



IRON FORCE INDUSTRIAL CO., LTD.

Annual Report
2024
(Translation)

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V. Overseas Trade Places for Listed Negotiable Securities : None.

VI. Company Website : <http://www.ironforce.com.tw>

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I. Letters to Shareholders

Dear Shareholders,

In 2024, the global automotive market experienced slightly growth, and the revenue performance of the Company's automotive components business unit increased accordingly, driving the Group's consolidated revenue to a new historical high. With global electric vehicle sales continuing to rise and the emerging of AI server supply chain, the Company will remain focused on developing comprehensive thermal management solutions, including automotive and server cooling technologies. By concentrating on front-end market trends and product innovation, we aim to lay the foundation for new sources of profit and capture market share in the future.

The overall revenue and profits of the display fixtures business in 2024 remained roughly flat compared to 2023. However, we still need to closely monitor the impact of changes in consumer purchasing behavior due to the pandemic, as well as the continued development of e-commerce and online shopping, which have led to a significant decline in the global physical retail consumer market.

The explanation below is the results of the operating performance in 2024, the operating plan and the future development strategy for 2025:

I. The Operating Performance in 2024

i. The Implementation Results of The Operating Plan:

The group's total consolidated sales revenue was NT\$ 5,041 million in 2024, net profit after tax was NT\$ 731 million, earnings per share (EPS) was NT\$9.51, which was increasing 40.27 % annually.

Units : NT\$ Thousands

Item	2024	2023	Variable ratio
Sales revenue	5,041,489	4,894,258	3.01%
Gross profit	1,248,574	1,213,061	2.93%
Operating profit	527,525	560,879	-5.95%
Profit before tax	822,773	705,029	16.70%
Profit for the year	731,026	513,817	42.27%
Basic earnings per share	9.51	6.78	40.27%

ii. Budget Implementation:

According to current regulation, the company did not disclose the financial forecasting for 2024, and the revenue achievement percentage was 101%, and the net profit before tax achievement percentage was 148% compared to the internally formulated operating plan for 2024.



iii Research and Development Status:

The Company's core competencies lie in metal component forming, assembly, automated production, and inspection technologies. In addition to continuously improving existing techniques and promoting the development of innovative precision technologies, the Company is actively advancing in-process automatic measurement, feedback, and correction technologies. These efforts aim to accelerate the transition toward smart equipment and intelligent manufacturing, thereby enhancing added value and productivity while driving sustained improvements in product quality and profitability.

In response to the rapid growth and future potential of the electric vehicle market, the Company's New Product Division began actively investing in the automotive thermal management sector in 2019. By collaborating with academic institutions, the Company gained timely access to advanced technologies and patents. In 2020, a dedicated production base was established, and trial production commenced by the end of 2022, gradually contributing to revenue growth. Moving forward, the Company will continue to focus on "thermal management" as a core strategic direction.

Building on a solid operational foundation, the Company is committed to driving the next wave of growth momentum through ongoing R&D efforts and expansion into the thermal management field.

II. Summary of Operating Plan for 2025

i. Business Policy and Strategy:

The Company continues to actively pursue transformation through a smart manufacturing strategy, integrating emerging technologies to enhance its core capabilities and strengthen its competitive advantages. In parallel, the New Product Division is advancing key technology deployment with a strategic focus on thermal management, targeting front-end markets and product development to capture market share in the thermal industry and establish a foothold in new market segments.

Internally, the Company remains committed to the integration and cultivation of human resources to strengthen its responsiveness to market dynamics, as well as the evolution of cutting-edge technologies and manufacturing processes. At the same time, efforts are being made to create an improved working environment, laying a solid foundation for the long-term sustainability and development of the Company as a centennial enterprise.

The Automotive Component Division:

1. The Automotive Parts Division in Poland commenced production in the third quarter of 2020. In 2025, the division will continue to expand its shipment volume and improve production efficiency. By introducing more high value-added products, the Company aims to increase overall business unit capacity. At the same time, it will strengthen close collaboration with customers to provide timely service, capture regional market opportunities, secure additional orders, and co-develop advanced technologies—further realizing the Group's global expansion blueprint.
2. The New Business Division specializing in thermal management completed the



construction of its production base in the fourth quarter of 2020, and began small-batch production and shipments by the end of 2022. In 2025, the division will continue to explore new markets in the thermal industry while enhancing its R&D capabilities and expanding its portfolio of technical patents.

3. The Group is pursuing resource integration and allocation across business units, evolving toward becoming a system-integrated supplier. Through continuous enhancement of its R&D capabilities and customer relationship management, the Company is committed to becoming a trusted provider of comprehensive solutions.

The Display Fixture and Houseware Division:

1. Increasing the market visibility and market share of environment-friendly products and doing the further integration with the upstream and downstream of the industrial chain, conducting the overall resource planning, and providing the customer service with a complete operating process from the design, production and sales.
2. Using the manufacturing technique and resources of The Automotive Component Division to develop precision-processed and sustainable products and customers.
3. In response to significant environmental changes, we are consolidating our resource focus into a high-value-added operational model, transitioning towards a trade integrator model by outsourcing technical content and lower-level manufacturing processes, and expanding our market niche while ensuring sustainable management.

ii. Expected Sales Volume and Reference

The Company's automotive parts business group continued to achieve growth in its operational performance throughout 2024. Looking ahead to 2025, considering the sustained momentum from existing business lines, ongoing progress in new product development and order fulfillment at the Poland facility, as well as preliminary order forecasts and evolving market trends from key customers, the overall revenue of the Automotive Components Business Unit is expected to see modest year-over-year growth.

The display fixture business group was impacted by the COVID-19, so many customers slow down or reduce their budgets for new retail store investments and renovations. Taking into account the broader economic environment, operational conditions, existing production capacity, business model, and client behavior, the business outlook for this unit in 2025 is expected to remain flat compared to 2024.

iii. Major Production and Marketing Policies

1. Maintain long-term cooperative relationships with existing customers and actively cultivate new products and customers, effectively understanding customer needs and market trends.
2. Enhance research and development capabilities, continuously improve and advance manufacturing techniques, reduce the defect rates of mass production processes, and implement automation equipment to reduce costs.



III.The Influence Affected by The External Competitive Environment, Regulatory Environment and General Operating Environment

Macroeconomic Environment Outlook: Looking ahead to 2025, key macroenvironmental factors include geopolitical and economic shifts resulting in trade barriers and deglobalization, continued growth in the electric vehicle industry, the gradual decline of physical retail channels due to the rise of e-commerce, and fluctuations in equity and foreign exchange markets.

In response, the Company remains committed to closely monitoring market conditions and external developments in real time. It formulates short-, medium-, and long-term operational strategies and adapts swiftly to market changes. With a focus on steady operations, the Company continues to move forward toward its long-term goals of sustainable development and becoming a century-old enterprise.

We sincerely thank all shareholders for your long-standing support of the management team. In this era of rapidly shifting global dynamics, your steadfast trust serves as the strongest foundation for the Company's continued growth and development, enabling the management team to remain focused in addressing and overcoming various challenges.

The Group will continue to uphold its founding principles of "Striving for Excellence, Pursuing Perfection, Quality First, and Innovation Through R&D," and will remain committed to its ultimate mission of "Sustainable operations in a sound environment, mutual growth, and value creation." We will endeavor to maximize benefits for our shareholders, employees, and customers alike.

Iron Force Industrial Co., Ltd.

Mr. HUANG, CHENG-I
Chairman

Mr. HUANG, CHENG-CHUNG
President

II. Profiles of the Directors and Managers

2.1 Directors, Supervisors, General Manager, Deputy General Manager, Associates, Departments and Branches Officer Information

2.1.1 Directors:

Information of directors (A)

Units: Shares; %

Title	Nationality or place of registration	Name	Gender, age (Note5)	Date of election / appointment to current term	Term of office	Commence -ment date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree		
							No. of shares	Share holding ratio%	No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%			Title	Name	Relation -ship
Director	ROC	Meng Ching Investment Co., Ltd.	-	06.21, 2024	3 years	11.23,2003	19,386,486	25.58	20,299,041	25.52					—	None	None	None	None
Director representative & Chairman	ROC	HUANG, CHENG-I	Male (5)	06.21, 2024	3 years	11.23,2003	-	-	83,742	0.11	50,967	0.06	3,111,341 (Note 1)	3.91	Graduated from Christ's College Taipei Founder of Iron Force Industrial Co., Ltd.	Chairman of Iron Force Industrial Co., Ltd. Chairman of Fan Yang Investment Co., Ltd. Director of Hy`pen Industrial corp. Director of Yang Fan Investment Co., Ltd. Director of MENG CHING INVESTMENT CO., LTD. Chairman of Transtat Investment Ltd. Chairman of Zhejiang Iron Force Metal Products Co., Ltd. Chairman of Huzhou Iron Force Metal Products Co., Ltd. Principal of Cortec GmbH	General manager Group Vice President Director	HUANG, CHENG-CHUNG HUANG, I-YANG HUANG, YI-FAN	Brother Father and Son Father and Son

Title	Nationality or place of registration	Name	Gender, age (Note5)	Date of election / appointment to current term	Term of office	Commence -ment date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree		
							No. of shares	Share holding ratio%	No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%			Title	Name	Relation -ship
Director representative	ROC	LIN, CHIN-NENG	Male (4)	06.21, 2024	3 years	06.21, 2024	-	-	-	-	-	-	-	-	Master's in Business Administration (MBA), Graduate Institute of Commerce, National Taiwan University General Manager, Huzhou Iron Force Metal Products Co., Ltd. Deputy General Manager, Ruentex Industries Ltd. Director, QST INTERNATIONAL CORP. Supervisor, NORMTECH CORPORATION Chairman, LASTING CREDIBILITY INTERNATIONAL INVESTORS CO., LTD.	Director, QST INTERNATIONAL CORP. Supervisor, NORMTECH CORPORATION Chairman, LASTING CREDIBILITY INTERNATIONAL INVESTORS CO., LTD.	None	None	None

Title	Nationality or place of registration	Name	Gender, age (Note5)	Date of election / appointment to current term	Term of office	Commence -ment date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree		
							No. of shares	Share holding ratio%	No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%			Title	Name	Relation-ship
Director	ROC	HUANG, CHENG-CHUNG	Male (5)	06.21, 2024	3 years	11.23, 2003	32,534	0.04	33,741	0.04	—	—	5,126,433 (Note 2)	6.45	Graduated from Shih Hsin School of Journalism Sales manager of Iron Force Industrial Co., Ltd.	President of Iron Force Industrial Co., Ltd. Chairman of Zheng Yu Investment Co., Ltd. Director of Hyphen Industrial Corp. Director of Meng Ching Investment co., ltd. Director of Transtat Investment Ltd. Chairman of Zhejiang Iron Force Metal Products Co., Ltd. Chairman of Huzhou Iron Force Metal Products Co., Ltd.	Chairman	HUANG, CHENG-I	Brother
Director	ROC	YCSY Co., Ltd.	-	06.21, 2024	3 years	06.20, 2012	3,602	—	3,735	—	—	—	—	—	—	None	None	None	None

Title	Nationality or place of registration	Name	Gender, age (Note5)	Date of election / appointment to current term	Term of office	Commence -ment date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree		
							No. of shares	Share holding ratio%	No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%			Title	Name	Relation-ship
Director representative	ROC	WAY, YUNG-DO	Male (5)	06.21, 2024	3 years	06.20, 2012	—	—	—	—	—	—	3,735	—	Master of Business Administration in the University of Georgi, USA Principal of WAY, YUNG-DO Accounting Firm Chairman of Deloitte & Touche Accounting Firm	Chairman of YCSY Co., Ltd. Independent director, audit committee, compensation committee of Cathay Financial Holding Co., Ltd. (The subsidiary) Independent director of Cathay Securities Corporation (The subsidiary) Independent director of Cathay United Bank Company Limited Corporate director representative of Chilisin Electronics Corporation Director of Vanguard International Semiconductor Corporation Corporate director representative of MiTAC Holdings Corporation Independent director, audit committee, compensation committee of Taita Chemical Co., Ltd. Independent director, audit committee, compensation committee of Far Eastern Department Stores Co. Ltd.	None	None	None
Director	ROC	I Yang Investment Ltd.	-	06.21, 2024	3 years	06.21, 2024	1,771,842	2.34	1,837,601	2.31	—	—	—	—	—	None	None	None	None

Title	Nationality or place of registration	Name	Gender, age (Note5)	Date of election / appointment to current term	Term of office	Commence -ment date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree		
							No. of shares	Share holding ratio%	No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%			Title	Name	Relation-ship
Director representative	ROC	HUANG, I-YANG	Male (1)	06.21, 2024	3 years	06.21, 2024	—	—	94,247	0.12	—	—	1,837,601	2.31	The University of Hawaii, Dept. of Communicology Associate Director of Iron Force Industrial Co., Ltd. Project Manager of Iron Force Industrial Co., Ltd.	Director of Zheng Yi Investment Co., Ltd. Director of Fan Yang Investment Co., Ltd. Director of Yang Fan Investment Co., Ltd. Director of Zhi Ming Investment Co., Ltd. Director of I Yang Investment Ltd.	Chairman	HUANG, CHENG-I	Father and Son
Director	ROC	I Fan Investment Ltd.	-	06.21, 2024	3 years	06.21, 2024	1,663,842	2.20	1,725,593	2.17	—	—	—	—	—	None	None	None	None
Director representative	ROC	HUANG, YI-FAN	Male (2)	06.21, 2024	3 years	06.21, 2024	—	—	289	—	128,394	0.16	1,725,593	2.17	Century College	Director of Zheng Yi Investment Co., Ltd. Director of Fan Yang Investment Co., Ltd. Chairman of Yang Fan Investment Co., Ltd. Chairman of Zhi Ming Investment Co., Ltd. Director of I Fan Investment Ltd.	Chairman Group Vice President	HUANG, CHENG-I HUANG, I-YANG	Father and Son Brother

Title	Nationality or place of registration	Name	Gender, age (Note5)	Date of election / appointment to current term	Term of office	Commence -ment date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree		
							No. of shares	Share holding ratio%	No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%			Title	Name	Relation-ship
Independent director	ROC	WU, SU-HUAN	Female (3)	06.21, 2024	3 years	06.18, 2013	—	—	—	—	—	—	—	—	EMBA of Business Administration in the National Taiwan University Department of Accounting in the Tunghai University Suzhou Chung- HWA Chemical & Pharmaceutical Industrial Co., Ltd. Chairman and general manager Partner of PricewaterhouseCoopers Taiwan (PwC Taiwan) Executive director PricewaterhouseCoopers Management Consulting Company Ltd. Special assistant to CEO in the Madenform Health Co., Ltd.	General manager of Raccoon Original Co., Ltd.	None	None	None
Independent director	ROC	CHANG, YING-LIN G	Female (4)	06.21, 2024	3 years	06.21, 2024	5,987	0.01	6,209	0.01	—	—	—	—	Graduated from the International Trade Department of Ming Chuan University Sales Specialist of Iron Force Industrial Co., Ltd. Sales Manager of Iron Force Industrial Co., Ltd. Director of Display and Houseware Div., Taiwan of Iron Force Industrial Co., Ltd. (Note 4)	None	None	None	None

Title	Nationality or place of registration	Name	Gender, age (Note5)	Date of election / appointment to current term	Term of office	Commence -ment date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree		
							No. of shares	Share holding ratio%	No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%			Title	Name	Relation-ship
Independent director	ROC	CHEN, KUO-AN	Male (4)	06.21, 2024	3 years	06.21, 2024	—	—	—	—	—	—	—	—	College of Management, Tunghai University Vice President of IBF SECURITIES Vice President of IBF Securities Venture Capital Co., Ltd.	Vice President of IBF SECURITIES Vice President of IBF Securities Venture Capital Co., Ltd.	None	None	None

Note 1: It is the shareholding of Fan Yang Investment Co., Ltd.

Note 2: It is the shareholding of Zheng Yu Investment Co., Ltd.

Note 3: Resigned in July 2006.

Note 4: Retired in January 2020.

Note 5: The actual age represents in intervals: (1) 30-40 years old (2) 40-50 years old (3) 51-60 years old (4) 61-70 years old (5) 71-80 years old.

Note 6: Where the chairperson of the board of directors and the general manager 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 (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer): It is not applicable for the company.

Form 1: Major Shareholders of Corporate Shareholders

Name of corporate shareholder	Major shareholders of the corporate shareholder	Shareholding Ratio
MENG CHING INVESTMENT CO., LTD.	Yang Fan Investment Co., Ltd.	14.80%
	Fan Yang Investment Co., Ltd.	16.00%
	Zheng Yu Investment Co., Ltd.	18.48%
	Pin Chung Investment Co., Ltd.	12.32%
	I Fan Investment Ltd.	9.60%
	I Yang Investment Ltd.	9.60%
	Mao Xi Investment Co., Ltd.	5.76%
	He Fu Investment Co., Ltd.	5.76%
	Yu Xin Investment Co., Ltd.	3.84%
	Qin Wen Investment Co., Ltd.	3.84%
YCSY Co., Ltd.	WAY, YUNG-DO	66.70%
	LIN, HWEI-SHING	3.00%
	WAY, Xiao-Long	15.15%
	WAY, Xiao-Hu	15.15%
I YANG Investment Ltd.	HUANG, I-YANG	100.00%
I FAN Investment Ltd.	HUANG, YI-FAN	100.00%

Form 2: If any Major Shareholder Listed in Form 1 is a Corporate/Juristic Person, List its Major Shareholders in this Form

Name of corporate/juristic person	Major shareholders of the corporate/juristic person	Shareholding Ratio
Yang Fan Investment Co., Ltd.	Zhi Ming Investment Co., Ltd.	100%
Fan Yang Investment Co., Ltd.	Zheng Yi Investment Co., Ltd.	100%
Zheng Yu Investment Co., Ltd.	Zhen Fu Co., Ltd.	49.95%
	Jian Kang Co., Ltd.	50.05%
Pin Chung Investment Co., Ltd.	Guang Xia Investment Co., Ltd.	100%
I Fan Investment Ltd.	HUANG, YI-FAN	100.00%
I Yang Investment Ltd.	HUANG, I-YANG	100.00%
Mao Xi Investment Co., Ltd.	Zhen Fu Co., Ltd.	51.16%
	Jian Kang Co., Ltd.	48.84%
He Fu Investment Co., Ltd.	Zhen Fu Co., Ltd.	43.32%
	Jian Kang Co., Ltd.	43.39%
	HUANG, JIE-ZHI	13.29%
Yu Xin Investment Co., Ltd.	HUANG, YA-YU	100.00%
Qin Wen Investment Co., Ltd.	HUANG, PIN-CHUNG	100.00%

Information on Directors and Supervisors (2)

1. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors:

<div style="text-align: center;">Qualification</div> <div style="text-align: center;">Name</div>	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
HUANG, CHENG-I	As the founder of the group, who is proficient in leadership, operational judgment, operation and management, crisis management, as well as have industrial knowledge and international market perspective. Manage all companies within the group using a strategic objective management approach, based on the mission of "beyond comparison, pursuing excellence, prioritizing quality, and innovating in research and development," with pursuing the ultimate mission of "sustainable management in a sound environment, achieving growth and profitability together."	Not applicable	None
LIN CHIN-NENG	Served as General Manager of various subsidiaries, possessing extensive experience in industry, marketing, and management. Demonstrates a thorough understanding of the industry and company operations, with strong capabilities in leadership, decision-making, business management, risk management, and information technology. Provides professional insights and recommendations for the design and planning of new products and for advancing the company's production processes through intelligent automation.	Not applicable	None
HUANG, CHENG-CHUNG	Proficient in leadership, operational judgment, operation and management, crisis management, as well as have industrial knowledge and international market perspective. Manage all companies within the group using a strategic objective management approach, based on the mission of "beyond comparison, pursuing excellence, prioritizing quality, and innovating in research and development," with pursuing the ultimate mission of "sustainable management in a sound environment, achieving growth and profitability together."	Not applicable	None
WAY, YUNG-DO	Served as the chairman of Deloitte & Touche Accounting Firm, and provides professional and comprehensive suggestions on the company's financial reporting and new business investment planning, helping the management team to enhance the overall completeness and comprehensiveness of the company's operational plans.	Not applicable	5
HUANG, I-YANG	Previously served as a senior executive of the company, with relevant experience in industry, marketing, management, and company operations. Possesses strong capabilities in leadership, decision-making, business management, and risk management.	Not applicable	None

Qualification Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
HUANG, YI-FAN	Possesses an excellent academic background and practical experience in the relevant industry, providing professional insights and recommendations for the design and planning of the company's new products.	Not applicable	None
WU, SU-HUAN	Having an accountant license and have years of experience in practicing accounting, who is familiar with government regulations and practical operation of industries, in addition committed to assisting companies in complying with legal and regulatory requirements.	1. None of the three independent directors, their spouses, or any relative within the second degree serve as a director, supervisor, or employee of the company, or any of its affiliates, or specific related companies, nor do they hold shares in the company. 2. Specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years: None.	None
CHANG, YING-LING	Previously served as a senior executive and director of the company, with over 30 years of experience in the industry and management. Possesses strong leadership, decision-making, business management, and risk management capabilities, contributing to enhanced oversight functions of the board of directors and various functional committees.		None
CHEN, KUO-AN	With experience in finance, risk, and management, possesses strong leadership, decision-making, business management, and risk management capabilities, enhancing the quality of the board and the supervisory functions of various functional committees.		None

Note: When the company nominates director candidates for the board of directors, the company has asked the director candidates to issue a statement of non-compliance with circumstance under any subparagraph of Article 30 of the Company Act. After the election, the first meeting of the board of directors annually will also require the submission of a statement of non-compliance with circumstance under any subparagraph of Article 30 of the Company Act.

2. Diversity and Independence of the Board of Directors:

1. The company's three independent directors account for 33%, and female directors make up 22% of the board. Two independent directors have served for less than 5 years, while one independent director has served for more than 5 years. Four directors are over 60 years old, and five directors are under 60 years old.
2. The company places great emphasis on the diversity of academic and professional backgrounds among board members. In the current board term, female directors account for 22%, and over 70% of the directors possess professional knowledge and skills, including: A. Enhancing intelligent manufacturing processes, B. Extensive knowledge in automotive components manufacturing, C. Legal expertise, D. Certified public accountant qualifications, and E. Expertise in environmental, health, and safety fields.

3. None of the company's independent directors has any of the provisions of Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act.

Diversity core projects Name of directors	Gender	Operational judgment	Analysis for accounting and finance	Operational management	Industrial knowledge	Leadership decision
HUANG, CHENG-I	Male	V		V	V	V
LIN CHIN-NENG	Male	V		V	V	V
HUANG, CHENG-CHUNG	Male	V		V	V	V
WAY, YUNG-DO	Male	V	V	V	V	V
HUANG, I-YANG	Male	V		V	V	V
CHANG, HUANG, YI-FAN	Male	V		V	V	
WU, SU-HUAN	Female	V	V	V	V	V
CHANG, YING-LING	Female	V		V	V	V
CHEN, KUO-AN	Male	V		V	V	V

Qualifications	With at least five years work experience and the following professional qualifications			Independence analysis:												Number of other public companies at which the person concurrently serves as remuneration committee member
	An instructor or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or private junior college, college, or university	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company.	Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company.	1	2	3	4	5	6	7	8	9	10	11	12	
Meng Ching Investment Co., Ltd Representative: HUANG, CHENG-I			✓						✓	✓		✓		✓		—
Meng Ching Investment Co., Ltd Representative: LIN CHIN-NENG			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		—
HUANG, CHENG-CHUNG			✓						✓	✓		✓		✓	✓	—
YCSY Co., Ltd. Representative: WAY, YUNG-DO		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		5
I Yang Investment Ltd. Representative: HUANG, I-YANG			✓					✓	✓	✓		✓		✓		—
I Fan Investment Ltd. Representative: HUANG, YI-FAN			✓	✓	✓			✓	✓	✓		✓		✓		—
WU, SU-HUAN		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
CHANG, YING-LING			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
CHEN, KUO-AN			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—

Note: During the two years before being elected or during the term of office, directors and supervisors meet any of the following, please tick “✓” in the space below each condition code.

- (1) Not an employee of the company or any of its affiliates.
- (2) Not a director or supervisor of the company or any of its affiliates; (However, it is not applied to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third

degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding subparagraph 2 and 3.

- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act; (however, it is not applied to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (6) If a majority of the company's director seats or voting shares and those of any other company are not controlled by the same person: a director, supervisor, or employee of that other company; (However, it is not applied to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are not the same person or are spouses: a director (or governor), supervisor, or employee of the company; (however, it is not applied to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (8) A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution do not has a financial or business relationship with the company; (However, a specified company or institution holds 20 % or more and no more than 50 % of the total number of issued shares of the public company, also it is not applied to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Does not have the spouse of, or related within the second degree of kinship to other directors.
- (11) Does not have any circumstance under any subparagraph of Article 30 of the Company Act.
- (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

2.1.2 General Manager, Deputy General Manager, Associates, Departments and Branches Office:

Units: Shares; %

Title	Nation-ality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree		
					No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%			Title	Name	Relationship
President of Iron Force Group	ROC	HUANG, CHENG-CHUNG	Male	08.20, 1982	33,741	0.04	—	—	5,126,433	6.45	Graduated from the Shih Hsin School of Journalism Sales manager of Iron Force Industrial Co., Ltd.	General manager of Iron Force Industrial Co., Ltd. Chairman of Zheng Yu Investment Co., Ltd. Director of Hyphen Industrial Corp. Director of Meng Ching Investment co., ltd. Director of Transtat Investment Ltd. Chairman of Zhejiang Iron Force Metal Products Co., Ltd. Chairman of Huzhou Iron Force Metal Products Co., Ltd.	None	—	—
Vice President of Iron Force Group	ROC	LI, ZHI-GANG (Note1)	Male	05.02, 2018	—	—	—	—	—	—	Graduated from Department of Chemistry in the Chung Yuan Christian University Vice President of Iron Force Industrial Co., Ltd. Factory director of Hercules Chemicals Taiwan Co., Ltd.	None	None	—	—

Title	Nation-ality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree		
					No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%			Title	Name	Relationship
Director of Automotive Parts Division, Huzhou	ROC	LIU, SHI-WEI	Male	04.02, 2018	3,000	—	—	—	—	—	Graduated from Department of Mechanical Engineering in the National Central University Graduated from Department of Mechanical Engineering in the National Taiwan University Factory director of Huzhou Iron Force Metal Products Co., Ltd.	Deputy general manager of Huzhou Iron Force Metal Products Co., Ltd.	None	—	—
Director of Automotive Parts Division, Taiwan	ROC	ZHANG, AN-QI	Male	06.11, 2018	33,185	0.04	—	—	—	—	Graduated from Department of Mechanical Engineering in the Tatung Institute of Technology Graduated from Research Institute of Mechanical Engineering in the National Yunlin University of Science and Technology Graduated from EMBA in the National Chengchi University Development manager in new vehicle types of Manufacturing and SCM Division in Ford Lio Ho Motor Company Associate of Manufacturing and SCM Division in Wellell Inc. Special assistant in Taiwan Automotive Component Division of Iron Force Industrial Co., Ltd.	None	None	—	—

Title	Nation-ality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree		
					No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%			Title	Name	Relationship
Director of New Business Development Division	ROC	LIN, ZHAO-REN	Male	04.09, 2018	25,000	0.03	—	—	—	—	Graduated from Department of Business Administration in the Soochow University Graduated with MBA degree in the University of Texas at Dallas Senior manager in the Automotive Electronic Business Units, vision security system product line and Sales & Marketing Department of Lite-on Technology Corporation	None	None	—	—
Manager of Audit Office	ROC	ZENG, HUI-QIN	Female	03.13, 2009	9,091	0.01	—	—	—	—	Graduated from Department of Business Administration in National Taichung Institute of Technology Main accountant and administrative specialist, accounting section manager, assistant manager in General Manager's Room, assistant manager in human resource, auditor, and assistant manager in auditing of Iron Force Industrial Co., Ltd	None	None	—	—
Associate Director of Administration Division	ROC	LIN, DING-JUN	Male	06.18, 2013	4,691	0.01	9,000	0.01	—	—	Graduated from Department of Accounting in the Chinese Culture University Auditor of Eslite Corporation Certified auditor of Taitien Electronics Co., Ltd.	None	None	—	—

Title	Nation-ality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree		
					No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%	No. of shares	Share-holding ratio%			Title	Name	Relationship
Associate Director of Finance and Accounting Division	ROC	CHEN, LI-NUNG	Male	01.01, 2022	9,000	0.01	—	—	—	—	Graduated from Department of Accounting in the National Chengchi University Accounting executive and spokesperson of Iron Force Industrial Co., Ltd. Chief financial officer of Hwa Fong Rubber Ind. Co., Ltd. Certified Public Accountant in Republic of China and the United States	None	None	—	—
Group Vice President of the Chairman's Office and Head of Display and Houseware Division, Taiwan	ROC	HUANG, I-YANG (Note 2)	Male	09.01, 2022	94,247	0.12	—	—	1,837,601	2.31	The University of Hawaii, Dept. of Communicology Project manager in Chairman's Room of Iron Force Industrial Co., Ltd.	Director of Zhi Ming Investment Co., Ltd. Director of Fan Yang Investment Co., Ltd. Director of Yang Fan Investment Co., Ltd. Director of Zhi Ming Investment Co., Ltd. Director of I Yang Investment Ltd.	None	—	—
Director of Automotive Parts Division, Poland.	ROC	LU, JEN-HAO (Note 3)	Male	09.01, 2024	25,000	0.03	—	—	—	—	Cranfield University/Marketing Management Factory director of Huzhou Iron Force Metal Products Co., Ltd.	None	None	—	—

Note:

1. Group Vice President Mr. LI, ZHI-GANG retired effective August 31, 2024, and was released from his status as an insider.
2. Mr. HUANG, I-YANG had his title adjusted on November 1, 2024, from Associate Director of the Display and Houseware Division, Taiwan, to Group Vice President of the Chairman's Office and Head of the Display and Houseware Division, Taiwan.
3. Former Deputy General Manager of the Poland Automotive Parts Division, Ms. GAO YAN, submitted her resignation. The board of directors has appointed Special Assistant Mr. LU, JEN-HAO to assume the role as Deputy General Manager of the Poland Automotive Division, effective September 1, 2024.
4. If the general manager or person of an equivalent post (the highest-level manager) and the chairperson of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason, reasonableness, necessity thereof, and future improvement measures adopted in response thereto: It is not applicable for the company.

2.2 Remuneration to Directors (including Independent Directors), General Manager, and Assistant General Manager in the Most Recent Year:

2.2.1. Remuneration to Ordinary Directors and Independent Directors :

Units: NT\$ Thousands

Title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E +F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company	
		Base compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)							
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities		
																Amount in cash	Amount in stock	Amount in cash	Amount in stock				
Director	Meng Ching Investment Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
Director representative & Chairman	HUANG, CHENG-I	3,497	3,497	0	0	466	466	54	54	4,017 0.78%	4,017 0.78%	0	0	0	0	0	0	0	0	4,017 0.78%	4,017 0.78%	None	
Director representative	LIN CHIN-NENG (Note2)	0	0	0	0	0	0	42	42	42 0.01%	42 0.01%	0	0	0	0	0	0	0	0	42 0.01%	42 0.01%	None	
Director representative	CHANG, YUAN-JAN (Note1)	0	0	0	0	369	369	18	18	387 0.08%	387 0.08%	0	0	0	0	0	0	0	0	387 0.08%	387 0.08%	None	
Director	HUANG, CHENG-CHUNG	0	0	0	0	401	401	54	54	455 0.09%	455 0.09%	4,646	4,646	108	108	65	0	65	0	5,274 1.03%	5,274 1.03%	None	
Director	YCSY Co., Ltd.	0	0	0	0	353	353	48	48	401 0.08%	401 0.08%	0	0	0	0	0	0	0	0	401 0.08%	401 0.08%	None	
Director representative	WAY, YUAG-DO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None	
Director	I Yang Investment Ltd. (Note2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None	

Title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E +F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursement s (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
		Amount in cash	Amount in stock	Amount in cash	Amount in stock																	
Director representative	HUANG, I-YANG (Note2)	0	0	0	0	0	0	42	42	42 0.01%	42 0.01%	784	784	48	48	0	0	0	0	874 0.17%	874 0.17%	None
Director	I Fan Investment Ltd. (Note2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
Director representative	HUANG, YI-FAN (Note2)	0	0	0	0	0	0	24	24	24 0.01%	24 0.01%		0	0	0	0	0	0	0	24 0.01%	24 0.01%	None
Independent director	WU, SU-HUAN	460	460	0	0	0	0	54	54	514 0.10%	514 0.10%	0	0	0	0	0	0	0	0	514 0.10%	514 0.10%	None
Independent director	CHANG, YING-LING (Note2)	280	280	0	0	0	0	42	42	322 0.06%	322 0.06%	0	0	0	0	0	0	0	0	322 0.06%	322 0.06%	None
Independent director	CHEN, KUO-AN (Note2)	280	280	0	0	0	0	42	42	322 0.06%	322 0.06%	0	0	0	0	0	0	0	0	322 0.06%	322 0.06%	None
Independent director	SHIH, YAO-TSU (Note1)	220	220	0	0	0	0	0	0	220 0.04%	220 0.04%	0	0	0	0	0	0	0	0	220 0.04%	220 0.04%	None
Independent director	ZHANG, SHA-WEI (Note1)	220	220	0	0	0	0	18	18	238 0.05%	238 0.05%	0	0	0	0	0	0	0	0	238 0.05%	238 0.05%	None

Note: 1. Stepped Down After the Full Re-election of Directors at the Shareholders' Meeting on June 21, 2024

2. Newly Appointed After the Full Re-election of Directors at the Shareholders' Meeting on June 21, 2024

Form 1. Remuneration Range Table of Directors

Ranges of remuneration paid to each of the Company's directors	Names of Directors			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All consolidated entities (H)	The Company	All consolidated entities (I)
Less than NT\$1,000,000	Ordinary directors: HUANG, CHENG-CHUNG; CHANG, YUAN-JAN; YCSY Co., Ltd. LIN CHIN-NENG; HUANG, YI-FAN; HUANG, I-YANG Independent directors: WU, SU-HUAN; SHIH, YAO-TSU; CHANG, SHA-WEI; CHANG, YING-LING; CHEN, KUO-AN	Ordinary directors: HUANG, CHENG-CHUNG; CHANG, YUAN-JAN; YCSY Co., Ltd. ; LIN CHIN-NENG; HUANG, YI-FAN; HUANG, I-YANG Independent directors: WU, SU-HUAN; SHIH, YAO-TSU; CHANG, SHA-WEI; CHANG, YING-LING; CHEN, KUO-AN	Ordinary directors: CHANG, YUAN-JAN; YCSY Co., Ltd. ; LIN CHIN-NENG; HUANG, YI-FAN; HUANG, I-YANG Independent directors: WU, SU-HUAN; SHIH, YAO-TSU; CHANG, SHA-WEI; CHANG, YING-LING; CHEN, KUO-AN	Ordinary directors: CHANG, YUAN-JAN; YCSY Co., Ltd. ; LIN CHIN-NENG; HUANG, YI-FAN; HUANG, I-YANG Independent directors: WU, SU-HUAN; SHIH, YAO-TSU; CHANG, SHA-WEI; CHANG, YING-LING; CHEN, KUO-AN
NT\$1,000,000 (incl.)~NT\$2,000,000 (excl.)	-	-	-	-
NT\$2,000,000 (incl.)~NT\$3,500,000 (excl.)	-	-	-	-
NT\$3,500,000 (incl.)~NT\$5,000,000 (excl.)	Ordinary director: HUANG, CHENG-I	Ordinary director: HUANG, CHENG-I	Ordinary directors: HUANG, CHENG-I	Ordinary directors: HUANG, CHENG-I
NT\$5,000,000 (incl.)~NT\$10,000,000 (excl.)	-	-	Ordinary directors: HUANG, CHENG-CHUNG	Ordinary directors: HUANG, CHENG-CHUNG
NT\$10,000,000 (incl.)~NT\$15,000,000 (excl.)	-	-	-	-
NT\$15,000,000 (incl.)~NT\$30,000,000 (excl.)	-	-	-	-
NT\$30,000,000 (incl.)~NT\$50,000,000 (excl.)	-	-	-	-
NT\$50,000,000 (incl.)~NT\$100,000,000 (excl.)	-	-	-	-
NT\$100,000,000 or above	-	-	-	-
Total	12	12	12	12

【Distribution Policy of Directors' Remuneration】

A. Ordinary director: According to Article 20 of the Articles of Incorporation, if the Corporation has gained profits within a fiscal year, no more than 5 % of the profits shall be reserved as the directors' remuneration by resolution of the board of directors. However, in case of the

accumulated deficits, certain profits shall first be reserved to cover them.

The board of directors of the company passed the resolution to formulate the "Remuneration Payment Method for Directors and Functional Committee Members". Key excerpts of the method are as follows:

The company distributes the total amount of directors' remuneration appropriated by the shareholders' meeting through the annual profit. The consideration conditions are whether the director serves as a director of the company's subsidiary, the attendance rate of the board of directors during the term of office, whether to participate in the current annual shareholders' meeting, and the content of the director's position. According to the evaluation result of the performance by the board of directors, chairman is authorized to adjust each director's distribution amount

B. Independent director: The board of directors of the company passed the resolution in 2014 to formulate the "Remuneration Payment Method for Directors and Functional Committee Members". Key excerpts of the method are as follows:

Remuneration for independent directors: From the date of election, a fixed remuneration of NT\$30,000 per month will be provided for each independent director. If an independent director concurrently serves as a member of a functional committee, who shall be provided with a fixed remuneration of NT\$5,000 per month for each functional committee member starting from the date of entrustment.

2.2.2 Remuneration to General Manager(s) and Assistant General Manager(s) (Disclosure of Aggregate Remuneration Plus Disclosure of Names by Remuneration Range)

Units: NT\$ Thousands

Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President of Iron Force Group	HUANG, CHENG-CHUNG	14,325	15,009	554	554	7,394	11,446	217	-	217	-	22,490 4.38%	27,226 5.30%	無
Vice President of Iron Force Group	LI, ZHI-GANG (Note1)													
Director of Automotive Parts Division, Taiwan	ZHANG, AN-QI													
Director of Automotive Parts Division, Huzhou	LIU, SHI-WEI													
Director of New Business Development Division	LIN, ZHAO-REN													
Group Vice President of the Chairman's Office and Head of Display and Houseware Division, Taiwan	HUANG, I-YANG (Note2)													
Director of Auto Parts Div., Poland.	LU, JEN-HAO (Note3)													

Note:1. Group Vice President Mr. LI, ZHI-GANG retired effective August 31, 2024, and was released from his status as an insider.

2. Mr. HUANG, I-YANG had his title adjusted on November 1, 2024, from Associate Director of the Display and Houseware Division, Taiwan, to Group Vice President of the Chairman's Office and Head of the Display and Houseware Division, Taiwan.

3.The board of directors has appointed Special Assistant Mr. LU, JEN-HAO to assume the role as Deputy General Manager of the Poland Automotive Division, effective September 1, 2024.

Form 2. Remuneration Range Table of General Manager(s) and Assistant General Manager(s)

Ranges of remuneration paid to each of the Company's general manager(s) and assistant general manager(s)	Names of General Manager(s) and Assistant General Manager(s)	
	The Company	All consolidated entities
Less than NT\$1,000,000	HUANG, I-YANG	HUANG, I-YANG
NT\$1,000,000 (incl.)~NT\$2,000,000 (excl.)	LU, JEN-HAO	LU, JEN-HAO
NT\$2,000,000 (incl.)~NT\$3,500,000 (excl.)	LI, ZHI-GANG ; LIN, ZHAO-REN; LIU, SHI-WEI	LI, ZHI-GANG ; LIN, ZHAO-REN
NT\$3,500,000 (incl.)~NT\$5,000,000 (excl.)	HUANG, CHENG-CHUNG	HUANG, CHENG-CHUNG
NT\$5,000,000 (incl.)~NT\$10,000,000 (excl.)	ZHANG, AN-QI	ZHANG, AN-QI; LIU, SHI-WEI
NT\$10,000,000 (incl.)~NT\$15,000,000 (excl.)	-	-
NT\$15,000,000 (incl.)~NT\$30,000,000 (excl.)	-	-
NT\$30,000,000 (incl.)~NT\$50,000,000 (excl.)	-	-
NT\$50,000,000 (incl.)~NT\$100,000,000 (excl.)	-	-
NT\$100,000,000 or more	-	-
Total	7	7

2.2.3 The disclosure of the top five highest-paid executives (with individual names and remuneration methods)

Units: NT\$ Thousands

Units: NT\$ Thousands

Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman	HUANG, CHENG-I													
President of Iron Force Group	HUANG, CHENG-CHUNG													
Vice President	LIU, SHI-WEI													
Vice President	ZHANG, AN-QI													
Vice President of Iron Force Group	LI, ZHI-GANG													

Names and Distributions of Employee Profit-Sharing Remuneration to Managerial Officers

Units: NT\$ Thousands

	Title	Name	Amount in stock remuneration	Amount in cash remuneration	Total	As a % of net profit
Managerial officers	President of Iron Force Group	HUANG, CHENG-CHUNG	-	309	309	0.06%
	Vice President of Iron Force Group	LI, ZHI-GANG (Note1)				
	Vice President of Iron Force Group (Note2)	HUANG, I-YANG				
	Director	ZHANG, AN-QI				
	Director	LIN, ZHAO-REN				
	Director	LU, JEN-HAO (Note3)				
	Associate Director	LIN, DING-JUN				
	Associate Director	CHEN, LI-NUNG				

Note:1. Group Vice President Mr. LI, ZHI-GANG retired effective August 31, 2024, and was released from his status as an insider.

2. Mr. HUANG, I-YANG had his title adjusted on November 1, 2024, from Associate Director of the Display and Houseware Division, Taiwan, to Group Vice President of the Chairman's Office and Head of the Display and Houseware Division, Taiwan.

3. The board of directors has appointed Special Assistant Mr. LU, JEN-HAO to assume the role as Deputy General Manager of the Poland Automotive Division, effective September 1, 2024.

2.2.4 Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance:

1. As a percentage of net income during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers:

Title	Remuneration ratio to net income			
	2023		2024	
	The Company	All consolidated entities	The Company	All consolidated entities
Directors	2.35%	2.35%	2.46%	2.46%
General manager and deputy general manager	4.39%	5.37%	4.38%	5.30%

(1) The remuneration paid by the company to the directors is authorized by the board of

directors to determine the remuneration according to the company's Articles of Incorporation, depending on the degree of directors' participation in the company's operations and the value of their contributions, and with reference to the usual standards in the industry.

(2) The appointment, dismissal and remuneration of the general manager and deputy general manager shall be discussed and approved by the board of directors.

2. Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance:

(1) Policies, Standards, and Composition of Remuneration:

a. The remuneration for directors of the company is determined in accordance with Article 17 of the company's articles of association and the "Remuneration Scheme for Directors and Functional Committee Members" approved by the Remuneration Committee and the Board of Directors.

The compensation for directors' duties is determined with reference to similar companies in the automotive component industry, based on the level of participation and contribution of individual directors. Additionally, if the company is profitable for the fiscal year, no more than 5% is allocated for director remuneration in accordance with Article 20 of the company's articles of association, excluding independent directors from the distribution of director remuneration.

The company conducts regular evaluations of director remuneration in accordance with the "Board of Directors Performance Evaluation Scheme" and the "Remuneration Scheme for Directors and Functional Committee Members," which includes both fixed and variable components. The fixed component considers remuneration for directors and independent directors for issues discussed and attendance at meetings, while the variable component is determined based on the percentage of the annual profits of the affiliated group companies, applicable only to general directors. The related performance evaluations and the reasonableness of compensation are subject to review by the Remuneration Committee and the Board of Directors.

b. Remuneration for executives of the company is defined according to the salary scheme, which includes various allowances and bonuses to acknowledge and reward employees' efforts in their work. Related bonuses are also granted based on the company's annual operational performance, financial condition, operational status, and individual job performance. Additionally, if the company is profitable for the fiscal year, in accordance with Article 20 of the company's articles of association, apart from year-end bonuses, no

less than 0.5% of the profits are allocated for employee remuneration.

The company conducts performance evaluations for executives based on the results of performance assessments executed according to the "Performance Bonus Distribution Scheme" approved by the Remuneration Committee. The performance evaluation criteria for executives are divided into:

- (a) Financial indicators: At the beginning of each fiscal year, annual revenue and profit thresholds are established for each business unit. Subsequently, based on the company's management profit and loss statements, the actual revenue and profit amounts achieved by each business unit are considered against the aforementioned indicators as evaluation criteria.
- (b) Non-financial indicators: At the beginning of each fiscal year, non-financial annual goals beyond revenue/profit are also set. These include various indicators covering aspects such as internal management, employee learning and growth, organizational optimization, customer satisfaction, and sustainable operations, among others, which are reviewed for completion and scoring at the end of the fiscal year.

The performance bonuses for executives are determined based on the achievement of the above financial and non-financial indicators and distributed according to the "Performance Bonus Distribution Scheme."

(2) Procedures for Determining Remuneration:

- a. To regularly evaluate the remuneration of directors and executives, assessments are conducted based on the results of the company's "Board Performance Evaluation Scheme," "Director and Functional Committee Remuneration Payment Scheme," and "Performance Bonus Distribution Scheme," respectively.
- b. The performance evaluation scope for executives includes the aforementioned pre-established annual financial and non-financial objectives, aiming to strengthen and incentivize performance.
- c. Improvement and growth in the main job responsibilities and objectives within the scope of executive management.

(3) Relationship with Business Performance and Future Risks:

- a. In 2024, the self-assessment results of the Board of Directors, board members, and members of various functional committees were all outstanding. Additionally, the group revenue and profit of the company continued to grow. Performance bonuses were distributed to executives based on the aforementioned assessment methods.
- b. The performance evaluations of the company's directors and executives, as well as the

reasonableness of their remuneration, are regularly reviewed and assessed by the Remuneration Committee and the Board of Directors each year. Apart from considering individual performance achievement rates and contributions to the company, the overall operational performance of the company, future industry risks and trends, and compliance with relevant laws and industry standards are also taken into account. The remuneration system is periodically reviewed based on actual operational conditions and relevant regulations. The actual remuneration amounts for directors and executives in 2024 were determined by the Board of Directors after review by the Remuneration Committee.

2.3 Corporate Governance Status

2.3.1 Operation of the Board of Directors:

Board meetings held 9 times in 2024 (A), the attendance of the directors and supervisors was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B / A 】	Remarks
Chairman	Meng Ching Investment Co., Ltd. ; HUANG, CHENG-I	9	-	100%	
Director	HUANG, CHENG-CHUNG	9	-	100%	
Director	YCSY Co., Ltd. ; WAY, YUNG-DO	8	1	89%	
Director	Meng Ching Investment Co., Ltd. ; LIN, CHIN-NENG	7	-	100%	New Appointment on June 21, 2024
Director	I Fan Investment Ltd ; .HUANG, YI-FAN	4	3	57%	New Appointment on June 21, 2024
Director	I YANG Investment Ltd ; .HUANG, I-YANG	7	-	100%	New Appointment on June 21, 2024
Director	Meng Ching Investment Co., Ltd. ; ZHANG, YUAN-ZHEN	2	-	100%	Stepped down on June 21, 2024
Independent director	SHI, YAO-ZU	0	-	0%	Stepped down on June 21, 2024
Independent director	ZHANG, SHA-WEI	2	-	100%	Stepped down on June 21, 2024

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B / A 】	Remarks
Independent director	WU, SU-HUAN	9	-	100%	
Independent director	CHANG, YING-LING	7	-	100%	New Appointment on June 21, 2024
Independent director	CHEN, KUO-AN	7	-	100%	New Appointment on June 21, 2024

Other information required to be disclosed:

1. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

(1) Any matter under Article 14-3 of the Securities and Exchange Act.:

The Board of Directors	Proposal contents and subsequent processing	Independent director expresses an objection or reservation
03.07, 2024 The 17 th session of The 13 th	1. Approving the 2023 Business Report 2. Approving the 2023 Individual and Consolidated Financial Statements 3.Appointment and remuneration of the company's Certified Public Accountant 4. Periodic evaluation of the independence and competency of the company's CPA 5.Amendments to the compensation policy for directors and functional Committees 6.Approving the distribution of employees' and directors' compensation for 2023 7.Approving the company's 2023 earnings distribution 8.Issuance of the company's 2023 "Statement of Internal Control System" 9.Amendments to the internal control management regulation 10.Proposal for the full re-election of directors 11.Nomination and Review Procedures for Director and Independent Director Candidates 12.Proposal to lift the non-compete restriction on newly appointed directors and their representatives 13. Matters related to convening the 2024 Annual Shareholders' Meeting 14.Acceptance of shareholder proposals and nominations for directors (including independent directors) for the 2024 Shareholders' Meeting 15.Proposal to terminate the endorsement and guarantee limit provided by Huzhou Iron Force Metal Products Co., Ltd. 16.Proposal for Huzhou Iron Force Metal Products Co., Ltd. to provide a loan limit to Zhejiang Iron Force Metal Products Co., Ltd	None
05.03, 2024 The 17 th session of	1. Approval of the Company's Q1 2024 Consolidated Financial Statements 2. Amendments to the internal control management regulation 3. Proposal for the Distribution of Directors' Remuneration for 2023	None

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B / A 】	Remarks
The 14 th	4. Renewal of credit facility with Shanghai Commercial & Savings Bank 5. Proposal for Huzhou Iron Force Metal Products Co., Ltd. to Provide a Loan Facility to the Company 6. Proposal for a Cash Capital Increase via New Share Issuance and the Issuance of the Company's Third Domestic Unsecured Convertible Bonds 7. Matters Related to Convening the 2024 Annual General Meeting (Additional Agenda Items)				
06.21, 2024 The 18 th session of The 1 st Special Board of Directors Meeting	1. Election of the Chairman of the Board 2. Appointment of Three Members to the Compensation Committee				
07.08, 2024 The 18 th session of The 1 st	1. Proposal for a Cash Capital Increase via New Share Issuance and the Issuance of the Company's Third Domestic Unsecured Convertible Bonds				
08.02, 2024 The 18 th session of The 2 nd	1. Approving the Company's Q2 2024 Consolidated Financial Statements 2. Renewal of Credit Facility with Taishin International Bank 3. Renewal of Credit Facility for Huzhou Iron Force Metal Products Co., Ltd. with E.SUN Bank (China) Shenzhen Branch 4. Proposal of Loan Facility from Huzhou Iron Force Metal Products Co., Ltd. to Iron Force Poland Sp. z o.o. 5. Proposal for the Employee Stock Option Plan for the 2024 Cash Capital Increase				
08.30, 2024 The 18 th session of The 3 rd	1. Proposal for Managerial Personnel Changes, Appointments, and Compensation 2. List of Managers Eligible for Employee Stock Option Plan in the 2024 Cash Capital Increase New Share Issuance				
09.13, 2024 The 18 th session of The 2 nd Special Board of Directors Meeting	1. Agreement on disposal of partial factory and land-used right of the Company's Subsidiary, Zhejiang Iron Force Metal Products Co., Ltd				
11.01, 2024 The 18 th session of The 4 th	1. Approving the Company's Q3 2024 Consolidated Financial Statements 2. Amendments to the internal control management regulation 3. Renewal of Credit Facility with China Trust Commercial Bank 4. Provision of Guarantee for Subsidiary's Credit Facility at China Trust Commercial Bank Shanghai Branch 5. Proposal of Loan Facility to Subsidiary Iron Force Poland Sp. z o.o. 6. Proposal of Loan Facility from Huzhou Iron Force Metal Products Co., Ltd. to Iron Force Poland Sp. z o.o. 7. Adjustment of Managerial Positions and Remuneration				

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B / A 】	Remarks
12.17, 2024 The 18 th session of The 5 th	1.Approving of the operating plan and budget for fiscal year 2025 2.Approving of internal audit plan for fiscal year 2025 3.Renewal of Credit Facility with Yuanta Commercial Bank 4.Proposal for the Sale of Idle Land Owned by the Company's Subsidiary, Cortec GmbH (DHDG) 5.Proposal for Year-End Bonuses for the Chairman, Managers, and Employees of the Company and Its Subsidiaries for Fiscal Year 2024 6.Proposal for Salary Adjustment Policy for the Chairman, Managers, and Employees of the Company and Its Subsidiaries for Fiscal Year 2025			None	

(2) In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any board resolution: None.

2. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted.

【The 18th session of The 1st Special Board of Directors Meeting】

Proposal:

To appoint three members to the Company's Compensation Committee for discussion.

Explanation:

1. The Company proposes to appoint three independent directors to serve as members of the Compensation Committee. The term will be from June 21, 2024, to June 20, 2027 (aligned with the term of the current Board of Directors).
2. Independent Director Wu, Su-Huan: As this proposal involves the appointment and related compensation for serving on the Compensation Committee, she has recused herself from both the discussion and the voting due to a conflict of interest.
3. Independent Director Chang, Ying-Ling: As this proposal involves the appointment and related compensation for serving on the Compensation Committee, she has recused herself from both the discussion and the voting due to a conflict of interest.
4. Independent Director Chen, Kuo-An: As this proposal involves the appointment and related compensation for serving on the Compensation Committee, he has recused himself from both the discussion and the voting due to a conflict of interest.

Resolution:

Except for the independent directors with a conflict of interest who recused themselves from the discussion and resolution, the remaining attending directors unanimously approved the proposal. The appointed Compensation Committee members are Wu Su-Huan, Chang Ying-Ling, and Chen Kuo-An.

【The 18th session of The 3rd Board of Directors Meeting】

Proposal:

To discuss the list of Managerial Personnel Eligible for Subscription under the 2024 Cash Capital Increase Issuance

Explanation:

Explanation:

1. The Company's proposal for a cash capital increase through the issuance of new shares was approved by the Board of Directors on May 3, 2024. Subsequently, the Company submitted an application on July 15, 2024, to issue 3.75 million common shares at a par value of NT\$10 per share, totaling NT\$37.5 million. The application was approved and became effective pursuant to the Financial Supervisory Commission's Letter No. 1130350486 dated August 2, 2024.
2. In accordance with Article 267 of the Company Act, 15% of the total number of new shares issued, amounting to 562,000 shares, have been reserved for subscription by employees. Pursuant to Article 7 of the Company's "Compensation Committee Procedure," the Company proposes the list of managerial employees eligible to subscribe to the reserved shares. Please refer to Attachment 4 for details.
3. The proposed list has been reviewed and approved by the 1st Meeting of the 6th Compensation Committee and is hereby submitted to the Board of Directors for resolution.

Report presented by Mr. Hsu Kuo-Wei, Manager of the Human Resources Department.

Declaration of Conflicts of Interest and Voting Abstentions:

- Director Mr. Huang Yi-Yang:

Pursuant to Article 206 of the Company Act, I currently serve as the associate of Taiwan Display Fixture & Houseware Division. As this proposal involves a personal interest, I have recused myself from both discussion and voting on the relevant information. I express agreement with the proposed subscription list concerning other managerial personnel.

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B / A 】	Remarks
<ul style="list-style-type: none"> • Director Mr. Huang Yi-Fan: Pursuant to Article 206 of the Company Act, I am a second-degree relative of Mr. Huang Yi-Yang, the associate of Taiwan Display Fixture & Houseware Division. As such, I have recused myself from both discussion and voting on the relevant information. I express agreement with the proposed subscription list concerning other managerial personnel. • Chairperson Ms. Huang Cheng-Yi: Pursuant to Article 206 of the Company Act, I am a second-degree relative of Mr. Huang Yi-Yang, the associate of Taiwan Display Fixture & Houseware Division. Accordingly, I have recused myself from both discussion and voting on the relevant information. Director Mr. Huang Cheng-Chung was designated as Acting Chairperson for this agenda item. I express agreement with the proposed subscription list concerning other managerial personnel. <p>Resolution:</p> <p>In compliance with Article 206 of the Company Act, Chairperson Huang Cheng-Yi, Director Huang Yi-Yang, and Director Huang Yi-Fan abstained from participating in the discussion and voting due to conflicts of interest. Upon inquiry by the Acting Chairperson, the remaining directors in attendance unanimously resolved to approve the proposal as submitted.</p> <p>【The 18th session of The 4th Board of Directors Meeting】</p> <p>Proposal:</p> <p>To discuss the Managerial Personnel Change and Compensation Adjustment</p> <p>Explanation:</p> <ol style="list-style-type: none"> 1. Due to business requirements, the Company proposes the promotion of Assistant Vice President of the Chairperson's Office, Mr. Huang Yi-Yang, to serve as Group Vice President and concurrently assume the position of the associate of Taiwan Display Fixture & Houseware Division. This proposed personnel adjustment is scheduled to take effect on November 1, 2024. 2. In accordance with Article 7 of the Company's "Compensation Committee Procedure," the rationale for the recommendation and related compensation details are provided in Attachment 11. 3. The proposal has been reviewed and approved by the 2nd Meeting of the 6th Compensation Committee and is hereby submitted to the Board of Directors for resolution. <p>Report presented by Mr. Hsu Kuo-Wei, Manager of the Human Resources Department.</p> <p>Declaration of Conflicts of Interest and Voting Abstentions:</p> <ul style="list-style-type: none"> • Director Mr. Huang Yi-Yang: Pursuant to Article 206 of the Company Act, as the subject of Proposal No. 7 involving managerial personnel changes and compensation, I have a personal interest in the matter and will recuse myself from both the discussion and voting on Proposal No. 7. • On behalf of Director Mr. Huang Yi-Fan, Statement by Director Mr. Huang Yi-Yang (as proxy): Director Huang Yi-Fan has appointed me as his proxy for this meeting. Pursuant to Article 206 of the Company Act, Director Huang Yi-Fan is a second-degree relative of Mr. Huang Yi-Yang, the proposed appointee. As such, he is deemed to have a conflict of interest and shall recuse himself from both the discussion and voting on Proposal No. 7. • Chairperson Ms. Huang Cheng-Yi: Pursuant to Article 206 of the Company Act, I am a second-degree relative of Mr. Huang Yi-Yang, the proposed appointee. As this constitutes a conflict of interest, I will recuse myself from both the discussion and voting on Proposal No. 7. I hereby designate Director Mr. Huang Cheng-Chung as Acting Chairperson for this agenda item. <p>Resolution:</p> <p>In compliance with Article 206 of the Company Act, Chairperson Huang Cheng-Yi, Director Huang Yi-Yang, and Director Huang Yi-Fan (represented by proxy) recused themselves from the discussion and voting due to conflicts of interest. Upon inquiry by the Acting Chairperson, the remaining attending directors unanimously resolved to approve the proposal as submitted.</p> <p>【The 18th session of The 5th Board of Directors Meeting】</p> <p>Proposal:</p> <p>To discuss 2024 Year-End Bonus Recommendations for the Chairperson and Managerial Personnel of the Company and Its Subsidiaries</p> <p>Explanation:</p> <ol style="list-style-type: none"> 1. This proposal is submitted in accordance with the Company's "Compensation Committee Procedure." 2. The proposed 2024 year-end bonus recommendations for the Chairperson and managerial personnel are attached hereto as Attachment 6 for reference. 3. This proposal has been reviewed and approved by the 3rd Meeting of the 6th Compensation Committee and is hereby submitted to the Board of Directors for resolution. 					

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B / A 】	Remarks
<p>Report presented by Mr. Lin Ding-Chun, Associate Director of General Administration Division.</p> <p>Declaration of Conflicts of Interest and Voting Abstentions:</p> <ul style="list-style-type: none"> • Director Mr. Huang Yi-Yang: Pursuant to Article 206 of the Company Act, I serve as Group Vice President and concurrently as the associate of Taiwan Display Fixture & Houseware Division, and I am a second-degree relative of Chairperson Ms. Huang Cheng-Yi. As Proposal No. 5, regarding year-end bonus recommendations for the Chairperson and managerial personnel, involves a personal interest, I will recuse myself from the discussion and voting on this proposal. I express agreement with the bonus recommendations for other managerial personnel of the Company and its subsidiaries. • Director Mr. Huang Yi-Fan: Pursuant to Article 206 of the Company Act, I am a second-degree relative of both Chairperson Ms. Huang Cheng-Yi and Group Vice President Mr. Huang Yi-Yang. As such, I will recuse myself from the discussion and voting on Proposal No. 5 due to a conflict of interest. I express agreement with the bonus recommendations for other managerial personnel of the Company and its subsidiaries. • Director Mr. Huang Cheng-Chung: Pursuant to Article 206 of the Company Act, I serve as Group President and am a second-degree relative of Chairperson Ms. Huang Cheng-Yi. Given the personal interest involved in Proposal No. 5, I will recuse myself from the discussion and voting. I express agreement with the bonus recommendations for other managerial personnel of the Company and its subsidiaries. • Chairperson Ms. Huang Cheng-Yi: Pursuant to Article 206 of the Company Act, I serve as Chairperson and am a second-degree relative of both Group President Mr. Huang Cheng-Chung and Group Vice President Mr. Huang Yi-Yang. Due to the personal interest involved in Proposal No. 5, I will recuse myself from the discussion and voting on this matter. Director Mr. Wei Yung-Tu is hereby designated to serve as Acting Chairperson for this agenda item. I express agreement with the bonus recommendations for other managerial personnel of the Company and its subsidiaries. <p>Resolution:</p> <p>In accordance with Article 206 of the Company Act, Chairperson Ms. Huang Cheng-Yi, Director Mr. Huang Cheng-Chung, Director Mr. Huang Yi-Yang, and Director Mr. Huang Yi-Fan recused themselves from the discussion and voting on this proposal due to conflicts of interest. Upon inquiry by the Acting Chairperson, the remaining attending directors unanimously approved the proposal as presented.</p> <p>3. Evaluation of the goals and implementation status of strengthening the functions of the board of directors in the current year and the most recent year:</p> <ol style="list-style-type: none"> 1. Goals of strengthening the functions of the board of directors. <ol style="list-style-type: none"> (1) Implement the corporate governance and enhance the information transparency: The operation of the board of directors is in accordance with " Rules of Procedure for Board of Directors Meetings ", and follow this standard to convene the company's board of directors, the implementation is in good conductio. (2) Continuing education for directors: The company's nine directors (including three independent directors) have followed the provisions of "the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies " and completed the training hours. The training hours and course content have been announced on the public information observation station. 2. Performance assessment: <ol style="list-style-type: none"> (1) The company has established the "Performance Evaluation Measures for the Board of Directors," which stipulate that internal self-evaluations of the Board of Directors, its members, and functional committees must be conducted at the end of each fiscal year. Additionally, an external evaluation is commissioned to an evaluation agency, Chainye Management Consulting Co., Ltd., with all evaluations to be completed before the end of the first quarter of the following year. (2) The company adheres to the principle of transparent operation, and releases major information on the public information observation station in accordance with the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities" after the board of directors' meeting in order to protect shareholders rights and interests. 					

2.3.1.1 Implementation of Evaluations of the Board of Directors and the functional committees

Internal Self-Evaluation of the Board of Directors, Board Members, and Functional Committees:

Internal Self-Evaluation of the Board of Directors, Board Members, and Functional Committees.				
Evaluation cycle	Performed once per year			
Evaluation period	From January 1, 2024 to December 31, 2024			
Scope of evaluation	Method of evaluation	Evaluation content	Individual total/overall average of evaluation results Evaluation	
The Board of Directors	Evaluation of Chairman (39 items)	The board’s participation in the operation of the company (10 items)	49	4.92
		Enhance the quality of the board’s decision making (10 items)	49	
		Composition and structure of the board (7 items)	35	
		Election and continuing education of the directors (6 items)	29	
		Internal control (6 items)	30	
Audit committee	Evaluation of audit committee committee’s convener (23 items)	Participation in the operation of the company (4 items)	19	4.96
		Awareness of the duties of the functional committee (7 items)	35	
		Enhance quality of decisions made by the functional committee (6 items)	30	
		Makeup of the functional committee and election of its members (3 items)	15	
		Internal control (3 items)	15	
Remuneration committee	Remuneration committee’s convener (23 items)	Participation in the operation of the company (4 items)	19	4.96
		Awareness of the duties of the functional committee (7 items)	35	
		Enhance quality of decisions made by the functional committee (6 items)	30	
		Makeup of the functional committee and election of its members (3 items)	15	
		Internal control (3 items)	15	
Scope of evaluation	Method of evaluation	Evaluation content	Self-evaluation results	
Independent director	self-evaluation s by individual board members (22 items)	Familiarity with the goals and missions of the company (3 items)	Average score is 103.78 points. (Full score 110 points)	
		Awareness of the duties of a director (3 items)		
		Participation in the operation of the company (8 items)		
		Management of internal relationships and communication (2 items)		
		The director's professionalism and continuing education (3 items)		
		Internal control (3 items)		

1. Implementation of evaluations of the board of directors and functional committees in fiscal year 2024, which has reported to the board of directors on February 27, 2025.
2. The evaluation results of the board of directors and functional committees (audit committee and remuneration committee) are presented in five levels, and the principles of evaluation levels are explained as follows
Number 1: extremely poor (strongly disagree); number 2: poor (disagree); number 3: medium (average); number 4: excellent (agree); number 5: extremely excellent (strongly agree).

2.3.1.2 According to Article 20 of the Articles of Incorporation, if the Corporation has gained profits within a fiscal year, no more than 5 % of the profits shall be reserved as the directors' remuneration by resolution of the board of directors. The company revised its "Remuneration Payment Method for Directors and Functional Committee Members" during the 17th First Board of Directors meeting.

2.3.2 Operation of the Audit Committee:

2.3.2.1 According to the provided information, the Audit Committee held 6 meetings (A) in the fiscal year 2024:

Title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Remarks
Independent director	WU, SU-HUAN	5	0	83%	
Independent director	CHANG, YING-LING	4	0	100%	Appointed on June 21, 2024
Independent director	CHEN, KUO-AN	4	0	100%	Appointed on June 21, 2024
Independent director	ZHANG, SHA-WEI	2	0	100%	Stepped down on June 21, 2024
Independent director	SHI, YAO-ZU	0	0	0%	Stepped down on June 21, 2024

Other information required to be disclosed:

(1) Any matter under Article 14-5 of the Securities and Exchange Act.:

Audit committee	Proposal contents and subsequent processing	Resolution results	Resolution item which has not been approved by the Audit Committee but was approved by more than two-thirds of all directors.
03.07, 2024 The 3 rd session of The 13 rd	1. Approving the 2023 Business Report 2. Approving the 2023 Individual and Consolidated Financial Statements 3.Appointment and remuneration of the company's Certified Public Accountant 4. Periodic evaluation of the independence and competency of the company's CPA 5.Approving the company's 2023 earnings distribution 6.Issuance of the company's 2023 "Statement of Internal Control System" 7.Amendments to the internal control management regulation 8.Proposal to terminate the endorsement and guarantee limit provided by Huzhou Iron Force Metal Products Co., Ltd. 9.Proposal for Huzhou Iron Force Metal Products Co., Ltd. to provide a loan limit to Zhejiang Iron Force Metal Products Co., Ltd	The proposal of this session was approved by all attending members after being proposed by the chairman and it will be submitted to the Board of Directors for official approval.	None
05.03, 2024 The 3 rd session The 14 th time	1. Approval of the Company's Q1 2024 Consolidated Financial Statements 2. Amendments to the internal control management regulation 3. Renewal of credit facility with Shanghai Commercial & Savings Bank 4. Proposal for Huzhou Iron Force Metal Products Co., Ltd. to Provide a Loan Facility to the Company 5. Proposal for a Cash Capital Increase via New Share Issuance and the Issuance of the Company's Third Domestic Unsecured Convertible Bonds	The proposal of this session was approved by all attending members after being proposed by the chairman and it will be submitted to the Board of Directors for official approval.	None

Audit committee	Proposal contents and subsequent processing	Resolution results	Resolution item which has not been approved by the Audit Committee but was approved by more than two-thirds of all directors.
07.08, 2024 The 4 th session The 1 st time	1. Proposal for a Cash Capital Increase via New Share Issuance and the Issuance of the Company's Third Domestic Unsecured Convertible Bonds	The proposal of this session was approved by all attending members after being proposed by the chairman and it will be submitted to the Board of Directors for official approval.	None
08.02, 2024 The 4 th session The 2 nd time	1. Approving the Company's Q2 2024 Consolidated Financial Statements 2. Renewal of Credit Facility with Taishin International Bank 3. Renewal of Credit Facility for Huzhou Iron Force Metal Products Co., Ltd. with E.SUN Bank (China) Shenzhen Branch 4. Proposal of Loan Facility from Huzhou Iron Force Metal Products Co., Ltd. to Iron Force Poland Sp. z o.o.	The proposal of this session was approved by all attending members after being proposed by the chairman and it will be submitted to the Board of Directors for official approval.	None
11.01, 2024 The 4 th session The 3 rd time	1.Approving the Company's Q3 2024 Consolidated Financial Statements 2.Amendments to the internal control management regulation 3.Renewal of Credit Facility with China Trust Commercial Bank 4.Provision of Guarantee for Subsidiary's Credit Facility at China Trust Commercial Bank Shanghai Branch 5. Proposal of Loan Facility to Subsidiary Iron Force Poland Sp. z o.o. 6. Proposal of Loan Facility from Huzhou Iron Force Metal Products Co., Ltd. to Iron Force Poland Sp. z o.o.	The proposal of this session was approved by all attending members after being proposed by the chairman and it will be submitted to the Board of Directors for official approval.	None
12.17, 2024 The 4 th session The 4 th time	1.Approving of the operating plan and budget for fiscal year 2025 2.Approving of internal audit plan for fiscal year 2025 3.Renewal of Credit Facility with Yuanta Commercial Bank	The proposal of this session was approved by all attending members after being proposed by the chairman and it will be submitted to the Board of Directors for official approval.	None

(2) In addition to the matters referred to above, any decision items that have not been approved by the audit committee but have received a two-thirds or more approval from all directors will be passed: None.

2.3.2.2 The status of implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: None.

2.3.2.3 The communication between independent directors and internal audit executives and the accountant:

〈The communication methods between independent directors, internal audit executives, and the accountants〉

1. Besides the internal audit department sends audit reports to independent directors for review every month, and the audit manager's reporting of significant audit findings to the audit committee and board of directors.
2. The accountant based on No. 260 “Communication with Those Charged with Governance” of the Statement of Auditing Standard and issued per March 11, 2004 Order No. Taiwan-Financial-Securities-VI-0930105373 of the Taiwan Stock Exchange (TWSE), accountants are required to compile information related to governance issues and communicate it in writing or in person with the audit committee on a quarterly basis, during the planning and completion stages of the audit or review of the company's consolidated financial statements (including the individual financial statements).

〈The summary of communication situation between independent directors, internal audit executives, and accountants is fiscal year 2024〉

The internal audit executive participates in communication with the audit committee and the audit review committee regularly at least once per quarter. The accountant participates in communication with the audit committee and the audit review committee at least twice a year.

Date	Major communication topics	Audit committee	Audit executive	Accountant	Execution results
3.7, 2024 The 3 rd session The 13 rd time Audit Committee	1. Issued “the Internal Control Statement” of fiscal year 2023 2. Regular internal audit execution report. 3. Consolidated (individual) financial reports as well as discussion and communication regarding certain accounting principal application issues and the impact of newly revised laws and regulations (the financial report in fiscal year 2023).	V	V	V	There are no comments in this meeting.
08.02, 2024 The 4 th session The 2 nd time Audit Committee	1. The accountant from PwC Taiwan provided and explanation of the reviewed results for the second quarter consolidated financial statements in fiscal year 2024. 2. Regular internal audit execution report.	V	V	V	There are no comments in this meeting.

2.3.2.4 The annual review focus of the audit committee

- The company's financial report.
- Formulation and revision the company's internal control system.
- Significant transactions involving assets, derivatives, financing, and endorsement guarantees.
- Internal and external audit plans and execution status
- Appointment, dismissal, compensation, and independence assessment of the accountant.
- Management's risk and control procedures for compliance with various laws and regulations.
- Execution status of documents exchanged with regulatory authorities.

2.3.2.5 The Chief Internal Auditor executive participates in communication with the audit committee and the audit review committee at least twice a year.

《Regularly》

- The Chief Internal Auditor shall provide reports at each quarterly meeting of the Audit Committee on the following:
 1. Compliance status with legal audit reporting requirements.
 2. Results of the annual audit plan execution.
 3. Summary of audit business execution.
 4. Improvements made in audit deficiencies and abnormal matters.

《Irregularly》

- As necessary, communicate audit findings and strategies for continuously enhancing audit value via email, phone calls, or in-person meetings.
- Based on the recommendations of the Audit Committee, the Chief Internal Auditor is responsible for consolidating relevant processing situations and reporting them back to the Audit Committee or project business reports.

2.3.3 Corporate Governance-Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons:

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The company has already adopted the "Corporate Governance Best Practice Principles" by resolution of the Board of Directors on December 15, 2014, and disclosed it on the Public Information Observation System and the company's website.	No major difference
2. Shareholding Structure and Shareholders' Rights (1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	V		(1) The company has established the "Internal Major Information Processing and Insider Trading Prevention Procedures" and has a spokesperson system to handle shareholder suggestions, doubts, disputes, and litigation matters and it may seek the assistance of a legal advisor if necessary.	No major difference
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		(2) The company continuously monitors the shareholding of directors, supervisors, managers, and shareholders holding more than 10% of the shares, and carries out shareholding reporting in accordance with legal regulations.	
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		(3) The company has established the "Group Enterprises, Specific Companies, and Related Party Transaction Management Procedures" and the "Supervision Procedures for Subsidiaries" to establish relevant control mechanisms in the company's internal regulations and internal control system, which will be executed according to the relevant management procedures of the subsidiaries.	
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		(4) The company's "Internal Major Information Processing and Insider Trading Prevention Procedures" were approved by the Board of Directors on January 13, 2012	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			and were disclosed on the Public Information Observation System and the company's website.	
3. Composition and responsibilities of the board of directors (1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		<p>(1) The company has established the "Corporate Governance Practice Guidelines" and " Director Election Regulations ". The board of directors is responsible to the shareholders' meeting, and the operations and arrangements of its corporate governance system should ensure that the board of directors exercises its powers in accordance with laws, the Articles of Incorporation, or resolutions of the shareholders' meeting.</p> <p>The board of directors' structure should be determined based on the company's business development scale and the shareholding status of its major shareholders, considering the practical operational needs, and there should be five or more appropriate director seats.</p> <p>The composition of board members should emphasize gender equality and should generally possess the knowledge, skills, and qualities necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the board of directors should include the following abilities: (Note 1)</p> <p>A. Abilities of operational judgment B. Abilities of accounting and financial analysis C. Abilities of operational management D. Abilities of crisis management E. Industrial knowledge F. International market perspective</p>	No major difference

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
<p>(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?</p> <p>(3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?</p> <p>(4) Does the Company regularly evaluate its external auditors' independence?</p>		<p>V</p> <p>V</p> <p>V</p>	<p>G. Abilities of leadership H. Abilities of decision-making</p> <p>(2) The company will evaluate and consider establishing various functional committees in accordance with the principles of corporate governance °</p> <p>(3) The company established a method for evaluating the board of directors' performance on December 15, 2017. In 2024, the company commissioned an external evaluation agency, Chainye Management Consulting Co., Ltd., to conduct an external performance evaluation of the Board of Directors for the fiscal year 2024. The evaluation covered the period from January 1, 2024, to December 31, 2024, and the evaluation items and results were reported to the Board of Directors on February 27, 2025. The company has disclosed the "Board of Directors Performance Evaluation Method" on the Public Information Observation System and the company's website, as well as the board of directors' performance evaluation results in the annual report and on the company's website for inquiries.</p> <p>(4) The company's accounting department conducts an annual self-assessment of the independence and suitability of the accountant and reports the results to the audit committee and the board of directors for review of their independence, following the "Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies " and the professional ethics code for</p>	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			accountants. PwC Taiwan have issued a statement on the independence of the accountant. The assessment form for the independence and suitability of the accountant (Note 2).	
4. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		The 7 th meeting of the 17 th board of directors of the company has passed a resolution to appoint Mr. CHEN, LI-NUNG, the company's Associate Director of Finance & Accounting Division and Spokesperson as the Head of Corporate Governance, responsible for corporate governance-related matters.	No major difference

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholder's section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		<p>1.To implement corporate governance and achieve sustainable operations, the company has established diverse and efficient communication channels with stakeholders across all units. Through these effective channels, the company gains a thorough understanding of stakeholders' perspectives and needs, identifies issues of concern, and receives valuable feedback.</p> <p>2.In addition to regular communication, it also provides contact information for related business units and subsidiaries from the company's website. Stakeholders can contact the spokesperson via phone or Email (announcer@irf.com.tw) to directly provide feedback or information to the company.</p> <p>3.The company regularly reports on "Stakeholder Communication Status" to the Board of Directors to meet stakeholder expectations and achieve sustainability goals. This was reported at the 18th Board of Directors' 4th meeting on November 1, 2024.</p>	No major difference
6. Has the Company appointed a professional shareholder services agent to handle matters Has the Company appointed a professional shareholder services agent to handle matters	V		The company has appointed the Stock Agency Department of Yuanta Securities Co., Ltd. as the shareholder agent.	No major difference
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	V		(1) The company has announced and reported financial and corporate governance matters in accordance with the law and regulations. All relevant information can be found on the Public Information Observation System, and the company's website has also disclosed related information simultaneously.	No major difference

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
<p>(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?</p> <p>(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?</p>	V	V	<p>(2) The company has established a website in both Chinese and English and formulated the "Procedures for Handling Material Inside Information and Prevention of Insider Trading " in accordance with the law and regulations. The company have appointed a spokesperson and acting spokesperson to communicate with the public on behalf of the company, it also designated a person in charge to disclose company information on the Public Information Observation System in compliance with legal regulations.</p> <p>(3) The company follows relevant laws and regulations, such as the Securities and Exchange Act, and has completed reporting procedures within the deadline.</p>	
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		<p>(1) Employee rights: The company has established an employee welfare committee and implemented a retirement pension system to protect employees' rights. The company also holds a labor-management coordination committee meeting every quarter and treats employees with integrity in compliance with the Labor Standards Act.</p> <p>(2) Employee wellness: Building a good relationship of</p>	No major difference

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>mutual trust with employees through enriching and stabilizing employee's lives with welfare system and a good education and training system. For example, the company provides group insurance for employees, regular health check-ups, subsidies for employee travel, and employee dormitories and parking lots.</p> <p>(3) Investor relations: The company honestly discloses corporate information in compliance with legal regulations and has appointed a shareholder services officer responsible for handling shareholder suggestions, fulfilling the company's responsibility to shareholders.</p> <p>(4) Supplier relationships: The company has always maintained a good relationship with its suppliers.</p> <p>(5) Stakeholder rights: Stakeholders have the right to communicate and provide suggestions to the company to protect their legal interests.</p> <p>(6) Directors' and supervisors' continuing education: All directors of the company have completed the required education hours in accordance with legal regulations, and the content and hours of each director's education course have been announced on the Public Information</p>	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			<p>Observation System and disclosed in the annual report.</p> <p>(7) The implementation of risk management policies and risk evaluation standards: The company's internal control system and necessary management regulations have been decided by the board of directors or shareholders' meeting.</p> <p>(8) The implementation of customer relations policies: The company strictly adheres to the contracts and related regulations signed with customers and ensures customers' rights. The company maintains a stable and good relationship with customers to create company profits.</p> <p>(9) Purchasing liability insurance for directors and supervisors: The company has purchased liability insurance for directors during their term of office in accordance with the Articles of Incorporation, and information on the insurance coverage and period has been announced on the Public Information Observation System and disclosed in the annual report.</p>	
<p>9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement:</p> <p>< Improvements made ></p> <p>1. Disclosed the policy for board of directors' diversity policy, specific management objectives and implementation status (Note 1).</p> <p>2. The company's board of directors will regularly (at least once a year) assess the independence and qualifications of accountants by referencing audit quality</p>				

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
<p>indicators (AQIs), and the evaluation process will be disclosed in the annual report (Note 2).</p> <p>3. Disclosed the company's succession plan and framework for deputy appointment (Note 3).</p> <p>4. Upload the information regarding changes in shareholdings of insiders for the previous month to the Public Information Disclosure System by 10th of each month (inclusive).</p> <p>5. The interim financial reports of the company have been reviewed and approved by the Audit Committee, and a resolution has been discussed at the Board of Directors.</p> <p>< Priority enhancement objectives and measures ></p> <p>1. Evaluate the establishment of functional committees outside of regulations such as the nomination committee, risk management committee, or sustainability development committee.</p> <p>2. In an effort to enhance transparency regarding directors' remuneration and ensure it is set fairly, thereby safeguarding shareholders' interests, there is a proposal to assess the compensation paid to directors, which will be reported at the annual general meeting (AGM) of shareholders.</p> <p>3. To reinforce the link between performance assessments and compensation, thereby increasing transparency, there's a consideration to evaluate how the annual report discloses the connection between the performance evaluations of directors and managers and their respective remunerations.</p>				

<Note 1: The policy for board of directors' diversity policy, specific management objectives and implementation status.>

A. The company has appointed nine directors, including three independent directors at the shareholder's meeting on June 21, 2024.

Among the board members, Chairman HUANG, CHENG-I is the founder of the group and the older brother of Director HUANG, CHENG-CHUNG. Both directors are proficient in leadership, operational judgment, operation and management, crisis management, as well as have industrial knowledge and international market perspective.

Manage all companies within the group using a strategic objective management approach, based on the mission of "beyond comparison, pursuing excellence, prioritizing quality, and innovating in research and development," with pursuing the ultimate mission of "sustainable management in a sound environment, achieving growth and profitability together."

Director WAY, YUNG-DO previously served as the chairman of Deloitte & Touche Accounting Firm and provides professional and comprehensive suggestions on the company's financial reporting and new business investment planning, helping the management team to enhance the overall completeness and comprehensiveness of the company's operational plans.

Director LIN CHIN-NENG Served as General Manager of various subsidiaries, possessing extensive experience in industry, marketing, and management. Demonstrates a thorough understanding of the industry and company operations, with strong capabilities in leadership, decision-making, business management, risk management, and information technology. Provides professional insights and recommendations for the design and planning of new products and for advancing the company's production processes through intelligent automation.

Director HUANG, I-YANG Previously served as a senior executive of the company, with relevant experience in industry, marketing, management, and company operations. Possesses strong capabilities in leadership, decision-making, business management, and risk management.

Director HUANG, YI-FAN Possesses an excellent academic background and practical experience in the relevant industry, providing professional insights and recommendations for the design and planning of the company's new products.

Independent directors WU SU-HUAN hold accounting licenses and have years of experience in practicing accounting. They are familiar with government regulations and practical operation of industries, in addition committed to assisting companies in complying with legal and regulatory requirements.

Independent directors CHANG, YING-LING Previously served as a senior executive and director of the company, with over 30 years of experience in the industry and management. Possesses strong leadership, decision-making, business management, and risk management capabilities, contributing to enhanced oversight functions of the board of directors and various functional committees.

Independent directors CHEN, KUO-AN With experience in finance, risk, and management, possesses strong leadership, decision-making, business management, and risk management capabilities, enhancing the quality of the board and the supervisory functions of various functional committees.

B. The company stipulates in the 'Director Election Regulations' that the appointment of directors should consider the overall configuration of the board of directors. The composition of the board of directors should be diversity, and appropriate diversity policies should be formulated based on its own operations, business models, and development needs. The standards should include but not limited to the following two major

aspects:

1. Basic qualifications and values: gender, age, nationality, culture, etc.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience, etc.

The board members should generally possess the knowledge, skills, and qualities necessary to perform their duties, and including the following abilities:

- 2.1 Abilities of operational judgment
- 2.2 Abilities of accounting and financial analysis
- 2.3 Abilities of operational management
- 2.4 Abilities of crisis management
- 2.5 Industrial knowledge
- 2.6 International market perspective
- 2.7 Abilities of leadership
- 2.8 Abilities of decision-making

More than half of the seats on the board of directors does not have the spouse of, or related within the second degree of kinship to other directors.

- C. The company's independent directors accounted for 33%, female directors accounted for 22%, the term of office of two independent directors are less than 5 years, the term of office of one independent director is more than 5 years, five directors are over 60 years old, and four directors are under 60 years old.

D. The company emphasizes that members of the board of directors' diversity of the academic profession, and intendeds to plan the list of directors in the 18th session: (1) Female directors account for 22% (2) More than 70% of directors must have professional knowledge and skills, which including A. Improving the intelligent manufacturing process B. Enriching the knowledge of automotive industry components manufacturing C. Legal knowledge D. Qualified as accountants E. Professional talents in the field of environmental safety and health.

Diversity core projects Name of directors	Gender	Operational judgment	Analysis for accounting and finance	Operational management	Industrial knowledge	Leadership decision
HUANG, CHENG-I	Male	V		V	V	V
LIN CHIN-NENG	Male	V		V	V	V
HUANG, CHENG-CHUNG	Male	V		V	V	V
WAY, YUNG-DO	Male	V	V	V	V	V
HUANG, I-YANG	Male	V		V	V	V
HUANG, YI-FAN	Male	V		V	V	
WU, SU-HUAN	Female	V	V	V	V	V
CHANG, YING-LING	Female	V		V	V	V
CHEN, KUO-AN	Male	V		V	V	V

Note 2:

The 5th meeting of the 4th audit committee and the 6th meeting of the 18th board of directors of the company discussed the following matter on February 27, 2025:

Summary: The submitted for discussion on the company regularly evaluates the independence and suitability of certified accountants.

Explanation:

- A. According to the Article 29 of the "Corporate Governance Best Practice Principles for Listed and OTC Companies", the company should choose a professional, responsible, and independent CPA, and should regularly (at least once a year) evaluate the independence and suitability of the appointed CPA by referencing Audit Quality Indicators (AQIs)
- B. The company conducted a regular evaluation of the independence and suitability of its signing CPA and found no doubts regarding their independence.
- C. Accountant LIAO, FU-MING and accountant TSAI, PEI-HUA of PwC Taiwan have issued the independence statement.
- D. This proposal has been reviewed and approved by the 5th Audit Committee of the 4th session.

< Assessment of the Independence and Competence of the CPA and PwC Taiwan evaluated by Iron Force Industrial Co., Ltd. >

Independence Assessment Form for CPA:

Item No.	Evaluation items	Yes	No	Remarks
1	The CPA does not have direct or significant indirect financial interest with the company	V		(Is there no conflict of interest)
2	Does not the CPA have received any salary from the company or related entities?	V		(Whether or not)
3	The CPA does not have engaged in any financing or guarantee activities with the company or any of its directors.	V		(Is there no inappropriate conflict of interest)
4	The CPA and the audit service team members do not have held any position with the company's directors, managers, or any other individual who has significant influence over the audit case, currently or in the past two years.	V		(Whether or not)
5	The CPA does not have acted as a defender or representative of the company in conflicts with third parties.	V		(Whether or not)
6	Does not the CPA have provided auditing services to the company for more than seven consecutive years?	V		(Whether or not)
7	The CPA does not have closed business relationship with the company.	V		(Whether or not)
8	The CPA does not have potential employment relationship with the company.	V		(Whether or not)
9	The CPA does not have direct or indirect financial interest related to the audit case or receives any public fees.	V		(Whether or not)
10	Does the CPA have confirmed with the firm of the auditing CPA, PwC Taiwan followed relevant independence regulations?	V		(Whether or not)
11	Does the CPA have no spouse, direct blood relative, direct in-law, or second-degree collateral blood relative relationship with the company's directors, managers, or any other individual who has significant influence over the audit case?	V		(Whether or not)
12	The non-audit services provided by the CPA to the company do not have direct impact on significant items in the audit case.	V		(Whether or not)
13	The CPA does not have promoted or brokered the company's issuance of stocks or other securities.	V		(Whether or not)
14	The CPA does not have defended the company in legal cases or other disputes with third parties.	V		(Whether or not)
15	Does any of the co-practicing accountants with the firm of the auditing CPA, PwC Taiwan resigned from the company's director, manager, or any other significant influence position within the past year?	V		(Whether or not)

Competence Assessment Form for CPA:

Item No.	Evaluation items	Yes	No	Remarks
1	The accountant completed the company's financial reports and audit reports on time.	V		(Whether timely provision of the attest financial statements)
2	The financial reports were prepared in accordance with the regulations of the competent authority.	V		(Whether the attest financial statements comply with the latest regulations governing the preparation of financial reports, accounting standards, and relevant regulations of the competent authorities)
3	The content of financial report was without errors or corrections from the competent authority.	V		(Whether or not)
4	The accountant interacted frequently with company management (internal auditors, etc.) and kept records.	V		(Whether interaction frequently and cooperation smoothly)
5	The accountant had appropriate interaction with the audit committee and kept records before audit planning and issuing the audit opinion.	V		(Whether the communication of conducting key audit matters and the completion of the audit)
6	The accountant made proactive suggestions regarding the company's systems and internal control audit and kept records.	V		(Whether to communicate the finding results and suggestions with internal audit personnel and relevant units)
7	Annual tax returns and reports will be completed before the next year's filing deadline.	V		(Whether timely provision of providing tax compliance audit reports and declaration forms)
8	The resolution of tax compliance audit issues has been provided.	V		(Assist the company in responding to tax-related inquiries from the tax)

Item No.	Evaluation items	Yes	No	Remarks
				competent authorities)
9	The accountant provided information on updates and revisions to laws and regulations or provided courses to the company.	V		(Provide suitable course training, including statements on the new application of IFRS.)
10	Whether to respond to the questions raised by the company.	V		(Whether respond quickly to questions)
11	Assisted in communication and coordination between the company and the competent authority.	V		(Whether timely provision of responding and appropriately to inquiries from the competent authority)

Evaluation Results:

After evaluation, it has been confirmed that CPA appointed by the company have not exhibited any of the situations mentioned in the independence assessment items and comply with the regulations of independence and the evaluation standards of competence. Therefore, there are no doubts about the independence of CPA.

Note 3: Disclosed the company's succession plan and framework for deputy succession plan

A. The company's succession plan and framework for the deputy's succession plan, please refer to Figure 1, which is currently being implemented in various business units:

1. Department and division levels: including deputy managers, managers, deputy general managers, and general managers.
2. Key positions: (1) Positions that participate in the implementation of business strategies and have a significant impact on the company's operations and development. (2) Job content is the core of the company's competitiveness. (3) Talents in these positions are not easy to obtain in the labor market or difficult to develop
3. Key personnel: (1) Able to enhance the core competitiveness of the organization and create value that customers perceive (2) These personnel is not easily obtainable from the external labor market, and need to be developed internally .



Figure 1: The company's succession plan and framework for deputy succession plan

B. Developing competency specifications and standards for the talent needed for Iron Force Industrial Co., Ltd.:

1. Required abilities for current job: Success in completing the job is defined through the Business Contents include: (1) language abilities, (2) knowledge abilities, and (3) job skills.
2. Core competencies that align with the company culture: (1) proactivity and initiative. (2) quality orientation. (3) integrity and honesty.
3. Required management abilities for complying with the corporate vision of "Beyond Comparison, Sustainable Management" are listed in Table 1.

Table 1: List of competencies required for various levels of management:

Management level	The functions of each management level	Position level	Position title	A list of management skills and abilities
Top management (Decision-making)	Vision shaping ability, ability to make long-term, mid-term, and short-term decisions for the company, change management skills, planning skills after strategy formulation, ability to build a network and strive for excellence as well as ability to develop talents and build teams.	10	General manager	<ul style="list-style-type: none"> ♦Ambition ♦Sustainable management ♦Developing team talent ♦Change management
		9	Deputy general manager	
		8	Associate	
Middle management (Planning)	Ability to set work objectives, ability to manage non-routine projects and processes, ability to develop subordinates, problem-solving ability, conflict management ability and ability to build teams.	7 6	Manager Deputy manager	<ul style="list-style-type: none"> ♦Ability of problem-solving ♦Ability to build teams ♦Communication and coordination skills ♦Influence
Frontline management (Execution)	The ability to ensure the necessary execution to complete work, time management skills to complete tasks within deadlines, a continuous learning attitude to seek new knowledge, ability to take initiative and be proactive in tackling tasks and responsibilities, efficiency skills to achieve maximum output with minimal input, self-demanding skills for work output quality, and Emotional management ability.	5	Section manager	<ul style="list-style-type: none"> ♦Execution skills ♦Time management ♦Emotional management
		4	Supervisor	
On-site supervisor (Production)	Directly leading employees and managing the production process, ensuring that work relationships, job instruction, job improvement, and job safety.	3	Team leader	<ul style="list-style-type: none"> ♦Work instruction ♦Work motivation ♦Problem-solving
		2	Technician	

C. Selection and recruitment of talent based on job competencies:

1. In addition to internal talent selection, the company also recruits outstanding external talents, utilize both internal and external talent pools to increase the breadth and depth of the talent pool.
2. External talent recruitment: (1) Ambition for promotion and willingness to rotate positions. (2) Meeting the required level of competencies outlined in the Business Contents.
3. Internal talent selection: (1) Ambition for promotion, willingness to rotate positions, and meeting retirement eligibility. (2) Meeting the required level of competencies outlined in the Business Contents. (3) Based on specific work behavior examples, meeting the level of competency behavior descriptions, summarizing self-evaluation and supervisor evaluation to generate a talent competency radar chart. Please refer to Figure 2.

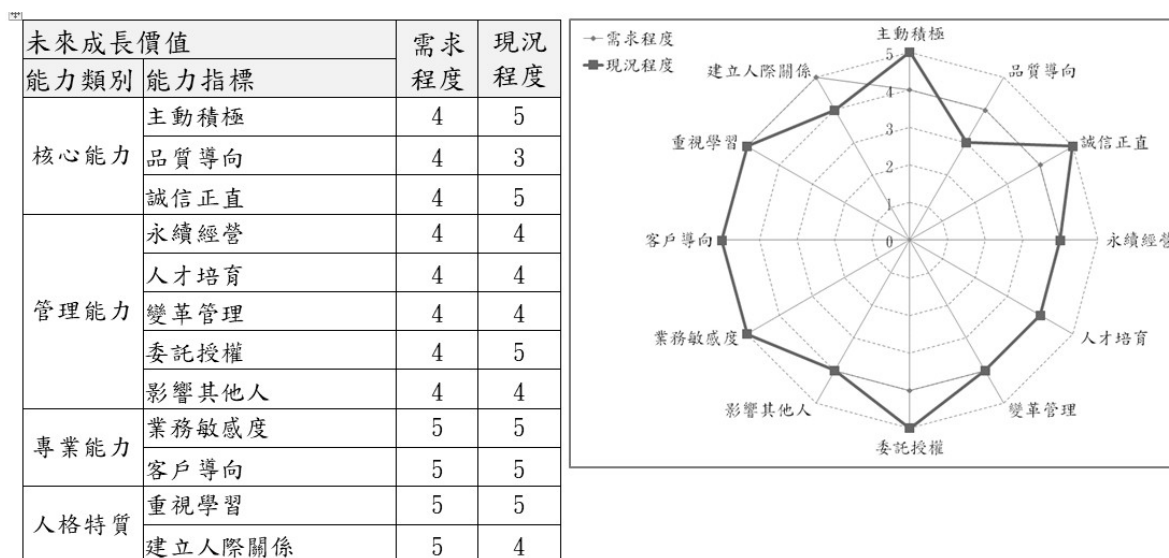


Figure 2: Talent competency radar chart

D. Talent development based on job competencies:

1. Conduct a talent inventory based on the Business Contents after promotion and implement learning and development plans based on the inventory of talent and competency gaps.

2. Setting work goals (MBO) and required competency behaviors at the beginning of a period. At the end of the period, identifying competency gaps, executing learning and development plans.
3. Proxy signature on OA forms
4. Job rotation, secondment, and job enrichment.
5. Utilize the company's existing agency system for job experience.

2.3.4 If the company has established a compensation committee, the composition, responsibilities, and operations should be disclosed:

A. Composition and responsibilities of the compensation committee:

The committee shall consist of three members appointed by the Board of Directors, one of whom shall be the convener.

Responsibilities:

1. The committee shall act with governance of a prudent manager and faithfully perform the following duties, and submit its recommendations to the Board of Directors for discussion:
 - 1.1.1 Regularly review and propose amendments to this Article.
 - 1.1.2 Establish and periodically review the annual and long-term performance goals for the directors and executives of the company, as well as the policies, systems, standards, and structures for their remuneration.
 - 1.1.3 Regularly evaluate the achievement of the company's directors and managers' performance goals and establish the content and amount of their individual remuneration.

Capacity	Qualifications Name	Professional qualification and experience	Independence analysis	Number of other public companies at which the person concurrently serves as remuneration committee member
Convener (Independent director)	WU, SU-HUAN	Please refer to the relevant content of Table 1 of Director Information (1) on page 5		0
Member (Independent director)	CHANG, YING-LING			0
Member (Independent director)	CHEN, KUO-AN			0

Capacity	Qualifications	With at least five years work experience and the following professional qualifications			Independence analysis										Number of other public Companies at which the person concurrently serves as remuneration committee member	Remarks
	Name	An instructor or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or private junior college, college, or university	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company.	Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company.	1	2	3	4	5	6	7	8	9	10		
Independent director	WU, SU-HUAN	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—	Convener
Independent director	CHANG, YING-LING	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—	Member
Independent director	CHEN, KUO-AN	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—	Member

B. Operation of the remuneration committee:

- (1) The company's remuneration committee has a total of 3 members.
- (2) The term of the current members is from June 21, 2024 to June 20, 2027. The number of remuneration committee meetings held in the most recent fiscal year was: 5 times (A). The attendance by the members was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A)	Remarks
Convenor	ZHANG, SHA-WEI	2	-	100%	Stepped down on June 21, 2024
Member	SHI, YAO-ZU	0	-	0%	Stepped down on June 21, 2024
Member	WU, SU-HUAN	2	-	100%	Stepped down on June 21, 2024
Convenor	WU, SU-HUAN	3	-	100%	Appointed on June 21, 2024
Member	CHANG, YING-LING	3	-	100%	Appointed on June 21, 2024
Member	CHEN, KUO-AN	3	-	100%	Appointed on June 21, 2024

C. Other information required to be disclosed:

- (1) Matters that comply with Article 14-6 of the Securities and Exchange Act.:

Date/Session	Discussion Items	Resolution	Attendees of Compensation Committee
03.07, 2024 The 5 th session The 11 st time	1. Amendments to the compensation policy for directors and functional Committees 2. Approving the distribution of employees' and directors' compensation for 2023	The proposal of this session was approved by all attending members after being proposed by the chairman and it will be submitted to the Board of Directors for official approval.	ZHANG, SHA-WEI WU, SU-HUAN SHI, YAO-ZU-Absent
05.03, 2024 The 5 th session The 12 th time	1. Proposal for the Distribution of Directors' Remuneration for 2023	The proposal of this session was approved by all attending members after being proposed by the chairman and it will be submitted to the Board of Directors for official approval.	ZHANG, SHA-WEI WU, SU-HUAN SHI, YAO-ZU-Absent
08.30, 2024 The 6 th session The 1 st time	1. Proposal for Managerial Personnel Changes, Appointments, and Compensation 2. List of Managers Eligible for Employee Stock Option Plan in the 2024 Cash Capital Increase New Share Issuance	The proposal of this session was approved by all attending members after being proposed by the chairman and it will be submitted to the Board of Directors for official approval.	WU, SU-HUAN CHANG, YING-LING CHEN, KUO-AN
11.01, 2024 The 6 th session The 2 nd time	1. Adjustment of Managerial Positions and Remuneration	The proposal of this session was approved by all attending members after being proposed by the chairman and it will be submitted to the Board of Directors for official approval.	WU, SU-HUAN CHANG, YING-LING CHEN, KUO-AN
12.17, 2024	1. Proposal for Year-End Bonuses for the	The proposal of this	WU, SU-HUAN

Date/Session	Discussion Items	Resolution	Attendees of Compensation Committee
The 6 th session The 3 rd time	Chairman, Managers, and Employees of the Company and Its Subsidiaries for Fiscal Year 2024 2.Proposal for Salary Adjustment Policy for the Chairman, Managers, and Employees of the Company and Its Subsidiaries for Fiscal Year 2025	session was approved by all attending members after being proposed by the chairman and it will be submitted to the Board of Directors for official approval.	CHANG, YING-LING CHEN, KUO-AN

(2) Review and evaluate the remuneration information of the company for the year 2024 as follows:

Date/Session	Discussion Items
03.07, 2024 The 11 th of the 5 th session	Proposal on the remuneration distribution for employees and directors in fiscal year 2023
05.03, 2024 The 12 th of the 5 th session	Proposal on the remuneration distribution for directors in fiscal year 2023
12.17, 2024 The 3 rd of the 6 th session	1.Proposal on year-end bonus for the chairman and managers of the company and its subsidiaries in fiscal year 2024 2.Proposal on salary adjustment policy for the chairman and managers of the company and its subsidiaries in fiscal year 2025

2.3.5 Promotion of sustainable development-implementation status and deviations from the sustainable development best practice principles for TWSE/TPEX listed companies and the reasons:

Item	Implementation status			Deviations from the sustainable development best practice principles for TWSE/TPEX listed companies and the reasons
	Yes	No	Summary description	
1. Has the company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		<p>1. In accordance with the company's "Sustainable Information Management Operational Guidelines," the administrative division has been designated as the responsible unit to ensure the effective operation of policies and operational strategy objectives for sustainable information management. Regular reports are submitted to the Board of Directors.</p> <p>2. The company's 2024 oversight and promotion of sustainable development, as well as the 2025 work plan, were reported to the Board of Directors on December 17, 2024.</p> <ul style="list-style-type: none"> ● Explanation of the company's governance structure for promoting sustainable development. ● Composition, operation, and implementation status of the responsible unit (e.g., work plans and responsibilities). ● Summary of the Board of Directors' supervision of sustainable development, including but not limited to the formulation, review, and implementation of management policies, strategies, and objectives. 	No major difference
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in	V		The company identifies the main operational risks based on its operational characteristics and establishes regulations for assessment and control of	No major difference

Item	Implementation status			Deviations from the sustainable development best practice principles for TWSE/TPEX listed companies and the reasons
	Yes	No	Summary description	
accordance with the materiality principle, and formulate relevant risk management policies or strategies?			operational risks within the company.	No major difference
3. Environmental issues (1) Has the company set an environmental management system designed to industry characteristics?	V		(1) The company has established an "Occupation Health and Safety Department" and developed a "Safety and Health Manual" in accordance with the requirements of the Taiwan Occupational Safety and Health Management System (TOSHMS) to create a suitable production environment. The company sets annual environmental health and safety goals, proposes improvement methods, establishes performance indicators, and designates responsible units to cooperate in implementing these goals (Note 1).	
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		(2) The company has obtained ISO 14001 certification in 2001, which is an internationally recognized standard for environmental management systems and a leading standard in the ISO 14000 series. It provides a series of guidelines to guide companies to consider the need for environmental protection, pollution prevention, and social economics while effectively managing the company's operations, as well as the environmental impact of products and services. The latest certificate is valid from July 23, 2022 to July 22, 2025.	

Item	Implementation status			Deviations from the sustainable development best practice principles for TWSE/TPEX listed companies and the reasons
	Yes	No	Summary description	
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		(3) The company has established related procedures, such as "Wastewater and Waste Oil Control Procedure," "Air Pollution Control Procedure," "Hazardous Material Control Procedure," "Disposal Management Procedure," and "Energy Resource Control Procedure."	No major difference
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		(4) The company has established related procedures, such as "Wastewater and Waste Oil Control Procedure," "Air Pollution Control Procedure," "Hazardous Material Control Procedure," "Disposal Management Procedure," and "Energy Resource Control Procedure."	No major difference
4. Social Issues				
(1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		(1) The company has established "work rules" in accordance with the Labor Standards Act, the Labor Pension Act, and the Employment Service Act to protect employees' rights and interests (Note 2).	No major difference
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V		(2) The company has established regulations regarding employee remuneration, including wages payable, working hours, attendance, evaluation, various reward and punishment system in the "work rules" for employees. The company has established a remuneration committee, which considers the economic growth and inflation forecast published annually by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan and	No major difference

Item	Implementation status			Deviations from the sustainable development best practice principles for TWSE/TPEX listed companies and the reasons
	Yes	No	Summary description	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		<p>submits a salary adjustment policy to the Board of Directors. Upon approval by the Board of Directors, the Human Resources Department will implement the policy (Note 3) (Note 4).</p> <p>(3) The company conducts an annual investigation of hazard identification for all production lines, the company proposes preventive, protective, and corrective measures for any possible hazards related to the environment, equipment, tools, materials, etc., such as enhancing employee safety awareness through training, using warning signs, providing education and training for machine operators, installing smoke and temperature sensors, using safety shoes and heat-resistant gloves, setting up safety photocells, using manually maintained safety switches, and strengthening equipment review procedures, and etc. In addition, the company conducts annual employee health examination, holds disaster prevention drill, and arranges for doctors to provide medical consultation services on-site every month. In 2024, no fire incidents occurred in our company, and there were regular fire drill implementation plans and execution status. (Note 2)</p>	No major difference

Item	Implementation status			Deviations from the sustainable development best practice principles for TWSE/TPEX listed companies and the reasons
	Yes	No	Summary description	
(4) Has the Company established effective career development training programs for employees?	V		(4) The company considers long-term talent development as a top priority and organizes various internal and external training programs based on organizational needs. The training programs aim to enhance and update employees' knowledge and skills, building a strong human capital to the employee development that balances the development of core competencies with the development of professional skills.	No major difference
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		(5) The company has always adhered to the principle of integrity in its business operations, following government regulations and relevant international standards. It is not allowing to engage in any behavior that undermines customer trust or damages customer rights and interests. The company's website has disclosed the relevant responsible personnel, contact telephone numbers, email addresses, and other related information of each department. The company's website: http://www.irf.biz/ Complaint's mailbox: announcer@irf.com.tw	No major difference
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as	V		(6) The company has formulated a "Supplier Management Policies" and regulatory evaluates and monitors it to ensure that the	No major difference

Item	Implementation status			Deviations from the sustainable development best practice principles for TWSE/TPEX listed companies and the reasons
	Yes	No	Summary description	
environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?			selected suppliers comply with relevant standards. (Note 5)	Currently under preparation, expected to be completed in 2026.
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?		V	The company has prepared its sustainability report based on internationally recognized reporting standards and guidelines, such as the GRI Standards, to disclose non-financial information. The report is scheduled to be completed in 2026, and a third-party verification agency will be commissioned to conduct verification and provide an assurance statement to ensure the accuracy and transparency of the disclosed information.	
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company’s operations: Not applicable.				
7. Other important information to facilitate better understanding of the company’s promotion of sustainable development: (1) Administration Department of the company has planned a framework for business succession and deputy succession plan. (2) The company has established a human rights policy and concrete management plans by referencing the International Human Rights Conventions, and it has disclosed the related policies as well as implementation status. (Note 2) (3) The company collaborates with Feng Chia University's Research Center for Environmental Technology and Intelligence, specifically on the improvement of operational environment and the project for safeguarding workers' hearing. (Note 6) (4) In order to enhance our community impact and support local education, our company collaborates with Feng Chia University's Research Center for Environmental Science and Technology and Intelligence on the "Workplace Noise Improvement Project." (Note 7) (5) The company's subsidiary, Huzhou Iron Force Metal Products Co., Ltd., invests in energy-saving and environmentally sustainable equipment, and discloses relevant information. (Note 8)				

Note 1: Table of Environmental, Health and Safety Targets/ Subjects for 2024

Environmental Policy	Environmental targets/ subjects	Performance indicators	Improvement methods
1. Compliance with environmental, health, and safety regulations	1.1. Noise reduction: Minimize noise from the SHI-2 production line (single line).	The noise level of the SHI-2 (single line) reduces by 3dB.	(1) Engage in industry-academia collaboration with Feng Chia University, establishing a cross-functional improvement team within the factory (comprised of members from RD, PD, OSAS). (2) Set up an internal process for analyzing and improving noise levels within the factory.
	1.2. Reduction of occupational safety and health inspection deficiencies	Inspection deficiencies by the Occupational Safety and Health Administration under the Ministry of Labor: a. Number of deficiencies related to safety at 0 or below per inspection b. Number of deficiencies not related to safety at 2 or below per inspection	(1) Perform monthly inspections on each unit irregularly (at least once a month), followed by tracking in the subsequent month (involving occupational safety and members designated from each unit). (2) Besides identifying items on the regulatory list monthly, add identification of three regulatory items on a per-item basis (occupational safety). (3) Quarterly, conduct random inspections on over 80% of the self-inspection forms.
	1.3. Reduction of frequency-severity indicator	Annual frequency-severity indicator to be reduced to 0.17 or below	(1) Mitigate operational hazards: Annually reassess the identified operational hazards, aiming to decrease the overall risk associated with these hazards (by 3%). For instance, with a total of 326 hazards identified in 2023, aim to reduce 10 hazards from a severity level of 3 or 4 to a level of 2 or 3. (2) In accordance with the identification results, organize emergency response drills for at least 2 high-risk operations to minimize the impact of potential disasters effectively. (3) Organize safety and health-related education and training sessions at least twice a year to increase colleagues' awareness of safety and foster a culture of safety within the company.
2. Strive for pollution prevention	2.1. Carbon emission statistics of the parent company	Completion of 2023 "Greenhouse Gas Inventory Report" for the parent company.	(1) Establish a greenhouse gas inventory team (2) Conduct greenhouse gas emission inventory (3) Prepare a greenhouse gas inventory report
	2.2. Decrease the consumption of water-based cutting fluid. (Nozzle turning station)	From September to November 2024, the average usage decreased to 0.21g/Pcs. (The average usage in 2023 was 0.24g/Pcs, marking a decrease of approximately 12%)	Conduct evaluation testing at an 8% concentration level to assess feasibility; once a reduction to 5% concentration is deemed viable, proceed with implementation.
	2.3. Decrease the amount of slideway oil used. (SHI2 manufacturing station)	From September to November 2024, the average usage decreased to 1.55g/Pcs. (The average usage in 2023 was 1.73g/Pcs, marking a decrease of approximately 10%)	(1) Evaluate the feasibility of reducing current consumption levels. (2) After confirming feasibility, monitor performance and strive for ongoing enhancement.

Environmental Policy	Environmental targets/ subjects	Performance indicators	Improvement methods
3. Efficient resource utilization and waste reduction	3.1. Lower the rate of scrapped and reworked items. (a) Scrap rate for new products (Valve Housing 1481)	From September to November 2024, the average scrap rate decreased to 3.0%. (The total scrap rate in 2023 was 4.16%, representing a decrease of approximately 28%)	(1) Monthly tracking of scrapped items in production (2) Develop and implement strategies for reducing scrap (3) Periodic evaluation of improvement outcomes
	3.1. Reduction of scrap and rework Decrease the rate of scrapped and reworked items. (b) Scrap rate for existing products (Valve Housing 1024)	From September to November 2024, the average scrap rate decreased to 3.0%. (The total scrap rate in 2023 was 4.05%, representing a decrease of approximately 26%)	(1) Review scrap and defect rates along with primary causes in the weekly production report. (2) Explore the feasibility of improvements and pursue continuous enhancement.
	3.1. Reduction of scrap and rework Decrease the rate of scrapped and reworked items. (c) Scrap rate for existing products (SHI2-O.D35MM)	From September to November 2024, the average scrap rate further decreased to 0.85%. (The total scrap rate in 2023 was 0.95%, indicating a decrease of approximately 10%)	(1) Scrap item analysis result: The top three defects are "Concentricity Defects", "Φ17.7 Defects", and "L2 Defects". (2) Improvement measures will be formulated and executed based on the top three defect items.
	3.1. Decrease the rate of scrapped and reworked items. (d) Defect rate in electroplating pass-through process	From September to November 2024, the average pass-through defect rate for electroplating decreased to 2.50%. (The average pass-through defect rate for electroplating in 2023 was 3.07%, representing a reduction of approximately 18%)	(1) Electroplating water stains and thread water stains: Introducing hot water rinsing can improve localized yellowing marks caused by slow evaporation of moisture. (2) Spraying water stains and thread corrosion: Improvement will be achieved through hanging fixture cleaning management and extending the lifespan of cutting fluid.
	3.2. Decrease usage of water and electricity. (a) Implement energy-saving practices for production equipment	Electricity consumption of the top 10 production equipment decreases by 1%. (Unit of measurement: Electricity consumed per product manufactured by each equipment)	Set up monitoring criteria for high-energy-consuming equipment in the factory. Assess ways to improve the performance of these monitored devices and determine the potential cost savings. Identify equipment where energy-saving measures will have a notable impact and proceed with efficiency upgrades.
	3.2. Decrease usage of water and electricity. (b) Overall water consumption	Water consumption decreases by 2%. (Unit of measurement: Calculated based on unit revenue)	(1) Evaluate the primary water equipment and initiatives in the factory. (2) Inspect and verify the installation of primary pipeline water meters. (3) Gather fundamental information on water consumption from key water equipment. (4) Develop and execute plans for water-saving initiatives.

Note 2:

The company recognizes and supports the "Universal Declaration of Human Rights," "The United Nations Global Compact," "International Labour Standards," and "United Nations Guiding Principles on Business and Human Rights", which has been established and implemented the following human rights policies:

A. Employee policies and communication channels

1. Regulation compliance:

Commits the organization to compliance with local labor laws and international labor standards at each operational site.

2. Freedom of right to work:

Prohibition of forced labor and child labor, all workers are able to attend work on a voluntary basis. All workers have the right to resign from their positions voluntarily, provided they give reasonable notice in accordance with local labor laws and regulations.

It should record on job candidates 'resumes about their attendance time (overtime, shift work) or willingness to work on call during the interview stage.

3. Humane treatment:

Prohibition of harassment and inhumane treatment, including sexual harassment, abuse, forced labor, corporal punishment, threats, exploitation, psychological and physical oppression or verbal abuse and humiliation.

4. Diversity and equality in employment:

Employee selection is based on the required skills to fulfill job duties, and recruitment, education and training, performance evaluation, rewards, promotion, transfer, retirement, and other employment conditions should not have discriminatory practices based on gender, religion, race, nationality, age, sexual orientation, disability, or any other legally protected status are prohibited.

The percentage of employees with disabilities was 0.64%. This is to ensure and promote employment opportunities for people with disabilities.

The employee profile was as follows in February 2025: women accounted for 40.9%, and foreign employees accounted for 29%, ensuring the workplace diversity.

Establishing measures of sexual harassment prevention in the company's rules and regulations and setting up a sexual harassment complaint hotline and email address.

Organizing selection activities for excellent employee of the year, based on their performance in various aspects, and provide rewards to the selected ones as well as publicly recognize their achievements.

The starting salary for personnel in the same job category should not be different due to gender or age. °

5. Time management:

Committing to complying with the legal regulations regarding working hours and overtime pay.

Encourage employees to balance work and life, and implement a leave system. The unused annual leave days at the end of the year will be

converted into salary and paid to employees. °

6. Communication management:

Establishing employee communication channels in accordance with local laws and regulations.

Holding a management and labor council every three months to encourage communication of opinions between labor and management.

Setting up labor opinion boxes and complaint email boxes that provides employees with a channel for providing suggestions and feedback.

7. Occupational development:

Promoting employee development opportunities that allows employees to apply for training based on the required skills for completing their job duties, or the company provide necessary training based on the employee's work performance and career development needs, which can enhance the employee's work abilities and technical skills.

8. Health and safety :

Providing a safe and healthy working environment that involves committing to establishing and maintaining an occupation safety and health management system in accordance with applicable safety and health regulations. This system should include planning safe and healthy operational procedures, supervising their implementation, and continuously improving workplace safety and employee health performance.

B. Salary and benefits policies:

1. Compliance with legal regulations:

Providing employee compensation and benefits in compliance with applicable legal regulations, including the minimum wage, overtime pay, leave, and benefits required by the regulation.

2. Continuously promoting a performance-oriented compensation and benefits system, fairly and reasonably rewarding employees for their contributions:

(1) Internally, using job evaluation to fairly reflecting the relative job value and contribution to the organization for each position.

(2) Externally, the job grading based on the total sum of knowledge, skills, experience required for each position, the difficulty of problem-solving, the scope of responsibility and authority, and the level of communication skills, etc. In addition, the company references the consumer price index and external salary survey data to determine the salary range for the position, with the expectation that salaries will be higher than the average industry salary level to meet the market competitiveness.

(3) Based on the employee's job performance, evaluation, and reward and punishment records as a reference for annual salary adjustment.

3. Incentive measures:

(1) A working environment of industrial harmony and profit sharing: Allocate not less than 0.5% of the company's annual profits for employee compensation.

(2) Motivate the growth of organizational revenue and profitability: Through the achievement of financial index and balanced scorecard index to reward employees with performance bonuses, stimulate the potential of employees, breakthrough individual normal job

performance, and promote the growth of company's revenue and profitability.

4. Superior to legal welfare items:

Superior to legal welfare items include year-end bonuses, bonus systems, annual salary adjustments, holiday bonuses, birthday vouchers, subsidies for weddings and funerals, annual health examination, the Employee Welfare Committee organizes domestic and overseas employee travel, free lunches and dinners for work overtime, employee education and training subsidies, recognition for senior employees, group insurance, uniforms (in Nantou), free parking for cars and motorcycles (in Nantou), year-end gatherings, etc.

C. Talents nurturing and retention:

Iron Force Industrial Co., Ltd. values talents nurturing and retention, which encourages employees to pursue career development and retention within the organization by linking employee's capability development plans with organizational growth. Moreover, it creates a healthy work environment by providing diverse communication channels for employees.

1. Linking individual career development with the organization growth:

- (1) Through the management policy of the business plan, the company develop a strategic roadmap for 1, 3 and 6 years. In addition, it communicates the company's strategy for the current year from top to bottom, and translate it into annual goals and action plans. Through the regular review and revision of specific, quantifiable, and goal-linked performance indicators to achieve organizational growth objectives.
- (2) Based on a strategic roadmap for 1, 3 and 6 years, annual goals, and actions to evaluate the abilities required by employees to execute the strategy and action plans. Moreover, it links to employee's individual capability development plans, which will assist employees to integrate their personal career goals with company goals, increase job engagement, and reduce turnover due to career mismatch.

2. Creating a diverse communication channel to build a healthy work environment:

(1) Management and labor council:

Through the functions of proposal, report, discussion, and resolution, which addresses issues related to labor welfare planning (such as sports competitions, employee family day activities, subsidies for club activities, etc.), improving work efficiency (such as saving personnel, materials, water and electricity, proposal participation, maintenance and improvement of safety equipment, quality improvement, streamlining of work processes, etc.). After discussion and agreement by the majority of representatives, decisions are made to create a win-win situation for both labor and management.

(2) Employee welfare committee:

According to regulations, the company is required to allocate 0.05% to 0.15% of the total monthly revenue for employee welfare. Iron Force Industrial Co., Ltd. allocates the maximum 0.15% as required by law and it managed by an independent Employee Welfare Committee for coordinated utilization. By promoting employee welfare initiatives, the committee aims to boost employee morale, strengthen the cohesion, and enhance cooperation between labor and management.

(3) Occupational safety and health committee:

Including health and safety issues as regular discussion topics and review relevant safety and health management plans, including

education and training plans, improvement measures for working environment, prevention and management of hazards, internal audits, contractor management, and health promotion, etc. The committee continuously promoting the creation of comfortable and safe working and living environments for employees.

3. Health and Safety in the Workplace

(1) Implementing Occupational Health and Safety Supervision and Management:

To ensure effective management and supervision of safety and health, the company encourages employees to promptly report any issues that may affect safety and health in the workplace to their immediate supervisors. Additionally, employees are encouraged to propose suggestions for improving safety and health during labor-management meetings. Responsible departments will evaluate and respond to these proposals accordingly. Furthermore, the Environmental Health and Safety (EHS) working group conducts hazard identification for all activities and services within the organization annually. They also investigate the needs and expectations of stakeholders to conduct risk and opportunity assessments. Based on identified high-risk and high-opportunity areas, management objectives are established, and management plans are formulated, with progress tracked through regular meetings each quarter. The company places significant emphasis on every workplace accident. Upon receiving reports, the company provides health care for injured colleagues, initiates investigations, devises corrective and preventive measures, and conducts internal advocacy to prevent similar accidents from occurring in the future.

(2) Strengthening Participation and Awareness of Safety and Health

The company believes that fostering a workplace culture of safety and health is fundamental to enhancing employees' awareness of safety and health. Through various channels such as internal and external meetings, educational training, health education campaigns, and health promotion activities, the company disseminates safety and health information to emphasize the importance of safety and health among colleagues. Employees are reminded to prioritize their own safety in the event of encountering hazards in the workplace and to report them promptly.

The company also places importance on employee participation, consultation, and communication. In Taiwan, we have established an Occupational Safety and Health Committee, which convenes quarterly meetings to review and discuss relevant matters. To ensure that employees understand safety and health management practices and outcomes, the company has developed an internal website and information platform dedicated to safety and health. Additionally, immediate communication is facilitated to address feedback and responses from employees, fostering mutual understanding and consensus-building.

(3) 2024 Water Dispenser Inspection

Inspection Results: All inspection results comply with regulatory standards.

Inspection Frequency: The General Affairs Department outsources the regular maintenance of the continuous water supply fixed equipment. The first filter is replaced every 2 months. During replacement, the water dispenser faucet is inspected for dirt or scale, and cleaning or replacement is carried out if abnormalities are found. The second filter is replaced every 5 months, and the third filter is replaced every 8 months. The fourth and fifth filters are replaced based on water quality conditions (excessive TDS or unusual odors). The maintenance results are

recorded in the "Water Quality Inspection and Equipment Maintenance Form for Drinking Water Equipment" and placed in a conspicuous location on the equipment. These records should be kept for two years for verification.

Inspection Standards: In accordance with the regulations of the "Management Measures for the Use and Maintenance of Continuous Water Supply Fixed Equipment for Drinking Water" Article 8, external water quality inspections are conducted every 3 months. The proportion of sampled units is one-eighth. If the water quality exceeds regulatory standards (e.g., "Coliform Bacteria Group" > 6.0 MPN/mL, "Total Bacterial Count" > 100 cfu/mL), actions are taken accordingly. Inspection reports are placed in a conspicuous location on the equipment.

(4) Implementation Plan and Status of Fire Drill in 2024

Drill Type	Frequency	Execution Status	Results
			Participants
1.Fire extinguishing training 2.Reporting training 3.Evacuation guidance training 4.Comprehensive drill a. CPR instruction b. AED training session	Twice a year	May 3, 2024	405
	Twice a year	October 25, 2024	407

Note 3: The salary items of the company are shown as below in Table 2.

- A. Base Salary and allowance: The company references the consumer price index and external salary survey data to determine the salary range for the position, with the expectation that salaries will be higher than the average industry salary level to meet the market competitiveness.
- B. Year-end bonus: The company proposes the year-end bonus based on the performance of each business unit. Upon approval by the Board of Directors, the Human Resources Department will implement the policy.
- C. Annual salary adjustment: (1) The company has established a remuneration committee, which considers the economic growth and inflation forecast published annually by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan and submits a salary adjustment policy to the Board of Directors. Upon approval by the Board of Directors, the Human Resources Department will implement the policy. (2) Employees who have worked for the company for a full year will base on their job performance, evaluation, and reward and punishment records as a reference for annual salary adjustment.
- D. Employee profit-sharing compensation: According to the Articles of Incorporation, if the company has gained profits with a fiscal year, no less than 0.5% of the profits should be reserved as the employee profit-sharing compensation.
- E. Performance bonus: The performance bonus is designed to encourage the growth, with a threshold of financial index and balanced scorecard index (BSC).

Table 2: List of salary items

Name	Base Salary and allowance	Year-end bonus	Employee profit-sharing compensation	Performance bonus	
Characteristic	Fixed pay	Variable pay	Variable pay	Variable pay	
Definition	<ul style="list-style-type: none"> •Remuneration for employees' hard work in their job duties. The company expects that salaries will be higher than the average industry salary level (salary survey \geq P50). 		<ul style="list-style-type: none"> •Profit sharing •Articles of Incorporation for the head office 	<ul style="list-style-type: none"> •Motivate the growth of organizational revenue and profitability •Requires appropriate effort to achieve 	
Qualification threshold	The attendance based on work rules	The attendance based on work rules	The company has gained profits within a fiscal year and has covered the accumulated deficits	Division	<ul style="list-style-type: none"> •Revenue achieves the annual target setting •Profit achieves the annual target setting •Annual target score ≥ 70 points
				Head office	<ul style="list-style-type: none"> •Annual target score of administration department ≥ 70 points •Participation in distribution based on achieving the distribution

Name	Base Salary and allowance	Year-end bonus	Employee profit-sharing compensation	Performance bonus
				threshold for each business unit"
Total amount of the distribution	Σ Monthly salary payable to employees	Σ Employee's fixed pay for 12 months * 2 months* the percentage of incumbency	•Allocate not less than 0.5% of the company's annual profits Profit before income tax of IRF financial statements (excluding investment income) $\geq 0.5\%$	•Σ Profit before income tax of the division's managerial report* 3%
The distribution timeline	The distribution of a fixed date on every month	Before the Lunar New Yea	The distribution before the end of April of the following year	The distribution before the end of July of the following year

Note 4:

- A. Superior to legal welfare items include year-end bonuses, bonus systems, annual salary adjustments, holiday bonuses, birthday vouchers, subsidies for weddings and funerals, annual health examination, the Employee Welfare Committee organizes domestic and overseas employee travel, free lunches and dinners for work overtime, employee education and training subsidies, recognition for senior employees, group insurance, uniforms (in Nantou), free parking for cars and motorcycles (in Nantou), year-end gatherings, etc. Building a good relationship of mutual trust with employees through enriching and stabilizing employee's lives with welfare system and a good education and training system.
- B. The establishment of employee welfare committee: According to regulations, the company is required to allocate 0.05% to 0.15% of the total monthly revenue for employee welfare. Iron Force Industrial Co., Ltd. allocates the maximum 0.15% as required by law and it managed by an independent Employee Welfare Committee for coordinated utilization. By promoting employee welfare initiatives, the committee aims to boost employee morale, strengthen the cohesion, and enhance cooperation between labor and management.
- C. Retirement pension system and implementation status: The company handles employee retirement matters in accordance with relevant laws and regulations, and contributes pension every month to be deposited in the Department of Trusts, Bank of Taiwan to take care of employees' post-retirement life. For those who choose to apply the Labor Pension Act after July 1, 2005, the company will pay a monthly contribution of 6% of the employee's monthly salary to the individual labor pension accounts at the Labor Pension Fund Bureau, according to the government's salary category chart.
- D. Employees' rights and interests: The company has established "work rules" in accordance with the Labor Standards Act, the Labor Pension Act, and the Employment Service Act to protect employees' rights and interests.

Note 5:

- A. Supplier Management Policy: The company establishes methods for seeking, examining, evaluating, and managing suppliers to ensure that the products, prices, delivery times, compliance, services, production capacity, and health and safety standards provided by selected suppliers meet the company's procurement requirements and pricing policies, hereby referred to as the "Supplier Management Policy."
 - 1. The company formulates corresponding management measures based on differences in products, services, or procurement amounts provided by suppliers.
 - 2. The company establishes a supplier management mechanism to monitor the operational status of suppliers, reduce the operational risks of suppliers, and prevent the impact of these risks on the company. The supplier management mechanism of the company is as follows:
- B. Supplier Evaluation Operations:
 - 1. Establish supplier classifications according to regulations, and have each department evaluate product quality, supply risks, and reduce 1. According to regulations, suppliers are classified, and each department evaluates product quality, supply risks, and cost reduction measures. Environmental health and safety assessments of suppliers are conducted in accordance with the "Supplier Environmental Assessment Management Procedure."
 - 2. The company requires suppliers to provide assurances regarding the absence of harmful substances in their materials. Suppliers will provide Safety Data Sheets (SDS) for control purposes, or the company will provide a "List of Prohibited/Restricted Materials" to suppliers, which will be stipulated in the contract, and the vendors are requested to confirm and sign back.
 - 3. When developing new suppliers, priority is given to suppliers offering products with green labels or environmental certifications. However, those assessed as unsatisfactory during on-site evaluations are excluded.
 - 4. Paper-based documentation of suppliers is subjected to review.
 - 5. On-site evaluations of suppliers:
 - (1) The company conducts on-site evaluations only for Class A suppliers (those providing external products/processes integrated into customer products, such as pipe materials, stamped parts, etc.).
 - (2) The evaluation team fills out evaluation forms based on the supplier's self-assessment questionnaire and on-site findings. After completing the scoring and recommendations, the forms are submitted to the responsible supervisor for approval. Evaluation criteria include organizational systems, equipment specifications, quality control concepts, and quality organization, among others.
 - (3) If an on-site evaluation is unsatisfactory, it is submitted to the responsible supervisor for a joint decision on whether improvement is necessary. If improvement is deemed necessary, the procurement department notifies the supplier to make improvements within a specified period. Once improvements are completed, the company conducts another on-site evaluation.
- C. Supplier Monitoring:
 - 1. Regular supplier evaluations are conducted in accordance with the "Supplier Evaluation Methodology."
 - 2. Supplier performance control: The procurement department completes the "Supplier Performance Control Form" for the previous year by the end of January each year to conduct tracking investigations into their production capacity, in order to understand the supplier's supply capability. Suppliers without production equipment are exempt from this requirement, subject to approval by the responsible supervisor.

3. Withdrawal of registered qualified suppliers: After evaluation, the following occurrences warrant withdrawal upon approval by the responsible supervisor:

- (1) Failure to meet standards in regular supplier evaluations and inability to improve;
- (2) Persistent and significant delays in delivery schedules;
- (3) Suppliers with poor reputations;
- (4) Suppliers disqualified by customers.

D. Specific Management Measures and Implementation of the Supply Chain:

1. Establishment of Supplier Grading System:

The company has established a supplier grading system to identify important suppliers that must undergo evaluation based on their characteristics. A-class suppliers are defined as those significantly impacting the quality and delivery of company products, or those with procurement amounts reaching a certain threshold or proportion.

2. Evaluation of New Suppliers: There are 2 new suppliers in 2024, and 100% of newly engaged suppliers were evaluated based on environmental and social standards as part of our supplier onboarding process. Upon passing the Company's evaluation, suppliers are required to sign the Supplier Code of Conduct on Social Responsibility before becoming a qualified business partner of Iron Force.

3. Audit System for Existing Suppliers:

By the end of 2024, a total of 37 evaluations were conducted for raw material and processing suppliers. The results showed 20 suppliers rated A+, 13 rated A, and 4 rated B, with no non-compliant suppliers identified. In addition, 21 suppliers underwent environmental evaluations, resulting in 6 rated A, 13 rated B, and 2 rated C, with no instances of non-compliance.

Note 6:

Our company collaborates with the Environmental Science and Smart Technology Research Center at Feng Chia University. The project has a duration of 10 months, from January 15, 2024, to October 21 of the same year. The total budget is NT\$150,000.

On January 22, 2024, our company initiated Project B for noise reduction in the operational area of the Nantou factory. The objective of this project is to reduce operational noise in the factory area to comply with labor safety regulations and to further lower the noise level through voluntary improvement measures. This aims to provide employees with a more comfortable working environment, enhance their sense of well-being, and demonstrate the company's commitment to employee care and workplace welfare in line with ESG principles.

The project also involves conducting surveys among on-site employees through the factory's environmental health and safety personnel. The purpose is to identify significant sources of noise as perceived by the employees, determine directions for improvement, and adjust measures for hearing protection. Subsequent surveys will be conducted after the improvements to evaluate the effectiveness of the changes and to provide ongoing follow-up and care regarding the importance of hearing protection, educational training, and health checks for the workers.

As factory operational noise is primarily composed of various sound sources, the project prioritizes conducting noise measurements and testing for improving a single unit within the first-floor processing area of the Nantou factory, which is the area with the highest overall sound volume. The expected benefits include a reduction of at least 5 dB(A) for high-frequency noise from machinery and a reduction of at least 3 dB(A) in the operational area (without interference from other units or fans).

Note 7:

To support local education, our company plans to collaborate with universities and colleges to engage in industry-academia cooperation. After conducting visits, we found that universities and colleges in the operating area of our Nantou plant, such as those in Nantou County and City, lack research experience and expertise in improving factory noise pollution. Therefore, our Nantou plant has expanded its reach to Feng Chia University in Taichung City and collaborated with its Environmental Technology and Intelligence Research Center on the "Workplace Noise Improvement Project." This initiative aims to allow students to learn theoretical knowledge in the classroom while gaining practical experience in the workplace. Professors will lead students in participating in workplace environmental improvement projects, facilitating a seamless transition from campus to the workplace and fostering a research process that integrates theoretical learning with practical work experience.

In 2024, the collaboration between academia and industry resulted in significant advancements.		
Category	School	Contract Signing Investment Amount
Industry-Academia Collaboration	Feng Chia University Center for Environmental Science and Technology and Wisdom Research	NT\$150,000

Note 8:

In 2023, our subsidiary, Huzhou Iron Force Metal Products Co., Ltd., installed a solar roof with an area of 13,332.9 square meters, featuring a solar power station capacity of 979 kWp. It commenced power generation on January 10, 2023, with an estimated annual power generation of 87 kWh. This initiative is expected to save approximately RMB 162,000 in electricity costs annually. Over a 25-year period following the completion of the power station, it is projected to supply 21.9054 million kWh of electricity to the grid, reducing standard coal consumption by 6935.578 tons, CO₂ emissions by about 18,510.035 tons, SOX emissions by approximately 140.986 tons, and NOX emissions by about 47.753 tons.

Starting from 2023, our subsidiary Huzhou Iron Force Metal Products Co., Ltd., has leased energy-saving air compressors, expecting to save 1.7 kW/min, resulting in an annual energy saving of 1,429,632 kW.

2.3.5 Information Pertaining to Climate:

1 Status of Implementation Regarding Climate-Related Information

Item	Execution Status
1. Detail the supervisory and governance roles of the Board of Directors and management regarding climate-related risks and opportunities.	1.The Board of Directors serves as the highest governing body for climate risk management. The President acts as the convener and leads the Sustainability Development Task Force, which regularly gathers information on key climate-related risks and opportunities based on peer sustainability reports and international trends. The team holds annual meetings to assess the potential impacts and formulate corresponding response measures. The results of climate governance efforts are summarized and reported to the Board of Directors at least once per year.
2. Describe the impact of recognized climate risks and opportunities on the company's operations, strategic planning, and financial health over short, medium, and long-term periods.	<p>1.The scope and boundary of the Company's climate risk assessment include Iron Force Industrial Co., Ltd. and its factory located in the Nantou Nangang Industrial Park. Subsidiaries outside Taiwan that are included in the consolidated financial statements are not covered in this assessment.</p> <p>2.Through cross-departmental discussions, the Company has identified short-, medium-, and long-term climate risks and opportunities and developed relevant response policies accordingly.</p> <p>3.Key risks the Company faces include changes in customer behavior and the increasing demand for low-carbon products. These shifts within the value chain may potentially impact the Company's revenue. In terms of physical risks, severe typhoons, floods, and other extreme weather events could affect both Iron Force's operations and its suppliers, leading to reduced production stability. On the other hand, by proactively responding to sustainability trends and meeting customer needs in a timely manner, the Company can improve customer loyalty, reduce R&D lead time and costs, and increase overall revenue.</p>
3. Explain how extreme weather events and measures taken to adapt to or mitigate climate change affect the company's financial situation.	The identified climate change risks and opportunities have been analyzed by comprehensively considering factors such as the likelihood and timeframe of occurrence, as well as the potential level of impact on the Company. Each item has been individually assessed to determine its possible operational and financial implications for the Company.

Item	Execution Status
4. Explain the process of integrating the identification, evaluation, and management of climate-related risks into the company's comprehensive risk management framework	The Company's Sustainability Development Task Force collects climate-related risks and opportunities highlighted by industry peers and global trends. Through cross-departmental discussions and identification processes, the Task Force evaluates the severity, likelihood, and potential impact on the Company. The identification and assessment procedures are integrated into the overall enterprise risk management framework.
5. When employing scenario analysis to assess our resilience against climate change risks, it's important to detail the specific scenarios, parameters, assumptions, and analytical factors we've used, along with the primary financial impacts anticipated.	The Company has not yet adopted scenario analysis to assess its resilience to climate change risks. However, plans include utilizing scenario analysis to quantify the potential financial impacts of key climate-related risks and opportunities. In doing so, the Company will refer to industry assessments and macroeconomic analyses published by reputable domestic and international institutions. These references will cover aspects such as the impact on the automotive parts industry, costs associated with climate transition risks, and industry entry barriers. Through scenario analysis, the Company aims to evaluate climate-related financial impacts from multiple perspectives across different timeframes and scenarios.
6. Should there be a strategic plan in place to address climate-related risks, it's important to detail the specifics of this plan. This includes outlining the measures, indicators, and goals set forth to both identify and effectively manage the direct physical risks and the broader transition risks associated with climate change.	The Company's transition plan for managing climate-related risks is currently under development. It is expected to focus on three strategic pillars: regulatory compliance, infrastructure and equipment upgrades, and greenhouse gas inventory. These strategies aim to address both physical and transition risks associated with climate change.
7. When employing internal carbon pricing as a strategy for planning, it's essential to detail the foundations upon which these prices are established.	The Company has not yet implemented internal carbon pricing. Looking ahead, in response to global carbon reduction trends and in support of the concept of "science-based decarbonization and valuing carbon rights," the Company plans to develop and promote carbon reduction-related management systems.
8. When setting climate-related objectives, it's crucial to detail the specific activities involved, the categories of greenhouse gas emissions addressed, the timeline for planning, and the progress achieved annually. Additionally, if the strategy includes using carbon offsets or Renewable Energy Certificates (RECs) to meet these objectives, it's important to disclose the origin and volume of the carbon credits offset or the quantity of RECs utilized.	Since 2023, the Company has conducted greenhouse gas (GHG) inventories covering its headquarters and factory sites, with 2023 established as the base year. Going forward, the Company will set corresponding carbon reduction targets and conduct annual inventories to continuously monitor and track performance. GHG inventories for overseas subsidiaries will also be progressively carried out.
9. The status of our greenhouse gas inventory and verification, along with our goals for reduction, strategic approaches, and detailed plans for action, will be elaborated upon in sections 1-1 and 1-2.	1. GHG Inventory and Assurance Disclosure Requirements: The Company is required to disclose its 2025 standalone GHG inventory in 2026, and its 2026 consolidated GHG inventory in 2027. Furthermore, standalone assurance results for 2027 must be disclosed in 2028, and consolidated assurance

Item	Execution Status
	<p>results for 2028 must be disclosed in 2029. As disclosure is not currently required, this item is not applicable currently.</p> <p>2. Carbon Reduction Targets, Strategies, and Action Plans: The Company is required to disclose carbon reduction targets, strategies, and concrete action plans by 2027, using no later than 2026 as the base year. As disclosure is not currently required, this item is not applicable currently.</p>

1-1 An overview of the company's greenhouse gas emissions inventory and verification for the past two fiscal years.

1-1-1 Details on the inventory of greenhouse gas emissions.

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/million yuan) and data coverage of greenhouse gases in the past two years.

Regarding our greenhouse gas inventory and assurance, the Company is required to disclose individual greenhouse gas (GHG) inventory data for the year 2025 in 2026, and consolidated GHG inventory data for the year 2026 in 2027. Additionally, individual GHG assurance results for the year 2027 must be disclosed in 2028, and consolidated GHG assurance results for the year 2028 in 2029. As disclosure is not currently required, this item is not applicable at this time.

1-1-2 Greenhouse Gas for Confirmation Information

Describe the confidence situation in the last two years as of the publication date of the annual report, including the scope of the confidence, the organization of the confidence, the criteria for the confidence and the opinion of the confidence.

Regarding our greenhouse gas inventory and assurance, the Company is required to disclose individual greenhouse gas (GHG) inventory data for the year 2025 in 2026, and consolidated GHG inventory data for the year 2026 in 2027. Additionally, individual GHG assurance results for the year 2027 must be disclosed in 2028, and consolidated GHG assurance results for the year 2028 in 2029. As disclosure is not currently required, this item is not applicable at this time.

1-2 Objectives, strategies, and detailed action plans for reducing greenhouse gas emissions.

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.

Regarding carbon reduction targets, strategies, and action plans, the Company is required to disclose carbon reduction targets, strategies, and concrete action plans in 2027, using 2026 as the base year at the latest. As disclosure is not currently required, this item is not applicable.

2.3.6 Ethical corporate management-implementation status and deviations from the ethical corporate management best practice principles for TWSE/TPEX listed companies and the reasons :

Evaluation item	Implementation status			Deviations from the ethical corporate management best practice principles for TWSE/TPEX listed companies and the reasons
	Yes	No	Summary description	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?</p>	V		<p>(1) The company has established the "Ethical Corporate Management Operational Procedures and Guidelines" and "Corporate Governance Best Practice Principles", and actively promotes the basic spirit of ethical corporate management at board meetings and management meetings at all levels within the company.</p> <p>(2) The company is committed to ethical corporate management and has established the "Ethical Corporate Management Operational Procedures and Guidelines" to ensure compliance with relevant laws and regulations. The company has also set rules on attendance, performance evaluation, rewards and punishments, and promotion in the work rules for employees to follow. In order to ensure the implementation of ethical corporate management, the company has established effective accounting systems and internal control systems, including the "Ethical Corporate Management Operational Procedures and Guideline", "Internal Major</p>	No major difference

Evaluation item	Implementation status			Deviations from the ethical corporate management best practice principles for TWSE/TPEX listed companies and the reasons
	Yes	No	Summary description	
(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		Information Processing and Insider Trading Prevention Procedures " and "Group Enterprises, Specific Companies, and Related Party Transaction". Moreover, the internal audit team will regularly check and review audit reports to ensure the continued effectiveness of these systems. (3) The company's website has disclosed the relevant responsible personnel, contact telephone numbers, email addresses, and other related information of each department. The company's website: https://www.irf.biz/ Complaint box: announcer@irf.com.tw	
2. Ethical management practice (1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	V		(1) The personnel of the company shall avoid business transactions with a supplier, agent, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel of the company shall immediately cease dealing with the counterparty in order to implement to ethical corporate management policy.	No major difference
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year)	V		(2) The company designates the Administration Department as the specialized unit responsible for overseeing operations related to ethical	

Evaluation item	Implementation status			Deviations from the ethical corporate management best practice principles for TWSE/TPEX listed companies and the reasons
	Yes	No	Summary description	
<p>report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?</p> <p>(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?</p>	V		<p>corporate management and submitted a report to the board of directors on November 1, 2024. (Note 1)</p> <p>(3) The company adheres to a set of regulations for transactions with group enterprises, specific companies, and related parties, including "Group Enterprises, Specific Companies, and Related Party Transaction Management Procedures," "Internal Major Information Processing and Insider Trading Prevention Procedures," and "Regulations Governing Procedure for Board of Directors Meetings." The company also provides appropriate channels for reminding board members and executives of any potential conflicts of interest they may have with the company. Company directors should uphold high degree of self-discipline and, when a proposal on which they have a personal or corporate interest conflict may damage the company's interests, they may state their opinions and respond but may not participate in discussion or voting. They must recuse themselves during discussion and voting and cannot act as proxies for other directors. Directors should also uphold self-discipline and not support one another.</p>	No major difference
(4) Does the company have effective accounting and	V		(4) The company has established an accounting	

Evaluation item	Implementation status			Deviations from the ethical corporate management best practice principles for TWSE/TPEX listed companies and the reasons
	Yes	No	Summary description	
<p>internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?</p> <p>(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?</p>	V		<p>system and internal control system, which are continuously reviewed to ensure the design and implementation of the systems remain effective. The internal audit unit regularly checks compliance with the systems based on audit plans and submits audit reports to the board of directors.</p> <p>(5) During the quarterly business meetings, the company strengthens the promotion of the concept of ethical corporate management and publishes relevant internal regulations on its website to remind all employees to comply with. them.</p>	
<p>3. Implementation of complaint procedures</p> <p>(1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?</p> <p>(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and</p>	V		<p>(1) The company has established relevant processing procedures in the "Work Rules" and "Ethical Corporate Management Operational Procedures and Guidelines," set up a labor opinion box and an employee complaint box to provide employees with the suggestion channels and strengthen the labor relations. The Company's website has an investor service window and contact information for the responsible personnel, and an email address: announcer@irf.com.tw.</p> <p>(2) The company's complaint procedures follow the administrative system. When a complaint is submitted, the respective unit supervisor shall</p>	No major difference

Evaluation item	Implementation status			Deviations from the ethical corporate management best practice principles for TWSE/TPEX listed companies and the reasons
	Yes	No	Summary description	
<p>mechanisms ensuring such complaints are handled in a confidential manner?</p> <p>(3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?</p>	V		<p>immediately investigate or handling of submissions and reports, and reply to the complainant with the results or handling situation.</p> <p>(3) The company designates the Administration Department as the specialized unit to ensure that the identity of the whistleblower and the content of the report shall be kept in confidential.</p>	
<p>4. Strengthening information disclosure</p> <p>(1) Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?</p>	V		<p>The company has disclosed the "Ethical Corporate Management Operational Procedures and Guidelines" and related information on the corporate governance section of the company website and the Market Observation Post System (MOPS).</p> <p>The company website: http://www.ironforce.com.tw</p>	No major difference

5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: No major difference.

6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies:

Note 1 : The company implements the policy of ethical corporate management and its related execution as follows:

Item	Description
Job Duties	<p>According to Article 4 of our company's "Code of Conduct and Operating Procedures," we conduct business activities based on the principles of fairness, honesty, integrity, and transparency. To implement our corporate policies and actively prevent dishonest behavior, the Administration Department is designated as the specialized unit. It is allocated with sufficient resources and qualified personnel to handle the following tasks, reporting to the board of directors annually:</p> <ol style="list-style-type: none"> 1.Assisting in integrating integrity and ethical values into the company's business strategy and collaborating with regulatory compliance to establish relevant preventive measures. 2.Regularly analyzing and assessing the risks of dishonest behavior within our business scope, and developing preventive measures accordingly. Standard procedures and behavioral guidelines are established within each plan. 3.Organizing internal structures, staffing, and responsibilities to implement mutual supervision mechanisms for activities at higher risk of dishonest behavior within the business scope. 4.Promoting and coordinating integrity policy advocacy and training. 5.Planning a whistleblowing system to ensure its effectiveness in execution. 6.Assisting the board of directors and management in auditing and evaluating the effectiveness of established preventive measures for integrity management. Regular evaluations of adherence to relevant business processes are conducted, and reports are generated accordingly. 7.Creating and properly preserving documentation related to the integrity management policy, compliance statements, commitments, and execution status.
Board Report	The latest report on the implementation status was presented to the board of directors on November 1, 2024.
Integrity Management Policy	Adhering to the company's business philosophy, we formulated the "Integrity Operation Procedures and Code of Conduct," which was approved by the board of directors in the 2014 fiscal year. This document outlines specific practices for conducting business with integrity and guidelines for preventing dishonest behavior.
Prevention Plan	<ol style="list-style-type: none"> 1.Establishment of the "Integrity Operation Procedures and Code of Conduct" to: <ol style="list-style-type: none"> (1) Establish a positive behavioral model among company colleagues that aligns with ethical standards. (2) Uphold the integrity-based corporate culture and ensure its healthy development, while establishing a model for good business operations. (3) Standardize the matters that company personnel should pay attention to when performing their duties. 2.Invitation of lawyers to conduct digital training sessions on topics such as "bribery, kickbacks, bid rigging, concurrent employment, item custody, confidentiality, information security, and consequences of violations." The duration of the course is 79 minutes, and it is scheduled to be implemented as part of the orientation program for new employees, enabling them to understand the standards of behavior and attitude expected of employees of the company. 3.Formulation of the "Employee Clean and Self-discipline Commitment" and the "Cooperative Supplier Integrity Commitment" to enable employees and suppliers to: <ol style="list-style-type: none"> (1) Have a legal basis for adhering to integrity in business operations and occupational ethics. (2) Recognize the company's emphasis on the concept of integrity-based management. 4.The Audit Department carries out routine audits in accordance with the annual audit plan approved by the board of directors, and conducts special audits as needed to reduce possible deficiencies in internal control systems and provide improvement recommendations. Upon completion of the audit operations, an audit report is issued, submitted for approval by the chairman, and presented to the board of directors, thereby implementing the spirit of corporate governance.

	5. Establishment of an open and transparent whistleblowing channel, along with whistleblowing procedures and processing protocols, to facilitate reporting by both internal and external individuals. Additionally, implementation of a mechanism to protect whistleblowers.
Current Year Execution	<p>1.Education and Training: In order to emphasize integrity in the workplace and eradicate behaviors that violate the law, such as bribery or corruption, all new employees are required to sign the "Employee Clean and Self-discipline Commitment" upon joining the company, with a completion rate of 100%, totaling 100 individuals.</p> <p>2.Supplier Integrity Commitment: To ensure the quality of procurement work and prevent occupational crimes and other improper behaviors, all newly onboarded suppliers are required to sign the "Cooperative Supplier Integrity Commitment" with a completion rate of 100%. In the current year, this commitment was executed with 6 new suppliers, totaling 143 suppliers. This initiative aims to establish an environment of integrity in transactions and foster mutually beneficial cooperation, while collectively combating illegal activities such as commercial bribery.</p> <p>3.Promotion of Annual Audits.</p> <p>4.Enhancement of Whistleblowing Mechanism: Whistleblowing email: terrylin@irf.com.tw.</p>

2.3.7 Other important information that can enhance the understanding of corporate governance status can also be disclosed:

1. The company's director continuing education in fiscal year 2024: The company's continuing education of directors complies with the "Guidelines for Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies."

Job title	Name	Date of appointment	Date of continuing education		Organizer	Title of the course	Continuing education hours
Corporate director representative: Chairman	HUANG, CHENG-I	11/23/2003	07/26/2024	07/26/2024	Taiwan Corporate Governance Association	Starting from TIPS: Building Intellectual Property Risk Prevention and Control for Enterprises	3.0
			08/23/2024	08/23/2024	Taiwan Corporate Governance Association	Preventing Labor Disputes and Enhancing Corporate Governance	3.0
Director	HUANG, CHENG-CHUNG	11/23/2003	05/28/2024	05/28/2024	Taiwan Corporate Governance Association	The New Generation of AI: ChatGPT and the Shift in Industry Trends	3.0
			06/16/2024	06/16/2024	Taiwan Investor Relations Institute	Hostile Takeovers: Focusing on Securing Management Control	3.0
			07/21/2024	07/21/2024	Taiwan Investor Relations Institute	The Functions and Prospects of Carbon Exchanges & How the Board of Directors Oversees the Establishment and Enhancement of Risk Management Mechanisms	3.0
Corporate director representative: Director	WAY, YUNG-DO	06/20/2012	03/06/2024	03/06/2024	Taiwan Corporate Governance Association	2024 Global Economic Outlook	1.0
			05/09/2024	05/09/2024	Taiwan Academy of Banking and Finance	Introduction to Financial Regulations on Fair and Friendly Treatment of Elderly Customers and Policyholders' Rights	3.0
			07/03/2024	07/03/2024	Taiwan Academy of Banking and Finance	The Era of Carbon Pricing and Corporate ESG Actions	3.0
Corporate director representative: Director	LIN CHIN-NENG	06/27/2016	07/03/2024	07/03/2024	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6.0
Corporate director representative: Director	HUANG, I-YANG	06/21/2024	11/05/2024	11/05/2024	Taiwan Corporate Governance Association	How to Design a Corporate Sustainability Roadmap	3.0
			11/08/2024	11/08/2024	Taiwan Corporate Governance Association	Planning Equity Investments and Mergers & Acquisitions: Practical Analysis of Joint Venture Agreements	3.0
			11/12/2024	11/12/2024	Taiwan Corporate Governance Association	Innovative Thinking for Corporate Growth in the Era of AI	3.0
			12/24/2024	12/24/2024	Taiwan Corporate Governance Association	Infinite Opportunities in the Net-Zero Pathway: Strategic Directions from an Industry Perspective	3.0

Job title	Name	Date of appointment	Date of continuing education		Organizer	Title of the course	Continuing education hours
Corporate director representative: Director	HUANG, YI-FAN	06/21/2024	09/06/2024	09/06/2024	Taiwan Corporate Governance Association	Strategic Considerations for Corporate Group Restructuring	3.0
			10/28/2024	10/28/2024	Taiwan Corporate Governance Association	Enhancing Internal Control Functions and Board Operation Mechanisms: Analysis of Fraud Cases	6.0
			11/15/2024	11/15/2024	Taiwan Corporate Governance Association	Comprehensive Intellectual Property Protection Strategies: New Perspectives on AI-Assisted IP Compliance Management	3.0

Job title	Name	Date of appointment	Date of continuing education		Organizer	Title of the course	Continuing education hours
Independent director	WU, SU-HUAN	06/18/2013	08/28/2024	08/28/2024	Computer Audit Association	Practical Exercises in Big Data Auditing Techniques and Big Data Governance	6.0
Independent director	CHANG, YING-LING	06/21/2024	08/20/2024	08/20/2024	Taiwan Corporate Governance Association	The Era of Carbon Pricing: How Should Enterprises Respond?	3.0
			08/23/2024	08/23/2024	Taiwan Corporate Governance Association	Preventing Labor Disputes and Enhancing Corporate Governance	3.0
			09/03/2024	09/03/2024	Taiwan Corporate Governance Association	Comprehensive Launch of Corporate Innovation and Growth	3.0
			11/12/2024	11/12/2024	Taiwan Corporate Governance Association	Innovative Thinking for Corporate Growth in the AI Era	3.0
Independent director	CHEN, KUO-AN	06/21/2024	07/19/2024	07/19/2024	Taiwan Corporate Governance Association	Best Practices for the Exercise of Audit Committee Powers: The Role and Function of the Convener	3.0
			10/04/2024	10/04/2024	Taiwan Corporate Governance Association	2024 Insider Trading Prevention Advocacy Seminar	3.0
			10/29/2024	10/29/2024	Taiwan Stock Exchange and BCSD Taiwan	Building a New Carbon Era with Sustainability Knowledge Advocacy Seminar	6.0

2. Director's Liability Insurance Coverage Status:

Reported in the 4th time 18th session Board Meeting on November 1th, 2024.

Insured party	Insurance company	Insurance amount	Insurance period:	Coverage status	Remarks
		(NT\$)			
All directors	South China Insurance Company, Ltd.	63,830,000	Begin: September 19th, 2024	Continuously insured	The insurance amount is equivalent to USD 2,000,000 based on the exchange rate of NT\$ 31.9150
			Until: September 19th, 2025		

2.3.8 Disclosure on the implementation of internal control system:

A. Statement on Internal Control:

Iron Force Industrial Co., Ltd.
Statement on Internal Control

Date: February 27, 2025

The Company states the following with regard to its internal control system during fiscal year 2024, based on the findings of its self-assessment:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), the reliability, timeliness, and transparency of reporting, and compliance with applicable norms and applicable laws, regulations, and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three objectives mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.
3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinbelow, the“Regulations”). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. Control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring activities. Each element further contains several items. Please refer to the Regulations for details.
4. The Company has assessed the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the assessment mentioned in the preceding paragraph, the Company believes that as of December 31, 2024 its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for understanding the degree of achievement of operational effectiveness and efficiency objectives, the reliability, timeliness, and transparency of reporting, and compliance with applicable norms and the major laws, regulations, and bylaws, effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.
6. This Statement will become a major part of the content of the Company's Annual Report and Prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement has been passed by the Board of Directors Meeting of the Company held on February 27, 2025, nine attending directors all affirmed the content of this Statement.

Iron Force Industrial Co., Ltd.

Chairman: HUANG, CHENG-I (signature)

President: HUANG, CHENG-CHUNG (signature)

2. The accountant commissioned to review the internal control system should disclose in the audit report: None.

2.3.9 Key resolutions adopted by the Shareholders' Meeting and the Board of Directors in recent fiscal year up to the publication date of this annual report:

1. Major resolutions of the shareholders' meeting in the fiscal year 2024:

Resolutions		Status of implementation										
<p>1. Acknowledgment of the 2023 Business Report and Financial Statements.</p> <p>Resolution: The voting results for this resolution are as follows, with the number of voting rights present at the time of the vote: 50,742,628 of voting rights.</p> <table><tr><th>Voting results</th><th>Number of voting rights represented %</th></tr><tr><td>Number of affirmative votes: 48,318,964 of voting rights</td><td>95.22%</td></tr><tr><td>Number of negative votes: 69,147 of voting rights</td><td>0.13%</td></tr><tr><td>Number of invalid votes: 0 of voting right</td><td>0%</td></tr><tr><td>Number of abstentions and non-votes: 2,354,517 of voting rights</td><td>4.64%</td></tr></table> <p>The proposal was passed as originally proposed.</p>		Voting results	Number of voting rights represented %	Number of affirmative votes: 48,318,964 of voting rights	95.22%	Number of negative votes: 69,147 of voting rights	0.13%	Number of invalid votes: 0 of voting right	0%	Number of abstentions and non-votes: 2,354,517 of voting rights	4.64%	Handle in accordance with the resolution content.
Voting results	Number of voting rights represented %											
Number of affirmative votes: 48,318,964 of voting rights	95.22%											
Number of negative votes: 69,147 of voting rights	0.13%											
Number of invalid votes: 0 of voting right	0%											
Number of abstentions and non-votes: 2,354,517 of voting rights	4.64%											
<p>2. Proposal of the profit distribution in fiscal year 2023.</p> <p>Resolution: The voting results for this resolution are as follows, with the number of voting rights present at the time of the vote: 50,742,628 of voting rights.</p> <table><tr><th>Voting results</th><th>Number of voting rights represented %</th></tr><tr><td>Number of affirmative votes: 48,342,964 of voting rights</td><td>95.27%</td></tr><tr><td>Number of negative votes: 69,147 of voting rights</td><td>0.13%</td></tr><tr><td>Number of invalid votes: 0 of voting right</td><td>0%</td></tr><tr><td>Number of abstentions and non-votes: 2,330,517 of voting rights</td><td>4.59%</td></tr></table> <p>The proposal was passed as originally proposed.</p>		Voting results	Number of voting rights represented %	Number of affirmative votes: 48,342,964 of voting rights	95.27%	Number of negative votes: 69,147 of voting rights	0.13%	Number of invalid votes: 0 of voting right	0%	Number of abstentions and non-votes: 2,330,517 of voting rights	4.59%	
Voting results	Number of voting rights represented %											
Number of affirmative votes: 48,342,964 of voting rights	95.27%											
Number of negative votes: 69,147 of voting rights	0.13%											
Number of invalid votes: 0 of voting right	0%											
Number of abstentions and non-votes: 2,330,517 of voting rights	4.59%											
		<p>1. The company has decided on the date: June 26, 2024</p> <p>2. Types and amounts of dividends to be distributed: Common stock cash dividend NT\$ 378,901,405, distribution per share NT\$ 5.00.</p> <p>3. Ex-dividend date: July 17, 2024</p> <p>4. Last date of registration: July 18, 2024</p> <p>5. Starting date of share transfer suspension: July 19, 2024</p> <p>6. Deadline for share transfer suspension: July 23, 2024</p> <p>7. Record date for dividend distribution: July 23, 2024</p> <p>8. Cash dividend was distributed on August 9, 2024</p>										

Resolutions	Status of implementation																				
<p>3. Proposal for the Election of new directors Full Re-election of the Company's Nine Directors (Including Three Independent Directors) Summary of Director Election Results – List of Elected Directors.</p> <table border="1"> <thead> <tr> <th>Voting results</th><th>Voting Rights Count</th></tr> </thead> <tbody> <tr> <td>Meng Ching Investment Co., Ltd Representative: HUANG, CHENG-I</td><td>67,903,457 Votes</td></tr> <tr> <td>HUANG, CHENG-CHUNG</td><td>56,402,537 Votes</td></tr> <tr> <td>YCSY Co., Ltd. Representative: WAY, YUNG-DO</td><td>48,062,955 Votes</td></tr> <tr> <td>I Yang Investment Ltd. Representative: HUANG, I-YANG</td><td>46,088,620 Votes</td></tr> <tr> <td>I Fan Investment Ltd. Representative: HUANG, YI-FAN</td><td>44,035,693 Vote</td></tr> <tr> <td>Meng Ching Investment Co., Ltd Representative: LIN CHIN-NENG</td><td>43,174,811 Votes</td></tr> <tr> <td>WU, SU-HUAN</td><td>41,556,361 Votes</td></tr> <tr> <td>CHANG, YING-LING</td><td>39,901,283 Votes</td></tr> <tr> <td>CHEN, KUO-AN</td><td>38,971,039 Votes</td></tr> </tbody> </table>	Voting results	Voting Rights Count	Meng Ching Investment Co., Ltd Representative: HUANG, CHENG-I	67,903,457 Votes	HUANG, CHENG-CHUNG	56,402,537 Votes	YCSY Co., Ltd. Representative: WAY, YUNG-DO	48,062,955 Votes	I Yang Investment Ltd. Representative: HUANG, I-YANG	46,088,620 Votes	I Fan Investment Ltd. Representative: HUANG, YI-FAN	44,035,693 Vote	Meng Ching Investment Co., Ltd Representative: LIN CHIN-NENG	43,174,811 Votes	WU, SU-HUAN	41,556,361 Votes	CHANG, YING-LING	39,901,283 Votes	CHEN, KUO-AN	38,971,039 Votes	The company has completed the registration change.
Voting results	Voting Rights Count																				
Meng Ching Investment Co., Ltd Representative: HUANG, CHENG-I	67,903,457 Votes																				
HUANG, CHENG-CHUNG	56,402,537 Votes																				
YCSY Co., Ltd. Representative: WAY, YUNG-DO	48,062,955 Votes																				
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CHANG, YING-LING	39,901,283 Votes																				
CHEN, KUO-AN	38,971,039 Votes																				
<p>4. Discussion to approve the lifting of non-competition restrictions for directors and their representatives. Resolution: The voting results for this resolution are as follows, with the number of voting rights present at the time of the vote: 50,742,628 of voting rights.</p> <table border="1"> <thead> <tr> <th>Voting results</th><th>Number of voting rights represented %</th></tr> </thead> <tbody> <tr> <td>Number of affirmative votes: 48,289,389 of voting rights</td><td>95.16%</td></tr> <tr> <td>Number of negative votes: 119,694 of voting rights</td><td>0.23%</td></tr> <tr> <td>Number of invalid votes: 0 of voting right</td><td>0%</td></tr> <tr> <td>Number of abstentions and non-votes: 2,333,545 of voting rights</td><td>4.59%</td></tr> </tbody> </table> <p>The proposal was passed as originally proposed.</p>	Voting results	Number of voting rights represented %	Number of affirmative votes: 48,289,389 of voting rights	95.16%	Number of negative votes: 119,694 of voting rights	0.23%	Number of invalid votes: 0 of voting right	0%	Number of abstentions and non-votes: 2,333,545 of voting rights	4.59%	Handle in accordance with the resolution content.										
Voting results	Number of voting rights represented %																				
Number of affirmative votes: 48,289,389 of voting rights	95.16%																				
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Number of invalid votes: 0 of voting right	0%																				
Number of abstentions and non-votes: 2,333,545 of voting rights	4.59%																				

2. Board resolutions in the fiscal year 2024 and as of the date of publication of the annual report:

Date/Session	Discussion items	Attendees of compensation committee
03.07, 2024 The 17 th session The 13 rd time	1. Approving the 2023 Business Report 2. Approving the 2023 Individual and Consolidated Financial Statements 3.Appointment and remuneration of the company's Certified Public Accountant 4. Periodic evaluation of the independence and competency of the company's CPA 5.Amendments to the compensation policy for directors and functional Committees 6.Approving the distribution of employees' and directors' compensation for 2023 7.Approving the company's 2023 earnings distribution 8.Issuance of the company's 2023 "Statement of Internal Control System" 9.Amendments to the internal control management regulation 10.Proposal for the full re-election of directors 11.Nomination and Review Procedures for Director and Independent Director Candidates 12.Proposal to lift the non-compete restriction on newly appointed directors and their representatives 13. Matters related to convening the 2024 Annual Shareholders' Meeting 14.Acceptance of shareholder proposals and nominations for directors (including independent directors) for the 2024 Shareholders' Meeting 15.Proposal to terminate the endorsement and guarantee limit provided by Huzhou Iron Force Metal Products Co., Ltd. 16.Proposal for Huzhou Iron Force Metal Products Co., Ltd. to provide a loan limit to Zhejiang Iron Force Metal Products Co., Ltd	HUANG, CHENG-I HUANG, CHENG-CHUNG WAY, YUNG-DO – Attend by proxy ZHANG, YUAN-ZHEN SHI, YAO-ZU - Absent WU, SU-HUAN ZHANG, SHA-WEI
05.03, 2024 The 17 th session The 14 th time	1. Approval of the Company's Q1 2024 Consolidated Financial Statements 2. Amendments to the internal control management regulation 3. Proposal for the Distribution of Directors' Remuneration for 2023 4. Renewal of credit facility with Shanghai Commercial & Savings Bank 5. Proposal for Huzhou Iron Force Metal Products Co., Ltd. to Provide a Loan Facility to the Company 6. Proposal for a Cash Capital Increase via New Share Issuance and the Issuance of the Company's Third Domestic Unsecured Convertible Bonds 7. Matters Related to Convening the 2024 Annual General Meeting (Additional Agenda Items)	HUANG, CHENG-I HUANG, CHENG-CHUNG WAY, YUNG-DO ZHANG, YUAN-ZHEN SHI, YAO-ZU - Absent ZHANG, SHA-WEI WU, SU-HUAN
06.21, 2024 The 18 th session The 1 st Special Board of Directors Meeting	1. Election of the Chairman of the Board 2. Appointment of Three Members to the Compensation Committee	HUANG, CHENG-I HUANG, CHENG-CHUNG WAY, YUNG-DO HUANG, I-YANG HUANG, YI-FAN LIN, CHIN-NENG WU, SU-HUAN CHANG, YING-LING CHEN, KUO-AN
07.08, 2024 The 18 th session The 1 st time	1. Proposal for a Cash Capital Increase via New Share Issuance and the Issuance of the Company's Third Domestic Unsecured Convertible Bonds	HUANG, CHENG-I HUANG, CHENG-CHUNG WAY, YUNG-DO HUANG, I-YANG HUANG, YI-FAN – Attend by proxy LIN, CHIN-NENG WU, SU-HUAN CHANG, YING-LING CHEN, KUO-AN
08.02, 2024 The 18 th session The 2 nd time	1. Approving the Company's Q2 2024 Consolidated Financial Statements 2. Renewal of Credit Facility with Taishin International Bank 3. Renewal of Credit Facility for Huzhou Iron Force Metal Products Co., Ltd. with E.SUN Bank (China) Shenzhen Branch 4. Proposal of Loan Facility from Huzhou Iron Force Metal Products Co., Ltd. to Iron Force Poland Sp. z o.o. 5. Proposal for the Employee Stock Option Plan for the 2024 Cash Capital Increase	HUANG, CHENG-I HUANG, CHENG-CHUNG WAY, YUNG-DO HUANG, I-YANG HUANG, YI-FAN – Attend by proxy LIN, CHIN-NENG WU, SU-HUAN CHANG, YING-LING CHEN, KUO-AN

Date/Session	Discussion items	Attendees of compensation committee
08.30, 2024 The 18 th session The 3 rd time	1. Proposal for Managerial Personnel Changes, Appointments, and Compensation 2. List of Managers Eligible for Employee Stock Option Plan in the 2024 Cash Capital Increase New Share Issuance	HUANG, CHENG-I HUANG, CHENG-CHUNG WAY, YUNG-DO HUANG, I-YANG HUANG, YI-FAN LIN, CHIN-NENG WU, SU-HUAN CHANG, YING-LING CHEN, KUO-AN
09.13, 2024 The 18 th session The 2 nd Special Board of Directors Meeting	1. Agreement on disposal of partial factory and land-used right of the Company's Subsidiary, Zhejiang Iron Force Metal Products Co., Ltd	HUANG, CHENG-I HUANG, CHENG-CHUNG WAY, YUNG-DO HUANG, I-YANG HUANG, YI-FAN LIN, CHIN-NENG WU, SU-HUAN CHANG, YING-LING CHEN, KUO-AN
11.01, 2024 The 18 th session The 4 th time	1. Approving the Company's Q3 2024 Consolidated Financial Statements 2. Amendments to the internal control management regulation 3. Renewal of Credit Facility with China Trust Commercial Bank 4. Provision of Guarantee for Subsidiary's Credit Facility at China Trust Commercial Bank Shanghai Branch 5. Proposal of Loan Facility to Subsidiary Iron Force Poland Sp. z o.o. 6. Proposal of Loan Facility from Huzhou Iron Force Metal Products Co., Ltd. to Iron Force Poland Sp. z o.o. 7. Adjustment of Managerial Positions and Remuneration	HUANG, CHENG-I HUANG, CHENG-CHUNG WAY, YUNG-DO HUANG, I-YANG HUANG, YI-FAN LIN, CHIN-NENG WU, SU-HUAN CHANG, YING-LING CHEN, KUO-AN
12.17, 2024 The 18 th session The 5 th time	1. Approving of the operating plan and budget for fiscal year 2025 2. Approving of internal audit plan for fiscal year 2025 3. Renewal of Credit Facility with Yuanta Commercial Bank 4. Proposal for the Sale of Idle Land Owned by the Company's Subsidiary, Cortec GmbH (DHDG) 5. Proposal for Year-End Bonuses for the Chairman, Managers, and Employees of the Company and Its Subsidiaries for Fiscal Year 2024 6. Proposal for Salary Adjustment Policy for the Chairman, Managers, and Employees of the Company and Its Subsidiaries for Fiscal Year 2025	HUANG, CHENG-I HUANG, CHENG-CHUNG WAY, YUNG-DO HUANG, I-YANG HUANG, YI-FAN LIN, CHIN-NENG WU, SU-HUAN CHANG, YING-LING CHEN, KUO-AN

2.3.10 If there are no recorded or written statements from directors or supervisors who have different opinions on important decisions passed by the board of directors in the last year and as of the date of publication of the annual report: None.

2.4 Information on CPA (External Auditor) Professional Fees

2.4.1 Information on CPA (External auditor) professional fees range table:

Unit: NT\$ Thousands

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
PwC Taiwan	CHEN, CHIN-CHANG	From January 1, 2024 to December 31, 2024	2,940	350	3,290	-
	LIN, YI-FAN					

Non-audit fee services include: transfer pricing reports and related expenses, travel expenses of PwC Taiwan, and report printing fees.

2.4.2 It should disclose the amount and reasons for the change in audit fees between the current year and the previous year, when changing accounting firms and experiencing a decrease in audit fees: Not applicable.

2.4.3 It should disclose the decreasing amount, percentage, and reasons in audit fees when the decrease in audit fees compared to the previous year is more than 10%: Not applicable.

2.5 Information on the replacement of CPAs:

2.5.1 About the previous accountant:

Date of replacement	February 27, 2025		
Reason for replacement and explanation	The Company's original CPAs were Chin-Chang Chen and Yi-Fan Lin, both of PwC Taiwan. Due to internal adjustments at PwC Taiwan, from Q1 of 2025, the CPAs were changed to Fu-Ming Liao and Pei-Hua Tsai.		
Explanation that the appointed person or CPA was terminated or did not accept the appointment	Client		CPA
	Status		Consignor
	Appointment terminated automatically	Not applicable	Not applicable
	Appointment rejected (discontinued)	Not applicable	Not applicable
The opinions other than unmodified opinion issued in the last two years and the reasons for the said opinions (note)	None.		
Is there any disagreement in opinion with the issuer	Yes		Accounting principles or practices
			Disclosure of financial reports
			Auditing scope or procedures
			Others
	No	V	

	Explanation: None.
Other Matters to be Disclosed	None.

2.5.2 About the successor accountant:

Name of CPA firm	PwC Taiwan
Names of CPAs	Fu-Ming Liao and Pei-Hua Tsai
Date of appointment	March 12, 2025
Before their appointment, the accounting methods or accounting principles for specific transactions and the possible issuance of financial reports and consultation matters and results	None.
Written opinions of the successor accountant on the dissenting opinions of the former accountant	None.

2.5.3 Response from the previous accountant: N/A.

2.6 The employment of the company's chairman, general manager, financial or accounting manager with the firm of the auditing CPA or its affiliated businesses in the past year: Not applicable.

2.7 Particulars about changes in shareholding and equity pledge of directors, supervisors, managers, and shareholders holding more than 10% of the company's shares in the past year and as of the date of publication of the annual report:

2.7.1 Changes in shareholding of directors, supervisors, managerial officers, and major shareholders

Units: Shares

Job title	Name	Fiscal year 2024		Current fiscal year as of March 31	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Director (and 10% major shareholder)	Meng Ching Investment Co., Ltd.	912,555		—	—
Representative of the director	HUANG, CHENG-I	74,567		—	—
Director and President of Iron Force Group	HUANG, CHENG-CHUNG	1,207		—	—
Representative of the director	CHANG, YUAN-JAN (Note 1)			Not Applicable	Not Applicable
Director	YCSY Co., Ltd.	133		—	—
Representative of the director	WAY, YUNG-DO			—	—
Director	I Yang Investment Ltd. (Note 2)	65,759		—	—
Representative of the director & Group Vice President of the Chairman's Office and Head of Display and Houseware Division, Taiwan	HUANG, I-YANG (Note 2)	17,835		—	—
Director	I Fan Investment Ltd. (Note 2)	61,751		—	—
Representative of the director	HUANG, YI-FAN (Note 2)	289		—	—
Independent director	WU, SU-HUAN			—	—
Independent director	SHIH, YAO-TSU (Note 1)			Not Applicable	Not Applicable
Independent director	CHANG, SHA-WEI (Note 1)			Not Applicable	Not Applicable
Independent director	CHANG, YING-LING (Note 2)	222		—	—
Independent director	CHEN, KUO-AN (Note 2)			—	—
Deputy President of Iron Force Group	LI, ZHI-GANG (Note 3)			Not Applicable	Not Applicable
Director of Auto Parts Division, Huzhou	LIU, SHI-WEI	3,000		—	—

Job title	Name	Fiscal year 2024		Current fiscal year as of March 31	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Director of Auto Parts Division, Taiwan	ZHANG, AN-QI	28,185		—	—
Director of New Business Development Division	LIN, ZHAO-REN	25,000		—	—
Associate Director of Administration Division	LIN, DING-JUN	1,614		—	—
Director of Finance and Accounting Division	CHEN, LI-NUNG	9,000		—	—
Director of Auto Parts Div., Poland.	LU, JEN-HAO (Note 5)	25,000		—	—

Note: 1. Stepped Down After the Full Re-election of Directors at the Shareholders' Meeting on June 21, 2024

2. Newly Appointed After the Full Re-election of Directors at the Shareholders' Meeting on June 21, 2024
3. Retired effective August 31, 2024, and was released from his status as an insider.
4. Title adjusted on November 1, 2024, from Associate Director of the Display and Houseware Division, Taiwan, to Group Vice President of the Chairman's Office and Head of the Display and Houseware Division, Taiwan.
5. Appointed as Deputy General Manager of the Poland Automotive Division, effective September 1, 2024.

2.7.2 Information on transfers of shareholding: Not applicable.

2.7.3 Information on pledges of shareholding: There is no related party situation in which the counterparty of pledges of shareholding has no equity interest.

2.8 Information of shareholding percentage is among the top ten of the company shareholders and the related parties are within the spouses or the second degree of kinship:

Relationships among the top 10 shareholders

Units: Shares

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
MENG CHING INVESTMENT CO., LTD	20,299,041	25.52%	—	—	—	—	Zheng Yu Investment Co., Ltd. HUANG, CHENG-I Fan Yang Investment Co., Ltd. Yang Fan Investment Co., Ltd. Pin Chung Investment Co., Ltd. I Yang Investment Ltd. I Fan Investment Ltd. ZHANG, ZHI-MING	The company's chairman within the second degree of kinship The chairman of the company The chairman is the same person The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The spouse of the company's chairman	—

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Representative: HUANG, CHENG-I	83,742	0.11%	50,967	—	3,111,341	3.91%	Zheng Yu Investment Co., Ltd. Fan Yang Investment Co., Ltd. Yang Fan Investment Co., Ltd. Pin Chung Investment Co., Ltd. I Yang Investment Ltd. I Fan Investment Ltd. ZHANG, ZHI-MING SinoPac Securities Corporation Trust Account	The company's chairman within the second degree of kinship The chairman is the same person The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The spouse	—

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Zheng Yu Investment Co., Ltd.	5,126,433	6.45%	—	—	—	—	MENG CHING INVESTMENT CO., LTD. HUANG, CHENG-I Fan Yang Investment Co., Ltd. Pin Chung Investment Co., Ltd. ZHANG, ZHI-MING	The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship	—
Representative: HUANG, CHENG-CHUNG	33,741	0.04%	—	—	5,126,433	6.45%	MENG CHING INVESTMENT CO., LTD. HUANG, CHENG-I Fan Yang Investment Co., Ltd. Pin Chung Investment Co., Ltd. ZHANG, ZHI-MING	The company's chairman within the second degree of kinship Within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship Within the second degree of kinship	—

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Fan Yang Investment Co., Ltd.	3,111,341	3.91%	—	—	—	—	MENG CHING INVESTMENT CO., LTD. Zheng Yu Investment Co., Ltd. HUANG, CHENG-I Yang Fan Investment Co., Ltd. Pin Chung Investment Co., Ltd. I Yang Investment Ltd. I Fan Investment Ltd. ZHANG, ZHI-MING	The chairman is the same person The company's chairman within the second degree of kinship The chairman of the company The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The spouse of the company's chairman	—

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Representative: HUANG, CHENG-I	83,742	0.11%	50,967	—	3,111,341	3.91%	MENG CHING INVESTMENT CO., LTD. Zheng Yu Investment Co., Ltd. Fan Yang Investment Co., Ltd. Yang Fan Investment Co., Ltd. Pin Chung Investment Co., Ltd. I Yang Investment Ltd. I Fan Investment Ltd. ZHANG, ZHI-MING SinoPac Securities Corporation Trust Account	The chairman of the company The company's chairman within the second degree of kinship The chairman of the company The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The spouse	—
He Fu Investment Ltd.	2,489,073	3.13%	—	—	—	—	None	None	—
Representative: HUANG, JIE-ZHI	21,645	0.03%	—	—	—	—	Zheng Yu Investment Co., Ltd.	The company's chairman within the second degree of kinship	—

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
HUANG, CHENG-I	83,742	0.11%	50,967	—	3,111,341	3.91%	MENG CHING INVESTMENT CO., LTD. Zheng Yu Investment Co., Ltd. Fan Yang Investment Co., Ltd. Yang Fan Investment Co., Ltd. Pin Chung Investment Co., Ltd. I Yang Investment Ltd. I Fan Investment Ltd. ZHANG, ZHI-MING SinoPac Securities Corporation Trust Account	The chairman of the company The company's chairman within the second degree of kinship The chairman of the company The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The spouse	—
Pin Chung Investment Co., Ltd.	2,056,167	2.59%	—	—	—	—	MENG CHING INVESTMENT CO., LTD. Zheng Yu Investment Co., Ltd. HUANG, CHENG-I Fan Yang Investment Co., Ltd. ZHANG, ZHI-MING	The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship	—

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Representative: HUANG, ZHENG-GUAN G	1,026,737	1.29%	398,079	0.50%	—	—	MENG CHING INVESTMENT CO., LTD. Zheng Yu Investment Co., Ltd. HUANG, CHENG-I Fan Yang Investment Co., Ltd.	The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship Within the second degree of kinship The company's chairman within the second degree of kinship Within the second degree of	—
Yang Fan Investment Co., Ltd.	2,026,056	2.55%	—	—	—	—	MENG CHING INVESTMENT CO., LTD. HUANG, CHENG-I Fan Yang Investment Co., Ltd. I Yang Investment Ltd. I Fan Investment Ltd. ZHANG, ZHI-MING	The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The chairman is the same person The company's chairman within the second degree of kinship	—

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Representative: HUANG, I-FAN	289	—	128,394	0.16%	1,725,593	2.17%	MENG CHING INVESTMENT CO., LTD. HUANG, CHENG-I Fan Yang Investment Co., Ltd. I Yang Investment Ltd. I Fan Investment Ltd. ZHANG, ZHI-MING	The company's chairman within the second degree of kinship Within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The chairman is the same person Within the second degree of kinship	—
I Yang Investment Ltd.	1,837,601	2.31%	—	—	—	—	MENG CHING INVESTMENT CO., LTD. HUANG, CHENG-I Fan Yang Investment Co., Ltd. Yang Fan Investment Co., Ltd. I Fan Investment Ltd. ZHANG, ZHI-MING	The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship	—

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Representative: HUANG, I-YANG	94,247	0.12%	—	—	1,837,601	2.31%	MENG CHING INVESTMENT CO., LTD. HUANG, CHENG-I Fan Yang Investment Co., Ltd. Yang Fan Investment Co., Ltd. I Fan Investment Ltd. ZHANG, ZHI-MING	The company's chairman within the second degree of kinship Within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship Within the second degree of kinship	—
I Fan Investment Ltd.	1,725,842	2.17%	—	—	—	—	MENG CHING INVESTMENT CO., LTD. HUANG, CHENG-I Fan Yang Investment Co., Ltd. I Yang Investment Ltd. ZHANG, ZHI-MING	The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The chairman is the same person The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship	—

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Representative: HUANG, I-FAN	289	—	128,394	0.16%	1,725,593	2.17%	MENG CHING INVESTMENT CO., LTD. HUANG, CHENG-I Fan Yang Investment Co., Ltd. I Yang Investment Ltd. ZHANG, ZHI-MING	The company's chairman within the second degree of kinship Within the second degree of kinship The chairman is the same person The company's chairman within the second degree of kinship Within the second degree of kinship	—
ZHANG, ZHI-MING	50,967	0.06%	83,742	0.11%	—	—	MENG CHING INVESTMENT CO., LTD. Zheng Yu Investment Co., Ltd. Fan Yang Investment Co., Ltd Yang Fan Investment Co., Ltd Pin Chung Investment Co., Ltd. I Yang Investment Ltd. I Fan Investment Ltd. HUANG, CHENG-I SinoPac Securities Corporation Trust Account	The spouse of the company's chairman The company's chairman within the second degree of kinship The spouse of the company's chairman The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The company's chairman within the second degree of kinship The spouse	—

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
SinoPac Securities Corporation HUANG, CHENG-I Trust Account	2,000,000	2.64%	—	—	—	—	HUANG, CHENG-I	—	—
SinoPac Securities Corporation ZHANG, ZHI-MING Trust Account	1,290,000	1.70%	—	—	—	—	ZHANG, ZHI-MING	—	—

2.9 The combined shareholding percentage of a company, its directors, supervisors, managerial officers and directly or indirectly controlled by the company in the same re-invested businesses, which shall be calculated and consolidated:

Total ownership of shares in investee enterprises

Unit: Shares; %

Investee enterprise	Investment by the company		Investment by the Directors, supervisors, managerial officers and directly or indirectly controlled entities of the company		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Cortec GmbH	Note 1	100%	—	—	Note 1	100%
Transtat Investment Ltd.	25,996,966	100%	—	—	25,996,966	100%
Zhejiang Iron Force Metal Products Co., Ltd.	Note 1	100%	—	—	Note 1	100%
Huzhou Iron Force Metal Products Co., Ltd.	Note 1	100%	—	—	Note 1	100%
Iron Force Poland Sp. z o.o.	1,600,000	100%	—	—	1,600,000	100%
Cortec Verwaltungs GmbH	Note 1, Note 2	100%	—	—	Note 1, Note 2	100%
Cortec Kunststoff Technik GmbH & Co. KG	Note 1, Note 2	100%	—	—	Note 1, Note 2	100%

Note 1: Limited/ limited partnership is unissued shares, not applicable.

Note 2: Cortec Kunststoff Technik GmbH & Co. KG is limited partnership, which registered business representative in local is general partner: Cortec Verwaltungs GmbH.

III. Capital Overview

3.1 Capital and shares

3.1.1 Sources of capital

(1) Sources of capital

March 31, 2025 Unit: NT\$ Thousands; Thousands shares

Month/ year	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of capital	Capital paid in by assets other than cash	Other
April, 1977	1,000	1	1,000	1	1,000	Registered capital	None	-
Until June, 1995	1,000	12.50	12,500	12.50	12,500	Capital increase	None	-
July, 1998	1,000	39.15	39,150	39.15	39,150	Merger capital increase	None	Note 1
November, 2001	10	11,000	110,000	11,000	110,000	Capital increase	None	Note 2
April, 2003	10	11,100	111,000	11,100	111,000	Capital increase	None	Note 3
December, 2003	10	60,000	600,000	22,200	222,000	Capital increase	None	Note 4
September, 2004	10	60,000	600,000	37,740	377,400	Profits turned into capital increase	None	Note 5
September, 2005	10	60,000	600,000	52,836	528,360	Profits turned into capital increase	None	Note 6
September, 2006	10	70,000	700,000	60,233	602,330	Profits turned into capital increase	None	Note 7
March, 2012	10	70,000	700,000	60,233	602,330	Profits turned into capital increase	None	Note 8
September, 2012	10	70,000	700,000	65,033	650,330	Capital increase	None	Note 9
December, 2013	10	100,000	1,000,000	71,705	717,050	Capital increase	None	Note 10
September, 2015	10	100,000	1,000,000	73,505	735,050	Capital increase	None	Note 11

Month/ year	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of capital	Capital paid in by assets other than cash	Other
November, 2015	10	100,000	1,000,000	74,981	749,810	Corporate bond converts into common stock	None	Note 12
April, 2016	10	100,000	1,000,000	75,484	754,844	Corporate bond converts into common stock	None	Note 13
August, 2016	10	100,000	1,000,000	75,734	757,346	Corporate bond converts into common stock	None	Note 14
January, 2017	10	100,000	1,000,000	75,754	757,547	Corporate bond converts into common stock	None	Note 15
April, 2017	10	100,000	1,000,000	75,758	757,586	Corporate bond converts into common stock	None	Note 16
July, 2017	10	100,000	1,000,000	75,758	757,586	Corporate bond converts into common stock	None	Note 17
August, 2017	10	100,000	1,000,000	75,780	757,803	Corporate bond converts into common stock	None	Note 18
July, 2020	10	130,000	1,300,000	75,780	757,803	Corporate bond converts into common stock	None	Note 19
November, 2024	10	130,000	1,300,000	79,530	795,302	Capital increase	None	Note 20

Month/ year	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of capital	Capital paid in by assets other than cash	Other
March 2025	10	130,000	1,300,000	79,531	795,313	Corporate bond converts into common stock	None	Note 21

Note 1: Issue date and No.: 07.02, 1998 Construction-Ministry-Section C-189259.

Note 2: Issue date and No.: 12.18, 2001 Commerce-Department (90)-09001498990 (Current increase and change in par value to NT\$10 per share).

Note 3: Issue date and No.: 05. 05, 2003 Commerce-Department-09201131640.

Note 4: Issue date and No.: 12.12, 2003 Economic-Affairs-Ministry-09233095550.

Note 5: Issue date and No.: 09.07, 2004 Economic-Affairs-Ministry-09332679200.

Note 6: Issue date and No.: 09.06, 2005 Commerce-Department-09401175250.

Note 7: Issue date and No.: 09.21, 2006 Commerce-Department-09501215600.

Note 8: The company has already amended the Articles of Incorporation during the annual general meeting of shareholders in the fiscal year 2012 on February 17, 2012. The approved amendment raised the authorized capital to 100,000 thousands shares.

Note 9: Issue date and No.: 07.18, 2012 Financial-Supervisory-Securities-Corporate-1010031978.

Note 10: Issue date and No.: 10.01, 2013 Financial-Supervisory-Securities-Corporate-1020039845

Note 11: Issue date and No.: 05.07, 2015 Financial-Supervisory-Securities-Corporate-1040014708.

Note 12: Issue date and No.: 11.26, 2015 Commerce-Department-10401251560.

Note 13: Issue date and No.: 04.01, 2016 Commerce-Department-10501062560.

Note 14: Issue date and No.: 08.25, 2015 Commerce-Department-10501209840.

Note 15: Issue date and No.: 01.06, 2017 Commerce-Department-10501298650.

Note 16: Issue date and No.: 04.07, 2017 Commerce-Department-10601043360.

Note 17: Issue date and No.: 07.03, 2017 Commerce-Department-10601084700.

Note 18: Issue date and No.: 08.29, 2017 Commerce-Department-10601122820.

Note 19: Issue date and No.: 07.30, 2020 Commerce-Department-10901129670.

Note 20: Issue date and No.: 11.05, 2024 Commerce-Department-11330188510.

Note 21: Issue date and No.: 31.03, 2025 Commerce-Department-11430035040.

(2) Type of stock

March 31, 2025 Unit: Shares

Type of stock	Authorized Capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common shares	79,531,339	50,468,661	130,000,000	—
Total	79,531,339	50,468,661	130,000,000	—

(3) The relevant information should be disclosed includes the approved amount, the planned issuance and securities regarding the issued securities which approved to raise funds through the General Declaration System: Not applicable.

3.1.2 List of major shareholders

March 31, 2025

Names of major shareholders	Shares	Shareholding (shares) (Note)	Shareholding (%)
Meng Ching Investment Co., Ltd		20,299,041	25.52%
Zheng Yu Investment Co., Ltd.		5,126,433	6.45%
Fan Yang Investment Co., Ltd.		3,111,341	3.91%
He Fu Investment Ltd.		2,489,073	3.13%
Pin Chung Investment Co., Ltd.		2,056,167	2.59%
Yang Fan Investment Co., Ltd.		2,026,056	2.55%
SinoPac Securities Corporation HUANG, CHENG-I Trust		2,000,000	2.51%
I Yang Investment Ltd.		1,837,601	2.31%
I Fan Investment Ltd. Account		1,725,593	2.17%
SinoPac Securities Corporation ZHANG, ZHI-MING Trust Account		1,290,000	1.62%

Note: The names of shareholders with a shareholding percentage of 5% or more or the top ten shareholders by shareholding percentage, along with their shareholding amounts and percentages, should be disclosed.

3.1.3 Company dividend policy and implementation status

1. Company dividend policy

The current Articles of Incorporation regarding dividend policy as follows:

Article 20:

The dividend policy of the company will be determined based on future capital expenditure budgets and funding requirements. It may retain a portion of the earnings at the discretion for operational needs. The remaining portion will be distributed as cash dividends and stock dividends, which shall not be less than 10% of the distributable earnings for the fiscal year. However, the total amount of cash dividends distributed shall not be less than 10% of the total dividend amount. The beneficiaries of employee stock dividends may not include only the employees but also employees of subsidiary companies that meet certain conditions established by the authorized board of directors.

2. The proposed dividend distribution at the current shareholders' meeting

The board of directors has formulated a profit distribution plan for the fiscal year 2024, which proposes a cash dividend of NT\$ 9.

3.1.4 Impact of the proposed bonus shares on the company's operating performance and earnings per

share: Not applicable.

3.1.5 Bonuses of employees, directors and supervisors

1. The percentages or ranges of employees and directors' remuneration as stated in the Articles of Incorporation:

If the company has gained profits with a fiscal year, no less than 0.5% of the profits should be reserved as the employee profit-sharing compensation which will be distributed by the board of directors in the form of stock or cash; the company may allocate no more than 5 % of the profits shall be reserved as the directors' remuneration by resolution of the board of directors. The employee remuneration and director remuneration distribution proposal should be presented in a report to the shareholders' meeting; however, in case of the accumulated deficits, certain profits shall first be reserved to cover them.

The net income obtained by the company after annual financial statements, apart from withholding income tax as required by law, the net income should be used to offset accumulated deficits from previous fiscal years. The remaining amount should be set aside as legal reserve at a rate of 10%; however, if the legal reserve has already reached the paid-in capital of the company, it may no longer be required to be allocated. The remaining amount should be allocated or reversed to the special reserve in accordance with legal provisions and regulations. The remaining amount combined with accumulated undistributed earnings, will be proposed by the board of directors as a distribution resolution to be submitted for approval at the shareholders' meeting.

2. The accounting treatment for any differences between the estimated figure and the actual amount of employees and directors' remuneration, as well as the calculation basis for distributing dividend in the form of stock and the actual amount distributed: The estimated figure for employee bonuses and director remuneration in the company is based on the current after-tax net profit, taking into consideration factors such as the legal reserve. The estimation is made using a percentage specified in the Articles of Incorporation and these estimated figures are recognized as operating expenses in the current period. However, if the actual amount distributed is different from the estimated figure due to a decision made by the shareholders' meeting, the difference is recognized as part of the profit or loss for the year in which the shareholders' meeting resolution was made.
3. Information on any approval by the board of directors of distribution of remuneration:
 - (1) Distribution of employees and director remuneration:

The difference between the director remuneration of NT\$1,590 and employee remuneration of NT\$3,700, approved by the board of directors on March 7, 2024, and the director remuneration of NT\$1,500 and employee remuneration of NT\$9,511 recognized in the financial report for the fiscal year 2023, is considered an accounting estimate change. It will be recorded in the income statement for the year 2024.
 - (2) Proposed amount of employee stock dividends and the proportion to the net profit after-tax of individual or separate financial report at the current period and total amount of employee bonuses: Not applicable.
 - (3) Calculation of earnings per share considering the proposed distribution of employee and director remuneration: Not applicable.
4. The actual distribution of employee dividend, director, and supervisor remuneration for the previous fiscal year (including distribution of stock shares, amount, and stock price), and the differences between the number of shares, amounts, and stock prices for the distribution of employee remuneration, director remuneration, and dividends, as well as

the reasons and handling of such difference:

5.

	Resolution of shareholders' meeting for distributed amount	Actual distributed amount
Directors' remuneration (Cash)	1,589,787	1,589,787
Employees' remuneration (Cash)	3,700,000	3,700,000

Note: The cash remuneration for employees was disbursed after the resolution was approval by the Board of Directors in 2024.

3.1.6 Status of a company repurchasing its own shares: Not applicable.

3.2 Corporate Bonds (Including Overseas Corporate Bonds) :

Type of corporate bonds	Third domestic unsecured convertible corporate bond	
Issue date	August 29, 2024	
Face value	NT\$100,000	
Place of issue and trading	Not applicable	
Issue price	Each bond has a face value of NT\$100,000 and is issued at 114.20% of the face value.	
Issue amount	NT\$300,000 thousands	
Coupon rate	The coupon rate 0%	
Term	A term of three years; the maturity date is on August 29, 2027.	
Guarantor	None	
Trustee	KGI Commercial Bank Co., Ltd.	
Underwriter	Yuanta Securities Co., Ltd.	
Attesting lawyer	Attorney at law QIU, YA-WEN of FAR EAST LAW OFFICE	
Attesting CPA	Accountant CHEN, CHIN-CHANG and accountant LIN, YI-FAN of PwC Taiwan	
Redemption method	The bond will be repaid in cash in a lump sum at maturity, unless it is converted or redeemed according to the conversion terms.	
Unredeemed balance	The amount is NT\$299,900,000 until March 31, 2025.	
Conditions for redemption or early redemption	According to Article 18 of the terms and conditions of this convertible corporate bond issuance	
Restrictive covenants	None.	
Name of rating agency, date and result of rating		Not applicable.
Other rights	The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed	As of March 31, 2025, one bond with a face value of NT\$100,000 has been converted. The conversion price was NT\$94.5 per share, resulting in a cumulative total of 1,058 common shares issued.
	The issuance and conversion rules	According to Article 9 and 10 of the terms and conditions of this convertible corporate bond issuance
The possible dilution of shareholding and influence on shareholder equity	The company plans to raise funds through the issuance of convertible corporate bonds. As convertible bonds are a debt-based financing instrument, they do not immediately dilute the company's equity or impact earnings per share until bondholders choose to exercise their conversion rights. The conversion is typically at a time that is favorable to the bondholders, and until conversion is requested, there is no immediate impact on the company's ownership or earnings. This provides a deferred effect on equity dilution and allows the company to maintain its operational control and earnings per share in the short term.	
Custodian	None	

3.3 Preferred shares: Not applicable.

3.4 Participating overseas depositary receipts: Not applicable.

3.5 Employee stock options: Not applicable.

3.6 Restricted employee stock options: Not applicable.

3.7 Issuance of new shares for acquisition or exchange of other companies' shares: Not applicable.

3.8 Financing plans and implementation:

The company has not issued any unfinished projects or projects completed within the last three years with no apparent benefits.

IV. Operations Profile

4.1 Business activities

4.1.1 Business Description

1. Business Scope:

(1) Major Business Items of the Company

- A. CD01030 Manufacture of motor vehicles and parts.
- B. F401010 International trade.
- C. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

(2) Operating Ratio of Major Products

Units: NT\$ Thousands; %

Revenue ratio Product items	2023		2024	
	Revenue	Ratio	Revenue	Ratio
Automotive parts	4,157,351	84.94%	4,329,054	85.87%
Display fixtures	736,907	15.06%	712,435	14.13%
Total	4,894,258	100.00%	5,041,489	100.00%

(3) Current Product Items and New Products Planned to Be Developed

A. Current product items

- (A) Side Impact Airbag Inflator Sub Assembly: Inflator module installed on the side of the passenger seat.
- (B) Side Curtain Airbags Inflator Sub Body and Part: Airbags can be expanded that can cover the entire length of cabin when it suffered the side impact, it is not only can protect the driver and passengers' heads, but also prevent the driver and passengers was catapulted out of the car when the car turns over.
- (C) Knee Airbag Inflator Sub Assembly: It is an inflator module installed at the steering wheel-base bottom of the driver's seat to protect the driver's knees.
- (D) The Precision Pipe & Pinion of Pretensioner Seatbelt: Using a small amount gunpowder to trigger the seat belt device, and the passenger is fasted to the seat to reduce the impact on the cervical spine and thoracic cavity before the airbag is activated by co-working with precise tube

device to direct the steel ball to roll pinion, effectively locking the seat belt.

- (E) Steering System: The steering wheel seat components and adjusting mechanism components.
- (F) Fuel Cooler Pipe: The pipe fitting is installed on the ECU module and using the diesel fuel as the circulating cooling medium to reduce the heat generated during the operation of the ECU module and ensure the operating ambient temperature of the ECU module.
- (G) Inflatable Seatbelt Assembly: For the airbag designed on the seat belt, the airbag is activated in an emergency to protect and fasten passengers' body parts.
- (H) Steering Column of Electrical Power Steering System: The inner tube, outer tube and related components of the collapsible safety steering column's upper shaft are provided with connecting the steering wheel and steering gear; besides, they provide the safety collapse function.
- (I) The Pretensioner Seatbelt of the Buckle: It is installed under the seat and collocated with the pretensioner seatbelt, the pretension force can reach to 3000 newton and provides more effective safety protection.
- (J) Active Hood Lift System Components: It is an active protection system for pedestrians, which is installed under the hood. When the vehicle hits a pedestrian, which will connect to the lifting of the hood, and it is the protection system to decline the head injury of a pedestrian caused by hitting the hood or the front windshield.
- (K) CDC Damper Components: It is a component of the shock absorber using the electronic control on the coefficient of damping to assist the shock absorber to achieve the best fuel consumption control when it is activated; therefore, it can increase the vehicle running's safety factor and comfort.
- (L) Heat Sink: Structural parts of the integral whole modules are made by pure aluminum forging and pure copper forging, the material has low thermal resistance, which is beneficial to the heat conduction, and combined geometrical features to increase the heat dissipating surface, it can ensure the normal operating temperature and increased longevity of heating elements.
- (M) Display Fixture, Housewares & Hanger: It is a display of various products and hangers of various materials, it mostly sold to large chain

stores in Europe, America and Japan.

B. New products planned to be developed:

- (A) A New Generation of Airbag Components on Driver's Seat
- (B) A New Generation of Airbag Components on Passengers' Seats
- (C) A New Generation of Side Impact Airbag Components
- (D) A New Generation of Side Curtain Airbag Components
- (E) A New Generation of Steering System Components
- (F) A New Generation of Hybrid Airbag Components
- (G) Hood Lift System Components
- (H) Brake System Components
- (I) A New Generation of CDC Damper Components
- (J) The Switch of Upper Swaging Steering Gear and Upper Shaft Assembly
- (K) The Steering Wheel Forging Buckle Collar
- (L) Upper Shaft of Steering Gear
- (M) Small Diameter, Light-weight Seat Belt Tube
- (N) The Second Generation of Active Hood Lift System
- (O) The Steering Wheel Active Steering Assist System Components
- (P) Hybrid Engine Transmission Components
- (Q) Automotive Camera Metal Sub Assembly
- (R) Automotive Heat Dissipating Components
- (S) E-BUS Steering Column Module
- (T) The Third Generation Side Impact Airbag Components
- (U) Assembly of Mechanical Module of Pretensioner Seatbelt
- (V) EV Car Battery Packs Frame Riveting Parts
- (W) EV Car High Voltage Connector Terminal
- (X) Automotive New Type IGBT Copper Baseplate

(Y) Automotive Aluminum-casted Cooler Module

(Z) Automotive Complex Aluminum Material Cooler Module

(AA) Server-used Liquid Cooling Rack Manifold

2. Industry Overview:

(1) Industry Overview and Development

A. The automotive component industry

(A) Industry Overview

Looking back at Taiwanese automotive market in 2018, due to the uncertain impact of global economic situation in the following year, even though the subsidy policy was kept promoting, each depot has launched a heavy hitter of new cars and strengthen the promotion, the sales volume was decreased to 435,000 units, it reduced about 2% compared to 2017. China–United States trade war was disputed constantly in 2019; however, the economic performance of Taiwan was better than the expectation with the annual growth of 2.71%. In addition, a variety of mainstream new cars are under the customs detention, which caused the annual sales volume reached to 439,000 units, it increased 1 % compared to 2018. The seriously impact to the world was suffered by COVID-19 in 2020, but Taiwanese automotive market has achieved good results. Driven by factors such as the topic of new cars, the popularity of citizen travel, Taiwan stock hit the record high and the retirement subsidy is supposed to be expired, etc., the annual sales volume has reached 457,000 units, it increased 4% compared to 2019. Due to the outbreak of COVID-19 again in 2021, and double influences of the shortage of automotive chips in the global supply chain, the sales volume was 449,000 units, it reduced about 2% compared to 2020. Due to the continuous shortage of automotive chips in 2022, the sales volume has decreased again to 429,000 units, it reduced 4 % compared to the previous year.

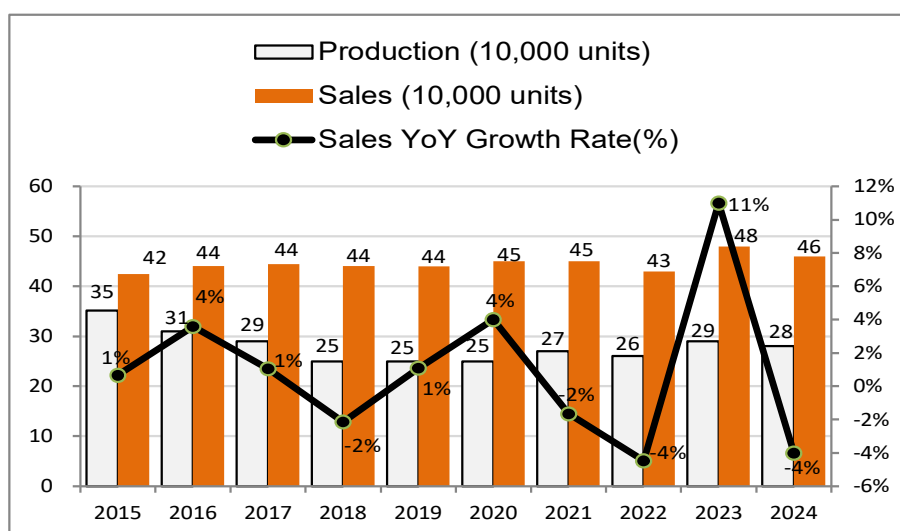
Due to strong demand in the automotive market in 2023, the sales volume reached the originally estimated scale. The deferral of orders during the COVID-19 was delivered in 2023 and it contributed to the overall market development, with sales reaching 477,000 units, representing an 11% year-on-year increase.

In 2024, Taiwan's automotive market was impacted by the slowdown

in global economic growth, high inflation, and cautious consumer spending, resulting in an annual sales volume of 457,000 units, a decline of approximately 4.0% compared to 2023. While the introduction of electric vehicles (EVs) and hybrid models continued to expand, increasing the market share of new energy vehicles (NEVs) and driving replacement demand among certain consumers, overall market demand returned to normal levels. Additionally, the gradual fulfillment of deferred orders from 2023 further contributed to the decline in annual sales.

Looking ahead to 2025, as the global economic environment gradually stabilizes, Taiwan's EV market penetration is expected to continue rising, with both traditional internal combustion engine (ICE) vehicles and NEVs coexisting in the market. Furthermore, major automakers are set to introduce new-generation models, further boosting NEV adoption. However, overall market demand may still be influenced by economic conditions and vehicle cost fluctuations. The total new car sales volume for 2025 is projected to reach approximately 460,000 units, reflecting a modest 0.6% increase from 2024.

Taiwan - Auto Production and Sales Volume from 2015 to 2024



Source: Taiwan Transportation Vehicle Manufactures Association

Most automotive manufacturers in Taiwan are small-scale and high-cost manufacturers, the sales territory is mainly based on the domestic market, and the international competitiveness is relatively weak. Moreover, it is not easy to expand the export market, except the high manufacturing cost, the main reason is still having the restraint of international cooperation manufacturers. Due to most of Taiwanese automotive manufacturers cooperate with renowned international

manufacturers for the production, most of manufactured vehicles are mainly cooperate with renowned international brand. As a result, the external development of Taiwanese automotive industry, it needs to cooperate with other party's global development strategy. In addition to the expansion of overseas market needs to collocate with the construction of marketing channels and the location of maintenance service branches, and the design of vehicles must conform to local consumption patterns and inspection standards. Therefore, it is not easy to expand the automotive export market. Due to the consideration of cost reduction in the recent years, some foreign manufacturers have gradually released OEM orders to Taiwanese manufacturers in production. The manufacturers actively joined the international division of labor system, expanded the export market, and invested in factories in China and Southeast Asia to break through bottleneck of survival and development.

The comprehensive supply chain of Taiwanese automotive component industry mostly belongs to small and medium enterprises, the automotive component industry has advantages of small amount with various production and flexible manufacturing. In recent years, manufacturers have continuously invested in R&D and the improvement of the production technology, which have the international competitiveness and the access to the supply chain of international automotive manufacturers. The influence of domestic components changes is affected by the domestic demand for the whole automotive components and the export market. On one hand, the domestic demand for the whole automotive components is affected by the whole sales volume. On the other hand, it is also related to the localization rate.

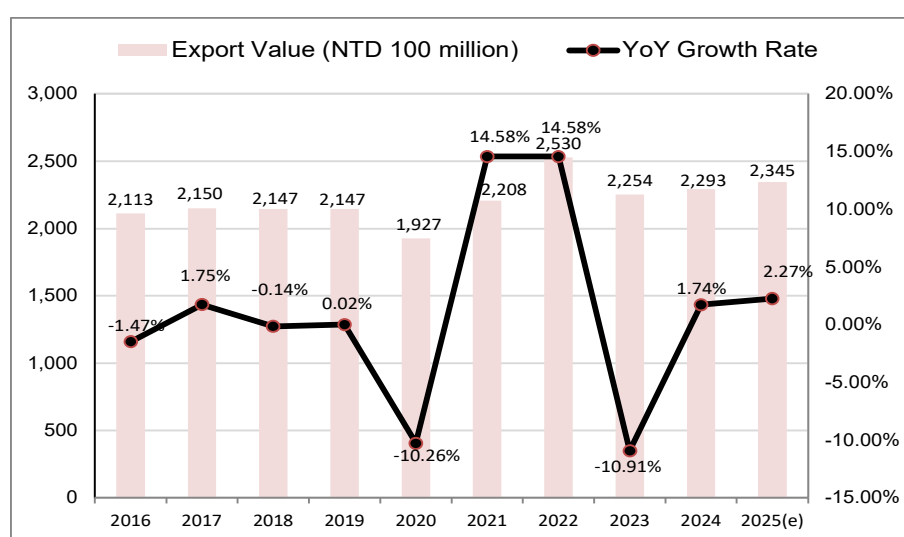
In 2024, Taiwan's automotive parts industry benefited from the continued increase in electric vehicle (EV) penetration, as well as the growing trends of vehicle electrification and intelligence, driving the demand for high-value-added components. As a result, the total export value of Taiwan's automotive parts industry reached NT\$229.3 billion, reflecting a 1.74% growth compared to 2023.

Looking forward to the future, automotive components will continuously towards to the development of modularization, intellectualization, motorization and lightweight. In response to the demands for low-cost vehicles, compact vehicles, and multipurpose vehicle in emerging countries as well as the various demands for high-valued automotive components, new energy sources and electric vehicles in advanced countries. Taiwanese automotive component

manufacturers toward to the development of modularization or system functions, improve manufacturing techniques and increase value-added products and establish the international division of labor strategy to maintain the advantages of industrial competitiveness and profits of the industry.

In 2025, as global automakers accelerate their deployment of new energy vehicles (NEVs), demand for electric vehicle (EV) components is expected to continue expanding. The industry is anticipated to focus on lightweighting, modularization, and electronic integration as key development trends. Taiwanese manufacturers will further enhance production efficiency and deepen collaboration with international automakers. The total export value of Taiwan's automotive parts industry is projected to reach NT\$234.5 billion in 2025, representing a 2.27% growth compared to 2024.

The Export Value of Taiwanese Automotive Components from 2016 to 2025(e)



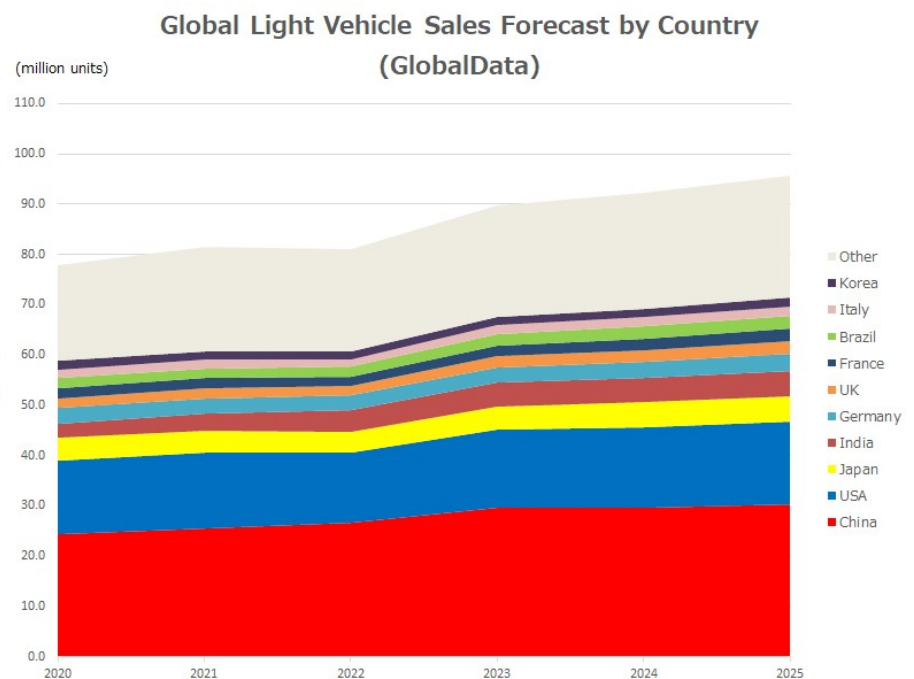
Sources: The Trade Statistics and Taiwan Transportation Vehicle Manufacturers Association

(B) The Global Industries

The demand of the global automotive market in 2018, the US automotive market has remained stable in 2018, only China and the Western European automotive markets such as England and Italy have the ebbing performance. Under the interaction of the increase and decrease, the global automotive market has declined 1.2%, the annual sales volume

was about 95 million units. Affected by the economic slowdown and the credit squeeze in China and India in 2019, as well as the impact of the Brexit and the automotive emissions fraud scandal of Volkswagen, Germany, the annual sales volume was about 90.2 million units, which has decreased 4.4% compared to the same period last year. The sales performance of the global major automotive market has affected by the COVID-19 in 2020, the annual sales volume was about 77.8 million units, it has decreased 13.8% compared to 2019. Affected by the shortage of automotive chips in 2021, the annual sales volume was about 81.2 million units, it has increased 4.4% compared to 2020. In 2022, the automotive industry continued to face the COVID-19 pandemic, new challenges such as the conflict between Russia and Ukraine, rising inflation, interest rates and supply chain disruptions plagued car manufacturers throughout the year, resulting in an annual sales volume of approximately 81.05 million units, a decline of 0.1% compared to the same period last year.

The Global Automotive Market Scales from 2020 to 2025



In 2024, global automotive market growth slowed as demand in major economies stabilized, while the new energy vehicle (NEV) sector entered a phase of intensified competition. The total annual sales volume is estimated at 89.5 million units, representing a slight 0.3% decline from

2023. Among key markets, China recorded sales of 31.43 million units, an annual increase of 4.5%, driven by higher NEV penetration but offset by intensified price competition. The U.S. market saw sales of 15.94 million units, up 2.1% year-over-year, maintaining steady demand despite the high-interest-rate environment. India's market continued its growth momentum, reaching 5.23 million units, a 3.0% increase, supported by strong domestic demand and infrastructure investments.

The Summary of The Global Major Automotive Market in 2024

Country	China	U.S.	India	Japan	Germany	Brazil
Sales (10,000 units)	3,143	1,594	523	442	350	263
Annual growth rate	4.5%	2.1%	3.0%	-7.5%	0.5%	14.0%
Country	England	France	Canada	Italy	Mexico	Korea
Sales (10,000 units)	231	208	186	156	150	136
Annual growth rate	2.6%	-3.2%	12.0%	-0.5%	10.3%	-6.2%

Sources: Marklines

Looking ahead to 2025, the global automotive market is expected to benefit from economic recovery and renewed momentum in NEV growth, with total annual sales projected to reach 92 million units, an increase of 2.8%. In China, total sales are expected to reach 31.5 million units, with further growth in NEV penetration. The U.S. market is projected to rebound to 16.2 million units, driven by potential interest rate adjustments and improving consumer confidence, which could stimulate demand. In India, a growing young population and continued urbanization are expected to push annual sales beyond 5.4 million units, further solidifying its position as the world's third-largest automotive market.

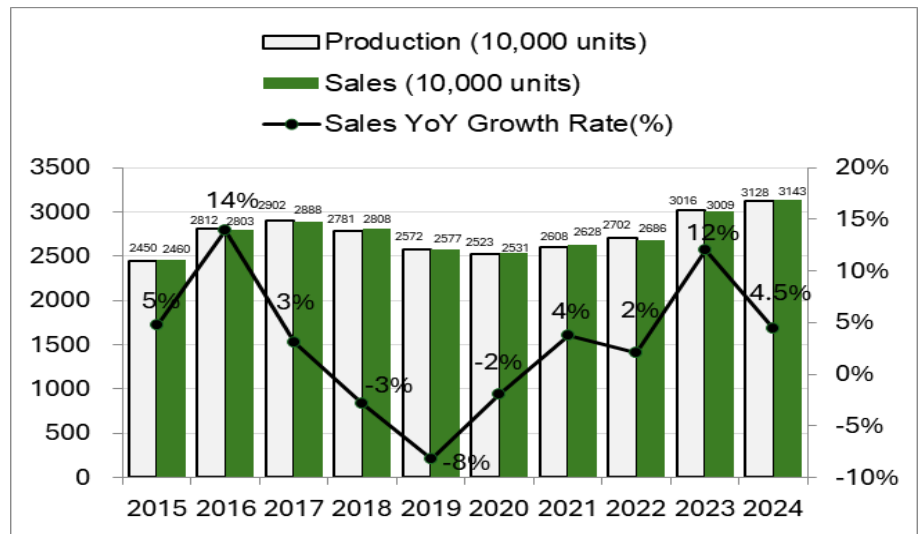
a. Mainland China

In 2024, China's automotive market continued its growth trajectory, with total vehicle sales reaching 31.43 million units, representing a 4.5% year-over-year increase. The top ten automakers maintained steady growth, with a combined sales volume of 26.53 million units, accounting

for 84% of the market. The top ten automotive manufacturers in 2024 were BYD, Changan, Geely, Chery, Dongfeng, BAIC, Great Wall, SAIC, FAW, and GAC, all of which continued to expand their new energy vehicle (NEV) portfolios to enhance market competitiveness. The NEV sector remained a key driver of market growth, with total sales reaching 11.82 million units, increasing its share to 37.6% of total vehicle sales. NEV market expansion was supported by government policies, advancements in battery technology, and improvements in charging infrastructure. However, intensified competition and ongoing price wars continued to impact corporate profitability. Additionally, as the variety of NEV models expanded and consumer acceptance increased, NEV penetration continued to rise steadily. On the other hand, demand for traditional internal combustion engine (ICE) vehicles weakened, prompting both joint ventures and domestic brands to accelerate their transition to NEVs, leading to a gradual decline in conventional fuel-powered models.

Looking ahead to 2025, China's automotive market will continue advancing its NEV strategy, with total vehicle sales projected to reach 31.50 million units, reflecting a 0.2% year-over-year increase. NEV sales are expected to grow to 13.10 million units, pushing the market share beyond 41.6%. With further enhancements in battery technology, accelerated development of intelligent driving systems, and the deeper integration of vehicle connectivity applications, China's NEV sector is set to expand further and strengthen its global competitiveness. Meanwhile, the ICE vehicle market will continue to contract, prompting automakers to intensify their NEV strategies to align with industry transformation and regulatory directives, thereby enhancing their market position.

China - Auto Production and Sales Volume in the Recent Years



Sources: China Association of Automobile Manufactures; Marklines

b. U.S.

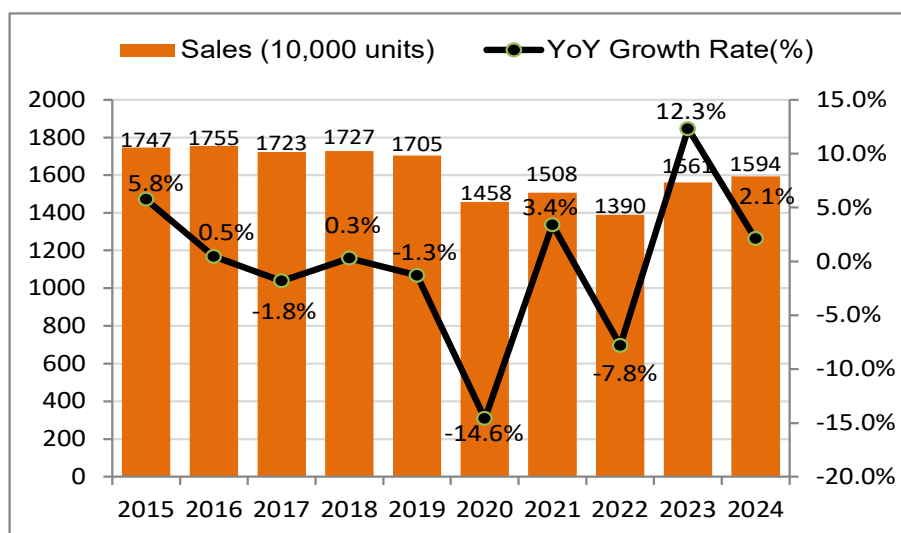
In 2024, the U.S. new car market continued its growth trajectory, with total sales reaching 15.94 million units, representing a 2.1% year-over-year increase. Despite the persistent impact of high interest rates on auto financing costs, steady employment levels, improving consumer confidence, and strategic price adjustments by certain brands helped stimulate demand, leading to modest growth in new vehicle sales. Additionally, automakers saw significant inventory improvements compared to 2023, resulting in a more balanced supply-demand dynamic and reducing the frequency of price wars.

According to sales trends, SUVs and pickup trucks remained the dominant vehicle categories, accounting for over 70% of total sales, with strong demand for large luxury SUVs and high-end pickup trucks, which continue to serve as key revenue drivers for manufacturers. Meanwhile, although the growth of the electric vehicle (EV) market fell short of initial expectations, annual EV sales still registered steady expansion. Factors such as adjustments to government subsidies, slower-than-expected charging infrastructure development, and consumer concerns regarding EV range and pricing influenced adoption rates. In response, automakers implemented more competitive pricing strategies and technological advancements, including higher-efficiency battery technology and fast-charging capabilities, to enhance EV market acceptance.

Looking ahead to 2025, the U.S. auto market will continue to be

shaped by interest rate fluctuations, adjustments in automaker supply chains, and evolving NEV policies, presenting both challenges and opportunities. Should the Federal Reserve implement further interest rate cuts, auto loan burdens could ease, stimulating additional demand. Annual new vehicle sales are projected to reach 16.2 million units, reflecting a 1.6% year-over-year increase. Major automakers will intensify efforts to promote EVs and hybrid models while expanding their NEV product portfolios to adapt to shifting market preferences. However, as charging infrastructure remains under development, consumer acceptance of fully electric vehicles may not reach initial projections, prompting automakers to increase investment in plug-in hybrid electric vehicles (PHEVs) as a transitional alternative between internal combustion engine (ICE) vehicles and EVs. Additionally, government-driven environmental regulations may become more stringent, accelerating automakers' efforts to develop low-emission vehicle models. On the other hand, ICE vehicles, particularly mid-to-large SUVs and pickup trucks, are expected to maintain stable demand, driven by their practicality and strong consumer preference.

U.S. - Auto Sales Volume in the Recent Years



Sources: Marklines

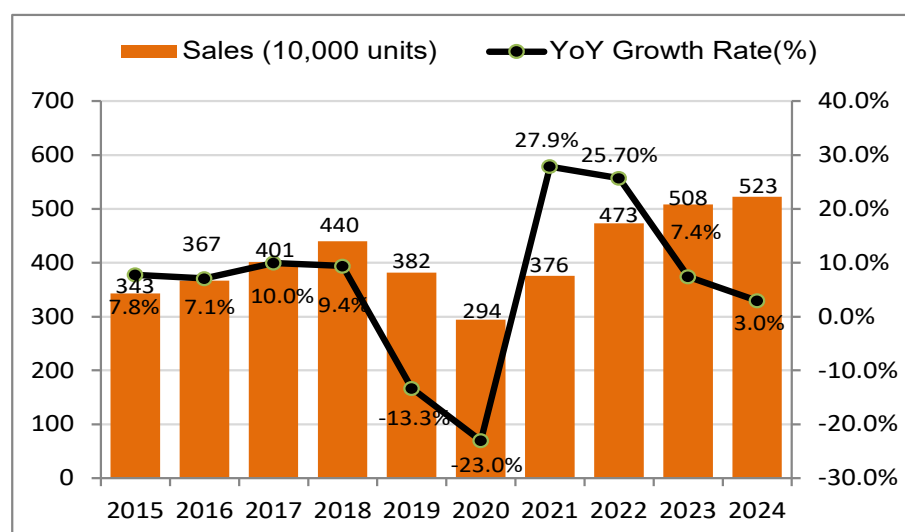
c. India

In 2024, India's automotive market maintained steady growth, with total vehicle sales reaching 5.23 million units, representing a 3.0%

year-over-year increase. This growth was driven by the expansion of the middle class, accelerated urbanization, and increased government investment in infrastructure, which continued to boost car demand. SUVs and compact sedans remained the dominant vehicle segments, while new energy vehicle (NEV) sales also saw stable growth. However, due to challenges related to infrastructure development and high costs, internal combustion engine (ICE) vehicles continued to dominate the market.

Looking ahead to 2025, India's automotive market is expected to sustain its growth momentum, with total sales projected to reach 5.40 million units, reflecting a 3.2% year-over-year increase. The NEV market is expected to expand further, supported by favorable government policies and increased industry investment, driving higher market penetration. Meanwhile, as global automakers enhance their presence in India, the country will not only solidify its position as the world's third-largest automotive market but also emerge as a key manufacturing and export hub for the global automotive industry.

India - Auto Sales Volume in the Recent Years



Sources: Marklines

(C) The Industrial Development

a. The focus of the automotive components industry in China

Due to along with the globalization, various major well-renowned brand of multinational automotive manufacturers have established new international division of labor models, and intervening actively in the automotive industry and market operation in emerging countries such as China, which not only strengthens the dependence of local automotive component suppliers on multinational automotive manufacturers but also

the huge market demand in emerging countries, which has attracted more investment by automotive manufacturers and build the more integrated automotive industry supply chain.

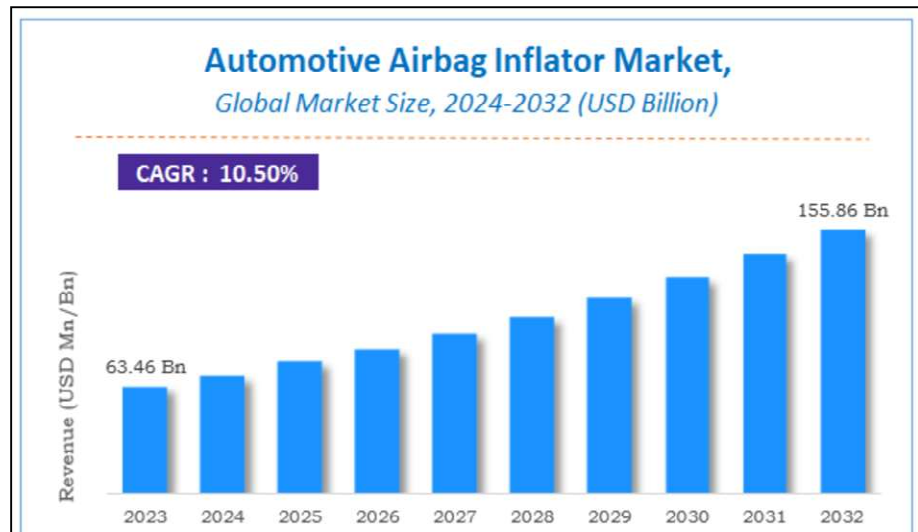
Taking Mainland China as the largest automotive production and sales market, even though the growth of the automotive industry has gradually slow down, driven by the accelerated development of a rapidly increase in the automotive production and sales, maintenance and after-sales service market, the overall domestic automotive components still have huge market demand and growing space. In the recent years, various major automotive manufacturers have actively developed advanced driver assistance systems (ADAS), the increase in application of relevant components has gradually raising in the penetration rate. Among them, the penetration rate of increasing trend is clear in the specification of automotive safety accessories, driving its automotive components OE industrial demands has continuously climbing, and it is beneficial to the development of AM market by the continuous increase in Chinese automobile ownership and sales. According to the National Bureau of Statistics of China, the nationwide automobile ownership reached 353 million units in 2024. According to the Development Research Center of the State Council, the annual growth rate of automobile sales will maintain a potential rate of 2-3% until the year 2030.

b. The continuous improvement of automotive safety equipment's penetration rate

After decades of evolution, air bags have developed in various forms, from the earliest driver's seat airbag inflator and passenger's seats airbag inflator to the latest front seat side airbag inflator, back seat side airbag inflator, side curtain airbag inflator, knee airbag inflator and seatbelt airbag inflator, etc., and even airbag inflator used to protect pedestrians. The current automotive supply chain is researching airbag inflators have deployed in front and side of vehicles, the number of airbag inflators have become an important consideration in the design and R&D of new vehicles, which almost listed in one of the standard equipment for new vehicles. The number of airbag inflators in every vehicle has a significantly increase for years; currently, vehicle models of the mass market are generally equipped with six airbag inflators, and it has gradually applied into the pretensioner seatbelt of mid-to-high class vehicles. Tens of millions of new vehicles are launched every year around the world, and it is expected that the penetration rate of automotive safety

equipment will continuously improve under the condition that the safety performance of vehicles is getting more attended.

According to the report of ZION Market Research, the global automotive airbag inflator market scale is expected to achieve USD\$ 155.8 billion for 2032, the compound annual growth rate will reach to 10.5%.

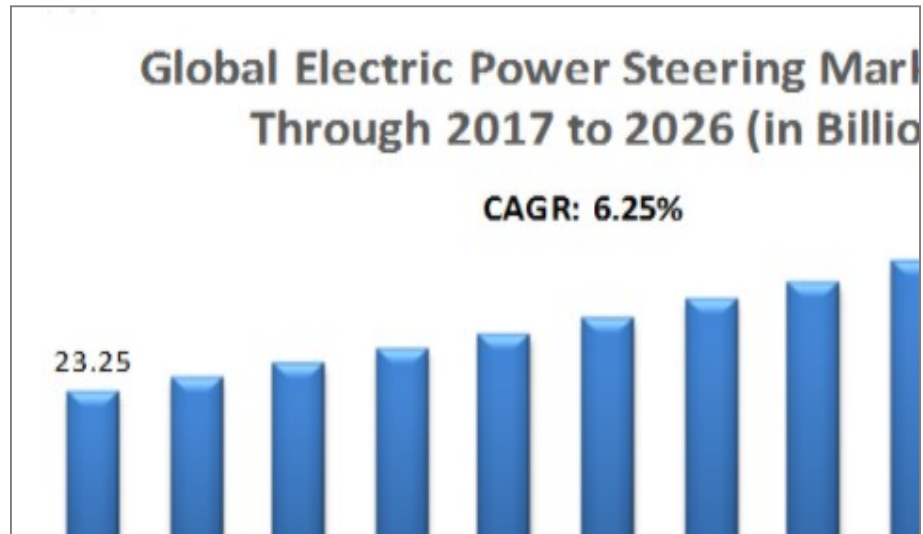


Sources: ZION Market Research

c. The Transform Trend of Electrical Power Steering System (EPS) is Up Warding

National governments around the world have formulated the strict regulation about fuel consumption and energy saving. The goal of the United States and Canada is reducing the fuel consumption to 4.4 liters per 100 kilometers for 2025, the standard of the European Union has reduced to 4.1 liters in 2021, and the Chinese government has announced the relevant regulation and aim at reducing 4.0 liters for 2025 with an average annual reduction of 6%. The traditional hydraulic power steering system (HPS) accounted the overall fuel consumption about 6%, the fuel consumption of EPS system is only 10% of the HPS, which is expected to reduce the overall fuel consumption about 6%. Furthermore, EPS system is a necessary system for automatic parking and automatic driving. Currently, about 60% of the new small and medium sized vehicles are equipped with EPS every year, according to the Maximize Market Research, it is estimated that the EPS market scale will reach to USD\$42.63 billion for 2026, and the compound annual growth rate will achieve to 6.25%, which indicating the obviously growth trend of the EPS

market in the future.



Sources: Maximize Market Research

B. Display Fixture and Housewares Industries

The Industry Overview and Development:

Taking the United States and German as the most development of display fixture industries in the world, no matter the type of display fixtures or the design of display fixtures, those two countries are always taking the lead and guiding the trend of global display fixture market. Currently, in the consumption of global display fixtures, the United States accounts for 26%, Europe accounts for 19%, Asia accounts for 35%, and other countries account for 20%; moreover, Japan and China have accounted for the main shares in Asia.

With the continuous expansion of the application of global display fixtures, the major trend is developing green, low-carbon and environmental display fixtures. Display fixtures as the low-cost with various types and widely applied products, it will gradually increase the recycling rate in the future to reduce the product energy consumption and reduce the environmental pollution. Exhibits like paper display fixture, recyclable plastic display fixture, recyclable metal display fixture, etc., will become the hotspots in the development of the industry. In addition, the development of new technology such as RFID will promote various RFID display fixtures, especially in the digital and electronic fields, and high technology display fixture will become the focus point of future development.

In terms of a regional perspective, the emerging market in Asia is the

main growth driver to the affordable luxury brand industry. Multinational well-renowned affordable fashion brand stores have continuously expanded new shops in the first-tier and second-tier cities, and positively arranging in Asian regions such as Thailand, India, Singapore, and Malaysia, as well as Southern Hemisphere countries like Brazil and Australia, which will have a positive impact and benefit to the revenue of houseware division.

The Distribution of the Global Display Fixture Industry Market

a. U.S.

The United States is a leading country in the display fixture industry, which have developed earlier, and the technology development level is more advanced. Currently, there are more than 200 major manufactures, and the export volume of products is much higher.

b. Asia

In recent years, the consumption of display fixtures in Asia has obtained a great process, which mainly comes from emerging economies such as China and India. In addition, the Japanese display fixture industry has played the promoting of the leading role, and due to the consumption level is much higher in Japan, various display fixtures can be seen in many major sales terminals to exhibit products.

In recent years, online sales have become mature and become a consumption habit for the young generation. However, the cost of online sales has increased daily, which prompting online sales retailers to open physical stores, and the elderly people has been rising with the strong consumption capacity, they remained the habit of purchasing in stores. It is estimated that the demand of display fixture in Asia will remain stable continuous growth in the next few years.

c. The European Union

The development of European exhibition industries has the high-level standard, which has driven the demand of display fixtures to a great degree. Major festivals, performances, exhibitions, and other actives will drive the demand of local display fixtures. Under the impact of the economic environment and industrial transfer, the European display fixture market is gradually transfer to Asia, the export of display fixtures in Europe will grow steadily.

(2) The Relevance of Upper, Middle and Downstream Operations

A. Automotive Component Industry

	Upstream	Midstream	Middle and Downstream	Downstream
Industry	Steel industry Electrical industry Electronics Industry Petrochemical industry Textile industry	Auto safety component factory	System manufacturer	Auto factory Public transportation engineering

	Upstream	Midstream	Middle and Downstream	Downstream
Product Item	Steel plate, Steel pipe Electrical parts, etc. Electronic parts, etc. Gunpowder material Artificial fiber	Sub assembly The precision pipe of seatbelt Igniter ECU 、SENSOR Gunpowder Airbag, Seatbelt	Seatbelt module Airbag inflator module	Vehicle Public transportation

B. The Display Fixture and Housewares Industry

	Upstream	Midstream	Middle and Downstream	Downstream
Industry	Steel industry	Hardware		
	Glass industry	processing		Retail industry
	Textile industry	factory		Clothing
	Wood industry	Electroplating	Hanger	boutique
		factory	manufacturing	Supermarket
		Acrylic	Display fixture	Hypermarket
		processing	manufacturing	Department
	Plastic industry	factory		store
		Wood processing		
		factory		

(3) Various Development Trends and Competition Situations of the Industry

A. Automotive Component Industries

(A) Various Developments of the Industry

The growth of market capacity in automotive airbag inflators and pretensioner seatbelts is mainly based on four factors: firstly, the mandatory installation of the provision; secondly, the global vehicle production; thirdly, the number of models equipped with airbag inflators; and the last one is the numbers of airbag inflators applied in the average vehicle. Currently, the global airbag inflator and pretensioner seatbelt market is under the growth period of universal application which is leading by two factors: policies and regulations and vehicle production.

Due to the demand of vehicles has a rapid growth of China, India and other emerging countries and the less amount of standard airbag inflators equipped in the low-end economical vehicles. With factors such as the increasing proportion of mandatory installation of airbag inflators in various countries and the increasing number of airbag inflators applied in the average per vehicle, the total global demand for airbag inflators has gradually grown in recent years.

(B) The Competition Situation

Airbag inflator sub assembly is the most functional module in the airbag inflator system, except the rigorous demands in quality and

product precision, it also needs to have highly automated production and inspection capability, as well as the annual evaluation of company's quality system by customers. In addition to the quality system certification requirement in the general automotive industry, customers will list on-time delivery and defective rate to the annual evaluation items; therefore, there is a considerable competitive threshold. While joint developing products with customers, the company continues introducing the advanced technologies from Europe and the United States, and actively construct modular development capabilities to respond the internal competition.

The global well-renowned automotive safety protection system manufacturers in order to expand the market share, they are not only increasing professionals and R&D expenses, but the strategy of alliance or mergers and acquisitions are in progress through vertical and horizontal integration to expand their own market scale. The central defense system structure of automotive safety components has been established, the domestic relevant industries must improve the structure, strengthen R&D, and detect energy. Only through the international cooperation, the relevant industries can integrate into the division of labor and supply system of the global logistics layout of international first-class manufacturers and develop the operating niche and output value scale of the emerging industry, and the company has already laid out for more than 20 years in this industry with fully potential.

B. The Display Fixture and Housewares Industries

Due to the increasingly competitive of the market, it is necessary to have the product functions of the relevant consolation, innovation design, global logistics and after-sales service. In addition to establish the complete product in the field, and it is necessary to grasp the related knowledge of products and the future developing trends. In terms of interaction with customers, it is no longer limited in the supply and demand relationship of sales, it is not only to cooperate with customers in the planning of hypermarket, but also cooperate with upstream manufactures in investing product design and R&D to quickly respond to market changes and customer demands. The proactive approach to contact with large retail chain stores to enlarge channels and markets, build the high entry barriers and improve its own competitiveness.

3. Technology and R&D Profile:

(1) The skill level of the business and R&D profile

The R&D speed of the company is always stay ahead of the industry which is admired by foreign customers. Based on the hardware processing experience over 30 years, with the ability of rapidly development of proofing, effective improvement of product design to customers and process integration. The company has been maintained the good relationship with customers to attract the cooperative willingness in international customers.

The product manufacturing process of the company is based on main the component expansion and bending processing, metal tube hot and cold forming, stamping, assembly, automated production, and inspection as major technical capabilities. It designs and self-made special used in automatic production and measuring equipment to achieve the quality manufacturing inspection in 100%, which meets the high precision specification of products and special requirements for quality assurance; moreover, through the new product planning progress, which continuous to promote the establishment of innovative precision technology and introduce CAE simulation to assist the manufacturing process development, for the purpose of expanding the customer service range.

(2) Personnel involved in research & development and their educational background and employment history

Units: Person

Education	2023	2024	End on February 28, 2025
Master degree or above	9	8	8
College degree	51	61	57
High school (including the following)	11	12	12
Total	71	81	77

Note: The operation module of the houseware division is the trade pattern, which doesn't install R&D department and staff.

(3) Annual R&D expenses in the most recent five years

Units: NT\$ Thousands

Year	R&D expenses	Operating revenues	R&D expenses account for the ratio of operating revenues
2020	119,956	3,423,476	3.50%
2021	157,610	3,678,578	4.28%
2022	162,150	4,373,785	3.71%
2023	153,779	4,894,258	3.14%
2024	153,525	5,041,489	3.05%

(4) Two R&D projects will be expected of the company in 2025:

- A. The relevant production and manufacturing process of R&D in automotive safety components: including various components such as pretensioner seatbelt, airbag inflators and steering systems, etc., and continuous to develop products. Those R&D projects are mainly joint developing with customers, and the actual R&D costs will depend on customers' demands and the development project progress.
- B. R&D related to automotive heat dissipation components and manufacturing processes: In 2025, continuous research and development for the production processes of heat-related components for Insulated Gate Bipolar Transistor (IGBT), as well as the development of thermal management projects and the establishment of laboratory equipment. The estimated expense for the above projects is approximately NT\$ 60,000 thousand.

(5) The successful development of technologies or products in the most recent five years

Year	Products or Technologies
2020	<ul style="list-style-type: none"> ① The Detection Technology Development (Vapor Chamber) ② The Technology Development of Double Axial Machining (PHI7) ③ The Detection Technology Development of Cobot Arms (PHI7) ④ The Technology Development of Matrix Tray Automatic Loading and Unloading (Valve Housing) ⑤ The Technology Development of Rotary Cutting (Heat Sink) ⑥ Design and the Development of Forging Expander ⑦ Design and the Development of Dynamic Disk Forging Mold and Sample Trial Production ⑧ The Technology Development of Synchronized Action in Tube Bending Machine Actuating Element ⑨ The Molding Technology Development of Pipe Expansion Thickening to 1.8mm (SPR6) ⑩ Design, Development and Production Introduction of Expander (2YN) ⑪ Design, Development and Production Introduction of Pier Tendons Equipment (CGQST) ⑫ The Introduction of Self-made Expander and Automatic Production Line (SPR8) ⑬ Design, Development and Production Introduction of Friction Stir Welding ⑭ Automotive Heat Dissipating Components Forging Processing Technology ⑮ The Plane Bending Forming Technology ⑯ The Grit Blasting Surface Treatment Technology
2021	<ul style="list-style-type: none"> ① The AI Visual Detection Technology (PHI7) ② The Oil Cylinder Stroke Automatic Compensation Technique (SHI2) ③ The Automatic Riveting Production Technology (Tilt Plate) ④ The Machining Processing Connection Technology (Valve Housing) ⑤ The Processing Development of Vortex Production on Scroll Compressor and Sample Trial Production ⑥ The Development of Electrophoresis Hanging Down Automatic Drian Device automatic water removal device ⑦ The Development of CNC Lathe Connecting Machine Automatic Device ⑧ The Automatic Forging Development of Seatbelt Module Components ⑨ The Heat Sink Surface Processing Technology (Flat baseplate) ⑩ The Stamping Horizontal Extrusion Foaming Technology

Year	Products or Technologies
2022	<ul style="list-style-type: none"> ① The Precision Fixed Head Axial Machining Technology (Valve Housing) ② The Axial Machining Chip Breaking Technology (SHI2) ③ The Development of a New Generation Airbag Components (SHI3 OD40) ④ The Development of Active CDC Damper Components (Piston Bleed Extension) ⑤ The New Multi-station Index Plate High-speed Inspection Machine ⑥ The Floating Mandrel Pipe Expansion Technology (PHL Series) ⑦ The Automatic Loading and Cleaning Grinding Development (Pinion) ⑧ Laser Welding Robot of Automatic Loading and Unloading (ICT series) ⑨ The Servo Technology Development of New Bending Machine ⑩ The Servo Technology Development of New Pipe Expansion Machine ⑪ 400V Electric Drive Control System of Water Cooling and Heat Dissipating Module ⑫ The Forging Technology of Elliptic Cylinder Heat Sink
2023	<ul style="list-style-type: none"> ① Swaging Forming Technology ② AI Visual Crack Inspection Technology ③ Airbag Metal Tube Cold Forming Technology ④ The Development of Mold Quick-changing Module for Steel Pipe Processing ⑤ The Development of Automatic Angle Compensation System for Steel Pipe Bending Process ⑥ The Development of Partial Stack Plating Technology ⑦ The Implement of Intelligent Multi-dimensional Scanning Platform ⑧ The Development of High-speed Rolling Groove Process for Steel Pipe ⑨ The Technology Development of Leak Test for Aluminum Casted Part ⑩ The Technology for Copper Baseplate Forging Stress Release ⑪ The Technology Development of Multi-Tank Cleaning Process for Aluminum Part ⑫ The Technology Development of Copper Baseplate Image Record System

Year	Products or Technologies
2024	<ul style="list-style-type: none"> ① Development of New High - speed Transfer Stamping Module ② Fully Automatic Tooth Part Defect Detection for Pinion Products ③ Development of CDC Shock Absorber Pipe Necking Machine ④ Co-development of alternative material KNM-1144 ⑤ Automatic concentricity measurement technology for inflator ⑥ Automatic optical measurement technology for inflator dimensions ⑦ Development of manufacturing process for water-cooled manifold products ⑧ Cu PinFin Fine Forged Technology ⑨ Cu Continuous Clean Technology ⑩ Al Cooler Brazing Technology Development ⑪ Forging die -Supporting Ring design ⑫ Al-Cu Clad Metal Pinfin

4. Long-term and Short-term Business Development Plans:

(1) The Short-term Plan:

A. Expanding the business with technology and increasing competitiveness for productivity 4.0:

Upholding the spirit of constantly strive for perfection, except the existing excellent metal processing technology, strict quality control operation, autonomic mechanical R&D capability and a complete subcontractor system, the company has gained the dominant position in a competitive market; the next goal will toward to meet the increasing competitiveness with productivity 4.0, and cultivate senior talent to create value-added products; in addition to improve manufacturing technology as the cornerstone of business expansion.

B. Seeking for cross-industry cooperation to expand markets and customers:

The company continues to seek cross-industry cooperation through multiple channels and expects to find the opportunity to expand new customers and different markets areas outside the range of existing industries. Making good use of existing companies' competitive advantages to create new niche products and markets.

C. Combining the competitive advantages of overseas branches to develop unique niche for the company:

Getting the most out of comparative advantages of overseas subsidiaries, overseas warehouses in the production, cost, and geographic distance with customers, in addition combining the company's own capabilities of product development and mechanical automation designs to create a unique niche that competitors cannot simulate in a short time, which is providing short delivery time, low cost and high-quality product service to customers.

(2) The Long-term Plan

A. Establishing strategic alliance partners to improve competitiveness of the company:

Under the global competition, the company needs to establish strategic alliance partners with customers and subcontractors by combining each other's resources, capabilities, and core competitiveness to pursue common benefits in the design, manufacture, or marketing of products or services.

B. Strengthening core technical capabilities and developing new products:

Improving existing core technical capabilities of the company, combining the market information closely and integrating production capabilities of subcontractors to develop new products, seek new business opportunities, and bring the growth opportunity for the company.

C. Expanding overseas branches and developing new regional markets:

Planning new overseas production and R&D branches, the short-term goal is to pursue neighboring service to customer and develop different regional market shares; the long-term goal is to pursue the joint new production development with customers and balance the revenue growth momentum and self-technical improvement.

D. Becoming the natural environmentally friendly green industry:

Promoting green production and green products as the goal of energy saving, consumption, and pollution reduction. Pursuing to become a green industry with minimizing the adverse impacts to the biophysical environment as well as the highest resource usage efficiency. In addition, creating the company culture which takes the green culture as the guiding idea of enterprise operation and management to make the coordinated optimization in the company's cost-effectiveness and social efficiency. To fulfill green responsibilities of the industry and contribute to the global biophysical environment.

4.1.2 The Market and Sales Overview

1. The Market Analysis:

(1) The Sales Area of the Company's Major Products

Units: NT\$ Thousands

Year Regions		2022		2023		2024	
		Sales value	Ratio (%)	Sales value	Ratio (%)	Sales value	Ratio (%)
Domestic market		13,041	0.30	21,227	0.43	13,084	0.26
Export market	Asia	1,561,775	35.71	1,717,456	35.09	1,746,585	34.64
	America	1,446,969	33.08	1,610,124	32.90	1,742,182	34.56
	Europe	1,351,993	30.91	1,545,451	31.58	1,539,638	30.54
	Other	7	0.00	0	0.00	0	0.00
	Total	4,360,744	99.70	4,873,031	99.57	5,028,405	99.74
Total		4,373,785	100.00	4,894,258	100.00	5,041,489	100.00

(2) The Market Share

The company is mainly engaged in the design, manufacture, and sales of automotive safety mechanism components, display fixtures, hangers, and other products; according to business types which divides into two major business divisions. Among them, the major sales items of the display fixture and houseware division are display fixtures, hangers, shelves, baskets, etc., while the major sales items of the automotive component division are airbag inflator component modules, pretensioner seatbelt modules, steering systems, and internal mechanism component products. Due to the company's business projects include two types of different attribute products, and there is no complete and objective market share statistics for each product; therefore, it cannot explain clearly about the company's position among peers and the market share. However, in terms of main customers from two major business divisions, the sale targets of the automotive component division are mainly selling to the top three manufactures of automotive airbag inflators in the world. While the main sale targets of display fixture division are selling to various types of large brand chain retail distributors in Europe and the United States; moreover, most of sales customers are multinational large manufacturers or distributors. The company relies on production and sales

experience for many years, in addition having the independent product design and development as well as the ability to adjust production lines quickly. Under circumstances of providing full range of services to fully satisfy customers in different demands. It has a good performance in terms of business scale and profitability in recent years, which shows that the company's products and technologies acquire highly recognition by customers, it has already occupied a quite competitive position among peers.

(3) Future Supply/Demand Conditions and Development Potential for the Market

A. Automotive Safety Mechanism Components

Automotive components produced by the company are mainly airbag inflator component modules, pretensioner seatbelt modules, electrical power steering system and internal mechanism component products; in addition, the rise and decline of industries is mainly changed by the economic changes of the overall automotive market. Due to the public transportation system in developed countries is comparatively perfect, and daily traffic patterns of peoples have been finalized, unless run into the major events, otherwise the annual demand of vetches is generally stable, it is unlikely to have a situation of great fluctuation. Therefore, various major automotive groups have established new international division of labor mode, actively involved in the automotive industry and market operations in emerging countries like China. It is not only strengthening the local automotive manufacturers rely on international manufacturers, but also attracting more investment of international manufacturers due to the huge market demand, thereby building the complete industrial supply chain. In terms of automobile sales, the appetite for vehicles in developed countries is closed to maturity, and it is difficult to have an explosive growth. However, emerging countries like China still have substantially growing spaces; due to the rising salary of Chinese people in recent years, which has brought rigid demand to the vehicle market. Under the implement of multiple preferential policies such as the halving purchase tax and the promotion of new energy vehicles in 2016, which caused many people to buy new vehicles, and automotive manufacturers also provide extra discounts. The recovery of automotive market has presented rapidly growth, and this wave of vehicles purchasing has also overdrawn the purchasing power of the automotive market in advance in 2017, which caused the sales growth situation presented slow down mildly in that year; the vehicle sale volumes was withdrawn in 2018 to 2020 due to the subsidy polices, macroeconomic slowdown and the impact of COVID-19 has turned into negative growth; however, it still ranks first in the global automotive market. The Chinese automotive industry also faced challenges such as the continuous

spread of the global epidemic, scattered outbreaks of domestic epidemic, and insufficient supply affected by the shortage of chips in 2021. However, due to the lower automotive sales volume in the previous year, it presented the slightly increase. The halving fuel vehicles purchase tax caused the partial consumption happened in advance, the annual automotive sales volume still increased slightly in 2022. In 2023, as the Chinese government initiated consumer promotion activities for automobiles and extended the list of new energy vehicles exempt from purchase tax, it promoted the penetration rate of new energy vehicles, thereby driving the growth of overall automotive sales. In that year, automotive sales surpassed 30 million units for the first time. The CAAM anticipated that the automotive market will continue to present a stable and positive development condition in 2024.

The IMF previously increased the global economic growth to 3.1% in January 2024. In terms of the Chinese market, the government continues to offer preferential policies to stimulate a new wave of vehicle consumption in 2024, which is expected to grow steadily in the whole year. Compared to the inventory-constrained conditions of 2022, significant improvements in the U.S. automotive market in 2023, persistently high financing costs are expected to result in only marginal growth of new vehicle sales this year. In terms of European market, the IMF has predicted that European countries such as Germany and Italy will not have economic recession this year. Although the overall economy of Euro region has affected by the Russia-Ukraine war, it has presented resilient; in addition to relieving the shortage of chips, European vehicle sales volume is expected to rebound. The Indian automotive market is benefiting from vibrant economic activities, the continual expansion of the middle class, thereby stimulating the potential consumer base for automobiles; therefore, it is expected that the sales volume will continue to increase in 2024.

B. Display Fixtures and Hangers

The display fixture and houseware division produce the products such as display fixtures and hangers which mainly applied in various types of large brand chain retail distributors such as clothing, catering, toys, recreational sport, and footwear. The nature of consumption corresponding to the customer groups also extends from daily necessities to fashion products, etc.; therefore, the market demand varies according to the economic conditions of the respective industries in which they are applied. As the major customers of the company's display fixture and houseware division are international

renowned clothing store chain; however, since 2020, it affected by COVID-19, the number of retail stores has been decreased in Europe and the United States, in addition concentrating invest resources on online shopping platforms. After the global epidemic slows down, physical store sales will be restarted.

(4) The Competitive Niche

A. The Automotive Component Division

(A) Complete the quality system and strict certification by customers

Due to the high requirements in quality and precision of automotive safety system related components, automotive safety system manufactures will require stricter standards and longer time for product certification of upstream component suppliers, which causing the high entry barrier to new competitors. Also, the company has automated production and high-standard specification inspection procedures, which can achieve a good manufacturing quality and meet the special requirements of products in high precision specifications and quality assurance, besides, it has successively passed ISO9002, ISO14001, QS9000, TS16949, IATF16949 and other related quality certification as well as obtained the strict quality certification from large system manufacturers, which has become the main weapon for the company to enlarge the market.

(B) Have the capability and experience of self-design, producing automated production line, improve manufacturing process and automated inspection equipment

The production process of the company's produces can be completed independently including design and development of components, stamping, assembling and inspection, etc., and using the dedicated automatic production and measurement equipment of self-designed and manufactured for mass production. Its consistent automatic process capability can fully grasp the cost and delivery time and improve the technical level to increase the refinement of products. Furthermore, due to most inspection equipment of peer manufacturers reply on professional equipment suppliers, and the company equip the capability of self-development and improving inspection equipment, which makes related capital investment lower than peers. And the company continues to invest in the processing improvement, increase productivity and reduce the cost, which will contribute the continuously improvement of the market share and profitability.

(C) The manufacturing process of the automotive safety system moved to Asia to increase local service advantages

The company's automotive components are mainly supplying to multinational large safety equipment system manufacturers. As the production lines of large manufacturers gradually move to mainland China or other Asian regions, the company can provide the needs of major manufacturers instantly and complete the production lines of customized product in a short time through the production base established in mainland China. Therefore, the company can maintain a good and stable cooperative relationship with downstream automotive safety system manufacturers, which will benefit to the stable growth of future revenue.

(D) The diversification of automotive safety system products and improvement of assembled rate

The new vehicle sales volume of the global automotive market continues has shown steady growth, and airbag inflators for the driver and shotgun's seats of entry level new vehicles are equipped as the basic equipment. Therefore, the average number of airbag inflators in the vehicle is expected to increase more every year with new listed vehicles. Besides, due to the safety performance of vehicles is getting more attended, the development and penetration rate of related diversified safety equipment such as pretensioner seatbelts is also increasing every year, which will benefit to enlarge company's future operating scale.

B. The Display Fixture and Houseware Division

(A) Providing customers with the concept and direction for the design of shopping mall display fixtures

The company has been engaged in the production and sales of display fixtures and hangers for more than 30 years. As it has accumulated many years of experience and interacted with customers for a long time, it is able to fully grasp the market pulse, customer preferences and product trends. It not only establishes a deep tacit agreement and trust with customers but provides customers with the concept and direction for the design of shopping mall display fixtures.

(B) The integration capabilities of composite display fixtures

The company's operation team has many years of experience in metal processing, and with flexible automatic production line and rapid mass production capability, it can apply flexibly to the integration capabilities of

composite display fixtures. Regardless of different material of composite display fixtures such as metal, wood, acrylic, and glass, etc., the company can rapidly mass production and provide high quality customized products to meet customers' requirements.

(C) Local service advantages of subsidiaries located in Germany

The company has subsidiaries in Germany that sells display fixtures and hangers. In addition to grasping rapidly on the European market pulse, it has better logistics capability due to advantageous geographical location, it is not only can reduce the transportation and time costs of products, but also provide customers with rapid and instant sales and after-sales service, which can effectively increase the product competitiveness for the company.

(5) The Advantageous Factors and Countermeasures for the Future Development

A. The Automotive Component Division

(A) The automotive safety regulations are increasingly stringent

Due to advance countries increased attention to automotive safety protection products, most of them have expressly stated that airbag inflators listed as the standard equipment for vehicles and invest massive resources in the R&D of more advanced airbag inflator equipment. It is obvious that automotive airbag inflators have become the certain development trend of global automotive passive protection devices. The company has an excellent technical R&D team as well as strict manufacturing and quality control processes. Besides, it has been deeply dedicated to the industry for many years, and obtained the trust and quality certification of the global three major system manufacturers, it will be a great niche for the future development.

(B) The demand growth for OEMs in Asia

The company's research and development team of automotive safety protection products has many years of industrial experience in research and development. The product quality is not only earned recognition by terminal customers, but also grasp the needs of the application at any time. When becoming downstream system manufacturers gradually shift the focus of OEM to Asia, which is one of the important choices to seek cooperation with manufacturers in the Asian region. It is obvious that the company still has considerable growing space in the future.

(C) Excellent abilities of the product integration

The company has the excellent precision metal processing technology, strict quality control procedure, and independent mechanical research and development capabilities, it also can provide dedicated and high-level customized service. Therefore, the company provides the excellent quality product integration abilities to customers through the outstanding process adjustment capabilities and high efficiency mass production capabilities, which can further reduce costs to increase the market competitiveness.

B. The Display Fixture and Houseware Division

(A) Long-term and stable cooperation relationship with customers

The company has been engaged in the display and hangers related industry for more than 30 years, which has accumulated many years of marketing experience and connections with customers. Currently, the company keeps the many years transaction history with major customers, and it can continue to maintain an excellent stable cooperation relationship.

(B) The fast mass production capacity of customized products

The company's operation team has the metal processing experience for many years, and through the flexible adjustment capabilities in the product line, which can meet the demands of downstream customers fast and flexible for the mass production, and it maximized the ability of fast mass production capacity in customized products.

(6) The Disadvantageous Factors and Countermeasures for the Future Development

A. The Automotive Component Division

(A) The limited source of high-standard raw materials is affected easily by the market supply and demand as well as exchange rate fluctuation.

Seamless steel pipes are the main raw materials produced by the company, due to the high requirements in quality and precision of automotive safety system related components, suppliers and clients have high-standard inspection to the quality of products. Therefore, most customers will specify the certified steel manufacturers to provide raw materials, and then the company will place the orders to upstream raw material manufacturers according to the special requirement from customer orders. However, most of raw material manufacturers designated by customers belong to the European and Japanese manufacturers with high

product specifications, it is limited by the long-distance of supply sources and affected by the internal exchange rate fluctuation. The company is hard to control the source, price, and delivery date of raw materials, and it is easily affected by the international supply and demand market as well as exchange rate fluctuations, the company will face a bigger challenge to control the cost and inventory.

Countermeasures:

Except to joint R&D of alternative materials with upstream raw material suppliers and downstream customers to enhance the cooperation relationships, the company will take both quality control and seek the second suppliers of relevant raw material positively at the same time to restrain the increasing cost of raw materials, ensure the flexibility of purchasing and continuously raw material sources.

(B) Facing the competitors from emerging countries such as South Korea, India, and Southeast Asia.

Emerging countries such as South Korea, India, and Southeast Asia generally have lower cost advantages in lands and labors than Europe and the United States. Moreover, various countries' government actively cultivate the development of the automotive industry, and suppliers who invest the market of automotive safety components are increasing sharply, and the market competition is more intense.

Countermeasures:

The company is combining its own capabilities of product development and mechanical automation designs to create a unique niche that competitors cannot simulate in a short time. In addition, for providing short delivery time, low cost and high-quality product service to customers, the demand of diversified and instantaneity in the market will be able to reduce costs and increasing competitiveness through the continuous improvement of technical level and automated manufacturing process.

(C) Talent shortage and rising labor costs year by year

The company produces automotive safety components need professional R&D staff and technical engineers. Due to the impact of increasing demand for relevant professionals from manufacturers around the world, the company will also face the unfavorable factors of talent shortage; besides, labor costs are rising year by year and it will increase the related production cost, which will also reduce the profit margin of the company.

Countermeasures:

The company will continue the internal training and experience inheritance to reduce the impact of talent shortage in the future. On the other hand, the company will also continue to improve the existing automated production technology and operating procedures to reduce the degree of relying on manual labor, which can achieve the effect of reducing labor and manufacturing costs.

B. The Display Fixture and Houseware Division

(A) Competitors continue to increase

Due to the low entry barriers for the industry such as display fixtures, hangers and related products, and the continuous entry of new competitors will increase the intense market competition to the company in the future.

Countermeasures:

In addition to continuously strengthening customer service to meet the market demand and maintaining the stable cooperative relationships with existing customers; in the meantime, the company also need to develop actively in new product lines and new customers across industries. By providing fast and high-standard customized products to stabilize the existing market, provide customers with various choices and horizontal cooperation to find new business opportunities and achieve a win-win situation; therefore, the company can maintain its advantages in the industry.

2. Important use and production process for the major products:

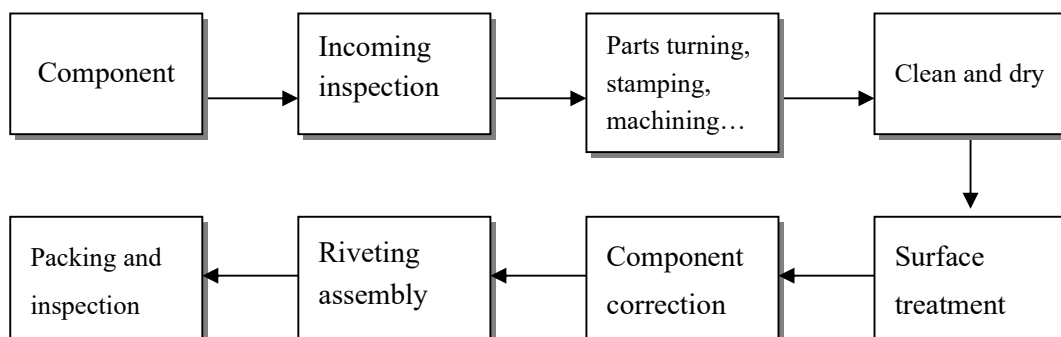
(1) Current application of current major products for the company as follows

Major products	Applications
Impact Airbag Inflator Sub Assembly	It is a component of the airbag inflator module system in the automotive airbag inflators (Supplemental Restraint System), the main function is filled the pressurized gases into airbags under the control of the sensor to make the gas expanded to protect occupants, which must ensure the appropriate speed (time-pressure curve) is fast and soft. It also cooperates with components such as sensors and electronic controls to minimize errors and protect occupants.
The Precision Pipe & Pinion of Pretensioner Seatbelt	The precision pipe & pinion of pretensioner seatbelt is a component of the retractor module in the pretensioner seat belt system (Pretensioner Seat Belt). It will be tightened first when the collision accident occurred and occupants haven't moved forward. Moreover, it immediately ties occupants to the seats to reduce passengers leaning forward's inertial force and to protect the safety of occupants effectively.
Electrical Power Steering System of Precision Shaft Tube or Gear Plate	The inner tube, outer tube, and related components of the collapsible safety steering column's upper shaft in the steering column of electrical power steering system (Electrical Power Steering System, EPS); in addition, the main function is connecting the steering wheel and steering gear as well as providing the safety collapse function.
Active Hood Lift System	Active Hood Lift System (Pop-up hood actuators) is installed inside the hood, which will rise 20-30 cm in advance when the accident occurs. It will create a buffer distance between

Major products	Applications
	the engine and the hood, and provide an air pressure buffer to decline the head injury of a pedestrian caused by hitting the hood or the front windshield.
CDC Damper Components	The CDC damper in the continuous adjustment control mode will need to integrate the traffic condition detection sensor and send it back ECU for damping adjustment control. Keep the vehicle stability in high-speed lane changes or emergency brakes, which will shorten the braking distance to improve driver's safety and comfort.
Display Fixture and Hanger	Design, manufacture and sales of display fixtures, hangers, etc. for displaying products.

(2) Manufacturing Process of the Company

A. The major manufacturing process module of automotive safety components as follows:



B. The display fixture and houseware division: Due to the diversified and customized products, it does not have the standard manufacturing process.

3. Supply status of the major raw materials:

Major raw materials	Major suppliers	Availability
Seamless steel pipe	Company A, Company B, Company C	Excellent availability

4. Description of major gross profit margin changes by each department classification or major product classification for the most recent 2 years:

Item \ Year	2023	2024
Gross profit ratio	24.79%	24.77%
Rate of changes in gross profit ratio	-4.58%	-0.08%

The company's gross profit ratio in 2024 has not changed by 20% compared to the gross profit ratio in 2023; therefore, the changes of gross profit ratio will not be analyzed.

5. List of principal suppliers and clients:

Setting forth the names of any suppliers (clients) that have supplied (sold) 10 percent or more of the company's procurements (sales) in either of the preceding 2 fiscal years, and the monetary amount and the proportion of such procurements (sales) as a percentage of total procurements (sales), and explaining the reason for any change in the amount.

(1) List of principal suppliers

Units: NT\$ Thousands

Item	2023				2024				First Quarter of 2025			
	Name	Amount	Percentage of total purchases (%)	Relationship with issuers	Name	Amount	Percentage of total purchases (%)	Relationship with issuers	Name	Amount	Percentage of total purchases (%)	Relationship with issuers
1	Company A	597,898	25.92	None	Company A	725,175	28.42	None	Note 1			
2	Company B	279,910	12.14	None	Company B	306,363	12.00	None				
3	Company C	246,825	10.70	None	—	—	—	—				
4	Others	1,181,800	51.24	—	Others	1,520,451	59.58	—				
	Net Purchases	2,306,433	100.00	—	Net Purchases	2,551,989	100.00	—				

Note 1: As of the date of publication of this annual report, the financial statements for the first quarter of 2025 have not yet been reviewed by the auditors.

Reasons for increasing or decreasing in the purchases: The purchasing amount from Company A increased from 25.92% in 2023 to 28.42% in 2024. This was mainly because Company A serves as the primary raw material supplier for our company, catering to both Taiwan and mainland China. Besides, the revenue situation in 2024 was better than that in 2023. Hence, the purchasing amount is increasing.

(2) List of principal sales customers

Units: NT\$ Thousands

Item	2023				2024				First Quarter of 2025			
	Name	Amount	Percentage of total sales (%)	Relationship with issuers	Name	Amount	Percentage of total sales (%)	Relationship with issuers	Name	Amount	Percentage of total sales (%)	Relationship with issuers
1	Group A customer	2,292,224	46.83	None	Group A customer	2,437,059	48.34	None	Note 1			
2	Group B customer	1,233,878	25.21	None	Group B customer	1,221,537	24.23	None				
	Others	1,368,155	27.96	—	Others	1,382,893	27.43	—				
	Net revenue	4,894,258	100.00	—	Net revenue	5,041,489	100.00	—				

Note 1: As of the date of publication of this annual report, the financial statements for the first quarter of 2025 have not yet been reviewed by the auditors.

Reasons for increasing or decreasing in the sales: The sales amount to Group A customers increased from 46.83% in 2023 to 48.34% in 2024. This was mainly due to the increasing demand from Group A customers.

4.1.3 Employee Information for the Past Two Years and up to the Publication of the Annual Report

Fiscal year		2023	2024	As of February 28, 2025 of the current fiscal year
Number of employees	Direct employees	933	1,010	954
	Indirect employees	838	748	732
	Total	1,771	1,758	1,686
Average age		36.48	37.91	37.36
Average years of service		7.49	7.93	7.30
Education distribution percentage (%)	Ph.D.	3	1	1
	Master's degree	42	53	54
	College	529	605	588
	Senior high school	538	495	471
	Below senior high	659	604	572

4.1.4 Environmental Expenditure Information

1. According to the laws and regulations, businesses that are required to apply for a permit for installing anti-pollution facilities, permit of pollution drainage, pay anti-pollution fees, or establish dedicated environmental units, explanation of application, payment, or establishment as follows:

(1) Pollution facility installation permit or operational approval

It has been applied in accordance with laws and regulations, and obtained the related permit for installing facilities, the description of the status of such applications and establishment as follows:

A. Wastewater treatment

The company has installed wastewater treatment facility to the relevant regulations, and discharged to the sewage treatment plant affiliated to Nan-kang Service Center, and the company has the following permits:

Plant area	Permit number
Nan-kang plant	Nantou County Environmental Water Management License No. 00230-05

B. Waste gas treatment

The company has installed treatment equipment of the waste gas generated during the production process, and has achieved the pollution facility installation permit and operational approval as follows:

Plant area	Item	Permit number
Nan-kang plant	Metal processing procedure (M01)	Government-issued Environmental and Air Quality Control Permit No. M1664-00
Nan-kang plant	Metal processing procedure (M03)	Government-issued Environmental and Air Quality Control Permit No. M1791-00

C. Waste dissolvent treatment

The company recycles and reuses the dissolvent, which used in the manufacturing process, and it will appoint the government-approved professional institutions to dispose of the unrecyclable parts.

D. Waste disposal treatment

The general and industrial wastes generated in the production process of the company are entrusted to the qualified professional institutions. In addition, the approval of the industrial waste disposal plan has been obtained from the Nantou Environmental Protection Bureau as follows:

Plant area	Permit number
Iron Force Industrial Co., Ltd. Nank-ang plant	Government-issued Waste Management Permit No. 1110184381
Hangzhou Iron Force Metal Products Co., Ltd.	Pollutant Discharge License No 913305006091222358
Zhejiang Iron Force Metal Products Co., Ltd.	Pollutant Discharge License No 9133050076392309XU001P

(2) The payment status of anti-pollution fees

Units: In NT\$; RMB

Region	Item	Amount in 2024	Periods
Taiwan	waste disposal and waste sludge	3,341,970	From January to December, 2024
	Wastewater treatment	652,524	From January to December, 2024
	Anti-pollution fee	3,033,227	From January to December, 2024
Mainland China	Waste disposal and waste sludge	864,728	From January to December, 2024

(3) The establishment status of an exclusively responsible unit/office for environmental issues: According to the law and regulation, the company does not need to install the dedicated personnel for wastewater or air pollution, but it must to install dedicated personnel for waste disposal. The company currently has two staff members who are certified as professional waste treatment technicians.

2. Setting forth the company's investment on the major anti-pollution facilities, the use purpose of such facilities and the possible effects to be produced:

In the beginning of the company's plant construction, the company prioritized investment in anti-pollution equipment, and wastewater was entrusted to the qualified professional institutions to clean up the disposals. The details of the purchased anti-equipment are as follows:

February 28, 2025; Units: NT\$; RMB

Region	Device name	Number	Acquisition date	Investment cost	Unreduced balance	Application and possible benefits
Taiwan	Wastewater treatment facility	1	2006.12.14	2,262,433	917,645	Wastewater treatment
Mainland China	Electroplating wastewater lagoon	1	2006.06.30	996,931	197,449	Wastewater treatment
	Diaphragm pump	1	2014.01.24	7,265	727	Wastewater treatment
	Atomic spectrophotometer	1	2014.12.15	62,393	10,399	Wastewater treatment
	Diaphragm pump	1	2016.06.02	6,410	1,068	Wastewater treatment
	Water-oil separation system	2	2017.02.28	238,462	39,744	Wastewater treatment
	Ultra-filtration recovery system	2	2017.02.28	78,632	13,106	Wastewater treatment
	Sewage station infrastructure	1	2017.06.30	6,315,759	5,367,147	Wastewater treatment
	Sewage treatment equipment	1	2017.06.30	1,825,487	304,248	Wastewater treatment
	Rain and sewage separation emergency pool	1	2017.08.21	66,990	11,165	Wastewater treatment
	Ultra-filtration recovery system	1	2018.03.23	52,137	8,690	Wastewater treatment
	Wastewater online monitoring equipment	1	2019.03.15	27,586	6,897	Wastewater treatment
	Mechanically diaphragm metering pump	2	2019.09.25	12,566	2,094	Wastewater treatment
	Wastewater treatment facility (spare)	1	2021.11.10	585,229	268,231	Wastewater treatment
	Nickel-containing wastewater recovery device	1	2011.11.26	585,297	58,530	Wastewater recovery and metal treatment
	Acid mist absorption tower	2	2016.12.23	400,000	66,667	Waste gas treatment
	Electrophoresis rework waste gas recovery tower	1	2017.08.31	61,662	10,277	Waste gas treatment
	Acid mist absorption tower	1	2018.03.15	188,034	31,340	Waste gas treatment
	Acid mist absorption tower	1	2019.05.08	29,499	4,917	Waste gas treatment
	Acid mist absorption tower	1	2021.09.16	43,338	18,660	Waste gas treatment
	Hazardous chemicals monitoring system	1	2019.08.14	46,306	11,577	Hazardous chemicals management

Region	Device name	Number	Acquisition date	Investment cost	Unreduced balance	Application and possible benefits
	Major pollution sources online monitoring equipment	1	2022.11.30	99,500	43,531	Environmental management
	Welding fume purifier	1	2024.01.26	63,717	52,212	Dust treatment
	Workplace Environmental Monitoring	1	2024.05.01	17,699	14,381	Environmental management
	Diaphragm pump	1	2024.01.01	10,973	8,992	Wastewater treatment
	Water delivery facility	1	2024.05.01	24,779	21,681	Wastewater treatment
	Water reuse of MBR equipment	1	2024.05.01	37,168	32,522	Wastewater treatment
	Acid mist absorption tower with automatic chemical dosing system	1	2024.06.01	17,476	15,534	Wastewater treatment

3. Describing the process undertaken by the company on environmental pollution improvement for the most recent year and up to the prospectus publication date. If there had been any pollution dispute, its handling process shall also be described: Not applicable.

4. Describing any losses suffered by the company in the most recent year and up to the prospectus publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental protection inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: Not applicable.

5. Explaining the current condition of pollution and the impact of its improvement to the profits, competitive position, and capital expenditures of the company, as well as the projected major environment-related capital expenses to be made for the coming year: Not applicable.

4.1.5 Labor Relations

1. Setting forth all employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights

and interests of employees.

(1) Employee welfare measures

The company has always paid attention on employee welfare and safety work place, it has established the Employees' Welfare Committee in 1999. Committees were selected by both employers and employees to apply in various welfare measures and shared corporate operating profits with employees. The implementation of the company's welfare measures as follows:

- i. Labor insurance, health insurance and group insurance
- ii. Various wedding and funeral subsidies for employees
- iii. General Physical Examination for employees
- iv. Uniforms issued by the factory and provided parking lots for vehicles and motorcycles
- v. Free lunch and dinner for working overtime
- vi. Thanksgiving party in the end of the year
- vii. Birthday parties or gifts
- viii. Annual salary adjustment, holiday bonus, year-end bonus, and bonus system
- ix. Educational scholarships for employees' children
- x. Domestic and overseas trips

(2) The status of implementation for employee continuing education and training

The company has set strict appointment conditions for the quality of human resources, and during the appointment period, the human resources will formulate education and training programs according to the needs of employees' positions and specialties. In addition to internal courses, it also subsidizes training fees to encourage employees to participate in external training courses to improve employees' professional techniques, cultivate actively and innovative talents.

(3) The status of implementation for retirement systems

The company handles employee retirement matters in accordance with relevant laws and regulations, and deposits retirement funds into the Trust Department of the Bank of Taiwan every month to take care of employees' retirement life. The company chooses to apply the Enforcement Rules of the Labor Pension Act after July 1, 2005. According to the salary classification table stipulated by the government, the company will contribute 6% of the monthly salary to the individual pension account of the Labor Insurance Bureau.

(4) The status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees.

The company has set up employee complaint handling mailboxes to

provide employees the suggestion channels, and regularly hold labor-management meetings in accordance with the “Regulations for Implementing Labor-Management Meeting” to communicate with each other and strengthen labor-employment relations.

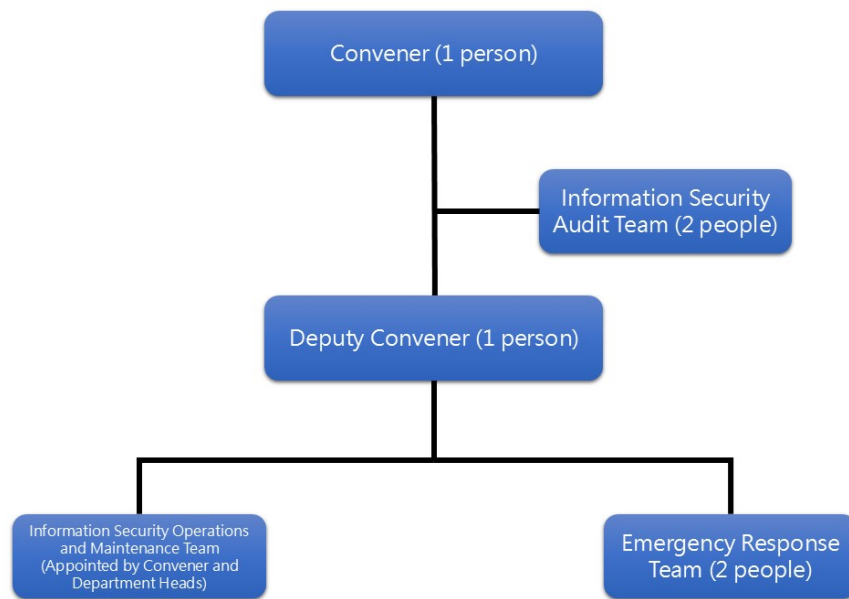
2. Describing any losses suffered by the company in the most recent year and up to the prospectus publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

In the most recent year and up to the prospectus publication date, the company does not have any losses suffered by labor disputes, and based on the current labor-management harmonious situation, there is no risk of labor disputes.

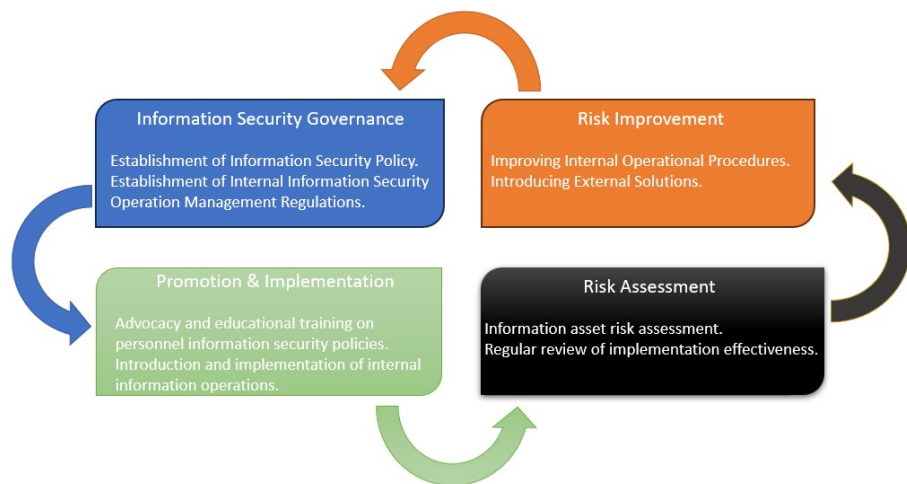
4.1.6 Information Security Management

1. Information and Communication Security Risk Management Framework

- (1) To ensure the continuous and effective operation of the Group's information security management system, as well as to develop strategic directions and address major information security issues, a dedicated Information Security Team has been established to promote and implement information security policies
- (2) An annual management review meeting is held, during which the convener reports the information and communication security risk management policies and specific management plans to the Board of Directors. The company has submitted this report to the Board on November 1, 2024.



- (3) The Information Security Team is responsible for executing the Group's information security policies, promoting information security awareness, and enhancing employees' cybersecurity consciousness. It ensures compliance with relevant security guidelines, procedures, and regulations while implementing effective information security management measures to mitigate internal and external cybersecurity risks faced by the company



2.Cyber security policies

Establish a safe and reliable computerized operating environment to ensure the company data, systems, equipment, network security and prevent unauthorized modification or use of data and systems, in addition to protect the sustainable operation of the company and customer rights.

3.Concrete management programs:

(1) Computer equipment security management

- i. Every application server and other equipment should be installed in dedicated server rooms and cloud hosting.
- ii. The inside of dedicated server room is equipped with an independent air conditioner to maintain the operation of computer equipment at an appropriate temperature environment; and place a chemical fire extinguisher, which can be applied to fires caused by general or electrical appliances.
- iii. The host machine in the server room is equipped with uninterruptible power supply equipment to avoid system crashes caused by momentary power failure, and to ensure that the operation of computer application systems will not be interrupted during temporary power outages.

(2) Network security management

- i. Set up a firewall connection rules to prevent illegal intrusion by hackers.
- ii. If it needs to log in the intranet to access data, then it must apply for VPN account through the information service application form, it can be logged in through the secure method of VPN.
- iii. Set up online behavior management and filtering, block access to harmful or disallowed network addresses and contents, strengthen the network security and prevent bandwidth resources from inappropriate occupancy.

(3) Virus prevention and management

- i. Apply in the anti-virus software, and automatically update the virus code to reduce the chance of virus infection.
- ii. The email adopts the Microsoft cloud mailbox, which will filter emails and attachments at the first step, and CHT will do the second step on the information security protection to prevent viruses from entering the user's computer.

(4) Data access control

- i. It should designate responsible personnel to taking control of computer equipment as well as set account number and passwords.
- ii. It should delete all system accounts and reinstall computer operating system on the day of the personnel resigned.
- iii. It should confirm that the information on the hard drive has been erased before the equipment is scrapped; in addition, when the hard drive is unutilized, the hard drive can be physically destroyed disposal.

(5) Response and recovery mechanism

- i. Build the remote backup system, adopt a daily backup mechanism, and store a copy of backup data on each remote server room to ensure the security of system and data.
- ii. Regularly conduct system recovery drills to ensure the accuracy of backup data.

4. Resources Invested in Information and Communication Security

(1) Management Achievements in Implementing Corporate Information Security Measures in 2024

- i. Purchased an endpoint protection system to facilitate USB control and software asset management.
- ii. Completed an independent internal TISAX audit for the Nantou plant on September 12, 2024.
- iii. Completed an independent internal TISAX audit for the Huzhou plant on August 28, 2024.
- iv. Completed an independent internal TISAX audit for the Taipei office on October 4, 2024.
- v. Since 2023, the company has been implementing TISAX (Trusted Information Security Assessment Exchange) certification to enhance information security measures. The company obtained a provisional certification (valid from September 21, 2023, to September 20, 2026) and officially received full certification on March 8, 2024 (valid from September 21, 2023, to September 20, 2026).
- vi. Conducted two information security training sessions for all employees in June 2023. The company also provides information security training for new employees, with a total of three training sessions completed as of 2024.

5. The cyber security risk and countermeasures

(1) Risks and management measures of information technology security

The company has established the relevant measures on the network and computer, but it cannot guarantee that the cyber-attack of any third-party can be completely avoided.

If the company suffered from serious cyber-attack, the system may lose the important data from the company, it may also affect the production lines. The information management department continuously examines and evaluates the regulations and procedures of information security to ensure the adequacy and effectiveness. However, it cannot guarantee that it will not be affected by new risks or attacks under the rapidly changing information

security threats.

In order to prevent and reduce incidents happen, it will continue to advocacy and improve relevant measures, strengthen firewalls and the network control to prevent computer viruses spreading across the factories.

6. Significant cyber security incidents

Up to the annual report publication date, the company has not occurred the significant cyber security incident.

4.1.7 Important Contracts:

Company Name	Nature of Contract	Parties Involved	Contract Start and End Date	Main Content	Restriction Clauses
Cortec Kunststoff Technik GmbH & Co. KG	Medium to Long-Term Secured Loan	Sparkasse Starkenburg	2019.12.31 ~ 2029.12.30	Credit line: €1,250,000	-
Cortec Kunststoff Technik GmbH & Co. KG	Medium to Long-Term Secured Loan	Deutsche Leasing AG	2019.04.02 ~ 2025.04.01	Credit line: €140,000	-
Cortec Kunststoff Technik GmbH & Co. KG	Medium to Long-Term Secured Loan	Deutsche Leasing AG	2021.04.02 ~ 2027.04.01	Credit line: €120,000	-
Cortec Kunststoff Technik GmbH & Co. KG	Medium to Long-Term Secured Loan	Deutsche Leasing AG	2020.06.02 ~ 2026.06.01	Credit line: €167,000	-
Cortec Kunststoff Technik GmbH & Co. KG	Medium to Long-Term Unsecured Loan	Deutsche Leasing AG	2021.12.02 ~ 2027.12.01	Credit line: €148,000	-
Cortec Kunststoff Technik GmbH & Co. KG	Medium to Long-Term Unsecured Loan	Deutsche Leasing AG	2023.03.02 ~ 2029.03.01	Credit line: €372,000	-

V. Review and Analysis of Financial Status and Business

Results and Risk Issues

5.1 Analysis of Financial Status

A main reason and impact on assets, liabilities and shareholders' equities for the most recent two year, future countermeasures should be explained if it has a substantial impact.

Units : NT\$ Thousands

Item \ Fiscal Year	2023	2024	Difference	
			Amount	%
Current assets	3,997,780	4,035,098	37,318	0.93%
Property, plant and equipment	1,852,823	1,829,226	(23,597)	(1.27%)
Right-of-use Asset	61,291	60,364	(927)	(1.51%)
Intangible assets	34,747	34,850	103	0.30%
Other non-current assets	111,935	841,201	729,266	651.51%
Other assets	76,788	45,610	(31,178)	(40.60%)
Total assets	6,135,364	6,846,349	710,985	11.59%
Current liabilities	1,130,928	711,116	(419,812)	(37.12%)
Non-current liabilities	640,866	887,659	246,793	38.51%
Total liabilities	1,771,794	1,598,775	(173,019)	(9.77%)
Equity attributable to	4,363,570	5,247,574	884,004	20.26%
Share capital	757,803	795,313	37,510	4.95%
Capital surplus	813,473	1,181,837	368,364	45.28%
Retained earnings	3,124,019	3,481,465	357,446	11.44%
Other interests	(331,725)	(211,041)	120,684	(36.38%)
Non-controlling interests	0	0	0	0.00%
Total equity	4,363,570	5,247,574	884,004	20.26%

Please explain the causes of changes in the financial ratios in the most recent two fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)

Other non-current assets: It is mainly due to the increase of financial assets at amortised cost.

Other assets: It is mainly due to the decrease of deferred income tax assets.

Current liabilities: Due to the repayment of short term loans, it resulted in the deduction of current liabilities.

Non-current liabilities: The company issued bonds payable in 2024.

Equity attributable to owners of the parent: It is because the company issued the common stock and due to the increase of financial statements translation differences of foreign operations.

Capital surplus: It is because the company issued the common stock in 2024.

Other interests: It is due to the increase of financial statements translation differences of foreign operations.

5.2 Analysis of Operation Results

5.2.1 Business results comparative analysis statement

Units : NT\$ Thousands

Fiscal Year Item	2023	2024	The statement of changes	
			Payable	Rate of Change%
Operating net revenue	4,894,258	5,041,489	147,231	3.01%
Operating costs	(3,681,197)	(3,792,915)	(111,718)	3.03%
Operating margin	1,213,061	1,248,574	35,513	2.93%
Operating expenses	(652,182)	(721,049)	(68,867)	10.56%
Operating net profit	560,879	527,525	(33,354)	(5.95%)
Non-operating income and expenses	144,150	295,248	151,098	104.82%
Income from continuing operations before income tax	705,029	822,773	117,744	16.70%
Income tax expense	(191,212)	(91,747)	99,465	(52.02%)
Net income	513,817	731,026	217,209	42.27%
Total comprehensive benefit	502,905	857,031	354,126	70.42%
<p>Please explain the causes of changes in the financial ratios in the most recent two fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)</p> <p>Non-operating income and expenses: It is disposal income from selling parts of the plant to the government.</p> <p>Income tax expense: The company reversed the income tax expense because the subsidiary transferred Capital surplus to Capital.</p> <p>Net income: Please refer to the explanation above.</p> <p>Total comprehensive benefit: It is mainly due to the increase in non-operating income and expenses, the decrease in income tax expense and the increase in financial statements translation differences of foreign operations.</p>				

5.2.2 Analysis of changes in operating margin: Compared to the gross profit margin in 2023, the company's gross profit margin was decreasing 0.08% in 2024. No analysis is required as it changed less than 20%.

5.2.3 The possible impact to the future financial business of the company and countermeasures, the expected sales volume in the next year; moreover, the main influencing factors for the expected sales volume of the company is continually growth and decline:

The company is mainly doing product demand prediction based on customer's estimation, it also considering with the capacity planning of the company and previous operating performance. In the meantime, it pays attention on changes from the market demands at

any time to expand the market share. Therefore, it is expected that the sustainable growth on the company's future business.

5.3 Analysis of Cash Flow

5.3.1 Analysis and explanation of changes in cash flow for the most recent fiscal year (2024):

Units : NT\$ Thousands

Item \ Fiscal Year	2023	2024	Variance (%)
Cash flow ratio (%)	114.34	66.75	(41.62%)
Cash flow adequacy ratio (%)	89.95	91.18	1.37%
Cash reinvestment ratio (%)	15.77	1.41	(91.06%)
Please explain the causes of changes in the financial ratios in the most recent two fiscal years. (Analysis is not required if the increase or decrease is less than 20%.) Cash flow ratio and Cash reinvestment ratio: The decrease in these ratios is primarily due to the decrease in cash flow from operating activities in the current period compared to the previous period.			

5.3.2 Cash Flow Analysis for the Coming Year (2025):

Units : NT\$ Thousands

Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (Inflow) (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
610,285	729,450	842,238	497,497	-	-
1. Analysis of cash liquidity in the next fiscal year: (1) Operating activities: It mainly due to net cash flow from general operating activities. (2) Investing activities: It mainly due to net cash outflow from capital expenditures and investment expenditures. (3) Financing activities: : It mainly due to net cash outflow from paying cash dividend. 2. Remedial measures of estimated cash in insufficient amount and analysis of liquidity: Not applicable.					

5.4 Impact of Major Capital Expenditure in the Past Year on the Financial Status

5.4.1 Application of major capital expenditure and capital sources: Not applicable.

5.4.2 Possible benefits: Not applicable.

5.5 Re-investment Policy in the Past Year, the Main Reason for Its Profit or Loss, the Improvement Plan and Investment Plan in the Next Year

5.5.1 Re-investment policy in the past fiscal year, the main reason for its profit or loss, the improvement plan and investment plan:

The company's re-investment policy follows "the investment cycle" and "regulations governing the acquisition and disposal of assets" of internal control

systems. The company's re-investment policy is mainly based on investing in related industries, and strengthen competitiveness is a major consideration, every investment project will be evaluated carefully.

5.5.2 The main reason for its profit or loss, the improvement plan and investment plan in the next fiscal year

December 31, 2024 ; Units : NT\$ Thousands

Investee company	Shareholding (%)	Net investment income or loss	Reasons for Gain or Loss	Action plan	Investment Plan for the Next 12 Months
Transtat Investment Ltd.	100	572,649	The mainly investment incomes are recognized under Iron Force Zhejiang Iron Force Metal Products Co., Ltd. and Huzhou Iron Force Metal Products Co., Ltd.	—	—
Cortec GmbH	100	19,526	Mainly due to the decrease in customer demand, and it leads to lower profits.	—	—
IronForce PolandSp. zo.o.	100	(25,356)	Mass production started from the 3 rd quarter in 2020, it has not reached the scale of operation yet.	—	—
Cortec Kunststoff Technik GmbH & Co. KG	100	12,309	Mainly due to the decrease in customer demand, and it leads to lower profits.	—	—
Cortec Verwaltungs GmbH	100	24		—	—
Zhejiang Iron Force Metal Products Co., Ltd. (Note 1)	100	158,578	It mainly provided the processing service to its affiliated businesses. Besides, the company recognized disposal income from selling parts of the plant to the government.	—	—
Huzhou Iron Force Metal Products Co., Ltd. (Note 1)	100	416,950	Mainly Stabilized customer's orders to maintain the profits.	—	—

5.6 Analysis and Assessment of Risk Issues in the Past Year and as of the Date of Publication of the Annual Report

5.6.1 Risk Factors

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

A. Interest Rate

The interest rate risks of the company and its subsidiaries are paid attention to the changes of the market ratio by the financial department at any time, and it maintains good credit relationship with the banking activity, and it duly strives for optimum rate of interest for the demand. Therefore, the company and subsidiaries have the less effect on the fluctuations of interest rates.

B. Foreign Currency

The imported raw materials and export business of the company and its subsidiaries are mostly evaluated in US dollars, Euros and Renminbi; therefore, the trend of international currencies is closely connected to exchange gains and losses of the company and its subsidiaries. The company and its subsidiaries hold a steady foreign exchange strategy, which duly adjusts dynamically in the foreign exchange assets and liabilities to reduce the impact caused by the change of exchange rate.

C. The Impact of Inflation to The Company's Profit or Loss

The company and its subsidiaries do not have adverse impact due to the inflation as of the date. In addition, the company and its subsidiaries pay attention to the market prices fluctuations of raw material at any time, and continuously look for alternative material, which will provide the relative information to the management on the basis of decision making and reviews. Moreover, it maintains a good interaction relationship with suppliers and customers to improve responsiveness the cost changes; besides, it can discuss the possibility of adjustment in purchasing and selling prices to avoid the adverse impact on the company due to the inflation.

- (2) Policies, main causes of gain or loss and countermeasures with respect to high-risk, high-leveraged investments, lending or endorsement guarantees, and derivatives transactions

The company and its subsidiaries do not engage in the high risk-and high-leverage investment activities. Besides, The company and its subsidiaries do not provide funds lending in principle, except for the re-invested companies which have the controlling interests. In addition, the company and its subsidiaries follow the "Procedure for Lending Funds to Other Parties and or Guarantee". Furthermore, the company and its subsidiaries duly engage in derivatives trading by taking hedging measures from foreign currencies" position to reduce the risk of the change of exchange rate. Every financial transaction is based on the "Handling Derivative Financial Products Transactions Processing Procedure" to standardize foreign currency derivatives transaction processing procedures.

- (3) Future research & development projects and corresponding budget

Since the company and its subsidiaries established, it has accumulated research & development team strength through internal education training, experience inheritance and fine knowledge management system, which strengthen the planning and research & development innovation abilities on raw material and products. The main scope and range of research & development for the company and its subsidiaries is to strengthen the development of new products and improve the process. The research & development department has an annual goal and based on the internal research and development project

management methods to set the research & development plan. The company and its subsidiaries will continuously dedicate to the research and development in the next year, and research & development expenses will be changed by the increase or decrease of revenue.

- (4) The impact of domestic and foreign important policies and amendment of laws to the company's financial status and countermeasures:

The company and its subsidiaries pay attention to the situation of domestic and foreign important policies and amendment of laws at any time; moreover, it duly consults related experts in legal and accounting's evaluation, suggestion, and planning countermeasures to fully grasp and respond to changes in the market circumstances. Therefore, domestic and foreign important policies and amendment of laws have not had a substantial impact on the company and its subsidiaries' financial status in the most recent fiscal year and as of the publication date of the annual report.

- (5) The impact of technology changes (including information security risks) and industry changes to the company's financial status and countermeasures:

The company and its subsidiaries pay attention at any time; moreover, it collects and analyses the market of various auto air gs and technical development changes to reduce the impact of technological changes. In the meantime, it also strengthen the development of new products and improve the process, in addition to stabilize and ensure source of profits. Therefore, technology changes and industry changes have not had a substantial impact on the company and its subsidiaries' financial status in the most recent fiscal year and as of the publication date of the annual report.

- (6) The impact of corporate image changes to industrial crisis management and countermeasures:

The company and its subsidiaries hold the principle of sustainable operation in profession and integrity, moreover, it values the corporate image and risk control, and there is no business of industrial crisis management would cause by corporate image changes.

- (7) Expected benefits, potential risks and countermeasures of mergers and acquisitions implement:

The company and its subsidiaries have not had the plan of mergers and acquisitions implement in the most recent fiscal year and as of the publication date of the annual report.

- (8) Expected benefit, potential risks and countermeasures of plants expansion:

The company and its subsidiaries have not had the plan of plants expansion in the most recent fiscal year and as of the publication date of the annual report.

- (9) Risks and countermeasures faced by centralized sales or purchases:

A. The company and its subsidiaries have more than two suppliers of important raw materials, and it maintained a good cooperation to ensure the purchasing flexibility and diversify the purchase sources. Due to the consideration of the globalization strategy in production and marketing policies in the most recent three years, the purchasing proportion through the production base of overseas subsidiaries was high and the purchase sources were very diversified. Therefore, the company and its subsidiaries have not had the risk of centralized purchasing or unsterilized sources of supplying.

B. The company and its subsidiaries' automotive parts division produce auto parts such as the auto airbags inflatable housing and pretensioner seat belt precision tube. Due to

the global auto airbags is mainly manufactured by several international well-known manufactures, which is a highly centralized industry, and each auto airbags factory has its long-term and stable supply chain. Therefore, the company and its subsidiaries' products currently supply to the global top three Airbag system factories because of the industry characteristic. Due to the auto airbags inflatable housing of the company and its subsidiaries 's revenue is gradually increasing, the overall operating condition is still good.

- (10) The impacts, risks and countermeasures about changes in shareholding and equity pledge of directors, supervisors and shareholders holding more than 10% of the company's shares:

The company's directors and major shareholders are optimistic about the prospects of the company but every shareholder may base on the investment and financial management as well as tax liabilities as the consideration to make an appropriate planning and arrangement. In view of the need of corporate benefits and stabilizing the confidence of investors, if it is necessary for transferring or changing directors and major shareholder, then it must be implemented at an appropriate time after the sufficient communication with the board of directors and the operating team. Therefore, there are no adverse effects and risks to the company's operation and shareholders' equity. The company is comply with the regulations of the competent authority for the shareholding control. The company have not had changes in shareholding which held more than 10% of the company's shares in the most recent fiscal year and as of the publication date of the annual report.

- (11) The impacts, risks and countermeasures about changes in operation rights:

The Company originally had seven director seats (including three independent directors), held by MENG CHING INVESTMENT CO., LTD. (Representative: HUANG, CHENG-I), HUANG, CHENG-CHUNG, MENG CHING INVESTMENT CO., LTD. (Representative: CHANG, YUAN-JAN), YCSY Co., Ltd. (Representative: WAY, YUNG-DO), SHIH, YAO-TSU, WU, SU-HUAN, and CHANG, SHA-WEI. On June 21, 2024, a full re-election of the board of directors took place, increasing the number of director seats from seven to nine. The election results are as follows: MENG CHING INVESTMENT CO., LTD. (Representative: HUANG, CHENG-I), HUANG, CHENG-CHUNG, YCSY Co., Ltd. (Representative: WAY, YUNG-DO), and MENG CHING INVESTMENT CO., LTD. (Representative: LIN, CHIN-NENG) were re-elected as directors for the current term. Newly appointed directors include I Yang Investment Ltd. (Representative: HUANG, I-YANG), I Fan Investment Ltd. (Representative: HUANG, YI-FAN), CHANG, YING-LING, and CHEN, KUO-AN. SHIH, YAO-TSU and CHANG, SHA-WEI did not continue in the current term, resulting in a change of more than one-third of the board seats. However, there has been no change in the Company's management control.

- (12) Litigation or Non-litigation Cases

A. Litigation, non-litigation or administrative litigation of the company which had final judgment or still pending as of the publication date of the annual report for the most recent two fiscal years, the result may have a substantial impact on shareholders' equity or securities prices:

- (1) The prosecutor from the Nantou District Prosecutors Office in Taiwan has filed charges against our company on November 20, 2021, for alleged violations of Article 47 of the Waste Disposal Act and Article 57 of the Air Pollution Control Act, the company received the criminal judgment from the Nantou District Court in Taiwan (Document Case No. 111-Su-5) on April 17, 2023, detailing the background of the case as follows: The organic solvent waste of the company

was transported by an environmental protection company without the proper qualifications for waste disposal. Additionally, volatile organic compounds were generated during the manufacturing process, and the report regarding the declaration and payment of air pollution control fees involves violations of the Waste Disposal Act, the Air Pollution Control Act, and the Criminal Code. The Nantou District Court in Taiwan pronounced the first-instance judgment, imposing a fine of NT\$2,500,000 and confiscating criminal proceeds amounting to NT\$4,346,600.

- (2) The company received a criminal verdict from the Taiwan Nantou District Court on April 17, 2023, imposing a fine of NT\$2,500,000 and confiscating the proceeds of the crime. As the company has estimated the impact amount to be NT\$6,846,600, which has been fully accounted for the financial statements in the fiscal year 2022. The impact is not deemed significant to the financial statements.

- B. The company's directors, supervisors, general manager, de facto director, major shareholders holding more than 10% of the company's shares and affiliated companies who had litigation, non-litigation or administrative litigation of final judgment or still pending as of the publication date of the annual report for the most recent two fiscal years, and the result may have a substantial impact on shareholders' equity or securities prices: Not applicable.
- C. The company's directors, supervisors, managers, and major shareholders holding more than 10% of the company's shares who had occurred Article 157 of the Securities and Exchange Act and the current situation of the company as of the publication date of the annual report for the most recent two fiscal years: Not applicable.
- D. The company's directors, supervisors, managers, and major shareholders holding more than 10% of the company's shares who had any financial difficulties or loss insolvent credits as of the publication date of the annual report for the most recent two fiscal years, and the impact of the company's financial status: Not applicable.

(13). Other Major Risks and Countermeasures :

A. Disclosure of Information Security Management Measures

Iron Force Industrial Co., Ltd has established the information system management procedure, and conducted the relevant management operation on the basis of the program to control and maintain the operations from the important company system such as manufacturing operations and accounting. However, the relevant management system cannot guarantee that the cyber-attack of any third-party paralyzed system can be completely avoided. Iron Force Industrial Co., Ltd has inspected and evaluated the information system management procedure every year to ensure its appropriateness and effectiveness. As of the publication date of the annual report in 2023, Iron Force Industrial Co., Ltd have not found any substantial cyber-attack or incident which have or may cause the substantial negative effects to the corporate business or operation.

- B. According to Article 15 of the "Trial Measures for the Administration of Overseas Securities Offerings and Listings by Domestic Enterprises" issued by the China Securities Regulatory Commission (CSRC), an issuer is deemed to be a domestic enterprise conducting indirect overseas issuance and listing if it meets both of the

following conditions. Adhering to the principle of substance over form, the issuer must file a project record with the CSRC:

- (1) In the most recent fiscal year, the operating revenue, total profit, total assets, or net assets of the domestic enterprise exceeds 50% of the corresponding figures in the issuer's consolidated financial statements for the same period, as audited.
- (2) Key operational activities are carried out within China, or primary places of business are located in China, or most senior management personnel responsible for business operations are Chinese citizens or have a primary residence in China.

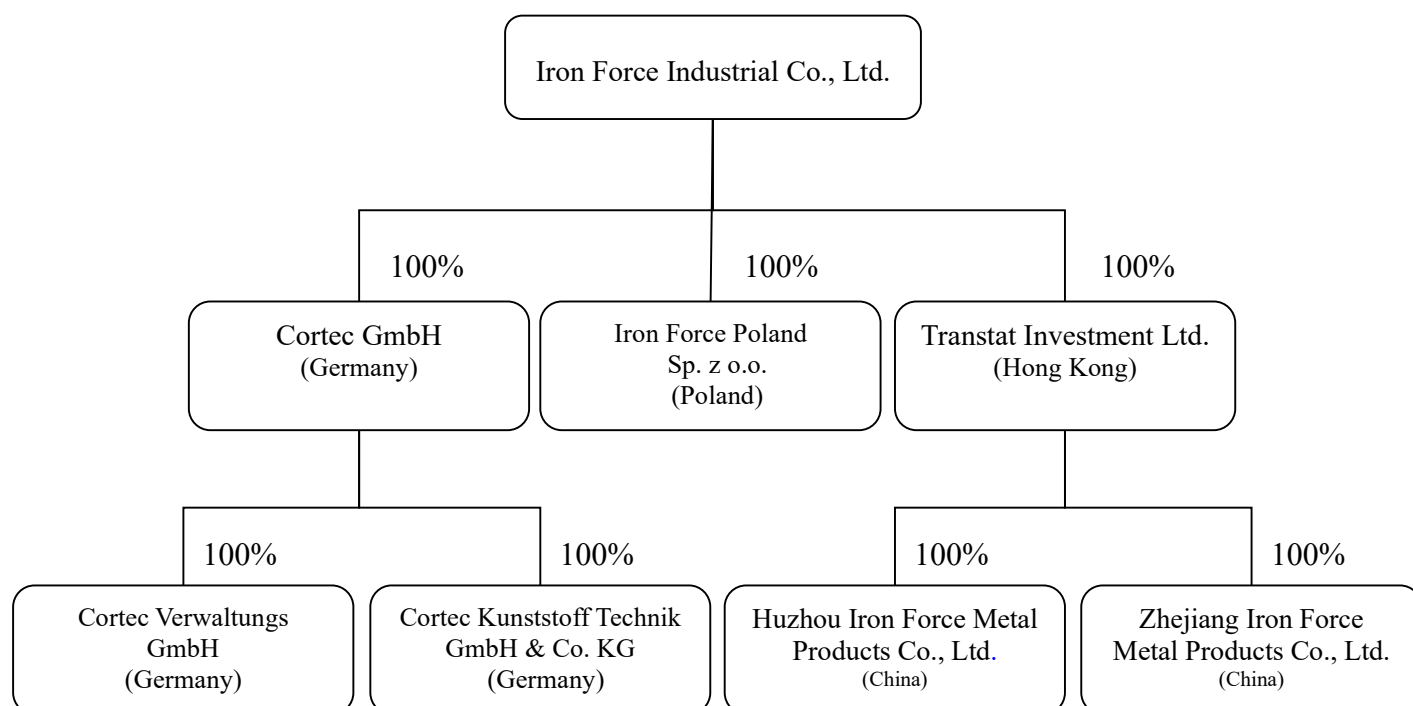
In the most recent fiscal year, the operating revenue, total profit, total assets, and net assets of the Company and its subsidiaries in China accounted for 47.54%, 78.33%, 72.30%, and 88.10%, respectively, of the corresponding figures in the Company's consolidated financial statements for the fiscal year 2023, as audited by an independent accountant. Among these, the proportions for total profit, total assets, and net assets exceed 50%. Additionally, the Company's subsidiaries in China serve as one of the primary production bases of the Group. Therefore, the Company meets the criteria under the "Trial Measures for the Administration of Overseas Securities Offerings and Listings by Domestic Enterprises" and is required to file a project record with the CSRC.

5.7 Other Important Matters: Not applicable.

VI. Special notes

6.1 Information about the company's affiliates:

6.1.1 Organization chart of the company's affiliates:



Note: Sp. z o.o. is Ltd.

6.1.2 Basic information about the company's affiliates:

December 31, 2024				
Company name	Establishment date	Address	Paid-in capital	Major business items and productions
Cortec GmbH	October 25, 2005	Hauptstraße Nord 5, 69483 Wald-Michelbach	EUR750,000	Display fixtures, housewares and various hangers manufacturing and sales
Transtat Investment Ltd.	March 10, 1992	Unit 2102, 21/F., Golden Centre, 188 Des Voeux Road Central, Sheung Wan, Hong Kong	USD25,996,966	Holding company
Zhejiang Iron Force Metal Products Co., Ltd.	September 20, 2004	No.1 Xingluo West Road, Luoshe town, Deqing County, Zhejiang Province	USD5,000,000	Display fixtures, housewares, various hangers and related hardware, plastic, wooden product manufacturing, motor vehicles and parts manufacturing and plant lease

Company name	Establishment date	Address	Paid-in capital	Major business items and productions
Huzhou Iron Force Metal Products Co., Ltd.	September 12, 1992	No. 236, Chengnan Road, Luoshe Town, Deqing County, Zhejiang Province	USD63,060,000	Auto airbag inflators, seat belt system and spare components manufacturing.
Iron Force Poland Sp. z o.o.	December 19, 2017	UL. MACIEJA WILCZKA 6, ZABRZE, 41-807, POLAND	PLN80,000,000	Auto airbag inflators, seat belt system and spare components manufacturing
Cortec Verwaltungs GmbH	June 11, 2018	Hauptstraße Nord 5, 69483 Wald-Michelbach	EUR25,000	Management consulting firm
Cortec Kunststoff Technik GmbH & Co. KG	June 27, 2018	Windhofstr. 12, 64689 Grasellenbach	EUR25,000	Display fixtures, housewares and various hangers manufacturing and sales

6.1.3 It is presumed to have control and affiliations of the same shareholder information:
Not applicable.

6.1.4 Directors of affiliated businesses, supervisors, and managers information

December 31, 2024

Company name	Job title	Name or legal representative	Shares held	
			No. of shares	Share-holding ratio
Cortec GmbH	Note 1	Note 1	Note 2	100%
Transtat Investment Ltd.	Chairman Director Director	Mr. HUANG, CHENG-I Mr. HUANG, CHENG-KUANG Mr. HUANG, CHENG-CHUNG	25,996,966	100%
Zhejiang Iron Force Metal Products Co., Ltd.	Chairman Director Director and general manager Supervisor	Mr. HUANG, CHENG-I Mr. HUANG, CHENG-KUANG Mr. HUANG, CHENG-CHUNG Mr. HUANG, YI-FAN	Note 2	100%
Huzhou Iron Force Metal Products Co., Ltd.	Chairman Director Director Supervisor Deputy General Manager	Mr. HUANG, CHENG-I Mr. HUANG, CHENG-KUANG Mr. HUANG, CHENG-CHUNG Mr. HUANG, YI-FAN Mr. LIU, SHI-WEI	Note 2	100%

Company name	Job title	Name or legal representative	Shares held	
			No. of shares	Share-holding ratio
Iron Force Poland Sp. zo.o.	Chairman Director Director	Mr. HUANG, CHENG-I Mr. HUANG, CHENG-KUANG Mr. HUANG, CHENG-CHUNG	1,600,000	100%
Cortec Verwaltungs GmbH	Note 1	Note 1	Note 2	100%
Cortec Kunststoff Technik GmbH & Co. KG	Note 3	Note 3	Note 2	100%

Note 1: There is no established director, which registered business representative in local is Torsten Schmitt.

Note 2: Limited/ limited partnership is unissued shares, not applicable.

Note 3: Cortec Kunststoff Technik GmbH & Co. KG is limited partnership, which registered business representative in local is general partner: Cortec Verwaltungs GmbH.

6.1.5 Operations profile of the company's affiliates:

December 31, 2024 ; Units: NT\$ Thousands

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Sales revenue	Operating profit	Net profit after-tax	Earnings per share (NT\$)
Cortec GmbH	EUR 750	EUR 12,814	EUR 2,757	EUR 10,057	EUR14,023	EUR372	EUR 562	-
Transtat Investment Ltd.	USD 25,997	USD 150,980	USD 9,972	USD 141,008	USD 74,503	USD 12,346	USD 17,800	-
Zhejiang Iron Force Metal Products Co., Ltd.	USD 5,000	USD 9,422	USD 336	USD 9,086	USD 927	(USD486)	USD 4,929	-
Huzhou Iron Force Metal Products Co., Ltd.	USD 63,060	USD 141,333	USD 10,009	USD 131,324	USD74,503	USD 11,913	USD 12,842	-
Iron Force Poland Sp. z o.o.	PLN 80,000	PLN 87,252	PLN 21,044	PLN 66,208	PLN 23,976	(PLN4,515)	(PLN3,144)	-
Cortec Verwaltungs GmbH	EUR 25	EUR 29	EUR 1	EUR 28	EUR 0	(EUR 1)	EUR1	-
Cortec Kunststoff Technik GmbH & Co. KG	EUR 25	EUR 3,528	EUR 3,346	EUR 182	EUR 6,082	EUR 388	EUR 355	-

Note: Transtat Investment Ltd. is the holding company, the operation profile is expressed by the consolidated figures based on the consolidated Zhejiang Iron Force Metal Products Co., Ltd. and Huzhou Iron Force Metal Products Co., Ltd.; the operation profile of Cortec Verwaltungs GmbH and Cortec Kunststoff Technik GmbH & Co. KG has been merged and expressed by Cortec GmbH.

6.2 For private placement of securities in the most recent fiscal year and as of the publication date of the annual report, it should disclose the date of approval by the shareholders meeting and amount approved, basis and rationality of the price setting, method of selection of qualified persons and reason for necessity of private placement, counterparty of the private placement, qualifications, subscription quantity, relationship with the company, participation in the company's operations, actual subscription (or conversion) price, difference between actual subscription (or conversion) price and reference price, impacts of private placement on shareholders' equity, fund utilization plan is implemented after self-owned funds or price payment is fully received, fund utilization of private placement and project implementation progress and private placement benefits: Not applicable.

6.3 Other Necessary Supplementary Notes: Not applicable.

VII. Matters in the Most Recent Fiscal Year and as of the Publication Date of the Annual Report Which Have a Substantial Impact on Owner's Equity as Stipulated in Item 3, Paragraph 2, Article 36 of the Securities and Exchange Act: Not applicable.