# TONG YANG INDUSTRY CO., LTD.

2025 Annual Shareholders' Meeting Minutes

The method for convening: a physical shareholder's meeting

Meeting Time: 9:00 a.m. on Thursday, June 19, 2025

Place: Conference Hall, Evergreen Plaza Hotel (Tainan), 3F, No. 1, Lane 336, Chunghua E. Rd., Sec. 3, East Dist.,Tainan City, Taiwan (R.O.C.)

Attendants: The Company has issued a total of 591,477,068 shares, all of which are outstanding and circulating in the market. Shareholders and proxy representatives attending the meeting represented a total of 535,401,630 shares, including 477,788,160 shares represented by electronic voting. The attendance rate was 90.51%, exceeding the statutory quorum requirement.

Chairperson: Yeong-Maw Wu, Chairman Minute

Recorder: Yen-Ling Zhang

Members Presen: Yung-Hsiang Wu, Chi-Pin Wang, Kan-Hsiung Lin,Ming-Tien Tsai, Yen-Ling Cheng, Tzu-Ren Hu, Zheng-An Huang

I. Call the Meeting to Order

II. Chairman's Remarks

III. Announcements

(I) 2024 Business Report

(II) Audit Committee's Review Report on the 2024 Financial Statements

(III) Report on 2024 Distribution of the Remuneration for Employees and Directors

(IV) Report on Distribution of the 2024 Cash Dividends from Profits

## IV. Proposals

Proposal 1 Proposed by the board of directors

Subject: Adoption of the 2024 Business Report and Financial Statements.

Explanation:

1. The Company's 2024 Business Report and financial statements have been approved by the Company's Board of Directors through a resolution. The financial statements have been reviewed and endorsed by the CPAs, and, together with the Business Report, have been subsequently examined and approved by the Audit Committee.
2. Please refer to page 7 to 11 (Attachment 1) and page 13 to 30 (Attachments 3 and 4)) of this handbook for the 2024 Business Report, CPA Audit Report and financial statements respectively.
3. The proposal is hereby submitted for adoption.

Resolution:

1.Voting Result: 535,401,630 shares were represented at the time of voting.

| Voting Results | %of the total representation at the time of voting |
|---|---|
| Votes in favor: 492,100,354 votes<br>(including 434,559,368 shares voted via electronic transmission) | 91.91% |
| Votes against: 1,897,645 votes<br>(including 1,897,645 shares voted via electronic transmission) | 0.35% |
| Votes invalid: 0 votes<br>(including 0 share voted via electronic transmission) | 0.00% |
| Votes abstained: 41,403,631 votes<br>(including 41,331,147 shares voted via electronic transmission) | 7.73% |

2. It was resolved that the above proposal be approved as proposed.

Proposal 2 Proposed by the board of directors

Subject: Adoption of the 2024 Profit Distribution Proposal

Explanation:

1. Pursuant to Article 25 and 26 of the Company's Articles of Incorporation, the 2024 Profit Distribution Table is proposed as below:

TONG YANG INDUSTRY CO., LTD.

2024 Profit Distribution Table

Currency Unit: NT$

| Item | Amount | Amount |
|---|---|---|
| Beginning balance of retained earnings | | 9,687,363,471 |
| Remeasurement of defined benefit plan recognized in the retained earnings | 8,352,535 | 8,352,535 |
| Adjusted balance of retained earnings | | 9,695,716,006 |
| Add: Net profit | 4,376,915,940 | 4,376,915,940 |
| Less: Legal reserve appropriated | (438,526,848) | (438,526,848) |
| Earnings available for distribution | | 13,634,105,098 |
| Distribution items: | | |
| Dividend to shareholders (in cash): NT$5.3 per share | (3,134,828,460) | (3,134,828,460) |
| Ending balance of retained earnings | | 10,499,276,638 |

Chairman: Yeong-Maw Wu President: Yung-Hsiang Wu Chief Accounting Officer: Chin-Hsi Chen

2. The above-mentioned dividend distribution ratio is based on the number of 591,477,068 shares outstanding as of March 7, 2024.
3. The proposed cash dividends to be distributed are calculated at NT$5.3 per share, and are rounded to the nearest dollar, where the aggregate amount of dividends arising from fractional shares is counted as other income in the Company's financial statements.
4. The Company's 2023 profits shall be distributed first.
5. In the event of a subsequent change in the number of the Company's outstanding shares on the record date of dividend distribution due to the circumstances of conversion of the Company's outstanding convertible bonds into ordinary shares or buy-back of the Company's treasury shares, we propose to request this shareholders' meeting to authorize the Chairman to adjust the dividend payout ratio to shareholders, based on the amount of dividend distribution resolved for this proposal and the actual number of outstanding shares on the record date of dividend distribution.

6. The Board of Directors is authorized to handle matters related to this profit distribution if changes are required by laws and regulations or amendments approved by the competent authorities.
7. The proposal is hereby submitted for adoption.

Resolution:

1.Voting Result: 535,401,630 shares were represented at the time of voting.

| Voting Results | %of the total representation at the time of voting |
|---|---|
| Votes in favor: 494,766,701 votes<br>(including 437,225,715 shares voted via electronic transmission) | 92.41% |
| Votes against: 20,851votes<br>(including 20,851 shares voted via electronic transmission) | 0.00% |
| Votes invalid: 0 votes<br>(including 0 share voted via electronic transmission) | 0.00% |
| Votes abstained: 40,614,078 votes<br>(including 40,541,594 shares voted via electronic transmission) | 7.58% |

2. It was resolved that the above proposal be approved as proposed.

## V. Discussion Items

Proposal 1 Proposed by the board of directors

Subject: The Partial Amendments to the Company's "Procedures for Endorsements and Guarantees"

Explanation:

1. In response to revisions of relevant laws and regulations by the competent authorities, it is proposed to amend certain articles of the Company’s "Procedures for Endorsements and Guarantees." A comparison table showing the original and amended articles can be found on pages 31 to 33 of this handbook (Attachment 5).

2. The proposal is hereby submitted for resolution.

Resolution:

1.Voting Result: 535,401,630 shares were represented at the time of voting.

| Voting Results | %of the total representation at the time of voting |
|---|---|
| Votes in favor: 494,551,168 votes (including 437,010,182 shares voted via electronic transmission) | 92.37% |
| Votes against: 32,940 votes (including 32,940 shares voted via electronic transmission) | 0.00% |
| Votes invalid: 0 votes (including 0 share voted via electronic transmission) | 0.00% |
| Votes abstained: 40,817,522 votes (including 40,745,038 shares voted via electronic transmission) | 7.62% |

2. It was resolved that the above proposal be approved as proposed.

Proposal 2 Proposed by the board of directors

Subject: Partial Amendments to the Company's Articles of Incorporation

Explanation:

1. In response to revisions of relevant laws and regulations by the competent authorities, it is proposed to amend certain articles of the Company’s Articles of Incorporation. A comparison table showing the original and amended articles can be found on pages 34 of this handbook (Attachment 6).
2. The proposal is hereby submitted for resolution.

Resolution:

1.Voting Result: 535,401,630 shares were represented at the time of voting.

| Voting Results | %of the total representation at the time of voting |
|---|---|
| Votes in favor: 494,566,941 votes (including 437,025,955 shares voted via electronic transmission) | 92.37% |
| Votes against: 19,937votes (including 19,937 shares voted via electronic transmission) | 0.00% |
| Votes invalid: 0 votes (including 0 share voted via electronic transmission) | 0.00% |
| Votes abstained: 40,814,752 votes (including 40,742,268 shares voted via electronic transmission) | 7.62% |

2. It was resolved that the above proposal be approved as proposed.

VI. Extempore Motions:
Shareholders Account Numbers 64647 89442 211491 200132 200168 raised the following question:
Progress of the Company’s Development or Expansion in the Market for Water-Based Coating Products

The Chairman designated the Chief Financial Officer to respond:

1. The selection between conventional coatings and water-based coatings is primarily determined by customer requirements.
2. For products specified by customers to use conventional coatings, our manufacturing processes are equipped with environmental protection facilities and are in compliance with environmental regulations.
3. As of 2024, approximately 7,000 products certified under the Tong Yang CAPA program utilize water-based coatings, representing around 28% of the total product portfolio. This number is expected to increase to 8,000 CAPA-certified products in 2025. Accordingly, the Company’s use of water-based coatings will rise in line with the growth in CAPA-certified product volume.

VII. Adjournment: Meeting ended at 9:20 a.m.

Attachments 1

# TONG YANG INDUSTRY CO., LTD.
## 2024 Business Report

I. Management Principles

Since the establishment, we have always adhered to "Humanistic Management" as our central notion, and "enthusiasm, honesty and creativity" as our corporate spirits. This has driven the development of the Tong Yang Group (TYG) in plastic parts of bicycles and motorcycles, and interior and exterior components. It has accelerated the development of high-level technology, provided more reliable products, developed its bases, and markets in the world, and provided more rapid and comprehensive services to our customers.

II. Implementation Overview

With the growing adoption of aftermarket (AM) parts in the North American market driving overall business growth, and the Company's continued efforts in streamlining operations and optimizing its product portfolio to meet market demands, our consolidated revenue reached NT$25,596,063 thousand, representing a 7.28% increase compared to the previous year. Consolidated net profit totaled NT$4,455,271 thousand, a significant year-over-year growth of 46.20%. Looking ahead, the Company will continue to refine and streamline operations, optimize production lines, and actively pursue plant expansion plans. We will enhance product development, boost production capacity, and deliver high-quality products that meet customers' one-stop purchasing needs for complete orders and shipments. These efforts aim to strengthen our overall competitiveness and solidify our position in the automotive parts market.

III. Business Plan Implementation Results

The Company's consolidated operating revenue for 2024 was NT$25,596,063 thousand, an increase of NT$1,737,257 thousand from NT$23,858,806 thousand in 2023, representing a growth rate of 7.28%; consolidated net gross profit from the operating activities was NT$8,530,672 thousand, an increase of NT$1,397,110 thousand from NT$7,133,562 thousand in 2023, representing a growth rate of 19.59%; consolidated operating income was NT$4,813,360 thousand, an increase of NT$1,069,080 thousand from NT$3,744,280 thousand in 2023, representing a growth rate of 28.55%. The growth can be attributed to the benefits from State Farm, increased market demand, and the Company's continuous organizational restructuring and improvement. By providing high-quality products to meet market demand, the Company achieved growth in revenue and profitability. The non-operating income and expenses for 2024 were NT$716,325 thousand, an increase of NT$648,497 thousand from NT$67,828 thousand in 2023. This increase was mainly due to a net foreign exchange gain of NT$363,181 thousand in 2024, up NT$362,300 thousand from NT$881 thousand in 2023. Therefore, the consolidated pre-tax net profit for 2024 was NT$5,529,685 thousand, an increase of NT$1,717,577 thousand from NT$3,812,108 thousand in 2023. The consolidated net profit was NT$4,455,271 thousand, an increase of NT$1,407,991 thousand from NT$3,047,280 thousand in 2023. The net profit attributable to the parent company was NT$4,376,915 thousand, an increase of NT$1,357,505 thousand from NT$3,019,410 thousand in 2023, representing a growth rate of 44.96%.

Unit: NT$1,000

| Item | 2024 | 2023 | Change by amount | Change by percentage (%) |
|---|---|---|---|---|
| Consolidated operating revenue | 25,596,063 | 23,858,806 | 1,737,257 | 7.28 |
| Consolidated net gross profit | 8,530,672 | 7,133,562 | 1,397,110 | 19.59 |
| Consolidated operating income | 4,813,360 | 3,744,280 | 1,069,080 | 28.55 |
| Consolidated non-operating income and expenses | 716,325 | 67,828 | 648,497 | 956.09 |
| Consolidated income before tax | 5,529,685 | 3,812,108 | 1,717,577 | 45.06 |
| Consolidated income for current period | 4,455,271 | 3,047,280 | 1,407,991 | 46.20 |
| Net income attributable to shareholders of the parent company | 4,376,915 | 3,019,410 | 1,357,505 | 44.96 |

## IV. Performance of Operating Budget

Unit: NT$1,000

| Item | Actual amount of 2024 | Estimated amount of 2024 | Budget completion rate (%) |
|---|---|---|---|
| Consolidated operating revenue | 25,596,063 | 24,575,770 | 104.15 |
| Consolidated net gross profit | 8,530,672 | 7,996,180 | 106.68 |
| Consolidated operating expenses | 3,717,312 | 3,520,480 | 105.59 |
| Consolidated operating income | 4,813,360 | 4,475,700 | 107.54 |
| Consolidated income before tax | 5,529,685 | 4,793,880 | 115.35 |

Note: The estimated amount of 2024 has yet to be reviewed by CPAs.

## V. Profitability Analysis

| Analysis item \ Year | | | Financial analysis 2024 | Financial analysis 2023 |
|---|---|---|---|---|
| Financial structure | Debt ratio (%) | | 26.47 | 26.06 |
| | Ratio of long-term capital to property, plant, and equipment (%) | | 180.19 | 159.01 |
| Profitability | Return on Assets (ROA) (%) | | 12.22 | 9.03 |
| | Return on equity (ROE) (%) | | 16.48 | 12.15 |
| | As a percentage of paid-in capital (%) | Operating income | 81.38 | 63.30 |
| | | Pre-tax profit | 93.49 | 64.45 |
| | Net profit margin (%) | | 17.41 | 12.77 |
| | Earnings per share (NT$) (Note) | | 7.40 | 5.10 |

Note: Earnings per share are calculated based on the weighted average number of outstanding shares for the year.

## VI. Research & Development Status

TONG YANG has technology research and development centers for new product research and development. Innovative technologies are focused on product design, materials, coatings and processes, optoelectronic technology, e-communication research and innovation, and automation equipment and remote information monitoring systems are actively introduced. Therefore, various problems in the production line and data analysis can be quickly dealt with to improve production efficiency. In addition, the Technology Research and Development Center has newly established a Forward-Looking Components Group and an Intelligent Electrical Assembly Group. These groups aim to revolutionize the existing plastic products by integrating automotive electrical systems, optical components, and decoration techniques, as well as creating new product portfolio. With their specialized expertise and experience, they provide customers with reliable and comfortable transportation equipment accessories.

Our plastic and metal sheet parts have obtained the most Certified Automotive Parts Association (CAPA) product certifications in the US market, and the TÜV Rheinland quality certifications in the European market. We are number one in the number of product quality certificates obtained in the world. In response to environmental protection, we introduced the water-based painting for plastic products in 2016 and became the only manufacturer in the world to receive CAPA certification for water-based painting products.

In recent years, TONG YANG has been developing integrated decorative lighting technology under the initiative known as the "Luminous⁺ Project," aimed at making mass production viable by applying research and development outcomes directly to production models. This project includes illuminated exterior components such as 3D light-effect front grilles, large illuminated trim panels, light-up bumpers, and tailgates. The integrated light-element decorative technology is designed to deliver distinct visual effects during both day and night. Additionally, it enhances intelligent information display features, strengthening interaction between the vehicle and its users.

Smart interior decoration includes totem ambient lighting, smart touch panels, electric glove boxes, and smart central armrests, etc., which are all integrated into the use of driving cabins. The ever-evolving automotive electronic systems have led to the emergence of complex operating interfaces and a significant amount of information transmission requirements. The Company has incorporated functionality into the automotive interior accessories, developed human-machine interaction and hidden information display, integrated driving information, and created various control interfaces to liberate people from complex operations.

They adjust the cabin environment based on external conditions and driving situations, and then adapt the driving environment to reduce driving information fatigue and improve driving concentration.

Regarding issues related to environmental protection, TONG YANG has introduced the concepts of lightweight, energy consumption and carbon reduction in the product development stage. Product items include plastic tailgate panels, plastic hoods, plastic fenders, plastic front-end frames, and injection foam interior and exterior trims, etc. It is mainly based on the successful case of replacing steel with plastic and foam forming to reduce weight, and the weight can be reduced by 10-40%. Fuel efficiency and mileage can be increased, air pollution and energy saving and carbon reduction can be decreased. Meanwhile, TONG YANG has also introduced water-based coating technology and equipment to reduce the use of polluting solvents to achieve the goal of being environmentally friendly.

Our Technology R&D Center focuses on six major aspects of product development: lightweight, integrated, decoration, value, environmental protection, and smart technology. We continuously develop key technology, so as to fulfill the market demand and customer requirement.

We insist that only by continuing R&D can we become the industry leader and lay a more professional, solid, and robust foundation for us to enter the international competitive market.

| | | |
|---|---|---|
| Chairman: | President: | Chief Accounting Officer: |
| Yeong-Maw Wu | Yung-Hsiang Wu | Chin-Hsi Chen |

# AUDIT COMMITTEE REVIEW REPORT

The Board of Directors has prepared the Company's 2024 Financial Statements. The CPA firm of Ernst & Young, by CPA Tzu-Ren Hu and Kuo-Sen Hung was retained to audit the Company's Financial Statements and has issued an audited report relating to the Financial Statements. The Financial Statements, Business Report, and the Proposal for Distribution of 2024 Profits have been reviewed and determined to be correct and accurate by Supervisor. According to the Securities and Exchange Act and the Company Act, we hereby submit this report. Please kindly approve.

To TONG YANG INDUSTRY CO., LTD. 2025 Annual General Shareholders' Meeting

TONG YANG INDUSTRY CO., LTD.
Chairman of the Audit Committee: Kan-Hsiung Lin
March 7, 2025

**Independent Auditors' Report Translated from Chinese**

To TONG YANG INDUSTRY CO., LTD.

**Opinion**

We have audited the accompanying consolidated balance sheets of TONG YANG INDUSTRY CO., LTD. (the "Company") and its subsidiaries as of 31 December 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2024 and 2023, and notes to the consolidated financial statements, including the summary of material accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits and the reports of the other auditors (please refer to the *Other Matter – Making Reference to the Audits of Other Auditors* section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of 31 December 2024 and 2023, and their consolidated financial performance and cash flows for the years ended 31 December 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Loss allowance Trade receivable</u>

As of 31 December 2024, the balance of trade receivable and loss allowance amounted to NT$4,759,457 thousand and NT$69,715 thousand, respectively. Net trade receivables accounting for 12% of total consolidated assets, which were material to the consolidated statements. Since the loss allowance was measured at the lifetime expected credit loss, the trade receivables should be appropriately grouped during the measurement process and determine the use of related assumptions in the analysis and measurement, including appropriate aging intervals and their respective loss rate. As the measurement of expected credit loss involves making judgment, analysis and estimates, and the result will affect the net trade receivable, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, understanding and evaluating the appropriateness of management's provisioning policy of loss allowance. The Company and its subsidiaries were tested by provision matrix, including evaluating the appropriateness of the aging intervals and the accuracy of the basic data by reviewing the original certificates; performing tests on subsequent collection of receivables.

We also assessed the adequacy of disclosures of trade receivable. Please refer to Notes V and VI to the Company's consolidated financial statements.

Valuation for slow-moving inventories

As of 31 December 2024, the Company's net inventories amounted to NT$3,088,758 thousand, and accounting for 8% of total consolidated asset, which were material to the financial statements. Due to the economic environment in which the business operates and the impact of peer competition, it is necessary to consider changes in product technology and the market. Additionally, the provision of slow-moving inventories required significant management judgment, we therefore considered this a key audit matter.

Our audit procedures included, but not limited to, evaluating the appropriateness of management's provisioning policy of allowance of obsolescence loss, including sample testing the accuracy of inventory aging time period; performing and evaluating the changes in value of the slow-moving inventories reserve ratio and inventory aging and recalculating allowance to reduce inventory to market, to ensure that the valuation for slow-moving inventories followed accounting policies.

We also assessed the adequacy of disclosures of inventories. Please refer to Notes V and VI to the Company's consolidated financial statements.

**Other Matter – Making Reference to the Audits of Other Auditors**

We did not audit the financial statements of certain consolidated subsidiaries, which statements reflect total assets of NT$1,219,181 thousand and NT$1,054,839 thousand, constituting 3.18% and 3.01% of consolidated total assets as of 31 December, 2024 and 2023, respectively, and total operating revenues of NT$961,304 thousand and NT$912,637 thousand, constituting 3.76% and 3.83% of consolidated operating revenues for the years ended 31 December 2024 and 2023, respectively. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method. Those associates and joint ventures under equity method amounted to NT$62,758 thousand and NT$68,748 thousand, representing 0.16% and 0.20% of consolidated total assets as of 31 December 2024 and 2023, respectively. The related shares of profits from the associates and joint ventures under the equity method amounted to NT$(8,531) thousand and NT$(5,769) thousand, representing (0.15)% and (0.15)% of the consolidated net income before tax for the years ended 31 December 2024 and 2023, respectively, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT$7,722 thousand and NT$104 thousand, representing 4.09% and 0.07% of the consolidated other comprehensive income for the years ended 31 December 2024 and 2023, respectively.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China on Taiwan and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of the Company as of and for the years ended 31 December 2024 and 2023.

Hu, Tzu-Ren

Hung, Kuo-Sen

Ernst & Young, Taiwan
7 March 2025

Notice to Readers
The accompanying financial statements are intended only to present the financial position results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.
Accordingly, the accompanying financial statements and report of independent accounts are not intended for use by those who are not informed about the accounting principles or Standard on Auditing of the Republic of China and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TONG YANG INDUSTRY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

31 December 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

| ASSETS | Notes | 31 Dec. 2024 | 31 Dec. 2023 |
|---|---|---|---|
| Current assets | | | |
| Cash and cash equivalents | Ⅳ/Ⅵ.1 | $4,736,971 | $3,817,008 |
| Financial assets measured at amortized cost-current | Ⅳ/Ⅵ.3/Ⅷ | 785 | 287,056 |
| Notes receivable,net | Ⅳ/Ⅵ.4.16/Ⅶ/Ⅷ | 277,494 | 439,738 |
| Trade receivable,net | Ⅳ/Ⅵ.5.15.16 | 4,569,138 | 4,075,372 |
| Trade receivable-related parties,net | Ⅳ/Ⅵ.5.16/Ⅶ | 120,604 | 98,755 |
| Other receivables | Ⅳ | 131,638 | 416,621 |
| Inventories,net | Ⅳ/Ⅵ.6 | 3,088,758 | 2,687,171 |
| Other current assets | Ⅳ | 331,454 | 284,758 |
| Total current assets | | 13,256,842 | 12,106,479 |
| Non-current assets | | | |
| Financial assets at fair value through other comprehensive income-non-current | Ⅳ/Ⅵ.2 | 622,806 | 671,057 |
| Financial assets measured at amortized cost-non-current | Ⅳ/Ⅵ.3/Ⅷ | 153,565 | 11,498 |
| Investments accounted for using the equity method | Ⅳ/Ⅵ.7 | 2,434,502 | 2,471,049 |
| Property, plant and equipment | Ⅳ/Ⅵ.8/Ⅷ | 17,346,469 | 17,604,877 |
| Right-of-use assets | Ⅳ/Ⅵ.17/Ⅷ | 1,465,208 | 233,447 |
| Intangible assets | Ⅳ/Ⅵ.9.10 | 424,418 | 590,182 |
| Deferred tax assets | Ⅳ/Ⅵ.21 | 207,293 | 231,847 |
| Prepayment for equipments | | 2,019,001 | 769,472 |
| Other non-current assets-others | | 361,477 | 356,274 |
| Total non-current assets | | 25,034,739 | 22,939,703 |
| Total assets | | $38,291,581 | $35,046,182 |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TONG YANG INDUSTRY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

31 December 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

| LIABILITIES AND SHAREHOLDERS' EQUITY | Notes | 31 Dec. 2024 | 31 Dec. 2023 |
|---|---|---|---|
| Current liabilities | | | |
| Short-term borrowings | Ⅳ/Ⅵ.11 | $336,995 | $528,878 |
| Notes payable | | 561 | 314,124 |
| Trade payable | | 2,894,664 | 2,596,091 |
| Trade payable-related parties | Ⅶ | 29,415 | 30,436 |
| Other payables | | 1,578,132 | 1,513,568 |
| Balance payable-machinery and equipment | | 593,623 | 477,582 |
| Current tax liabilities | Ⅳ/Ⅵ.21 | 588,146 | 796,016 |
| Lease liability-current | Ⅳ/Ⅵ.17 | 10,730 | 14,775 |
| Current portion of long-term liabilities | Ⅳ/Ⅵ.12 | 399,075 | 387,352 |
| Other current liabilities-others | Ⅳ/Ⅵ.15 | 604,194 | 393,554 |
| Total current liabilities | | 7,035,535 | 7,052,376 |
| Non-current liabilities | | | |
| Long-term borrowings | Ⅳ/Ⅵ.12 | 1,142,960 | 1,452,035 |
| Deferred tax liabilities | Ⅳ/Ⅵ.21 | 442,797 | 359,749 |
| Lease liability-non-current | Ⅳ/Ⅵ.17 | 1,264,059 | 7,349 |
| Accrued pension liabilities | Ⅳ/Ⅵ.13 | 232,738 | 247,909 |
| Other non-current liabilities-others | | 17,491 | 14,667 |
| Total non-current liabilities | | 3,100,045 | 2,081,709 |
| Total liabilities | | 10,135,580 | 9,134,085 |
| | | | |
| Equity attributable to the parent company | | | |
| Capital | Ⅳ/Ⅵ.14 | | |
| Common stock | | 5,914,771 | 5,914,771 |
| Capital surplus | Ⅳ/Ⅵ.14 | 4,151,122 | 4,150,503 |
| Retained earnings | Ⅳ/Ⅵ.14 | | |
| Legal reserve | | 3,163,500 | 2,871,990 |
| Special reserve | | - | 96,706 |
| Unappropriated earnings | | 14,072,632 | 12,248,076 |
| Subtotal | | 17,236,132 | 15,216,772 |
| Other equity | Ⅳ/Ⅵ.14 | 308,474 | 169,350 |
| Non-controlling interests | Ⅳ/Ⅵ.14 | 545,502 | 460,701 |
| Total equity | | 28,156,001 | 25,912,097 |
| Total liabilities and equity | | $38,291,581 | $35,046,182 |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
TONG YANG INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended 31 December 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

| ITEMS | NOTE | 2024.1.1~ 2024.12.31 | 2023.1.1~ 2023.12.31 |
|---|---|---|---|
| Operating revenue | Ⅳ/Ⅵ.15/Ⅶ | $25,596,063 | $23,858,806 |
| Operating costs | Ⅳ/Ⅵ.6.18/Ⅶ | (17,065,391) | (16,725,244) |
| Gross profit | | 8,530,672 | 7,133,562 |
| | | | |
| Operating expenses | Ⅳ/Ⅵ.16.17.18/Ⅶ | | |
| Sales and marketing expenses | | (1,766,281) | (1,695,329) |
| General and administrative expenses | | (1,252,459) | (1,095,332) |
| Research and development expenses | | (691,890) | (566,612) |
| Expected credit /losses | | (6,682) | (32,009) |
| Subtotal | | (3,717,312) | (3,389,282) |
| Operating income | | 4,813,360 | 3,744,280 |
| Non-operating income and expenses | | | |
| Other revenue | Ⅳ/Ⅵ.19 | 453,763 | 303,158 |
| Other gains and losses | Ⅳ/Ⅵ.19 | 302,863 | (169,318) |
| Financial costs | Ⅳ/Ⅵ.19 | (32,719) | (59,809) |
| Share of profit or loss of associates and joint ventures | Ⅳ/Ⅵ.7 | (7,582) | (6,203) |
| Subtotal | | 716,325 | 67,828 |
| Income from continuing operations before income tax | | 5,529,685 | 3,812,108 |
| Income tax expense | Ⅳ/Ⅵ.21 | (1,074,414) | (764,828) |
| Net income | | $4,455,271 | $3,047,280 |
| Other comprehensive income | Ⅳ/Ⅵ.20 | | |
| Not to be reclassified to profit or loss in subsequent periods | | | |
| Remeasurements of the defined benefit plan | | 11,085 | (130,575) |
| Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method | | (48,251) | 311,603 |
| Income tax related to items that may not be reclassified subsequently | | (2,090) | 26,161 |
| To be reclassified to profit or loss in subsequent periods | | | |
| Exchange differences resulting from translating the financial statements of foreign operation | | 176,411 | 101,216 |
| Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method | | 98,517 | (166,160) |
| Income tax relating to those items to be reclassified to profit or loss | | (46,843) | 11,387 |
| Total other comprehensive income (loss), net of tax | | 188,829 | 153,632 |
| Total comprehensive income | | $4,644,100 | $3,200,912 |
| | | | |
| Net income attributable to: | | | |
| Stockholders of the parent | | $4,376,915 | $3,019,410 |
| Non-controlling interests | | $78,356 | $27,870 |
| | | | |
| Comprehensive income attributable to: | | | |
| Stockholder of the parent | | $4,524,392 | $3,181,153 |
| Non-controlling interests | | $119,708 | $19,759 |
| | | | |
| Earnings per share (NTD) | | | |
| Earnings per share-basic | Ⅳ/Ⅵ.22 | $7.40 | $5.10 |
| Earnings per share-diluted | Ⅳ/Ⅵ.22 | $7.40 | $5.10 |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TONG YANG INDUSTRY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

| | Equity attributable to the parent company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Retained Earnings | | | Other equity | | | | |
| ITEMS | Common Stock | Capital Surplus | Legal Reserve | Special Reserve | Unappropriated Earnings | Exchange differences resulting from translating the financial statements of foreign operation | (losses) from equity instruments measured at fair value through other comprehensive income | Total | Non-controlling interests | Total Equity |
| Balance as of 1 January 2023 | $5,914,771 | $4,150,081 | $2,648,261 | $473,048 | $10,659,059 | $(379,776) | $283,070 | $23,748,514 | $516,973 | $24,265,487 |
| Appropriation and distribution of 2022 retained earnings | | | | | | | | | | |
| Legal reserve | - | - | 223,729 | - | (223,729) | - | - | - | - | - |
| Cash dividend | - | - | - | - | (1,478,693) | - | - | (1,478,693) | - | (1,478,693) |
| Special reserve | - | - | - | (376,342) | 376,342 | - | - | - | - | - |
| Other changes in additional paid-in capital | - | 422 | - | - | - | - | - | 422 | - | 422 |
| Net income for the year ended 31 December 2023 | - | - | - | - | 3,019,410 | - | - | 3,019,410 | 27,870 | 3,047,280 |
| Other comprehensive income (loss), net of tax for the year ended 31 December 2023 | - | - | - | - | (104,313) | (45,547) | 311,603 | 161,743 | (8,111) | 153,632 |
| Total comprehensive income (loss) | - | - | - | - | 2,915,097 | (45,547) | 311,603 | 3,181,153 | 19,759 | 3,200,912 |
| Changes in non-controlling interests | - | - | - | - | - | - | - | - | (76,031) | (76,031) |
| Balance as of 31 December 2023 | $5,914,771 | $4,150,503 | $2,871,990 | $96,706 | $12,248,076 | $(425,323) | $594,673 | $25,451,396 | $460,701 | $25,912,097 |
| Balance as of 1 January 2024 | $5,914,771 | $4,150,503 | $2,871,990 | $96,706 | $12,248,076 | $(425,323) | $594,673 | $25,451,396 | $460,701 | $25,912,097 |
| Appropriation and distribution of 2023 retained earnings | | | | | | | | | | |
| Legal reserve | - | - | 291,510 | - | (291,510) | - | - | - | - | - |
| Cash dividends | - | - | - | - | (2,365,908) | - | - | (2,365,908) | - | (2,365,908) |
| Special reserve | - | - | - | (96,706) | 96,706 | - | - | - | - | - |
| Other changes in additional paid-in capital | - | 619 | - | - | - | - | - | 619 | - | 619 |
| Net income for the year ended 31 December 2024 | - | - | - | - | 4,376,915 | - | - | 4,376,915 | 78,356 | 4,455,271 |
| Other comprehensive income (loss), net of tax for the year ended 31 December 2024 | - | - | - | - | 8,353 | 187,375 | (48,251) | 147,477 | 41,352 | 188,829 |
| Total comprehensive income (loss) | - | - | - | - | 4,385,268 | 187,375 | (48,251) | 4,524,392 | 119,708 | 4,644,100 |
| Changes in non-controlling interests | - | - | - | - | - | - | - | - | (34,907) | (34,907) |
| Balance as of 31 December 2024 | $5,914,771 | $4,151,122 | $3,163,500 | $- | $14,072,632 | $(237,948) | $546,422 | $27,610,499 | $545,502 | $28,156,001 |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TONG YANG INDUSTRY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended 31 December 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

| ITEMS | 2024.1.1~ 2024.12.31 | 2023.1.1~ 2023.12.31 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net income before tax | $5,529,685 | $3,812,108 |
| Adjustments for: | | |
| Income and expense adjustments: | | |
| Depreciation (including right-of-use assets) | 2,622,739 | 2,762,341 |
| Amortization | 193,966 | 186,014 |
| Expected credit losses | 6,682 | 32,009 |
| Interest expense | 32,719 | 59,809 |
| Interest revenue | (130,169) | (88,389) |
| Dividends income | (11,186) | (17,352) |
| Share of profit or loss of associates for using the equity method | 7,582 | 6,203 |
| (Gain) loss on disposal of property, plant and equipment | (5,634) | 18,457 |
| Loss on disposal of intangible assets | 20 | - |
| Impairment loss on non-financial assets | 59,357 | 122,549 |
| Changes in operating assets and liabilities: | | |
| Notes receivables, net | 162,244 | (62,865) |
| Trade receivables, net | (500,448) | (563,932) |
| Trade receivables-related parties,net | (21,849) | (17,597) |
| Other receivables | 260,513 | (262,541) |
| Inventories | (401,587) | 370,233 |
| Other current assets | (46,696) | 48,225 |
| Other non-current assets | (5,203) | (23,053) |
| Other operating assets | 132,527 | 387,248 |
| Notes payable | (313,563) | 196,890 |
| Trade payable | 298,573 | 215,576 |
| Trade payable-related parties | (1,021) | (13,562) |
| Other payables | 66,738 | 381,744 |
| Other current liabilities | 224,625 | (87,999) |
| Accrued pension liabilities | (4,726) | (39,820) |
| Other non-current liabilities | 2,824 | 9,367 |
| Cash generated from operations | 8,158,712 | 7,431,663 |
| Interest received | 131,087 | 82,859 |
| Dividend received | 133,319 | 114,334 |
| Income tax paid | (1,237,600) | (542,059) |
| Net cash provided by operating activities | 7,185,518 | 7,086,797 |

| ITEMS | 2024.1.1~ 2024.12.31 | 2023.1.1~ 2023.12.31 |
|---|---|---|
| Cash flows from investing activities: | | |
| Acquistion of financial assets at amortized cost | (411,377) | (732,714) |
| Proceeds from financial assets measured at amortized cost | 555,581 | 570,074 |
| Proceeds from capital reduction of equity investments under equity method | 7,111 | - |
| Acquisition of property, plant and equipment | (3,479,345) | (2,823,993) |
| Disposal of property, plant and equipment | 62,622 | 187,403 |
| Acquistion of intangible assets | (106,754) | (174,350) |
| Net cash (used in) investing activities | (3,372,162) | (2,973,580) |
| Cash flows from financing activities: | | |
| Increase in short-term borrowings | 233,549 | - |
| Decrease in short-term borrowings | (425,432) | (708,950) |
| Borrow in long-term borrowings | 90,000 | - |
| Reimburse long-term borrowings | (387,352) | (382,304) |
| Reimburse lease principal | (21,774) | (20,303) |
| Cash dividends | (2,365,908) | (1,478,693) |
| Interest paid | (31,639) | (60,676) |
| Change in non-controlling interests | (34,907) | (4,508) |
| Net cash (used in) financing activities | (2,943,463) | (2,655,434) |
| Effect of exchange rate changes on cash and cash equivalents | 50,070 | 14,925 |
| Net increase in cash and cash equivalents | 919,963 | 1,472,708 |
| Cash and cash equivalents at the beginning of period | 3,817,008 | 2,344,300 |
| Cash and cash equivalents at the end of period | $4,736,971 | $3,817,008 |

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

**Independent Auditors' Report Translated from Chinese**

To TONG YANG INDUSTRY CO., LTD.

**Opinion**

We have audited the accompanying parent company only balance sheets of TONG YANG INDUSTRY CO., LTD. (the "Company") as of 31 December 2024 and 2023, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2024 and 2023, and notes to the parent company only financial statements, including the summary of material accounting policies (together "the parent company only financial statements").

In our opinion, based on our audits and the reports of the other auditors (please refer to the *Other Matter – Making Reference to the Audits of Other Auditors* section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of 31 December 2024 and 2023, and its financial performance and cash flows for the years ended 31 December 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Loss allowance Trade receivables**

As of 31 December 2024, the balance of trade receivables and loss allowance amounted to NT$3,385,816 thousand and NT$26,379 thousand, respectively. Net trade receivables accounting for 9% of total assets, which were material to the financial statements. Since the loss allowance was measured at the lifetime expected credit loss, the trade receivables should be appropriately grouped during the measurement process and determine the use of related assumptions in the analysis and measurement, including appropriate aging intervals and their respective loss rate. As the measurement of expected credit loss involves making judgment, analysis and estimates, and the result will affect the net trade receivables, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, understanding and evaluating the appropriateness of management's provisioning policy of loss allowance. The Company was tested by provision matrix, including evaluating the appropriateness of the aging intervals and the accuracy of the basic data by reviewing the original certificates; performing tests on subsequent collection of receivables.

We also assessed the adequacy of disclosures of trade receivables. Please refer to Notes V and VI to the parent company only financial statements.

**Valuation for slow-moving inventories**

As of 31 December 2024, the Company's net inventories amounted to NT$2,667,598 thousand, accounting for 8% of total asset, which were material to the financial statements. Due to the economic environment in which the business operates and the impact of peer competition, it is necessary to consider changes in product technology and the market. Additionally, the provision of slow-moving inventories required significant management judgment, we therefore considered this a key audit matter.

Our audit procedures included, but not limited to, evaluating the appropriateness of management's provisioning policy of allowance of obsolescence loss, including sample testing the accuracy of inventory aging time period; performing and evaluating the changes in value of the slow-moving inventories reserve ratio and inventory aging and recalculating allowance to reduce inventory to market, to ensure that the valuation for slow-moving inventories followed accounting policies.

We also assessed the adequacy of disclosures of inventories. Please refer to Notes V and VI to the parent company only financial statements.

**Other Matter – Making Reference to the Audits of a Other Auditors**

We did not audit the financial statements of certain subsidiaries, associates and joint ventures accounted for using the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the reports of the other auditors. These, associates and joint ventures using equity method amounted to NT$1,106,988 thousand and NT$933,313 thousand, representing 3.14% and 2.92% of total assets as of 31 December 2024 and 2023, respectively. The related shares of profits from the associates and joint ventures using the equity method amounted to NT$110,631 thousand and NT$125,329 thousand, representing 2.04% and 3.34% of the income before tax for the years ended 31 December 2024 and 2023, respectively, and the related shares of other comprehensive income (loss) from the associates and joint ventures using the equity method amounted to NT$56,125 thousand and NT$(627) thousand, representing 38.06% and (0.39)% of the comprehensive income (loss) for the years ended 31 December 2024 and 2023, respectively.

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

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

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hu, Tzu-Ren

Hung, Kuo-Sen

Ernst & Young, Taiwan
7 March 2025

Notice to Readers
The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.
Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use , or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Financial Statements Originally Issued in Chinese

TONG YANG INDUSTRY CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

31 December 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

| ASSETS | Notes | 31 Dec. 2024 | 31 Dec. 2023 |
|---|---|---|---|
| Current assets | | | |
| Cash and cash equivalents | Ⅳ/Ⅵ.1 | $3,490,213 | $3,096,988 |
| Financial assets measured at amortized cost-current | Ⅳ/Ⅵ.3 | - | 50,000 |
| Notes receivables,net | Ⅳ/Ⅵ.4.15 | 9,787 | 17,728 |
| Trade receivables,net | Ⅳ/Ⅵ.5.15 | 3,328,469 | 2,968,973 |
| Trade receivables-related parties,net | Ⅳ/Ⅵ.5.15/Ⅶ | 30,968 | 50,410 |
| Other receivables | Ⅳ/Ⅶ | 125,834 | 139,880 |
| Inventories,net | Ⅳ/Ⅵ.6 | 2,667,598 | 2,386,652 |
| Other current assets | Ⅳ | 208,707 | 208,708 |
| Total current assets | | 9,861,576 | 8,919,339 |
| Non-current assets | | | |
| Financial assets at fair value through other comprehensive income-non-current | Ⅳ/Ⅵ.2 | 527,342 | 568,077 |
| Financial assets measured at amortized cost-non-current | Ⅳ/Ⅵ. 3/Ⅷ | 153,529 | 11,498 |
| Investments accounted for using the equity method | Ⅳ/Ⅵ.7 | 6,229,114 | 6,090,359 |
| Property, plant and equipment | Ⅳ/Ⅵ.8 | 14,743,413 | 15,018,631 |
| Right-of-use assets | Ⅳ/Ⅵ.16 | 1,250,572 | 28,146 |
| Intangible assets | Ⅳ/Ⅵ.9.10 | 347,567 | 355,546 |
| Deferred tax assets | Ⅳ/Ⅵ.20 | 206,479 | 219,154 |
| Prepayment for equipments | | 1,954,612 | 697,862 |
| Other non-current assets-others | | 14,939 | 12,414 |
| Total non-current assets | | 25,427,567 | 23,001,687 |
| Total assets | | $35,289,143 | $31,921,026 |

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

English Translation of Financial Statements Originally Issued in Chinese

TONG YANG INDUSTRY CO., LTD

PARENT COMPANY ONLY BALANCE SHEETS

31 December 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

| LIABILITIES AND EQUITY | Notes | 31 Dec. 2024 | 31 Dec. 2023 |
|---|---|---|---|
| Current liabilities | | | |
| Notes payables | | $561 | $4,090 |
| Trade payables | | 1,507,965 | 1,396,471 |
| Trade payables-related parties | Ⅶ | 30,928 | 29,078 |
| Other payables | | 1,358,602 | 1,206,687 |
| Balance payables-machinery and equipment | | 475,911 | 338,857 |
| Current tax liabilities | Ⅳ/Ⅵ.20 | 582,557 | 795,174 |
| Lease liabilities-current | Ⅳ/Ⅵ.16 | 6,109 | 11,688 |
| Current portion of long-term liabilities | Ⅳ/Ⅵ.11 | 399,075 | 387,352 |
| Other current liabilities-others | Ⅳ/Ⅵ.14 | 289,594 | 280,057 |
| Total current liabilities | | 4,651,302 | 4,449,454 |
| Non-current liabilities | | | |
| Long-term borrowings | Ⅳ/Ⅵ.11 | 1,142,960 | 1,452,035 |
| Deferred tax liabilities | Ⅳ/Ⅵ.20 | 373,460 | 297,112 |
| Lease liabilities-non-current | Ⅳ/Ⅵ.16 | 1,252,000 | 1,978 |
| Accrued pension liabilities | Ⅳ/Ⅵ.12 | 241,431 | 254,383 |
| Other non-current liabilities-others | | 17,491 | 14,668 |
| Total non-current liabilities | | 3,027,342 | 2,020,176 |
| Total liabilities | | 7,678,644 | 6,469,630 |
| | | | |
| Equity attributable to the parent company | | | |
| Capital | Ⅳ/Ⅵ.13 | | |
| Common stock | | 5,914,771 | 5,914,771 |
| Capital surplus | Ⅳ/Ⅵ.13 | 4,151,122 | 4,150,503 |
| Retained earnings | Ⅳ/Ⅵ.13 | | |
| Legal reserve | | 3,163,500 | 2,871,990 |
| Special reserve | | - | 96,706 |
| Unappropriated earnings | | 14,072,632 | 12,248,076 |
| Subtotal | | 17,236,132 | 15,216,772 |
| Other equity | Ⅳ/Ⅵ.13 | 308,474 | 169,350 |
| Total equity | | 27,610,499 | 25,451,396 |
| Total liabilities and equity | | $35,289,143 | $31,921,026 |

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

English Translation of Financial Statements Originally Issued in Chinese

TONG YANG INDUSTRY CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

| ITEMS | NOTE | 2024.1.1~ 2024.12.31 | 2023.1.1~ 2023.12.31 |
|---|---|---|---|
| Operating revenues | Ⅳ/Ⅵ.14/Ⅶ | $19,822,391 | $18,205,469 |
| Operating costs | Ⅳ/Ⅵ.6.17/Ⅶ | (12,213,985) | (11,808,048) |
| Gross profit | | 7,608,406 | 6,397,421 |
| | | | |
| Unrealized gross profit on sales | | (14,391) | (9,189) |
| Realized gross profit on sales | | 9,189 | 10,068 |
| Gross profit-net | | 7,603,204 | 6,398,300 |
| Operating expenses | Ⅳ/Ⅵ.15.16.17/Ⅶ | | |
| Sales and marketing expenses | | (1,524,341) | (1,436,059) |
| General and administrative expenses | | (725,137) | (669,929) |
| Research and development expenses | | (675,538) | (543,689) |
| Expected credit losses | | (7,562) | (3,307) |
| Subtotal | | (2,932,578) | (2,652,984) |
| Operating income | | 4,670,626 | 3,745,316 |
| Non-operating income and expenses | | | |
| Other revenue | Ⅳ/Ⅵ.18/Ⅶ | 348,345 | 239,992 |
| Other gains and losses | Ⅳ/Ⅵ.18 | 357,298 | 2,713 |
| Financial costs | Ⅳ/Ⅵ.18 | (6,964) | (7,979) |
| Share of profit or loss of associates and joint ventures | Ⅳ/Ⅵ.7 | 50,136 | (232,159) |
| Subtotal | | 748,815 | 2,567 |
| Income from continuing operations before income tax | | 5,419,441 | 3,747,883 |
| Income tax expense | Ⅳ/Ⅵ.20 | (1,042,526) | (728,473) |
| Net income | | $4,376,915 | $3,019,410 |
| Other comprehensive income | Ⅳ/Ⅵ.19 | | |
| Not to be reclassified to profit or loss in subsequent periods | | | |
| Remeasurements of the defined benefit plan | | 8,483 | (130,498) |
| Unrealized gains (losses) from equity instruments measured at fair value through other comprehensive income | | (40,735) | 263,062 |
| Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method | | (5,950) | 48,628 |
| Income tax related to items that may not be reclassified subsequently | | (1,697) | 26,099 |
| To be reclassified to profit or loss in subsequent periods | | | |
| Exchange differences resulting from translating the financial statements of foreign operation | | 135,702 | 109,225 |
| Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method | | 98,517 | (166,160) |
| Income tax relating to those items to be reclassified to profit or loss | | (46,843) | 11,387 |
| Total other comprehensive income, net of tax | | 147,477 | 161,743 |
| Total comprehensive income | | $4,524,392 | $3,181,153 |
| | | | |
| Earnings per share (NTD) | | | |
| Earnings per share-basic | Ⅳ/Ⅵ.21 | $7.40 | $5.10 |
| | | | |
| Earnings per share-diluted | Ⅳ/Ⅵ.21 | $7.40 | $5.10 |

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

English Translation of Financial Statements Originally Issued in Chinese

TONG YANG INDUSTRY CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

| | Equity attributable to the parent company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Retained Earnings | | | Other equity | | |
| ITEMS | Common Stock | Capital Surplus | Legal Reserve | Special Reserve | Unappropriated Earnings | Exchange differences resulting from translating the financial statements of foreign operation | Unrealized gains (losses) from equity instruments measured at fair value through other comprehensive income | Total Equity |
| Balance as of 1 January 2023 | $5,914,771 | $4,150,081 | $2,648,261 | $473,048 | $10,659,059 | $(379,776) | $283,070 | $23,748,514 |
| Appropriation and distribution of 2022 retained earnings | | | | | | | | |
| Legal reserve | - | - | 223,729 | - | (223,729) | - | - | - |
| Cash dividends | - | - | - | - | (1,478,693) | - | - | (1,478,693) |
| Special reserve | - | - | - | (376,342) | 376,342 | - | - | - |
| Other changes in additional paid-in capital | - | 422 | - | - | - | - | - | 422 |
| Net income (loss) for the year ended 31 December 2023 | - | - | - | - | 3,019,410 | - | - | 3,019,410 |
| Other comprehensive income (loss), net of tax for the year ended 31 December 2023 | - | - | - | - | (104,313) | (45,547) | 311,603 | 161,743 |
| Total comprehensive income (loss) | - | - | - | - | 2,915,097 | (45,547) | 311,603 | 3,181,153 |
| Balance as of 31 December 2023 | $5,914,771 | $4,150,503 | $2,871,990 | $96,706 | $12,248,076 | $(425,323) | $594,673 | $25,451,396 |
| Balance as of 1 January 2024 | $5,914,771 | $4,150,503 | $2,871,990 | $96,706 | $12,248,076 | $(425,323) | $594,673 | $25,451,396 |
| Appropriation and distribution of 2023 retained earnings | | | | | | | | |
| Legal reserve | - | - | 291,510 | - | (291,510) | - | - | - |
| Cash dividends | - | - | - | - | (2,365,908) | - | - | (2,365,908) |
| Special reserve | - | - | - | (96,706) | 96,706 | - | - | - |
| Other changes in additional paid-in capital | - | 619 | - | - | - | - | - | 619 |
| Net income for the year ended 31 December 2024 | - | - | - | - | 4,376,915 | - | - | 4,376,915 |
| Other comprehensive income (loss), net of tax for the year ended 31 December 2024 | - | - | - | - | 8,353 | 187,375 | (48,251) | 147,477 |
| Total comprehensive income (loss) | - | - | - | - | 4,385,268 | 187,375 | (48,251) | 4,524,392 |
| Balance as of 31 December 2024 | $5,914,771 | $4,151,122 | $3,163,500 | $- | $14,072,632 | $(237,948) | $546,422 | $27,610,499 |

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

English Translation of Financial Statements Originally Issued in Chinese

TONG YANG INDUSTRY CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended 31 December 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

| ITEMS | 2024.1.1~<br>2024.12.31 | 2023.1.1~<br>2023.12.31 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net income before tax | $5,419,441 | $3,747,883 |
| Adjustments for: | | |
| Income and expense adjustments: | | |
| Depreciation (including right-of-use assets) | 2,326,016 | 2,436,527 |
| Amortization | 15,218 | 20,028 |
| Expected credit losses | 7,562 | 3,307 |
| Interest expense | 6,964 | 7,979 |
| Interest revenue | (97,725) | (64,131) |
| Dividend income | (9,742) | (15,838) |
| Share of (profit) loss of associates for using the equity method | (50,136) | 232,159 |
| (Gain) loss on disposal of property, plant and equipment | (4,970) | 116 |
| Unrealized gross profit | 14,391 | 9,189 |
| Realized gross profit | (9,189) | (10,068) |
| Changes in operating assets and liabilities: | | |
| Notes receivables,net | 7,941 | 8,790 |
| Trade receivables,net | (367,058) | (474,614) |
| Trade receivables-related parties,net | 19,442 | (13,933) |
| Other receivables | 13,033 | 2,854 |
| Inventories | (280,946) | 124,614 |
| Other current assets | 1 | (20,653) |
| Other non-current assets | (2,525) | 9 |
| Notes payables | (3,529) | 3,594 |
| Trade payables | 111,494 | 211,139 |
| Trade payables-related parties | 1,850 | (5,013) |
| Other payables | 152,965 | 255,939 |
| Other current liabilites | 9,537 | (29,541) |
| Accrued pension liabilities | (4,469) | (39,306) |
| Other non-current liabilities | 2,823 | 9,368 |
| Cash generated from operations | 7,278,389 | 6,400,398 |
| Interest received | 98,738 | 58,766 |
| Dividend received | 137,079 | 126,250 |
| Income tax paid | (1,214,660) | (519,341) |
| Net cash provided by operating activities | 6,299,546 | 6,066,073 |

| ITEMS | 2024.1.1~<br>2024.12.31 | 2023.1.1~<br>2023.12.31 |
|---|---|---|
| Cash flows from investing activities: | | |
| Acquisition of financial assets at amortised cost | (142,031) | (50,000) |
| Disposal of financial assets measured at amortized cost | 50,000 | 6,600 |
| Proceeds from capital reduction of equity investments under equity method | 7,111 | - |
| Acquisition of property, plant and equipment | (3,157,365) | (2,407,824) |
| Disposal of property, plant and equipment | 30,005 | 48,865 |
| Acquistion of intangible assets | (7,239) | (13,962) |
| Net cash (used in) investing activities | (3,219,519) | (2,416,321) |
| Cash flows from financing activities: | | |
| Borrow in long-term borrowings | 90,000 | - |
| Reimburse long-term borrowings | (387,352) | (382,304) |
| Reimburse lease principal | (18,782) | (16,960) |
| Cash dividends | (2,365,908) | (1,478,693) |
| Interest paid | (4,760) | (7,688) |
| Net cash (used in) financing activities | (2,686,802) | (1,885,645) |
| Net increase in cash and cash equivalents | 393,225 | 1,764,107 |
| Cash and cash equivalents at the beginning of period | 3,096,988 | 1,332,881 |
| Cash and cash equivalents at the end of period | $3,490,213 | $3,096,988 |

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

Attachment 5.

Comparison Table of the "Procedures for Endorsements and Guarantees" Before and After Amendment:

| Amended Article | Original Article | Explanation: |
| --- | --- | --- |
| Article 4:Endorsement and Guarantee Limits<br>(I) The total amount of endorsements and guarantees provided externally by the Company shall not exceed 50% of its net worth for the current period.<br>(II) The endorsement and guarantee amount provided by the Company to any single entity shall not exceed 20% of its net worth for the current period.<br>(III) The total amount of endorsements and guarantees provided externally by the Company and its subsidiaries combined shall not exceed 50% of the Company's net worth for the current period.<br>(IV) The endorsement and guarantee amount provided by the Company and its subsidiaries to any single entity shall not exceed 20% of the current net worth.<br>(V) Except for endorsements and guarantees between companies in which the Company directly and indirectly holds 100% of the voting shares, endorsements and guarantees between companies in which the Company directly and indirectly holds more than 90% of the voting shares shall not exceed 10% of the Company's net worth.<br>In the case of joint investments, | Article 4:Endorsement and Guarantee Limits<br>(I) The total amount of endorsements and guarantees provided externally by the Company and its subsidiaries shall not exceed 50% of its net worth for the current period.<br>(II) The endorsement and guarantee amount provided by the Company and its subsidiaries to any single entity shall not exceed 20% of the Company's current net worth.<br>(III) Except for endorsements and guarantees between companies in which the Company directly and indirectly holds 100% of the voting shares, endorsements and guarantees between companies in which the Company directly and indirectly holds more than 90% of the voting shares shall not exceed 10% of the Company's net worth.<br>In the case of joint investments, where all shareholders provide endorsements and guarantees to the investee in proportion to their shareholding, the amount of any individual endorsement or guarantee shall not exceed both 10% of the Company's net | Amended in accordance with regulations. |

| | | |
|---|---|---|
| where all shareholders provide endorsements and guarantees to the investee in proportion to their shareholding, the amount of any individual endorsement or guarantee shall not exceed both 10% of the Company's net worth and the Company's actual investment in the investee.<br>(VI) <u>If an endorsement or guarantee is provided due to a business relationship, the amount shall not exceed the total transaction amount (whichever is higher, purchases or sales) between the Company and the counterparty in the most recent fiscal year.</u><br>(VII) The net worth referenced shall be based on the most recent financial statements audited or reviewed by a certified public accountant.<br>(VIII) The terms "subsidiary" and "parent company" used in these Procedures shall be defined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), and the term "net worth" refers to equity attributable to owners of the parent as stated in the balance sheet under the same regulations. | worth and the Company's actual investment in the investee.<br>(IV) The net worth referenced shall be based on the most recent financial statements audited or reviewed by a certified public accountant.<br>(V) The terms "subsidiary" and "parent company" used in these Procedures shall be defined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), and the term "net worth" refers to equity attributable to owners of the parent as stated in the balance sheet under the same regulations. | |

| | | |
|---|---|---|
| Article 13:<br>These Procedures were established and approved on April 27, 1991. The first amendment was approved on November 7, 1992. The second amendment... The tenth amendment was approved on June 20, 2019.<br>The eleventh amendment was approved on June 19, 2025. | Article 13:<br>These Procedures were established and approved on April 27, 1991. The first amendment was approved on November 7, 1992.<br>The second amendment... The tenth amendment was approved on June 20, 2019. | Addition of the eleventh amendment date. |

Attachment 6.

Comparison Table of the Articles of Incorporation Before and After Amendment:

| Amended Provisions | Current Provisions | Explanation: |
|---|---|---|
| Article 26:<br>If the Company's annual profit is NT$500 million or more, then NT$5 million shall be allocated for employee remuneration (of which 97% should be distributed to frontline employees), and NT$15 million shall be allocated for director remuneration. If the annual profit does not reach NT$500 million, then 1% of the profit shall be allocated for employee remuneration (with 97% of this amount designated for frontline employees), and no more than 3% of the profit shall be allocated for director remuneration. However, if the Company has accumulated losses, it must first reserve an amount to cover those losses before allocating employee and director remuneration in accordance with the aforementioned provisions. | Article 26:<br>If the Company's annual profit is NT$500 million or more, then NT$5 million shall be allocated for employee remuneration, and NT$15 million shall be allocated for director remuneration. If the Company's annual profit does not reach $500 million, the employee compensation is based on 1% of the profit and the director remuneration is not more than 3% of the profit. However, if the Company still has accumulated losses, the amount for offsetting the losses shall be retained in advance, and then the employee compensation and director remuneration shall be provided in accordance with the foregoing provisions. | In accordance with legal amendments |
| Article 30:<br>The Articles of Incorporation were established on September 21, 1967, with the first amendment on June 1, 1976, the second amendment..., and the thirty-seventh amendment on June 17, 2022. The thirty-eighth amendment was made on June 19, 2025. | Article 30:<br>The Articles of Incorporation were established on September 21, 1967, with the first amendment on June 1, 1976, the second amendment..., and the thirty-seventh amendment on June 17, 2022. | Addition of the thirty-eighth amendment date. |