders, it is immediately forwarded to dedicated personnel for confirmation or processing. It is further ensured that stakeholders receive responses within a prescribed time limit.</p> <p>2. No violations of laws and regulations governing customer health and safety, customer privacy, and product and service marketing occurred in 2024.</p> <p>(6) The Company has already established supplier control processes. Prior to entering new collaboration agreement, related materials and qualifications of suppliers will be reviewed to verify if requirements are met. Meanwhile, management agreements on environmental protection and occupational health and safety will be entered with suppliers accordingly. For suppliers fail to implement or fail to fully</p>	No Material Difference

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Assessment Items	Operation Conditions			Difference with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Differences
	Yes	No	Summarized Explanation	
			implement environmental protection and occupational health and safety management requirements, related measures of rectification within deadline, performance review, payment deduction, downgraded performance ratings, suspension or termination of collaboration will be enforced accordingly.	
5. Does the Company take references from internationally applied report preparation requirements or guidelines in its preparation of corporate social responsibility report which discloses the Company's non-financial information? Has aforementioned report obtained assurance or guarantee opinion from collaboration vendor's verification unit?	√		SGS (a global certification institute) provided AA1000 moderate certification over the Company's 2023 Sustainability Report which was published in 2024. Purpose of this is to assess our performance in social responsibility, environmental protection and ESG. This certification encompasses the following main contents: focuses on sustainability report and social responsibility, enhancement of report's reliability and transparency and compilation based on the latest GRI standards. Assessment is conducted using AA1000 principles. Emphasis is on related parties' participation and feedback in order to ensure that this report meets with their expectation. Assessment process includes review over internal process and data collection measures and assurance of report content's compliance with related standards and guideline. Finally, suggestions will be proposed based on assessment result and official certification statement will be issued to explain this report's reliability.	2024 Sustainability Report will be issued by the Company in the third quarter of 2025.
6. In the event that the Company has already established its own corporate social responsibility guidelines in accordance with "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies," please describe differences between its actual operations and guidelines:				

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Assessment Items	Operation Conditions			Difference with Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for Differences
	Yes	No	Summarized Explanation	
The Company has already established its “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies.” The Company has complied with these principles accordingly and there are no material differences at current phase.				
7. Other critical information helps in understanding operations of corporate social responsibility: For details, please refer to corporate news, investor section and sustainability section on the Company’s official website. Contents include: from time to time release of the Company’s related news, community activities and promotions on sustainability practices. The Company also provides diversified channels to stakeholders for communication and expression of information.				

According to schedule planning for listed company’s Sustainable Development Roadmap (hereinafter referred to as sustainable roadmap), companies with capital fund smaller than 5 billion shall complete greenhouse gas check in 2028 and ensure such information is disclosed. As such, this requirement does not apply to the Company.

(f) Implementation of Ethical Corporate Management and Adopted Measures

Implementation of Ethical Corporate Management

Assessment items	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Y	N	Brief description	
1. Formulation of ethical corporate management policies and programs	√			No major deviations
(1) Has the Company formulated ethical corporate management policies and are such policies and methods stated explicitly in the company’s rules and regulations and externally circulated documents and do the board and management level honor the commitment to ethical corporate management?			(1) The Company has formulated Ethical Corporate Management Best Practice Principles, which have been approved by the board of directors. These principles are disclosed on the Market Observation Post System and the corporate website (http://www.ygget.com) as well as in its annual reports and other promotional materials. All members of the top management level and board of directors of the group embrace an integrity-based business philosophy in the performance of their duties and fulfill their supervisory responsibilities to lay the foundation for sustainable development of the group.	
(2) Has the Company established an assessment mechanism for unethical behavior risks to facilitate regular analysis and assessment of business activities associated with a high risk of unethical behavior within the scope of the Company’s operations? Has it formulated programs for the prevention of unethical conduct that at least incorporate the preventive measures	√		(2) The Company has included clearly formulated prevention programs and relevant handling procedures governing prohibition of bribery, illegal political contributions, improper charity donations or sponsorships, improper gifts, entertainment, or other benefits, leaking of business secrets, and impairment of stakeholder rights and interests in its Ethical Corporate	No major deviations

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Assessment items	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Y	N	Brief description	
<p>set forth in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(3) Do the programs to prevent unethical conduct contain clearly defined operating procedures, codes of conduct, penalties for violations, and a grievance system? Are these programs implemented and carried out? Does the Company implement regular reviews and amendments to the aforementioned programs?</p>	√		<p>Management Operating Procedures and Code of Conduct</p> <p>(3) The Company has included concrete directions including clearly defined operating procedures and code of conduct, penalties for violations, and a grievance system for the performance of duties by Company personnel in its Ethical Corporate Management Operating Procedures and Code of Conduct. The Audit Office reviews and amends the Ethical Corporate Management Best Practice Principles and Ethical Corporate Management Operating Procedures and Code of Conduct on a regular basis with reference to key international trends.</p>	No major deviations
<p>2. Implementation of ethical corporate management</p> <p>(1) Does the company evaluate integrity records of trading counterparties and do contracts signed with trading counterparties include clearly formulated provisions regarding ethical behavior?</p>	√		<p>(1) Before the company establishes commercial relations with third parties, it carries out assessments of the legality, ethical corporate management policies, and past records of unethical behavior of suppliers, customers, or other trading counterparties to ensure the fairness and transparency of their business operations and guarantee that they will not request, offer, or accept bribes.</p>	No major deviations
<p>(2) Has the company established exclusively dedicated units subordinate to the board to be in</p>	√		<p>(2) The company has designated the audit office as its dedicated unit in charge of amendment,</p>	No major deviations

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Assessment items	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Y	N	Brief description	
<p>charge of proposing and enforcing ethical corporate management policies and submit regular reports (at least once a year) regarding the implementation progress to the board?</p> <p>(3) Are policies in place to prevent conflicts of interest and have appropriate appeal channels been established and implemented?</p>	√		<p>implementation, interpretation, and counseling services with regard to the “Ethical Corporate Management Operating Procedures and Code of Conduct” in addition to the recording and archiving of reported contents as well as supervision of implementation and submission of regular reports to the board of directors.</p> <p>(3) The board directors uphold a high standard of self-discipline. When a proposal at a given board of directors meeting concerns the personal interest or the interest of the juristic person represented by any director, that director may state his/her opinions and respond to inquiries, but may not participate in the discussion or vote on that proposal and shall recuse himself or herself from any discussion and voting, where there is a likelihood that the interests of the company would be prejudiced. In addition, said director may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p>If in the course of conducting company business, any personnel of the company discovers that a conflict of interest exists involving themselves or the juristic person</p>	No major deviations

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Assessment items	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Y	N	Brief description	
(4) Has the company established an effective accounting and internal control system to implement ethical corporate management? Are relevant audit plans formulated by internal audit units based on the results of unethical behavior risk assessments? Are regular audits of compliance with programs for the prevention of unethical conduct carried out by internal audit units or commissioned accountants based on these plans?	√		that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions. (4) The company has established an accounting system and effective internal control system. Audit departments regularly review compliance with this accounting and internal control system and submit reports to the board of directors.	No major deviations
(5) Does the company organize regular internal and external training on ethical corporate management?	√		(5) The company organizes regular training and education for directors, executives, employees, and appointees to provide them with a full understanding of the commitment, policies, and prevention schemes of the company in the area of ethical corporate management and ward off unethical behavior.	No major deviations
3. Implementation of the whistle-blowing system				
(1) Has the company established a clearly defined	√		(1) The company has set up reporting mailboxes	No major deviations

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Assessment items	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Y	N	Brief description	
<p>(2) whistle-blowing and incentive system and convenient review channels? Has dedicated personnel been designated to ensure an appropriate processing of reported cases.</p> <p>(3) Has the company formulated standard operating procedures for the investigation and processing of received reports, follow-up measures and relevant confidentiality mechanisms?</p> <p>(3) Has the company adopted measures to protect whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing?</p>	√		<p>to encourage employees to submit reports on detected malconduct that prejudices the interests of the company. The audit office is in charge of processing such reports.</p> <p>(2) The audit office carries out investigations of reported contents and reports the final results to the chairman in accordance with confidentiality principles.</p> <p>(3) The company is responsible for the confidentiality of the identity of the whistle-blower to prevent inappropriate dismissal or retaliation at the workplace against the whistle-blower.</p>	<p>No major deviations</p> <p>No major deviations</p>
<p>4. Enhancing information disclosure</p> <p>(1) Does the company disclose its Ethical Corporate Management Best Practice Principles and effects of their promotion on its corporate website and the Market Observation Post System?</p>	√		<p>(1) The company has already disclosed the norms set forth in the Ethical Corporate Management Best Practice Principles in the corporate governance section of the corporate website and the Market Post Observation System.</p>	No major deviations
5.	If the Company has established ethical corporate management principles based on “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the principles and their implementation: The company has formulated “Ethical Corporate Management Best Practice Principles” and “Ethical Corporate Management Operating Procedures and Code of Conduct” based on the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and requires compliance with these principles by all staff members.			
6.	Other important information to facilitate a better understanding of the company’s ethical corporate management practices: (such as review and amendment of ethical corporate management best practice principles) The company closely monitors national and international developments in the field of ethical management related norms and encourages			

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Assessment items	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Y	N	Brief description	
directors, executives, and employees to provide suggestions. Ethical management policies and promotion measures adopted by the company are reviewed and enhanced based on these suggestions to increase the effect of ethical corporate management.				

- (g) If the company has formulated corporate governance best practice principles and relevant rules and regulations, query methods should be disclosed:
Please refer to the corporate website: <http://www.ygget.com> (Investor section/corporate governance)
- (h) Other important information that facilitates a better understanding of corporate governance practices should also be disclosed: None

- i) Implementation of the internal control system
 - 1. Declaration regarding the internal control system

Yeong Guan Energy Technology Group Company Limited.

Declaration regarding the internal control system

Date: March 6, 2025

Based on the results of a self-inspection, the company hereby makes the following declaration regarding the internal control system in 2023:

- I. The company is fully aware of the fact that directors and managers of this company shall be fully responsible for the establishment, implementation, and maintenance of an internal control system. It has already established such a system in order to guarantee achievement of a wide range of goals including effectiveness and efficiency of company operations (e.g., profitability, performance, and asset security), reliability, timeliness, and transparency of reporting, and compliance with relevant laws, rules, and regulation.
- II. The internal control system faces inherent constraints. No matter how perfect the design of the system is, an effective internal control system may only provide reasonable guarantees regarding the achievement of the aforementioned three goals. Furthermore, the effectiveness of the internal control system is affected by changes of the environment and external conditions. However, the internal control system of the company is equipped with a self-monitoring mechanism. Once shortcomings are identified, the company adopts corrective measures in a prompt manner.
- III. The company judges the effectiveness of the design and implementation of the internal control system based on the judgment criteria prescribed in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as “these Regulations”). The judgment criteria for the internal control system adopted in these Regulations divide the internal control system into five main constituents based on the management and control process: 1. Control environment; 2. Risk assessment; 3. Control activities; 4. Information and communication and; 5. Monitoring. Each constituent includes several items. For more details on the aforementioned items, please refer to the provisions set forth in these Regulations.
- IV. The company inspects the effectiveness of the design and implementation of the internal control system based on the aforementioned judgment criteria
- V. Based on the results of the aforementioned inspections, the company believes that the design and implementation of the internal control system on December 31, 2024 (including the supervision and management of subsidiaries) was efficient as far as goal achievement in the field of results and efficiency of operations, reliability of financial reports, and legal compliance are concerned and may provide reasonable guarantees regarding the achievement of the aforementioned goals.

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- VI. This declaration will be included as a main component of the annual report and prospectus of the company and will be made public. If the aforementioned published contents involve illegal activity such as fraud or concealment, the company shall assume legal liability pursuant to Article 20, 32, 171, 174 of the Securities and Exchange Act.
- VII. This declaration was approved unanimously by the board of directors with an attendance of 10 directors on March 6, 2025. All directors consented to the contents of this declaration as stated herein.

Yeong Guan Energy Technology
Group Company Limited.

Chairman: Signature/Seal

President: Signature/Seal

2. If an accountant is commissioned to review the internal control system, the contents of the review report shall be disclosed: NA

- (j) Penalties imposed in accordance with the law upon the company or its in-house personnel, disciplinary action taken by the company against its in-house personnel for violations of the company's internal control regulations, and description of principal shortcoming(s) and adopted improvements during the most recent fiscal year up to the date of printing of the annual report: NA
- (k) Major resolutions adopted by the shareholders' meeting and board during the most recent fiscal year up to the date of printing of the annual report.
 - 1. Major resolutions adopted by the General Shareholders' Meeting and their implementation status in 2024.
 - (1) Approval of the 2023 Business Report and Consolidated Financial Statement
 - (2) Approval of the 2023 Earnings Distribution and Loss Make-up Proposal
Implementation status: No profit will be distributed in 2023
 - (3) Deliberation of the amendment to "the Rules of Procedure for Board of Directors Meetings"
Implementation status: The change registration in the Cayman Islands was completed on May 31, 2024 and announced on the company website.
 - 2. Major resolutions of board meetings in 2024 up to the printing date of the annual report:

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Meeting type	Date	Major resolutions
Board meeting	2024.03.12	<ol style="list-style-type: none"> 1. Approval of the 2023 Consolidated Financial Statement 2. Approval of the 2023 Business Report 3. Deliberation of the 2023 Loss Make-up Proposal 4. Planned release of the 2023 Internal Control Statement 5. Deliberation of the convening of the General Shareholders' Meeting 6. Deliberation of the amendment to the Rules of Procedure for Board of Directors Meetings 7. Deliberation of CPA replacement 8. Planned cash capital increase through issuance of new shares in 2024 9. Deliberation of the convening of the 2023 General Shareholders' Meeting
Board meeting	2024.05.09	<ol style="list-style-type: none"> 1. Approval of the Consolidated Financial Statement for the first quarter of 2024 2. Discussion of the Company's Participation in Subsidiary Yeong Guan Heavy Industry (Thailand) Co., Ltd.'s Cash Capital Increase
Board meeting	2024.08.22	<ol style="list-style-type: none"> 1. Recognition of the Consolidated Financial Statement for the second quarter of 2024 2. Discussion on the appointment of the company's President 3. Recognition of the Company's Intending to Provide Endorsement Guarantee for Subsidiary Yeong Guan Holdings Co., Ltd. 4. Discussion of the Company's intending to provide endorsement guarantee for subsidiary Yeong Guan Holdings Co., Limited. 5. Yeong Guan Holdings Co., Limited Taiwan Branch, a branch office of the Company's subsidiary Yeong Guan Holdings Co., Limited, is planning to apply for a credit extension not exceeding NTD800,000,000 from a syndicated bank loan with Mega International Commercial Bank as the arranger bank and agent bank. This is a discussion of the Company's intending to sign credit extension agreement as a joint guarantor. 6. Discussion of the Company's intending to provide endorsement guarantee for subsidiary Yeong Guan Holdings Co., Limited
Board meeting	2024.11.07	<ol style="list-style-type: none"> 1. Recognition of the Consolidated Financial Statement for the third quarter of 2024 2. Discussion on establishing the company's Sustainable Development Committee 3. Discussion of the Company's intended capital loan to Yeong Guan Holdings Co., Limited Taiwan Branch which is a branch office of the Company's subsidiary Yeong Guan Holdings Co., Limited

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Board meeting	2025.03.06	<ol style="list-style-type: none"> 1. Approval of the 2024 Consolidated Financial Statement 2. Deliberation of the 2024 Loss Make-up Proposal 3. Discussion to Change Certified Public Accountant 4. Planned cash capital increase through issuance of new shares in 2024 5. Discussion of the Company's Intending to Provide Endorsement Guarantee for Subsidiary Yeong Guan Heavy Industry (Thailand) Co., Ltd. 6. Deliberation of the convening of the 2024 General Shareholders' Meeting
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- (1) Directors or supervisors who were on record or had submitted a written declaration for holding a dissenting opinion on major resolutions passed by the board of directors in the most recent fiscal year up to the publication date of the annual report: None

4. Professional fees of CPAs

(1) Professional fees of CPAs

Unit: 1000 NTD						
Name of Accounting Firm	Accountant Name	Audit Period	Audit Fee	Non-audit fee	Total	Remarks
Deloitte & Touche	Huang, Yao-Lin Gong, Ze-Li	2024.01.01~ 2024.12.31	8,600	150	8,750	

- (2) Explanation of Service Contents for Audit Fee Paid to Certified Public Accountant, Certified Public Accountant's Accounting Firm and their Affiliate: Fee for Issuance of Convertible Corporate Bond
- (3) Audit fee for change of accounting firm and fiscal year is less than audit fee paid during the year prior to the change: None
- (4) Audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more: None

5. Alternation of CPA: None

The Company changed its certified public accountants in 2025 due to accounting firm's internal rotation requirement prescribed in related laws and regulations.

(1) About ex-accountants

Date of Change	2024/3/12		
Reason & Explanation for Change	Accountants were changed due to accounting firm's internal duty adjustment.		
Explanation indicating that client or accountant terminates or refuses to accept such commissioning.	The Parties	Accountant	Principal
	Situation		
	Voluntary Termination of commissioning	N/A	N/A

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	Refuse to accept (continue) commissioning	N/A	N/A
Audit report opinions or reasons signed other than unqualified opinion within last two years.	No such circumstances		
Any different opinions with the issuer?	Yes		Accounting Principles or Practices
			Disclosure of Financial Report
			Scope or Steps for Inspection
			Others
	No	V	
	Explanation		
Other Disclosure Items	No		
(Items to be disclosed in accordance with Item 1-4 to I-7, clause 6, Article 10 of the Guidelines)			

(2) About succeeding accountants

Name of Accounting Firm	Deloitte & Touche
Names of Accountants	Huang, Yao-Lin, Gong, Ze-Li
Date of Commissioning	2025/3/6
Prior to commissioning, accounting process methods or accounting principles regarding specific transaction, and opinion consultation matters and result possibly signed on financial report.	N/A
Succeeding accountant's written opinion on previous accountant's different opinions.	N/A

6. The company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: None

7. Transfer of stocks or changes in pledged shares of directors, supervisors, and executives, and shareholders holding over 10% of the total shares in the most recent fiscal year up to the publication date of the annual report

(a) Changes in Shareholding of Directors, Supervisors, Executives and Major Shareholders

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Title	Name	2023		2024		2025 up to March 31		Remarks
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	
Chairman, manager	Chang, Hsien-Ming	—	—	—	—	—	—	—
Nominee shareholder appointed by chairman and manger	DREEBY INDUSTRY CO., LIMITED	—	—	3,613,000	—	—	—	—
Vice Chairman and Spokesman	Tsai, Shu-Ken	—	—	77,494	—	—	—	—
President and Chairman of Southern Chian Area	Hsu, Ching-Hsiung (Note 1)	—	—	NA	NA	NA	NA	—
President	Li Rong (Note 1)	NA	NA	—	—	—	—	—
Director and Special Assistant to the Chairman	Tsai, Chang-Hung	—	—	—	—	—	—	—
Director and Chief Strategy Officer	Li, Yi-Tsang	—	—	—	—	—	—	—
Director	Chang, Chun-Chi	(207,000)	—	—	—	—	—	—
Director	Wu, Su-Chiu	—	—	—	—	—	—	—
Director	Sun, Rui-Chien	—	—	2,382	—	—	—	—
Independent director	Wei, Chia-Min	—	—	—	—	—	—	—
Independent director	Chen, Tien-Wen (Note 2)	—	—	NA	NA	NA	NA	—
Independent director	Change, De-Wen	—	—	—	—	—	—	—
Independent director	Chan, Wen-Yin	—	—	—	—	—	—	—
Executive Vice President	Fang, Cheng-Chiang (Note 3)	—	—	—	—	—	—	—
Executive Vice President	Liang, Li-Sheng	—	—	—	—	—	—	—
President of Sales Division	Liu, Han-Pang	(2,000)	—	—	—	—	—	—
President, Ningbo Lu Lin Machine Tool Foundry Co., Ltd.	Huang, Ching-Chung (Note 3)	—	—	NA	NA	NA	NA	—
President, Shanghai No. 1 Machine Tool Foundry (Su Zhou) Co., Ltd.	Chang, Tsan-Yu	—	—	—	—	—	—	—
Chief Governance Officer	Chinag, Su-Kan	—	—	—	—	—	—	—
Head of Finance and Accounting (Chief Financial Officer)	Tsai, Ching-Wu	—	—	—	—	—	—	—

Note 1: The Company's original President Mr. Hsu, Ching-Hsiung retired on May 31, 2024. Mr. Li Ron succeeded the post on September 1, 2024.

Note 2: Independent director Mr. Chen, Tien-Wen resigned on November 30, 2024 due to his tight business schedule.

Note 3: Original President Mr. Huang, Ching-Chung for Ningbo Yeong Shang Casting Iron Co., Limited retired on May 31, 2024. Executive Vice President Mr. Fang, Cheng-Chiang succeeded the post of President.

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8. Information Disclosing the Relationship or Spousal or Kinship Relationships within the Second Degree between any of the Company's Top Ten Shareholders

As of March 30, 2025/Unit: Shares; %

NAME/TITLE	Personal shareholding		Shareholding of spouse or minor children		Shareholding by nominee arrangement		The relationship between any of the company's top ten shareholders (name/title)		REMARKS
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name /title	Relationship	
Chang, Hsien-Ming	11,093,540	8.33%	3,476	0.00%	6,332,000	4.76%	Chang, Yueh-Chao	brother & sister	
Jiayuan Investment Co., Ltd. Representative: Wu, Su-Chiu	7,337,000	5.51%	-	-	-	-	-	-	
Dreeby Industry Co., Limited Representative: Chang, Hsien-Ming	6,332,000	4.76%	-	-	-	-	Chang, Hsien-Ming	-	Nominee shareholder
Yeong Guan New Material Co., Ltd. Representative: Lee Chang, Yueh-Yun	6,282,711	4.72%	-	-	-	-	-	-	
Tsao, Su-Hsieh	2,348,891	1.76%	-	-	-	-	-	-	
Wu, Shu-Chen	2,053,000	1.54%	-	-	-	-	-	-	
Chang, Yueh-Chao	1,630,035	1.22%	-	-	-	-	Chang, Hsien-Ming	brother & sister	
Chang, Cheng-Chung	1,451,000	1.09%	-	-	-	-	-	-	
Wu, He-Chuan	1,415,243	1.06%	-	-	-	-	-	-	
Standard Chartered Bank (Taiwan) Limited Sales Division maintains custody account of Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1,319,515	0.99%	-	-	-	-	-	-	

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9. Number of shares held and consolidated shareholding ratio of the company, directors, supervisors, executives, and businesses directly or indirectly controlled by the company in the same joint venture business

As of December 31, 2024/Unit: 1,000 Shares; %

Joint venture business	Investments by the company		Investments by directors, supervisors, executives, and businesses directly or indirectly controlled by the company		Total investments	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Yeong Guan Holdings Co., Ltd.	194,000	100.00	—	—	194,000	100.00
Yeong Guan Heavy Industry (Thailand) Co., Ltd.	210,000	75.00	—	—	120,000	75.00
Yeong Guan International Co., Ltd.	805,000	100.00	—	—	210,000	100.00
Yeong Chen Asia Pacific Co., Ltd.	Note	100.00	—	—	Note	100.00
Dongguan Yeong Guan Mould Factory Co., Ltd.	Note	100.00	—	—	Note	100.00
Ningbo Yeong Shang Casting Iron Co., Ltd.	Note	100.00	—	—	Note	100.00
Ningbo Lu Lin Machine Tool Foundry Co., Ltd.	Note	100.00	—	—	Note	100.00
Jiangsu Bright Steel Fine Machinery Co., Ltd.	Note	100.00			Note	100.00
Ningbo Yeong Chia Mei Trade Co., Ltd.	Note	100.00	—	—	Note	100.00
Shanghai No.1 Machine Tool Foundry (Suzhou) Co., Ltd.	Note	95.49	—	—	Note	95.49

Note: Limited liability company that has not issued any shares

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III. Capital Overview

1. Capital and shares

(a) Source of Capital

1. Capitalization table

Month/ Year	Par value	Authorized capital		Paid-in capital		Remarks		
		Shares (1000 shares)	Amount (1000 dollars)	Shares (1000 shares)	Amount (1000 dollars)	Sources of capital	Capital Increased by Assets Other than Cash	Other
2008.1	-	Common shares 1,000	HKD100	1,000	HKD100	Company establishment	NA	
2008.9	-	Common shares 985,000 Preferred shares 15,000	HKD100,000	50,000	HKD5,000	Organizational restructuring	NA	
2009.5	USD2.08	Common shares 1,000,000	HKD100,000	57,822	HKD5,782	Cash capital increase	NA	
2009.8	USD1.51	Common shares 1,000,000	HKD100,000	77,683	HKD7,768	Cash capital increase	NA	
2010.3	-	Common shares 120,000	NTD1,200,000	80,000	NTD800,000	Conversion of capital into NT dollars	NA	
2012.4	NTD53	Common shares 120,000	NTD1,200,000	88,889	NTD888,890	Cash capital increase	NA	Note 1
2012.9	-	Common shares 120,000	NTD1,200,000	100,889	NTD1,008,890	Capital increase from earnings	NA	Note 2
2014.8	NTD118	Common shares 120,000	NTD1,200,000	104,889	NTD1,048,890	Cash capital increase	NA	Note 3
2015.3	NTD153	Common shares 120,000	NTD1,200,000	105,793	NTD1,057,930	Convertible bond conversion	NA	
2015.4	NTD153	Common shares 120,000	NTD1,200,000	105,862	NTD1,058,622	Convertible bond conversion	NA	
2015.6	NTD149	Common shares 150,000	NTD1,500,000	111,212	NTD1,112,118	Convertible bond conversion	NA	
2015.7	NTD149	Common shares 150,000	NTD1,500,000	112,151	NTD1,121,507	Convertible bond conversion	NA	
2015.8	NTD149	Common shares 150,000	NTD1,500,000	112,155	NTD1,121,545	Convertible bond conversion	NA	
2015.10	NTD168	Common shares 150,000	NTD1,500,000	117,155	NTD1,171,545	Cash capital increase	NA	Note 4
2015.10	NTD148.6	Common shares 150,000	NTD1,500,000	117,830	NTD1,178,303	Convertible bond conversion	NA	
2015.11	NTD148.6	Common shares 150,000	NTD1,500,000	117,845	NTD1,178,451	Convertible bond conversion	NA	
2015.12	NTD148.6	Common shares 150,000	NTD1,500,000	117,980	NTD1,179,796	Convertible bond conversion	NA	
2016.1	NTD148.6	Common shares 150,000	NTD1,500,000	118,126	NTD1,181,263	Convertible bond conversion	NA	
2016.2	NTD148.6	Common shares 150,000	NTD1,500,000	118,299	NTD1,182,986	Convertible bond conversion	NA	
2016.3	NTD148.6	Common shares 150,000	NTD1,500,000	118,702	NTD1,187,023	Convertible bond conversion	NA	
2016.4	NTD148.6	Common shares 150,000	NTD1,500,000	118,771	NTD1,187,709	Convertible bond conversion	NA	
2016.6	NTD148.6	Common shares 300,000	NTD3,000,000	118,782	NTD1,187,824	Convertible bond conversion	NA	
2016.8	NTD148.6	Common shares 300,000	NTD3,000,000	118,818	NTD1,188,175	Convertible bond conversion	NA	
2018.3	-	Common shares 300,000	NTD3,000,000	111,618	NTD1,116,175	Writing-off of repurchased treasury shares	NA	
2019.3	-	Common shares 300,000	NTD3,000,000	105,618	NTD1,056,175	Writing-off of repurchased treasury shares	NA	
2020.10	NTD80	Common shares 300,000	NTD3,000,000	110,618	NTD1,106,175	Cash capital increase	NA	Note 5
2023.06	NTD62.3	Common shares 300,000	NTD3,000,000	117,796	NTD1,177,957	Convertible bond conversion	NA	
2023.07	NTD62.3	Common shares 300,000	NTD3,000,000	118,136	NTD1,181,359	Convertible bond conversion	NA	

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2024.10	40	300,000	3,000,000	133,136	1,331,359	Cash capital increase	NA	Note 6
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Note 1: Jin-Guan-Zheng-Zi-Di-No.1010010892 dated March 29, 2012

Note 2: Tai-Zheng-Shan-2-Zi-Di-No.1010022223 dated October 8, 2012

Note 3: Jin-Guan-Zheng-Fa-Zi-Di-No.1030015153 dated May 9, 2014

Note 4: Jin-Guan-Zheng-Fa-Zi-Di-No.1040027186 dated July 27, 2015

Note 5: Jin-Guan-Zheng-Fa-Zi-Di-No.1090347042 daetd June 29, 2020

Note 6: Jin-Guan-Zheng-Fa-Zi-Di-No.1130340811 daetd May 17, 2024

2. Type of stock

March 30, 2025

Share type	Authorized capital			Remarks
	Issued shares	Unissued shares	Total shares	
Common	133,135,941 shares	166,864,059 shares	300,000,000 shares	

3. Information for the shelf registration system: NA

(b) List of Major Shareholders

As of March 30, 2025; Unit: Shares; %

Name of major shareholder	Number of shares and shareholding ratio	Number of shares	Shareholding ratio (%)
Chang, Hsien-Ming		11,093,540	8.33%
Jiayuan Investment Co., Ltd.		7,337,000	5.51%
Dreeby Industry Co., Limited		6,332,000	4.76%
Yeong Guan New Material Co., Ltd.		6,282,711	4.72%
Tsao, Su-Hsieh		2,348,891	1.76%
Wu, Shu-Chen		2,053,000	1.54%
Chang, Yueh-Chao		1,630,035	1.22%
Chang, Cheng-Chung		1,451,000	1.09%
Wu, He-Chuan		1,415,243	1.06%
Standard Chartered Bank (Taiwan) Limited Sales Division maintains custody account of Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		1,319,515	0.99%

(c) Dividend Policy and Implementation Status

1. Dividend policy as prescribed in the Articles of Incorporation

Dividends are paid to shareholders based on their shareholding ratios upon approval by ordinary resolution of the shareholders' meeting, or in accordance with the conditions specified in Article 11.4(a) of the Articles of Incorporation by supermajority resolution of the board provided that the Articles of Incorporation and directions of the shareholders' meeting are not violated. Dividends may be paid in form of cash, shares, or fully or partially in different types of assets. The value of these assets is determined by the board of directors. The company does not pay interest on undistributed dividends.

The board of directors may resolve to distribute all or part of the dividends from designated assets (shares or securities of other companies) and shall deal with problems generated by this distribution.

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The board of directors shall determine the value of said specified assets under condition that the aforementioned general provisions are not affected. It may also resolve to pay dividends to certain shareholders in cash in place of designated assets and may decide to convey said designated assets to a trustee under appropriate conditions.

Unless stipulated otherwise in relevant laws, Article 11.4 (a) of the Articles of Incorporation, the Articles of Incorporation, or the rights attached to shares, the company may distribute earnings in accordance with board earnings distribution proposals approved by ordinary resolution of the General Shareholders' Meeting. The company may not pay dividends or make other distributions unless based on realized or unrealized earnings, share premium accounts, legally authorized reserves, or other funds. Unless rights attached to shares stipulate otherwise, all dividends shall be calculated based on the number of held shares and amounts paid by shareholders. If share issue conditions prescribe the calculation of dividends from a specified date, calculations shall be made accordingly.

Where the Company earns profits in a fiscal year (as defined below), 2% - 15% shall be allocated as employee bonuses. The beneficiaries of such compensations shall include employees of subsidiaries who meet certain conditions. A maximum of 3% of the aforementioned profits may be allocated as director compensations. The employee bonus and director compensation proposal shall be approved by resolution of a majority of directors with a minimum of 2/3 of all directors in attendance and shall be reported to the shareholders' meeting. In case of accumulated losses, a specified amount shall be retained for compensation prior to the allocation of employee bonuses and director compensations in accordance with the aforementioned ratios. The term "profits" shall refer to earnings before tax. The term "earnings before tax" shall refer to the amount prior to payment of employee bonuses and director compensations.

As for the determination of dividend policies, the board of directors determines the amounts of dividends and other distributions (if applicable) in each fiscal year based on a clear understanding of the maturity of the company's operations and services and the stable income situation and sound financial structure of the company and requests approval by the shareholders. The board of directors shall:

- (a) take into account the earnings, overall development, financial planning, capital demands, industry outlook, and future prospects of the company in the respective fiscal year to safeguard the rights and interests of the shareholders and;
- (b) Shall make allocations from net income in the current quarter for (i) reserves for the payment of taxes in the respective fiscal year (ii) compensation of losses (iii) 10% general reserves and (iv) reserves as determined by the board of directors pursuant to Article 14.1 of the Articles of Incorporation or special reserves required by authorities in charge of securities pursuant to regulations for public companies.

The board of directors shall allocate a minimum of 20% of the distributable amount as shareholder dividends upon allocation of amounts deemed appropriate by the board of directors as employee bonuses and director compensations in accordance with relevant regulations set forth in Article 13.4 and the dividend distribution policy specified in Article 13.5 under the premise of legal compliance. Dividends shall be subject to approval by resolution of the shareholders' meeting.

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Shareholder dividends and employee bonuses may be paid out to employees or shareholders as cash, unissued shares purchased with said amount, or a combination of these two methods. Issued cash dividends shall make up at least 10% of the total dividends paid to shareholders. The company does not pay interest on undistributed dividends and bonuses.

2. Dividend distribution in this fiscal year:

The Company's proposal of appropriation to make up loss in 2024 was approved by Board of Director's Meeting on March 6, 2025. No dividend will be distributed and related appropriation to make up loss is as follows:

Unit: NTD	
Item	Amount
Undistributed earnings at the beginning of the quarter	312,472,942
plus: Net income after taxes for this period	(626,316,477)
Reversal of special reserve (Note)	452,510,512
minus: Investment accounted for using equity method	(3,907,664)
Distributable earnings in this fiscal year	134,759,313
Distribution items:	
Cash dividend	-
Undistributed earnings at the end of the period	134,759,313

Note: Special reserve is exchange difference in calculating offshore operation institute's financial statement and unrealized profit for financial assets measured at fair value through other comprehensive income.

(d) Impact of stock dividends proposed by this shareholders' meeting on business performance and EPS:

The Company determined not to distribute share dividends under approval from the Board of Directors Meeting dated March 6, 2025. This is supposed to be no impact to the Company's overall operation performance going forward.

(e) Compensation of employees, directors and supervisors

1. Quotas or range of compensations of employees, directors and supervisors as specified in the Articles of Incorporation: Please refer to Paragraph (f) 1.
2. Estimation basis for employee bonuses and compensations of directors and supervisors for this quarter, calculation basis for number of shares allocated as stock bonus, and accounting procedures in case of discrepancies between actually distributed amounts and estimated figures: A proportional basis for the distribution of payable employee bonuses and director compensations in 2023 shall be determined based on the distribution intervals of 2%~15% and 3% after allocation of 10% legal reserves and special reserves from net income after tax (minus employee bonuses and director compensations). In case of major changes of

distribution amounts determined by the board of directors after year end, the originally allocated annual expenses shall be adjusted. Further changes on the date of the shareholders' meeting resolution shall be handled as accounting estimate changes. Annual adjustments shall be entered into accounts by resolution of the shareholders' meeting. If the shareholders' meeting resolves to pay out employee bonuses as stock, the number of shares allocated as stock dividends shall be determined based on payable bonus amounts divided by fair stock value. The term fair stock value shall refer to the closing price on the day prior to the shareholders' meeting resolution date (upon consideration of ex-right/ex-dividend impacts)

3. Compensations approved by the board of directors:

- (1) Employee bonuses and director and supervisor compensations in form of cash payment or dividend distribution. Where there is a discrepancy between such compensations and recognized fees and estimated amounts, the actual difference as well as the reasons and handling thereof shall be specified: The board of directors has approved employee compensations of NT\$0 distributed in cash.
- (2) Amount of employee bonuses paid as distributed dividends/ratio of employee bonuses paid as dividends to after-tax net income as stated on the individual financial statement and total employee bonuses: NA
- (3) Pro-forma EPS upon deduction of proposed employee bonuses and director/supervisor compensations: The Company has already taken into account employee bonus expense estimates in the 2024 Financial Statement. Calculated EPS is therefore identical to the financial statement.

4. Actual distribution of employee, director, and supervisor compensations in the previous year (including number and value of distributed shares and share price); where there is a discrepancy between actual compensations and approved amounts, the actual difference as well as the reasons and handling thereof shall be specified: NA

(i) Repurchase of shares by the company: NA

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2. Issuance of company bonds

(1) Issuance of company bonds

Type of corporate bond	3rd Issue of Domestic (ROC) Unsecured Convertible Bonds (15893 Yeong Guan III KY)	4th Issue of Domestic (ROC) Unsecured Convertible Bonds (15894 Yeong Guan IV KY)
Issue (offer) Date	September 30, 2020	February 20, 2023
Denomination	NT\$ 100,000 each	NT\$ 100,000 each
Place of issuance and transaction	Taipei Exchange	Taipei Exchange
Issuing price	Issued at 103.56% of par value. (Issued at premium)	Issued at 104.23% of par value. (Issued at premium)
Total amount	Issued at par value of NT\$1,553,389 thousands; Total Amount Raised: NT\$1,553,389,000	Issued at par value of NT\$1,563,501 thousands; Total Amount Raised: NT\$1,563,501,000
Interest rate	0%	0%
Maturity	5 years; Maturity date: September 3, 2025	5 years; Maturity date: February 20, 2028
Guarantee agency	None	None
Trustee	Trusts Department of Land Bank of Taiwan	Trusts Department of Land Bank of Taiwan
Underwriter	CTBC Securities Co., Ltd.	SinoPac Securities
Certified Lawyer	Attorney Wang, Ya-Hsien from Lee and Li Attorneys-At-Law	Attorney Song, Tien-Hsiang from Lee and Li Attorneys-At-Law
CPA	Deloitte Touche Tohmatsu Limited (DTTL) Accountants Chen, Chih-Yuan and Chang, Ching-Jen	Deloitte Touche Tohmatsu Limited (DTTL) Accountants Chen, Chih-Yuan and Huang, Yao-Lin
Payback method	The Company will make one-time repayment in cash based on par value of bond at maturity of this bond.	The Company will make one-time repayment in cash based on par value of bond at maturity of this bond.
Outstanding principal	NT\$ 98,800 thousands	NT\$ 1,031,600 thousands
Provisions of redemption and prepayment	Please refer to the issuance and conversion procedures.	Please refer to the issuance and conversion procedures.
Restrictions	None	None
Credit rating agency, credit rating date, and corporate bond rating results	None	None
Other rights	Converted (exchanged or subscribed) common shares, global depository receipts, or amount of other securities.	Conversion started on March 31, 2025; no bonds have been converted yet
	Issuance and conversion (exchange or subscription) procedures	As of March 31, 2025, a conversion of NTD468,400,000 has been conducted to 7,518,422 common shares with a par value of NTD10 per share.
Impact of issuance and conversion, exchange and subscription methods and issuance conditions on equity dilution, possible dilution on stock equity and shareholder's equity		<p>According to the current conversion price of NT\$ 95.4 1,035,639 shares need to be issued if all shares are to be converted to common shares. The impact on shareholders' equity is limited so far.</p> <p>According to the current conversion price of NT\$ 61.7 16,719,611 shares need to be issued if all shares are to be converted to common shares. The impact on shareholders' equity is limited so far.</p>

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(2) Convertible bond data

2) Convertible bond data

Corporate bond type		(15893) 3 rd Issue of Domestic (ROC) Unsecured Convertible Bonds	
Year		2024	Current year until April 10, 2025
Item			
Market price of convertible bonds	Highest	101.00	97.4
	Lowest	93.70	96.1
	Average	98.87	96.53
Conversion price			95.4
Issue (offer) date and conversion price on issue date		Issue date: September 3, 2020 Conversion price on issue date: 100	Issue date: September 3, 2020 Conversion price on issue date: 100
Conversion method		Issuance of new shares	Issuance of new shares

Corporate bond type		(15894) 4 th Issue of Domestic (ROC) Unsecured Convertible Bonds	
Year		2024	Current year until April 10, 2025
Item			
Market price of convertible bonds	Highest	108.45	98.10
	Lowest	92.45	94.50
	Average	98.77	96.28
Conversion price		61.7	61.7
Issue (offer) date and conversion price on issue date		Issue date: February 20, 2023 Conversion price on issue date: 62.3	Issue date: February 20, 2023 Conversion price on issue date: 62.3
Conversion method		Issuance of new shares	Issuance of new shares

(3) Exchange of corporate bond date: NA

(4) Shelf registration of issued corporate bonds: NA

(5) Corporate bonds with attached warrant: NA

3. Preferred shares: None

4. Overseas depositary receipts: None

5. Employee stock option certificates: None

6. Restricted Employee Shares Compensation: None

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

7. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None

8. Implementation of fund utilization plans:

As of the printing date of this annual report, the Company does not have any uncompleted plans for issuance or private placement of securities or plans with unrealized benefits which have been completed in the most recent three years.

IV. Operations Overview

1. Business activities

(1) Business scope

i. Main areas of business operations

The company's operations mainly focus on the manufacture and sale of spheroidal graphite cast iron and gray cast iron including hubs and bases for wind turbines, gearbox components, thermal power generation exhaust hoods, injection molding machine components, and castings for machine tools and other industrial machinery. The company has a casting production capacity of nearly 50,000,000 tons per year, and is dedicated to providing clients with a horizontal and vertical integration of one-stop procurement service for the purpose of offering casting, processing, spraying and assembly services to clients.

ii. Revenue distribution

Unit: 1000 NTD

Main product categories	2023		2024	
	Net sales	% of total sales	Net sales	% of total sales
Energy castings	4,698,322	54.18%	3,250,869	45.14%
Injection molding machine castings	1,593,621	18.38%	1,753,998	24.35%
Other castings	2,379,066	27.44%	2,197,369	30.51%
Total	8,671,009	100.00%	7,202,236	100.00%

iii. Current product categories

Main product categories	Application areas
Low-temperature high-tensile spheroidal graphite iron castings and gray cast iron castings for energy applications	Large-scale wind turbines (hubs, gear boxes, and bases) Steam turbine components for large-scale power plants
High-grade spheroidal graphite iron castings for injection molding machines	Plastic injection molding machine
Other applications of high-grade spheroidal graphite iron castings and gray cast iron castings (Air compressors, die-casting machines, hydraulic presses, punching machines, rubber hydraulic presses, mining machinery, medical equipment, etc.)	Large-scale high-precision machine tools Air compressor Very large-scale rapid color printing machine Medical equipment (cancer therapeutic apparatus, gamma knife therapeutic apparatus)

iv. Planned development of new products: Engineering, mining, and marine equipment castings

(2) Industry overview

(i) Industry status and development trends

A. Industry status and development trends

(A) Wind power industry

Against the backdrop of international trends such as low-carbon economy and energy revolution, the global community places increasing importance on energy safety, the ecological environment, and abnormal climate patterns. The reduction of fossil fuel burning and accelerated development and use of renewable energy have become a general consensus and concerted action of all countries in the world.

In 2015, the newly installed renewable capacity surpassed that of new conventional energy installations for the first time in history, which is a clear indicator for structural changes in the field of global power system installations. The impetus provided by wind power technology advances and innovative business models has brought about a period of rapid development and increase in newly installed global capacities in the wind power industry.

Due to the fact that wind power is an eco-friendly renewable energy form characterized by high technological maturity, it is developed and applied on a large scale in countries all over the world. As of the end of 2021, over 100 countries worldwide have initiated the development of wind power. The US, Denmark, the Netherlands, the UK, Germany, Sweden, and Canada have invested large amounts of manpower and capital into the research and application of wind power generation.

As of 2016, wind power has overtaken hydropower as the leading renewable energy source in the U.S. Within the seven-year-period preceding 2016, wind costs dropped by almost 66% in this country.

According to statistics released by IRENA, the LCOE (Levelized Cost of Energy) range of onshore wind power worldwide was already significantly lower than that of fossil fuel options in 2017. The average cost of onshore wind power is gradually approaching that of hydropower, reaching six cents (USD 0.057) per kilowatt hour (kWh). With the advances of technology, LCOE of wind power projects will continue to decrease and wind power will eventually turn into one of the most cost-effective green energy options.

Future trends

- Deep sea wind power: floating technology, HVDC (High Voltage Direct Current) (e.g., North Sea Wind Power Hub)

- Multifunctional projects with complementary components: Unified projects to extract hydrogen through wind and solar power (e.g., Australian Renewable Energy Hub)
- Smartification: enhanced generation efficiency through AI-based predictive maintenance and digital twin technology
- Green hydrogen coupling: Hydrogen production through offshore wind power (e.g., German Aqua Ventus Project)
- Emerging markets: Southeast Asia, Africa (e.g., Lake Turkana Wind Power Project (LTWP))

Key Challenges

- Power grid consumption: Demand for power grid flexibility generated by power source volatility
- Ecological controversies: Bird species conservation, impact of offshore wind power on the fishery industry
- Supply chain pressure: Dependence on rare earth materials (Neodymium) and chips

Global wind power has been elevated from a marginal technology to the mainstay of the energy sector marked by a synergy of reiterative computing, policy guidance, and market mechanisms. Against the backdrop of accelerated low-carbon transition, wind power will evolve toward higher efficiency, increasing smartification, and rising integration.

It is projected that newly added wind power capacity will average 136GW per year within the next five years, representing a CAGR of 15%.

As of 2024, the Chinese wind power market featured 13 wind turbine manufacturers with the capability of adding new capacity. The top five and top ten manufacturers had a combined market share of 75% and 98.6%, respectively. The top five turbine manufacturers (Goldwind, Envision Energy, Mingyang Smart Energy, Windey Energy Technology, and Sany Renewable Energy) in 2024 had a total installed capacity of 18.67GW, 13.63GW, 12.29GW, 11.51GW, and 9.15GW, respectively. On a global scale, the newly added capacity amounted to 77GW in 2023.

In 2024, the number of newly installed turbines nationwide (excluding Hong Kong, Macao, and Taiwan) reached 14388, which constitutes a total capacity of 86.99 GW and a YoY growth rate of 9.6%. The newly added onshore wind capacity of 81.37 GW accounted for 93.5% of the total newly added capacity, while the newly added offshore wind capacity of 5.62 GW made up 6.5% of the total added capacity.

Unit: 10 MW

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

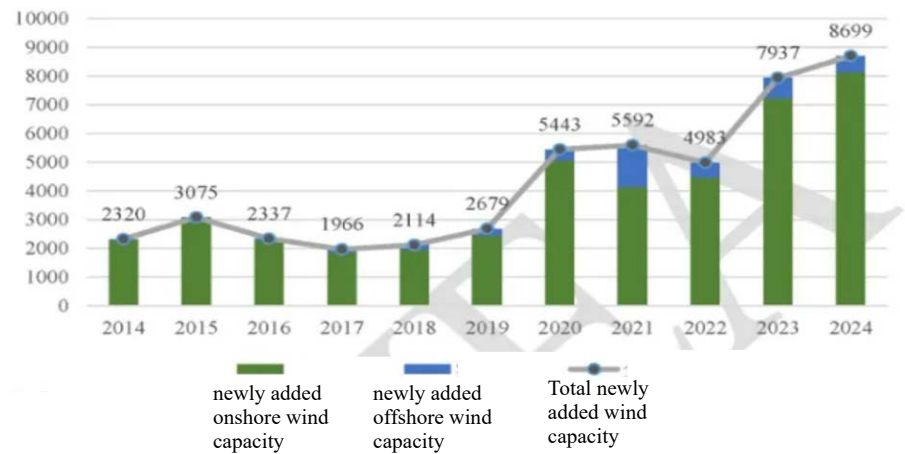


Image 1: 2014-2024 Newly installed wind power capacity in China
Source: CWEA

In 2024, the average capacity of newly installed turbines equaled 6,046kW, marking a YoY increase of 8.1%. The average capacity of onshore and offshore wind turbines totaled 5,886kW and 9,981kW, respectively, which represents a YoY increase of 9.6% and 3.9%.

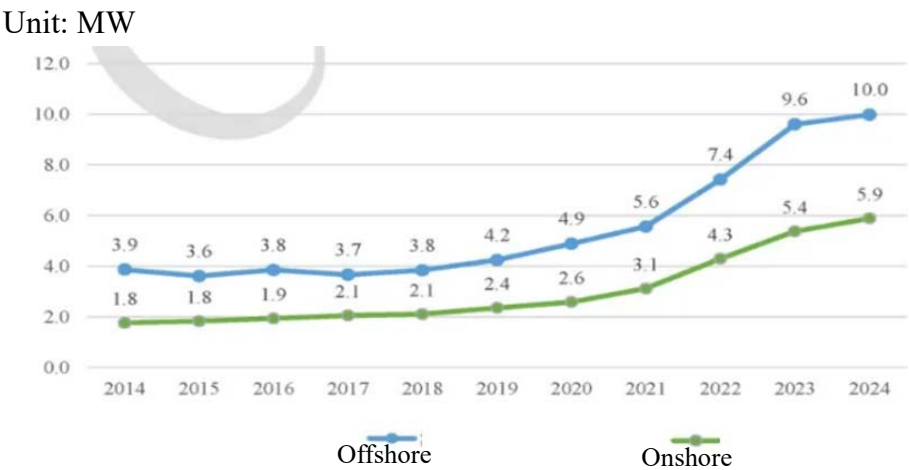
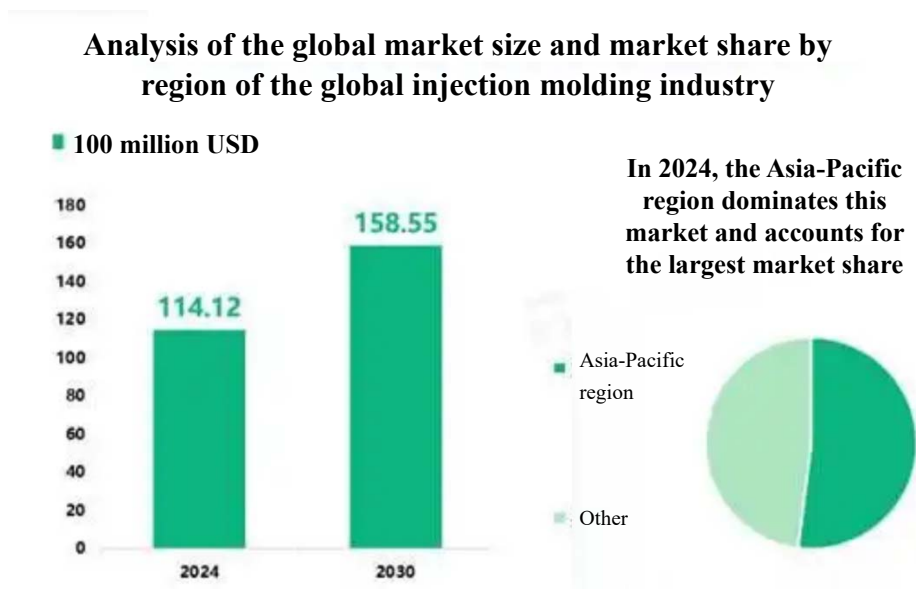


Image 2: 2014-2024 Average capacity of onshore and offshore wind turbines in China

(B) Injection molding machinery industry

The global injection molding machinery industry exhibits a stable growth pattern. Market Monitor research data reveals that the global market size of this industry which totaled US\$ 11.412 billion in 2024 is projected to reach US\$ 15.855 billion in 2030. The growth of the automotive industry and packaging industry represents the main driving force of the global injection molding industry market. The Asia-Pacific region accounts for the largest market share.



Market competition pattern

Europe and Japan have the highest market shares of the high-end market, while China dominates the mid-end market. Leading multinational manufacturers include Engel (Austria), Krauss-Maffei (Germany), Sumitomo (SHI) Demag, Haitian International, and Chen Hsong. The Chinese and global injection molding industry market had a size of around 25 and 73 billion (USD?), respectively.

Technological progress and innovation

Ongoing progress and innovation in the field of injection molding machinery technology are the main factors driving industry development. For instance, sales volumes of electric injection molding machinery have seen a significant increase, which is a clear indicator for a rising market demand for high-performance and energy-saving equipment. In addition, improvements of the control systems and actuators of injection molding machinery have resulted in enhanced production efficiency and product quality.

Market demand and application areas

Injection molding machinery is widely applied in plastic good manufacturing and the automotive, household appliance, and packaging industries. Rapid development of these industries is linked to rising market demand for injection molding machinery. It is anticipated that the market demand for injection molding machinery will see more rapid growth in the wake of the launch of equipment replacement policies and a surge of downstream industries.

Future development trends will be mainly manifested in the following areas:

1. Smartification represents one of the core development trends in the field of injection molding technology. Against the backdrop of the active promotion of Industry 4.0, smart manufacturing is gradually turning into the norm in this industry. Injection molding equipment will harness IoT technology to realize real-time monitoring and remote control. This will ultimately result in improved production efficiency, reduced incidence of human error in operations, and enhanced capabilities in the fields of data analysis and production process optimization.
2. Environmental protection and sustainable development are bound to turn into another key trend in this industry. As a direct result of the rising environmental awareness, manufacturing businesses will place stronger emphasis on the selection of biodegradable materials and recycled plastics. In addition, energy-saving injection molding machines will become the new darling of the market, which in turn will help businesses reduce energy consumption and waste generation during production processes.

The rising demand for food, beverages, pharmaceuticals, automotive products, and electronics caused by the massive increase of the global population will spur the use of plastic products which are characterized by multifunctionality and customization potential based on specific requirements. The rapid increase of plastics use will add momentum to the growth of the injection molding market due to its key competitive advantages including reduced manpower needs, high production efficiency, and decreased waste generation. The global injection molding machinery industry is mainly concentrated in the Asian region (particularly China). The production volume of the Chinese injection molding machinery industry accounts for over one-third of the global production. China is one of the leading manufacturers and exporters of injection molding machines. In addition to China, Japan, Korea, Germany, and the US occupy are key players in the industry.

After a period of close monitoring of the US presidential election by global markets, commodity prices dropped back in the wake of an accelerated RMB depreciation and capital outflow in the A-share market after markets gained clarity on the election outcome. It is therefore evident that markets are convinced that the election of Trump and his policy measures will have an enormous impact on the global economy and global markets. The expected ongoing implementation of protectionist policies will most probably result in additional high tariffs on imports from China and other countries. This will also generate pressure on commodity exports from China to the US, which could lead to a declining export volume of commodities produced in China. For instance, the imposition of additional high tariffs on steel and aluminum could bring about a situation characterized by impeded exports from China, increased supply on the domestic market, and fierce price competition.

(C) Industrial machinery

The machinery industry is of fundamental and strategic importance for every nation and is the mother of all industries. The machinery sector is closely connected to other sectors and provides suitable and highly efficient production equipment and facilities to satisfy the demand of other industries. The machinery industry covers a wide range and can have a wide or narrow meaning. The wide definition of machinery industry includes the five main categories of general machinery, electrical machinery, transportation tools, high-precision machinery, and metal goods, while the narrow definition only refers to production machinery and facilities and auxiliary equipment directly used by different industries including metal processing machinery, industrial machinery, special and electrical manufacturing machinery, general machinery, transportation and automation facilities, metal molds, and other machinery and components.

Traditional automotive industry

In October 2024, automobile production and sales reached 2.996 million and 3.053 million vehicles, respectively, which represents a decline by 3.6% and 7% YoY. In the period from January to October 2024, automobile production and sales totaled 24.466 million and 24.624 million vehicles, respectively, which represents a growth by 1.9% and 2.7% YoY.

NEV (New Energy Vehicle) Industry

In October 2024, NEV production and sales reached 1.463 million and 1.43 million vehicles, respectively, which represents an increase by 48% and 49.6% YoY. NEV sales accounted for 46.8% of the total sales volume of new automobiles. In the period from January to October 2024, NEV production and sales amounted to 9.779 million and 9.75 million vehicles, respectively, which represents a rise by 33%% and 33.9% YoY. In the same period, NEV sales constituted 39.6% of the total sales volume of new automobiles.

In the period from January to September 2024, the global market share of NEVs surged to 18.3%, which represents a significant increase compared to the same period of the previous year. This indicates that NEVs penetrate the daily lives of global consumers at an unprecedented rate.

The sales volume of the European NEV passenger vehicle market equaled 2.05 million in the period from January from September. This marks a decline of 3% YoY, which can be attributed to minor market fluctuations mainly caused by the dual impact of cancellation of subsidies and imposition of additional tariffs on Chinese NEVs by the European Union.

In the North American market, the sales volume of NEV passenger vehicles reached 1.25 million, an increase by 8% YoY. In consideration of the fact that the US is the bellwether market in North America, the rising NEV sales volume in this market reflects the increasing recognition and acceptance of eco-friendly travel methods by North American consumers.

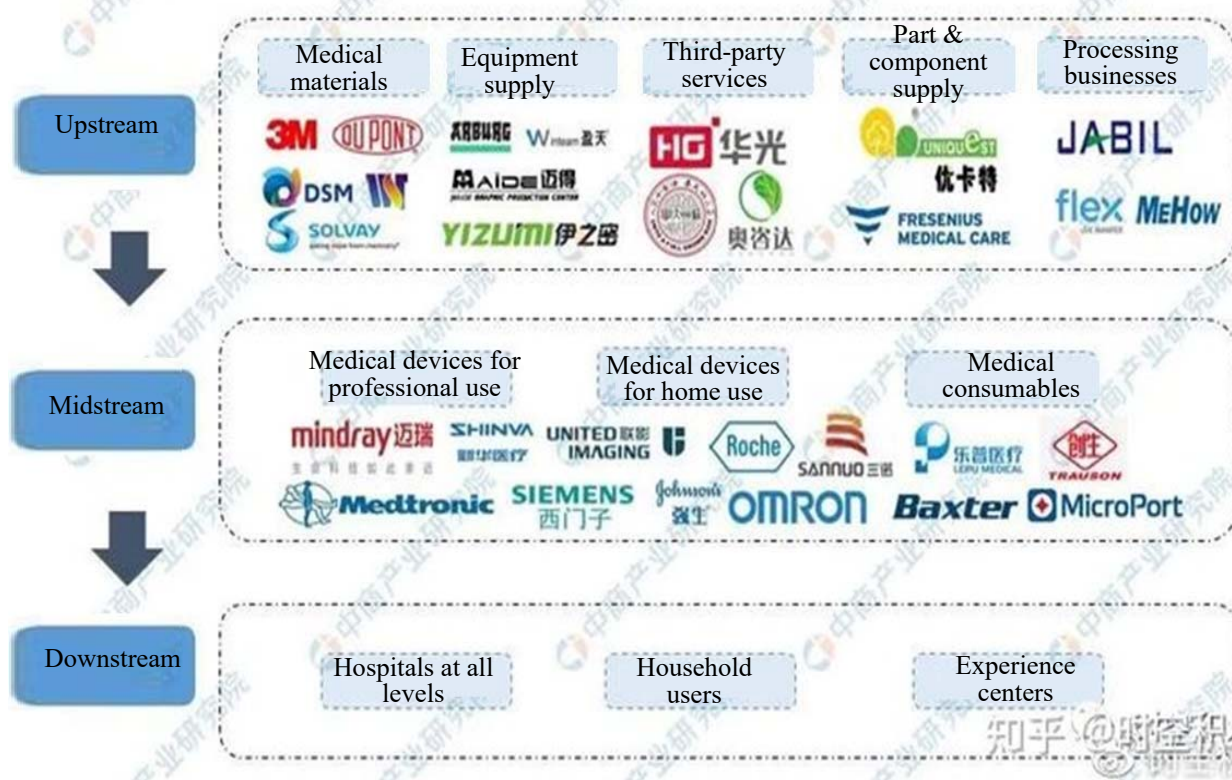
(D) Medical Equipment

Medical device industry is an important part for respective countries' healthcare service system.

Healthcare technology, medicine and medical device are three major pillars in constituting a healthcare service system. Specifically, medical device involves industries of machinery, electronics, plastics and medicine as well as nearly one hundred disciplines. Its production skills are relatively complicated with higher barrier of entrance. It is an internationally recognized high-tech industry which comes with features of high-tech intensive, extensive interdisciplinary and technology integration. It represents a nation's comprehensive strength in high new technology and it is an industry specifically encouraged for development by the nation.

Medical device industry chain

From the perspective of the industry chain, the medical device industry can be divided into three parts: Upstream parts and components manufacturing, midstream medical equipment and consumables manufacturing, downstream clinical examination and end use.



Current state of the medical industry

a. Ongoing market expansion:

- The size of the global healthcare market is gradually increasing. As of 2024, it amounts to US\$ 10.7 trillion. By 2030, the global market volume is projected to reach US\$ 18.1 trillion.
- The Chinese healthcare market exhibits the same growth pattern. As of 2023, total revenues of the Big Health Industry amounted to 13 trillion (RMB?).
- The medical equipment market has also seen rapid growth. In 2023, the Chinese medical device market had a volume of 1.27 trillion, which represents a YoY growth of 10.4%.

b. Demand diversification and consumption upgrades:

- As a direct result of living standard improvements, people put increasing emphasis on their health and exhibit diversified and personalized demands in the field of preventive healthcare and health promotion.
- The combined impact of intensified population aging and rising incidence of chronic diseases drives the demand for medical equipment and healthcare services.

c. Diversified competition pattern:

- In view of the fierce competition in the medical equipment industry, domestic and international businesses have successively increased their R&D expenditures. Domestic enterprises such as Mindray and Neusoft have gained a strong competitive edge in the fields of medical imaging and monitoring equipment. International brands

such as GE, Siemens, and Philips maintain their leadership position in the high-end medical equipment market.

- Private healthcare organizations have initiated a policy of differentiated competition relying on self-built facilities or integration of acquired facilities.
- d. Accelerated technological innovation and digital transformation:
 - AI technology propels the smartification of the healthcare sector and the universal use of multimodal AI represents a key future trend.
 - The medical equipment industry currently undergoes a new wave of technological innovation resulting in the ongoing emergence of smart, personalized, high-precision medical equipment.
 - The digital health market also exhibits a rapid growth pattern and is expected to reach a market volume of 1.5 trillion and CAGR of 36.46% by 2025.
- e. Increasing policy support:
 - The government has rolled out a series of policy measures to boost the development of the medical equipment industry (e.g., Notification on the Reporting of Projects for the Popularization and Application of High-End Medical Equipment in 2024)
 - Optimization of medical insurance policies through the inclusion of a rising number of medical devices in the scope of coverage
- f. Accelerated pace of internationalization:
 - Chinese healthcare businesses actively expand into overseas markets by harnessing their strong competitive edge in the fields of medical monitors and home-use ventilators. Products with high price-performance ratios enjoy a high popularity in developing countries.
 - As of July 2024, the cumulative export volume of medical instruments and devices at the beginning of the year amounted to US\$ 10.8 billion, marking a YoY increase of 8%.

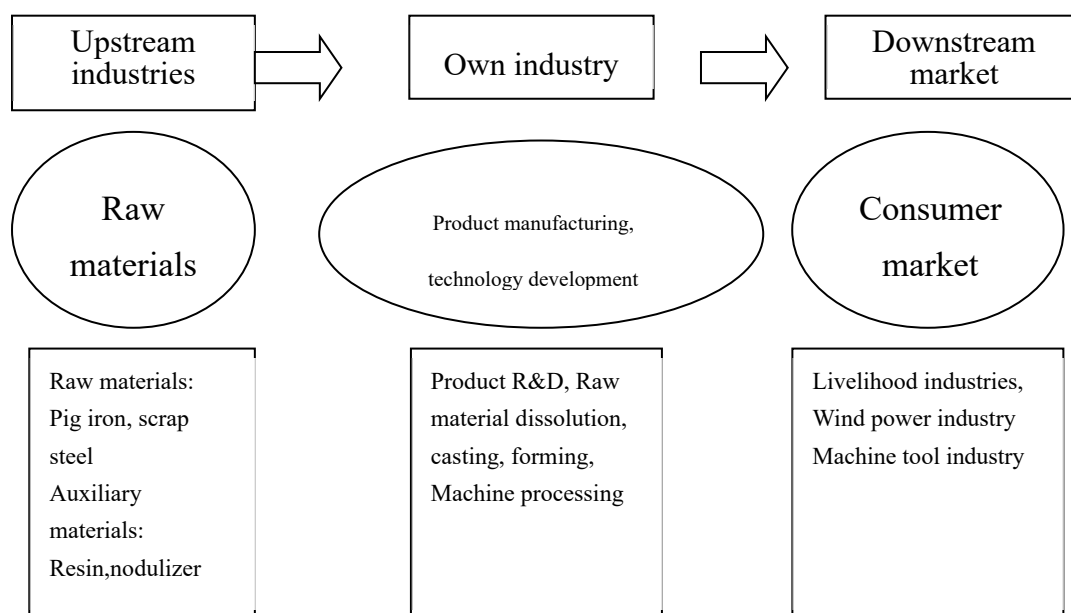
Medical industry development trends

- a. Technological innovation-induced changes and transformations:
 - AI technology will be widely applied in the fields of diagnosis, treatment, and pharmaceutical research. The goal is to foster the concurrent development of AI-aided diagnosis and treatment.
 - Broad prospects of cutting-edge fields such as biopharmaceuticals, cell and gene therapy
- b. Rise of family medicine and telemedicine:
 - In line with ongoing technological advances and the rising health awareness of citizens, the demand for home-use medical equipment is increasing and telemedicine technologies are gaining widespread use.
- c. Accelerated substitution of imported equipment with locally manufactured products:

- Domestic medical equipment manufacturers make constant breakthroughs in the field of technology, which results in the gradual substitution of imports. It is anticipated that the import substitution rate of high-end medical equipment such as medical imaging devices and surgical robots will steadily increase.
- d. Vibrant development of consumer healthcare:
 - Consumer healthcare fields such as aesthetic medicine and oral care have seen rapid development with the cohort of 20 to 35-year-olds as the backbone of oral care consumption.
- e. Policy-driven industry upgrades:
 - Centralized procurement and equipment renewal and renovation are expected to propel the expansion of the medical device market, while technological innovation and iterative computing represent the core driving force of business development.
- f. Globalization and market expansion:
 - In view of the rapid international expansion of domestic medical equipment manufacturers, ventures into overseas markets will turn into the main strategy of business growth
- g. Innovation of medical service models:
 - Patient-centered care service models will become more widespread and pharmaceutical businesses step up their social media presence to create a new channel for customer traffic.

The healthcare industry will be characterized by ongoing changes and transformations in the field of performance enhancements, smartification, and user-friendliness of care service models. These transformations will not only boost the overall development of the healthcare industry but also generate more business opportunities and social value.

2. Relationship between up- mid- and downstream industries



Castings have a very wide application range which currently includes the hardware, machinery, and electronics industry with a constantly expanding range of uses. Castings are used in construction, hardware, equipment, engineering machinery, and other large-scale machinery as well as the machine tool, shipping, aerospace and aviation, automobile and motorcycle, and electronic appliance industries.

(3) Macroeconomic, industry development, and product competition trends

A. Wind power industry

The International Energy Agency (IEA) describes the global energy mix in its report titled “Net Zero by 2050: A Roadmap for the Global Energy Sector” as follows: Wind power (35%), PV (33%), hydropower (12%), nuclear power (8%), bioenergy (5%), hydrogen energy (2%), and fossil fuels & carbon capture and storage (2%). The report titled “World Energy Transitions Outlook: 1.5°C Pathway” released by the International Renewable Energy Agency (IRENA) points out that wind power and PV will account for two-thirds of the globally installed generation capacity (wind power and PV installations are projected to reach 8,174 GW and 14,878 GW, respectively, by 2050; wind power has a slight upper hand in the global generation mix). Other power generation methods will include hydropower, bioenergy, geothermal energy, tidal/wave energy, and hydrogen energy.

According to the latest forecasts, annual wind power installations must be quadrupled to reach the goal of 3200 GW by the end of the decade (2030). Rapid development of wind power is the only way to guarantee that global warming can be limited to 1.5°C.

The current energy crisis has been triggered by the fossil-fuel centered energy market. Furthermore, the design of wind power generation systems is currently being adjusted in response to the pressure of transformation. The wind power

industry is facing higher costs caused by improper market design. Policymakers must therefore reassess markets to meet economic and social goals.

Wind energy is considered the guardian angel of energy transformation. Relevant industries must therefore guarantee that wind energy is viewed as the epitome of social and environmental value. Central governments and local communities must make a concerted effort to develop effective responses to climate change against the backdrop of a rising complexity and interconnectedness of energy systems. Reduction of red tape is crucial for the creation of a green future. If examination and approval procedures governing land allocation, grid connection, and other areas are not simplified, wind power development is bound to stagnate. A more potent international monitoring and control framework must be established to solve the problem of intensifying competition in the field of commodities and key minerals. In addition, public-private sector cooperation is required to meet the new geopolitical challenges of the wind power supply chain.

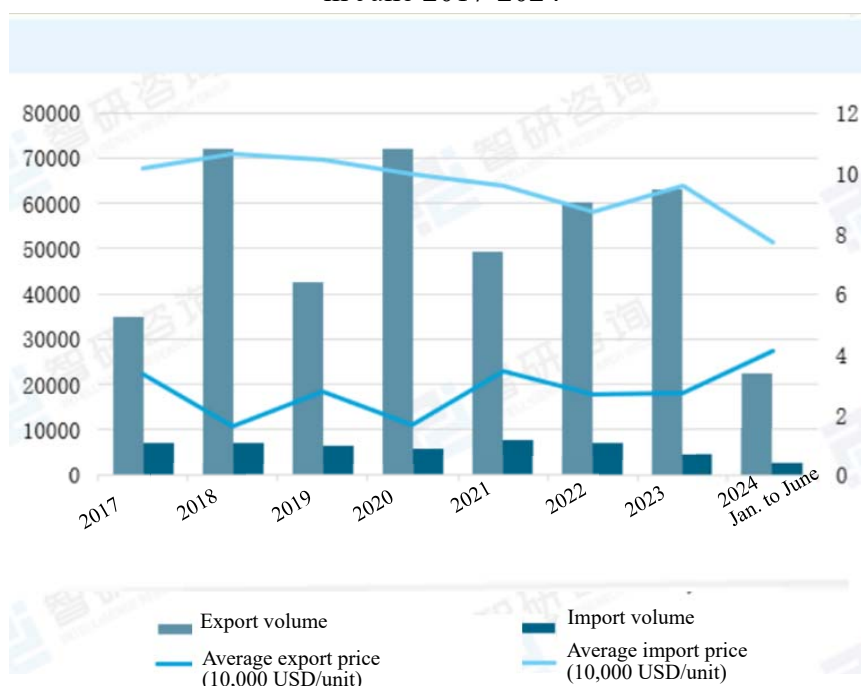
The disappearance of base loads indicates that flexibility will turn into a key asset of renewable energy-dominated systems. Policymakers must send clear signals to the market that they are determined to invest in relevant tools.

Unprecedented investments in the electrical grid in sync with the pace of renewable energy development represent another key requirement. Electrical grid investments must be tripled by 2030. The wind power industry will play a pivotal role in a fair and reasonable energy transformation process. Manpower planning for large-scale development of renewable energy is therefore a top policy priority in the early stages.

B. Injection molding machinery industry

The injection molding machinery market exhibits a steady growth pattern. The recovery of the global manufacturing industry and the rapid development of emerging industries has resulted in a constantly increasing demand for injection molding machinery. The swift development of the NEV and consumer electronics sectors has injected new growth momentum into the injection molding machinery industry. Global population growth has led to a greatly increased demand for processed food, beverages, pharmaceuticals, automobiles, and electronics. Unique characteristics of plastics including multifunctionality and customization potential based on specific requirements have boosted their use. The rapid increase of plastics use will add momentum to the growth of the injection molding market due to its key competitive advantages including reduced manpower needs, high production efficiency, and decreased waste generation.

Chinese Injection Molding Machinery Export Statistics
in June 2017-2024



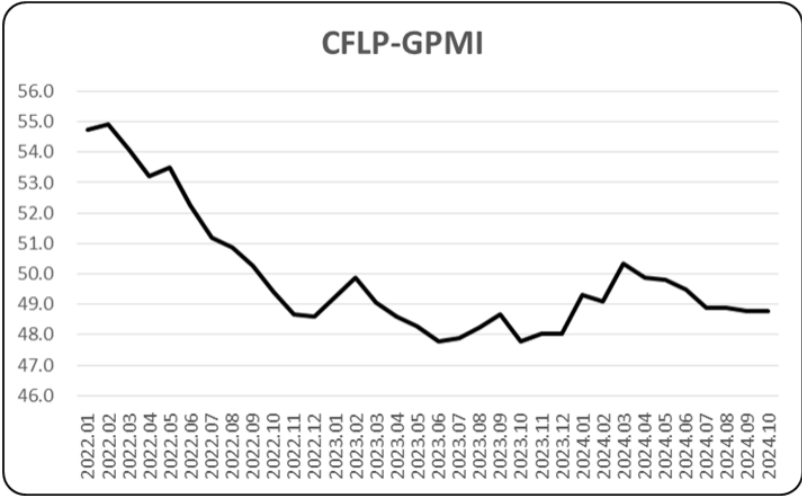
In the period from January to June 2024, the Chinese injection molding machinery industry exported a total of 22510 machines. Imports amounted to 2536 units. Exports of such machinery therefore by far exceeded imports. As for average prices in the period from January to June 2024, average import prices (US\$ 77,200/unit) significantly exceeded export prices of injection molding machinery manufactured in China (US\$ 40,900/unit). This clearly reflects the fact that China still relies on imports to meet its demand for high-end injection molding machinery, while the production capacity for low-end machinery is abundant. It should however be noted that the gap between average import and export prices is gradually narrowing. This difference shrank from US\$ 41,900/unit in the period from January to June 2023 to US\$ 36,300/unit in the period from January to June 2024. It is therefore evident that

China has achieved a major breakthrough in the field of high-end injection molding machinery.

C. Industrial machinery

PMI (Purchasing Managers Index)

In October 2024, the Comprehensive PMI Output Index reached 48.8%, which was the same value as in the previous month. The Manufacturing PMI in Asia rose slightly to 51% over a period of two consecutive months. The Manufacturing PMI in Europe increased while that for the Americas dropped compared to the previous month. Both indicators are at a relatively low level below 48%. The Manufacturing PMI in Africa couldn't sustain the growth pattern of the previous month and dropped below 50%.

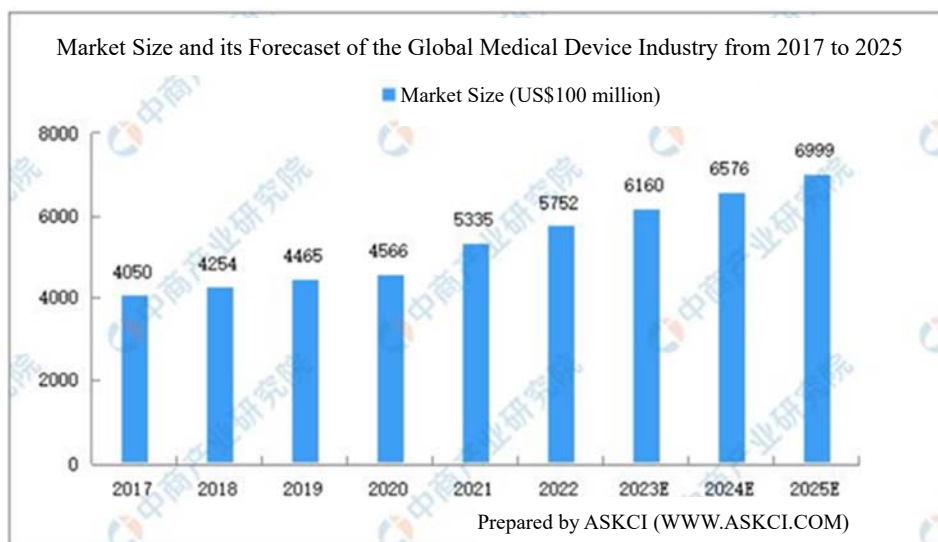


D. Medical equipment

Market size of the medical device industry

(A) Anticipated maintenance of a stable growth pattern in the global market

Askci Corporation website: The aggravating issue of population aging worldwide coupled with the ongoing increase of chronic patients serves as a catalyst for the sustained development of the global market for medical devices. In the period from 2017 to 2021, the size of the global medical device market increased from US\$ 405 billion to 533.5 billion, which constitutes a CAGR of 7.1%. The rising health awareness among all citizens is expected to perpetuate this growth momentum. It is anticipated that the market size will break through the threshold of US\$ 600 billion in 2023 and reach US\$ 699.9 billion in 2025.



Data source: Frost & Sullivan, Zhongshang Industrial Research Institute

(B) Enormous growth and development momentum of the Chinese market

Population aging is driving ongoing growth of the demand for healthcare services. The early 21st century will be a period of extremely rapid population aging in China. Against the backdrop of baby boomers born in the mid-20th century reaching old age, it is forecast that by 2040 seniors aged 65 and above will account for 22% of the total population. The trend of progressive aging of the elderly population is getting more and more pronounced, as borne out by the five percent annual increase of the population segment aged 65 and above. Accelerated population aging is associated with a significant increase in the incidence rates of chronic diseases including tumors, diabetes, cardiovascular disease, hypertension, cerebrovascular disease, neurological disorders, and orthopedic conditions.

China has turned into the second largest market for medical devices in the world accounting for around 25% of the global market, which is only second to the US (31%). According to data released by Frost & Sullivan, it is expected that the size of the medical device market will reach around US\$ 960 billion in 2022. In the period from 2015 to 2022, the compound growth rate is projected to lie at approximately 17.5%, which is significantly above the global growth rate. By 2025 and 2032, market size is anticipated to soar to US\$ 12.4 billion and US\$ 18.2 billion, respectively. This represents a compound growth rate of 10.2% and 5.6% for the period from 2021-2025 and 2025-2032, respectively, as shown in the chart below.

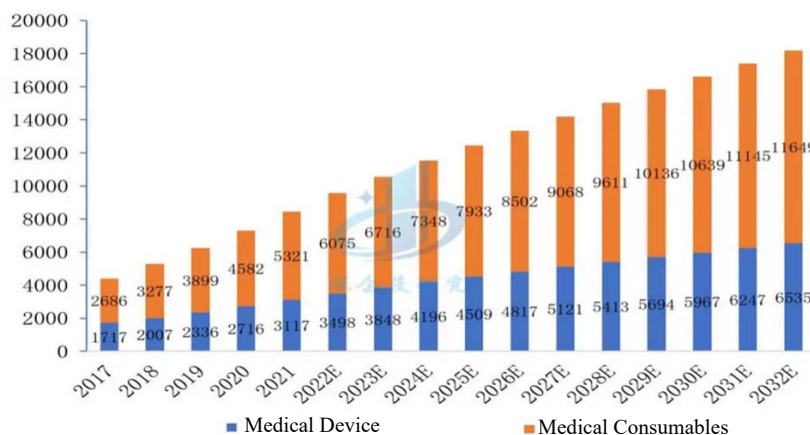


Chart 6: Market Size and its Forecast of China's Medical Device Industry from 2017 to 2032

Data source: Frost & Sullivan, Blue Book of the Medical Device Industry in China, Guotai Junan, and Shenzhen Enterprise Investment Institute

Medical industry development trends

(A) Accelerated technological innovation and digital transformation

- Innovation of medical technologies is the main catalyst of ongoing industry development. The efficiency and precision of medical diagnosis, treatment, and health management has been greatly increased through the application of advanced technologies including AI, big data, and biometrics.
- In view of the rapid growth of the digital health market, it is expected that the market volume and CAGR will have reached 1.5 trillion and 36.46%, respectively, by 2025.
- Swift development of novel service models in the fields of telemedicine, family doctors, and health management has turned into a supporting buttress of the healthcare sector.

(B) Accelerated substitution of imported medical equipment with locally manufactured products

- Domestic medical device manufacturers are gradually gaining a foothold in the domestic and international markets by harnessing technological advances and cost advantages. Businesses in the fields of medical imaging and telemedicine, in particular, are anticipated to undergo explosive growth.
- The volume of the global medical device market is projected to reach US\$ 598.9 billion by 2024 through growth in four major medical specialty areas (IVD, cardiovascular, medical imaging, and orthopedics).

(C) Rising demand for consumer healthcare and personalization

- Consumer healthcare fields such as aesthetic medicine and oral care have seen rapid development and consumer demand for personalized and customized healthcare services is increasing.
- The female health market has also seen a meteoric rise due to the two major demands for "delighting oneself" and "introspection" which serve as a catalyst for the fast-paced development of the female health market.

(D) Accelerated internationalization

- Domestic medical device manufacturers have stepped up their international expansion efforts and have achieved major breakthroughs in the European, American, and Southeast Asian markets by relying on products with high cost performance
- In 2023, medical equipment and medical consumables accounted for the largest share of the export volume of Chinese medical devices (US\$ 103.101 and 111.879 billion, respectively)

(E) Reinforced policy support and supervision

- The government relies on optimized review, vetting, and approval processes, medical insurance negotiations, and centralized VBP (volume-based procurement) to promote structural adjustments and upgrades of the medical and pharmaceutical industries.
- Policy promotion is expected to bring about a structural recovery and effectively ease funding pressures in the medical device industry.

Product competition

(A) Intensified competition in the field of medical devices

- The medical device market is fiercely competitive, the window for innovation is narrow, and product homogeneity is high. Enterprises are therefore forced to prevent involution through differentiated innovation.
- Competition pressure in the field of cardiovascular devices and IVD is rising due to the fact that multiple products enter the market simultaneously.

(B) Diversified competition in the medical and pharmaceutical markets

- The competition pattern in the medical and pharmaceutical markets is characterized by a high level of diversity. Competition between traditional pharmaceutical companies and emerging biotechnology businesses is intense.
- The innovative pharmaceuticals market receives policy support, but it also faces challenges including high R&D costs and fierce market competition.

(C) Fierce competition in the field of digital healthcare services

- Competition in the digital healthcare service market is fierce. Online healthcare platforms therefore rely on cross-field integration and innovation to provide faster, more convenient, and highly efficient healthcare services.
- Digital healthcare service platforms dominate the market with a market share of around 61%.

(D) Competition in the field of consumer healthcare

- Consumer healthcare is characterized by intense competition. Overseas health supplements pour into the Chinese market via cross-border e-commerce companies, thereby triggering a wave of innovation among domestic brands.
- The domestic nutritional supplement industry has evolved from "service at a premium" to "R&D and quality at a premium". Companies are therefore required to enhance their product quality and R&D capabilities.

The medical industry must manifest its vast development prospects in a macroenvironment characterized by technological innovation, policy support, and market demand as the main driving forces. However, fierce market competition and policy changes pose significant challenges for businesses in this industry. Looking ahead, enterprises must step up their efforts

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in the field of technological innovation, optimize product and service quality, and actively expand into international markets to make themselves stand out from their competitors.

(3) Overview of Technologies and R&D

1. Research and development expenses and R&D investments as share of revenue in recent years up to the first quarter of 2024

Unit: 1000 NTD; %

Item \ Year	2022	2023	2024
R&D expenses (Note)	319,550	313,236	227,037
Revenue	9,383,925	8,671,009	7,202,236
Share of revenue (%)	3.41%	3.61%	3.15%

Note: R&D expenses are manpower and mold costs generated by technology improvements and development of new products

2. R&D Achievements

Technology or product type	Properties and functions
Molding flask	Based on the contour of the mold, these specially designed flasks guarantee the use of suitable amounts of sand to reduce sand-iron ratios and cooling times and improve turnover rates of flasks.
Iron ball	This sphere-shaped object is hollow and is added during stages of molding and core making processes that consume large amounts of sand. These balls can be recycled and reused and help reduce sand costs.
Inoculants with Bi content	Improve the grade of nodulization and enhance the mechanical properties and quality of castings
EN-GJS-350-22U-LT	1.Utilized in wind power and gas turbine products to ensure high elongation rates, excellent low-temperature impact properties, and high fatigue resistance 2. High-intensity, high-tenacity spheroidal graphite iron casting for industrial use application
EN-GJS-400-18U-LT	
EN-GJS-500-7	
EN-GJS-500-14	
EN-GJS-600-3	
EN-GJS-600-10U-LT	
EN-GJS-700-2	Heavy-duty gear used in high-speed trains and boats.
EN-GJS-1050-6 (ADI)	
Anti-overflow gate riser	The effect of inertia when molten iron is poured into the mold cavity from the ladle during the casting process which leads to overflow at the gate riser and an expanding area of molten iron. This technical improvement prevents the overflow of molten iron at gate risers onto the surface of sand mold.
Core-wire injection nodulizing equipment	Enhances the molten iron nodulization effect and quality

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Technology or product type	Properties and functions
Unpluggable pouring basin	Allows the pouring of molten iron of a weight equivalent or approximate to the casting into the basin above the mold cavity and ensures that impurities in the molten iron float to the surface. When the plug is removed and the molten iron flows into the cavity, the impurities are kept in the basin and out of the casting.
ASME U STAMP (Certified by American Society of Mechanical Engineers)	Permission certificate for export of pressure vessels to Europe and the US
PED(pressure equipment directive)	Permission certificate for export of pressure vessels to Europe
Ceramic tube runner	Decreases slag flowing into castings and enhances product quality
CNC wooden pattern processing	Machine tools are employed for 3D programming of processing patterns. This enhances the accuracy of the dimensions of the pattern and the surface flatness, increases the service life of the pattern, reduces the impact of human negligence and facilitates the production and measuring of complicated shapes which cannot be created manually.
PFMEA - Process failure mode and effect analysis	Increases the ability to control production processes and reduces process reject ratios.
Optimization of gating systems	Reduced use of ceramic tubes, decreased labor costs and intensity, and enhanced yield rate
Minimization of allowances for pouring weight	Enhances the usage rate of molten iron and reduces energy consumption
Promotion of the use of chips in all plants	The computerization of mold data enhances the consistency of scheduling and production and reduces human error during production processes
Wind turbine hub rotary fixture	Implementation of simultaneous setup and machining of three flanges to effectively reduce processing times and enhance production efficiency.
Hollow core support technology for wind turbine hub castings	Reduced consumption of core sand, decreased sand-iron ratio, convenient core making operations and facilitate ventilation during casting.
Ventilated and anti-leakage flask	Guarantees sufficient ventilation during the casting process and facilitates mold closing and sand enclosing operations and prevents leakage
Standardization of the base plate of pattern	Reduce pattern costs and shorten pattern making times
Air-cooled iron core technologies	One end of the sand core is exposed to cold air and the other end releases hot air to accelerate the cooling of heavy castings and enhance the quality of castings
Ductile iron castings (energy-	Refined inspection process to guarantee product inspection

Technology or product type	Properties and functions
type gas turbines) MT, UT Special inspection code	quality
Universal assembly and welding device/tool	Reduces assembly and welding times, enhances production efficiency, and guarantees product quality
Styrofoam cylinder molding technology	Cylinder-shaped Styrofoam rapid molding tool for increased production efficiency
Special tapping clamping cutter	Enhanced efficiency and reduced costs
Converter	Face mill cutter head is converted and clamped to boring shank for reduced costs
C5 High-grade anti-corrosion coating technology	Improved and optimized coating techniques allow the highest C5 grade corrosion protection and provide enhanced coating quality
EN-GJS-600-10U-LT	Wind power and gas turbine products are characterized by excellent elongation characteristics and low-temperature impact resistance as well as high fatigue resistance and weight reduction
Casting dimension scanning technology	Enhances the accuracy and efficiency of casting dimension detection
Coating automation	Enhances the quality consistency and efficiency of spray coating for castings

(d) Long- and short-term development plans

(1) Short-term:

A. Customer orientation and service upgrades

Market penetration: Focus on the Chinese domestic market, formulation of diversified sales strategies for emerging industries in the fields of healthcare and NEV with a simultaneous focus on strengthening the after-sale service network in Japan, Europe, and America and establishment of a rapid response mechanism to enhance customer attachment.

Vertical integration: Intensification of all-in-one services including casting, processing, and assembly offered by the injection molding machinery, wind power/new energy, and industrial machinery industries. The goal lies in the establishment of a production monitoring system to facilitate real-time tracking of product quality and shipping progress.

B. Emerging industry layout

Provision of vertically integrated services for existing products: Precise processing services for castings by the injection molding machinery industry, enhanced assembly capabilities for existing processing services, and more comprehensive services; expansion of assembly capabilities, active efforts to intensify cooperation with partners in service areas other than the medical industry, extension of cooperation to project assembly (customers in the injection molding machinery and wind power industry are considering such cooperation)

Horizontal expansion into new fields, industries, and product areas: Emerging vibrant industries as foreseeable now such as AI, automated machinery, robots, NEV; expansion in industries of existing customers such as shipbuilding industry, agricultural machinery, castings for the automotive industry, public projects, and medical industry; horizontal expansion to new customers in the same industry or cross-industry expansion of existing customers; dedicated efforts to expand sales to competitors of top-ranked businesses in their respective industries after securing cooperation.

Supply chain resilience: Signing of long-term agreements with international raw material suppliers and adoption of dual sourcing models to mitigate geopolitical and price fluctuation risks

C. Enhanced production efficiency

Process optimization: Adoption of digital twin technology simulation-based production processes, shortening of trial run periods for new products, implementation of smart factory pilot sites, and reduction of energy consumption per unit.

Production capacity expansion: Raising of the production capacity target of the Taichung Harbor Plant for 2025 to 50,000 tons; prioritized deployment of precise processing machine tools to gain the ability to take on orders for offshore turbines

(2) Medium-term

Expansion of existing production capacities and production bases: In addition, to increased efficiency and production capacities at existing production bases, it is also planned to establish new production bases in Thailand and the Taichung Harbor area in Taiwan within the next 3-5 years to face the challenges of market volatility and uncertainty.

A. Taichung Harbor Plant:

The main objective of this expansion project is to satisfy the stable global demand for offshore wind power and the demand for castings of heavy industries such as the injection molding machinery and industrial machinery sectors. The output volume is expected to reach 20,000 tons, 50,000 tons, and more than 60,000 tons in 2024, 2025, and 2026, respectively. The close proximity of the plant to major customers, the active support by the local and central governments, and the location of the plant in the close vicinity of Taichung Harbor represent enormous competitive advantages (e.g., land transportation cost savings).

B. Thailand plant:

Significant planning advantage: Construction started in 2022 and it will begin production in the second quarter of 2025. In addition, Thailand government offers investment incentive policies of 8-year investment tax-free and 5-year investment tax 50% percent reduction. Automated equipment will be added in the future, while investments in new production capacities through industrial machinery will be planned in stages in response to supply chain transfer trends in the future. Production

capacity is planned to be 140,000 tons/year, the goal is to strengthen deployment in ASEAN region and thereby enhance the company's risk resistance capacity in the face of rapid industrial transformations.

(3) Long-term:

- A. Pioneering investments and solid implementation of an EHS (Environment, health, and safety) system: All plant areas affiliated to the group have earned the approval and support of local governments. The establishment of an EHS system is a key review criterion of multinational corporate clients. Investments that will generate long-term environmental cost advantages are planned in stages and the Company will pioneer the adoption of environmental protection equipment that meets the highest standards.
- B. Promotion of GSI (Green Supplier Initiative): The goal lies in achieving conformity to national and international standards and norms in the fields of environmental protection, energy conservation, and emission reduction at an early date.
- C. Promotion of integrated carbon management: Interpretation of Interim Regulations on the Administration of Carbon Emissions Trading, establishment of a basic institutional framework, investment in photovoltaic installations, implementation of paperless office operations and green factory management, acceleration and consolidation of progress on the path toward carbon peaking and carbon neutrality through market mechanism controls and GHG (e.g., CO₂) emission reductions, realization of high-quality, green development and the "Double Carbon" target, and proactive commitment to carbon market trading.
- D. Lean production: Transparency of manufacturing data and management and constant advances and optimization of lean production processes ensure the streamlining of operations, elimination of useless and redundant elements, and ongoing enhancement of production efficiency.
- E. Continued implementation of training and inheritance programs of the Group from top management to the lowest ranks and building of the Group's core competitiveness including strengthening of professional technical competence, comprehensive user solutions, and continued skill development.
- F. Corporate social responsibility: The Company aims to contribute to environmental protection, society, and corporate governance (ESG) and fulfill its corporate social responsibility (CSR) through its development and planning efforts and its core competitiveness to achieve the goal of sustainable development and business operations.

2. Market and sales overview

(a) Market analysis

1. Main products and sales regions

Unit: 1000 NTD; %

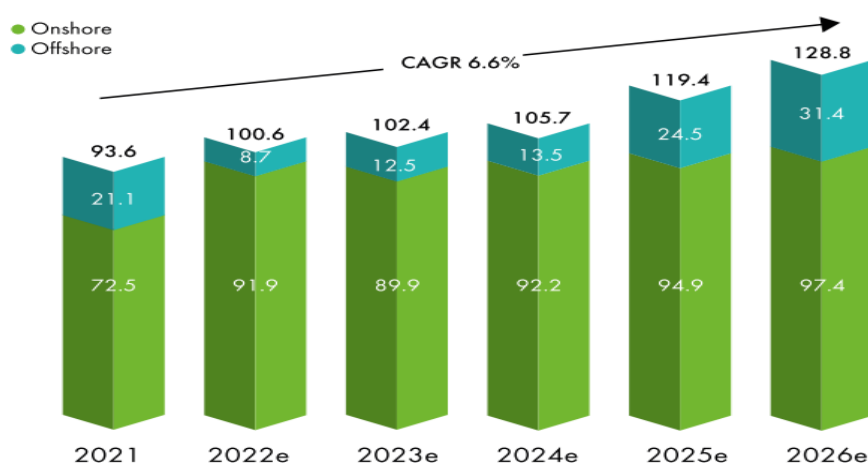
Region \ Year	2023		2024	
	Amount	%	Amount	%
Europe	1,506,945	17.38%	1,284,053	17.83%
China	5,732,877	66.12%	4,802,864	66.68%
USA	311,165	3.59%	141,764	1.97%
Asia	1,120,022	12.91%	973,555	13.52%
Total	8,671,009	100.00%	7,202,236	100.00%

2. Future supply and demand situation and growth prospects

A. Wind power generation industry

The Global Wind Energy Council (GWEC) has officially released its Global Wind Report 2024. Relevant data shows that newly added wind power installations amounted to 117 GW (grid-connected capacity) worldwide. The cumulative installed capacity has reached 1021 GW. Due to the spirit of global solidarity triggered by the net zero commitment paired with the newly perceived urgency of energy security, the market outlook of the global wind power industry is very positive.

New wind power installations outlook 2022-2026 (GW)



GWEC's Market Outlook represents the industry perspective for expected installations of new capacity for the next five years. The outlook is based on input from regional wind associations, government targets, available project information and input from industry experts and GWEC members. An update will be released in Q3 2022. A detailed data sheet is available in the member only area of the GWEC Intelligence website.

Based on current policies GWEC forecasts that the global new wind capacity will reach 557 GW within the next five years. By 2026, the capacity of newly added installations per year will exceed 110 GW.

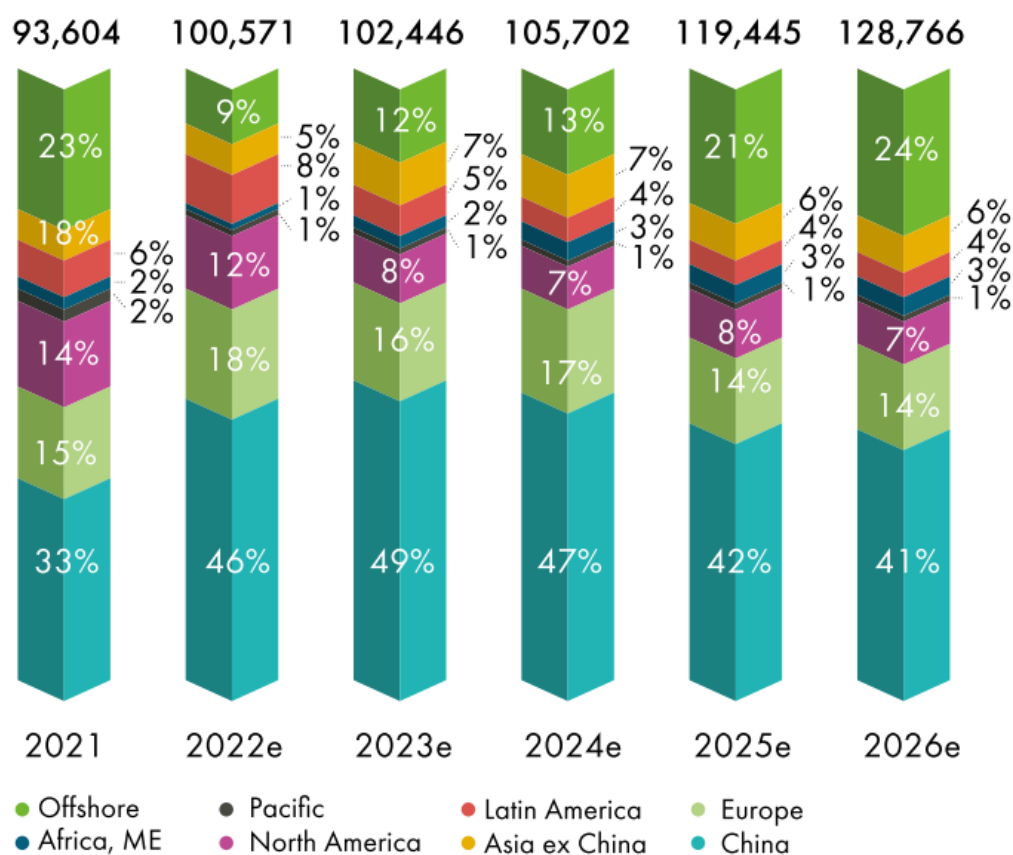
Within the past two years, eligibility for Feed-in-Tariff (FIT) subsidies represented the main growth impetus. However, in view of the termination of FIT policies in China and Vietnam and the planned phasing out of renewable energy subsidies in Sweden and Norway by 2021, the growth momentum of the global wind industry is expected to depend on the following support mechanisms starting in 2022:

- (A) Grid parity program (a price parity scheme for solar and wind power in China, allowing renewable energy to compete with benchmark prices for coal-based grid supplies without needing central government subsidies);
- (B) Positive guidance and support by national governments: Compared to other renewable energy forms, offshore wind power projects in particular are characterized by higher investment needs and longer life cycles. Reasonable support policies are therefore required to reduce investment risks and ensure stable revenues. In European and Asian markets such as Germany, the Netherlands, China, Japan, and Vietnam, offshore wind power policies are shifting from Feed-in-Tariffs to more competitive mechanisms. In the US, tax incentive policies are applied to the field of offshore wind power and include Investment Tax Credits (ITC) and Production Tax Credits (PTC) for wind power generation. In emerging markets, investments in offshore wind power projects often rely on international capital. Policy transparency and stability is therefore of vital importance.
- (C) Pure energy, hybrid propulsion, renewable energy, and technological neutrality auctions (Europe, Latin America, Africa, Middle East, Southeast Asia): Due to the high popularity of auction/bidding mechanisms in all markets other than China and the US, challenges associated with auctions in the past such as permits and market design must be tackled to sustain growth in the next five years.

The projected CAGR of onshore wind power and the average annual installed capacity are 6.1% and 93.3 GW for the next five years. In the period from 2023 to 2026, the capacity of new installations could reach 420 GW. CAGR of offshore and onshore wind power is expected to reach 8.3% in the next five years. In consideration of the fact that the offshore wind power capacity increased by over 21GW in 2021, this growth rate is very heartening. In view of the fact that the installed wind power capacity in China has decreased, new offshore wind power installations in 2024 could restore the capacity to the level in 2019/2020. However, market growth is expected to regain momentum in 2024 and is forecast to exceed 30GW in 2026.

It is projected that the global installed offshore wind capacity will exceed 90GW in the period from 2023 to 2026. The average annual power output of these offshore installations is expected to reach 18.1GW. It is further forecast that the Asian-Pacific market will be the main driving force for the global growth of onshore and offshore wind power in this five-year period.

New wind power installations outlook 2022-2026 by region
MW and per cent, onshore and offshore



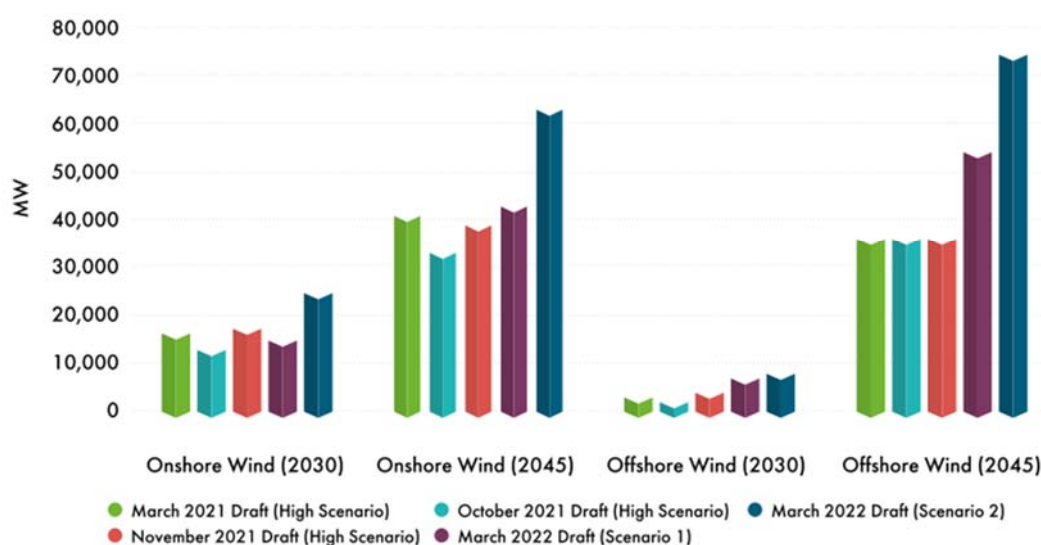
Africa and the Middle East

The installed capacity in this region slowed down in 2023. However, due to the successive delay of the first and second round of the 5G spectrum auction plan in the context of the Renewable Independent Power Producer Programme (REIPPP) of the South African Government, growth speed for 2024 is expected to increase. Nevertheless, the pending official launch of the 5G spectrum auction of REIPPP Programme will result in a record high in South Africa. In the next five years (2022-2026) the newly added capacity is projected to reach 5.4 GW, 2.2 GW, 1.8 GW, 1.3 GW in South Africa, Egypt, Morocco, and Saudi Arabia, respectively.

Asian regions except China

The momentum generated by the expired FiT policy has triggered a 57% increase in the field of onshore wind power capacity in Vietnam in 2023. The Asian Development Bank forecasts that the Vietnamese GDP will rise by 6.5% in 2024, which will be associated with an increase in electricity consumption by 11%. However, Vietnam cannot satisfy its energy demands by solely relying on domestic fossil fuel production. The country heavily depends on imported fuels. As for the net zero emissions target set at the COP26 summit, the pace of wind power development is expected to slow down in 2024. Following the finalization of the Power Development Plan VIII (PDP8) draft, the wind power sector is projected to rebound and gradually pick up steam.

Vietnam's wind energy targets in the draft PDP8



Onshore/offshore wind power in China

In 2021, the Chinese onshore wind power market entered a “subsidy-free” era. As a result, the newly added onshore capacity has dropped by 39%. However, based on the Modern Energy System Plan of the National Energy Administration set out in the 14th Five-Year Plan (2021-2025), GEWC has upgraded its forecast for the Chinese onshore wind power capacity by 16% compared to the outlook in Q1 2021. This reassessment is based on the renewable energy development strategy formulated by the government in the 14th Five-Year Plan, which demands an all-out effort to promote the large-scale and high-quality development of wind and solar power, prioritization of localized development and use, acceleration of the construction of decentralized wind power and PV installations in load centers and peripheral areas, and intensified application of low wind speed technologies. The goal is to pave the road for achievement of the “30-60” target. The recently launched electricity market reforms is expected to support a revaluation of the dominant position of the renewable energy sector in China in the upcoming decades.

Onshore/offshore wind power in Europe

In view of the policies currently in place and the abating pandemic in Europe, it is projected that 2024 will be a year of record highs in the onshore wind power industry. Countries like Germany, Switzerland, Finland, France, Spain, and Turkey will see rapid development in this sector in 2024. After this peak, the sector is expected to return to a relatively stable level of 17.4 GW in the period from 2024 to 2026. It is further projected that the onshore wind power capacity in Europe will grow by 87.7 GW in the next five years. Germany, Spain, France, Switzerland, and Finland will account for 22% (19.7 GW), 11%, 10%, 9%, and 7% of this increase, respectively.

Onshore/offshore wind power in the US

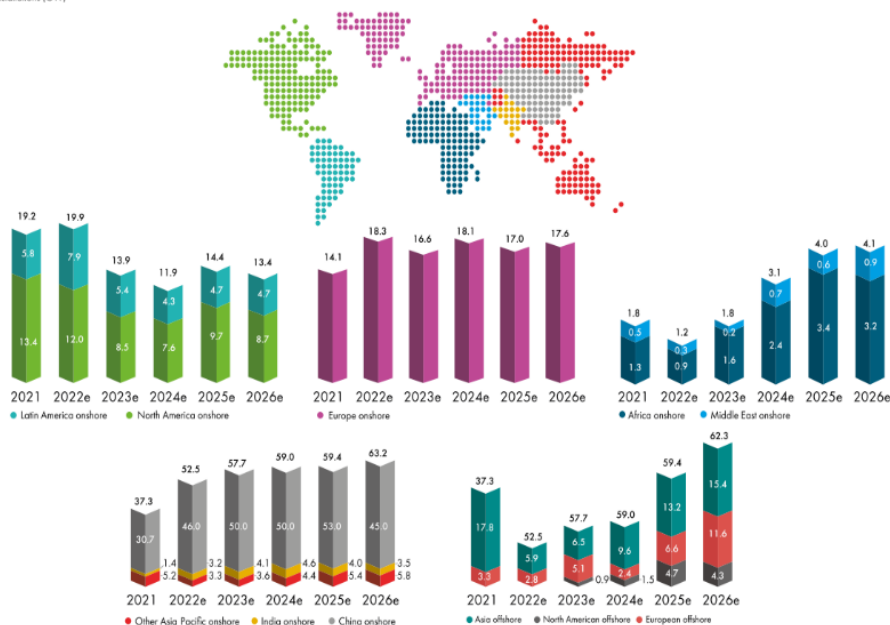
In the period from 2025 to 2030, the US wind energy industry will face a situation characterized by simultaneous opportunities and challenges. Onshore wind power is expected to maintain a pattern of sustained growth through reliance on mature technologies and wide deployment (particularly in states with abundant wind energy resources such as Texas and Idaho). According to the Production Tax Credit (PTC) incentive within the Inflation Reduction Act (IRA) framework, onshore installed capacity is anticipated to exceed 200 GW in 2030 provided that subsidies are resumed after the budget review in April 2025. Should the new government decide to cut subsidies, the pace of growth will slow down and the industry will switch to a market-driven model.

Offshore wind power is currently in a stage of rapid development. Wind projects on the east coast such as Vineyard Wind and South Fork Wind have laid a solid foundation. It is expected that the newly installed capacity in the period from 2025 to 2030 will reach 15-20 GW with wind farms mainly concentrated in New York, New Jersey, and North Carolina. Technological advances (e.g., floating turbines) and supply chain adaptation to the local language will reduce costs, but the lack of harbor infrastructure and the delays in the license approval process represent significant bottlenecks. If IRA funds are unfrozen, offshore wind power will benefit from Investment Tax Credits (ITC), which will result in accelerated expansion. Conversely, shortage of funding could slow down progress.

In conclusion, policy stability is the key. If the aforementioned support continues, wind energy could account for over 20% of the power mix in 2030. If a policy shift occurs, growth will depend on the market and state-level initiatives.

Market outlook 2022-2026

Regional onshore wind and offshore wind outlook
New installations (GW)



B. Injection molding machinery industry

In recent years, the overall sales outlook of the Chinese injection molding machinery industry has been positive. In the first half of 2024, the export value and quantity of injection molding machinery exhibited a growth trend. Customs data reveal that export value and quantity of such machinery in June 2024 amounted to US\$ 175.0172 and 5135 units, respectively, which represents a YoY growth of 19,40% and 0.08%. This clearly demonstrates the rising competitiveness of injection molding machinery manufactured in China on the international market. The industry therefore exhibits a stable growth pattern. Against the backdrop of a global manufacturing sector recovery and rapid development of emerging industries, it is expected that demand for injection molding machinery will continue to rise. The swift development of the NEV and consumer electronics sectors in particular will inject new growth momentum into the industry.

Due to the fast-paced development of the NEV industry, its sales volume and market share continue to rise. Data released by the China Association of Automobile Manufacturers indicate that the production and sale of NEV manufactured in China surpassed 10 million vehicles for the first time in 2024. The sales share of such vehicles exceeded 40%. This clearly signals that the industry has entered a stage of high-quality development. On a global scale, NEVs control a market share of 13.3%. NEV manufactured in China account for 24.4% of this market share.

Four ministries and commissions including the Ministry of Finance and the Ministry of Science and Technology have jointly awarded inauguration plaques to 13 energy conservation and NEV demo pilot sites. The goal is to catapult the industry to a new level through subsidy policies that aim to encourage production and R&D in the fields of energy conservation and NEV. Concurrently, the Chinese NEV industry has adopted AI, Internet, and Big data technologies, thereby reshaping the automotive industry ecosystem. The production and sales volume of the Chinese NEV industry approached the threshold of 10 million vehicles in 2023, constituting the largest NEV consumer market in the world. This industry system which is characterized by highly effective collaboration injects powerful momentum into the global transition to electric vehicles. In addition, the NEV industry and value chains are expanding into the fields of transportation, energy, and information & communication. China is currently speeding up the formation of a novel ecosystem for the automotive industry.

The global consumer electronics market is projected to reach a volume of US\$ 1.9762 trillion by 2026 with a CAGR of 5.8% within the forecast period (2021-2026). AI technology applications have served as a main driving force of consumer electronics industry development. The widespread adoption of AI chips and improvement of smart functions have greatly enhanced smartphone performance and user experiences. In the future, AI technology will further foster innovation in the smartphone market.

The consumer electronics market exhibits a significant growth pattern in product categories encompassing smartphones, laptops, and tablets both in China and globally.

After many years of fast-paced development, China has turned into the largest injection molding machinery market and production base worldwide. The country has maintained a surplus in its injection molding machinery trade for many consecutive years. Due to the fact that injection molding

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machinery is the most largely produced and widely applied type of plastics processing machinery, the powerful trend of energy conservation, carbon reduction, and NEV heralds new opportunities for the market. In 2025, the global injection molding machinery market had a volume of US\$ 22.323 billion and a CAGR of 4.7%. The Chinese and German markets reached a size of US\$ 3.71 billion and 2.23 billion, respectively. China’s global market share amounted to 16.6%.

C. Industrial machinery

IMF (International Monetary Fund)

In October 2024, IMF predicted in its World Economic Outlook that global economic growth will remain at the same percentage as forecast in the July issue of this publication. The growth forecast for 2024 and 2025 was identical at 3.2%.

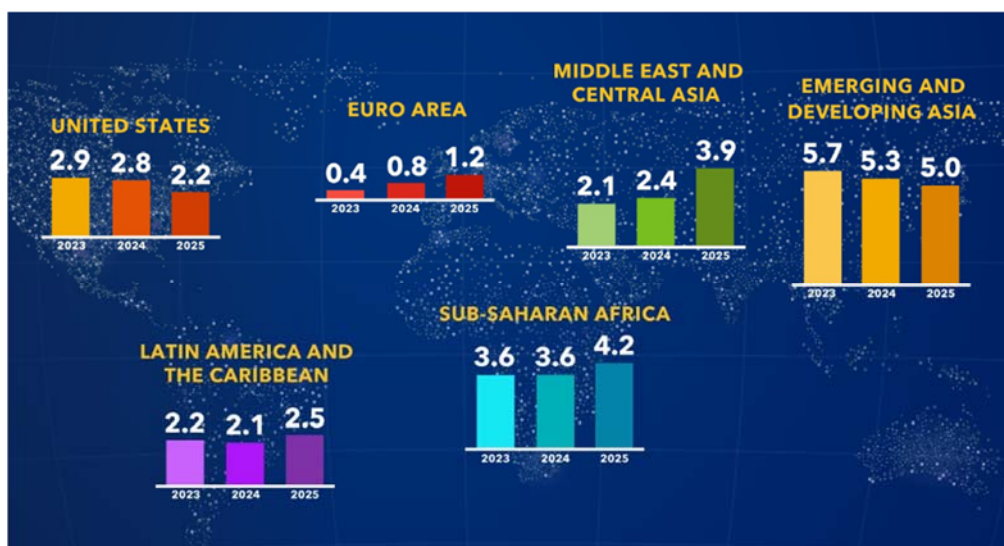
Developed economies

The upward adjustment of the forecast value for the US economy offset the downward revision of forecast values for other developed economies (the largest EU countries in particular).

Emerging markets and developing economies

Various factors have resulted in a downward revision of the outlook of the Middle Eastern, Central Asian, and Sub-Saharan African markets. These factors include disturbances, conflicts, and civil unrest affecting the production and transportation of commodities (petroleum in particular) and extreme weather patterns. The upward adjustment of the forecast values for emerging economies in Asia has offset these negative changes. The growth rate of the Chinese and Indian economies in 2024 has been revised upward to 4.8% and 7%, respectively.





D. Medical equipment

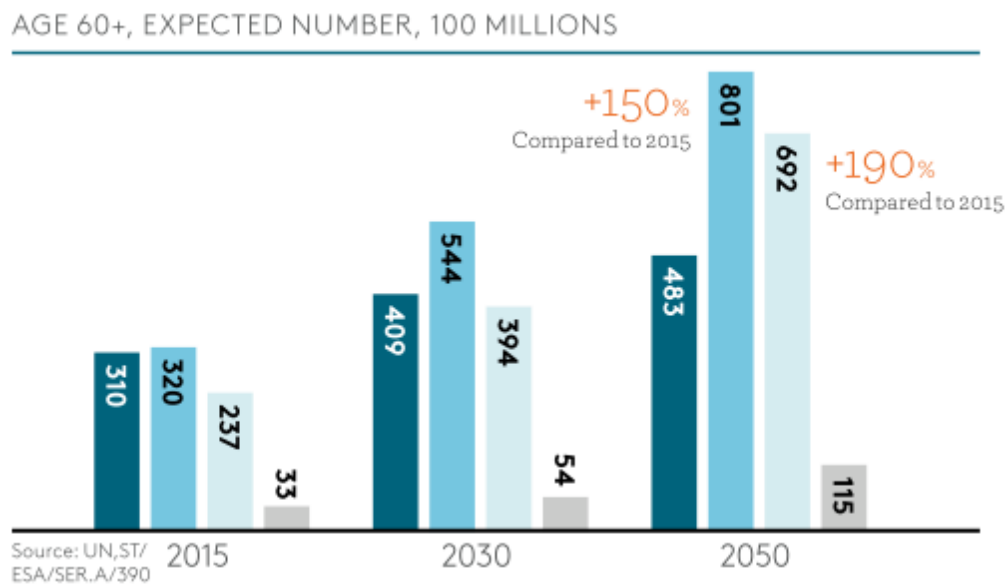
(A) Future supply and demand conditions

a. Demand

- Exacerbated population aging: The global phenomenon of rapid population aging is expected to result in a constant increase of chronic patients, which in turn causes a rising demand for medical equipment, pharmaceuticals, and health management services.
- Consumption upgrades and rising health awareness: People pay increasing attention to health-related issues; demand patterns in consumer healthcare fields including preventive healthcare, rehabilitative nursing, and aesthetic medicine are characterized by rising diversification and personalization.
- Policy promotion unlocks demand: The government advocates the concept of “prevention is better than cure” and implements a paradigm shift from “passive treatment” to “active health management”, which will further unlock demand in the fields of health management, traditional Chinese medicine, and rehabilitative nursing.
- Emerging demands: The rising demand in emerging fields such as women’s health, weight management, and healing health injects new growth momentum into the medical and healthcare industry.

As a consequence of extensions of the human lifespan, accelerating population aging, and strengthening of supporting policies, the medical device market is constantly expanding. A majority of the world population currently lives in countries with below-average income levels. These countries are also the ones with the most rapidly increasing average life expectancy and senior population aged 60 or above. Given the fact that most cancer clinics and linear accelerators are located in high-income countries, the global market has a distinctive need for enhancement of the installation infrastructure for radiation therapy equipment.

Growth of the population aged 60 or above worldwide



b. Supply

- Supply upgrades driven by technological innovation: Intensified application of AI, big data, and gene editing in the field of healthcare fosters smartification and rising precision in the areas of medical equipment, pharmaceutical R&D, and healthcare services
- Accelerated substitution of imported equipment with locally manufactured products : Domestic medical device and pharmaceutical businesses have stepped up their efforts in the field of technological innovation, supported by government policies, to gradually break the monopoly of foreign capital and enhance their capability to supply mid- and high-end products.
- Diversified healthcare services: Public hospitals are still the leading providers of high-end medical services. Private healthcare organizations offer specialty medical services by relying on a concept of diversified competition.
- Rise of digital health services: The rapid evolution of telemedicine, online hospitals, and health management platforms satisfies people's demand for convenient and readily available healthcare services.

(B) Growth analysis

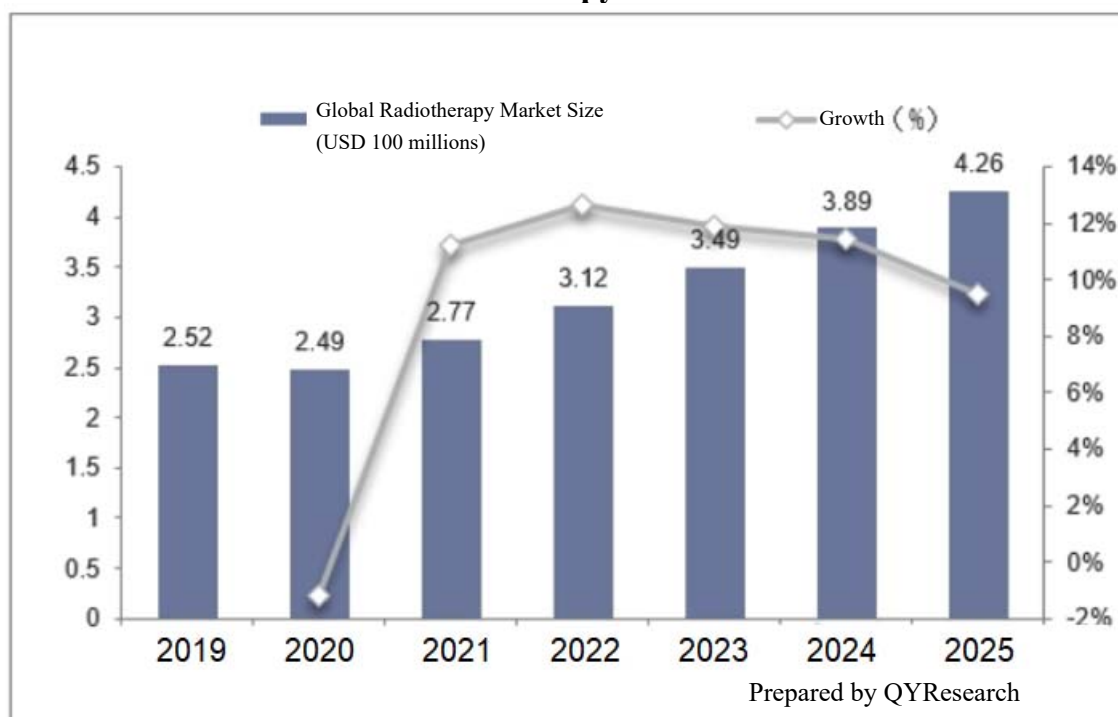
a. Ongoing market volume expansion

- Global market: The global healthcare market reached a volume of US\$ 10.7 trillion in 2024. The projected volume and CAGR in 2030 is 18.1 trillion and 7.9 %, respectively.
- Chinese market: In 2023, total revenues of the Chinese big health industry amounted to 13 trillion. They are expected to surpass a milestone of 10(?) trillion in 2025.
- Subcategories: The size of the medical device market and digital health market are forecast to reach 1.5 trillion with a CAGR of 36.46% in 2025

b. Technological innovation drives growth

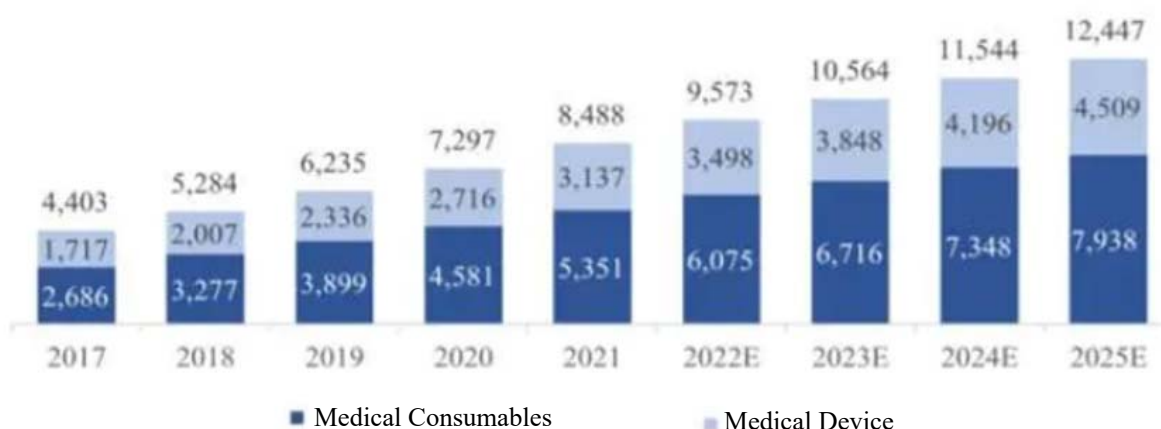
- AI-based healthcare: The use of AI technologies in the fields of medical diagnosis, pharmaceutical R&D, and health management is constantly expanding. The Chinese AI-based healthcare market is projected to reach a volume of around 30 billion in 2028.
 - Medical devices: Following a trend of technological innovation and accelerated substitution of imported equipment with locally manufactured products, medical device manufacturers will expand from the low-end market into the mid- and high-end markets, which is projected to result in a further increase of the market volume.
- c. Policy support and market opportunities
- Medical insurance payment reform: The implementation of this reform will result in a further optimization of medical resource deployment, fostering a healthy development of healthcare services and the pharmaceutical market.
 - Encouragement of innovation and internationalization: Businesses receive policy support to increase their R&D expenditures and promote research, development, and application of innovative drugs and high-end medical devices. They are also encouraged to expand into overseas markets.
- d. Enormous potential of emerging fields
- Consumer healthcare: The aesthetic medicine, oral care, and nutritional supplement markets have a huge potential and are projected to maintain a rapid growth pattern over the next few years.
 - Traditional Chinese medicine and health management: The integration of these two fields will generate new growth momentum and foster the development of related areas.

2019-2025 Global Radiotherapy Market Size and Forecast



Source: QYResearch

Market Size (USD 100 million)



Source: Frost & Sullivan and ASKCI Corporation

(C) Challenges and opportunities

a. Challenges

- Monopoly of the high-end market: The high-end medical device and innovative drug markets are still dominated by foreign capital, while the substitution of imported equipment with locally manufactured products faces technology bottlenecks.
- Intensified market competition: Market expansion will be accompanied by fiercer competition in the fields of medical devices, pharmaceuticals, and medical services.
- Policy uncertainty: Policy adjustment in the areas of medical insurance cost control and centralized procurement of drugs could impact the profitability of businesses.

b. Opportunities

- Benefit of technological innovation: The application of AI and big data technologies will create new growth potential for the healthcare industry.
- Internationalization: Domestic manufacturers of medical products enjoy significant development potential in overseas markets due to their high cost-performance ratio.
- Consumption upgrades and emerging demands: The rapid development of consumer healthcare and health management will provide new growth momentum for businesses.

Looking ahead, the healthcare industry will benefit from a positive macroenvironment characterized by vast room for market expansion and enormous growth potential, but will also face significant challenges in the fields of technologies, policies, and market competition. It is therefore absolutely mandatory for them to seize industry development opportunities and realize sustainable development by relying on technological innovation, optimized product mixes, and market expansion.

Elekta Group Elekta Group places utmost emphasis on the following four dimensions:

- Assumption of a leadership role in the field of technological innovation
- Pursuit of sustainable operations and development on the basis of cost

competitiveness

- (iii) Enhancement of holistic therapy experiences of patients
- (iv) Constant pursuit of process improvements and deep commitment to corporate values

Despite the client is a multinational group with employees from numerous countries, a single project team is in charge of cross-departmental and multinational cooperation. The group is committed to concrete action and incorporates the company's vision into concrete business goals. The ultimate goal is to beat cancer and improve the lives of cancer patients through effective treatment of the disease. The client places high emphasis on business ethics and prevention of unethical conduct at the workplace. It needs suppliers (such as our company) that are committed to sustainable development and eco-friendliness. The development direction of the client is therefore consistent with ours.

(4) Competitive Niche

- A. The Group has more than 50 years of experience in casting industry. Its unique metallurgy technology and stable quality has created a leading position in the industry. Currently, the Group has 6 foundries, 2 processing plants, 2 painting plants, 1 assembly factory and 1 welding plant around the world. Its lot-size purchase of raw materials comes with a certain degree of procurement scale. The 7th foundry is in Taichung Harbor of Taiwan and it is currently under construction. Production is expected to begin in the 3rd quarter of 2024 and output is expected to reach 25,000 tons in 2024, 50,000 tons in 2024 and 75,000 tons in 2025. Going forward, the Group will continue to plan and invest in Thailand plant for the purpose of responding to global wind power needs as well as needs from future ASEAN clients.
- B. In the field of production the group possesses vertically integrated capabilities in the field of casting and processing which enable it to provide customers with higher added-value services and maintain strong partnerships with its customers.
- C. The group continues to develop new products in close cooperation with its clients to maintain its market competitiveness.
- D. The industry has a wide range of application fields. Production, buyers, and application fields can be flexibly adjusted. In addition to existing wind power customers, the Company actively develops new industrial machinery customers and closely monitors the needs of injection molding machinery customers in the fields of e-vehicles and 5G communication equipment.

- (5) Due to the fact that most of the group's customers are highly ranked large manufacturers in different fields and the group is cooperating with large-scale international raw material suppliers, the group is able to resist the impact of economic fluctuations in the areas of production and sales.
- (6) We have extensive experience in castings production and possess large-scale production equipment, which enables us to satisfy all customer needs in the field of large-sized castings. Through the adoption of SCHIESS GmbH large machine tools, we have gained the ability to meet all customer needs in the field of processing equipment.

5. Favorable and unfavorable factors for long-range development and response strategies

A. Favorable factors

- (A) Components and parts for products with excellent mechanical properties and wide range of product areas

The company is mainly engaged in the manufacture of spheroidal graphite cast iron and gray cast iron high-grade castings and creation of hand-made molds. Products are customized and the main product applications include components and parts for products with excellent mechanical properties such as plastic injection molding machines, large-scale wind turbines, large-scale high-precision machine tools, large-scale gas turbines for power plants, large-scale air compressors, and medical equipment. The company is currently committed to spanning different industries by moving beyond the equilibrium in the field of product areas and increasing product types and categories. Production technologies may be utilized for different product categories to give product technologies a more comprehensive character.

- (B) Integration of up-and downstream industries allows an effective reduction of production costs and enhanced delivery efficiency

To achieve a breakthrough in the field of services, Yeong Guan Energy Technology Group not only focuses on casting operations but has also created a main niche through a successful integration of secondary processing of metal. The company has established 6 casting plants, 2 processing plants, one assembly plant, and one resource recycling plant (recycled scrap steel is used as a substitute raw material) in Dongguan in Guangdong province, Ningbo in Zhejiang province, Liyang in Jiangsu, and in Taiwan. The group currently provides casting, processing, welding, assembly, and spray coating services and imports advanced processing lathes of international standard from Europe, Japan, and the US. The company also actively seeks cooperation with downstream subcontractors to gain the ability to provide customers with comprehensive and high-quality services and gain a firm grasp of high-end casting technologies with the goal of providing customers with outstanding and highly effective solutions. This enables the company to reduce customer costs, shorten delivery times, and satisfy customer demands in the field of casting and processing and thereby further raise the threshold for industry competition. Continued growth enables the group to gradually widen the gap between the group and same industry competitors as far as business scope and production capacity are concerned. Customer reliance will also gradually increase.

- (C) Independent sales capabilities and international competitiveness

The business scope of the company is wider than that of generic same industry businesses and its technical standards are equivalent to European standards. The group has the ability to accept orders from large international manufacturers. The

group's customers are leading industry brands with excellent standards. This clearly indicates that the company's technologies and quality are recognized by large international manufacturers. Due to the fact that the operations of these manufacturers are characterized by a high level of stability, the operation of Yeong Guan Energy Technology Group are also more stable than those of its same industry competitors which has earned the company the trust of large international manufacturers. In addition to existing customers in Europe and America, we aim to acquire customers in Japan and Taiwan and strengthen and intensify mutual cooperation. Currently, we already have stable scale of Japanese clients. The Company will also visit global clients regularly to enhance interaction and understand market conditions.

(D) Emphasis on environmental protection and EHS requirements

Small- and medium-sized foundries that fail to conform to environmental requirements of large international manufacturers and tightening requirements in Chinese environmental and emission policies will be gradually eliminated. Since we pursue constantly upgrade and refine our equipment and raise the safety awareness of our personnel, we not only exceed the requirements of local governments but are frequently recognized as a green foundry and hi-tech enterprise. We meet the environmental and safe production requirements of all our customers and aim to provide our employees with safe and comfortable working environment. Constant enhancement of productivity and product quality facilitates the retention of existing and acquisition of new customers.

In July 2022, the Group is recognized as one of the Top 100 Enterprises of the Chinese Foundry Industry (4th installment) and named one of the Vanguard Enterprises of the Chinese Foundry Industry.

Shanghai No.1 Machine Tool Foundry (Suzhou) Co., Ltd. is honored with the 2021 Suzhou City Quality Award in February 2022.

In order to realize "Made in China 2025" to promote related requirements from green manufacturing, Jiangsu Bright Steel Fine Machinery Co., Ltd. aggressively echoes the call, and insists on following purposes of "Green Smart Manufacturing and Sustainable Operations" in its continuous enhancement of the Company's product R&D, optimization of manufacturing skills, reduction of raw material consumption, dramatic increase of product added-value, speed up the Company's energy saving revamp, enhancement of environmental protection technology steps and realization of energy saving and green development. The Company shall also strengthen corporate internal management and encourage employees to save energy and reduce consumption. In the meantime, it will also speed up establishment of a joint community between employees and corporate green development of work benefits. Jiangsu Bright Steel Fine Machinery Co., Ltd. was successfully nominated into the list of 2020 Jiangsu Province Green Factory (the first batch) on December

2, 2020 and recognized again as a Green Foundry Enterprise in China in September 2022.

B. Unfavorable factors and response strategies

(A) Exchange rate fluctuations

Since most of the group's customers are located in Europe and America, the value of its exports accounts for a large proportion of revenues. Exchange rate fluctuations therefore have a considerable impact on actual revenues. Drastic fluctuations of the global economic climate in recent years and frequent disasters caused by changes of the natural environment lead to dramatic changes of national economic climates. Exchange rate fluctuations in particular have a huge impact on the group's operations.

Response strategies:

To cope with exchange rate fluctuations, the company uses sales revenues in a certain currency to pay for purchases and related expenses in the same currency to achieve a natural hedging effect, lower the demand for currency exchange, and reduce risks associated with currency exchange losses. The company has adopted a response strategy which focuses on the reinforcement of currency exchange hedging related concepts among financial personnel and constant monitoring of exchange rate fluctuations through real-time online exchange rate systems. A real-time grasp of exchange rate developments and trends based on an analysis of financial data provided by banks and investment institutions provides a reference basis for foreign exchange settlement. In addition, the company has established a price adjustment and floating mechanism with its sales counterparties and actively expands marketing scopes and industry categories. Multi-currency sales serve the purpose of lowering currency exchange risks generated by large-scale single currency exchange rate fluctuations. With regard to foreign exchange net positions, the company has formulated Operating Procedures for the Trading of Derivative Financial Products which have been approved by resolution of the board and the shareholders' meeting and prescribe relevant procedures for derivative financial products. Required measures are adopted based on foreign exchange positions and exchange rate fluctuations to reduce exchange rate risks generated by the company's business operations. In addition, the company also actively adjusts its market dominance and equilibrium strategies under conditions of a rapidly changing global economy to balance domestic and foreign sales ratios and buffer the impact of changes of the economic environment.

(B) Raw material price fluctuations

The main raw materials of the casting industry which are characterized by large market price fluctuations are pig iron, scrap steel, and iron ore fines. Futures trading

prices frequently fluctuate before the actual market demand situation is reflected. Spot or futures operations therefore involve a higher risk. Contract breach damages incurred by suppliers for scheduled transactions are usually lower than the actual price increases. In addition, large storage spaces are required complicating the stock-up process and affecting production.

Response strategy:

To prevent contract breach on the part of suppliers or higher purchase costs caused by emergency feedstock preparation in case of large-scale price increases of raw materials, the company actively seeks to secure raw material sources through cooperation with large international raw material suppliers and previously rated upstream suppliers. It also selects a spread out range of countries of origin for supplied materials and prepares feedstock in batches in advance to ensure that the production process and realized revenue are not affected by a shortage of raw materials.

In addition, the company has taken account of the fact that the available warehouse space in its subsidiaries is not sufficient for the storage of large quantities of pig iron. Several factory buildings of the Qing Zhi plant of Ningbo Yeong Shang Casting Iron Co., Ltd. have therefore been converted into storage space for pig iron. This allows the company to order large quantities of pig iron when prices are relatively low, which helps reduce pig iron unit costs and allows the company to effectively distribute pig iron to all subsidiaries. In the future, the group plans to integrate upstream raw material industries to achieve self-sufficiency in the field of raw materials or strategic alliances with upstream industries, which in turn will ensure an optimized production efficiency as well as an adequate supply of raw materials.

(C) Corrosion at sea affects product quality

In recent years, the development of wind power products has seen significant changes with a gradual shift from land-based wind power installations to offshore wind power. The techniques, design, and processing capabilities employed during the casting process are different from those utilized for the manufacture of onshore wind turbines. Corrosion at sea poses a serious problem that affects product quality and life cycles.

Response strategy:

In view of the harsh marine environment which causes serious corrosion, it is necessary to strengthen the corrosion resistance and enhance the quality of products to make them more resistant against corrosion caused by the sea wind. Based on the abovementioned considerations, Yeong Guan Energy Technology Group has obtained the ISO12944 Corrosion protection certification allowing it to provide the

highest C5 grade corrosion protection for offshore wind turbines. The company has constructed new factory buildings at Jiangsu Bright Steel Fine Machinery Co., Ltd. and Ningbo Yeong Shang Casting Iron Co., Ltd. that provide anti-corrosion coating capabilities including sand blasting, spray painting, and zinc spraying. These facilities specialize in the coating of offshore wind power products to maximize the benefits of vertical integration of casting and spray coating processing and enable the company to further expand its offshore wind power business.

(D) Impact of the Red Sea crisis on the global shipping industry and supply chain:

In response to the Red Sea crisis which broke out in November 2023, all major shipping companies announced shipping suspensions in the Red Sea area and rerouting around the Cape of Good Hope, which resulted in shipping delays, soaring shipping charges, contracting shipping capacities, and congested ports, which has had a spillover effect on the shipping cycles and transportation costs of our exports to Europe.

Response strategy:

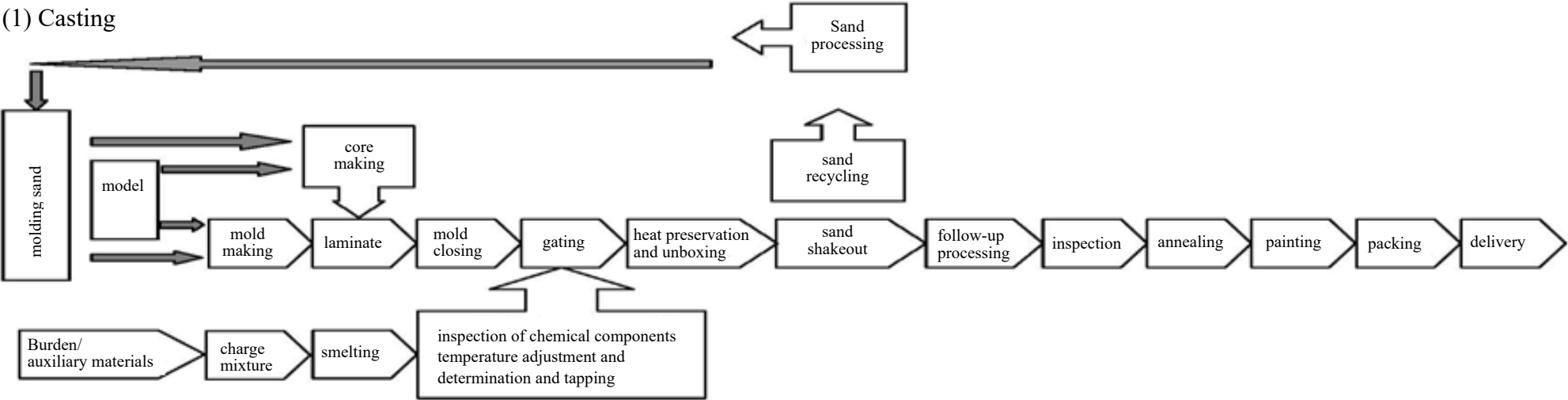
Relevant measures include the timely provision of European customers with up-to-date information to give them a clear understanding of relevant circumstances as quickly as possible, negotiation with customers on sharing of additional shipping costs and coordination of production and shipping ahead of schedule, ongoing communication with customers on express delivery, air freight, and railroad transportation, adoption of different transportation plans in advance, and making of choices in line with the latest developments. The top priority lies in the rapid provision of solutions in a complex environment and maintenance of flexibility and reliability.

This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

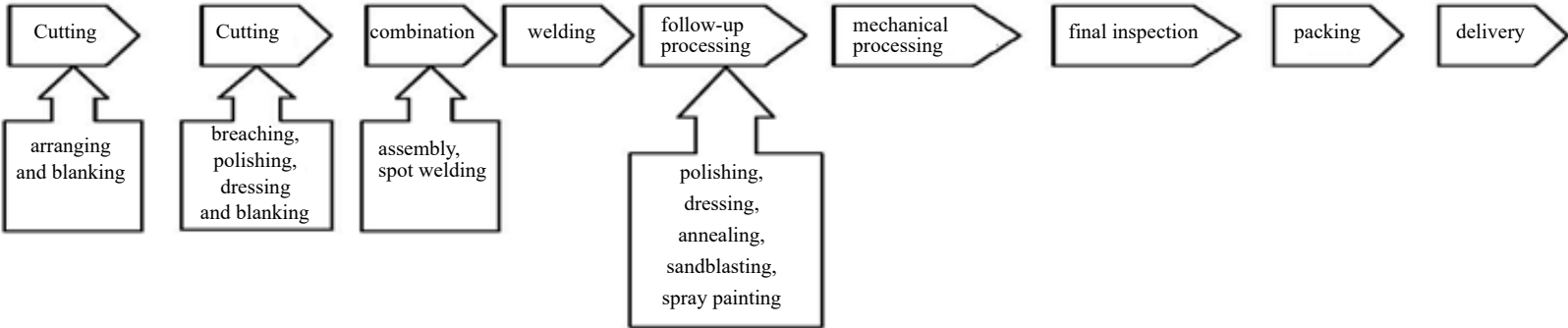
(b) Main uses and production procedures of major products

- 1. Main uses of major products: Provision of key components for industrial machinery equipment of different industrial fields including wind energy and injection molding machinery.
- 2. Production procedures:

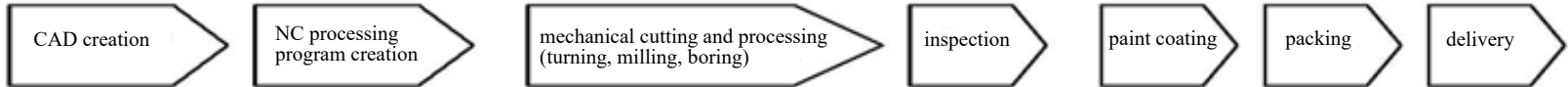
(1) Casting



(2) Welding



(3) Mechanical processing



This is the English translation. In case of discrepancies between the Chinese Text and the English translation, the Chinese text shall prevail.

(c) Supply status of main materials

Main raw materials	Main suppliers	Supply status
Pig iron	Benxi Shentie Iron Co., Ltd., Ningbo Yijung Trade Company, Ningbo Qi Chang Trading Co., Guangdong Hungde Foundry Materials Company, Fushun Han Wang Company	Good
Scrap steel	Ningbo Zhonglie Renewable Resources, Ningbo Yinzhou Jinhao Renewable Resources, Anhui Win-Win Renewable Resources, Shenzhen Xinlan Renewable Resources, Ningbo Chenhui Metal Materials, Ningbo Ruiyang Renewable Resources, Ningbo Hefa Renewable Resources, Wenling City Huatai Waste Materials, Yuhuan Xinduo Waste Metals, Jiangsu Paper Union Renewable Resources, Zhejiang New Century Renewable Resources Development Co., Ltd. Zhuji Branch, Zhejiang Wanggang Renewable Resources Co., Ltd., China Regeneration (Suzhou) Resource Development Co., Ltd., Magang Lihua Metal Resources Co., Ltd., Cixi Huixin Renewable Resources Co., Ltd., Ningbo Qichang Trading Co., Ltd., Ningbo Yinzhou Jinhao Renewable Resources, Ningbo Huli Auto Parts Manufacturing Co., Ltd., Anhui China Renewable Resources Co., Ltd., Jiaxing Dongxin Casting	Good
Resin	Kao Chemical Corporation Shanghai (hereinafter referred to as Kao Shanghai), Jinan Shengquan Group Co., Ltd., Suzhou Xingyeh Materials Company	Good
Nodulizer	Sanxiang Advanced Materials Co., Ltd., Metal Industry (Baotou) Co., Ltd., Sanxiang Advanced Materials (Ningxia) Co., Ltd.	Good

The company maintains positive and stable cooperative relationships with its main raw material suppliers. In addition to a firm grasp of raw material sources, the company also implements rigorous controls in the field of quality and delivery times to guarantee a stable supply of main raw materials. No shortages or disruptions of material supply occurred in the last three years and the application year. Supply sources have been stable.

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(d) Major suppliers and clients

1. Suppliers that account for over 10% of total purchases of materials in any of the last two calendar years as well as purchase amounts, ratios, and specification of reasons for increases/decreases

Unit: 1000 NTD; %

Item	2023				2024			
	Company name	Amount	Percentage of annual net purchases (%)	Relation with issuer	Company name	Amount	Percentage of annual net purchases (%)	Relation with issuer
1	Ningbo Yijung Trade Company	601,137	11.05	None	Benxi Shentie (Group)	367,360	9.99%	None
2	Benxi Shentie (Group)	538,997	9.91	None	Ningbo Yijung Trade Company	222,327	6.05%	None
3	other	4,300,265	79.04		other	3,087,535	83.96%	
	Net purchases	5,440,399	100.00		Net purchases	3,677,222	100.00%	

Explanation on Reasons for Changes on Increase/Decrease:

- A. Ningbo Yijung Trade Company is one of the main suppliers for cast iron. Its product quality is similar to the that of Benxi Shentie. Under considerations of purchase stability, the Company tends to purchase directly from vendor. With this, purchase amount in 2024 was lower than that of Benxi Shentie and consequently it ranked in the second place.
- B. Benxi Shentie is one of the main suppliers for cast iron. Its production capacity resumed in 2024. Its product quality is stable and purchase amount from this vendor increases. Therefore, it ranked in the first place.

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2. Clients that account for over 10% of total sales in any of the last two calendar years as well as sales amounts, ratios, and specification of reasons for increases/decreases

Unit: 1000 NTD; %

Item	2023				2024			
	Company name	Amount	Percentage of annual net purchases (%)	Relation with issuer	Company name	Amount	Percentage of annual net purchases (%)	Relation with issuer
1	E	1,835,485	21.17	None	E	922,487	12.81%	None
4	Other	6,835,522	78.83	None	Other	6,279,750	87.19%	None
	Net purchases	8,671,007	100.00		Net purchases	7,202,237	100.00%	

Explanation on Changes of Increase/Decrease:

Company E:

1. The sales volume in 2024 decreased compared with that in 2023, mainly because the company reduced the orders for a certain product developed by Company E, which decreased by 70% compared with 2023.
2. The price of wind power market has dropped significantly, resulting in a decrease in overall turnover.

3. Number, average years of service, average age, and level of education of employees engaged in different fields in the two most recent fiscal years up to the publication date of the annual report

Year		2023	2024	as of March 31, 2025
Number	Executives	98	107	112
	Production line staff	1,841	1645	1741
	General staff	406	318	330
	R&D personnel	105	111	112
	Total	2,450	2181	2295
Average age		41.51	41.51	43.41
Average years of service		9.94	9.94	10.21
Distribution of level of education (%)	PhD/MA	0.37%	0.55%	0.61%
	BA	8.49%	10.77%	10.89%
	Junior college or below	91.14%	88.68%	88.50%

4. Environmental protection expenses

Total amount of losses (including compensations) and fines in the most recent fiscal year up to the publication date of the annual report due to environmental pollution as well as future response strategies (including improvement measures) and potential expenses (including estimated amounts of potential losses, fines, or compensations due to failure to adopt response strategies; if reasonable estimates are not possible, a corresponding statement shall also be included):

Ningbo Municipal Bureau of Ecology and Environment issued “Decision of Ordering for Illegal Behavior Correction” to Ningbo Yeong Shang Casting Iron Company Limited on January 15, 2025. Violation of Article 45 of “Atmospheric Pollution Prevention and Control Law of the People’s Republic of China”: Production and service activities generating waste gases containing volatile organic compounds shall be conducted in an enclosed space or equipment, for which pollution prevention and control facilities shall be installed and used as required. If the space or equipment is not enclosed, measures shall be taken to reduce the discharge of waste gases. Pursuant to Clause 1, Article 28 of the “Administrative Punishment of the People’s Republic of China” and Paragraph 1, Article 108 of the “Atmospheric Pollution Prevention and Control Law of the People’s Republic of China”, your company is now being ordered to correct illegal behavior immediately: Production and service activities generating waste gases containing volatile organic compounds are not conducted in an enclosed space or equipment, and pollution prevention and control facilities have not been installed and used as required, or measures have not been taken to reduce discharge of waste gas. In the meantime, a fine of above 20,000 RMB and below 200,000 RMB shall be imposed in accordance with laws. As of now, the Company has already made corrections accordingly and did not receive any administrative fine.

5. Labor-Management Relationship

A. Employee welfare measures, advanced education, training, retirement system and implementation status, labor-management agreements, and measures to safeguard employee rights and interests

1. Employee welfare measures

The company allocates statutory contributions in accordance with Chinese law including social security contributions (old-age insurance, medical insurance, occupational injury insurance, unemployment insurance, and childbirth insurance) as well as contributions to the housing provident fund. In addition, new-year bonuses, marriage and childbirth cash gifts are also granted and regular contributions are made to welfare funds. Staff trips, dinner parties, and recreation activities are organized on a non-scheduled basis to enhance the mental and physical health of the staff and promote staff engagement and emotional attachment.

2. Advanced education and training

The company organizes professional and safety-related educational training on a non-scheduled basis to enhance the professional skills of its staff in order to ensure they are qualified for their jobs and able to realize their potential. The goal is to strengthen the innovative energy of the company and achieve the target of sustainable operations through an increased refinement and core competitiveness of the staff.

3. Retirement system and implementation status

Retirement system and implementation conditions

For all subsidiaries of the company which lie within the territory of the Republic of China, the company contributes 6% of monthly salaries to the pension fund in accordance with the Labor Pension Act. These funds are deposited in individual labor pension accounts.

Companies within the territory of China make monthly contributions to pension insurance fund as prescribed in local laws and regulations to care for retired employees. In accordance with local social insurance operation modes, pension insurance is included in social insurance (including medical care, childbirth, pension, occupational injury, unemployment). After implementation of social insurance registration procedures, the company has started to fulfill its obligations in the field of pension contributions.

4. Labor-Management Agreements

In addition to labor contracts concluded in accordance with relevant laws after employees assume their duties, the company has also established a grievance channel and a labor union to provide open communication channels between labor and management.

5. Measures to safeguard employee rights and interests

The company safeguards employee rights and interests in accordance with the law and has formulated welfare management guidelines that clearly state various benefits, rights, and interests. Actual implementation is based on these guidelines.

B. Losses incurred from labor dispute (including labor inspection result's violation of Labor Standards Act, and date of disposition, serial number of disposition, regulation violated, contents of regulation violated and contents of disposition shall all be listed accordingly) during the latest year and as of the date when annual report is published shall be listed, and estimated amounts which may incur currently and in the future as well as responding measures shall be disclosed. In the event that amounts cannot be reasonably estimated, facts of inability for reasonable estimate shall be explained:

(1) Yeong Guan Holdings Co., Limited Taiwan Branch

- A. On April 30, 2024, Yeong Guan Holdings Co., Limited Taiwan Branch received Taichung City Government's mail under reference of Fu-Shou-Lao-Fu-Tze No. 1130112050 which stated that the Company violated Article 24, Paragraph 2, Article 32 and Paragraph 2, Article 84 of Labor Standards Act: 1. The Company failed to pay extended work-hour wages as required by law; 2. Extended work-hours exceeded those required by laws; 3. The Company failed to provide appropriate break time as required to labor during labor's change of shifts. This fact was checked and verified by Taichung Labor Inspection Division during its labor condition inspection. As such, pursuant to Paragraph 1, Article 79 and Article 80-1 of the same law, Paragraph 1 of Administrative Penalty Act and Point 4 of "Common Principles for Penalty on Violations of Labor Standards Act" drafted by the Ministry of Labor, a penalty fine of NTD50,000 was imposed accordingly. Meanwhile, responsible person's name, articles violated and penalty amount were also released.
- B. On July 5, 2024, Yeong Guan Holdings Co., Limited Taiwan Branch received Taichung City Government's mail under reference of Fu-Shou-Lao-Jen-Tze No. 1130193168 which stated that the Company violated Paragraph 1, Article 6 of Occupational Safety and Health Act: 1). For operations conducted in 3-meter height location, the Company failed to install scaffolds or set up a work stand using other measures. At around 3:26pm on February 27, 2024, labor Shi, Jie-Xiang conducted a 3-meter wheel-hub sand-fill operation at column C12 in Casting Division One. There were no scaffolds installed or work stand established. Measures preventing labors from falling and inflicting danger such as installing a safety net or allowing labors to use safety belt were not taken. Consequently, labor Shi stepped on styrofoam baffle inside of wheel hub. Styrofoam dropped and labor Shi fell down on the already filled pile of sand inside from inside the wheel hub. Height was about 2 meters. Labor Shi was diagnosed with occupational injury of cervical contusion combined with 45, 5, 6, 6th and 7th cervical disc herniation and a bruised hip. 2). With respect to labor Shi, Jie-Xiang's bare-handed climbing to wheel hub sand-filling operation 14-002 site with a height of about 3 meters at about 3:25pm on February 27, 2024, the Company failed to installed equipment which allows labors to go up and down safely. This fact was checked and verified by Taichung Labor Inspection Division during its labor inspection. As such, pursuant to point 5 and point 7 of "Handling Guidelines for Cases Violating Occupational Safety and Health Act and Labor Inspection Law", a penalty fine of NTD120,000 was imposed accordingly and names of punished personnel and responsible person were released in accordance with Article 49 of the same law.

- C. On September 3, 2024, Yeong Guan Holdings Co., Limited Taiwan Branch received Taichung City Government's mail under reference of Fu-Shou-Lao-Don-Tze No.11301584952 which stated that the Company failed to disclose sexual harassment prevention measures, report channels and guidelines. There was also no internal education or training with regards to sexual harassment prevention. The Company has more 200 employees but does not establish designated unit for reports of sexual harassment cases. Only related management conducted interviews in such cases and there were no detail materials on investigation team's interviews. The Company was suspected to have violated Paragraph 3, Article 32-2 of Gender Equality in Employment Act. Employer's failure to handle reported sexual harassment cases has been verified. The Company complied with requests from the mail in taking necessary handling measures and has already sent out response mail to Taichung City Government accordingly. Meanwhile with regards to the same case, Yeong Guan Holdings Co., Limited Taiwan Branch received Taichung City Government's mail under reference of Fu-Shou-Lao-Don-Tze No.11302520312 on November 28, 2024 which stated that the Company violated Clause 2, Paragraph 1 and 2, Article 13 of Gender Equality in Employment Act, and two fines of NTD20,000 each were imposed in accordance with 2024 18th task meeting. Total amount of NTD40,000 of fines were imposed accordingly. The Company was also requested to rectify within deadline. Fines will be imposed in accordance with times of violations in the event of the Company's failure to rectify within deadline. The Company paid the fines on December 16, 2024, and imposed punishment on employee Lo, who conducted the behavior, in accordance with related systems of management regulations the Company also conducted full-scale education on Gender Equality in Employment
- D. On November 14, 2024, Yeong Guan Holdings Co., Limited Taiwan Branch received Taichung City Government's mail under reference of Lao-Zi-Tze No. 1130060222 which described labor/management mediation meeting minutes between Lin, Tin-Han and Yeong Guan Holdings Co., Limited Taiwan Branch. Lin, Tin-Han contended that Yeong Guan Holdings Co., Limited Taiwan Branch had deliberately changed his duty. Lin, Ting-Han had already resigned and therefore requested Yeong Guan Holdings Co., Limited Taiwan Branch to issue non-voluntary service termination certificate. However, Lin, Tin-Han did not attend labor/management mediation meeting. As such, both parties could not conduct negotiation or investigation of facts for verification. Consequently, this mediation case was not established. As of now, Yeong Guan Holdings Co., Limited Taiwan Branch has not received any litigation notice with regards to this case.
- E. On December 24, 2024, Yeong Guan Holdings Co., Limited Taiwan Branch received Taichung City Government's mail under reference of Fu-Shou-Lao-Don-Tze No. 1130370893 which stated that the Company violated Paragraph 2, Article 32 and Paragraph 1, Article 36 of Labor Standards Act. This had been checked and verified by Labor Affairs Bureau of Taichung City Government. With this, penalty fines of NTD60,000 and NTD50,000 were imposed respectively for violations of Paragraph 1, Article 79 and Article 80-1 of the same law, Article 18-1 of Administrative Penalty Act and Point 4 of "Common Principles for Penalty on

Violations of Labor Standards Act”. Names of the Company and responsible person, date of punishment, regulation violated and penalty amounts were released accordingly.

- F. On January 16, 2025, Yeong Guan Holdings Co., Limited Taiwan Branch received Taichung City Government’s mail under reference of Fu-Shou-Lao-Jen-Tze No.1140013774 regarding the Company’s violation of Article 24 of Occupational Safety and Health Act. For the Company’s factory located in No. 168, Huan Guan Rd., Long-Jin District, Taichung City, a fixed crane which has a hoisting load of 15.211 tons (structure serial number: 012FU07572) was classified by central competent authority as a machine with the nature of danger. Its operator Wu, Fon-Shun was not qualified to operate this machine nor was he certified for having such skills. This fact was checked and verified by the City’s Labor Inspection Division during its labor inspection. As such a fine of NTD100,000 was imposed for violating Point 5 and Point 7 of “Handling Guidelines for Violations of Occupational Safety and Health Act and Guidelines for Labor Inspection Law Case”. Meanwhile, names of the punished employee and responsible person were also released in accordance with Article 49 of the same law.
- G. On February 21st of 2025, Yeong Guan Holdings Co., Limited Taiwan Branch received Taichung City Government’s mail under reference of Lao-Zi-Tze No. 1140008878 which notified Yeong Guan Holdings Co., Limited Taiwan Branch to attend labor/management mediation meeting from Chang, Ji-Yin’s requests of year-end bonus and occupational disaster compensation. This mediation case is already settled and Yeong Guan Holdings Co., Limited Taiwan Branch does not have to pay expenses requested by Chang, Ji-Yin.

(2) Yeong Chen Asia Pacific Co., Ltd.

On March 8 and March 5, 2024, Yeong Cheng Asia Pacific Co., Limited received mails from Taoyuan City Government under reference numbers of Tao-Jen-Zhi-Tze No.1130002956 and Fu-Lao-Jen-Tze No. 1130069191 respectively. These mails stated that an incident of floor collapse occurred on March 1st of 2024 when a labor was driving a 7-ton forklift on the steel floor among wooden molds on the 1st floor of Yeong Cheng Asia Pacific’s factory. This labor fell to basement together with the forklift and was injured accordingly. This driver was not a certified labor with safety and health trainings on special operations. Yeong Cheng Asia Pacific was therefore notified by Taoyuan City Government Labor Inspection Division to shut down partial operations on the 1st floor wooden mold room aisle and floor of its work places in accordance with Paragraph 1, Article 36 and Clause 2 Article 43 of Occupational Safety and Health Act. A fine of NTD60,000 was also imposed accordingly. Yeong Cheng Asia Pacific already paid the fine of NTD60,000 on April 5, 2024 and made notifications that Yeong Cheng Asia Pacific had already relocated the factory prior to the occurrence of aforementioned occupational injury case and therefore there was no actual production from the area of operation suspension. As such, this area’s suspension did not affect actual operations. As of

now, all the Company’s violations have all been rectified. However, a fine of NTD60,000 was imposed because of this fact of regulation violation.

6. Cyber Security Management

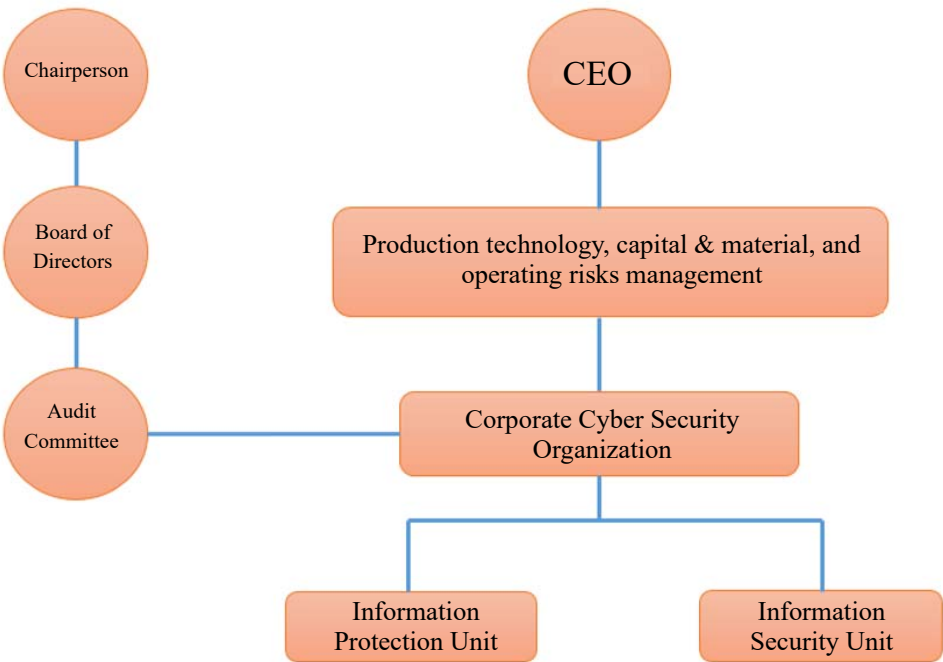
A. Cyber security management strategy and framework:

1. Cyber security governance organization

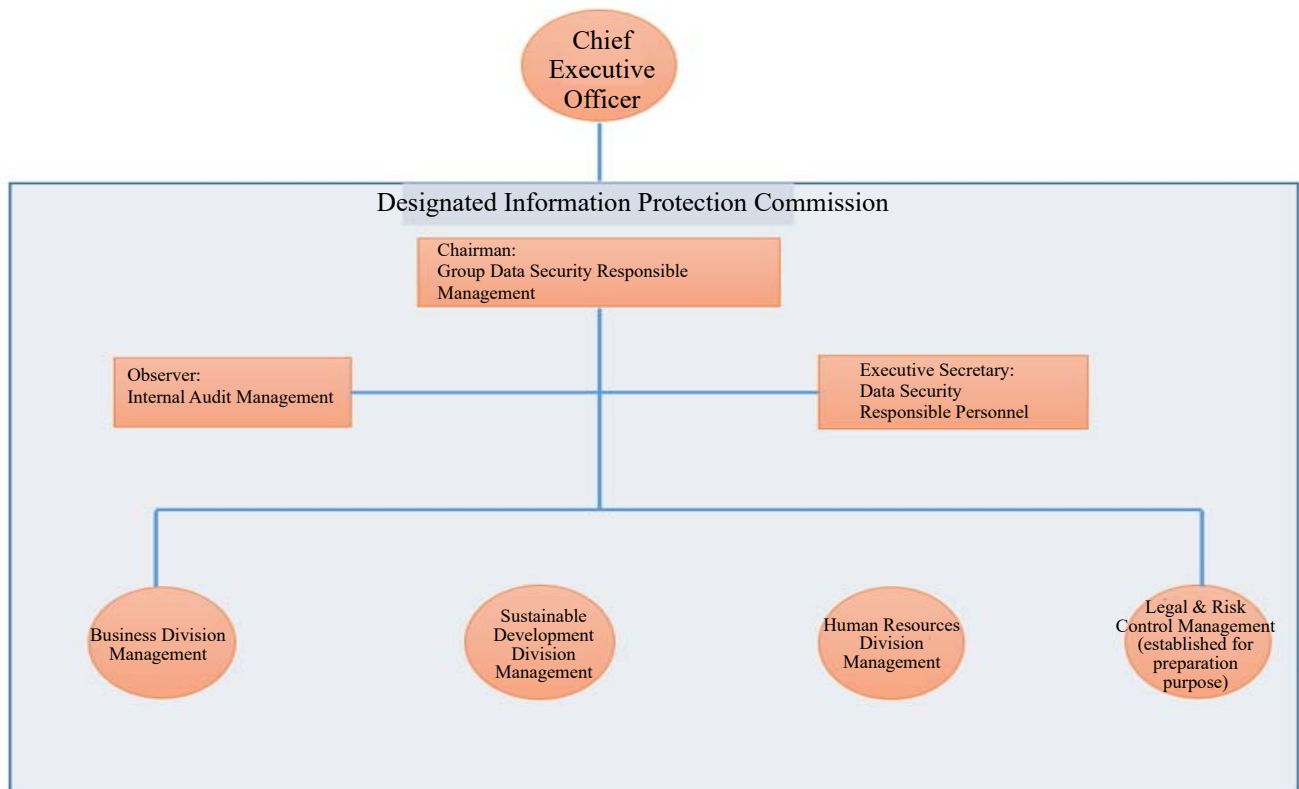
Yeong Guan Energy Technology Group established a Corporate Information Security Organization in 2022 with subordinate information security and protection units. This organization is responsible for the overall planning, formulation, and execution of information security and protection policies as well as risk management and compliance audits. The top executive of the Corporate Information Security Organization delivers semiannual reports on information security issues and directions and achievements in the field of information security management to the Board of Directors and Audit Committee.

With a view to ensuring proper execution of information security strategies formulated by the Corporate Information Security Organization and internal compliance with information security standards, programs, and laws, Yeong Guan Energy Technology Group has formed a Dedicated Information Protection Committee. This committee is composed of top executives of the HR, Sustainable Development, and Sales Division with the top executives of the IT Division, Corporate Information Security Organization, and Audit Committee serving as the Chairperson, Executive Secretary, and Observer, respectively. The committee convenes every quarter to review and reach decisions on information security and protection guidelines and policies with the ultimate goal of ensuring the effectiveness of information security management measures.

2. Organizational framework of the Corporate Information Security Organization



Structure of Designated Information Protection Commission for the Group's Companies



II. Information security risks and countermeasures:

We have comprehensive network- and computer-related information security and protection measures in place but are unable to guarantee full protection against paralyzing cyberattacks that originate from subcontractors and pose a serious threat to computer systems that are crucial for the maintenance of core corporate functions such as manufacturing, operations, and accounting. These cyberattacks intrude into our internal network systems through illegal means with the goal of obstructing our operations and damaging our business reputation. We review and assess our information security rules, regulations, and programs on an ongoing basis to ensure their adequacy and effectiveness. It can, however, not be guaranteed that the company remains unaffected by constantly emerging new risks and cyber-attack modes in the context of ever-changing information security threats. Cyberattacks could also aim to steal the company's trade secrets and other confidential information such as proprietary information of customers or stakeholders and personal information of employees.

Malicious hackers may attempt to infect our network systems with computer viruses, malware, or ransomware to obstruct our operations, engage in blackmailing or extortion, gain control over our computer systems, or pry into confidential information. These attacks can cause losses resulting from compensation of customers for delayed or disrupted orders or incurrence of enormous expenses for remedial or corrective measures to strengthen network security. Such attacks can also lead to lawsuits, regulatory investigations, or serious legal liability arising from the breach of confidentiality obligations due to leakage of employee, customer, or subcontractor information.

The Corporate Information Security Organization relies on an Information Protection Task Force composed of relevant units of Taiwan plant areas and overseas subsidiaries to effectively implement

information security management. Routine task force meetings are convened on a regular basis to review the adequacy of information security policies and protective measures in accordance with the PDCA (Plan-Do-Check-Act) management cycle mechanism. Implementation results are reported to the Dedicated Information Protection Committee on a regular basis.

1. The “Plan” stage lies prioritizes information security risk management, establishment of a sound Information Security Management System (ISMS), and continued implementation of international information security management system (ISO/IEC 27001, ISO/IEC 15408) certification audits in all plant areas. The ultimate goal lies in the mitigation of information security threats by harnessing the system, technology, program, and internal management dimensions paired with the provision of top-notch confidential information protection services in line with customer demands.
2. The “Do” stage aims to build a multi-layered information security mechanism through the ongoing adoption of innovative information security technologies. Information security control mechanisms are integrated and internalized in daily operation processes such as hard- and software maintenance and supplier information security management. Systematic monitoring of information security aims to assure the confidentiality, integrity, and availability of key assets of the Group.
3. The “Check” stage focuses on proactive monitoring of information security management results, information security indicator measurement and quantitative analysis based on audit results, and evaluation of information security maturity through regular cyberattack simulation drills.
4. The “Act” stage strives to ensure the continued effectiveness of information security norms and regulations through ongoing reviews, improvements, monitoring, and audits. Leakage of key confidential information of the Group is effectively prevented through regular reviews and ongoing improvements through implementation of information security measures, training, and propagation of relevant policies.

III. Major cyber security incidents:

Please list losses, potential impacts, and adopted countermeasures during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report. Where reasonable estimates are impossible, an explanation of relevant facts should be provided: No major cyber security incidents have occurred as of the publication date of the annual report.

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7. Critical Contracts

Nature of Contract	Parties of Contract	Term of Contract	Major Contents	Limitation Clause
Property Insurance	Insured: Yeong Guan Holdings Co., Limited Taiwan Branch Insurance company: Taiwan Fire & Marine Insurance Co., Ltd	2024.4.30~2025.4.30	Foundry Fire Insurance	Nil
Property Insurance	Insured: Yeong Guan Holdings Co., Limited Taiwan Branch Insurance company: Taiwan Fire & Marine Insurance Co., Ltd	2024.4.30~2025.4.30	Processing Plant Fire Insurance	Nil
Property Insurance	Insured: Ningbo Yeong Shang Casting Iron Co., Ltd. Insurance company: PICC P&C	2024.7.8~2025.7.7	Property Insurance	Nil
Property Insurance	Insured: Ningbo Lu Lin Machine Tool Foundry Co., Ltd. Insurance company: PICC P&C	2024.7.8~2025.7.7	Property Insurance	Nil
Property Insurance	Insured: Jiangsu Bright Steel Fine Machinery Co., Ltd. Insurance company: PICC P&C	2024.7.8~2025.7.7	Property Insurance	Nil
Property Insurance	Insured: Dongguan Yeong Guan Mould Factory Co., Ltd. Insurance company: PICC P&C	2024.7.8~2025.7.7	Property Insurance	Nil
Property Insurance	Insured: Shanghai No.1 Machine Tool Foundry (Suzhou) Co., Ltd. Insurance company: PICC P&C	2024.7.8~2025.7.7	Property Insurance	Nil
Procurement Agreement	Supplier: Anhui Win-Win Purchaser: Jiangsu Bright Steel Fine Machinery Co., Ltd.	2020.6.2 long term	Scrap steel supply, acceptance, technology, quality agreement	Nil
Procurement Agreement	Supplier: Magang Lihua Metal Resources Co., Ltd., Purchaser: Ningbo Lu Lin Machine Tool Foundry Co., Ltd.	2022.9.20 long term	Scrap Steel Purchase and Sale Contract	Nil
Procurement Agreement	Supplier: Ningbo Yijung Trade Company Purchaser: Ningbo Yeong Chia Mei Trade Co., Ltd.	2023.5.23 long term	Pig iron Supply Contract	Nil
Procurement Agreement	Supplier: Fushun Han Wang Company Purchaser: Ningbo Yeong Chia Mei Trade Co., Ltd.	2023.6.1 long term	Pig iron Supply Contract	Nil
Equipment Purchase Agreement	Supplier: Baoding WeLL Purchaser: Ningbo Yeong Chia Mei Trade Co., Ltd.	2023.11.10	Molding and Core-Making for Mid/Large Size Items, Production Line for Resin Sand Processing.	
Collateral Contract	Debtor: Jiangsu Bright Steel Fine Machinery Co., Ltd. Creditor: Bank of China	2019.1.16~2026.8.31	Debtor provided land utilization rights of 144,714.3 square meters and a factory building of 90,432.53 square meters as collaterals. The highest principal balance for creditor rights guaranteed is	Nil
Collateral Contract	Debtor: Shanghai No. 1 Machine Tool Foundry (Su Zhou) Co., Ltd. Creditor: Bank of China	2022.06.22~2025.06.22	Debtor provided land utilization rights of 66,909 square meters and a factory building of 40,725 square meters as collaterals. The highest principal balance for creditor rights guaranteed is RMB60,000,000.	Nil
Collateral Contract	Debtor: Dongguan Yeong Guan Mould Factory Co., Ltd. Creditor: ICBC	2022.07.28~2032.07.28	Debtor provided land utilization rights of 26,589 square meters and a factory building of 15,015 square meters as collaterals. The highest principal balance for creditor right guaranteed is RMB52,510,000.	Nil
Collateral Contract	Debtor: Yeong Guan Heavy Industry (Thailand) Co., Ltd. Creditor: Mega International Commercial Bank	2023.02.22~2031.01.21	Debtor provided land of 976,000 square meters as collateral. The highest principal balance for creditor rights guaranteed is THB1250,000,000 and USD22,000,000.	Nil
Syndicated loans agreement	Borrower: Yeong Guan Holdings Co., Limited Taiwan Branch Lender: Bank SinoPac Joint guarantor: the Company	2024.8.22~2027.11.21	With respect to Yeong Guan Holdings Co., Limited Taiwan Branch's loan of NTD800,000,000 from Bank SinoPac Co., Limited, the Company will serve as a joint guarantor. Credit extension period shall be 3-year expiration date starting from the date of the first disbursement.	Nil

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Syndicated loans agreement	Borrower: Jiangsu Bright Steel Fine Machinery Co., Ltd. Lender: Bank SinoPac, Nanjing Branch (China) Joint guarantor: Jiangsu Bright Steel Fine Machinery Co., Ltd. & Ningbo Lu Lin Machine Tool Foundry Co., Ltd.	2024.7.12~ 2027.10.11	With respect to Jiangsu Bright Steel's loan of RMB20,000,000 from Bank SinoPac Co., Ltd. Nanking Branch, Jiangsu Bright Steel Provided industrial properties located on No. 18, Central Boulevard, Tien-Jia-San Sub-District, Tianmu Lake Industrial Park and East Side No. 18, Central Boulevard, Tien-Jia-San Industry District, Tianmu Lake Economic Development Zone, Li-Yang City of Jiangsu Province as collaterals, and Ningbo Lu Lin Machine Tool also provided industrial properties located in No. 28, Din-Hai Road, Ho-Hai-Tan, 7th District and No. 373, Da-Ton Road, Ho-Hai-Tan Zhao-Bo-San, Zhenghai District, Ningbo City of Zhejiang Province as collaterals.	Nil
Syndicated loans agreement	Borrower: the Company and Yeong Guan Holdings Co., Limited Taiwan Branch Lender: Total 6 banks, including Land Bank of Taiwan Joint guarantor: the Company	2022.1.4~ 2027.1.3	Amount for Item A credit extension is USD130,000,000 while amount for Item B credit extension is NTD2,145,000,000 or Euros with equivalent value.	Nil
Syndicated loans agreement	Borrower: Yeong Guan Holdings Co., Limited Taiwan Branch Lender: Total 7 banks, including Land Bank of Taiwan Joint guarantor: the Company	2022.10.25~ 2029.10.24	Credit extension amounts for Item A and Item B are NTD3,660,000,000 each. Credit extension periods are 5-year expiration dates starting from the date of first disbursement. However, the longest period shall not exceed 7 years starting from the date of first disbursement of this credit extension project.	Nil
Steel Structure Purchase Agreement	Supplier: Jinggong gongye (Thailand) Co.,ltd Purchaser: Yeong Guan Heavy Industry (Thailand) Co., Ltd.	2023.03.20~ acceptance of steel structures	For Yeong Guan Heavy Industry (Thailand) Co., Ltd.'s material supply contract for phase I steel structure, total contract amount is THB332,128,000 (tax included) and construction period for this contract is 200 working days.	Nil
Construction Contract	Builder: Yeong Guan Heavy Industry (Thailand) Co., Ltd. Contractor: CheerYou Construction	2022.12.29~ acceptance of project	For Yeong Guan Heavy Industry (Thailand) Co., Ltd.'s phase I construction for Thailand plant, total contract amount is THB420,000,000 (tax included) and construction period for this contract is 150 working days.	Nil
Construction Contract	Owner: Yeong Guan Holdings Co., Limited Taiwan Branch Contractor: Chiuan Wang Construction Co., Ltd.	2023.2.8~ completion acceptance	New Construction for Yeong Guan Employee Community	Nil

V. Financial Status and Financial Performance Analysis and Risk Issues

1. Financial Status

Unit: NTD 1,000

Item \ Year	2023	2023	Difference	
			Amount	%
Current Asset	10,079,701	9,828,147	(251,554)	(2.50)%
Property, Plant and Equipment	11,751,198	13,569,043	1,817,845	15.47%
Intangible Asset	137,888	140,702	2,814	2.04%
Other Asset	3,107,719	2,224,234	(883,485)	(28.43)%
Total Asset	25,076,506	25,762,126	685,620	2.73%
Current Liabilities	7,361,008	7,729,126	368,118	5.00%
Non-current Liabilities	8,988,130	8,732,122	(256,008)	(2.85)%
Total Liabilities	16,349,138	16,461,930	112,792	0.69%
Share Capital	1,181,359	1,331,359	150,000	12.70%
Paid-in Capital	6,490,466	6,940,472	450,006	6.93%
Retained Earnings	2,271,917	1,641,693	(630,224)	(27.74)%
Other Equity Interest	(1,383,691)	(932,269)	451,422	32.62%
Non-controlling Interest	167,317	-	(167,317)	(100.00)%
Total Equity	8,727,368	318,941	(8,408,427)	(96.35)%
<p>Main reasons and impacts of major changes (increase/decrease by over 10% in two years; total amounts of increases/decreases are equivalent to 1% of the total asset value of the respective year):</p> <ol style="list-style-type: none"> 1. Property, Plant and Equipment: Mainly due to the need of the Company to cooperate with the overall operation plan and the purchase of additional machinery and equipment for the expansion of the Thailand plant. 2. Other Asset: Mainly due to the completion of our Taichung plant and the transfer of prepaid equipment payments to fixed assets, which resulted in a decrease in prepaid equipment payments. 3. Retained Earnings: Mainly due to the reduction in retained earnings due to the Company's after-tax loss in 2024. 4. Other Equity Interest: Mainly affected by the exchange gains and losses from the translation of financial statements of foreign operating entities. 5. Total Equity: Mainly due to the appreciation of the RMB and the Thai Baht, which resulted in an increase in the exchange rate differences in the translation of the financial statements of overseas operating entities. 				

2. Financial Performance

(1) Operating Performance Analysis Table

Unit: NTD 1,000

Item \ Year	2023	2024	Difference	
			Amount	%
Operating Income	8,671,009	7,202,236	(1,468,773)	(16.94)%
Operating Cost	7,473,371	7,253,856	(219,515)	(2.94)%
Operating Gross Margin	1,197,638	(51,620)	(1,249,258)	(104.31)%
Operating Expense	1,370,292	1,127,841	(242,451)	(17.69)%
Operating Net Income	(172,654)	(1,179,461)	(1,006,807)	583.14%
Non-Operating Income & Expense	(90,550)	1,017,101	1,107,651	(1,223.25)%
Pre-Tax Net Income	(263,204)	(162,360)	100,844	(38.31)%
Income Tax Expense	13.137	470,929	457,792	3,484.75%
Current Net Income	(276,341)	(633,289)	(356,948)	129.17%
<p>Explanations on items with significant changes (items with changes exceeding 10% and with change amount reaching 1% of the current year total asset amount):</p> <ol style="list-style-type: none"> Operating Income, Operating Gross Margin, Operating Net Income, Current Net Income (Net Loss): Mainly due to the fact that the overall wind power market installation progress and development progress were not as expected, resulting in severe price competition. In addition, the overall utilization rate of the Company was insufficient, and the fixed production costs increased the overall costs, resulting in the operating income being unable to cover the operating costs. Non-Operating Income & Expense: Mainly due to the disposal of land and buildings by the subsidiary Ningbo Yeong Shang Casting Iron Co., Ltd. due to the expropriation of its plant and land for government public construction and the cessation of operation of the Guanyin plant of its subsidiary Yeong Chen Asia Pacific Co., Ltd., which resulted in the recognition of gains (losses) on disposal of real estate, plant and equipment, gains on disposal of right-of-use assets and gains from government demolition compensation. Income Tax Expense: The main reason is that the company will repatriate the profits of its mainland subsidiary and sell the factory in 2024, which will increase the income tax expense. 				

(2) Expected Sales and Reasons

Under considerations of changes in macro-economic environment, industry outlook and the Company's future development direction as well as references of operation goals which are established based on the Company's operation situation, the Company expects that China market will continue to be competitive in 2025. However, Taichung factory is expected to start mass production in 2024. This is expected to mitigate China market impact in 2025.

(3) Potential Effects on The Company's Future Finance Business and Responding Plan

The Company will closely monitor changes of economic situation and trend of market demand in order to expand market share and increase the Company's profit. As such, the Company's future business is expected to grow continuously while its financial conditions will also remain in good shape.

3. Cash Flow

(1) Analysis of Cash Flow Changes in Recent Years

Unit: NTD 1,000

Item \ Year	2023	2024	Increased (Decreased) Amount %	Increased (Decreased) Percentage %
Operating Activity	(495,754)	(275,367)	220,387	(44.45)%
Investment Activity	3,314,487	3,878	3,318,365	(100.12)%
Financing Activity	3,944,930	1,013,573	(2,931,357)	(74.31)%
Analysis of Changes:				
1. Operating Activity: Reason for net cash outflow in 2024 operating activity is mainly because of operating loss in this year.				
2. Investment Activity: Reason for increase in net cash outflow for 2024 investment activity is mainly because of purchase of Property, Plant and Equipment for this year.				
3. Financing Activity: Reason for increase in net cash inflow for 2024 financing activity is mainly because of cash capital increase.				

(2) Cash liquidity analysis and improvement plan for insufficient liquidity for the coming year:

Beginning Cash Balance (Note 1)	Expected net cash flow from operation activities for the whole year	Expected net cash flow from investment and fund raising activities for the whole year	Expected current remaining (insufficient) balance	Remedies for expected insufficient cash	
				Investment Plan	Wealth Management Plan
2,693,896	(1,253,937)	761,753	2,201,712	-	Capital Increase by Cash
Analysis of changes in cash flow for the coming year:					
1. Operation Activities:					
Net cash outflow is about 1,253,937,000. Cash flow for operating activities mainly comes from cash collection from operation activities and expenses needed to pay for daily operations. Main reasons include insufficient momentum in global economic recovery; Taichung factory personnel need time to cultivate capability and improve skills after mass production. This keeps overall profits from returning to normal standards and therefore leads to cash outflow.					
2. Investment and Fund Raising Activities:					
Net cash inflow from investment activities the whole year is about 761,753,000. This is mainly because of capital increase by cash and newly added loans.					

4. Influence on finance business from major capital expenditure in the latest year:

The Company's goal for the latest year's capital expenditure is to expand operating scale for the purpose of preparing for this industry's future development trend as well as strengthening competitiveness. As such, the Company plans to collaborate with Taiwan government's renewable energy policy to build up a factory. With this, it is expected to generate long-term

growth synergy, enhancement of global competitiveness and fulfilment of sustainable operation. It is planned that equity fund will be first utilized for funds needed for building the factory, and financing measures such as obtaining loans will be utilized in the event of insufficiency in funds.

5. Investment strategy for the latest year, main reason(s) for gain or loss, improvement plan and investment plan for the upcoming year

(1) The Company's Investment Strategy

The Company's management over invested enterprise is based on investment cycle requirements of internal control system. Additionally, management is also based on the Company's drafted requirements of "Operation guidelines for business operating and finance transaction among group enterprise, designated company and related party," "Operation guidelines for subsidiary monitoring," and "Operation guidelines for subsidiary operation and management." Under considerations of domestic laws and actual operations for respective invested companies, assistance is offered accordingly for respective invested companies to establish appropriate internal control system. With respect to organization structure, directors for respective invested companies are established in accordance with domestic laws and are designated by parent company. As for management level for respective invested companies, all general managers are designed by parent company while other managers are designed or recruited by authorized respective invested companies' general managers. However, employment of finance head shall be submitted to parent company for approval or be designated by parent company. Furthermore, the Company regularly receives related financial statement materials, operation reports as well as CPA certified financial statements for the purpose of in-time analysis and assessment over invested enterprise's operation condition and income status. The Company's internal audit department will also dispatch personnel, regularly or randomly, to conduct auditing operation over subsidiary, and establish related auditing plan as well as prepare audit report in order to monitor internal control system deficiency and rectification over irregularity matter.

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(2) Main reasons for gain or loss on investments for the latest year (2024)

Unit: NTD 1,000

Invested Enterprises	Recognized Investment Gain/Loss Amount	Reason for Gain or Loss	Improvement Plan
Yeong Guan Holdings Co., Ltd.	(336,056)	This is because new factory has just been completed. Production capability is still on the uphill stage and fixed amortization is higher.	—
Yeong Guan Heavy Industry (Thailand) Co., Ltd.	(3,187)	This is mainly because invested enterprise is still in its opening phase and business has not yet started.	Nil
Yeong Guan International Co., Ltd.	1,241	Profit for main business remains steady.	—
Yeong Chen Asia Pacific Co., Ltd.	499,722	Profit for main business remains steady.	Note
Ningbo Yeong Shang Casting Iron Co., Ltd.	523,471	Profit for main business remains steady.	—
Dongguan Yeong Guan Mould Factory Co., Ltd.	(51,262)	It's mainly because price increase in raw materials has led to cost increase.	Note
Ningbo Lu Lin Machine Tool Foundry Co., Ltd.	50,675	Profit for main business remains steady.	—
Jiangsu Bright Steel Fine Machinery Co., Ltd.	(356,321)	This is mainly because of decreased profit margin from the company's lowering of prices to respond to increased competition in China wind power market.	—
Ningbo Yong Jia Mei Trade Co., Ltd.	419	Profit for main business remains steady.	—
Shanghai No.1 Machine Tool Foundry (Su Zhou) Co., Ltd.	(135,160)	This is mainly because of decreased profit margin from the company's lowering of prices to respond to increased competition in China wind power market.	Note

(3) Investment plan for the upcoming year

In view of the rising global awareness of climate change issues, “Green Home” and “Investment in Green Energy” have replaced traditional energy policies centered around coal, natural gas, and nuclear energy. These new concepts gradually turn into the mainstream of economic strategies and public administration all over the world. In line with the global trend of energy conservation and carbon reduction, development and application of new energy technologies, a constantly rising demand for green energy worldwide, and promotion of vigorous development of relevant industries, the Company continues its commitment to serve as a driving force for the development of green energy industries. It also constructs new and expands existing up- and downstream casting, processing, and spray coating plants to extend and expand industry standards.

6. Risk Analysis and Assessment

- (1) Interest rate, change of exchange rate and inflation's influence over the Company's gain or loss as well as future responding measures

I. Interest Rate

The Company's interests paid in cash for 2023 and 2024 are NTD340,180 thousands and NTD432,581 thousands with percentages of 3.92% and 6.01% to respective current year operating income. These percentages are extremely small and therefore change of interest rate does not have a significant influence over the Company. Although currency market interest rates for the latest year decrease slowly, they're still relatively low. Therefore the Company's borrowing interest rates did not change a lot. However, in the event of larger fluctuation for interest rates going forward and the Company still has needs for loan, the Company will then raise capital through other fund raising instruments in capital market. Additionally, the Company will observe interest rate trends and select fixed or floating interest rate loan to avoid interest rate fluctuation risk.

II. Exchange Rate

Given the fact that sixty percent (60%) of the Company's sales territories are in China with sales are denominated in RMB, and forty percent (40%) are in Europe and U.S. with sales denominated in EUR and USD, while goods purchased are mainly denominated in RMB, offset incurred accordingly between purchase in RMB and sales in RMB. Meanwhile, exchange rate changes among different currencies still come with offset effect. As a result, in addition to natural hedging on exchange rate differences, the Company is also engaged in selling forward exchange to evade risks on foreign currency positions held. The Company's net exchange gains (losses) for 2023 and 2024 are NTD 62,240 and (101,350) thousands and respectively accounting for 0.72% and (1.41)% of respective current operating net income. Influences are extremely small and therefore there are no significant exchange risks as a whole.

The Company is committed to foreign exchange risk control. Our responding measures are as follows after careful assessments:

- (1) The Company shall continue to enhance its financial staff's foreign exchange hedging expertise and study changes in international politics and economics in order to predict foreign exchange trend and enhance the Company's foreign exchange hedging strategies.
- (2) Payments for purchase and related expenses shall be made from revenue of same currencies to enhance effectiveness of natural hedging.

III. Inflation

The Company continues to maintain close and good interaction relationship with suppliers and customers, adjusts purchase and sales strategies in a flexible way and keeps well informed of upstream material price changes in order to mitigate influence on the Company's income from change of inflation. In the latest year and as of the date when annual report was published, there are no significant changes on financial market and prices and there is no significant influence on the Company's income.

- (2) Policy for conducting high risk/high leveraged investment, lending capital to others, endorsement/guarantee and derivative transactions; Major reasons for gain or loss and future

responding measures

The Company has already drafted guidelines of “Handling Process for Asset Acquisition and Disposition,” “Operation Procedure for Capital Lending to Others,” “Operation Procedure for Endorsement/Guarantee,” and “Handling Process for Derivative Product Transactions” which shall serve as compliance basis for the Company and subsidiary when engaged in related behavior.

As of the date when this annual report was published, the Company is not engaged in Endorsement/Guarantee or lending of capital to other companies except for the ones between the Company and its subsidiaries, or the ones between its subsidiaries. Aforementioned endorsement/Guarantee or lending of capital are all conducted in accordance with related operation process regulations and, in general, they do not have significant influence over consolidated income. Furthermore, the Company is always focused on the operating of its main businesses and has never stepped into other high risk industries. The Company’s finance policy is based on the principle of being stable and conservative and never engages itself in high risk/high leveraged investment or transaction. As such, related risks should be limited.

(3) Future R&D plan and expected R&D expenditure

1. Future R&D plan

- (a) The Company’s future R&D plan utilizes new auxiliary materials to enhance casting product quality, reduce defected product, enhance casting product material conversion rate and develop high power wind power products.
- (b) Development and improvement of new techniques and production technologies to reduce defect rates and thereby enhance product competitiveness and quality consistency.
- (c) Development of new industry materials and alloys to achieve a breakthrough in existing casting technologies; provision of more professional services to meet future customer demands through upgrades of welding capabilities and acquisition of professional system certifications

2. Projected R&D expenses

Projected R&D expenses account for a fixed ratio of 1-3% of the operating revenue in 2025. Future R&D expenses will be determined by optimizations and improvements of new products, production processes, and molds developed by customers as well as yield rate enhancement, energy conservation, and waste reduction.

(4) Influence from domestic/offshore important policies and changes of law on the Company’s finance business as well as responding measures

(4) Impact and responding measures to the Company’s finance from domestic/offshore important policies and changes of law:

The Company is registered in Cayman Islands while the Company’s critical subsidiaries are registered in Taiwan, British Virgin Islands, Hong Kong and China. There is no actual operation

is Cayman Islands. Fluctuation for China's internal exchange rates remain stable. The Company and its respective critical subsidiaries all conduct businesses in accordance with laws of jurisdictions where these subsidiaries are located. The Company mainly sells products of large wind power generator (wheel hub and base), large gas turbine for power plant and so on. This should be a non-authorized or non-restricted industry. In recent year and as of the day when annual report was printed, there were major impacts to the Company's finance from changes of regulations and critical policies in Cayman Islands, British Virgin Islands, Taiwan, Hong Kong or China. To respond to carbon neutral policy, Sustainability Development Office keeps track of international policies (such as EU's CBAM) and submits risk assessment reports regularly. The Company also expands new production sites into South East Asia to mitigate risk of a single territory policy.

Most of the Company's major customers and suppliers are located in Asia. Given special political situations in some Asian countries, the Company and its customers' finance business may be affected by politics, economy and laws. Therefore, in the event of changes in respective government's policy, economy, tax or interest rate, or in the event of incidents involving politics, diplomacy or society, business of the Company's client or the Company might be affected accordingly. The Company complies with domestic policies in related regions and aggressively responds to and combines related market environments and legal requirements for the purpose of integrating echoes from multiple parties as well as risk controls on the Company's respective subsidiary factories.

- (5) Influence on the Company's finance business from changes of technology and industry as well as responding measures to such influence: Global technological development has an inevitable impact on industries! We are firmly committed to continuous responses to future developments in the field of market demand as well as technology-directed upgrades and improvements. We also constantly collect information on new technologies, trends, and risk coefficients associated with the ever-changing market in line with gradually intensifying trends and changes in the field of technological development. We also have clearly formulated guidelines in place for the development of future strategies. The Company constantly explores market changes in the current stage of stable development to gain a firm grasp of current conditions and implement adjustments accordingly. In the field of quality management, ultimate emphasis is placed on stable quality, enhanced efficiency, and cost down to boost bidirectional development in the fields of market demand analysis and technological innovation. In the meantime, the Company aggressively continues to develop innovative technology patents, searches for collaboration with technology major companies or start-up companies in developing solutions, establishes cross-border collaboration alliances, combines policies with intelligent transformation mechanisms, introduces AI big data for market trend analysis, adjusts production efficiency arrangement in a speedy manner and cultivates towards traditional industry's trend to become intelligent.
- (6) Influence to enterprise crisis management from enterprise image change as well as responding measures to such influence:

The company has always been dedicated to the development goal of honesty and sustainable

operation while focusing on high quality casting products technology enhancement of spherical graphite cast iron and grey cast iron as well as development and manufacturing of energy and injection molding machine products with the goal of meeting market demands. The Company enjoys good business reputation in international market and this has established the Company's credibility and position in this industry. There is no change of company image which leads to crisis management in the latest year and as of the date when annual report was published.

- (7) Projected benefits, potential risks, and response measures for mergers & acquisitions: No mergers or acquisition is conducted for this year.
- (8) Expected benefits, potential risks and responding measures for plant expansion

Marine equipment installation quantity around the world is increasing steadily. Compound growth rate for global offshore wind-power market equipment installation is higher than expected. This indicates a bright future for offshore wind-power demand. Taiwan plans to become an offshore wind-power hub in Asia. Offshore wind-power industry has entered localization phase. Casting, processing and painting product lines installed near Taichung Harbor of Taiwan and Laem Chabang Harbor of Thailand, both of which possess location advantages, shall assist the Company to obtain future syndicated benefits of international competitiveness, power for sustainable operation and long-term growth. The Company's vendors are all leading vendors in respective industries. In addition to working with Taiwan government's renewable policy, Taichung plant shall not only be committed in establishing excellent supply capability but also be engaged in continuous introduction of innovative technologies and advance operation concepts, Environment, Health and Safety (EHS), quality enhancement and energy consumption saving. The Company shall enhance collaboration relationship with major international vendors in order to fight for business opportunities from next generation green power product needs. The Company's factory expansion process has gone through careful assessment. Investment return benefits and potential risk have all been fully considered.

- (9) Risks and responding measures for concentrated purchase of goods or sales of goods

- 1. Purchase of Goods

The main raw materials used by this company are pig iron, scrap steel, nodulants, inoculants, carburants, ferro-silicon, ferro-manganese, ferro-chromium, ferro-molybdenum, ferro-phosphorous, and ferro-sulphur. Auxiliary casting materials include furan resin, curing agents, deslagging agents, steel shot, bonding agents, dross filters, quartz sand, and magnesium oxide coating. Among them, pig iron and scrap steel account for the biggest portions. Source of Product Supply & Purchase Proportion: The Company is located in China which is a country rich in mineral resources. In 2023, overall performance of the steel industry first went up and then slid down in a volatile downward trend. During 1st quarter, prevention and control over COVID presented a stable transformation. Optimistic macro-economic outlook pushed steel price upward. For the

2nd quarter, US debt risk loomed and domestic economy was weak. Conflicts between demand and supply had aggravated. Steel price went down sharply. In 3rd quarter, wrestling between strong expectation and weak facts had become fierce. Steel market fluctuated in a slightly downward trend. In 4th quarter, expectation for macro-economy was optimistic and capital market exerted its power. Supply for steel went sluggish with the same cost support. Steel price began to stop falling and started to go up. Steel price index in 2024 was weaker than that of 2023. It was lower compared with those in recent years. Price upward trend, which started from the end of last year, had lasted until beginning of this year. Prices in 1st quarter is the highest throughout the whole year. However, price went all the way down after 1st quarter. In September, price was at a 3-year low position. Recession in steel industry had directly impacted demand for raw materials. This led to significant drops in major raw material prices. Suppliers for respective raw materials are not just one vendor. As such, there is no major difficulty in obtaining raw materials. For the last two years, proportions of net purchase amounts from the Company's top ten suppliers account for 50.79% and 42.21% respectively. In 2023, purchase percentages from other suppliers were all below 10% with the exception of cast iron suppliers. There should be concentration risks in terms of major purchases.

2. Sales of Goods

To respond to changes in international macro-environment markets, the Group conducts diversification of sales channel and exploration of high value-added markets under basis of existing energy, injection machine and machinery industries. With respect to long term development planning, parallel stable development is the Group's biggest indicator. In terms of current market demand forecast, demands for energy industry, injection machine and machinery industry are evenly distributed. Indicators established for current direction are to increase demands from high value-added clients as well as demands for key components increased production. During sustainable development, focus on excellent target industries and new material application shall be enhanced. New industry development from corresponding strategies over the years has gradually and steadily entered development trend. Efforts are exerted over demands from industries of injection machine, agricultural machine, mining machine, ships and machinery, equipment and accessories for fuel/e-car and so on. The Company also enhances high value-added markets, explores demands for world-class large casting products and has successfully developed ultra-large valve body components, ultra-large spare parts for e-car related pressing equipment and large cold-forging machine parts. The Company continues to explore deep into market demands for the purpose of understanding rapid changes in respective industries. In the meantime, the Company will also attend domestic and offshore international large exhibitions, enhance collaboration with commercial leagues, optimize group organization structure and talent teams on a continuous basis and strengthen risk management and analysis of geographical conditions for the purpose of lowering potential risks.

When faced with a diversified market, it is irresistible to have both risks and development. The Group's biggest advantage is to reduce risks effectively, disperse risks and mitigate

controllable risks. The Company allocates different industries' production capabilities effectively based on its advantage, and integrates vertically its management guidelines to allow the Group to achieve balance in risk management. Department of Business holds risk strategy meetings each month with Department of Production and Department of Technology Development for in-time adjustment of the Group's strategy. Through structural analysis and dynamic response, the Company is able to mitigate risks in policy, technology, production expansion and customer concentration, and to ensure corporate resilience.

- (10) Influence, risks to the Company from large amount equity transfer or change by director, supervisor or major shareholder with ownership exceeding 10% and responding measures to such influence and risks.

No aforementioned cases in the latest year and as of the date when annual report was published.

- (11) Influence and risks to the Company as well as responding measures from changes of management rights

The Company has a stable major shareholder structure and a comprehensive professional management team. The Company's various management and operation advantages will not be compromised if there are changes in management rights. There are no changes of the Company's management rights in the latest year and as of the date when annual report was published.

- (12) The Company and the Company's director, supervisor, general manager, actual responsible person and major shareholders holding more than 10% of shares shall prescribed litigation or non-litigation incidents. With respect to subsidiary's finalized or pending major litigation, non-litigation and administrative dispute incidents, the disputed facts, target amount, litigation commencement date, major parties involved and processing status as of annual report publish date shall all be disclosed if results for aforementioned incidents may have significant influence over shareholder's equity or securities price.

During last two years and as of the day when annual report was printed, there are a total of 2 litigation cases. All of these cases are closed and there are no significant impacts to the Company's shareholders or share prices from the results.

- (13) Other critical risks and responding measures

- (a) The Company's critical operating risks and responding measures:
With respect to possible negative factors incurred from the Company's operation as well as their responding strategies, please refer to positive, negative factors for the Company's future development and responding strategies prescribed in this annual report. Even with the existence of such responding strategies, it is still possible that complete implementation is unfeasible because of force majeure factors encountered during implementation. This will further affect the Company's operation, business and finance.

- (b) Negative influence on the Group's business, operating performance and financial condition from the Company's potential insufficient insurance over operation:
Currently, the Company has already followed Chinese enterprise's common practice and proposed comprehensive Insurance company: which covers the Company's properties of plant and machine equipment with a total insurance amount of RMB2,090,881 thousands. However, the Company did not propose any insurance over operation disruptions in China factory or any compensation liability from damage to environmental protection. Reason for not proposing is that such insurance in China is not mature enough and causes for compensation are not clearly stipulated. The Company may suffer losses or assume compensation liability from occurrence of such risks because of its failure to propose such insurance accordingly. Additionally, among items which are already insured, it is possible that the scope of insurance may not provide sufficient protection against possible losses. This could have negative impact on the Company's business, financial condition and operating performance.
- (c) Risk of Intellectual Property Infringement:
As of now, the Company holds 35 trade mark rights and 270 patents. Intellectual property of these trademarks and patents is critical to the Company's operation. Therefore, the Company is dedicated to protecting these intellectual properties. In the event of any infringement to the Company's intellectual property in the future which damages the Company's product market value and brand reputation and affects the Company's business, financial status and operating performance, the Company will file litigations to protect such rights. However, when faced with different levels of litigation costs, the Company will take necessary measures and actions under considerations of overall cost efficiency.
- (d) Risk of Patent Rights Violation:
In the face of more and more fierce competition in emerging energy industry, competitor may use patent infringement litigation to disrupt the Company's business development. The Company's risk of being sued for compensation from intellectual property rights infringement is also increasing. Therefore, as the Company's operating scale continues to grow, it is expected that the possibility to face with other competing company's patent infringement litigation will also increase. Accordingly, the Company strictly complies with patent related regulations, avoids using other's patented technology by mistake, continues to enhance R&D and emphasizes on developing the Company's own technology. As of now, there is no legitimation raised from the Company's violation of patent rights.

7. Other Critical Matters: None.

VI. Special Matters Documented

1. Subsidiary Related Information

(1) Enterprise Organization Chart: Please refer to II. Company Introduction

(2) Subsidiary Basic Information

March 31, 2025, Unit: in thousands

Name of Enterprise	Date of Establishment	Address	Paid-in Capital	Major Business or Production Items
Yeong Guan Holding Co., Ltd.	2007.11	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	USD 194,000	Investment in share holding
Yeong Guan International Co., Limited	2007.11	Centre, 151 Gloucester Road, Wan Chai, Hong Kong	HKD 805,000	Investment in share holding
Yeong Chen Asia Pacific Co., Ltd.	2008.06	No. 502, Sec. 1, Cheng Gon Rd., Guan Yin Township, Taoyuang County	NTD 95,000	Trading business, manufacturing and selling of cast iron
Dongguan Yeong Guan Mould Factory Co., Ltd.	1995.06	Yin Quan Industrial Zone, Chin Xi Town, Dong Guan City, Guandong Province, China	HKD 31,000	Manufacturing and selling of cast iron
Ningbo Yeong Shang Casting Iron Co., Ltd.	2000.12	No. 95, Huang Hai Rd., Bei Lun District, Ningbo City, Zhejiang Province, China	USD 43,100	Manufacturing and selling of cast iron; processing of precision machinery
Ningbo Lu Lin Machine Tool Foundry Co., Ltd.	2000.08	No. 28, Ding Hai Rd., Economic Technology Development Zone, Zhen Hai District, Ningbo City, Zhejiang Province, China	USD 13,705	Manufacturing and selling of cast iron; recycling of scrap steel
Jiangsu Bright Steel Fine Machinery Co., Ltd.	2006.11	No. 9, Yue Pen Rd., Tien Mu Hu Industrial Park, Li Yang City, Jiangsu Province, China	USD 114,851	Manufacturing and selling of cast iron
Ningbo Yong Jia Mei Trading Co., Ltd.	2009.11	No. 95, Huang Hai Rd., Bei Lun District, Ningbo City, Zhejiang Province, China	USD 1,000	Trading business
Yeong Guan Heavy Industry (Thailand) Co., Ltd.	2014.07	No. 200 Moo1 3138Road, Khlong Kiew Subdistrict, Ban Bueng District, Chon Buri thailand	THB 1,000,000	Manufacturing and selling of cast iron
Shanghai No. 1 Machine Tool Foundry (Suzhou) Co., Ltd.	2009.08	No.999 Laixiu Road, Fen Lake Economic Development Zone, Wujiang	USD 33,680	Manufacturing and selling of cast iron

(3) Materials for same shareholder under assumed control and affiliate relationship: None.

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(4) Director, Supervisor and General Manager Information for Respective Subsidiaries

Name of Enterprise	Job Title	Name
Yeong Guan Holding Co., Ltd.	Director	Chang, Hsien-Ming
Yeong Guan Heavy Industries (Thailand) Co., Ltd.	Director	Chang, Hsien-Ming; Sutep Jatupornpukdi; Niyom Jatuponpakdi; Jitpranee Chang; Chang, Hui-Chieh
Yeong Guan International Co., Limited	Director	Chang, Hsien-Ming
Yeong Chen Asia Pacific Co., Ltd.	Director	Chang, Hsien-Ming
	President	Chang, Hsien-Ming
Dongguan Yeong Guan Mould Factory Co., Ltd.	Director	Chang, Tsan-Yu; Tsai, Chang-Hung; Fang, Chen-Chiang
	Supervisor	Tsai, Ching-Wu
Ningbo Yeong Shang Casting Iron Co., Ltd.	Director	Chang, Tsan-Yu; Tsai, Chang-Hung; Fang, Chen-Chiang
	Supervisor	Tsai, Ching-Wu
	President	Fang, Chen-Chiang
Ningbo Lu Lin Machine Tool Foundry Co., Ltd.	Director	Chang, Tsan-Yu; Tsai, Chang-Hung; Fang, Chen-Chiang
	Supervisor	Tsai, Ching-Wu
Jiangsu Bright Steel Fine Machinery Co., Ltd.	Director	Chang, Tsan-Yu; Tsai, Chang-Hung; Fang, Chen-Chiang
	Supervisor	Tsai, Ching-Wu
	President	Fang, Chen-Chiang
Ningbo Yong Jia Mei Trading Co., Ltd.	Director	Fang, Chen-Chiang
	Supervisor	Tsai, Chang-Hung
Shanghai No. 1 Machine Tool Foundry (Suzhou) Co., Ltd.	Director	Chang, Tsan-Yu; Tsai, Chang-Hung; Fang, Chen-Chiang
	Supervisor	Tsai, Ching-Wu
	President	Chang, Tsan-Yu

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(5) Operating Summary for Respective Subsidiaries

Unit: NTD 1,000 except earnings per share

Name of Enterprise	Paid-in Capital	Total Asset	Total Liability	Net Value	Operating Income	Operating Benefit	Current Income (Loss)	Earnings Per Share (NTD)
Yeong Guan Holding Co., Ltd.	6,361,260	19,331,655	8,345,696	10,985,959	481,955	(634,881)	(336,056)	(1.73)
Yeong Guan Heavy Industry (Thailand) Co., Ltd.	1,338,260	2,542,107	1,185,967	1,356,140	0	(15,990)	(4,131)	(0.01)
Yeong Guan International Co., Limited	3,400,320	7,865,354	0	7,865,354	0	(290)	599	0.00
Yeong Chen Asia Pacific Co., Ltd.	95,000	2,042,355	895,894	1,146,461	1,572,798	(29,296)	499,941	Note 1
Dongguan Yeong Guan Mould Factory Co., Ltd.	130,949	456,004	359,071	96,933	574,392	52,602	(51,757)	Note 1
Ningbo Yeong Shang Casting Iron Co., Ltd.	1,413,249	3,972,892	1,085,518	2,887,374	1,319,227	(175,524)	522,333	Note 1
Ningbo Lu Lin Machine Tool Foundry Co., Ltd.	449,387	1,191,042	394,007	797,035	1,133,399	52,281	51,207	Note 1
Jiangsu Bright Steel Fine Machinery Co., Ltd.	3,765,964	6,787,285	1,722,641	5,064,644	3,011,475	(379,483)	(341,360)	Note 1
Ningbo Yong Jia Mei Trading Co., Ltd.	32,790	213,739	165,747	47,992	419,604	6,984	5,932	Note 1
Shanghai No. 1 Machine Tool Foundry (Suzhou) Co., Ltd.	1,196,835	2,098,103	2,140,634	(42,531)	1,693,749	(39,166)	(147,811)	Note 1

Note: Earnings per share cannot be calculated because this is not an incorporated company.

(6) Affiliated Enterprise Consolidated Financial Statements: Please refer to appendix 1.

(7) Affiliation Report: None.

(8) Industries Covered by Businesses Operated by Whole Affiliates:

Operation businesses for affiliates as a whole are manufacturing, precision processing, painting and sales of high-end casting products of spherical graphite cast iron and grey cast iron. Product categories include the followings:

1. Renewable Energy Category: mainly related casting iron parts of rotor cover, base and gear box related to wind power.
2. Injection Machines Category: mainly casting iron products of nozzle, tail plate and cylinder.
3. Industrial Machines Category: Casting iron products needed in respective industries such as machine tool, air compressor and medical instruments.

(9) Division of labor among respective affiliates with inter-connected operation businesses

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shall be explained:

In addition to Jiangsu Bright Steel Fine Machinery Company Limited and Ningbo Yeong Shang Casting Iron Company Limited's engagement in casting iron product's precision processing and painting businesses, the two companies and remaining affiliates are all engaged in manufacturing and sales business for high-end casting iron products.

- 2. In the latest year and as of the date when this annual report was published, any cases of securities private placement: None.**
- 3. Other necessary supplementary explanation: None.**

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4. Explanation of major differences from ROC shareholder equity protection regulations

Shareholder Equity Protection Critical Matters	Contents of The Company's Articles of Incorporation	Reasons of Differences
<p>1. Shareholder(s) who has/have been continuously holding 1% or more of the total number of the outstanding shares of the company over six months may request in writing the supervisors of the company to institute, for the company, an action against a director of the company, and may designate Taiwan Taipei District Court as the first instance court.</p> <p>2. In the event that supervisor(s) fail(s) to institute a litigation within 30 days after shareholder's submitting of request, shareholder(s) may therefore institute a litigation for the Company and may designate Taiwan Taipei District Court as the first instance court.</p>	<p>Under permission from Cayman Islands law and requirements of applicable laws as well as within the scope of the Company's instituting an action against related director(s), shareholder(s) who has/have been continuously holding 1% or more of the total number of the outstanding shares may:</p> <p>(a) request, in writing, Board of Directors' Meeting to authorize independent director(s) of Audit Committee to institute a litigation, and may designate Taiwan Taipei District Court as the first instance court; or</p> <p>(b) request, in writing, independent director(s) of Audit Committee to institute a litigation against director(s) for the Company after Board of Directors' Meeting passes a resolution accordingly, and may designate Taiwan Taipei District Court as the first instance court;</p> <p>Within 30 days after a request is submitted in accordance with aforementioned clause (a) or clause (b), in the event that: (i). the requested Board of Directors' Meeting fails to authorize independent director(s) of Audit Committee in accordance with clause (a) or that independent director(s) of Audit Committee fail(s) to institute an litigation in accordance with clause (a) under Board of Directors' Meeting resolution; or (ii). the requested independent director(s) of Audit Committee fail(s) to institute a litigation in accordance with clause (b) or that Board of Directors' Meeting fails to pass a resolution to institute a litigation, under permission from Cayman Islands law and requirements of applicable laws which stipulate that the Company may institute an action against related director(s), shareholder(s) may institute a litigation against director(s) for the Company and may designate Taiwan Taipei District Court as the first instance court.</p>	<p>In Cayman Islands' laws, there are no specific regulations which allow minority shareholders to institute derivative litigation against director in Cayman Islands court.</p> <p>A company's Articles of Incorporation is not a contract between shareholders and directors. Rather, it is an agreement between shareholders and the Company. Accordingly, even with Articles of Incorporation which allow minority shareholders to institute a derivative litigation against director, Cayman Islands lawyers still consider that contents hereto do not have a binding power on directors. However, under Common Laws, all shareholders (including minority shareholders) are all entitled to institute a derivative litigation (including litigation against director) regardless of their share ownership percentage or period of share ownership. Once a shareholder institutes a litigation, it will be under Cayman Islands court's full discretion to determine if a shareholder may or may not continue the litigation. Furthermore, even though a company's Articles of Incorporation prescribes that minority shareholders (or shareholders with certain ownership percentage or ownership period) may represent the company to institute a litigation against director, it will still be up to Cayman Islands court's decision if such litigation may proceed. According to related judgements made by Cayman Islands Grand Court, in cases of Cayman Island court's determination if a derivative litigation is allowed to proceed, guidelines applied in such cases will be that if Cayman Islands courts are convinced and accept the fact that there are substantiality in a plaintiff's representing a company to institute a plead, and if such illegitimate behavior is conducted by individuals who are able to control the company at issue, and if such controllers are capable of making the company not to institute a litigation against them. Cayman Islands courts will make judgement based on facts of individual cases (courts may take references from requirements of company Articles of Incorporation although this is not a decisive factor).</p> <p>According to Cayman Islands laws, Board of Directors Meeting</p>

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Shareholder Equity Protection Critical Matters	Contents of The Company's Articles of Incorporation	Reasons of Differences
		<p>shall make expression of intention based on the whole company's, instead of individual director's, interest when representing a company. Therefore, directors shall comply with Articles of Incorporation and authorize any director, through Board of Directors Meeting resolution, to represent the company in instituting a litigation against other director(s).</p> <p>Cayman Islands Company Act does not specifically prescribe that shareholders are entitled to request directors to convene Board of Directors Meeting for resolutions on specific matters. However, Cayman Islands Company Act also does not prohibit a company from prescribing related requirements in Articles of Incorporation with respect to agenda matters for Board of Directors Meeting (including requirements on convening Board of Directors Meeting).</p> <p>In accordance with the Company's statement, and in compliance with the revised "Checklist of Shareholders Right Protection Items at the Place of Registration of the Foreign Issuers" announced by the Stock Exchange on May 2, 2024, the Company plans to revise the Company's Memorandum and Articles of Incorporation at the next shareholders' meeting (i.e. the Company's 2025 regular shareholders meeting) to comply with the shareholder rights protection matters required in the "Shareholder Equity Protection Critical Matters" column. The Company plans to present the following amendment for approval at the regular shareholders' meeting: "Under permission from Cayman Islands law and requirements of applicable laws as well as within the scope of the Company's instituting an action against related director(s), shareholder(s) who has/have been continuously holding 1% or more of the total number of the outstanding shares may request, in writing, independent director(s) of Audit Committee to institute a litigation against director(s) for the Company after Board of Directors' Meeting passes a resolution accordingly, and may designate Taiwan Taipei District Court as the first instance court." Within 30 days after a request is submitted by shareholder, in the event that the Audit Committee fails to pass a resolution to institute a litigation or the requested independent</p>

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Shareholder Equity Protection Critical Matters	Contents of The Company's Articles of Incorporation	Reasons of Differences
		director(s) of Audit Committee fail(s) to institute a litigation, under permission from Cayman Islands law, shareholder(s) may institute a litigation against director(s) for the Company and may designate Taiwan Taipei District Court as the first instance court.
<p>1. <u>The Company shall not issue bearer share certificates.</u></p> <p>2. <u>A company choosing to issue par value shares shall not convert its shares into no par value shares; a company choosing to issue no par value shares shall not convert its shares into par value shares.</u></p>	Nil	<p><u>The company elects to issue shares with par value; however, the Articles of Incorporation do not specifically prescribe that the Company shall not convert its shares into no par value shares.</u></p> <p>In accordance with the Company's statement, and <u>in compliance with the revised "Checklist of Shareholders Right Protection Items at the Place of Registration of the Foreign Issuers" announced by the Stock Exchange on May 2, 2024</u>, the Company plans to revise the Company's Memorandum and Articles of Incorporation at the next shareholders' meeting (i.e. the Company's 2025 regular shareholders meeting) to comply with the shareholder rights protection matters required in the "Shareholder Equity Protection Critical Matters" column. The Company plans to present the following amendment for approval at the regular shareholders' meeting: "The Company shall not convert its shares into no par value shares"</p>
<p><u>21 days before a company is to convene a regular shareholders' meeting, or 15 days before it convenes a special shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and the supplemental materials and announce publicly. However, in the case of a company with paid-in capital reaching NT\$2 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of holding of the regular shareholders' meeting in the most recent fiscal year, it shall upload the aforesaid electronic file by 30 days prior to the day on which the regular shareholders' meeting is to be held.</u></p>	<p><u>During the period when the shares are listed on the stock exchange, the company shall, in accordance with the provisions of Articles 19.1 and 19.2 of these Articles of Incorporation, prepare the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting in accordance with the rules of public companies; a company whose shareholders may exercise their voting power in writing shall also mail the above materials and written exercise of voting rights to shareholders in accordance with Articles 19.1 and 19.2 of these Articles of Incorporation. The directors shall also prepare the shareholders meeting</u></p>	<p>In accordance with the Company's statement, and <u>in compliance with the revised "Checklist of Shareholders Right Protection Items at the Place of Registration of the Foreign Issuers" announced by the Stock Exchange on May 2, 2024</u>, the Company plans to revise the Company's Memorandum and Articles of Incorporation at the next shareholders' meeting (i.e. the Company's 2025 regular shareholders meeting) to comply with the shareholder rights protection matters required in the "Shareholder Equity Protection Critical Matters" column. The Company plans to present the following amendment for approval at the regular shareholders' meeting: "During the period when the shares are listed on the stock exchange, the company shall, in accordance with the provisions of Articles 19.1 and 19.2 of these Articles of Incorporation, prepare the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including</p>

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Shareholder Equity Protection Critical Matters	Contents of The Company's Articles of Incorporation	Reasons of Differences
	<p><u>agenda and supplemental meeting materials in the manner prescribed by the company's rules, mail them to all shareholders or make them available to all shareholders by other means, and upload them to the MOPS. However, in the case of the company with paid-in capital reaching NT\$10 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of holding of the regular shareholders' meeting in the most recent fiscal year, it shall upload the aforesaid electronic file by 30 days prior to the day on which the regular shareholders' meeting is to be held.</u></p>	<p>proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting in accordance with the rules of public companies; a company whose shareholders may exercise their voting power in writing shall also mail the above materials and written exercise of voting rights to shareholders in accordance with Articles 19.1 and 19.2 of these Articles of Incorporation. The directors shall also prepare the shareholders meeting agenda and supplemental meeting materials in the manner prescribed by the company's rules, mail them to all shareholders or make them available to all shareholders by other means, and upload them to the MOPS. However, in the case of the company with paid-in capital reaching NT\$2 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of holding of the regular shareholders' meeting in the most recent fiscal year, it shall upload the aforesaid electronic file by 30 days prior to the day on which the regular shareholders' meeting is to be held.”</p>

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VII. Any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None