



Stock Code: 2233

TURVO INTERNATIONAL CO., LTD.

2024 Annual Report

The Annual Report is available at

Market Observation Post System :<http://mops.twse.com.tw>

Corporate Website: <http://www.turvo.com.tw>

28 February 2025

I. The spokesperson and deputy spokesperson of the Company:

Name of spokesperson: TSAI, MING-TUNG

Title: Chief Executive Officer

Tel: (04)2657-5790

E-mail: IR@turvo.com.tw

Name of deputy spokesperson: WU, HSIAO-JUI

Title: Senior manager, Finance Management Department

Tel: (04)2657-5790

E-mail: IR@turvo.com.tw

II. Address and contact number of the headquarters and plant:

Address: No. 27, Jing 2nd Rd., Wu qi Dist., Taichung Port Technology
Industrial Park, Taichung City

Tel: (04)2657-5790

III. Stock Transfer Agent:

Name: CTBC Bank Co., Ltd. Stock Transfer Agency
Department

Address: 5F., No. 83, Sec. 1, Chongqing S. Rd.,
Zhongzheng Dist., Taipei City

Website: <http://www.ctbcbank.com.tw>

Tel: (02) 6636-5566

IV. CPAs of the Most Recent Financial Report:

CPAs: CHEN, MING HUNG 、 LO, WEN CHEN

Name of the Accounting Firm: Ernst & Young

Address: 26F., No. 186, Shi Zheng N. 7th Rd., Xuan
Dist., Taichung City

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

Tel: (04) 2259-8999

V. Overseas Securities Exchange: None.

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

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I. Letter to Shareholders

Dear shareholders,

Thanks for every shareholder's support. We sincerely appreciate your presence at the regular shareholders' meeting of the Company, despite your busy schedules. On behalf of the Company, we would like to express profound gratitude for the support and encouragement received from every shareholder.

The Company would like to express our gratitude to all dedicated colleagues and the support and trust of shareholders and directors. I will provide an overview of the operating results for 2024 and the outlook for operations in 2025.

The 2024 Business Report is as follows:

1.1 2024 Operating Results

(i) The results of the implementation of the business plan for 2024

Dear shareholders, thanks to the efforts of the company's management team and all our colleagues, we are proud to present an excellent performance for the year 2024. Benefiting from the steady growth in the automotive and medical product sectors, as well as the recovery in the bicycle industry, the consolidated revenue for 2024 reached a historical high of NT\$3,658,705 thousand, representing a 9.62% growth compared to 2023. Furthermore, the company continues to optimize production processes, improve operational efficiency, and reduce costs. The consolidated gross margin for 2024 was 37.18%, an increase of 4.48% from 2023, while the consolidated operating income grew by 29.46% compared to 2023. This year, the strong U.S. dollar also contributed to increased foreign exchange gains, resulting in a consolidated net profit after tax of NT\$657,896 thousand, a 24.15% increase from 2023, with earnings per share of NT\$10.96, marking the best profit record in the company's history and demonstrating outstanding business performance and competitiveness.

Looking ahead to 2025, our company will actively embrace the development trend of artificial intelligence (AI) technology, positioning ourselves in related application markets to create new growth momentum. Our in-house brand of gearboxes, TUF ONE, has unlimited business potential in humanoid robots and e-VTOL (electric vertical take-off and landing aircraft). The company will continue to uphold a proactive attitude and a sound business philosophy, and with the support and encouragement of our shareholders, we aim to achieve even greater success and reach new heights.

Unit: NTD (in thousands)

Item	2023	2024	Change Ratio
Net Operating Revenue	3,337,485	3,658,705	9.62%
Gross Profit	1,091,194	1,360,228	24.66%
Operating Income	531,808	688,470	29.46%
Income Before Tax	571,240	786,742	37.73%
Net Income	529,930	657,896	24.15%

(ii) Budget Implementation

In accordance with current regulations, the Company has not publicly disclosed the financial forecast for 2024. However, the overall actual operating conditions and performance are consistent with the business plan developed internally by the Company.

(iii) Analysis of Receipts, Expenditures, and Profitability

Item		2023	2024
Financial Structure	Debt to assets ratio %	30.65%	33.38%
	Fixed assets to long term funds ratio %	215.90%	204.43%
Insolvency	Current ratio%	299.12%	211.13%
	Quick ratio%	215.78%	146.83%
Profitability	Return on assets%	10.49%	11.84%
	Return on equity%	15.07%	17.23%
	Net profit margin %	15.88%	17.98%
	Earnings per share (NTD) (Note)	8.86	10.96

Note: The calculation is based on the weighted average number of outstanding shares during the year, retroactively adjusted to reflect any increase in the weighted average number of outstanding shares in connection with a capital increase out of earnings in previous years.

(iv) Research and Development Work

Our in-house brand, TUF ONE planetary gearboxes, are not only used in precision positioning applications such as machining equipment and automation systems, but will also be applied in fields like humanoid robots and e-VTOL (electric vertical take-off and landing aircraft) in the future. Therefore, our company will intensify efforts in the development of gearbox-related products, leveraging our extensive technical expertise and resources in the machining field to extend our service range into high-end industrial applications, providing customers with continuously evolving AI automation solutions.

Our company is a professional manufacturer of precision metal components, with extensive expertise in CNC lathes, CNC turning-milling combination machines, milling machines, precision grinders, precision measurement, and product process improvement. We are actively involved in the process design of new products, process improvement of existing products, design and development of specialized processing machines and inspection equipment, as well as the development and research of new machining techniques. Through continuous R&D, we enhance machining technology and apply the developed techniques to various metal processing fields, such as fuel vehicles, bicycle/E-bike components, electric vehicle and hydrogen fuel vehicle parts, industrial application sensor components, and orthopedic surgical medical device components.

The focus of our current R&D efforts is not only to continuously enhance existing technical capabilities and improve the performance of current products, but also to concentrate on the development of new products. We are committed to helping customers develop tailor-made solutions and integrating product development capabilities, playing a key role in the precision metal machining field.

1.2. Summary of the Business Plan for 2025

(i) Business Policy

1. Deepen relationships with existing customers while continuously developing new customers, and keep an eye on the trends in new markets and new product developments.

2. Actively innovate and develop applications in the smart field to meet customer needs.
3. Continue expanding the production capacity of the parent and subsidiary companies to meet customer demands, drive operational growth, and enhance revenue and profitability.
4. Strictly implement cost control and expense management, continuously optimizing operational performance.
5. Introduce automation in production and inspection to improve production efficiency and technical capabilities, achieving the company's sustainability goals.
6. Implement AI, big data, and smart manufacturing plant management to comprehensively enhance process and quality capabilities.
7. Expand employee welfare, care for disadvantaged groups, and protect environmental resources.
8. Promote and implement ESG (Environmental, Social, and Governance) sustainable development strategies.
9. Implement environmental protection and energy-saving measures under the principles of "Environmentally Friendly, Energy-Efficient, Love the Earth."

(ii) Sales Volume Forecast and the Basis Thereof

The expected shipment volume of the Company and its subsidiaries is expected to significantly increase in 2025 with the injection of new production capacity. The estimated increase in shipment volume in 2025 is based on the overall production capacity status of the year and the projected growth of contract and existing orders from customers.

(iii) Important Production and Sales Policies

1. Production Policies: The completion of the new factory increases production capacity to meet customer order demands. We will continue to invest in R&D and improve manufacturing technologies, quickly implementing automation in production and inspection. With data-driven smart factory management, we aim to comprehensively enhance efficiency, quality control, and reduce costs
2. Sales Policies: We are strategically positioning ourselves in the field of artificial intelligence to expand into new markets and increase the brand awareness of TUF ONE planetary gearboxes. We aim to maintain long-term partnerships with existing customers while actively developing new ones. At the same time, we closely monitor the latest market trends, combining the company's core competencies and manufacturing technologies to accurately understand customer needs and market developments. This approach will help us continuously improve revenue and profitability.

1.3. Outlook of the Company

Our company has transitioned from OEM to branding, launching our own brand, TUF ONE planetary gearboxes, to the world. In the face of rapid changes and challenges in the future market environment, our company and subsidiaries remain committed to the long-standing emphasis on technological development and manufacturing quality. We will continue to strengthen innovation

in R&D, improve operational performance, maintain high-quality performance, implement quality policies, reduce costs, and enhance production efficiency. We are also actively expanding into new customer bases and markets to achieve higher profits.

This year, our company and subsidiaries will focus on deepening our expertise in precision metal component processing. At the same time, with the rapid development and widespread application of artificial intelligence (AI) technology, we aim to leverage our accumulated industry knowledge and resources to develop AI automation technology. We will actively position ourselves in the AI market, creating unique value through differentiation and innovation, and embracing the wave of AI automation. We will also focus on expanding and strengthening the gearbox market, enhancing brand recognition. Additionally, we will continue to emphasize integrated services in automation, forging, heat treatment, and multi-axis machining, expanding core product applications and diversifying development. We aim to promote smart manufacturing and create added value, striving to make our company and subsidiaries industry leaders, delivering the highest value and profitability to our shareholders.

1.4. The Impact of External Competitive Environment, Regulatory Environment and Overall Business Environment on the Company

The global economy will face numerous challenges and opportunities. Major countries are gradually starting to lower interest rates, but the global economy is also encountering increased policy uncertainty, rising trade protectionism, and escalating geopolitical risks, all of which will impact the stability of supply chains and market demand.

Our company will closely monitor global raw material price fluctuations and the impact of climate change on supply chains, while continuously strengthening risk management mechanisms to ensure stable operations. At the same time, we will deepen internal resource integration, enhance synergy with our subsidiaries, and promote sustained business growth. In response to the rapidly evolving regulatory environment, the company will strictly adhere to the regulations set by the authorities, actively cooperate with policy adjustments, and ensure compliant operations. We will also continue to strengthen our talent development mechanisms to enhance competitiveness, and uphold the core business philosophy of "environmental protection, social responsibility, and corporate governance." We are committed to actively advancing existing businesses, new product development, and new business layouts to ensure the company remains resilient and maintains momentum for sustainable development in the global competitive landscape.

Finally, a big thank you to all shareholders, ladies, and gentlemen, and to the dedicated colleagues for their long-standing support and encouragement, and to all the best regards. Wishing all

Good health and good luck!

TURVO INTERNATIONAL CO., LTD.

Chairman: LIU, CHUN-CHANG



II. Corporate Governance Report

2.1 Directors, Supervisors and Management Team

2.1.1. Directors and Supervisors

31 December 2024 Unit: Shares %

Title	Nationality or place of registration	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Major Work experience (Education)	Concurrent positions with the Company and other companies	Other Officer or Director who is the spouse or kindred within the 2 nd tier			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	ROC	Zeng Hsing Industrial Co., Ltd.	–	31 August 2022	3 years	31 August 2021	13,000,000	21.56	15,367,000	25.48	-	-	-	-			None	None	None	

Title	Nationality or place of registration	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Major Work experience (Education)	Concurrent positions with the Company and other companies	Other Officer or Director who is the spouse or kindred within the 2 nd tier			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
		Representative: LIU, CHUN-CHANG	Male 60-69	31 August 2022	3 years	29 December 1987	1,826,599	3.03	1,249,599	2.07	-	-	-	-	Master's degree, Institute of Business and Management, Feng Chia University President, TURVO INTERNATIONAL CO., LTD.	Chairman, HONG KONG XINFENG ENTERPRISE LIMITED Chairman and president, TURVO International Co., Ltd (YZ) Chairman and president, Dongguan Xin Feng Hardware Machinery & Plastics Industry Co., Ltd. Director, Ying Chang Investment Co., Ltd. Chairman, TUF Technology Co., Ltd Chairman, TIPO INTERNATIONAL Co., Ltd Director, T&M JOINT(Cayman) HOLDING CO., LTD. Director, Goodway Machine Corp.				
Director	ROC	Zeng Hsing Industrial Co., Ltd.	-	31 August 2022	3 years	31 August 2022	13,000,000	21.56	15,367,000	25.48	-	-	-	-			None	None	None	

Title	Nationality or place of registration	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Major Work experience (Education)	Concurrent positions with the Company and other companies	Other Officer or Director who is the spouse or kindred within the 2 nd tier			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
		Representative: LIN, CHIH-CHENG	Male 60-69	31 August 2022	3 years	31 August 2022	-	-	-	-	-	-	-	-	Department of Industrial Engineering, Feng Chia University Executive Master of Business Administration-Corporate Leadership Team, National Chung Hsing University President, Zeng Hsing Industrial Co., Ltd.	Chairman, Zeng Hsing Industrial Co., Ltd. Chairman, Zhangjiagang Zenghsing Machinery & Electronics Co., Ltd. [Zhangjiagang] Chairman, Zhangjiagang Zenghsing Trading Co., Ltd. [Zhangjiagang trading] Chairman, Zeng Hsing Industrial Co., Ltd. (VN) [Zeng Hsing (VN)] Chairman, SHINCO TECHNOLOGIES CO., LTD. President, JETSUN VIETNAM TECHNOLOGY CO., LTD., Chairman, Mitsumichi Industrial Co., Ltd. Chairman, Zhangjiagang Free Trade Zone Cheau Hsing Machinery & Electronics Co., Ltd.				

Title	Nationality or place of registration	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Major Work experience (Education)	Concurrent positions with the Company and other companies	Other Officer or Director who is the spouse or kindred within the 2 nd tier			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	ROC	Hong Ju Investment Co., Ltd	–	31 August 2022	3 years	31 August 2022	12,000	0.02	12,000	0.02	-	-	-	-			None	None	None	
		Representative: YANG, CHENG –JUN	Male 50-59	23 December 2024 (Note1)	0.6year	23 December 2024	-	-	-	-	-	-	-	-	Master of EMBA, National Chung Hsing University Legal Representative, Jin Cheng Investment Co., Ltd. Chairman, Yih Chuan Machinery Industry Co., Ltd. Founder and Chairman, YAMA SEIKI USA Inc. General Manager, Awea Mechantronic Co., Ltd. Senior Manager of Sales and Service, Goodway Machine Corp. Export Sales Manager, Goodway Machine Corp. Supervisor, The Allied Association for Science Park Industries Director, Taichung Industrial Park Manufacturers' Association	Legal Representative, Jin Cheng Investment Co., Ltd. Chairman, Yih Chuan Machinery Industry Co., Ltd. - Vice President, Goodway Group Board Director, Awea Mechantronic Co., Ltd. Executive Director, Taiwan Machine Tool & Accessory Builders' Association Supervisor, Precision Machinery Development Association of Taiwan R.O.C.				

Title	Nationality or place of registration	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Major Work experience (Education)	Concurrent positions with the Company and other companies	Other Officer or Director who is the spouse or kindred within the 2 nd tier			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	ROC	Zeng Hsing Industrial Co., Ltd.	–	31 August 2022	3 years	31 August 2022	13,000,000	21.56	15,367,000	25.48	-	-	-	-						
		Representative: SZU, CHING-HSING	Male 60-69	31 August 2022		12 May 2010	710,780	1.18	579,780	0.96	-	-	-	-	Electronics Engineering, Nan Kai University of Technology Supervisor, TURVO INTERNATIONAL CO., LTD	Chairman CHIA TE WEI INDUSTRIAL CO., LTD.	None	None	None	

Title	Nationality or place of registration	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Major Work experience (Education)	Concurrent positions with the Company and other companies	Other Officer or Director who is the spouse or kindred within the 2 nd tier			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	ROC	Zeng Hsing Industrial Co., Ltd.	-	31 August 2022	3 years	31 August 2022	13,000,000	21.56	15,367,000	25.48	-	-	-	-						
		Representative: LIU, TUNG-LIANG	Male 60~69	31 August 2022	3 years	31 August 2022	-	-	-	-	-	-	-	-	Master, Department of Business Administration, Lunghwa University of Science and Technology Chief, Panasonic Taiwan Co., Ltd.	President, Zeng Hsing Industrial Co., Ltd. President, Zeng Hsing Industrial Co., Ltd. (VN) [Zeng Hsing (VN)] Director, Zhangjiagang Zenghsing Machinery & Electronics Co., Ltd. [Zhangjiagang] Director, Zhangjiagang Zenghsing Trading Co., Ltd. [Zhangjiagang trading] Director, SHINCO TECHNOLOGIES CO., LTD. Director, Zhangjiagang Free Trade Zone Cheau Hsing Machinery & Electronics Co., Ltd.	None	None	None	

Title	Nationality or place of registration	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Major Work experience (Education)	Concurrent positions with the Company and other companies	Other Officer or Director who is the spouse or kindred within the 2 nd tier			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	ROC	Zeng Hsing Industrial Co., Ltd.	—	31 August 2022	3 years	31 August 2022	13,000,000	21.56	15,367,000	25.48	-	-	-	-						
		Representative TSAI, CHUNG TING	Male 50-59	31 March 2023	2.4 years	31 March 2023	22,000	0.04	-	-	-	-	-	-	Master, Department of Business Administration, California State University, San Bernardino Manager, Marketing planning center, Zeng Hsing Industrial Co., Ltd.	Director, Canxin Investment Co., Ltd. Director, Zeng Hsing Industrial Co., Ltd. Vice President, Marketing Business Department, Zeng Hsing Industrial Co., Ltd.	None	None	None	

Title	Nationality or place of registration	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Major Work experience (Education)	Concurrent positions with the Company and other companies	Other Officer or Director who is the spouse or kindred within the 2 nd tier			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	ROC	HUANG, LI-HEN	Male 60~69	31 August 2022	3 years	17 June 2019	-	-	-	-	-	-	-	-	Master's degree, EMBA, Feng Chia University Executive Vice President, Union Foods Co., Ltd. Chief Financial Officer, Yiding Optoelectronics Co., Ltd. Supervisor, HOLUX TECHNOLOGY, INC. Financial Officer, VIGOR KOBO COMPANY LIMITED	Director,ROSSMAX INTERNATIONAL LTD.	None	None	None	

Title	Nationality or place of registration	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Major Work experience (Education)	Concurrent positions with the Company and other companies	Other Officer or Director who is the spouse or kindred within the 2 nd tier			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	ROC	YI, CHANG- YUN	Male 40~49	31 August 2022	3 years	17 June 2019	-	-	-	-	-	-	-	-	Master's degree, EMBA, Feng Chia University Chief of Audit Team, KPMG Independent Director, TRANSART GRAPHICS CO., LTD.	Chief of ChangHua Office, EnWise CPAs & Co Chairman, Kai Yu International Co., Ltd. Independent Director, Merry Electronics Co., Ltd. Independent Director, Shuz Tung Machinery Industrial Co., Ltd Independent Director, UVAT TECHNOLOGY CO., LTD. Director, Dingwei Construction Development Co., Ltd.	None	None	None	

Title	Nationality or place of registration	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Major Work experience (Education)	Concurrent positions with the Company and other companies	Other Officer or Director who is the spouse or kindred within the 2 nd tier			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	ROC	LO, SHIH-MIN	Male 50~59	31 August 2022	3 years	31 August 2022	-	-	-	-	-	-	-	-	Ph.D., International Business, National Taiwan University Master, Department of Mechanical Engineering, National Taiwan University Bachelor, Department of Mechanical Engineering, National Taiwan University Director, Basso Industry Corp Chief, Chunghwa Picture Tubes, Ltd. Manager, Lumens Digital Optics Inc. Team Leader, UMAX Computer Corporation	Professor, Department of International Business Studies, National Chi Nan University	None	None	None	

Note 1: Hong Ju Investment Co., Ltd. , as a corporate entity, originally appointed YANG, TE-HWA a as its director. Effective December 23, 2024, YANG, CHENG –JUN has been reappointed to assume the role of director.

(1) Major Shareholders of Corporate Shareholders:

Name of Institutional Shareholders	Major Shareholders	Shareholding (%)
Zeng Hsing Industrial Co., Ltd.	HONG, RUEI-YI	2.98
	HONG, CHING-WEN	2.15
	LIN, CHIH-CHENG	1.55
	HO, MENG-CHUNG	1.55
	Canxin Investment Co., Ltd.	1.45
	TSAI, CHUNG-TING	1.36
	LIAO, SU-CHEN	1.27
	Universal Microelectronics Co., Ltd.	1.19
	J.P. Morgan Custody Advanced Starlight Comprehensive International Equity Index	1.10
	Employee Stock Ownership Trust Account of Zeng Hsing Industrial Co., Ltd., under the custody of Bank SinoPac	1.09
Hong Ju Investment Co., Ltd	YANG, TE-HWA	31.33
	YANG, SHU-HAN	12.50
	YANG, SHANG-RU	12.50
	JIANG, JIANG-BIN	8.33
	XIAO, SU-WAN	8.33
	JIANG, SHANG-HUA	5.00
	WU, QING-ZHANG	5.00
	Yu-en Investment Co., Ltd.	4.17
	Zonghan Investment Co., Ltd.	4.17
	TSAI ZHI-CHANG	3.33

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

Name of Institutional Shareholders	Major Shareholders	Shareholding (%)
Canxin Investment Co., Ltd.	TSAI, CHUNG-TING	30.00
	TSAI, YI-JING	25.00
	TSAI, YI-FANG	25.00
Universal Microelectronics Co., Ltd.	LIAO, SHUN-LING	42.80
	LIAO, MEI-LAN	42.80
Yu-en Investment Co., Ltd	YANG, SHU-HAN	100.00
Zonghan Investment Co., Ltd	YANG, SHANG-RU	100.00

A. Professional qualifications and independence of the Directors and Supervisors and disclosure of information on the independence of Independent Directors:

<div>Condition</div> <div>Name</div>	Professional Qualifications and Experience	Independent Status	Number of Independent Directors of other public companies
<p>Zeng Hsing Industrial Co., Ltd. Representative: LIU, CHUN-CHANG</p>	<p>Master's degree, Institute of Business and Management, Feng Chia University Currently serves as the chairman of HONG KONG XINFENG ENTERPRISE LIMITED, Chairman and president of TURVO International Co., Ltd (YZ) Chairman and president of Dongguan Xin Feng Hardware Machinery & Plastics Industry Ltd. Chairman of TUF Technology Co., LTD. Director of Ying Chang Investment Co., Ltd. Chairman of TIPO INTERNATIONAL CO., LTD Director of T&M JOINT(Cayman) HOLDING CO., LTD. Director of Goodway Machine Corp.</p>	<p>None of any circumstances related to Article 30 of the Company Act.</p>	<p>—</p>

<div>Condition</div> <div>Name</div>	Professional Qualifications and Experience	Independent Status	Number of Independent Directors of other public companies
Zeng Hsing Industrial Co., Ltd. Representative: LIN, CHIH-CHENG	Department of Industrial Engineering, Feng Chia University Currently serves as the Chairman of Zeng Hsing Industrial Co., Ltd. Chairman of Zhangjiagang Zenghsing Machinery & Electronics Co., Ltd. [Zhangjiagang] Chairman of Zhangjiagang Zenghsing Trading Co., Ltd. [Zhangjiagang trading] Chairman of Zeng Hsing Industrial Co., Ltd. (VN) [Zeng Hsing (VN)] Chairman of SHINCO TECHNOLOGIES CO., LTD. President, JETSUN VIETNAM TECHNOLOGY CO., LTD., Chairman of Mitsumichi Industrial Co., Ltd. Chairman of Zhangjiagang Free Trade Zone Cheau Hsing Machinery & Electronics Co., Ltd.	None of any circumstances related to Article 30 of the Company Act.	—
Zeng Hsing Industrial Co., Ltd. Representative: SZU, CHING-HSING	Graduated from Nanjing Industrial College with a major in electrical engineering and currently serves as the chairman of Jiadewei Industrial Co., Ltd.	None of any circumstances related to Article 30 of the Company Act.	—

<div>Condition</div> <div>Name</div>	Professional Qualifications and Experience	Independent Status	Number of Independent Directors of other public companies
Zeng Hsing Industrial Co., Ltd. Representative: LIU, TUNG-LIANG	Master, Department of Business Administration, Lunghwa University of Science and Technology Currently serves as the president of Zeng Hsing Industrial Co., Ltd. President of Zeng Hsing Industrial Co., Ltd. (VN) [Zeng Hsing (VN)] Director of Zhangjiagang Zenghsing Machinery & Electronics Co., Ltd. [Zhangjiagang] Director of Zhangjiagang Zenghsing Trading Co., Ltd. [Zhangjiagang trading] Director of SHINCO TECHNOLOGIES CO., LTD. Director of Zhangjiagang Free Trade Zone Cheau Hsing Machinery & Electronics Co., Ltd.	None of any circumstances related to Article 30 of the Company Act.	—
Zeng Hsing Industrial Co., Ltd. Representative: TSAI, CHUNG TING	Master, Department of Business Administration, California State University, San Bernardino Currently serves as the director of Canxin Investment Co., Ltd. Director of Zeng Hsing Industrial Co., Ltd. Vice President of Marketing Business Department, Zeng Hsing Industrial Co., Ltd.	None of any circumstances related to Article 30 of the Company Act.	—

<div>Condition</div> <div>Name</div>	Professional Qualifications and Experience	Independent Status	Number of Independent Directors of other public companies
<div>Hong Ju Investment Co., Ltd</div> <div>Representative: YANG, CHENG –JUN</div>	<div>Master of EMBA, National Chung Hsing University</div> <div>Currently serves as Legal Representative, Jin Cheng Investment Co., Ltd.</div> <div>Chairman, Yih Chuan Machinery Industry Co., Ltd.</div> <div>Founder and Chairman, YAMA SEIKI USA Inc.</div> <div>General Manager, Awea Mechantronic Co., Ltd.</div> <div>Senior Manager of Sales and Service, Goodway Machine Corp.</div> <div>Export Sales Manager, Goodway Machine Corp.</div> <div>Supervisor, The Allied Association for Science Park Industries</div> <div>Director, Taichung Industrial Park Manufacturers' Association</div>	None of any circumstances related to Article 30 of the Company Act.	—

HUANG, LI-HEN	Master's degree, EMBA, Feng Chia University Concurrently serves as the director of Rossmax International Ltd.	<p>During the two years before being elected or during the term of office, none of any circumstances related to Article 30 of the Company Act. Without violating the provisions of Article 27 of the Company Act, the following independence assessment criteria apply for the election of government, judicial person, or representatives:</p> <ol style="list-style-type: none"> 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. 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 two subparagraphs. 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. 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. 	—
YI, CHANG-YUN	<p>Master's degree, EMBA, Feng Chia University Currently serves as the chief of Changhua Office, EnWise CPAs & Co, Chairman of Kai Yu International Co., Ltd. Independent Director of Merry Electronics Co., Ltd. Independent Director of Shuz Tung Machinery Co., Ltd. Independent Director, of UVAT TECHNOLOGY CO., LTD. Director of Dingwei Construction Development Co., Ltd.</p>	<ol style="list-style-type: none"> 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 that other company or institution. 8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. 9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, 	3

LO, SHIH-MIN	Ph.D., International Business National Taiwan University Now: Professor, Department of International Business Studies, National Chi Nan University	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 NTD500,000, 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. Not a spouse, relative within the second degree of kinship with other directors.	—
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(a) Diversity and independence of the board:

Diversity of the Board:

In order to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company's Board of Directors has passed the "Corporate Governance Best Practice Principles," according to the Article 20 of which: The component of board members should take diversity into consideration and formulate an appropriate diversification policy based on its own operation, operation type and needs, which should include but not limited to fundamental condition and value (gender, age, nationality and culture) and professional knowledge and skills (law, accounting, industry, finance, marketing or technology), professional skills and industrial experience.

The nomination and selection of board members in accordance with the regulation of Company Act and has adopted nomination system. Aside from each candidate's academic qualification, also comply with "Guidelines Governing Election of Directors" and "Corporate Governance Best Practice Principles" to ensure board members' diversity.

(b) Specific management objectives:

The Company's Board of Directors guides the Company's strategies and supervises various implementation results and is responsible to the Shareholders' Meeting. The various operations and arrangements of its corporate governance system aim at ensuring that the Board of Directors execute its powers in accordance with laws, regulations of the Company's Articles of Association or resolutions of the Shareholders' Meeting. All Directors of the Company possess necessary knowledge, skills, literacy, and industrial decision-making and management capabilities that are necessary for business execution. The Company continues to arrange multiple training courses for Directors to improve decision-making quality and supervision ability and further enhance the capabilities of the Board of Directors. According to Article 20 of the company's "Corporate Governance Best Practice Principles," in order to achieve the ideal goals of corporate governance, the board of directors as a whole should possess the following competencies:

1. Operational Judgment Ability.
2. Accounting and Financial Analysis Ability.
3. Management Ability.
4. Crisis Management Ability.
5. Industry Knowledge.
6. Global Market Perspective.
7. Leadership Ability.
8. Decision-Making Ability.

● Specific management objectives and achievement of the diversity policy for the Board of Directors:

Management Objectives	Achievement
A director who concurrently serves as a company executive should not hold more than one-third of the total board seats.	Achieved
At least one-third of the seats for independent directors should have	Achieved

expertise in accounting, finance, or the industry.	
The number of independent directors should not be less than one-third of the total number of board seats.	Achieved
Independent Directors should not serve more than three consecutive terms	Achieved

(c) Implementation of diversity among board members:

Title	Director Name	Nationality	Gender	Serve as an employee	Age				Term/Seniority of Independent Director		Industry Experience				Professional capabilities							
					40-49	50-59	60-69	Over 70	Less than 3-9 years	Over 9 years	Electric Machinery	Commercial	Machining	Industry, Official and	Judgement in operation	Accounting and financial	Corporate management	Crisis management	Industry knowledge	International view of	Leadership	Decision-making
Chairman	Zeng Hsing Industrial Co., Ltd. Representative: LIU, CHUN-CHANG	ROC	Male	v			v				v				v	v	v	v	v	v	v	v
Director	Zeng Hsing Industrial Co., Ltd. Representative: SZU, CHING-HSING	ROC	Male				v				v				v		v	v	v	v	v	v
Director	Hong Ju Investment Co., Ltd Representative	ROC	Male		v									v	v		v	v	v	v	v	v

Title	Director Name	Nationality	Gender	Serve as an employee	Age				Term/Seniority of Independent Director			Industry Experience				Professional capabilities						
					40-49	50-59	60-69	Over 70	Less than 3-9 years	Over 9 years	Electric Machinery	Commercial	Machining	Industry, Official and	Judgement in operation	Accounting and financial	Corporate management	Crisis management	Industry knowledge	International view of	Leadership	Decision-making
	ative: YANG, CHENG -JUN																					
Director	Zeng Hsing Industrial Co., Ltd. Representative: LIN, CHIH-CHENG	ROC	Male					v						v	v		v	v	v	v	v	v
Director	Zeng Hsing Industrial Co., Ltd. Representative: LIU, TUNG-LIANG	ROC	Male				v				v	v			v	v	v	v	v	v	v	v
Director	Zeng Hsing Industrial Co., Ltd. Representative:	ROC	Male		v							v					v	v		v	v	v

Title	Director Name	Nationality	Gender	Serve as an employee	Age				Term/Seniority of Independent Director			Industry Experience				Professional capabilities							
					40-49	50-59	60-69	Over 70	Less than 3 years	Over 3-9 years	Over 9 years	Electric Machinery	Commercial	Machining	Industry, Official and	Judgement in operation	Accounting and financial	Corporate management	Crisis management	Industry knowledge	International view of	Leadership	Decision-making
	TSAI, CHUNGTING																						
Independent Director	YI, CHANG-YUN	ROC	Male		v					v			v		v	v	v		v	v		v	
Independent Director	HUANG, LI-HEN	ROC	Male				v				v		v		v	v	v		v	v		v	
Independent Director	LO, SHIH-MIN	ROC	Male			v				v			v		v		v	v	v	v		v	

Note: Please refer to the directors' profile for the director's term of office.

B. Succession Planning for Board Members and Key Management Personnel:

(1) Succession Planning for Board Members

The company currently has 9 board members, including 3 independent directors. The selection of board members is based on the company's Articles of Incorporation, using a candidate nomination system, and handled according to the company's "Board Election Procedures." Moving forward, the company will continue to provide different opportunities for qualified individuals to understand and participate in the operations of the board or functional committees, in order to cultivate future board members. The board participates in both internal and external training courses on annual key issues. Additionally, the board has established a performance management system to ensure effective operation through performance evaluations, which will serve as a reference for selecting future directors.

(2) Succession Planning for Key Management Personnel

The successors to key management personnel must possess management, decision-making, analytical, and crisis management skills, in addition to aligning with the company's core values. Key management personnel within the company are those at the level of assistant manager and above, each of whom has a designated deputy. To cultivate key management personnel and their deputies, the company conducts internal training courses through TURVO Academy, covering areas such as management skills, professional expertise, and problem-solving in management functions. In addition to internal training, employees are encouraged to participate in external training programs to enhance their capabilities and improve decision-making quality. This prepares high-quality human resources needed for the

company's long-term development.

Furthermore, through external professional courses, each individual is scheduled for six to eighteen hours of continuing education annually. Management training and job rotations help potential successors improve their management abilities and thinking. By the time they are scheduled to take on their new roles, they will have completed the necessary succession preparations. To address various operational challenges at different stages of the company's development, candidates are arranged to participate in monthly management meetings, ensuring a gradual and structured training process. This guarantees a smooth transition for key management positions and supports the achievement of the company's operational goals and long-term sustainable corporate social responsibility.

2.1.2. Management Team

31 December 2024 Unit: Shares: %

Title (Note1)	Nationality	Name	Gender	Date Elected	Shareholdings		Shares Currently Held by Spouse & Minors		Shares held in the name of a third party		Major Work Experience (Education) Note 2)	Concurrent positions with the Company and other companies	Other Officer or Director who is the Spouse or Kindred within the 2 nd Tier.			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager & Spokesperson	ROC	TSAI, MING- TUNG	Male	1 July 2021	130,000	0.22	-	-	-	-	Master of Finance Management from the Institute of Financial Management, San Bernardino, California, USA. TURVO INTERNATIONAL CO., LTD.	Director, T&M JOINT(Cayman) HOLDING CO., LTD. Responsible person, Matec Southeast Asia (Thailand) CO., LTD. Supervisor, TURVO International Co., Ltd (YZ)	None	None	None	(Note 1)
Special Assistant to the Chairman, Office of the Chairman	ROC	LIN, SHU- TA	Male	1 April 2011	-	-	-	-	-	-	Master's Degree, Mechatronics Engineering, National Changhua University of Education Manager of Solar Energy Department, Gallant Precision Machining	Director, Matec Southeast Asia (Thailand) Co., Ltd	None	None	None	(Note 2)
Vice President, Taiwan Factory (TURVO)	ROC	CHIANG, CHENG- CHI	Male	1 April 2022	-	-	-	-	-	-	Master's Degree, Business Administration, Tunghai University Factory Director, YI Jinn Industrial CO., LTD.	None	None	None	None	
Special Assistant to the Chairman, Office of the Chairman	ROC	CHEN, PING-HO	Male	4 May 2010	549	0.00	-	-	-	-	Mechanical Engineering, National United University, Responsible person, Matec Southeast Asia (Thailand) CO., LTD.	None	None	None	None	(Note 3)
Associate General Manager of Zhejiang Plant (YZ) (Vice General	ROC	TSAI, CHENG- CHIH	Male	14 December 2015	-	-	-	-	-	-	Master of Mechanical Engineering, National Cheng Kung University Manager at the Chimei Optoelectronics CF Plant	None	None	None	None	

Title (Note1)	Nationality	Name	Gender	Date Elected	Shareholdings		Shares Currently Held by Spouse & Minors		Shares held in the name of a third party		Major Work Experience (Education) Note 2)	Concurrent positions with the Company and other companies	Other Officer or Director who is the Spouse or Kindred within the 2 nd Tier.			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Manager of Overseas Plants)																
Chief Engineer and Head of R&D	ROC	CHANG, YU-TSUNG	Male	10 September 2004	1,007	0.00	707	0.00	-	-	Department of Machine Building, National Yunlin Institute of Technology Section Manager, TAKUMI Machinery Co., Ltd.	None.	None	None	None	
Director, Office of the Chairman	ROC	PAN, HUAI-CHI	Male	1 September 2014	-	-	-	-	-	-	Mechatronics Engineering, National Changhua University of Education Manager, Gallant Precision Machining	None.	None	None	None	(Note 4)
Director, R&D Division	ROC	LIN, CHING-HSUN	Male	1 September 2022	-	-	-	-	-	-	Department of Mechanical Engineering National Taipei University of Technology Manager, Manufacturing Department, wah mei enterprise co., ltd.	None	None	None	None	
Director, Finance Management Department, Finance supervisor	ROC	WU, HSIAO-JUI	Female	18 November 2010	2,000	0.00	-	-	-	-	Master's Degree. Accounting, National Cheng Kung University Manager, Audit Department, Deloitte & Touche	Director, T&M JOINT(Cayman) HOLDING CO.,LTD Director, Matec Southeast Asia (Thailand) Co., Ltd	None	None	None	(Note 5)
Director, General Manager Office and Corporate Governance Supervisor	ROC	LEE, YI-YEN	Female	7 November 2022	-	-	-	-	-	-	Master, EMBA, Feng Chia University Assistant Vice President, and spokesperson, Cryomax Cooling System Corp. Manager of Business Management Department, Avertronics INC.	None	None	None	None	

Title (Note1)	Nationality	Name	Gender	Date Elected	Shareholdings		Shares Currently Held by Spouse & Minors		Shares held in the name of a third party		Major Work Experience (Education) Note 2)	Concurrent positions with the Company and other companies	Other Officer or Director who is the Spouse or Kindred within the 2 nd Tier.			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Manager, Auditing Office	ROC	LAN, MENG-CHEN	Female	3 March 2022	-	-	-	-	-	-	Master's Degree, Accounting and Information Technology, National Chung Cheng University Senior Accounting Officer, UNIVERSAL MICROELECTRONICS CO., LTD. Manager, President's Office, TURVO INTERNATIONAL CO., LTD	None	None	None	None.	
Manager, Finance and Accounting Supervisor	ROC	WU, PEI-JHEN	Female	20 March 2024	-	-	-	-	-	-	Graduated from the Department of Accounting at National Changhua University of Education Manager of the Tax Department at Ernst & Young Taiwan.	None	None	None	None.	(Note 6)
Associate General Manager, Taiwan Plant (TURVO)	ROC	SU, JUE-WU	Male	1 July 2024	-	-	-	-	-	-	Graduated from the Department of Business Administration, Ling Tung Technical College Consultant at Jiaye Precision Co., Ltd.	None	None	None	None.	(Note 7)
Associate General Manager, Gearbox Business Division, Taiwan Plant (TURVO)	ROC	CHEN, JUN-HAO	Male	1 January 2025	-	-	-	-	-	-	Master's Degree in Mechatronics from National Changhua University of Education Senior Department Manager of the System Integration Division at Jialian Zhilian Co., Ltd.	None	None	None	None.	(Note 8)

Note 1: WU, CHIH-JUNG resigned from the positions of Spokesperson and Deputy General Manager on May 31, 2024. The position of Spokesperson was then taken over by General Manager TSAI, MING-TUNG

Note 2: LIN, SHU-TA, formerly the Deputy General Manager of the Product Division, was reassigned to the position of Special Assistant to the Chairman, Office of the Chairman, on January 1, 2025.

Note 3: CHEN, PING-HO, formerly the Deputy General Manager of Thailand Plant (MSAT), was reassigned to the position of Special Assistant to the Chairman, Office of the Chairman, on December 15, 2024.

Note 4: PAN, HUAI-CHI, formerly the Associate General Manager of the Product Division, was reassigned to the position of Associate General Manager, Office of the Chairman, on January 1, 2025.

Note 5: WU, HSIAO-JUI will be dismissed as accounting director on March 20, 2024.

Note 6: WU, PEI-JHEN will take office as accounting director on March 20, 2024.

Note 7: SU, JUE-WU assumed the position of Associate General Manager of Taiwan Plant (TURVO) on July 1, 2024.

Note 8: CHEN, JUN-HAO assumed the position of Associate General Manager of the Gearbox Business Division at Taiwan Plant (TURVO) on January 1, 2025.

2.2. Remuneration to Directors, Supervisors, Presidents and Vice Presidents

2.2.1. Remuneration to Ordinary Directors and Independent Directors

Unit: NTD (in thousands); Shares: %

Title	Name	Remuneration to Directors								(A+B+C+D) as a % of Net Income		Related payment in performing the duties as employees								(A+B+C+D+E+F+G) as a % of Net Income				Compensation Paid to Directors from Non-consolidated Affiliates or Parent Company
		Remuneration (A)		Severance Pay and Pensions (B)		Compensation to Directors (C)		Allowances (D)				Base Compensation, Bonuses, and Allowances (E)		Severance Pay and Pensions (F)		Remuneration to employees (G)								
		The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company		From All Consolidated Entities		The Company	The Company	From All Consolidated Entities	From All Consolidated Entities	
																Cash	Stock	Cash	Stock					
Chairman	Zeng Hsing Industrial Co., Ltd. Representative-LIU, CHUN-CHANG	-	-	-	-	2,541	2,541	20	20	2,561	2,561	-	17,916	-	-	-	-	1,000	-	2,561	0.39%	21,477	3.26%	None
Director	Zeng Hsing Industrial Co., Ltd. Representative-LIN, CHIH-CHENG	-	-	-	-	1,270	1,270	20	20	1,290	1,290	-	-	-	-	-	-	-	-	1,290	0.20%	1,290	0.20%	None
Director	Zeng Hsing Industrial Co., Ltd. Representative-SZU, CHING-HSING	-	-	-	-	1,270	1,270	25	25	1,295	1,295	-	-	-	-	-	-	-	-	1,295	0.20%	1,295	0.20%	None
Director	Zeng Hsing Industrial Co., Ltd. Representative-LIU, CHUN-CHANG	-	-	-	-	1,270	1,270	25	25	1,295	1,295	-	-	-	-	-	-	-	-	1,295	0.20%	1,295	0.20%	None

	Co., Ltd. Representative-LIU, TUNG-LIANG																							
Director	Zeng Hsing Industrial Co., Ltd. Representative-TSAI, CHUNG TING	-	-	-	-	1,270	1,270	25	25	1,295	1,295	-	-	-	-	-	-	-	-	1,295	0.20%	1,295	0.20%	None
Director	Hong Ju Investment Co., Ltd Representative-YANG, TE-HWA (Note 1)	-	-	-	-	1,239	1,239	25	25	1,264	1,264	-	-	-	-	-	-	-	-	1,264	0.19%	1,264	0.19%	None
Director	Hong Ju Investment Co., Ltd Representative-YANG, CHENG – JUN (Note2)	-	-	-	-	31	31	-	-	31	31	-	-	-	-	-	-	-	-	31	0.0047%	31	0.0047%	None
Independent Director	YI, CHANG-YUN	-	-	-	-	1,270	1,270	25	25	1,295	1,295	-	-	-	-	-	-	-	-	1,295	0.20%	1,295	0.20%	None
Independent Director	HUANG, LI-HEN	-	-	-	-	1,270	1,270	25	25	1,295	1,295	-	-	-	-	-	-	-	-	1,295	0.20%	1,295	0.20%	None
Independent Director	LO, SHIH-MIN	-	-	-	-	1,270	1,270	25	25	1,295	1,295	-	-	-	-	-	-	-	-	1,295	0.20%	1,295	0.20%	None

I. Directors and Independent Directors' remuneration policies, procedures, standards and structure, as well as the linkage to responsibilities, risks and time spent:

- (1) According to the Company's Articles of Incorporation, after deducting accumulated losses, if there is a surplus based on the annual profitability (i.e., profit before tax, deducting employees and directors' remuneration), the remuneration to Directors should be no more than 1.7% of the annual profit.
 - (2) The Company's remuneration to Independent Directors is based on the evaluation results of the annual performance evaluation of the Board of Directors in accordance with the performance evaluation measures of the Board of Directors. According to the regulation of the Company's Articles of Association and Director Remuneration Management Measures, the Remuneration Committee deliberates on the procedures of all Directors participating in the Company's operations and the value of their contributions and after considering the usual level of payment of domestic industry peers, put forward the suggestions and submit them to the Board of Directors for resolution.
 - (3) The Company's Remuneration Committee stipulates and regularly reviews the remuneration level of the Company's Directors, Supervisors, Managers and put forward the suggestions to the Board of Directors for resolution. The Remuneration Measures have stipulated that the remuneration to Directors, Supervisors includes salary, transportation expense and allowances.
2. Further to the disclosure in the above table, the remuneration to the Directors from all companies included in the financial statements for the service rendered (such as consultant, which is not in the capacity as employee): None.

Note 1: YANG, TE-HWA resigned as the legal representative of Hong Ju Investment Co., Ltd. on December 23, 2024.

Note 2: Hong Ju Investment Co., Ltd. appointed YANG, CHENG –JUN as the representative on December 23, 2024.

Remuneration Range Table

Payment to individual Directors along the payment scale	Name of Director			
	Sum total of the above 4 items (A+B+C+D)		Sum total of the above 7 items (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Less than NTD1,000,000	YANG, CHENG-JUN	YANG, CHENG-JUN	YANG, CHENG-JUN	YANG, CHENG-JUN
NTD1,000,000 (inclusive)-NTD2,000,000 (exclusive)	YANG, TE-HWA, LIN, CHIH-CHENG, SZU, CHING-HSING, LIU, TUNG-LIANG, YI, CHANG-YUN, HUANG, LI-HEN, LO, SHIH-MIN, TSAI, CHUNG- TING,	YANG, TE-HWA, LIN, CHIH-CHENG, SZU, CHING-HSING, LIU, TUNG-LIANG, YI, CHANG-YUN, HUANG, LI-HEN, LO, SHIH-MIN, TSAI, CHUNG- TING,	YANG, TE-HWA, LIN, CHIH-CHENG, SZU, CHING-HSING, LIU, TUNG-LIANG, YI, CHANG-YUN, HUANG, LI-HEN, LO, SHIH-MIN, TSAI, CHUNG- TING,	YANG, TE-HWA, LIN, CHIH-CHENG, SZU, CHING-HSING, LIU, TUNG-LIANG, YI, CHANG-YUN, HUANG, LI-HEN, LO, SHIH-MIN, TSAI, CHUNG- TING,
NTD2,000,000 (inclusive)-NTD3,500,000 (exclusive)	LIU, CHUN-CHANG	LIU, CHUN-CHANG	LIU, CHUN-CHANG	—
NTD3,500,000 (inclusive)-NTD5,000,000 (exclusive)	—	—	—	—
NTD5,000,000 (inclusive)-NTD10,000,000 (exclusive)	—	—	—	—
NTD10,000,000 (inclusive)-NTD15,000,000 (exclusive)	—	—	—	—
NTD15,000,000 (inclusive)-NTD30,000,000 (exclusive)	—	—	—	LIU, CHUN-CHANG
NTD30,000,000 (inclusive)-NTD50,000,000 (exclusive)	—	—	—	—
NTD50,000,000 (inclusive)-NTD100,000,000 (exclusive)	—	—	—	—
More than NTD100,000,000	—	—	—	—
Total	10	10	10	10

2.2.2. Remuneration to President(s) and Vice President(s)

Unit: NTD (in thousands); Shares

Title	Name	Remuneration(A)		Severance Pay and Pensions (B)		Bonuses and Allowances (C)		Remuneration to employee (D)				(A+B+C+D) as a % of Net Income		Compensation Paid to Directors from Non-consolidated Affiliates or Parent Company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash	Stock	Cash	Stock			
Chief Executive Officer	TSAI, MING-TUNG	5,900	10,422	460	460	17,550	17,550	2,950	-	2,950	-	26,860 4.08%	31,382 4.77%	None
Special Assistant to the Chairman	CHEN, PING-HO													
Vice President	WU, CHIH-JUNG (Note 2)													
Vice President	CHIANG, CHENG-CHI													
Special Assistant to the Chairman	LIN, SHU-TA													

Note 1: The remuneration to president and vice president includes bonus and employee remuneration. The remuneration to president and vice presidents based on the contribution to the Company's operation and reference to the level of our peers.

Note 2: WU, CHIH-JUNG resigned from the positions of Deputy General Manager on May 31, 2024.

Remuneration Range Table

Remuneration to individual Presidents and Vice Presidents along the payment scale	Name of President and Vice President	
	The Company	All companies included in the financial statements (E)
Less than NTD1,000,000	—	—
NTD1,000,000 (inclusive)-NTD2,000,000(exclusive)	WU, CHIH-JUNG	WU, CHIH-JUNG
NTD2,000,000 (inclusive)-NTD3,500,000(exclusive)	CHEN, PING-HO, LIN, SHU-TA,	CHEN, PING-HO, LIN, SHU-TA
NTD3,500,000 (inclusive)-NTD5,000,000(exclusive)	—	—
NTD5,000,000 (inclusive)-NTD10,000,000(exclusive)	CHIANG, CHENG-CHI	CHIANG, CHENG-CHI
NTD10,000,000 (inclusive)-NTD15,000,00(exclusive)	TSAI, MING-TUNG	—
NTD15,000,000 (inclusive)-NTD30,000,000(exclusive)	—	TSAI, MING-TUNG
NTD30,000,000(inclusive)-NTD50,000,000(exclusive)	—	—
NTD50,000,000(inclusive)-NTD100,000,000(exclusive)	—	—
More than NTD100,000,000	—	—
Total	5	5

2.2.3. Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers:

Unit: NTD (in thousands); thousand shares

Title		Name	Stock	Cash	Total	The total amount in proportion to net income (%)
Managers	Chief Executive Officer	TSAI, MING-TUNG	-	6,450	-	0.98%
	Special Assistant to the Chairman	CHEN, PING-HO				
	Special Assistant to the Chairman	LIN, SHU-TA				
	Vice President	CHIANG, CHENG-CHI				
	Chief Engineer	CHANG, YU-TSUNG				
	Director	PAN, HUAI-CHI				
	Director	TSAI CHENG-CHIH				
	Director	LIN, CHING-HSUN				
	Director	WU, HSIAO-JUI				
	Director	SU, JUE-WU				
	Director	CHEN, JUN-HAO				
	Director	LEE, YI-YEN				
	Manager	LAN, MENG-CHEN				
	Manager	WU, PEI-JHEN				

2.2.4. Comparison and Explanation of the Total Compensation of Directors, General Managers, and Deputy General Managers of the Company and all Consolidated Companies in the Past Two Years as a Percentage of the After-Tax Net Profit of Individual or Separate Financial Reports, and Explanation of the Policy, Standards, Composition, Procedures for Determining Compensation, and Relationship with Operational Performance and Future Risks of Compensation. The total payment from the Company and all companies included in the financial statements to the directors, supervisors, presidents, and vice presidents as remuneration in the last 2 years in proportion to the net income:

(1) The Ratio of Total Compensation of Directors, Supervisors, General Managers, and Deputy General Managers Paid by the Company and all Consolidated Companies in the Past Two Years to After-Tax Net Profit:

Unit: %

Item	2023		2024	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Director	2.41	3.62	1.95	4.84
Supervisor (Note1)	-	-	-	-
President and Vice President	3.25	3.73	4.06	4.75

Note 1: There was no supervisor.

(2) Policy, Standards, Composition, Procedures for Determining Compensation, and Relationship with Operational Performance and Future Risks of Compensation Paid by the Company:

A. Policy, Standards, and Composition of Compensation:

The director's remuneration of the Company is according with Article 23 of the Company's Articles of Association, which states, "The remuneration of all directors shall be determined by the board of directors based on their degree of participation and contribution value to the Company's operations, taking into account the usual industry standards." Additionally, if the company is profitable in the fiscal year, according to Article 26 of the Company's Articles of Association, "The company shall allocate director's remuneration not exceeding 1.7% of the remaining profit after deducting the cumulative losses." The Company regularly evaluates director's remuneration by the "Board Performance Evaluation Method" and the "Method of Remuneration for Independent Directors, Directors, and Managers," and the relevance of performance assessment and compensation reasonableness are reviewed by the Compensation Committee and the Board of Directors.

The manager's remuneration of the Company is determined according to the "Method of Remuneration for Independent Directors, Directors, and Managers," and various rewards are set to recognize and reward employees' efforts in their work. Relevant bonuses are also awarded based on the company's annual operating

performance, financial condition, operational status, and individual job performance. Additionally, if the company is profitable in the fiscal year, according to Article 26 of the Company's Articles of Association, "The company shall allocate employee compensation between 3.5% and 7% of the remaining profit after deducting the cumulative losses." The results of performance evaluation conducted under the "Performance Management Method" are used as a reference for the manager's bonus distribution, with performance evaluation items including departmental operational performance and comprehensive personal performance.

B. Procedures for Determining Compensation:

To regularly evaluate the compensation of directors and managers, the evaluation results conducted under the Company's "Board Performance Evaluation Method" and the "Performance Management Method" applicable to managers and employees are used as references. The relevance of the director's and manager's performance assessment and compensation reasonableness are also reviewed by the Compensation Committee and the Board of Directors annually. Besides considering individual performance achievement rates and contributions to the company, the overall operational performance, industry future risks and trends, and the actual operating conditions are also taken into account for timely review of the compensation system to balance sustainable operation and risk management of the company.

C. Relationship between Operational Performance and Future Risks:

The review of relevant standards and systems for compensation policy is mainly based on the overall operational situation of the company, with the determination of payment standards based on performance achievement rates and contributions to enhance the efficiency of the board of directors and the overall organizational team. The performance goals of the company's managers are integrated with risk management to ensure that risks within their scope of responsibility can be managed and prevented. Ratings are then linked to various relevant human resources and compensation policies based on actual performance results. Important decisions made by the company's management are made after balancing various risk factors, and the performance of such decisions is reflected in the company's profitability, thus correlating with the effectiveness of management compensation and risk control.

2.3 Implementation of Corporate Governance

2.3.1 Board of Directors Operations

TURVO INTERNATIONAL CO., LTD. implements transparent operations, and pays attention to shareholders' rights and interests, and ensures the implementation of an efficient corporate governance foundation of the board of directors. The board of directors has authorized the established Audit Committee and the Remuneration Committee, with their Articles of Incorporation approved by the board. These committees assist the board in overseeing the exercise of responsibilities to achieve the ideal goal of corporate governance.

To fulfill corporate social responsibility, TURVO INTERNATIONAL CO., LTD ensures the human rights of every employee, customer, and stakeholder. The Company supports and abides by each fundamental principle that are disclosed by International Bill of Human Rights, and fully demonstrate respect and the of protecting obligation of human right. The Company committed to ensuring that both internal and external members of the Company are equally treated with dignity and has been actively promoting the policies.

The Board of Directors of TURVO INTERNATIONAL CO., LTD. is composed of Directors who possess extensive experiences in corporate governance, financial field, or other professional fields. The Company's Directors are knowledgeable, insightful, and professional judgment. The Company's board members possess various professional backgrounds in each industry and academy. The Company's Independent Directors are held by the chief of EnWise CPAs & Co, YI, CHANG-YUN, the Director of ROSMAX INTERNATIONAL LTD, HUANG, LI-HEN, and an associate professor in the Department of International Business Studies, College of Management at National Chi Nan University, LO, SHIH-MIN.

The Board of Directors of the company convened a total of 5 meetings in 2024. The attendance of the directors is specified below:

Title	Name	Number of Required Attendances (A)	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) 【B/A】
Director	Zeng Hsing Industrial Co., Ltd. Representative-LIU, CHUN-CHANG	5	4	0	80%
Director	Zeng Hsing Industrial Co., Ltd. Representative-LIN, CHIH-CHENG	5	4	0	80%
Director	Zeng Hsing	5	5	0	100%

	Industrial Co., Ltd. Representative-SZU, CHING-HSING				
Director	Zeng Hsing Industrial Co., Ltd. Representative-LIU, TUNG-LIANG	5	5	0	100%
Director	Zeng Hsing Industrial Co., Ltd. Representative-TSAI, CHUNG TING	5	5	0	100%
Director	Hong Ju Investment Co., Ltd Representative-YANG, TE-HWA (Note1)	5	5	0	100%
Independent Director	YI, CHANG-YUN	5	5	0	100%
Independent Director	HUANG, LI-HEN	5	5	0	100%
Independent Director	LO, SHIH-MIN	5	5	0	100%

Note 1: YANG, TE-HWA resigned as the legal representative of Hong Ju Investment Co., Ltd. on December 23, 2024.

Additional information:

(1). If any of the following applies to the Board in session, specify the date, the session of the meeting, the content of the motions, the opinions of all Independent Directors, and the response of the Company to the opinions of the Independent Directors:

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

The Company has set up an Audit Committee, which is in accordance with the relevant matters of particulars inscribed in Article 14-3 of the Securities and Exchange Act. For relevant information, please refer to “Operation of Audit Committee” of the annual report.

(ii) Further to the aforementioned issues, any other adverse opinions, or qualified opinions from the Independent Directors on record or in written declaration on the resolutions of the Board: None.

(2). The recusal of the Directors from motions involving a conflict of interest. Specify the names of the Directors, the content of the motions, the reasons for recusal and the participation in voting:

Date	Name of Director	Session of the Board	Content of the Motions	Reasons for Recusal	Participation in Voting
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11 January 2024	Zeng Hsing Industrial Co., Ltd.	The 15 th Board The 8 rd meeting	Reviewed the 2023 manager year-end bonus distribution proposal and submitted it for approval.	Director concurrently serves as the Company's manager	Chairman LIU, CHUN-CHANG, a person with an interest in this case, did not participate in the vote due to the principle of conflict of interest. The resolution was passed by the other directors present without objection and was implemented.
	Representative- LIU, CHUN-CHANG				
07 March 2024	Zeng Hsing Industrial Co., Ltd.	The 15 th Board The 9 rd meeting	Review the salary adjustment proposal for the company's managers and submit it for approval.	Director concurrently serves as the Company's manager	Chairman LIU, CHUN-CHANG, a person with an interest in this case, did not participate in the vote due to the principle of conflict of interest. The resolution was passed by the other directors present without objection and was implemented.
	Representative- LIU, CHUN-CHANG				
06 May 2024	Zeng Hsing Industrial Co., Ltd.	The 15 th Board The 10 rd meeting	Review the company's second year-end bonus distribution to managers for 2023 and submit it for discussion.	Director concurrently serves as the Company's manager	Chairman LIU, CHUN-CHANG, a person with an interest in this case, did not participate in the vote due to the principle of conflict of interest. The resolution was passed by the other directors present without objection and was implemented.
	Representative- LIU, CHUN-CHANG				
06 May 2024	Zeng Hsing Industrial Co., Ltd.	The 15 th Board The 10 rd meeting	Review the company's 2023 manager remuneration distribution plan and submit it for discussion.	Director concurrently serves as the Company's manager	Chairman LIU, CHUN-CHANG, a person with an interest in this case, did not participate in the vote due to the principle of conflict of interest. The resolution was passed by the other directors present without objection and was implemented.
	Representative- LIU, CHUN-CHANG				
06 May 2024	Zeng Hsing Industrial Co., Ltd..	The 15 th Board The 10 rd meeting	Review the company's 2024 manager salary proposal and submit it for discussion.	Director concurrently serves as the Company's manager	Chairman LIU, CHUN-CHANG, a person with an interest in this case, did not participate in the vote due to the principle of conflict of interest. The resolution was passed by the other directors present without objection and was implemented.
	Representative - LIU, CHUN-CHANG				

(3) TWSE listed and TPEx listed companies should disclose the information on the evaluation cycle, evaluation period, evaluation scope, evaluation method and evaluation content of the self-

assessment (or peer assessment) of the Board:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Once a year	January 2024-December 2024	The board of directors	Internal self-evaluation of board of directors	1. Participation in the operation of the Company 2. Improvement of the quality of the board of directors' decision making 3. Composition and structure of the board of directors 4. Election and continuing education of the director 5. Internal control
Once a year	January 2024-December 2024	The board members	Self-assessment of board members	1. Alignment of the goals and missions of the company 2. Awareness of the duties of a director 3. Participation in the operation of the Company 4. Internal relationship management and communication 5. The director's professionalism and continuing education 6. Internal control
Once a year	January 2024-December 2024	Audit Committee	Internal self-evaluation of Audit Committee	1. Participation in the operation of the Company 2. Awareness of the duties of the functional committee 3. Improvement of the quality of the functional committee's decision-making 4. Composition of the functional committee and election of its members 5. Internal control
Once a year	January 2024-December 2024	Remuneration Committee	Internal self-evaluation of Remuneration Committee	1. Participation in the operation of the Company 2. Awareness of the duties of the functional committee 3. Improvement of the quality of the functional committee's decision making 4. Makeup of the functional committee and election of its members 5. Internal control
Once every three years	October 2022-September 2023	The performance evaluation of board of directors	External Evaluation Organization: Taiwan Investor Relations Institute	1. Composition and professional development of the Board of Directors 2. Quality of decision-making by the Board of Directors 3. Efficiency of the Board of Directors' operations 4. Internal control and risk management 5. Degree of the Board of Directors' participation in corporate social responsibility

(4) Measures taken to strengthen the functionality of the board of the current periods (such as, setting up an Audit Committee, improving information transparency, etc.) and implementation status assessment: In order to implement corporate governance, the Company has clearly defined performance goals. By this means, the Company can improve board function and operational efficiency. On 6 August 2020, the Company's Board of Directors passed the resolution to amend the "Rules for Performance Evaluation of Board of Directors." At the end of each year, the President's office collects relevant information on the activities of the board of directors, distributes and fills in relevant self-assessment questionnaires, and reports the result of assessment to the board for review and improvement. The Company's board of directors approved the appointment of senior manager of General Manager Office, Lee, Yi-Yen, who has served in a stock affairs position for at least 3 years in a public company, as corporate governance supervisor on 7 August 2023. The corporate governance supervisor handles matters related to board meetings, audit committee, remuneration committee and shareholders' meetings by law, assists in onboarding and continuing education of directors, provides information required for the performance of duties by directors and assists directors in complying with laws and regulations, etc.

The board of the Company abides by the operation and relevant regulations of "Rules of Procedure for Board of Directors Meetings." Accounting supervisors and audit supervisors also attend the board meetings and issue relevant reports for directors' reference. To improve the capabilities of board members, the Company also arranges external training or external lecturers for teaching classes.

2.3.2 Operation of Audit Committee:

The Audit Committee of the company held 5 meetings in 2024. The attendance of independent directors are as follows:

Title	Name	Number of Required Attendances (A)	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) (B/A)
Independent Director	YI, CHANG- YUN	5	5	100%	100%
Independent Director	HUANG, LI-HEN	5	5	100%	100%
Independent Director	LO, SHIH-MIN	5	5	100%	100%

The operation of the Audit Committee or the participation of the supervisor in the operation of the board of directors

(1) The main points of the works of Audit Committee:

The Company's audit committee consists of 3 independent directors. The purpose of the Audit Committee is to assist the board with the execution of its duties to supervise the Company on accounting, internal audit, financial reporting progress and the quality and integrity of internal control.

Matters reviewed mainly listed below:

- Financial statements, auditing and accounting policies and procedures.
- Internal control system and related policies and procedures.
- Significant asset or derivative transaction.
- Significant fund lending and endorsements or guarantees.
- Place or issue securities.
- Derivatives financial instruments and cash investment.
- Regulatory compliance
- Matters involving directors' own interests.
- Fraud prevention plan and fraud investigation report.
- Corporate risk management.
- Appointment, dismissal, or remuneration of CPAs
- Appointment and removal of financial, accounting, or internal audit supervisors.
- Performance of Audit Committee's duties.
- Audit Committee's Performance Evaluation self-assessment questionnaire

Other items required to be stated:

- (2) If any of the following occurs during an Audit Committee meeting, the date and session of the Audit Committee meeting, the content of the proposal, any objections or reservations expressed at the meeting or material recommendations of the independent directors, the resolutions of the Company's handling of the opinions of Audit Committee should be stated.

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

Date of the Audit Remuneration meeting (Term)		Content of the motions
11 January 2024	The 3 rd Audit Committee The 7 nd meeting	Revised the company's "Organizational Structure" proposal.
		Revised some of the provisions of the company's "Risk Management Policies and Procedures".
		Draft the company's 2024 budget.
		Cathay United Bank's current line application is submitted for discussion.
		The Company intends to provide a capital loan of THB 15 million to Matec Southeast Asia (Thailand) Co., Ltd.
		Dongguan Xinfeng Hardware Machinery Plastic Industry Co., Ltd. acquired the right to use real estate assets.
		The Company will implement an incentive plan to provide additional year-end bonuses starting in 2024.
7 March 2024	The 3 rd Audit Committee The 8 nd meeting	This company's internal control system statement for fiscal year 2023.
		Revised some clauses of the company's "Internal Control System_Research and Development Cycle (RD)".
		Revised some of the clauses in the company's "Approval Authority Table".
		The company's 2023 annual operating report and financial statements.
		The Company's 2023 employee remuneration and director remuneration distribution.
		The company's 2023 profit distribution plan.
		The company's 2023 profit distribution cash dividend plan.
		It intends to apply to HSBC (Taiwan) Commercial Bank for a short-term comprehensive financing line of US\$11 million and derivative financial products of US\$1.5 million.
		Discuss the proposal to amend the company's Articles of Incorporation.
6 May 2024	The 3 rd Audit Committee The 9 nd meeting	Change of the accounting director of the company.
		Revise some of the provisions of the company's "Internal Control System_Financing Cycle (FI)" and submit for discussion.
		The independence assessment of our company's certified public accountants in 2024 is requested for discussion.
		Please discuss and agree on the appointment of our company's certified public accountant for 2024.
		The Company's first quarter 2024 consolidated financial statements are submitted for discussion.
		The 2024 financial statements of TIPO INTERNATIONAL CO., LTD. (SAMOA) and T&M Joint (Cayman) Holding Co., Ltd. are submitted for discussion.
7 August 2024	The 3 rd Audit Committee The 10 nd meeting	Due to operational needs, our company intends to apply for a financing line of US\$7 million from DBS Bank (Taiwan) for discussion.
		The sale of shares of our subsidiary T&M Joint (Cayman) Holding Co., Ltd. or the sale of real estate of Matec Southeast Asia (Thailand) Co., Ltd. in Thailand is being discussed.
		The Company's second quarter 2024 consolidated financial statements are submitted for discussion.
		We intend to apply for a total credit line of NT\$100 million from the Bank of Taiwan for discussion.
		For operational funding needs, the Company intends to apply to CTBC Bank for an annual credit facility, including a short-term credit line of NT\$200 million and a financial product transaction limit of NT\$10 million. The Chairman is authorized to execute relevant agreements with CTBC Bank and conduct borrowing and various credit transactions. This matter is submitted for discussion.
		Cathay United Bank's current line application is submitted for discussion.

		TURVO International Co., Ltd (YZ) Precision Components Co., Ltd. intends to apply for a credit line of RMB 500,000 from the Agricultural Bank of China for discussion.
		Our company intends to apply to HSBC Bank to open an account and set up a fund pool for discussion.
		The subsidiary Dongguan Xinfeng Hardware Machinery Plastic Industry Co., Ltd. intends to provide the Company with a capital loan of RMB 70 million. Please discuss this matter.
		The subsidiary TURVO International Co., Ltd (YZ) Precision Components Co., Ltd. intends to provide the Company with a capital loan of RMB 70 million and submits this request for discussion.
		The proposal to adjust the positions of managers of our company is submitted for discussion.
		The company's manager change proposal is submitted for discussion.
7 November 2024	The 3 rd Audit Committee The 11 nd meeting	Formulate the company's 2025 audit plan and submit it for discussion.
		Formulate the company's "Sustainable Information Management Procedures" and submit them for discussion.
		Revise some of the clauses in our company's "Approval Authority Table" for discussion.
		To revise some of the provisions of the Company's "Corporate Governance Code of Practice" for discussion.
		To revise some of the provisions of the Company's "Audit Committee Organizational Rules" for discussion.
		The draft of revising some provisions of the Company's "Rules of Procedure and Operation Management Methods of the Board of Directors" is submitted for discussion.
		Revise some of the provisions of our company's "Integrity Management Code" for discussion.
		The Company's third quarter 2024 consolidated financial statements are submitted for discussion.
		We intend to apply for a total credit line of USD\$4 million from Mega International Commercial Bank for discussion.
		We intend to apply for a financing of NT\$140 million (including a derivative financial product-hedging line of NT\$20 million) from Taishin Bank for discussion.
		Citibank (Taiwan) Commercial Bank's current line application is submitted for discussion.
		The Company intends to provide a loan of USD\$2 million to its subsidiary TIPO INTERNATIONAL CO., LTD. (SAMOA) for discussion.
		Our company intends to provide a capital loan of USD 90,000 to our investee company, T&M Joint (Cayman) Holding Co., Ltd., for discussion.
		Our company intends to provide a loan of THB 30 million to Matec Southeast Asia (Thailand) Co., Ltd. for discussion.
		The Company's proposal to repatriate earnings from its subsidiary in mainland China is submitted for discussion.
		The proposal for the concurrent appointment of managers of our company is submitted for discussion.
		The proposal to lift the non-compete restrictions on the managers of this company is submitted for ratification.
		Objections of Independent directors: None.
Contents of reserved opinions or major suggestions: None.		
The resolution result of Audit Committee and the response of the Company to the opinions of Audit Committee: The members of Audit Committee passed all the motions without objections, and the board of directors approved all the motions in accordance with the Audit Committee's suggestions.		
(II) In addition to the above matters, matters resolved by over two-thirds of the board of directors but not yet resolved by the Audit Committee: None.		
2. With respect to independent directors excusing themselves in the case of conflict of interest, the Independent Directors' names, contents of motion, reasons for conflict of interest and votes should be specified: None.		
3. Independent communication status between independent directors, audit supervisors and CPAs (which should include major events, methods, and results of communication on the Company's financial and business conditions, etc.).		
(I) In addition to sending various internal audit reports and the improvement on deficiencies in internal control systems and tracking table of each quarter to Independent Directors every month,		

the Audit Supervisor regularly convenes the Audit Committee meeting at least once a quarter to explain the audit business, audit results and follow-up status to the independent directors.

The communication status is as follows:

Date (Term) of the Audit Remuneration meeting	Communication Matters	Communication Result
11 January 2024 The 3 rd Audit Committee The 7 th meeting	* Internal Audit Report	The Audit Committee passed the issue without objections and was submitted to the board for reporting.
7 March 2024 The 3 rd Audit Committee The 8 th meeting	* Internal Audit Report * 2023 Statement of Internal Control System	The independent directors' recommendation on the 2023 Statement of Internal Control System : It is suggested that the dedicated storage server for off-site backup consider adopting cloud-based backup solutions. The Audit Committee passed the issue without objections and was submitted to the board. After being approved, the application was handled according to the regulations.
6 May 2024 The 3 rd Audit Committee The 9 th meeting	* Internal Audit Report	Independent Directors' Opinion: To mitigate the risk of bad debt recognition arising from overdue accounts receivable, proactive follow-up and stringent collection management should be consistently enforced. There was no objection to the rest and was submitted to the board for reporting.
7 August 2024 The 3 rd Audit Committee The 10 th meeting	* Internal Audit Report	The Audit Committee passed the issue without objections and was submitted to the board for reporting.
7 November 2024 The 3 rd Audit Committee The 11 th meeting	* Internal Audit Report * 2025 Audit Plan	The Audit Committee passed the issue without objections and was submitted to the board. None. After being approved, the application was handled according to the regulations.
7 November 2024 Independent Directors and Chief Internal Auditor Exclusive Communication Meeting	Discussion Summary: In response to the amendments to Articles 8 and 13 of the Internal Control Guidelines, the company will integrate sustainability information management into its internal control framework and incorporate it into the annual internal audit plan.	Independent Directors' Opinion: The company should closely monitor the implementation of its future succession planning.

(II) The Company's CPAs' communication matters on corporate government unit and the executives:

(1) The independent directors of the Audit Committee and the CPAs hold regular meetings annually for face-to-face communication, and if necessary, the CPAs also communicate and discuss in written form. The scope includes the independence and related responsibilities of CPAs to review the consolidated financial statements, review planning-

related matters, review key issues, review the contents of the report and the review results of the interim consolidated financial statements.

(2)The Audit Committee completed the audit report after referring to the consolidated financial statements and report reviewed by professional CPAs.

Note:(1) If specific independent director resigned before the end of the year, specify the date of relief from office, the actual attendance rate (%) calculated on the basis of the frequency of the convention of the Audit Committee and frequency of attendance to the session of the Audit Committee in the remark column.

(2) If there is an election of independent directors before the end of the fiscal year, specify the name of the newly elected and the previous Independent Directors, and note down if the independent directors are in office, newly elected or reelected, and the date of the election. The actual attendance rate (%) will be calculated on the basis of the frequency of the convention of the Audit Committee and the actual frequency of attendance to the sessions of the Audit Committee within the term of office.

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

Items Evaluated	Implementation Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
I. Does the Company formulate and disclose the Corporate Governance Best Practice based on “Corporate Governance Best Practice Principles for Listed Companies?”	✓		The Company has formulated Corporate Governance Best Practice in accordance with the “Corporate Governance Best Practice Principles for Listed Companies,” and has disclosed on the Company’s website.	No significant deviation.
II. Corporate equity structure and shareholders’ equity				
(I) Does the Company formulate the internal operation procedure to handle shareholders’ proposal, doubt, dispute and litigation and implements it in accordance with the procedure.	✓		(I) The Company has set up spokesperson system in accordance with the regulations. The spokesperson or acting spokesperson is responsible for issues such as shareholders’ suggestions or disputes to ensure the rights and interests of shareholders.	No significant deviation.
(II) Does the Company master the principal shareholders actually controlling the company and the final controller list of principals shareholders?	✓		(II) The Company has entrusted a professional stock affairs agency, and a dedicated person is responsible for handling related matters. By this means, the Company can master the list of the principal shareholders actually controlling the Company.	No significant deviation.
(III) Does the Company establish and executes the risk control and firewall mechanism with the affiliated enterprise?	✓		(III) The Company has stipulated “Supervisory measures to the Subsidiary,” “Measures for the Administration of Related Party Transactions” and internal control-related operating regulations to prevent relevant matters.	No significant deviation.

Items Evaluated	Implementation Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
(IV) Does the Company formulate the internal specification to prohibit the corporate insiders to buy or sell negotiable securities by using the information undisclosed in market?	✓		(IV) The Company has stipulated “Management on the Prevention of Insider Trade” to regulate the Company and insiders. Prohibit the behaviors that may involve insider trading to protect investors and safeguard the rights and interests of the Company and disclose it on the Company’s website.	No significant deviation.
III. Composition and responsibilities of the board of directors (I) Does the board of directors draft the diversification policy, specific management objective and implements it in terms of the member composition?	✓		(I) The Company's directors are selected through a strict process. The selection of the Company’s Directors not only considers diverse backgrounds, professional capabilities, and experience, but also emphasizes their personal reputation in ethical behavior and leadership. So far, the Company has six directors and three independent directors. The directors and independent directors possess various different professional backgrounds, which makes the Company's board of directors to perform the function of business decision-making and leadership supervision. (Please refer to “Diversity and Independence of the Board of Directors” on Page 23 of the annual report	No significant deviation.

Items Evaluated	Implementation Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
(II) Does the Company voluntarily set other functional committees apart from the Remuneration committee and Audit Committee?	✓		(II) The Company has set up a Remuneration Committee and an Audit Committee in accordance with the law, as well as a risk management team,	No significant deviation.
(III) Does the company formulate the performance evaluation method and evaluation way of the board of directors, and regularly carries out performance evaluation each year?	✓		(III) The company has established a Board of Directors Performance Evaluation Method, which has been approved by the Board of Directors. At the end of each year, an internal performance evaluation of the Board of Directors is conducted, including an assessment of the operational performance of the Board of Directors and self-assessment by individual directors. After summarizing, an evaluation report and improvement suggestions are submitted to the Board of Directors. The evaluation results are then reported by the end of the first quarter of the next year and used as a reference for the individual director's compensation and nomination for reappointment. The company conducted the evaluation of the directors/board and functional committees' performance for the fiscal year 2024, in November 2024, with the evaluation report presented at the Board of Directors meeting on January 8, 2024..	No significant deviation.

Items Evaluated	Implementation Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
			The Board of Directors Performance Evaluation Method specifies that an external evaluation should be conducted at least once every three years. For the fiscal year 2023, the external evaluation of the Board of Directors' performance was entrusted to the "Taiwan Investor Relations Institute" to conduct the assessment. The association and its executing experts have independence from the company's business dealings. The assessment was conducted through questionnaires, on-site interviews, and online interviews, focusing on five dimensions: board composition and professional development, quality of decision-making by the board, operational efficiency of the board, internal control and risk management, and the board's participation in corporate social responsibility. The evaluation result was 4.57 points out of 5. Additionally, objective suggestions from directors were obtained through open-ended question interviews by the external evaluation organization, which the company considered and implemented improvement measures to continuously enhance the effectiveness of the board and strengthen corporate governance mechanisms. The evaluation period was	

Items Evaluated	Implementation Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
(IV) Does the Company regularly evaluate the independence of CPAs?	✓		<p>from October 1, 2022 to September 30, 2023, and the evaluation report was submitted to the Board of Directors on January 11, 2024. For evaluation results, improvement suggestions, and future improvement plans, please refer to the Corporate Governance section on the company's website.</p> <p>(IV) The company's Audit Committee evaluates the independence and suitability of the CPAs annually. In addition to requiring the CPAs to provide an "Independence Statement" and "Audit Quality Indicators (AQIs)," the evaluation is conducted based on the CPAs independence assessment criteria and 13 AQI indicators. It was confirmed that the CPAs and the firm had no financial interests or business relationships other than the fees for certification and taxation cases. Also, the family members of the CPAs did not violate independence requirements, and based on AQI indicator information, it was confirmed that the CPAs and the firm had audit experience and training hours comparable to industry averages. Furthermore, in the past three years, they have continued to introduce and strengthen digital audit</p>	No significant deviation.

Items Evaluated	Implementation Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
			tools to improve audit quality. The evaluation results for the most recent fiscal year were discussed and approved by the Audit Committee on March 5, 2025, and reported to the Board of Directors for resolution on March 5, 2025. (Please refer to the assessment of accountant independence in this annual report).	

Items Evaluated	Implementation Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
IV. Does the Company have a suitable number of competent corporate governance personnel, and has it appointed a corporate governance supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their duties, assisting Directors and Supervisors with regulatory compliance, handling matters related to Board meetings and shareholders' meetings, and preparing proceedings for Board meetings and shareholders' meetings)?	✓		<p>The Company's board meeting approved the appointment of senior manager of General Manager Office, Lee, Yi-Yen as corporate governance supervisor on 7 August 2023. The corporate governance supervisor is responsible for matters related to corporate governance, including handling matters relating to board meetings, audit committee, remuneration committee and shareholders' meetings by law, assists in onboarding and continuing education of directors and Audit Committee, provides information required for the performance of duties by directors and audit committee and assists directors and audit committee in complying with laws and regulations, etc.</p> <p>The Company has set up corporate governance full-time (part-time) units or personnel to be responsible for corporate governance-related affairs. The Company designates senior executives to be responsible for supervision and corporate governance related matters, including handling matters related to meetings of the board of directors, Audit Committee, Remuneration Committee and shareholders' meeting by the law; Assisting directors and Audit Committee members in their appointment and continuing education; Providing directors, members of Audit Committee to comply with the law, etc.</p>	No significant deviation.

Items Evaluated	Implementation Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
V. Does the Company establish communication channels with stakeholders (including, but not limited to, shareholders, employees, customers, and suppliers) and set up a dedicated corner to stakeholders on the Company's website and does the Company respond appropriately to corporate social responsibility issues that stakeholders consider important?	✓		Depending on the situation, the Company has set up a dedicated corner for stakeholders on the Company's website. Providing sound communication and contact information including employees, investors, customers, and suppliers to properly respond to related issues of concern to stakeholders, including corporate social responsibility.	No significant deviation.
VI. Does the Company commission a professional stock affair agency to manage shareholders' meetings and other relevant affairs?	✓		The Company has appointed a professional stock transfer agency, the department of stock transfer agent of CTBC Bank, to handle various stock affairs of the Company.	No significant deviation.
VII. Information Disclosure (I) Does the Company establish a public website to disclose financial and corporate governance information?	✓		(I)The Company has set up a website, and there is a dedicated person that is responsible for maintaining the website. The important financial, business information and corporate governance information will be updated to the website in a timely manner for the reference of shareholders and stakeholders. The Company's website: http://www.turvo.com.tw	No significant deviation.

Items Evaluated	Implementation Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
(II) Does the Company adopt other means of information disclosure (such as establishing an English version website, delegating a professional to collect and disclose company information, implement a spokesperson system, and disclosing the process of investor conferences on the Company's website)?	✓		(II) The Company has set up the Chinese version website and is actively planning to build a multilingual official website. The Company designates a dedicated unit to be responsible for the collection of various financial and business information of the Company, which has been regularly and irregularly disclosed and reported on the Market Observation Post System in accordance with the regulations. According to the law, the Company has implemented spokesperson system.	No significant deviation.
(III) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly sales results, before the prescribed time limit? ?		✓	(III) The Company announces and declares the Q1, Q2, and Q3 financial reports and the operating status of each month before the deadline in accordance with the relevant regulations. For the disclosure of relevant information, please refer to Market Observation Post System.	Same as the contents of brief explanation.

Items Evaluated	Implementation Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
VIII. Does the Company disclose other important information to facilitate better understanding of the Company's corporate governance practices (including, but not limited to current status of employee rights, employee care, investor relations, supplier relations, stakeholders' rights, Director and Supervisor continuing education status, risk management policies, and risk measurement standards as well as the implementation of client policies and the Company's purchase of Liability Insurance for its Directors and Supervisors)?	✓		<p>(I) Employee rights and employee care: The Company do not have prejudice against the differences in gender, race, nationality, etc. while recruiting and appointing personnel. The Company spares no efforts to maintain employee rights. All the employees of our Company have taken out Labor Insurance, Health Insurance and Group Insurance in accordance with the laws. The Company allocates Retirement Reserves in accordance with the law to protect the rights and interests of employees and provides employees with good work environment.</p> <p>(II) Investor relations and stakeholders' rights: Regarding the Company's investor relations and stakeholders' rights, the Company maintains a smooth communication channel. The Company gives full play to the spokesperson system and upholds the principle of integrity. The Company releases public information in real time to safeguard investor relations and stakeholders' rights and interests.</p> <p>(III) For supplier relation, the Company and its subsidiaries have formulated "Supplier Management Measures." The Company requires close cooperation with suppliers, and suppliers are also evaluated</p>	<p>No significant deviation.</p> <p>No significant deviation.</p> <p>No significant deviation.</p>

Items Evaluated	Implementation Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
			<p>and the interaction and communication with customers have always been good.</p> <p>(VII) The Company's purchase of Liability Insurance for its Directors and Supervisors: The Company has enrolled all the directors for Liability Insurance from Cathay Century Insurance. The enrollment period was from 31 December 2024 to 31 December 2025.</p> <p>(VIII) Regarding personnel obtaining relevant licenses from the competent authorities related to financial information transparency: 1 person holds a certified public accountant (CPA) license.</p>	No significant deviation.
<p>IX. Explain the corrective action taken in response to the evaluation result released by Corporate Governance Center of Taiwan Stock Exchange Corporation in the previous period, and special attention and additional effort on issues that needed to be addressed to a top priority.</p> <p>After the annual evaluation results are announced, the Company will review the projects that have not yet reached the evaluation standards, and adjust and improvements successively. In terms of information disclosure, the Company adjusts and updates the annual report and discloses the contents on the Company's website. The Company is also invited to participate in institutional investors' conferences to make the company's information more transparent and reduce information asymmetry.</p>				

CPA's independence evaluation:

Items Evaluated	Evaluation Result	Independence Status
1. There has no direct or indirect material financial interest relationship between the CPAs and the Company.	Yes	Yes
2. There has no material and close business relationship between the CPAs and the Company.	Yes	Yes
3. There has no potential employment relationship during the period of auditing the Company.	Yes	Yes
4. The CPAs have no money loan situation with the Company.	Yes	Yes
5. The CPAs did not accept gifts or gifts of great value from the Company and its Directors and Manager. (The gifts' value is beyond social etiquette standards)	Yes	Yes
6. The CPAs did not provide the Company audit service for seven consecutive years.	Yes	Yes
7. The CPAs did not hold any of the Company's shares.	Yes	Yes
8. The CPAs, their spouses or dependent relatives, and their audit team did not serve as Directors, Managers or hold positions that have a significant impact on audit cases during the audit period or in the past two years.	Yes	Yes
9. Whether the CPAs have complied with the independence regulations of The Norm of Professional Ethics for Certified Public Accountant of the Republic of China Bulletin No.10 and has acquired "Declaration of Independence" from the CPAs.	Yes	Yes

2.3.4 Remuneration Committee

A. Information on Remuneration Committee Members

Identity Name	Conditions	Professional qualification and work experience	Independence Status	Number of Other Public Companies in Which the Concurrently Serving as a Remuneration Committee member
Independent Director (Convenor)	HUANG, LI-HEN	The Company's Remuneration Committee consisted of three Independent Directors. For information on the members' professional experiences, please refer to "Profile of board members" in the annual report.	All the Remuneration Committee members comply with the following status: 1. Comply with particulars inscribed in Article 14-6 of the Securities and Exchange Act stipulated by Financial Supervisory Commission and the relevant rules of "Regulations Governing the Appointment and	-
Independent Director	I, CHANG-YUN			3

Independent Director	LO, SHIH-MIN	Exercise of Powers by the Remuneration Committee of a Company whose stock is listed on the Taiwan Stock Exchange or the Taipei Exchange. 2. The person (or in the name of a third party), spouse and minor children do not hold more than 1% of the Company's total issued shares. 3. No business, legal, financial, and accounting services rendered to the Company or its affiliates in the last 2 years.	-
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B. Operation of the Remuneration Committee

(A) The Company's Remuneration Committee members consisted of 3 people.

(B) The term of the Compensation Committee for the 5th term is from November 3, 2022, to August 30, 2025. The Compensation Committee held 4 meetings in 2024. The qualification and attendance of the members are as follows

Title	Name	Number of Required Attendances (A)	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) (B/A)
Convenor	HUANG, LI-HEN	4	4	0	100%
Member	YI, CHANG-YUN	4	4	0	100%
Member	LO, SHIH-MIN	4	4	0	100%

Date	Remuneration Committee	Content of the motions	Resolutions	The response of the Company to the opinions of Remuneration Committee
11 January 2024	The 5 th Remuneration Committee The 6 st meeting	Reviewed the company's 2023 manager year-end bonus distribution plan.	After the chairman consulted all directors attending the meeting, the proposal was passed without objection.	Implemented as the content of motions.
7 March 2024	The 5 th Remuneration Committee The 7 st meeting	The Company's 2023 employee remuneration and director remuneration distribution.	After the chairman consulted all directors attending the meeting, the proposal was passed without objection.	Implemented as the content of motions.
7 March 2024	The 5 th Remuneration Committee The 7 st meeting	Review the Company's 2024 manager salary adjustment proposal.	After the chairman consulted all directors attending the meeting, the proposal was passed without objection.	Implemented as the content of motions.
6 May 2024	The 5 th Remuneration Committee The 8 st meeting	Reviewed the company's 2023 directors' remuneration proposal.	After the chairman consulted all directors attending the meeting, the proposal was passed without objection.	Implemented as the content of motions.

6 May 2024	The 5 th Remuneration Committee The 8 st meeting	Reviewed the second distribution of year-end bonuses to managers of the Company for fiscal year 2023.	After the chairman consulted all directors attending the meeting, the proposal was passed without objection.	Implemented as the content of motions.
6 May 2024	The 5 th Remuneration Committee The 8 st meeting	Review the company's 2023 managerial remuneration distribution proposal.	After the chairman consulted all directors attending the meeting, the proposal was passed without objection.	Implemented as the content of motions.
6 May 2024	The 5 th Remuneration Committee The 8 st meeting	Review the company's 2024 manager salary proposal.	After the chairman consulted all directors attending the meeting, the proposal was passed without objection.	Implemented as the content of motions.
7 August 2024	The 5 th Remuneration Committee The 9 st meeting	Review the salary proposal for the company's new manager in July 2024 and submit it for discussion.	After the chairman consulted all directors attending the meeting, the proposal was passed without objection.	Implemented as the content of motions.
7 August 2024	The 5 th Remuneration Committee The 9 st meeting	Review the company's July 2024 salary distribution plan for new managers and submit it for discussion.	After the chairman consulted all directors attending the meeting, the proposal was passed without objection.	Implemented as the content of motions.

Other items required to be stated:

- I. If the board turned down or revised the recommendation of the Remuneration Committee, specify the date, session of the board, the content of the motion, the resolution of the board and the response of the Company to the opinions of the Remuneration Committee (if the resolution on remuneration passed by the board is senior to the recommendation of the Remuneration Committee, explain the difference and the reason): None.
- II. If there is any adverse opinion or qualified opinion on record or in written declaration on the resolutions of the Remuneration Committee, specify the date, session of the committee meeting, content of the motion, opinions of all members and response to the opinions of the members: None.

Note: (1) If specific member elected to resign within the fiscal year, put down the date of relief from office in the remark column. The actual attendance rate (%) will be calculated on the basis the actual frequency of attendance to the session of the Remuneration Committee and the frequency of the convention of the Remuneration Committee while the Director is still in office.

- (2) If an election of directors has been held to fill the vacancy before the end of the fiscal year, put down the names of the newly elected members and the members of the previous term, and noted as new to office or reelected to office, and the date of the election. The actual attendance rate (%) will be calculated basis the actual frequency of attendance to the session of the Remuneration Committee and the frequency of the convention of the Remuneration Committee while the member is still in office.

2.3.5 Implementation of sustainable development promotion and difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Items Advocated	Implementation Status			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Brief Explanation	
I. Has the Company built up a governance framework for the advocacy of sustainable development, and established a full-time (part-time) body for the advocacy of sustainable development led by a senior officer at the authorization of the Board and under the supervision of the Board?	V		In August 2022, the Company communicated with the Board of Directors about establishing a "Sustainability Committee" and formulated an annual implementation policy. The committee is supervised by the Chairman and chaired by the General Manager. It consists of relevant departments, and the General Manager's Office collaborates with the heads of each department to convene the Corporate Governance, Sustainable Environment, and Social Welfare Cross-Functional Team, based on the types of risks. This team is responsible for identifying stakeholder issues, prioritizing major issues, and proposing sustainable-related policies, systems, and annual implementation plans to the Board of Directors. The committee reports the results of its work execution and subsequent directions to the Board of Directors at least once annually. On November 7, 2024, the committee reported to the Board of Directors. The Board of Directors listened to the Sustainability Committee's sustainability report, reviewed the relevant execution content and direction, and assessed the potential success of these strategies. When necessary, they supervise the management	No significant deviation.

Items Advocated	Implementation Status			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason						
	Yes	No	Brief Explanation							
			team to make adjustments.							
II. Has the Company conducted assessment on the risks inherent to the operation environment, social context, and issues of corporate governance under the principle of materiality, and mapped out the risk management policy or strategy?	V		<div><div>The Company has formulated risk management policies. The implementation of risk management policies is jointly promoted by the board of directors, Audit Committee, President and President’s Office, various risk management units, and all departments. Through risk assessment and analysis of relevant issues, sustainable risk identification and management related to the Company's operating issues of environmental, social, and corporate governance are conducted. A summary of the related content is as follows:</div><table><tr><th>Material topic</th><th>Risk</th><th>Countermeasures for risk</th></tr><tr><td>Environment</td><td>Waste disposal management</td><td>Our company adheres to the business waste management plan for the disposal of generated business waste. We carry out waste management and online reporting operations according to the regulations, and entrust licensed treatment organizations authorized by the competent authorities to handle the relevant follow-up procedures.</td></tr></table></div>	Material topic	Risk	Countermeasures for risk	Environment	Waste disposal management	Our company adheres to the business waste management plan for the disposal of generated business waste. We carry out waste management and online reporting operations according to the regulations, and entrust licensed treatment organizations authorized by the competent authorities to handle the relevant follow-up procedures.	No significant deviation.
Material topic	Risk	Countermeasures for risk								
Environment	Waste disposal management	Our company adheres to the business waste management plan for the disposal of generated business waste. We carry out waste management and online reporting operations according to the regulations, and entrust licensed treatment organizations authorized by the competent authorities to handle the relevant follow-up procedures.								

Items Advocated	Implementation Status					Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Brief Explanation			
				Climate change risks	In line with relevant energy use policies and the Science-Based Targets initiative (SBTi) voluntary emission reduction commitment, we promote low-carbon and energy-efficient equipment and actively expand the application of renewable energy.	
				Meeting stakeholders' expectations	In 2024, our company conducted ISO 14064-1 greenhouse gas inventory third-party certification and continues to participate in the international Carbon Disclosure Project (CDP) survey platform. We are also involved in the SBTi Science-Based Targets initiative, actively responding to stakeholder expectations. Throughout the process, we have gradually adjusted equipment operation efficiency while balancing the achievement of operational performance.	
			Society	Friendly workplace, occupational safety and health	1.Continuously promote workplace safety and health awareness, as well as conduct fire self-defense drills, ensuring the personal safety of	

Items Advocated	Implementation Status				Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Brief Explanation		
					employees in the work environment. 2. Implement access control management, requiring vendors and visitors to exchange their identification cards upon entry, and they must provide detailed information about the visiting unit and purpose in the registration form before being allowed to enter the factory. Employees must also wear identification badges when entering or exiting the factory area, and entry is only allowed after card swiping, ensuring the safety of the company's assets and employees.
				Talent recruitment and development	Engage in diverse and open recruitment channels and establish industry-academic cooperation agreements with universities, colleges, and vocational training centers.
			Governance	Compliance	In addition to following internal audit and control mechanisms to implement corporate governance, our company also regularly organizes several internal training sessions each year. These sessions

Items Advocated	Implementation Status			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason	
	Yes	No	Brief Explanation		
				provide legal compliance education and training on various topics for all employees or senior management. Through the implementation of these compliance education policies, we aim to enhance the legal awareness at all levels of personnel, thereby reducing the risk of illegal behavior and regulatory violations.	
			Stakeholder communication	1. To avoid misunderstandings caused by differing positions between stakeholders and the company, which may lead to operational or litigation risks, we analyze the key stakeholders and the important issues they care about on an annual basis. 2. Establish various communication channels and set up a mailbox for important stakeholders to actively communicate, reducing conflicts and misunderstandings.	
			Information security management	1. Servers are equipped with protection software (MDR) and malware monitoring software. 2. Enterprise-level firewalls, security	

Items Advocated	Implementation Status			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason		
	Yes	No	Brief Explanation			
					policies, intrusion detection systems, antivirus software, and other security measures are configured to block illegal intrusions by hackers. 3. Critical cybersecurity tasks, such as upgrading the operating system or important software on system hosts and conducting disaster recovery drills, are carried out according to the planned schedule.	
				Financial risk	1. Liquidity Risk: Through the annual budget, the company plans its cash flow for the entire year in advance, and in conjunction with bank financing limits, maintains sufficient cash and cash equivalents to support operations and mitigate the impact of cash flow fluctuations. Additionally, monthly liquidity reviews and adjustments are conducted, with senior management overseeing the usage of bank financing limits to ensure compliance with loan agreement terms.	

Items Advocated	Implementation Status					Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Brief Explanation			
					2. Credit Risk: To mitigate credit risk, the company's management appoints a dedicated team responsible for determining credit limits and approving credit. A clear overdue accounts loss prevention mechanism is in place to minimize potential losses, coupled with external credit insurance and legal recovery procedures, further reducing the potential loss from overdue receivables to a controllable level.	
III. Environmental Issues (I) Has the Company established appropriate environmental management system by nature of its industry?	V		(I) Promote the concept of recycling to reduce the load on the environment. Our entire production plant has acquired Environmental management systems ISO 14001 and Occupational health and safety management systems certificate, and handling matters in accordance with the abovementioned Environmental management systems. The Company abides by the requirements of environmental regulation, and report and monitor regularly.			No significant deviation.
(II) Has the Company made effort in upgrading energy efficiency and using regenerated materials for mitigating the impact on the environment?	V		(II) The Company has established occupational safety and health brochure, which regulates the utilization of various resources, internationally			No significant deviation.

Items Advocated	Implementation Status			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason						
	Yes	No	Brief Explanation							
			banned substances, etc. By the means of inconsistent advocacy to reach the effect of implementing. The Company and its subsidiaries produce energy-saving products. The waste generated during the manufacturing process is transferred to the waste-treatment facilities for recycling and reuse. The sum of volume of waste disposed and volume of recyclables in the most recent year was 16.8 tons.							
(III) Has the Company assessed the potential risk and opportunity to the enterprise brought about by climate change, and taken appropriate measures in responding to climate change issues?	V		<div>(III) The Company actively responds to the risks associated with climate change by implementing relevant countermeasures. Summary of these measures is as follows:<table><tr><th>Type</th><th>Evaluation</th><th>Countermeasures</th></tr><tr><td>Carbon reduction management</td><td>Greenhouse Gas Emission Reduction Responsibility</td><td>Establish an emission data management system, implement data management, and find improvement opportunities. The company's</td></tr></table></div>	Type	Evaluation	Countermeasures	Carbon reduction management	Greenhouse Gas Emission Reduction Responsibility	Establish an emission data management system, implement data management, and find improvement opportunities. The company's	No significant deviation.
Type	Evaluation	Countermeasures								
Carbon reduction management	Greenhouse Gas Emission Reduction Responsibility	Establish an emission data management system, implement data management, and find improvement opportunities. The company's								

Items Advocated	Implementation Status					Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Brief Explanation			
					Taiwan plant obtained ISO 14064-1 third-party verification in 2024.	
			Energy efficiency	Improve the working environment and enhance energy efficiency	Strengthen energy efficiency evaluation, invest in energy controls, and promote energy transition to achieve carbon reduction goals.	
(IV) Does the Company record the amount of greenhouse gas emissions, water usage and the total weight of waste for the last two years and formulate policies on reducing greenhouse gas emissions, water usage reduction or other waste management?	V		(IV) The statistical data of the company's Taiwan plant for the past two years.: 1. Greenhouse gas: Direct emissions in 2023: 171.9806 metric tons of CO2e, energy indirect emissions: 2523.8522 metric tons of CO2e, indirect emissions: 1060.8352 metric tons of CO2e.			No significant deviation.

Items Advocated	Implementation Status			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Brief Explanation	
			2. Water usage: 14290.1 cubic meters, 26473 cubic meters 3. Waste: (1) Hazardous waste: 40.34 tons, 48.91 tons. (2) Non-hazardous waste: 319 tons, 638 tons. The Company has formulated waste management procedures and noise management procedures, hazardous substances management procedures, chemicals management procedures and wastewater treatment procedures to conduct relevant control and minimize contamination.	
IV. Social issues (I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		(I) The Company supports and adheres to the spirit and fundamental principles of human rights protection as advocated in various international human rights conventions such as the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Organization. We have formulated the Company's human rights policy to implement the aforementioned commitments and fully embody the responsibility to respect and protect human rights, ensuring that all members, both internally and externally, receive fair and dignified treatment. The Company is committed to upholding the rights of its employees, respecting workplace equality, providing equal employment	No significant deviation.

Items Advocated	Implementation Status			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Brief Explanation	
			opportunities for both men and women, striving to provide comprehensive and excellent benefits, and signing written labor contracts with each employee in accordance with the law to safeguard labor rights. Additionally, we have established accessible channels for complaints. Should any colleague encounter issues within the company, they can file complaints through these channels, thereby creating a diverse, inclusive, and friendly working environment.	
(II) Does the company formulate and implement reasonable employee benefit policies (including remuneration, leave and other benefits), and properly relate operating performance or results to employee remuneration?	V		<p>(II)1. The Company promotes Act of Gender Equality. The Company's female employees accounted for 55%, and the female managers accounted for 36%.</p> <p>2. The Company safeguards employees' lawful rights and interests in accordance with labor regulations and allocates 6% of employees' monthly wages to their retirement fund. We establish a Employee Welfare Committee to handle various welfare matters, and in accordance with Article 26 of the Company's Articles of Association, "After deducting accumulated losses from the profits of the current year, if there is still a surplus, the surplus shall be allocated to employee compensation at a rate of 3.5% to 7%."</p>	No significant deviation.

Items Advocated	Implementation Status			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Brief Explanation	
			The Company, based on the achievement of actual operational results, determines compensation proportions from management indicators, departmental objectives, and individual performance evaluations, calculated according to performance management regulations. Reasonable remuneration is provided to appropriately reflect operational performance or achievements in employee salaries.	
(III) Does the Company offer a safe and healthy working environment for its employees and conduct safety and health education for employees on a regular basis?	V		(III)1. The company has established a safety and health office in accordance with the Occupational Safety and Health Act to manage labor safety and health work. Dedicated personnel are responsible for environmental management and implementing the 6S program. The safety and health office regularly reviews the work environment, organizes environmental-related educational courses, and promotes disaster prevention information to enhance disaster awareness and concepts. We provide employees with a comfortable and safe working environment, and the company also offers regular healthcare services. Additionally, the company conducts annual health check-ups for employees and provides	No significant deviation.

Items Advocated	Implementation Status			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Brief Explanation	
			<p>regular safety and health education.</p> <p>2.The entire production plant of the company has obtained ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System certifications, which remain valid as of the publication date of the annual report.</p> <p>3. In the most recent year, there was 0 internal significant occupational accident in the workplace. The Company continuously focuses on promoting on-site work safety and the right operating procedures.</p> <p>4.During the recent fiscal year, there were zero fire incidents, resulting in no casualties. The Company continues its fire prevention training, formulates fire protection plans, and implements fire and electricity management, maintenance of fire safety equipment and fire evacuation facilities, fire suppression, notification, and evacuation training according to the plan.</p>	
(IV) Does the Company provide its employees with career development and training sessions?	V		(IV)The company plans an annual education and training plan every year to provide employees with relevant training required for their job functions, including newcomer training, on-the-job training and management training. In the	No significant deviation.

Items Advocated	Implementation Status			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Brief Explanation	
			most recent year, the total number of employee education and training classes was 378, with a total number of 3162 training participants, a total of 8921.5 person-hours, and a total training expenditure of NTD480,922.	
(V) Does the Company comply with relevant regulations and international standards and formulate policies to protect customer rights and complaint procedures concerning the health and safety of the customers of the products and services, client privacy, marketing and labels?	V		(V) The Company has acquired ISO9001, ISO14001, ISO45001 and IATF16949 certificate. Based on the conditions of quality, ability and environmental protection policy, the Company cooperates with high-quality suppliers for long-term cooperation to fulfill corporate social responsibilities. Meanwhile, the Company complies with the regulations of RoHS. The Company maintains a good communication channel with customers and has stipulated the customer complaint management measures for the products and services provided. By this means, the Company can effectively handle customer complaints.	No significant deviation.
(VI) Does the Company formulate supplier management policies, require the suppliers to comply with relevant rules regarding the environment, occupational safety and health, labor rights or other issues, and report the results of the implementation?	V		(VI) The Company has established a Supplier Management Department and formulated clear and comprehensive supplier management policies. Through these policies and suppliers' commitments to social responsibility, the Company ensures that suppliers adhere to high standards in environmental protection,	No significant deviation.

Items Advocated	Implementation Status			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Brief Explanation	
			occupational health and safety, and labor rights. In terms of policy implementation, the Company employs measures such as self-assessment, guidance, and performance evaluations to ensure that suppliers not only understand but also actively practice these policy requirements. This strengthens the management of suppliers, and the Company may discontinue unnecessary dealings with suppliers found to violate corporate social responsibility.	
V. Does the company refer to international compilation standards or guidelines to prepare the report on Corporate Social Responsibility and other reports which disclose information other than financial information? Were the disclosed reports assured or verified by a third party?	V		The Company has not reached the legitimate capital of NTD2,000,000 thousand. According to the regulations and the laws, the Company should prepare and disclose non-financial information. The Company will abide by the regulations and the laws step by step. Also, the Company will disclose information on corporate social responsibility of sustainable development on the Company's website, annual report.	No significant deviation.
<p>VI. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” (“Principles”), please describe any discrepancy between the “Principles” and their implementation:</p> <p>The Company formulated the “Corporate Social Responsibility Best Practice Principles” of the Company in 2017 by the relevant operation of corporate governance and has implemented according to the relevant regulations. Additionally, the revised version of the principles was approved by the board of directors in April 2020, and it was renamed the “Sustainable Development Best Practice Guidelines.” This renaming reflects the Company's commitment</p>				

Items Advocated	Implementation Status			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Brief Explanation	
to strengthening the implementation of sustainable development and ensuring strict compliance with principles.				
VII. Other important information to facilitate better understanding of the Company’s corporate social responsibility practices				
(I) Safety & Health: The Company and our subsidiaries have set up dedicated personnel for environmental and Safety management. The Company regularly holds environmental-related education courses and is committed to the promotion of safety & health policies. Also, the Company has consistently improved manufacturing process and working environment. With the efforts made by employees, the Company improves occupational safety & health performances.				
(II) Provide equal employment opportunity: The company and its subsidiaries employ employees regardless of race, gender, age, political affiliation, or religious belief. The Company takes professional knowledge, skills, etc. into consideration for employment, providing candidates equal employment opportunities.				
(III) Social Welfare: The Company encourages employees to participate in social welfare and community care activities. In 2024, the Company contributed through concrete actions, including purchasing 496 charity gift boxes during a Thanksgiving banquet, totaling NT\$189,968, to support the Changhua County Xiaolingding Ai-Qi-Er Care Association in promoting social welfare services. The Company actively supports local cultural events by donating sponsorship funds to the Mazu Pilgrimage Blessing Event, providing employees with opportunities to engage in spiritual activities. Additionally, the Company organized the Turvo Employee Blood Donation Campaign, inviting colleagues to participate in the blood donation initiative and encouraging businesses within the industrial park to join in promoting the "One Bag of Blood Saves a Life" campaign. Furthermore, the Company regularly provides educational donations to support financially disadvantaged students, enabling them to access resources for personal development. The Company also arranges occasional factory visits to help young people understand the workplace and explore future career paths.				
(IV) Industry-Academia Collaboration: The Company has signed industry-academia collaboration agreements with various universities and vocational training centers to provide employment and learning opportunities in the workplace.				

2.3.6 Climate-Related Information of TWSE/TPEX Listed Company

1. Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The board of Directors is accountable for sustainability development supervising. According to principles of Sustainable Development Roadmap that was released on March of 2022 by Financial Supervisory Commission R.O.C (Taiwan), Turvo has completed to report schedule of GHG development of parent and subsidiaries to The board of Directors by the end of 1st quarter in year 2023. Turvo has also stipulated Management of GHG procedure which has clearly outlines GHG development relevant operations, coordination and impetus between departments and report to the Board of directors annually.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	In order to respond and to implement carbon reduction methodology, Turvo's manufacturer planet has obtained a Leed Silver prize from US Green Building Council & Green Business Certification INC, and this is the first green building in Taichung Port Technology Industrial Park. Furthermore, machineries, hardware appliances, and index monitoring equipment were eliminated according to environmental regulations progressively. The above short term targets were accomplished by the actions that were taken to reduce the risks from climate change and to promote hardware facilities transformation.
3. Describe the financial impact of extreme weather events and transformative actions.	
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>Turvo has passed ISO14064-1 greenhouse gas inventory qualification certified by Afnor Group in May of 2024. Turvo has committed to a near-term program of SBTi emission reduction program, TURVO is going to develop a target plan and to implement it within 24 months term. It is Turvo's middle term of target to continuously to carry out and to promote important initiatives, to make part of contribution for the planet that Turvo has utilizes as a source of producing. On the other hand, to strengthen corporate governance and to promote sustainable development, the Key Performance Incentive for senior management level includes the achievement of financial performance indicators (30%) and sustainability-related indicators (weighting 8%), which includes to pass GHG external certification, carbon reduction of production procedure, to join SBTi and to promote ISO-27001., etc. It is in expectation that Turvo's sustainable development policy will be implemented and financial performance will be improved by continuing to formulate carbon reduction targets and launch various ESG indicators through SBTi plan</p> <p>TURVO has an internal management police which related to environment risk, this police is called 「EP-22: Issue Identification and Risk Management Process」, it is an evaluation procedure which covers risks and opportunities analysis of internal and external environmental issues that are related to TURVO's environmental and management systems and to those main issues concern to stakeholders. This management aims at targeting to understand the current situation and to formulate company's policies by analyzing internal and external environmental issues that concern stakeholders. And in order to promote</p>

	company's management policy of environmental protection operation effectively, it is important to respond and define risks and opportunities that may arise from changes and come up with solutions. Therefore, to minimize the impact on the environment, by communicating the status of damage caused by environmental pollution to the earth's ecology both internally and externally, and to provide a safety and healthy workplace by complying with relevant laws and regulations. Company's reputation of aiming to achieve the goal of sustainable development will be improved.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Scenario analysis has not yet been used to assess resilience to climate change risks at the moment.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The transition plan has not yet been used as for managing climate-related risks been planned at the moment. Turvo has submitted and joined SBTi initiative and coming along with SBTi target setting plan in year 2025.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The carbon pricing has not yet been used as a planning tool.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Turvo has submitted and joined SBTi initiative and coming along with SBTi target setting plan in year 2025.

9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	Please refer to Tables 1-1 and 1-2 below.
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1-1. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information		
Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.		
GHG emissions status	2023	2024
Scope 1 (MT CO2e)	171.9806 CO2e	12,038.4778 CO2e
Scope 2 (MT CO2e)	2,523.8522 CO2e	4,112.5603 CO2e
Total emissions (MT CO2e)	2,695.8328 CO2e	16,151.0381 CO2e
Emission intensity (MT CO2e / NT\$ million)	2,695.8328/500=5.3917	16,151.0381/639=25.2755
<p>Since 2023, Turvo has adopted the ISO 14064-1 standard for greenhouse gas (GHG) inventory, currently covering emissions from its production site in Taiwan.</p> <p>Along with the expansion of the company's business scale coming with GHG emissions increases year by year, production site has also begun to upgrade and eliminated aged machineries progressively and dedicate to decrease emission as a result.Graph of GHG emission status of 2023 and 2024</p>		

Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).

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

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

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

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.
Turvo has passed ISO14064-1 greenhouse gas inventory qualification certified by Afnor Group in May of 2024. And Turvo has committed to a near-term program of SBTi emission reduction program initiative, targets will be provided by terms of short, medium and long in 2025.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it shall note that “Complete assurance information will be disclosed in the sustainability report.” If the Company does not prepare a sustainability report, it shall note that “Complete assurance information will be disclosed on the Market Observation Post System (MOPS),” and shall

disclose the complete assurance information in the annual report of the following fiscal year.

Note 2: The assurance institutions shall meet the directions regarding assurance of sustainability reports prescribed by the TWSE and the TPEX.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

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

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement.
Turvo has committed to a near-term program of SBTi emission reduction program initiative, targets will be provided by terms of short, medium and long in 2025.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations.

Note 2: The base year shall be the fiscal year in which the greenhouse gas inventory is completed based on the consolidated financial reporting boundary. For example, under the order issued under Article 10, paragraph 2 of the Regulations, a company with capital of NT\$10 billion shall complete the inventory for its fiscal 2024 annual consolidated financial report in 2025, so the base year will be 2024. If a company has disclosed its inventory in its consolidated financial report in an earlier year, it may take the earlier fiscal year as its base year. Also, the data for the base year may be calculated based on a single fiscal year or the average of multiple fiscal years.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

2.3.7 Circumstances of the company fulfilling ethical corporate management and the differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons thereof

Items Evaluated	Implementation Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/ GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
<p>I. Establishment of ethical corporate management policies and programs</p> <p>(I) Does the Company establish ethical corporate management policies approved by the board of directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board of directors and management level to implement the policies?</p>	✓		<p>(I) The Company has established the “Ethical Corporate Management Best Practice Principles”, and “Codes of Ethical Conduct”, which have been approved by the Board of Directors. These principles explicitly define the responsibilities of the Board of Directors and management level. Integrity in business operations is a core value of the Company. This code also applies to all directors, managers, employees, and individuals with substantial control within the company.</p> <p>The company discloses the ethical corporate management policy on internal websites, annual report, and the Company's official website to ensure that suppliers, customers, and other business-related institutions and individuals have a clear understanding of the Company ethical corporate management philosophy and standards.</p>	No significant deviation.

Items Evaluated	Implementation Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/ GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
(II) Does the Company establish risk assessment procedures of unethical conduct, analyze and assess operation activities more likely involving unethical conduct to accordingly establish policies to prevent unethical conduct which include but are not limited to the precautions stated in Paragraph 2, Article 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/ TPEX Listed Companies?	✓		(II) The Company has formulated “Ethical Corporate Management Best Practice Principles” to establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs, which include preventive measures listed in the Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”.	No significant deviation.
(III) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, commit to implementation of the policies, regularly review and revise the aforementioned policies?	✓		(III) The Company strictly require the employees and management level to abide by corporate ethics. The Company upholds the principle of honesty and integrity, and has clearly defined reporting and appealing procedures, behavior guidelines, punishment and appeal system for disciplines following the internal regulations, “Corporate Governance Best Practice Principles” and “Codes of Ethical Conduct,”. In addition, the Company will review regularly.	No significant deviation.
II. Fulfill operations integrity policy				
(I) Does the Company evaluate business partners’ ethical records and include ethics-related clauses in	✓		(I) Before the Company starts a formal business activity with our business partners, the Company will	No significant deviation.

Items Evaluated	Implementation Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/ GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
business contracts?			conduct various evaluations including integrity behaviors. And after confirming the cooperation, the Company will require the other party to sign a Letter of Commitment to show compliance with various integrity-related regulations set by the Company.	
(II) Does the Company establish an exclusively dedicated unit supervised by the Board to be in charge of corporate integrity and report the ethical corporate management policies, policies to prevent unethical conduct and the implementation of supervision to the Board of Director at least once a year?	✓		(II) The company has designated the General Manager's Office as the dedicated unit for promoting corporate integrity management. It is responsible for the formulation and supervision of integrity management policies and preventive measures. The office reports the implementation status to the board of directors annually, with the latest report submitted on November 7, 2024.	No significant deviation.
(III) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		(III) The Company has formulated the “Rules of Procedure for Shareholder Meetings” and “Codes of Ethical Conduct” in accordance with laws and regulations to deal with Directors' conflicts of interest. The Company disseminates the concept to the employees from time to time that when the conflict of interest in business occurs, the Supervisor should be informed in advance and recuse himself/herself.	No significant deviation.
				No significant deviation.

Items Evaluated	Implementation Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/ GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
(IV) Has the Company established effective systems for both accounting and internal control to facilitate ethical corporate management, and is the implementation of the policies to prevent unethical conduct audited by internal auditors who plan according to the assessment of risks of unethical conduct or by CPAs?	✓		(IV) The Company has formulated relevant accounting systems and internal control systems, and these systems are being managed in accordance with the requirements of accounting and internal audit legislations. By this means, the Company can ensure that the Company's daily operations are abide by Ethical Corporate Management Best Practice Principles, and the auditors of the Company regularly report the implementation of the inspection to the board of directors.	No significant deviation.
(V) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		(V) To implement the policies of Ethical Corporate Management Best Practice Principles, the Company actively participates in external advocacy activities related to legal updates and stays vigilant about updates from regulatory authorities. Additionally, the Company incorporates the concept of Ethical Corporate Management into new employee training. A total of 288 hours have been allocated to the training for new recruits. Furthermore, the General Manager Office conducts internal courses on compliance with Ethical Corporate Management	

Items Evaluated	Implementation Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/ GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
			regulations annually. The content of these courses includes advocacy of business integrity policies, conflict of interest avoidance, confidentiality procedures for significant information, reasons for insider trading, identification processes, transaction examples, and explanations of reporting and complaint mechanisms. The Company also arranges internal and external training courses related to accounting systems and internal controls	
III. The functioning of the informing and complaint system of the Company				
(I) Has the Company established the informing and complaint system and channels for facilitating informing and complaint, and appointed designated personnel to appropriately handle the personnel accused of unethical practice?	✓		(I) The Company has stipulated “Ethical Corporate Management Best Practice Principles,” “Appeal and disciplinary measures related to the report of improper interests.” The Company has set up a hotline and mailbox for customers’ complaints. For violations of ethic related matters, employees may speak up their grievances through phone and mailbox, inform the human resources department or management level.	No significant deviation.
(II) Has the Company established the standard operation procedure for processing reports and complaints, the actions to be taken after the investigation, and the	✓		(II) The Company has formulated “Ethical Corporate Management Best Practice Principles” that outlines	No significant deviation.

Items Evaluated	Implementation Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/ GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
<p>mechanisms of confidentiality.</p> <p>(III) Has the Company taken appropriate measures for the protection of the informants from undue treatment due to reporting on illegal or unethical practice?</p>	✓		<p>the management of reports regarding violations of integrity, the internal investigation procedures and corresponding confidentiality mechanisms.</p> <p>(III) There are measures for protecting whistleblowers from being improperly dealt with due to whistleblowing in the Company's "Ethical Corporate Management Best Practice Principles", and these measures are included in the management regulations for implementation.</p>	
<p>IV. Strengthening information disclosure</p> <p>Has the Company disclosed the content of its Ethical Corporate Management Best Practice Principles and the result of implementation at its official website and MOPS?</p>	✓		<p>The Company discloses the " Ethical Corporate Management Best Practice Principles " and "Code of Ethical Business Conduct" on its official website to ensure transparency in corporate governance information. Regular advocacy efforts are made and channels for reporting misconduct are kept open. The Company also discloses information on the Taiwan Stock Exchange Corporation's Market Observation Post System in a timely manner. As of now, there have been no incidents of breaches of integrity in business operations.ations.</p>	No significant deviation.
<p>V. If the Company has established its Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEx Listed Companies", specify the practice and variation from the principles: The Company has stipulated "Rules of Procedure for Shareholder Meetings and Operation Management", "Ethical Corporate Management Best Practice Principles," "Codes of Ethical Conduct" and "Work Rules." All the above-mentioned rules will be updated and revised according to the Company's practices</p>				

Items Evaluated	Implementation Status			Variations (if any) with the Corporate Governance Best Practice Principles for TWSE/ GTSM Listed Companies and reasons for such discrepancies
	Yes	No	Brief Explanation	
and regulations. The Company advocates that the personnel of the Company should comply with the regulations from time to time. There has no significant difference between operating status and the established guidelines and has been implemented normally.				
VI. Any other vital information that help to understand the practice of ethical corporate management better: (I) The Company abides by the relevant regulations of TWSE/ TPEX Listed Companies, which is viewed as the basis of implementing ethical corporate management. (II) The Company has stipulated good handling and disclosure mechanisms for material inside information in “Procedures for Handling Material Inside Information,” which may prevent improper information disclosure and also avoid improper disclosure of information and ensure the consistency and accuracy of information published to the public. (III) The explanation on the Company’s “Ethical Corporate Management Best Practice Principles ethical corporate management and has been implemented on internal management and business activities.				

2.3.8 Other important information sufficient to enhance the understanding of the operation status of corporate governance:

In response to the Company's operation need and in accordance with the formulation and revision of the laws, the Company has formulated the procedure of relevant measures and internal operating regulations to improve operational efficiency and risk control mechanism. And further improve the implementation on corporate governance.

The Company also encourages the Directors to participate in the relevant courses of corporate governance. Every year, the Company arranges corporate governance and professional knowledge courses according to "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies." For details on content of courses, please refer to Directors' continuing education status on page 78 of the annual report.

■ Directors' continuing education:

Title	Name	Date	Organizer	Course title	Hours	Whether the course complies with the law
Chairman	Zeng Hsing Industrial Co., Ltd. Representative: LIU, CHUN-CHANG	20 July 2024	Business Development Research Institute	Corporate Governance and Business Sustainability Workshop	3	Yes
		22 November 2024	Securities and Futures Market Development Foundation of the Republic of China	2024 Annual Insider Equity Transaction Legal Compliance Promotion and Briefing Session	3	Yes
Director	Zeng Hsing Industrial Co., Ltd. Representative: LIN, CHIH-CHENG	21 June 2024	Securities and Futures Market Development Foundation of the Republic of China	Advanced Seminar for Directors and Supervisors (Including Independent) and Corporate Governance Supervisors [Opportunities and Challenges of Transformation of Taiwan's Industry under Geopolitics - Exclusive Analysis by PMI/NMI]	3	Yes
		8 November 2024	Securities and Futures Market Development Foundation of the Republic of China	Advanced Seminar on Directors and Supervisors (Including Independent) and Corporate Governance Supervisors [Insider Trading and Corporate Governance]	3	Yes
Director	Hong Ju Investment Co., Ltd Representative: YANG, TE-HWA (Note1)	27 August 2024	China Corporate Governance Association	Discussing the three major codes of integrity management, corporate governance and sustainable management and practical cases	3	Yes
		19 November 2024	China Corporate Governance Association	Looking at the information security governance strategies of listed companies from the perspective of sustainable development of ESG companies	3	Yes
Director	Hong Ju Investment Co., Ltd. Hongju Investment Co., Ltd. changed its representative: YANG, CHENG-CHUN (Note2)	9 November 2024	China Corporate Governance Association	Looking at the information security management of listed companies from the perspective of sustainable development of ESG enterprises	3	Yes
		22 November 2024	China Corporate Governance Association	An introduction to listed OTC companies discussing carbon management and energy management from the perspective of sustainable environment	3	Yes

Title	Name	Date	Organizer	Course title	Hours	Whether the course complies with the law
Director	Zeng Hsing Industrial Co., Ltd. Representative: LIU, TUNG-LIANG	21 June 2024	Securities and Futures Market Development Foundation of the Republic of China	Advanced Seminar for Directors and Supervisors (Including Independent) and Corporate Governance Supervisors [Opportunities and Challenges of Transformation of Taiwan's Industry under Geopolitics - Exclusive Analysis by PMI/NMI]	3	Yes
		8 November 2024	Securities and Futures Market Development Foundation of the Republic of China	Advanced Seminar on Directors and Supervisors (Including Independent) and Corporate Governance Supervisors [Insider Trading and Corporate Governance]	3	Yes
Director	Zeng Hsing Industrial Co., Ltd. Representative: TSAI, CHUNG-TING	21 June 2024	Securities and Futures Market Development Foundation of the Republic of China	Advanced Seminar for Directors and Supervisors (Including Independent) and Corporate Governance Supervisors [Opportunities and Challenges of Transformation of Taiwan's Industry under Geopolitics - Exclusive Analysis by PMI/NMI]	3	Yes
		8 November 2024	Securities and Futures Market Development Foundation of the Republic of China	Advanced Seminar on Directors and Supervisors (Including Independent) and Corporate Governance Supervisors [Insider Trading and Corporate Governance]	3	Yes
Director	Zeng Hsing Industrial Co., Ltd. Representative: SZU, CHING-HSING	13 November 2024	Internal Audit Association of the Republic of China	Regulations and practical analysis on capital loans, endorsement guarantees and acquisition of assets for disposal	6	Yes
Independent Director	HUANG, LI-HEN	3 July 2024	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	3	Yes
		1 October 2024	Chinese Independent Directors Association	[ESG Sustainability Forum] Win-win environment and economy in 2024: Taiwan's road to ESG practice	3	Yes
Independent Director	I, CHANG-YUN	2 April 2023	China Corporate Governance Association	Corporate Governance and Securities Regulation	3	Yes
		4 October 2024	Securities and Futures Market	2024 Insider Trading Prevention Promotion	3	Yes

Title	Name	Date	Organizer	Course title	Hours	Whether the course complies with the law
			Development Foundation of the Republic of China	Conference		
Independent Director	LO, SHIH-MIN	3 December 2024	Internal Audit Association of the Republic of China	A look at the payroll cycle and labor incident law from the perspective of corporate governance	6	Yes

Note 1: Yang, De-Hua resigned as the legal representative of Hong Ju Investment Co., Ltd. on December 23, 2024.

Note 2: Hong Ju Investment Co., Ltd. appointed Yang, Cheng-Jun as the representative on December 23, 2024.

2.3.9. Internal Control System

A. Statement of Internal Control System

TURVO INTERNATIONAL CO., LTD.

Statement of Internal Control System

5 March 2025

Based on the findings of a self-assessment, TURVO INTERNATIONAL CO., LTD. states the following with regard to its internal control system during the year 2024:

1. TURVO INTERNATIONAL CO., LTD.'s board of directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with applicable rulings, laws and regulations.
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 its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and TURVO INTERNATIONAL CO., LTD. takes immediate remedial actions in response to any identified deficiencies.
3. TURVO INTERNATIONAL CO., LTD. evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component also includes several items which can be found in the Regulations.
4. TURVO INTERNATIONAL CO., LTD. has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, TURVO INTERNATIONAL CO., LTD. believes that, on 31 December 2024, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of TURVO INTERNATIONAL CO., LTD.'s annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.

7. This Statement was passed by the Board of Directors in their meeting held on 5 March 2025, with none of the eight attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

TURVO INTERNATIONAL CO., LTD.

Chairman: LIU, CHUN-CHANG



Chief Executive Officer: TSAI, MING-TUNG



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

2.3.10. Material resolutions of a shareholders meeting or a board of directors meeting during 2024 or during the current fiscal year up to the date of publication of the annual report:

1. Material resolutions from the 2024 Shareholders' Meeting and Implementation Status

Date	Type of Meeting	Major Resolutions	Implementation Status
13 June 2024	Regular Shareholders' Meeting	Acknowledged the Company's Business Report and Financial Statement for 2023.	Approved and voted by all the present shareholders. Acknowledged the Company's Business Report and Financial Statement of 2023. The consolidated revenue of the entire year was NTD3,337,485 thousand. The net income was NTD529,930 thousand. The Earnings Per Share was NTD8.86.
		Acknowledged the Company's appropriation of earnings in 2023.	Approved and voted by all the present shareholders. as the ex-dividend date was set on 6 August 2024, and the appropriation was completed on 28 August 2024. (The appropriation of cash dividends was 5.3 per share).
		Approved the amendment to the Company's "Articles of Incorporation."	Approved and voted by all the present shareholders and had been implemented.
		Approved the lifting of non-competition restrictions for directors and their representatives of the Company.	Approved and voted by all the present shareholders and had been implemented.

2. The major resolutions of the board

The summary of important resolutions of the board of directors for the fiscal year 2024 and up to the date of publication of the annual report, is as follows:

Date of the Board Meeting (Term)		Proposals
11 January 2024	The 15th Board The 8rd meeting	Revise the company's "organizational structure" proposal and submit it for discussion
		Revise some of the provisions of the company's "Risk Management Policies and Procedures" for discussion.
		Draft the company's 2024 budget proposal and submit it for discussion.
		Cathay United Bank's current line application is submitted for discussion.
		Our company intends to provide a capital loan of THB 15 million to Matec Southeast Asia (Thailand) Co., Ltd. for discussion.
		Dongguan Xinfeng Hardware Machinery Plastic Industry Co., Ltd. acquired the right to use real estate assets and requested discussion.
		A proposal to lift the non-compete restrictions on the directors and representatives of this company is submitted for discussion.
		The Company proposes for discussion an incentive plan to provide additional year-end bonuses starting in 2024.
		Reviewed the 2023 manager year-end bonus distribution proposal and submitted it for approval.
07 March 2024	The 15th Board The 9rd meeting	The company's 2023 internal control system statement is submitted for discussion.
		Revise some clauses of the company's "Internal Control System_Research and Development Cycle (RD)" and submit for discussion.
		Revise some of the clauses in our company's "Approval Authority Table" for discussion.
		The company's 2023 annual operating report and financial statements are submitted for discussion.
		The Company's 2023 employee remuneration and director remuneration distribution is submitted for review.

		The company's 2023 profit distribution plan is submitted for discussion.
		The proposal to distribute cash dividends from the company's 2023 earnings has been submitted for resolution.
		We intend to apply to HSBC (Taiwan) Commercial Bank for a short-term comprehensive financing line of USD 11 million and derivative financial products of USD 1.5 million for discussion.
		Discuss the proposal to revise the company's Articles of Incorporation and submit it for approval.
		A resolution was issued regarding the convening of the shareholders' meeting on June 13, 2024, and it was submitted for approval.
		The proposal to change the chief accounting officer of our company is submitted for review.
		Review the company's 2024 manager salary adjustment proposal and submit it for discussion.
06 May 2024	The 15th Board The 10rd meeting	Revise some of the provisions of the company's "Internal Control System Financing Cycle (FI)" and submit for discussion.
		The independence assessment of our company's certified public accountants in 2024 is requested for discussion.
		Please discuss and agree on the appointment of our company's certified public accountant for 2024.
		The Company's first quarter 2024 consolidated financial statements are submitted for discussion.
		The 2023 financial statements of TIPO INTERNATIONAL CO., LTD. (SAMOA) and T&M Joint (Cayman) Holding Co., Ltd. are submitted for discussion.
		Due to operational needs, our company intends to apply for a financing line of US\$7 million from DBS Bank (Taiwan) for discussion.
		The case of change of business address of Yulong Technology Co., Ltd. is submitted for discussion.
		Reviewed the 2023 directors' compensation proposal of the Company and submitted it for discussion.
		Review the company's second year-end bonus distribution to managers for 2023 and submit it for discussion.
		Review the company's 2023 manager remuneration distribution plan and submit it for discussion.
		Review the company's 2024 manager salary proposal and submit it for discussion.
07 August 2024	The 15th Board The 11rd meeting	The sale of shares of our subsidiary T&M Joint (Cayman) Holding Co., Ltd. or the sale of real estate of Matec Southeast Asia (Thailand) Co., Ltd. in Thailand is being discussed.
		The Company's second quarter 2024 consolidated financial statements are submitted for discussion.
		We intend to apply for a total credit line of NT\$100 million from the Bank of Taiwan for discussion.
		Due to operational needs, our company intends to apply to Chinatrust Commercial Bank for an annual short-term credit line of NT\$200 million and a financial product trading credit line of NT\$10 million. We authorize the chairman to sign relevant contracts with Chinatrust Commercial Bank and conduct loan and credit business transactions. Please discuss this matter.
		Cathay United Bank's current line application is submitted for discussion.
		TURVO International Co., Ltd (YZ) Precision Components Co., Ltd. intends to apply for a credit line of RMB 500,000 from the Agricultural Bank of China for discussion.
		Our company intends to apply to HSBC Bank to open an account and set up a fund pool for discussion.
		The subsidiary Dongguan Xinfeng Hardware Machinery Plastic Industry Co., Ltd. intends to provide the Company with a capital loan of RMB 70 million. Please discuss this matter.
		The subsidiary TURVO International Co., Ltd (YZ) Precision Components Co., Ltd. intends to provide the Company with a capital loan of RMB 70 million and submits this request for discussion.
		The proposal to adjust the positions of managers of our company is submitted for discussion.
		The company's manager change proposal is submitted for discussion.

		Review the salary proposal for the company's new manager in July 2024 and submit it for discussion.
		Review the company's July 2024 salary distribution plan for new managers and submit it for discussion.
07 November 2024	The 15th Board The 12rd meeting	Formulate the company's 2025 audit plan and submit it for discussion.
		Formulate the company's "Sustainable Information Management Procedures" and submit them for discussion.
		Revise some of the clauses in our company's "Approval Authority Table" for discussion.
		To revise some of the provisions of the Company's "Corporate Governance Code of Practice" for discussion.
		To revise some of the provisions of the Company's "Audit Committee Organizational Rules" for discussion.
		The draft of revising some provisions of the Company's "Rules of Procedure and Operation Management Methods of the Board of Directors" is submitted for discussion.
		Revise some of the provisions of our company's "Integrity Management Code" for discussion.
		The Company's third quarter 2024 consolidated financial statements are submitted for discussion.
		We intend to apply for a total credit line of US\$4 million from Mega International Commercial Bank for discussion.
		We intend to apply for a financing of NT\$140 million (including a derivative financial product-hedging line of NT\$20 million) from Taishin Bank for discussion.
		Citibank (Taiwan) Commercial Bank's current line application is submitted for discussion.
		The Company intends to provide a loan of USD 2 million to its subsidiary TIPO INTERNATIONAL CO., LTD. (SAMOA) for discussion.
		Our company intends to provide a capital loan of USD 90,000 to our investee company, T&M Joint (Cayman) Holding Co., Ltd., for discussion.
		Our company intends to provide a loan of THB 30 million to Matec Southeast Asia (Thailand) Co., Ltd. for discussion.
		The Company's proposal to repatriate earnings from its subsidiary in mainland China is submitted for discussion.
08 January 2025	The 15th Board The 13rd meeting	The proposal for the concurrent appointment of managers of our company is submitted for discussion.
		The proposal to lift the non-compete restrictions on the managers of this company is submitted for ratification.
		Drafting the company's 2025 annual budget proposal for discussion.
		Discussion on the amendment of the company's Articles of Incorporation for approval.
		Amendment of the organizational structure proposal for discussion.
		Proposal for managerial changes in the company for discussion.
		Review of the remuneration plan for newly appointed managers for discussion.
		Review of the 2024 year-end bonus distribution plan for managers for approval.

2.3.11 Directors or supervisors have different opinions on major resolutions passed by the board of directors in the most recent year and up to the date of publication of the annual report, and there are records or written statements, the main contents of which are as follows: None.

2.4 Information on CPA Fees

I. Information on CPA (External Auditor) Professional Fees:

1. The amount of payment to the CPAs of the Company and the CPA firm for audit and non-audit services and the content of the services specified as follows:

Unit: NTD (in thousands)

Name of CPA firm	Name of CPA	Period covered by CPA's Audit	Audit Fees	Non-audit fees (Note)	Total	Remark
EY Taiwan	MING-HUNG, CHEN,	1 January 2024 ~ 31 December 2024	2,750	377	3,127	
	WEN-CHEN, LO	1 January 2024 ~ 31 December 2024				

Note: Transfer Pricing Report was NTD180 thousand. Other covered expenses were NTD197 thousand.

II. If the payment for CPAs audit services in the year of replacement of CPAs firm was less than the amount paid for the audit services of the previous year, disclose the amount of auditing fee reduced, the ratio of reduction and the reason: Not applicable.

III. If the auditing fee reduced by more than 10% from the same period of the previous year, disclose the amount reduced, the ratio and the reason: Not applicable.

2.5 Replacement of CPA

If there was CPA being replaced in the last two years and thereafter: Yes.

Due to regulatory requirements and the internal rotation mechanism of the executing accounting firm, starting from Q1 of 2024, the CPAs for the Company's financial statements have been changed from Chen, Ming Hung and Lo, Wen Chen. to Huang Jing-Ya and Lo, Wen Chen.

2.5.1 Information regarding the former CPAs

Date of replacement	First quarter of 2024		
Reason and Explanation for the Replacement	Due to regulatory requirements and the internal rotation mechanism of the executing accounting firm		
whether it was the certified public accountant that voluntarily ended the	Parties involved	CPA	Company
	Situation	N/A, due to the internal rotation in the accounting firm	

engagement or declined further engagement or the company that terminated or discontinued the engagement	declined further engagement	
Opinion and reason of issuing an audit report expressing other than an unqualified opinion during the 2 most recent years	None	
Whether there were any different opinions with the issuer	Yes	Accounting principles or practices
		Financial report disclosure
		auditing scope or procedure
		Other
	No	✓
	Explanation	
Other disclosure items (Disclosure required for the Item 1 - 4 to 1 - 7, Subparagraph 6, Article 10 of the regulations)	None	

2.5.2 Information Regarding the Successor CPAs

Name of the accounting firm	EY Taiwan
Name of the certified public accountant	Huang Jing-Ya, Lo, Wen Chen
Date of engagement	From Q1 of 2024
Prior to the engagement of the successor certified public accountant, the consultations and the consultation results of the Company consulted the newly engaged accountant regarding the accounting treatment of or application of accounting principles to a specified transaction, or the type of audit opinion that might be rendered on the Company's financial report	None
The written views from the successor certified public accountant regarding the matters on which the company did not agree with the	None

former certified public accountant	
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2.5.3 The reply letter from the former certified public accountant pursuant to Item 1 and 2-3, Subparagraph 6, Article 10 of the regulations: N/A

2.6 The Company's Chairman, President, and managers in charge of its finance or accounting operations held positions in the Company's independent auditing firm or its affiliates in the most recent year:

None.

2.7 Movement in shareholdings of directors, supervisors, managers and shareholders with more than 10% shareholding

2.7.1 Changes in Shareholding Percentages by Directors, Supervisors, Management and Shareholders with 10% Ownership or More

Unit: shares

Title	Name	2024		As of 28 February 2025	
		Increase (decrease) in shareholdings	Increase (decrease) in the number of shares pledged	Increase (decrease) in shareholdings	Increase (decrease) in the number of shares pledged
Director	Zeng Hsing Industrial Co., Ltd.	923,000	—	—	—
	Representative: LIU, CHUN-CHANG				
	Representative: LIN, CHIH-CHENG				
	Representative: LIU, TUNG-LIANG				
	Representative: SZU, CHING-HSING				
	Representative: TSAI, CHUNG-TING				
Director	Hong Ju Investment Co., Ltd	—	—	—	—
	Representative: YANG, CHENG – JUN				
Independent Director	HUANG, LI-HEN	—	—	—	—
Independent Director	I, CHANG-YUN	—	—	—	—
Independent Director	LO, SHIH-MIN	—	—	—	—
Shareholders with shareholding exceeding 10%	Zeng Hsing Industrial Co., Ltd.	923,000	—	—	—
Shareholders with shareholding exceeding 10%	Goodway Machine Corp.	—	—	—	—
General Manager & Spokesperson	TSAI, MING-TUNG(Note 1)	—	—	—	—
Business Division Vice President & spokesperson	WU, CHIH-JUNG(Note 2)	—	—	—	—
Special Assistant to the Chairman	LIN, SHU-TA(Note 3)	—	—	—	—

Title	Name	2024		As of 28 February 2025	
		Increase (decrease) in shareholdings	Increase (decrease) in the number of shares pledged	Increase (decrease) in shareholdings	Increase (decrease) in the number of shares pledged
the Chairman					
Special Assistant to the Chairman, the Chairman	CHEN, PING-HO(Note 4)	—	—	—	—
Vice President, Taiwan Factory (Turvo)	CHIANG, CHENG-CHI	—	—	—	—
Associate General Manager of Zhejiang Plant (YZ) (Vice General Manager of Overseas Plants)	TSAI, CHENG-CHIH	—	—	—	—
Chief Engineer and Head of R&D	CHANG, YU-TSUNG	—	—	—	—
Associate General Manager, Office of the Chairman	PAN, HUAI-CHI(Note 5)	—	—	—	—
Director R&D Division	LIN, CHING-HSUN	—	—	—	—
Associate General Manager, Taiwan Plant (TURVO)	SU, JUE-WU(Note 6)	—	—	—	—
Associate General Manager, Gearbox Business Division, Taiwan Plant (TURVO)	CHEN, JUN-HAO(Note 7)	—	—	—	—
Director, General Manager Office and Corporate Governance Supervisor	LEE, YI-YEN	—	—	—	—
Director, Finance Management Department, Finance supervisor	WU, HSIAO-JUI (Note 8)	—	—	—	—
Manager, Finance and Accounting Supervisor	WU, PEI-CHEN (Note 9)	—	—	—	—
Manager, Auditing Office	LAN, MENG-CHEN	—	—	—	—

Note 1: TSAI, MING-TUNG was appointed as the spokesperson on 31 May 2024.

Note 2: WU, CHIH-JUNG resigned on 31 May 2024.

Note 3: LIN, SHU-TA, formerly the Deputy General Manager of the Product Division, was reassigned to the position of Special Assistant to the Chairman, Office of the Chairman, on 1 January 2025.

Note 4: CHEN, PING-HO, formerly the Deputy General Manager of Thailand Plant (MSAT), was reassigned to the position of Special Assistant to the Chairman, Office of the Chairman, on 15 December 2024.

Note 5: PAN, HUAI-CHI, formerly the Associate General Manager of the Product Division, was reassigned to the position of Associate General Manager, Office of the Chairman, on 1 January 2025.

Note 6: SU, JUE-WU assumed the position of Associate General Manager of Taiwan Plant (TURVO) on 1 July 2024.

Note 7: CHEN, JUN-HAO assumed the position of Associate General Manager of the Gearbox Business Division at Taiwan Plant (TURVO) on 1 January 2025.

Note 8: WU, HSIAO-JUI resigned the position of accounting officer on 20 March 2024.

Note 9: WU, PEI-CHEN assumed the position of accounting officer on 20 March 2024.

2.7.2 Information on the transfer of shareholding where the counterparty is a related party: None.

2.7.3 Information on the pledge of shares where the counterparty is a related party: None.

2.8 The Information show Name and Relationship between the Companies Top Ten Shareholders, or Spouses or Relatives within Two Degrees

31 March 2025; Unit: shares; %

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
	Shares	%	Shares	%	Shares	%	Title (Name)	Relationship	
Zeng Hsing Industrial Co., Ltd. Representative: LIN, CHIH-CHENG	15,367,000	25.48%	-	-	-	-	LIU, CHUN-CHANG	Institutional shareholder director representative	
Goodway Machine Corp Representative: YANG, TE-HWA	6,066,216	10.06%	-	-	-	-	Awea Mechantronic Co., Ltd.	The Chairman is the same person	
Awea Mechantronic Co., Ltd. Representative: YANG, TE-HWA	2,873,000	4.77%	-	-	-	-	Goodway Machine Corp	The Chairman is the same person.	
Hongli Investment Co., Ltd. Representative: WANG CHENG XUAN	2,024,410	3.36%	-	-	-	-	None.	None.	
LIU, CHUN-CHANG	1,249,599	2.07%	-	-	-	-	Zeng Hsing Industrial Co., Ltd.	Institutional shareholder director representative.	
SHIH, GUO-JHEN	1,000,000	1.66%	-	-	-	-	None.	None.	
CHAO, FANG-YANG	678,000	1.12%	-	-	-	-	None.	None.	
SZU, CHING-HSING	579,780	0.96%	-	-	-	-	None.	None.	
E.SUN VENTURE CAPITAL CO., LTD. Representative: CHEN, MAO-CIN	540,000	0.90%	-	-	-	-	None.	None.	
HUANG, KUN-CHENG	480,000	0.80%	-	-	-	-	None.	None.	

2.9 The Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors and Supervisors, Managers, and any Companies Controlled either Directly or Indirectly by the Company

31 December 2024 Unit: thousand shares; %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
TIPO International Co., Ltd.	31,133	100%	-	-	31,133	100%
Hong Kong Xinfeng Enterprise Limited	(Note 1)	100%	-	-	(Note 1)	100%
Dongguan Xin Feng Hardware Machinery & Plastics Industry Ltd	(Note 1)	100%	-	-	(Note 1)	100%
TURVO International Co., Ltd (YZ)	(Note 1)	100%	-	-	(Note 1)	100%
T&M Joint (Cayman) Holding Co., Ltd.	4,913	35.71%	1,842	13.39%	6,755	49.10%
Matec Southeast Asia (Thailand) Co., Ltd.	216	99.99%	-	-	216	99.99%
TUF Technology Co., LTD.	90	100%	-	-	90	100%

Note 1: The Company is registered as a limited company and therefore no shares were issued.

III. Capital Overview

3.1 Capital and Shares

3.1.1 Sources of Capital

1. Capital formation process

28 February 2025 Unit: 1,000 shares; NTD thousands

Month/ Year	Par Value (NTD)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
December 1987	1,000	2	2,000	2	2,000	Established at 2,000	None.	Letter (76) Qi-Liu-Jian- San-Jia-Zi No. 377962 dated 29 December 1987
March 1995	1,000	5	5,000	5	5,000	Raising capital of 3,000 through offering new shares	None.	Letter (84) Ba-Si-Jian- Er-Zi No. 377962 dated 30 March 1995
July 1999	1,000	15	15,000	15	15,000	Raising capital of 10,000 through offering new shares	None.	Letter (88) Zhong-Ban- San-Zi No. 652718 dated 28 July 1999
December 2003	1,000	20	20,000	20	20,000	Raising capital of 5,000 through offering new shares	None.	Letter (92) Jing-Shou- Zhong-Zi No. 09233222820 dated 30 December 2003
December 2005	1,000	22	22,400	22	22,400	Capitalization of retained earnings into new shares amounting to 2,400	None.	Letter (94) Jia-Shou- Gang-Zi No. 09424000590 dated 27 December 2005
December 2006	10	15,000	150,000	2,380	23,800	Capitalization of retained earnings into new shares amounting to 1,400	None.	Letter (95) Jia-Shou- Gang-Zi No. 09524000830 dated 19 December 2006
July 2008	10	15,000	150,000	2,680	26,799	Capitalization of retained earnings into new shares amounting to 2,999	None.	Letter (97) Jia-Shou- Gang-Zi No. 09724000680 dated 11 July 2008
July 2009	10	15,000	150,000	2,822	28,219	Capitalization of retained earnings into	None.	Letter (98) Jia-Shou- Gang-Zi No. 09824000450 dated 6

Month/ Year	Par Value (NTD)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
						new shares amounting to 1,420		July 2009
October 2009	99.03	15,000	150,000	2,973	29,733	Raising capital of 1,514 through offering new shares	None.	Letter (98) Jia-Shou- Gang-Zi No. 09824000650 dated 7 October 2009
December 2009	210	15,000	150,000	3,347	33,474	Raising capital of 3,741 through offering new shares	None.	Letter (98) Jia-Shou- Gang-Zi No. 09824000890 dated 16 December 2009
January 2010	210	15,000	150,000	3,682	36,818	Raising capital of 3,344 through offering new shares	None.	Letter (99) Jia-Shou- Gang-Zi No. 09900500040 dated 8 January 2010
May 2010	10	50,000	500,000	19,200	191,999	155,181 Capitalization of additional paid-in capital into new shares amounting to 155,181	None.	Letter (99) Jia-Shou- Gang-Zi No. 09900500360 dated 28 May 2010
May 2010	10	50,000	500,000	25,382	253,818	Capitalization of retained earnings into new shares amounting to 61,819	None.	Letter (99) Jia-Shou- Gang-Zi No. 09900500360 dated 28 May 2010
June 2010	50.5	50,000	500,000	30,382	303,818	Raising capital of 50,000 through offering new shares	None.	Letter (99) Jia-Shou- Gang-Zi No. 09900500460 dated 21 June 2010
August 2011	10	50,000	500,000	34,133	341,330	Capitalization of retained earnings and employee bonuses into new shares amounting to 37,512	None.	Letter (100) Jia-Shou- Gang-Zi No. 10000500750 dated 7 August 2011

Month/ Year	Par Value (NTD)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
November 2011	63	50,000	500,000	37,468	374,680	Raising capital of 33,350 through offering new shares	None	Letter (100) Jia-Shou- Gang-Zi No. 10000500960 dated 29 November 2011
September 2013	10	50,000	500,000	41,215	412,148	Capitalization of retained earnings into new shares amounting to 37,468	None	Letter (102) Jia-Shou- Gang-Zi No. 10200500930 dated 18 September 2013
September 2014	92	50,000	500,000	49,215	492,148	Raising capital of 80,000 through offering new shares	None	Letter (103) Jia-Shou- Gang-Zi No. 10300500760 dated 17 September 2014
October 2018	10	80,000	800,000	60,288	602,881	Capitalization of retained earnings into new shares amounting to 110,733	None	Letter (107) Jia-Shou- Gang-Zi No. 1074003067 dated 17 October 2018

2. Type of Stock

31 March 2025 Unit: shares

Share Type	Authorized Capital			Remarks
	Shares Outstanding (Note)	Un-issued Shares	Total Shares	
Common shares	Issued shares 60,288,089	19,711,911	80,000,000	

Note: Specify if the shares are listed at TWSE or TPEX (specify if the shares are restricted for repurchase from TWSE or TPEX)

3. Information for Shelf Registration: Not applicable.

3.1.2 List of Major Shareholders

The names, number of shares held and shareholding ratio of the top 10 shareholders or shareholders with a shareholding ratio of 5% or mor

31 March 2025 Unit: shares; %

Shareholder's Name	Shares	Shareholdings (shares)	Proportion of shareholding
Zeng Hsing Industrial Co., Ltd.		15,367,000	25.48%
Goodway Machine Corp.		6,066,216	10.06%
Awea Mechantronic Co., Ltd.		2,873,000	4.77%
Hongli Investment Co., Ltd.		2,024,410	3.36%
LIU, CHUN-CHANG		1,249,599	2.07%
SHIH, GUO-JHEN		1,000,000	1.66%
CHAO, FANG-YANG		678,000	1.12%
SZU, CHING-HSING		579,780	0.96%
E.SUN VENTURE CAPITAL CO., LTD.		540,000	0.90%
HUANG, KUN-CHENG		480,000	0.80%

3.1.3 Dividend Policy and Implementation Status

1. Dividend policy as set out in the Articles of Incorporation

If earnings are available for distribution at the end of a year, 10% of net earnings – that is, after offsetting any loss from prior year(s) and paying all taxes and dues – shall be set aside as legal reserve and appropriated in accordance with the Securities Exchange Law. The remaining net earnings can be distributed along with prior accumulated unappropriated retained earnings. The board of directors will consider the above-mentioned factors when making the dividend distribution proposal. Dividends will be distributed in accordance with the resolution approved by the board of directors and at the annual shareholders' meeting.

In accordance with Paragraph 5, Article 240 of the Company Act, a company may, by a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares of the company, have the surplus profit distributable as dividends and bonuses in whole or in part distributed in the form of new shares to be issued by the company for such purpose as stipulated in Paragraph 1, Article

241 of the Company Act, and reported to the shareholders' meeting.

The Company is growing and in view of its capital expenditure, business expansion and sound financial planning for sustainable development, the Company's dividend policy is to appropriate 20% or more of the available earnings for dividend distribution in accordance with the Company's future budget for capital expenditure and funding requirements. The distributable earnings of the year shall be distributed to shareholders in the form of stock dividends and cash dividends, based on the retained earnings of the year as stipulated in the first paragraph, with the cash dividend ratio of not less than 30% of the total dividends to shareholders. However, the type and rate of distribution of such earnings may be adjusted by resolution of the shareholders' meeting after the board of directors has prepared a proposal for distribution, which is subject to the actual profitability and capital position of the year.

2. Proposal of/ Proposed Distribution of Dividend

The board of directors' meeting resolved on 5 March 2025 to distribute cash dividends of NTD7.0 per share from earnings for 2024, amounting to NTD422,017 thousand. The chairman is authorized to determine the ex-dividend date, distribution date and other related matters.

3.1.4 Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: Not applicable.

3.1.5 Compensation of employees, directors, and supervisors

1. Information on Compensation of employees, directors and supervisors as set out in the Articles of Incorporation

As stipulated in the Company's Articles of Incorporation, the Company shall appropriate 3.5% to 7% of compensation to employees and no more than 1.7% of compensation to Directors based on the profitability of the year (i.e., profit before tax less compensation to employees and directors) after deducting accumulated deficits. A company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation and submitted to the shareholders' meeting. Employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, are required to meet certain requirement to be entitled to receive shares or cash.

2. The basis for estimating the amount of employee, director, and supervisor profit-sharing compensation, for calculating the number of shares to be distributed as employee profit-sharing compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

The compensation to employees and directors for 2024 was made in accordance with the provisions of the Company's Articles of Incorporation and was approved by the board of directors on 5 March 2025.. If the actual amount of distribution differs materially from the amount resolved by the board of directors, the change in accounting estimate is accounted for and the effect of such change is recognized in profit or loss in the following year.

3. Distribution of compensation of employees, directors, and supervisors approved by the board of directors

- (1) Distribution of cash bonuses or stock bonuses to employees, and remuneration to directors and supervisors. If there is any discrepancy between such an amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, reasons therefor, and how it is treated shall be disclosed.

The proposed distribution of compensation to employees and remuneration to directors by the board of directors on 5 March 2025 is as follows and there is no discrepancy with the estimated amount in the year in which the expense is recognized.

A. Compensation of employees (Cash): NTD26,840,337.

B. Compensation of employees (Stocks): NTD0.

C. Remuneration of directors: NTD12,702,951.

- (2) The amount of any proposed distribution of employee stock bonuses, and as a percentage of the sum of the current after-tax net income and total employee bonus.

The distribution of the Company's 2024 earnings is not to be distributed to employees in the form of stocks and therefore is not applicable.

4. The actual distribution of employee bonus and remuneration to directors/supervisors for the previous fiscal year (including the number, dollar amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee bonus and director/supervisor compensation, additionally the discrepancy, reasons therefor, and how it is treated.

The Company's board of directors resolved on 7 March 2024 to distribute employees' compensation and remuneration to directors for 2023. The actual amounts distributed are as follows and are not materially different from the amounts posted to the account.

A. Compensation of employees (cash): NTD21,805,411.

B. Compensation of employees (stocks): NTD0.

C. Compensation of directors: NTD10,010,667.

3.1.6 Buy-back of stock: None.

3.2 Corporate Bonds

None.

3.3 Preferred Shares

None.

3.4 Global Depositary Receipts

None.

3.5 Employee Share Subscription Warrants

None.

3.6 New Restricted Employee Shares

None.

3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions

None.

3.8 Financing Plans and Implementation

The company has no such issues or placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits.

IV. Operational Highlights

4.1 Business Content

4.1.1 Business Scope

1. The main business content of the Company

The Company's main business activities are processing, manufacturing, and trading of precision metal parts such as automotive industry, medical industry, industrial industry, household application industry and optical industry. The product scope of the Company's business includes:

1. CE01030 Optical Instrument Manufacturing
2. CB01010 Machinery and Equipment Manufacturing
3. F113010 Machinery Wholesale Industry
4. F213080 Retail Sale of Machinery and Equipment
5. CB01990 Other Machinery Manufacturing (Machine Parts)
6. F106010 Wholesale of Ironware
7. F206010 Retail Sale of Ironware
8. CP01010 Hand Tool Manufacturing
9. F401010 International Trade
10. CD01030 Automobiles and Parts Manufacturing
11. CC01080 Electronic Parts and Components Manufacturing
12. F113030 Wholesale of Precision Instruments
13. F199990 Other Wholesale Trade
14. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval

2. Operating Ratio

Unit: NTD (in thousands); %

Main Product \ Year	2024	
	Sales Amount	Operating Ratio
Precision metal parts	3,658,705	100.00%
Other	-	-
Total	3,658,705	100.00%

3. The Company's current merchandise (service) items

The Company mainly produces automotive engine systems, drivetrain systems, brake systems, fuel cells, bicycles, medical equipment, connectors, sensors, temperature control equipment for aerospace and industrial communication applications, and other processed and manufactured precision metal parts.

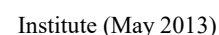
4. New products (services) planned for development

Provide complete module machining solutions, including surface treatments, turning, milling, drilling, grinding, precision gearing, forging, die casting, injection molding, stamping and assembly, etc. high value-added products and services.

1. Current status and development of the industry

(1) The global automotive industry

Types of international division of labor in the automobile components industry



According to S&P Global's forecast, global automobile sales in 2024 are expected to reach 88.2 million units. With the supply chain becoming more stable and continuous inventory support throughout the year, it is expected to grow by 1.7% compared to 2023. This is influenced by the slowdown in economic growth and geopolitical risks. Additionally, in 2024, Chinese automakers, leveraging policy subsidies for low-priced vehicle models, are actively seeking complete vehicle export outlets, which has drawn global attention and led countries to begin taking precautions. In 2025, the uncertainty regarding tariffs and subsidy policies following Trump's administration in the U.S. will also bring changes to the global vehicle supply chain. It is projected that global new car sales in 2025 will increase by 1.7% year-on-year, reaching 89.6 million units.

In general, the structure of an automobile can be roughly divided into five systems: power system, drivetrain system, electrical and electronic system, chassis, and body. If categorized based on the functional characteristics of each part, they can be further divided into seven components: power unit, transmission, controlling, steering, safety unit, frame and chassis, suspension. Each component is composed of thousands of individual components, making a highly complex structure. The automotive industry has very high demands for quality systems and yield rates. ISO-9001, QS-9000, and TS-16949 are only basic requirements, with procured components needing to be almost flawless. The names and functional characteristics of various automotive parts are as follows in the table:

Functional characteristics	Explanation	Major item
power unit	Included the engine and its devices such as fuel, ignition, cooling, charge, lubrication, start, exhaust, etc.	Engine, Fuel, Ignition, Cooling, Charge, lubrication, Start, Exhaust, etc.
transmission	The power generated by the engine is transmitted through this device to rotate the wheels and propel the vehicle forward.	Clutch System, Transmission, Drive Shaft
controlling	Mainly could be divided into the steering system and the brake system.	Turning block, brake
steering	A device located inside the driver's cabin and operated by the driver.	Light, Horn, dashboard
safety unit	Devices designed to maintain traffic order and ensure road safety.	Light, Horn, dashboard
frame and chassis	The majority of the devices mentioned above are fixed to the frame. The frame serves as the backbone of the vehicle, assembling the chassis, and the body is then installed on top of it, forming a complete vehicle.	Body, frame
suspension	A device designed to protect various components of a vehicle from damage caused by impact or rough road conditions.	Shock Absorber, Wheel

Data source: Compilation from the Metal Industries Research & Development Centre's ITIS project.

Our company's main business activities include the processing, manufacturing, and trading of various precision metal parts. The application fields of our processing are quite broad and can be used in various industries. However, after assessing market conditions

and the company's competitive niche, our focus in the automotive industry is primarily on the overseas OEM (Original Equipment Manufacturer) market, collaborating with major automotive parts suppliers (Tier 1). Currently, our largest customer is the Bosch Group, a Tier 1 satellite plant. We supply Bosch with engine system components, specifically fuel injector parts. After years of trusted cooperation and repeated certification experience, the product quality and pricing have gained the trust of the Bosch Group, resulting in continuous annual growth in our business revenue from Bosch.

(2) Bicycle Industry.

The global bicycle market is driven by several key factors, including the substitution of transportation modes, fitness equipment, and climate change issues. Governments around the world are promoting cycling as a sustainable mode of transportation, offering incentives, and building dedicated cycling infrastructure. The rapid growth in demand for electric bicycles is one of the largest growth drivers, fueled by their convenience, cost-effectiveness, and environmental benefits. Additionally, technological advancements such as the development of lightweight materials, improvements in electric bicycle battery technology, and the incorporation of smart features are increasing consumer interest and market acceptance. According to Global Market Insights, the global bicycle market size is valued at 66.1 billion USD in 2024, with a projected compound annual growth rate (CAGR) of 7.8% from 2025 to 2034. Particularly in densely populated areas, when car travel faces challenges, bicycles offer a convenient and time-saving commuting option. According to a report from market research firm Fortune Business Insights, the market is expected to reach 119.72 billion USD by 2030, with a CAGR of 15.6%, which is stronger than the overall bicycle market's CAGR of 11.0%. The description of bicycle parts and functions is as follows in the table:

Main parts system	Description	Main item
Frame	The basic structure of the bicycle, with light weight and high intensity as the main demand. Common frame materials include aluminum alloy, titanium alloy, carbon fiber and synthetic steel, etc.	Headtube, top tube, down tube, seat tube, seat stay, chain stay, fork, saddle, seat post, seat post clamp
Steering system	The main part of controlling a bike.	Handlebar, brake lever, head parts, stem cap, stem
Brake system	Take control of the front and rear wheels, slow the bike down and stop the bike safely.	Caliper brake, brake blocky, brake cable
Drivetrain	The heart of a bike, which drives the bike forward.	Pedals, crank, chainwheel, bottom bracket, chain, freewheel, front derailleur, rear derailleur, derailleur cable
Wheelset	The bike moves or stops by the friction between the tires and the ground.	Rim, hub, spoke, nipple, cassette body, quick release, drop out, tire,

		valve
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Data source: Internet data compilation

(3) Medical device industry

The global aging population continues to rise, driving increased demand for medical devices related to age-related diseases. Chronic disease management and healthcare products have become focal points, with the healthcare needs of an aging society influencing market development trends. Additionally, the growing number of products in the medical device industry contributes to market expansion. International medical device giants, particularly in the fields of orthopedics, neurosurgery, and minimally invasive surgery, have seen impressive performance in their product lines. Countries are also actively investing in more efficient healthcare solutions, accelerating the application of advanced medical technologies to improve healthcare efficiency and extend healthy life expectancy. After the pandemic, the medical device industry is returning to normal, with stable market growth. In 2024, the global medical device market is valued at USD 640.45 billion, and according to Precedence Research, it is projected to reach USD 678.88 billion this year, with an estimated value of nearly USD 1.147 trillion by 2034, reflecting a compound annual growth rate (CAGR) of 6% during the forecast period.

In Canada, the aging population is growing, making people more susceptible to chronic diseases like respiratory diseases, orthopedic conditions, and cardiovascular diseases, thus increasing the demand for surgical procedures and diagnostic imaging. As a result, North America's demand for medical equipment continues to expand and is expected to become a major market.

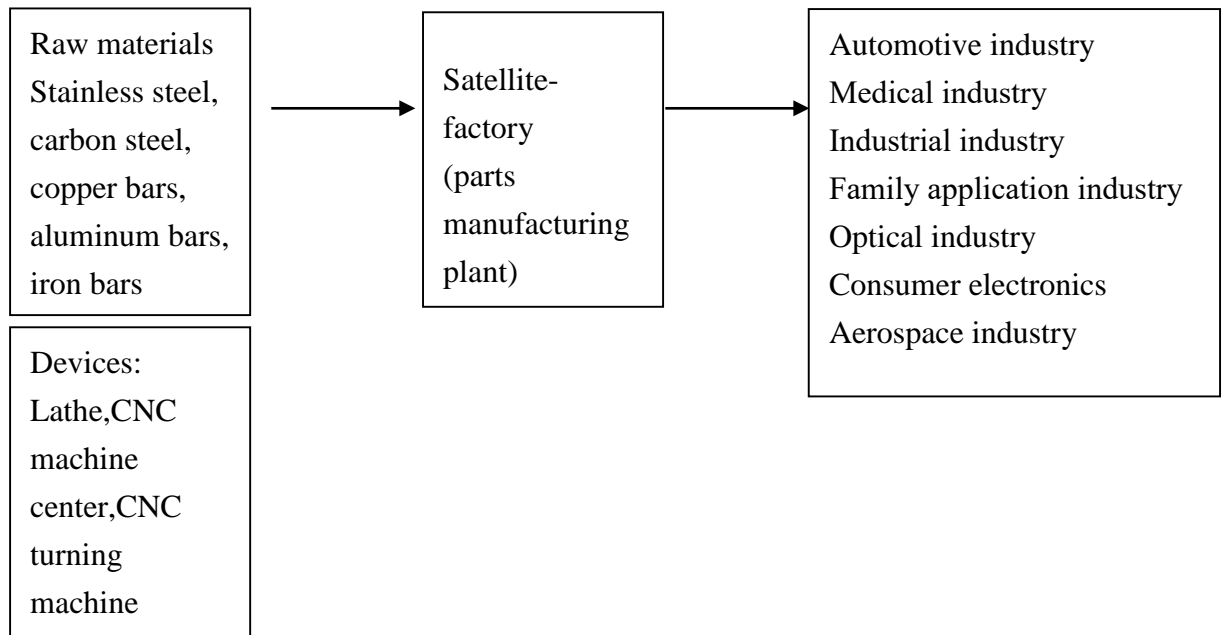
The rising prevalence of musculoskeletal diseases due to the aging population is expected to significantly boost the global orthopedic device market. According to Grand View Research, by 2030, the global orthopedic device industry is expected to reach a valuation of over USD 80 billion, with joint replacement devices, spinal implants, and trauma fixation products making significant contributions. The U.S. remains the largest orthopedic device market, with revenues projected to reach USD 16.63 billion by 2025. The growth is driven by the high rate of joint replacement surgeries, the increasing use of robotic-assisted surgeries, and a strong focus on technological innovations. Key growth areas include knee and hip replacements, minimally invasive surgical instruments, and spinal devices. The global medical surgical device market is thriving, with medical device manufacturers continuously introducing new technologies, further driving growth in the overall medical device industry through 2025.

2. Relations with industries upstream, midstream, and downstream

The raw materials and related production facilities purchased by the Company to produce related products are upstream of the industrial supply chain. The main purchases

include various metal bars, such as stainless steels bars, carbon steel bars, aluminum bars, copper bars and other metal bars. The manufactured products include auto parts, medical device parts, industrial application parts and aerospace related fastenings are the midstream of the industrial supply chain. The parts products produced by the Company are the key parts necessary for the products of downstream and have a wide range of applications. The application range covers vehicles, medical, optical lenses, consumer electronics, aerospace industry, etc. The relations with industries upstream, midstream, and downstream are as follows:

Upstream, midstream, and downstream



3. Various trends of product development and competition status

- (1) Industry Scaling and Specialization: Continuous innovation in products and technologies is a key focus for car manufacturers. To reduce development cost and component costs, manufacturers will leverage shared platforms, modular designs, and global strategies to scale the economy of single platforms or vehicle models. In addition, to shorten the overall development time of new vehicles while ensuring quality, cost, and delivery timelines, automotive component suppliers cannot merely produce and supply components based on the design drawings provided by car manufacturers. They must engage more deeply in the entire automotive value chain, participating in activities ranging from R&D and sales to after-sales services to enhance their professional capabilities.
- (2) Upgrading of Vehicle Application Technologies: Another pressure faced by component suppliers comes from the upgrading of vehicle application technologies, including miniaturization, lightweighting, and energy-saving technologies. Suppliers must also invest in R&D to meet the demand for these new technologies.
- (3) Energy Efficiency and Low-Carbon Emission Trends: Due to high oil prices and environmental concerns, the proportion of fuel-efficient and hybrid vehicles is steadily increasing, with government policies and related fiscal incentives playing a crucial role in driving this trend. In addition to changes in automotive power systems, manufacturers are investing more effort into developing small, fuel-efficient vehicles. This not only

helps meet regulatory requirements but also provides consumers with more vehicle options, particularly during times of unfavorable economic conditions. Therefore, electric vehicles will remain a key development focus for car manufacturers.

- (4) Core Technology Extension and Application: By employing various processes such as turning, milling, drilling, grinding, precision gearing, forging, die casting, injection molding, stamping, heat treatment, and surface treatment, along with strict quality control procedures, automotive manufacturers can extend their services within the industry and provide critical components for industrial expansion.

4. Competition status

The prices of auto parts and medical devices have been sharply reduced due to fierce market competition. In recent years, major manufacturers in the world are eager to seize the business opportunities such as the huge automotive market in China and the emerging medical device market. Furthermore, under the pressure of being unable to effectively reduce production costs, those products are gradually entrusted to other countries for OEM production or local procurement, which has benefited companies in Taiwan and China. The increasing number of medical devices or auto parts makes Taiwanese OEMs have the opportunities to compete with the OEMs in other countries. Accordingly, those manufacturers of medical device and auto part are not only seeking orders from the world-leading manufacturers, but they are also seeking OEM opportunities from component assembly companies or the OEMs.

At present, the Company's main competitor in the field of processed precision metal parts has no related manufacturers among other quasi-TWSE/ GTSM Listed Companies and TWSE/ GTSM Unlisted Companies in Taiwan. On the whole, due to the wide range of uses of products of the industry, the current competition is not as aggressive as that of electronic products. However, with the wide application of products, the future market of auto parts and medical devices will be valued, which suggests that the future competition will be more intense.

4.1.3 Technology and research & development summary

I. R&D expenditures during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

Unit: NTD (in thousands); %

Item \ Year	2024	As of 28 February 2025
R&D expenditures(A)	257,984	36,638
Net operating revenues (B)	3,658,705	584,318
Proportion of R&D expenditures (A)/(B)	7.05%	6.27%

II. Technologies and products successfully developed during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

Year	Technologies or products
2011	Automatic deburring machine
2012	Automatic measurement device, auto. Gluing machine, robotic arm

2013	Deburring marking height inspect machine, ultra-sonic washing machine
2014	Horning, heat treatment, Bosch Drain socket deburring machine, NN laser-cutting machine
2015	Inner hole grinding, cleanliness required process,
2015	Electric chemical machine, appearance inspect machine, cutting grove machine
2016	Multi-function machine, reaming machine, working station, precise washing process, metal structure analysis, precise grinding and honing technology upgraded
2017	Tool chamfering machine, automatic unloading equipment of turning, leakage inspection, precise step horning, tool chamfering process
2018	Punching machine, center bolt press pin machine
2019	Turning and grinding combine, center bolt welding ball machine, high pressure water deburring machine, laser welding machine
2020	Anti-drop of motor device
2020	Lubrication system of Gear reducer
2020	Appearance inspect machine by AI technology
2021	Grinding inspection on line & dimension compensation system CNC tool broken protection system Drain Socket working station and automatic deburring machine
2022	Logistics automatic system
2023	Electro chemical machining

4.1.4 Long-term and short-term development

I. Short-term development plan

(1) Marketing strategy

- A. Improve communication with customers, discover market's demand, and emphasize product quality and technological capability.
- B. Proactively develop qualified customers and maintain the quality of customer service.
- C. Expand new customer base in the medical and bicycle industry.
- D. The overall policy of increasing revenues and boosting profits will change due to external factors and will be timely reviewed and adjusted.
- E. Introducing high precision planetary reducer which caters to applications in machining machinery and automation systems.

(2) Production strategy

- A. Improve procurement efficiency, follow the progress of raw materials, and reduce inventory.
- B. Establish a satellite processing system to strengthen the cooperation with suppliers.
- C. Advocate and implement Total Quality Management (TQM), reduce production costs, and improve product competitiveness.
- D. Proactively expand the production capacity of Zhejiang Jiashan and Taiwan plant in response to short-term business growth and new product development needs.

(3) R&D strategy

- A. Improve the production technology and efficiency of processed products and shorten the delivery time.
- B. Continue to invest in R&D manpower, actively develop technology, and design new equipment, and expand new application markets.
- C. Improve existing technological capabilities, introduce key technologies and equipment, and assist customers in developing customized products to improve customers' profits and competitiveness.

(4) Operations management

- A. Build up a sound information system, including product system, enterprise resource planning (ERP) system, information security system and comprehensive knowledge management system.
- B. Regularly arrange internal and external training to improve the quality of technology and development, business and the management.

(5) Financial management

- A. Build strong relationships with financial institutions, stay attuned to financial market trends, and enhance financial performance.
- B. Develop short-term financial plans based on medium- and long-term funding requirements, adhering to the principles of safety and stability.

2. Long-term development plan

(1) Marketing strategy

- A. Provide one-stop service and solutions with advanced technology and equipment.
- B. Proactively develop integrated design and manufacture to gain higher profits.
- C. Increase different types of customer base and move towards global services.
- D. Continue to promote the application of high precision planetary reducer and catering to the needs of customers requiring precise positioning.
- E. Recruit outstanding personnel, organize a complete and harmonious team with capabilities of advanced product technology and active business development.

(2) Production strategy

- A. Integrate raw material suppliers to ensure that all processes from raw material procurement to quality inspection, delivery date and other processes can be carried out smoothly.
- B. Focus on the mode of OEM, improve product development capabilities, and enhance the integration of customers, manufacturers, and related industrial resources to create a win-win situation.
- C. Enhance Total Quality Management (TQM) systems to make sure the product processing is safe, to ensure that follow-up process can run smoothly, and the products can be shipped on time in accordance with the delivery date.

(3) R&D strategy

- A. Enhance the capability of design and integrated processing, and provide customized products and services.
- B. Focus on OEM and adjust to the OEM mode of product modularity to improve product development capabilities.

(4) Operations management

- A. Establish flat organization, effective management and reasonable performance assessment system for employees.
- B. Regularly provide internal and external training for employee to enrich their professional and technical capabilities and improve communication efficiency in the workplace.
- C. Strengthen the management of operational headquarters, enhance the operating performance of invested companies and improve financial planning capabilities.
- D. Advocate the mindset of global competition and life-long learning, and achieve the goals to become multinational corporations.
- E. Establish quality, efficient, and innovative corporate culture, and boost workplace cohesion.

(5) Financial management

- A. The Company supplements the operating capital with net income, loans from financial institutions and cash capital increase to acquire funds needed for future development.
- B. Appropriately arrange the Company's financial planning to decrease operating risks.

4.2 Market and Sales Overview

4.2.1 Market Analysis

1. Sales region of the Company's main products

Unit: NTD (in thousands); %

Area		2023		2024	
		Amount	%	Amount	%
Domestic market		321,605	9.64	425,040	11.62
Overseas market	Asia	1,924,628	57.67	2,053,257	56.12
	America	164,284	4.92	215,823	5.90
	Europe	926,968	27.77	964,585	26.36
	Others	—	—	—	—
	Subtotal	3,015,880	90.36	3,233,665	88.38
Total		3,337,485	100.00	3,658,705	100.00

2. Market Share

OEM is the Company's target goal in the automotive industry. The Company's customer base is the world's largest automotive component suppliers (Tier 1). Take Bosch as an example, it is the Company's best-selling customer at present. Products that sell to Bosch include spray nozzle of the engine system, high-pressure oil pumps, transmission controllers, Anti-lock brake system (ABS) and other components. Moreover, the Company's business scope has extended to many other world-renowned Tier 1 from Europe, the U.S. and Japan, such as Delphi, BorgWarner, Denso, Hitachi and so on. After accumulating years of mutual trust and cooperation and experiences of obtaining certification, the Company is deeply trusted by customers with its quality and price of the products, which further increases the Company's operating revenues over the years. For bicycle industry, the Company's successful business strategy for American customers in recent years has made the revenue of related products steadily increase year by year. For medical industry, the Company mainly supplies core metal components to world-renowned brands, and expands its business scope to orthopedic instruments and emergency room supplies and other fields.

3. Future supply, demand, and growth of market

(1) Automotive industry

The global automotive industry continues to focus on managing production and inventory readiness to address regional demand patterns. The slowdown in growth in major markets is also related to the adoption of electric vehicles (EVs). Key challenges include tariffs imposed by the European Union on products imported from mainland China, the risk of Trump-era tariffs, hesitant consumers, the newly established European Commission, and active lobbying related to EU emissions targets.

Corporate institutions estimate that EV sales will exceed 20 million units by 2025, with a compound annual growth rate (CAGR) of 21% from 2021 to 2030. The global number of electric vehicles will be nearly 10 times higher than it is now, and the sales share is expected to rise to 35%. Driven by policies and market forces, China is the

most important sales region for energy vehicles, ranking first globally in penetration rate. Policy guidance has also led to a competitive landscape among many domestic brand manufacturers. Various companies and automakers are actively entering the electric vehicle market, creating business opportunities and impacting the entire electric vehicle-related supply chain. As small-scale suppliers transition to the electric vehicle parts market, our company's long-term supply cooperation with customers, advanced production equipment, and product quality can provide advantages in supplying parts for internal combustion engine components, facilitating the processing and manufacturing of various parts for our customers.

Another industry trend is that some major automakers continue to invest in the research and development of hydrogen fuel cell vehicles. Our company's technical team is also collaborating with customers to develop key components in this technology field, jointly promoting industry technology advancement and market growth.

(2) Bicycle industry

In densely populated areas, when car travel faces challenges, bicycles offer a convenient and time-saving commuting option. The main driving force behind the global bicycle market is the growing popularity of bicycles as a convenient form of exercise. People have begun to realize the importance of maintaining health and living a healthy lifestyle, and regular cycling can help avoid diseases such as obesity. As more and more people adopt cycling as a regular form of exercise, the market is expected to continue growing.

Electric bicycles combine popularity, versatility, and environmental friendliness, and are expected to be viable alternatives to pedal bicycles, smart cars, and public transportation. With simple operation, they are suitable for all age groups and offer a low-cost, environmentally friendly transportation option. The electric bicycle market is expected to achieve a compound annual growth rate (CAGR) of 12% from 2023 to 2033, reaching over 226.7 billion USD by 2036. The growth of the global electric bicycle market can be attributed to various factors, including the increase in disposable income and the benefits that electric bicycles offer in terms of operation compared to traditional variants. Compared to traditional bicycles, electric bicycles also ensure faster journeys.

(3) Medical equipment industry

With the rapid advancement of technology, the medical device product technology has developed rapidly. In just a few years, traditional medical technology has evolved to the point where the boundaries between Healthcare Information Technology (HIT), medical devices, and medical diagnostic products have become increasingly blurred. In the past, the focus was on meeting medical needs and providing more intensive medical services. Now, people pay more attention to personal lifestyle and health. The increase in chronic diseases will drive the expansion of the medical device market. With the aging of the baby boomer generation, the demand for orthopedic surgeries continues to rise. New operating room technologies (including AR, VR, and robotic technologies) are changing the landscape of durable medical equipment (DME). According to a report by Fortune Business Insights, the global

medical device market is expected to reach \$314.96 billion by 2032.

The medical products produced by our company are mainly used for the treatment equipment parts of diabetic patients, and have been supplying the needs of globally renowned companies for many years. Due to the increase in the aging population and the rising cases of chronic diseases such as cancer and diabetes, the global medical device market is expected to gain momentum for development.

4. Competitive niche

- (1) The manufacturing advantages include the diversification of product lines, mass production and planning management to meet customers' procurement needs.
- (2) The Company maintains long-term, strong partnerships with key clients. For market intelligence and product development, the Company always provides opinions and needs to expand the market together. After years of hard work, the Company has become an important supplier of major international manufacturers and won awards and received commendations several times. In the supply chain system of global car dealerships, major suppliers will not be changed or replaced easily. Because the procurement and certification systems of global car dealerships are complex and take a long time to prepare, those global car dealerships focus on factors such as high quality, stable supply, and R&D efficiency instead of considering the costs. The intangible loss and time cost caused by the replacement of suppliers without deep consideration are the potential risks and costs that global car dealerships are truly concerned about.
- (3) Continuous investment and improvement in R&D:

The Company puts a lot of effort into the investment in R&D and has made progress in the investment in manpower and equipment in recent years. Also, The Company has established a new plant in China, which located in Jiashan, Zhejiang, to shorten the time spending on development and show the Company's determination and efforts in the speed of product development, technology improvement and cost control.

- (4) Competitive price:

The Company has tapped into internationalization and global procurement to cope with the pressure of rising costs. Moreover, the Company has implemented strict production management and drove management improvement with technology improvement to meet the market demand for price reduction step by step.

- (5) International certification:

The Company has equipped with ISO9002, ISO13485, QS9000 and ISO/TS16949 certification. The Quality Management System is in accordance with the international standards. In addition, in response to the increasingly stringent requirements and specifications of international car dealerships, the Company has passed the ISO and TS16949 quality certification to ensure that the Company meets the basic requirements

of the international car dealership. Therefore, passing the certification can both improve the Company's product image and increase international competitiveness.

(6) Precise inspection equipment:

The Company's inspection equipment is the equipment that meets international standards, and the yield rate of product is almost 100%.

(7) The Company is known for professional technical capability and stable quality. Since the establishment of the Company, the Company has consistently worked on innovation and R&D, cultivated independent professional capabilities, and produced customized products for customers to meet customers' special needs and improve the Company's competitiveness among customers. Furthermore, the Company's stable product quality is well recognized by customers.

5. Favorable and unfavorable factors and countermeasures of development prospect

(1) Favorable factors

① Booming China market creates business opportunities

Although China has become the world's largest car sales country, its car ownership per 1,000 people is still relatively low. The car ownership rate of China is less than half of the global average and less than one-tenth of that of developed countries. With the continuous development of China's economy, China's automotive market is still in high demand. This huge business opportunity will attract automobile industry manufacturers to invest in China, especially the investment in automotive components. Chinese still take price as the main consideration when it comes to car maintenance; however, the quality requirements for maintenance parts will increase with the rising income of Chinese people. In this way, the competitiveness of domestic vehicle manufacturers in Chinese market are being enhanced. In addition, the medical market in China has become the fourth largest market in the world. It is estimated that there will be huge business opportunities in the future.

② The Company's products have wide range of applications and can hardly be affected by business cycle

Due to the wide range of applications of the Company's products, from the automotive industry, medical industry, industrial application industry and electronics industry, etc. The Company can produce the key components needed by the sales targets of the Company's products include overseas automotive component manufacturers, connector manufacturers and medical manufacturers, etc. Due to the scattered industry application, it is unlikely that multiple industry downturns occur at the same time except from systemic risks or economic slump. Therefore, the products can be sold at any time, and there is no obvious peak and low season, or the risk of fluctuations caused by only supplying a single industry. At present, the growth of the China market has led to the growth of various industries and a wider range of product applications, which further increase the demand for precision processing products.

③ The Company's has put a lot of effort into technology and the market for years, and

has reached a consensus on the mode of mutual assistance with customers

The Company has started the cooperation with Bosch since 2004. So far, the Company has become its first choice among all the suppliers. Furthermore, the Company has participated in R&D and design of Bosch based on technical cooperation to increase the Company's added value. After accumulating years of mutual trust, cooperation and repeated certification experience, the Company's product quality and price has earned recognition.

- ④ European, American, and Japanese component factories are eager to establish production bases for regional division of labor

Due to the rise of the Asia-Pacific market, international OEMs has entered the Asia-Pacific region. The relevant European, American, and Japanese component factories are eager to establish a production base for regional division of labor based on cost consideration and to serve customers within a short distance. With the excellent manufacturing management and quality management capabilities of Taiwanese manufacturers, it is a great chance for Taiwanese manufacturers to enter the international automotive component market.

(2) Unfavorable factors

- ①The implementation of new environmental protection regulations has caused the increase in the cost of automotive manufacturers, all the OEMs were unable to reach economy of scale, cut-throat competition, price reduction requirement for component factories and the threat to the survival of component factories.

Countermeasures:

The Company has committed to introducing advanced manufacturing processes and equipment over the years to reduce production time and manpower, thereby improving production efficiency. In addition to reducing the Company's production costs, introducing advanced manufacturing processes and equipment can also enhance production efficiency and improve the Company's relative competitiveness in the market.

- ② International raw material prices fluctuate greatly, causing raw material inventory management and cost control more challenging

Aluminum, copper, and steel are the main raw materials of the Company's products. With the continuous growth in operating revenue, the use of these raw materials has been significantly increased. The substantial fluctuation in raw material prices make it difficult for suppliers to control costs and delivery dates. Therefore, raw material and cost control is a big challenge to face during production procedure.

Countermeasures:

- A. Sign long-term supply contracts with raw material suppliers. The Company expects that from raw material procurement, quality inspection, to delivery time and other processes can be carried out smoothly.
- B. Continue to develop new technologies and new applications and actively develop

niche products such as medical device application and aerospace industry application to increase the overall gross profit margin of the Company's products.

C. Further deepen participation in the automotive industry's value chain activities, enhancing professional expertise through research and development, sales, after-sales service, and other related aspects.

D. Seek multiple suppliers to prevent the increase in raw material prices and suitably adjust selling prices to reflect costs and maintain profit margin.

③ Rising wages in China caused the increase in production costs

Since Labor Contract Law of the People's Republic of China began to come into force in China, the wages and welfares of local workers continue to grow, making the proportion of labor in manufacturing costs has gradually increased.

Countermeasures:

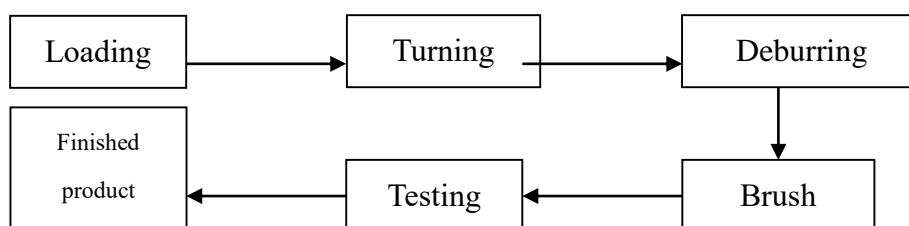
In addition to improving the production process to minimize raw material waste during manufacturing, the Company has also reduced labor hours to enhance production efficiency while lowering costs. Furthermore, the Company has increased the level of automation by introducing automated production machinery to replace manual labor, ensuring stable product quality and reducing labor costs.

4.2.2 Usage and manufacturing processes for the Company's main products

1. Usage for the Company's main products

The Company was established in 1987, and the Company mainly provides customers with precision metal processing of various metal materials, specializing in the manufacture of various automotive and motorcycle components, medical device components, industrial connector components, electronic equipment, communication device components, etc.

2. The manufacturing process of main products



4.2.3 Supply Status of Main Materials

Major raw materials	Main suppliers	Supply status
Stainless steel bars	Acciaierie Valbruna S.P.A.	Good
Stainless steel bars	Datong Special Steel (Shanghai) Co., Ltd.	Good
Stainless steel bars	Ugitech Italia S.R.L	Good
Stainless steel bars	Jiangyin Xiehui Metal Materials Co., Ltd.	Good
Carbon Steel Rod	SAAR-BLANKSTAHL GMBH	Good

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

1. Information on Major Suppliers for the Most Recent 2 Years

Unit: NTD (in thousands); %

Item	2023				2024			
	Name	Amount	Percentage of annual net purchases (%)	Relation with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relation with the issuer
1	Acciaierie Valbruna S.P.A.	194,117	15.56	None	Acciaierie Valbruna S.P.A.	194,022	13.79	None
2	Other Companies	1,053,144	84.44		Other Companies	1,213,330	86.21	
	Net purchase amount	1,247,261	100.00		Net purchase amount	1,407,352	100.00	

The reason for increases or decreases:

Due to the growth in the automotive market and increased market and customer demand in 2024, the purchase amount from the top 10 suppliers in 2024 increased compared to 2023. However, the purchase amounts from individual suppliers varied, with some increasing and others decreasing.

2. Information on Major Customers for the Most Recent 2 Fiscal Years

Unit: NTD (in thousands); %

Item	2023				2024			
	Name	Amount	Percentage of annual net sales	Relation with the issuer	Name	Amount	Percentage of annual net sales	Relation with the issuer
1	Bosch Diesel System	405,685	12.16	None.	Bosch Diesel System	400,643	10.95	None.
2	Fox Factory Switzerland GmbH	304,443	9.12	None.	Fox Factory Switzerland GmbH	396,260	10.83	None.
3	Bosch San. ve Tic. A.S.(RBTR)	358,142	10.73	None.	Bosch San. ve Tic. A.S.(RBTR)	393,921	10.77	None.
	Other companies	2,269,215	67.99	None.	Other companies	2,467,881	67.45	None.
	Net sales revenue	3,337,485	100.00		Net sales revenue	3,658,705	100.00	

The reason for increases or decreases:

The products sold by our company to the Bosch Group include engine system components such as fuel injectors, with our business relationship starting in 2004. After many years of mutual trust, cooperation, and repeated certification experiences, the quality and pricing of our products have been highly recognized by the Bosch Group. With the continued recovery of the automotive market, increasing customer demand, and adjustments to their internal production lines, regional sales have

fluctuated, resulting in increased sales for Bosch Automotive and Bosch-RBTR. Additionally, our company sells bicycle components and other products to the Swiss company Fuchs. Due to the growth of the bicycle market and good cooperation with the customer, our sales have been steadily growing.

4.3 Employee data for the most recent two years and up to the date of publication of the annual report.

Year		2023	2024	As of 28 February 2025
Number of Employee	Indirect employee	562	623	536
	Direct employee	768	578	702
	Total	1330	1201	1238
Average Age		37.33	37.95	37.82
Average Years of Service		4.33	4.92	5.03
Education Distribution (%)	Ph.D.	0.08%	0.17%	0.16%
	Master's Degree	3.98%	4.33%	3.4%
	Bachelor's Degree	25.26%	29.06%	27.06%
	Senior High School	24.51%	29.31%	27.78%
	Below Senior High School	46.17%	37.13%	41.6%

4.4 Disbursement for Environmental Protection

(I) According to laws and regulations if it is required to apply for a permit for installing anti-pollution facilities, or permit of pollution drainage, or to pay anti-pollution fees, or to organize and set up an exclusively responsible unit/office for environmental issues, the description of the status of such applications, payment or establishment shall be made: At present, the Company has set up equipment for waste management and equipped with permit of pollution drainage, application for incorporating into the government management. The Company's wastewater was discharged to Chungkang wastewater treatment plant and the Company should pay water pollution control fees every six months according to the related regulations. So far, the fees are collected by Taichung Branch , Bureau of Industrial Parks, Ministry of Economic Affairs. In addition to complying with the relevant laws and regulations on environment protection and requirements of the competent authority, the Company also formulates relevant regulations and continuously implements environment protection training to improve employees' environmental awareness and concepts. Furthermore, the Company has constantly worked on maintaining the validity of ISO 14001 & ISO 45001 certificates.

(II) In order to achieve the sustainable development goals of the United Nations, TURVO INTERNATIONAL CO., LTD. has implemented certain policies to protect the environment and save energy. Moreover, the Company has proactively promoted various energy conservation plans for implementing energy conservation and carbon emission reduction.

(III) 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:

Equipment	Quantity	Acquisition date	Acquisition costs	The use and the possible effects to be produced
Wastewater treatment equipment	1	28 June 2014	1,428 thousand	The industrial wastewater generated in the process is treated by wastewater treatment equipment to avoid causing harm to the environment
Wastewater treatment equipment	1	31 October 2024	5,775 thousand	The industrial wastewater generated in the process is treated by wastewater treatment equipment to avoid causing harm to the environment

(IV) Describing the process undertaken by the Company on environmental pollution improvement for the most recent 2 fiscal years and up to the prospectus publication date. If there had been any pollution dispute, its handling process shall also be described: None.

(V) The losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid) and 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: None.

(VI) 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 2 fiscal years: It is scheduled that the Company will start to engage in the affairs of USGBC certification and wastewater treatment equipment projects in the new construction project.

4.5 Labor Relations

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

1. Benefit plans

The items of the Company and its subsidiaries' benefit plans include labor insurance, group insurance, health checkups, year-end bonus, year-end party, family day, holiday bonus for Chinese New Year, marriage and funeral subsidies, maternity benefit, commendation for employees' years of service and bonus for proposal, etc. Furthermore, the Company has established Employee Welfare Committee and held employees' years of service and allocated funds according to the articles of Employee Welfare Committee. The Company arranges domestic and overseas company trips, employee dinner parties, birthday parties and various group activities every year according to the funds. When the Company settles the profit and loss after the end of the year, the Company will allocate employee remuneration in the proportion stipulated in the articles of association, so that employees can share the Company's operating result.

2. Employee continuing education and training

In order to improve employees' professional skills and competency, the Company and its subsidiaries not only provide internal education training, but also encourage the employees to participate in various workshops and training courses. In the most recent year, there were 378 training courses for employee education, 3,162 participants, The total hour is 8,921.5, and the training expenditure was NTD480,922 in total.

(1) New employee orientation: The orientation consists of the information on company profile, the Company's organizational structure, corporate system, Ethical Corporate Management Best Practice Principles, introduction to the Company, occupational safety and health, quality policy and objectives, work rules, employee manuals and advocacy for code of conduct. The Company will arrange pre-service training according to each employee's position.

(2) On-the-job training: The Company and its subsidiaries plan the "annual training course schedule" every year based on the training needs of employees and the Company's development needs. The Company arranges employees to participate in internal and external training courses to assist in the Company's talent cultivation and long-term development of employees to increase their professional skills, enhance their quality and

organizational performance.

3. Retirement systems and the implementation status

So far, all employees of the Company adopt the new labor retirement system. According to Labor Pension Act, the monthly allocated pension is deposited in the individual account for labor pension established by the Bureau of Labor Insurance, which helps arrange retirement dinner parties and provide retirement souvenirs.

4. The status of labor-management agreements

The Company's operating goals must rely on the joint efforts of both labor and management to achieve. The Company has always dealt with labor relation issues based on the concept that both employers and employees are equally important and work together towards mutual prosperity. The Company places emphasis on employees' opinions, and employees are available to talk about the problems they encounter in life and work by the Company's formal or informal communication channels at any time. Moreover, the Company has held labor-management meeting for two-way communication and coordination. Therefore, the Company has always maintained a harmonious labor-management relationship.

5. Measures for preserving employees' rights

(1) Establish Employee Welfare Committee:

The Company has set up an Employee Welfare Committee in accordance with the law that provides various benefit plans including domestic and overseas company trips, employee dinner parties, birthday celebration and all types of group activities.

(2) Insurance for employees: All employees of the Company have labor insurance, health insurance and group insurance provided by the Company.

(3) Health checkup: In order to ensure the physical and mental health of employees, the Company regularly conducts health checkups for employees for free.

(4) Pay attention to labor relations: The Company holds labor-management meeting on a quarterly basis. The labor and the management may nominate representatives to participate in labor-management meetings as chairperson, and further improve the communication and coordination between the labor and the management.

(5) Employee safety regulation: The Company has complied with the regulations of Labor Standards Act and Occupational Safety and Health Act and arranged safety and health education and training for employees from time to time.

(6) Commendation systems for senior staffs: To encourage employees and boost workplace cohesion, the Company has established commendation systems for those senior staffs who have served for 10 years, 15 years, 20 years, and so on. Every five years of service is viewed as a unit.

(II) Losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes and disclosing an estimate of possible expenses that could be incurred currently and, in the future, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the reasons why it cannot be made shall be provided.

The Company pays attention to employees and strives to establish and maintain harmonious relations with employees. As a result, there was no loss suffered by the Company

and its subsidiaries in the most recent fiscal year and up to the annual report publication date due to labor disputes. Also, there was no potential factor that would result in labor disputes. It is believed that if the Company continues to proactively promote and implement various employee welfare measures, there will be no labor disputes and losses in the future.

(III) Working environment and personal safety protection measures for employees

The Company has set up a safety and health office in accordance with Occupational Safety and Health Act to handle labor safety and health affairs. Those people in charge of environmental management, regularly inspect the working environment, provide environmental education courses, advocate relevant information on disaster prevention, raise awareness about disasters and provide employees with a safe and comfortable working environment. In addition, the Company also provides regular healthcare and wellness services for employees.

(IV) Code of conduct for employees

In order to make all employees understand the code of conduct and the code of ethics, the Company has specified the relevant code of conduct in the work rules and employee manuals and formulated the “Ethical Corporate Management Best Practice Principles” for the management and all the employees to follow. Furthermore, the Company had posted the code of conduct for employees on its internal bulletin board and internal website announcement area. In this way, all the employees can check relevant regulations at any time to comply with the code of conduct.

4.6 Cyber Security Management

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

1. Information Security Risk Management Framework and Organizational Operating Model

(1) The company's IT department is responsible for overall information security planning, risk management, promotion, and execution. It assigns dedicated personnel to serve as security managers to coordinate daily operations.

(2) The company's audit department serves as the supervisory unit for information security oversight. In the risk assessment of major issues by the company's Sustainable Development Committee, information security management is listed as a regular important risk assessment item. It regularly reviews the results of risk responses to reduce internal information security risks. It also reports the results of Sustainable Development Committee initiatives to the board of directors regularly and tracks improvement effectiveness.

2. Information Security Policy

(1) Ensure appropriate management and protection of information assets within the organization, and ensure uninterrupted operation.

(2) Identify and assess potential information security risks to prevent hacker attacks, various viruses intrusion, and destruction.

(3) Risk prevention, data privacy protection to prevent data leakage.

3. Specific Management Measures for Information Security

(1) Network Security and Access Control

- a. Implement enterprise-level firewalls and security policies, intrusion detection systems, and antivirus software to block illegal intrusions by hackers.
- b. Access permissions for all operating systems are opened and used only after approval by the responsible supervisor, and access traces are recorded.

(2) Virus Protection

- a. Servers are installed with protection software (MDR) and malicious program monitoring software.
- b. Endpoint computer virus codes are updated automatically, and the status of antivirus software updates is checked regularly.

(3) Vulnerability Management

- a. Periodic vulnerability scanning for vulnerability patching and tracking improvements.

(4) Asset Protection Management

- a. Access control for server room entry and exit, with records for the entry and exit of computers, servers, and other equipment.
- b. Independent air conditioning is installed in the server room to maintain appropriate temperature conditions for operation.

4. Investment in Information Security Resources

The company's IT department consists of four personnel responsible for company information security. They hold internal meetings weekly to review the monitoring of various security facilities and resolve anomalies to ensure effective facility operations. Planning and execution for important security tasks such as operating system or critical software upgrades and disaster recovery drills for system hosts are also carried out. Professional organizations are periodically commissioned for vulnerability scanning, timely vulnerability patching, and annual budget allocations for information security upgrades to replace outdated equipment to ensure overall information security.

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

4.7 Important Contracts

Agreement	Counterparty	Period	Main Contents	Restrictions
Borrowing agreement	Bank of Taiwan	Start the counting of 7 years from the first day of appropriation	Medium- and long-term loans	Note 1
Borrowing agreement	Bank of Taiwan	June 2019- June 2029	Medium- and long-term loans	Note 1

Agreement	Counterparty	Period	Main Contents	Restrictions
Borrowing agreement	Bank of Taiwan	Start the counting of 10 years from the first day of appropriation	Medium- and long-term loans	Note 1
Lease agreement	Chungkang Branch, Export Processing Zone Administration	December 2016-December 2026	Land lease agreement	None.
Lease agreement	Chungkang Branch, Export Processing Zone Administration	July 2015-June 2025	Land lease agreement	None.
Procurement agreement	Bosch (China) Investment Ltd.	From 30 July 2012	Procurement agreement	None.
Procurement agreement	DENSO KOREA CORPORATION	From 27 March 2020	Procurement agreement	None.
Procurement agreement	DENSO MANUFACTURING HUNGARY LTD.,	From 30 October 2020	Procurement agreement	None.
Lease agreement	Chungkang Branch, Export Processing Zone Administration	December 2023-December 2033	Land lease agreement	None.

Note 1: Under the restriction of “Regulations Governing Loan Projects for Returning Taiwanese Businesses to Invest in Taiwan.”

V. Review and Analysis of Financial Conditions, Financial Performance, and Risks

5.1 Analysis of Financial Status

The annual report shall list the main reasons for any material change in the company's consolidated assets, liabilities, or equity during the past 2 fiscal years, and describe the effect thereof. Where the effect is of material significance, the annual report shall describe the measures to be taken in response:

Unit: NTD (thousand); %				
Item \ Year	2023	2024	Difference	
			Difference	%
Current assets	2,942,940	3,032,629	89,689	3.05
Property, plant and equipment	1,937,581	2,274,985	337,404	17.41
Intangible assets	10,311	12,069	1,758	17.05
Other assets	276,251	767,481	491,230	177.82
Total assets	5,167,083	6,087,164	920,081	17.81
Current liabilities	983,865	1,436,376	452,511	45.99
Non-current liabilities	599,640	595,707	(3,933)	(0.66)
Total liabilities	1,583,505	2,032,083	448,578	28.33
Equity attributable to shareholders of the parent	3,573,189	4,047,148	473,959	13.26
Capital stock	602,881	602,881	0	—
Capital surplus	818,217	818,217	0	—
Retained earnings	2,322,197	2,663,698	341,501	14.71
Other equity interest	(170,106)	(37,648)	132,458	(77.87)
Treasury stock	—	—	—	—
Non-controlling interest	10,389	7,933	(2,456)	(23.64)
Total equity	3,583,578	4,055,081	471,503	13.16
Description of material changes: (a change of more than 20% and a change of more than NTD10 million)				
1. Other assets: The main reason is due to the increase in financial assets - non-current, measured at amortized cost.				
2. Current liabilities 、 Total liabilities: The main reason is the increase in short-term borrowings due to operational needs.				
3. Other equity interest: The main reason is the fluctuation in exchange rates, resulting in a decrease in the "foreign exchange rate"				

5.2 Analysis of Financial Performance

1. The annual report shall list the main reasons for any material change in consolidated operating revenues, operating income, or income before tax during the past 2 fiscal years, provide a sales volume forecast and the basis therefor, and describe the effect upon the company's financial operations as well as measures to be taken in response.

Unit: NTD (thousand)

Item \ Year	2023	2024	Difference	%
Operating revenue	3,337,485	3,658,705	321,220	9.62
Gross profit	1,091,194	1,360,228	269,034	24.66
Operating (loss) income	531,808	688,470	156,662	29.46
Non-operating income and expenses	39,432	98,272	58,840	149.22
Income (loss) before income tax	571,240	786,742	215,502	37.73
Profit of continued operations.	529,930	657,896	127,966	24.15
Loss of discontinued operations	—	—	—	—
Net (loss) income for the year	529,930	657,896	127,966	24.15
Other comprehensive income (income after tax)	(32,632)	133,134	165,766	(507.99)
Total comprehensive income	497,298	791,030	293,732	59.07
Net income attributable to shareholders of the parent	533,958	661,028	127,070	23.80
Net income attributable to non-controlling interest	(4,028)	(3,132)	896	(22.24)
Comprehensive income attributable to shareholders of the parent	501,206	793,486	292,280	58.32
Comprehensive income attributable to non-controlling interest	(3,908)	(2,456)	1,452	(37.15)
Description of material changes: (a change of more than 20% and a change of more than NTD10 million)				
1. Gross profit 、 Operating (loss) income: The main reason is the growth in revenue and effective cost control.				
2. Non-operating income and expenses: The main reason is the increase in foreign exchange gains compared to 2023.				
3. Income (loss) before income tax 、 Profit of continued operations 、 Net (loss) income for the year: The main reason is the growth in revenue and increased profits in 2024.				
4. Other comprehensive income (income after tax): The main reason is the fluctuation in exchange rates, resulting in a decrease in the "foreign exchange rate"				
5. Total comprehensive income 、 Net income attributable to shareholders of the parent 、 Comprehensive income attributable to shareholders of the parent: The main reason is the growth in revenue and increased profits in 2024.				

2. The Sales Volume Forecast and the Basis Therefor and the Description of the Effect upon the Company's Financial Operations as well as Measures to be Taken in Response.

Expected shipments for 2025 are based on overall production capacity, expected contract and existing customer order growth. Shipments are expected to grow steadily on higher volumes with new production capacity.

5.3 Analysis of Cash Flow

The annual report shall describe and analyze any cash flow changes during the most recent fiscal year, describe corrective measures to be taken in response to illiquidity, and provide a liquidity analysis for the coming year:

1. Analysis of Changes in Cash Flow during the Most Recent Year

Item \ Year	2023	2024	Difference (%)
Cash flow ratio (%)	90.95	56.96	-37.37
Cash flow adequacy ratio (%)	93.99	89.75	-4.51
Cash reinvestment ratio (%)	8.92	8.35	-6.39
Analysis of financial ratio change: (Increase or decrease of 20% or more)			
1. Cash flow ratio: The primary reason is the increase in short-term borrowings driven by operational needs.			

2. Corrective Measures to be Taken in Response to Illiquidity: None.

3. Liquidity Analysis for the Coming Year

Unit: NTD (thousand)

Cash and Cash Equivalents, Beginning of Year	Net Cash Flow from Operating Activities	Net Cash Flow from Investing and Financing Activities	Estimated Cash Surplus (Deficit)	Remedy for Estimated Cash Deficit	
				Investment Plan	Financing Plan
1,767,375	472,610	(1,766,771)	473,214	N/A	N/A
1. Analysis of changes in cash flows for the coming year					
(1) Operating activities: The Company expects the business scale to continue expanding, resulting in anticipated revenue growth and profitability. This will lead to operating cash flow.					
(2) Investing activities: The Company plans to continue expanding its capital expenditures, which will result in net cash outflows from investing activities.					
(3) Financing activities: The Company anticipates loan repayments and cash dividends to be paid out, leading to net cash outflows from financing activities.					
2. Measures to address expected cash shortfall and liquidity analysis: N/A.					

5.4 Major Capital Expenditure Items

The major capital expenditure incurred to date in 2024 is for the expansion of the plant and the purchase of additional equipment to cater to future revenue growth.

5.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year

Unit: NTD (thousand)

Investees	Investment amount as of 31 December 2024 (Note 3)	Recognized Investment Gain or Loss for the Most Recent Year (2024)	Reinvestment Policy	The Main Reasons for the Profits/Losses Generated	The Plan for Improving Re-investment Profitability	Investment Plans for the Coming Year
TIPO International Co., Ltd.	946,313	540,520	Investment holding	Recognition of investment gains and losses in Dongguan Xinfeng and Zhejiang Yuzuan.	—	Subject to operating conditions
Hong Kong Xinfeng Enterprise Limited (Note 1)	216,811	382,879	Investment holding	Recognition of investment gains and losses in Dongguan Xinfeng.	—	Subject to operating conditions
Dongguan Xin Feng Hardware Machinery & Plastics Industry Ltd (Note 2)	230,289	382,645	Trading manufacturing	Growth in revenue and effective cost control	—	Subject to operating conditions
TURVO International Co., Ltd (YZ) (Note 1)	686,956	119,665	Trading Manufacturing	Growth in revenue and effective cost control	—	Subject to operating conditions
T&M Joint (Cayman)Holding Co., Ltd. (Note 4)	61,760	(1,741)	Investment holding	Recognition of investment gains and losses in Matec Southeast Asia (Thailand) Co., Ltd.	—	Subject to operating conditions
Matec Southeast Asia (Thailand) Co., Ltd. (Note 5)	204,635	(4,258)	Manufacturing	In line with the operational strategy, the company plans to proceed with dissolution and liquidation, resulting in a moderate reduction in overall business scale.	—	Subject to operating conditions
TUF Technology Co., Ltd. (Note 6)	900	1	Trading	In the early stages of establishment and has not yet commenced operations.	—	Subject to operating conditions

Note 1: TIPO International Co., Ltd. operates through its wholly owned subsidiaries, both directly and indirectly.

Note 2: A subsidiary held by Hong Kong Xinfeng Enterprise Limited.

Note 3: It's the accumulated investment amount exported from Taiwan.

Note 4: 35.71% owned subsidiary of the Company.

Note 5: 99.99% owned subsidiary of T&M Joint (Cayman) Holding Co., Ltd.

Note 6: It was established on July 25, 2023.

5.6 The Analysis and Assessment for Risk

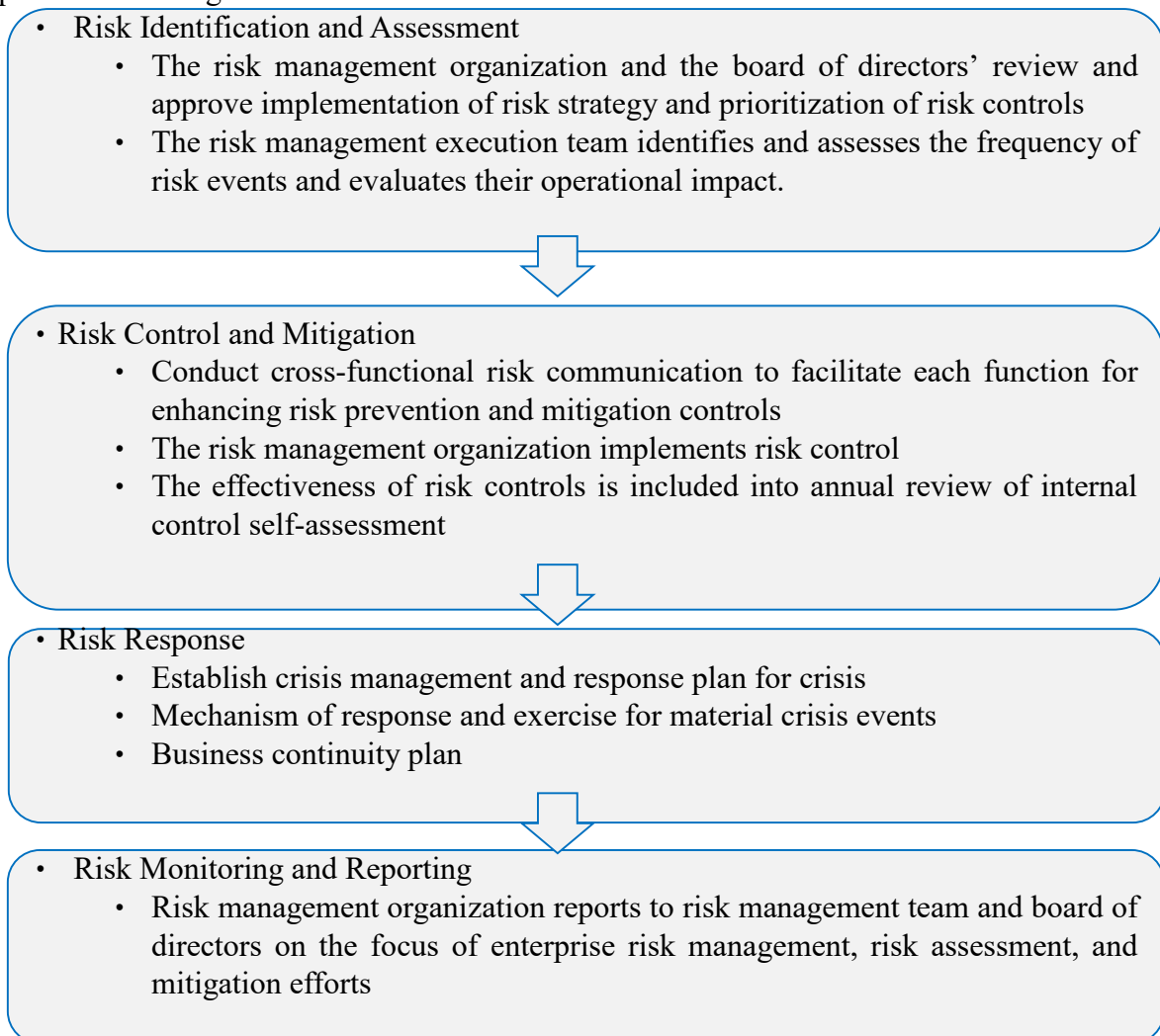
The board of directors plays a key role in helping the Company identify and manage risks. The Company's risk management organization adopted a risk management policy by the board of directors in May 2020. The Risk management department regularly communicates information on risk events and risk response plans to internal and external stakeholders related to risk events.

The risk policy of Turvo Co. is implemented by a cross-functional team composed of the president or the highest-ranking supervisor of each plant according to the category of risk, and emphasizes comprehensive risk control by all employees and the implementation of prevention at all levels in order to manage risk effectively. In addition, the Company actively builds up risk management awareness and makes dynamic adjustments in response to changes in the environment, as well as strengthening the understanding of supervisors and employees of each department on the Company's risk management policies, procedures, and risk identification.

Scope of Risk Management

- Changes in the government policies and regulatory
- Environment
- Global or regional economic conditions
- Changes in the industry market and the response to supply and demand
- Technological developments and competition
- Financial transactions and strategic investment risks
- Response to various man-made and natural disasters

Enterprise Risk Management Framework



5.6.1 The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future.

1. The effect of interest rate fluctuations

Interest rate risk is the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in market interest rates. The Group's interest rate risk arises primarily from floating rate debt instrument investment, fixed-rate borrowings and variable-rate borrowings.

The Group manages interest rate risk through maintaining an appropriate mix of fixed and floating rates but does not apply hedge accounting as it does not meet the requirements for hedge accounting.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including short-term fixed-rate borrowing contracts and long-term variable-rate borrowing contracts. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended 31 December 2024 and 2023 to increase/decrease by NTD980 thousand and NTD640 thousand, respectively.

2. The effect of exchange rate fluctuations

The Group's exposure to exchange rate risk relates primarily to operating activities (where revenues or expenses are incurred in currencies different from the Group's functional currency) and to net investments in foreign operating entities.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Company also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD and RMB. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against USD by 1%, the profit for the years ended 31 December 2024 and 2023 is increased/decreased by NTD 3,864 thousand and NTD 2,597

thousand, respectively. Equity is not impacted.

When NTD strengthens/weakens against RMB by 1%, the profit for the years ended 31 December 2024 and 2023 is increased/decreased by NTD 17,636 thousand and NTD 11,628 thousand, respectively. Equity is not impacted.

When NTD strengthens/weakens against EUR by 1%, the profit for the years ended 31 December 2024 and 2023 is increased/decreased by NTD 724 thousand and NTD 503 thousand, respectively. Equity is not impacted.

3. The effect of inflation

The dramatic fluctuations in the international raw materials market may have an unfavorable impact on the Company and subsidiaries' profit and loss. In response to inflation, the Company and its subsidiaries will closely monitor the changes in the market for raw materials, make regular purchases of raw materials for production and strengthen inventory control in order to minimize the impact of changes in raw material prices on the Company's profit and loss.

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

1. Engagement in high-risk and highly leveraged investments:

The Company and its subsidiaries maintain a conservative approach to financial operations and do not engage in high-risk, highly leveraged investments.

2. Loans to other parties:

In the event that the Company is to carry out capital financing, the Company will comply with the "Procedures for Lending Funds to Other Parties" and make timely and accurate disclosure of all endorsement and guarantee information as required by law.

3. Endorsements/ guarantees:

In the event that the Company is required to provide an endorsement and guarantee for others, the Company will comply with the "Procedures for Endorsement and Guarantee" and make timely and accurate disclosure of all endorsement and guarantee information as required by law.

4. Derivatives transactions:

In the event that the Company is to enter into derivative transactions, the Company will comply with the "Procedures for Acquisition or Disposal of Assets" and "Procedures for

Financial Derivatives Transactions” established by the Company and make timely and accurate disclosure of all endorsement and guarantee information as required by law.

5.6.3 Research and development work to be carried out in the future, and further expenditures expected for research and development work.

1. Research and development work to be carried out in the future

(1) Development, design, and improvement of new products

- a. Vacuum Heat Treatment Technology
- b. Aluminum Surface Treatment Technology
- c. Precision Forging Technology
- d. Tool Grinding and Coating
- e. Honing and Grinding Technology
- f. Precision Internal and External Grinding
- g. High cleanliness required process and measurement
- h. Micro Laser Welding
- i. Gun-drilling Technology
- j. Splines technology

(2) Client project design and implementation

- a. Development of precision sensor-related components
- b. Development of shock absorbing system components
- c. R&D of engine timing system
- d. Development of injector body
- e. Development of bicycle hub and fixture
- f. Development of electric operation tool.

(3) Research, development, and application of new technologies.

- a. Development of grinding media
- b. Advanced cleanliness of parts surface
- c. Development of optimize nylon brush deburring
- d. Development of high-pressure water deburring
- e. Development of machine center 4.5 axis deburring
- f. Development of 2 spindle 2axis turning machine

The amount of R&D expenses has been progressively allocated in line with the progress of new technology development and is estimated to be NTD 290,014 thousand in 2025. As turnover grows in the future, annual research and development expenses will be gradually increased to support future research and development programs and to increase the competitiveness of the Company and its subsidiaries in the market.

5.6.4 Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response.

The Company and its subsidiaries adhere to the relevant domestic and international laws and regulations in daily operations and keep abreast of domestic and international policy trends and regulatory changes in order to fully grasp and respond to changes in the market environment. There have been no significant changes in legal environment at home or abroad that has material impact on the financial operations of the company.

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

The Company and its subsidiaries keep abreast of technological changes and developments in the industries and work closely with customers to keep abreast of the latest trends in the industry. In addition, the company and its subsidiaries have continuously enhanced the research and development capabilities and actively expanding into future market applications. Therefore, the developments in science and technology (including cyber security risks) as well as industrial change have no material impact on the financial operation of the company.

5.6.6 Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response.

Since its establishment, the Company and its subsidiaries have maintained a good corporate image, complied with relevant laws and regulations, actively promoted various quality certifications, and at the same time maintained harmonious labor and local relations in order to continuously maintain a good corporate image. There have been no instances that have affected the corporate image.

5.6.7 Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken

The Company and its subsidiaries had no mergers and acquisitions during the year and had no plans for significant capital expenditure as at the date of publication of the annual report.

5.6.8 Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken

In order to meet future market and customer demand, the Company and its subsidiaries are in the process of expanding their plants and intend to expand their production capacity and increase the scale of production in order to capture business opportunities. The expansion of the plant will be financed by the capital increase and therefore the potential risk arising from the expansion of the plant equipment is limited.

5.6.9 Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken

1. Risks associated with consolidation of purchasing operations

The Company and its subsidiaries did not have a single supplier whose share of purchases exceeded 20% of net purchases for the most recent year and up to the date of publication of the Annual Report. The Company has maintained a long-standing and good relationship with its suppliers and the supply of goods has remained stable. There have been no shortages of supplies that have affected production operations. As new products are developed in the future, the Company and its subsidiaries will gradually increase the sources of supply to ensure the availability of production capacity.

2. Risks associated with consolidation of sales operations

The proportion of net sales to the top ten customers of the Company and its subsidiaries in 2023 and 2024 are 73.54% and 74.41% respectively; the proportion of net sales to the largest customer in 2023 and 2024 are 12.16% and 10.95% respectively, there is no consolidation of sales and therefore the risk should be limited.

Mitigation measures:

A. Capacity Expansion

In addition to fully utilizing the existing production capacity, the Company and its subsidiaries have completed the expansion of their plants this year in response to the rapid growth of their business in the future, in order to meet the growth of their business, satisfy the demand of their customers, achieve economies of scale, and further reduce the risk of consolidation of sales to a single customer.

B. Participation in Research and Development Design Based on Technical Cooperation to Enhance the Added Value of the Company

Not only have the Company and its subsidiaries take orders actively, the Company and its subsidiaries strive to enhance their research and development capabilities by actively participating in the development projects of the Bosch Group with major automobile manufacturers, based on their previous cooperation with the Bosch Group and their reliable technology. By participating in the research and development design and development projects of the final sales companies through their sales customers, the Company and its subsidiaries are able to seize market opportunities and increase the added value of the Company.

5.6.10 Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken.

There has been no significant transfer of shareholding by directors, supervisors or substantial shareholders holding more than 10% of the shares in 2024 up to the date of publication of the Annual Report, and there has been no significant change in the management and therefore there has been no significant impact on the operations of the Company.

5.6.11 Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

5.6.12 Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the president, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

5.6.13 Other important risks, and mitigation measures being or to be taken: None.

5.7 Other Important Matters

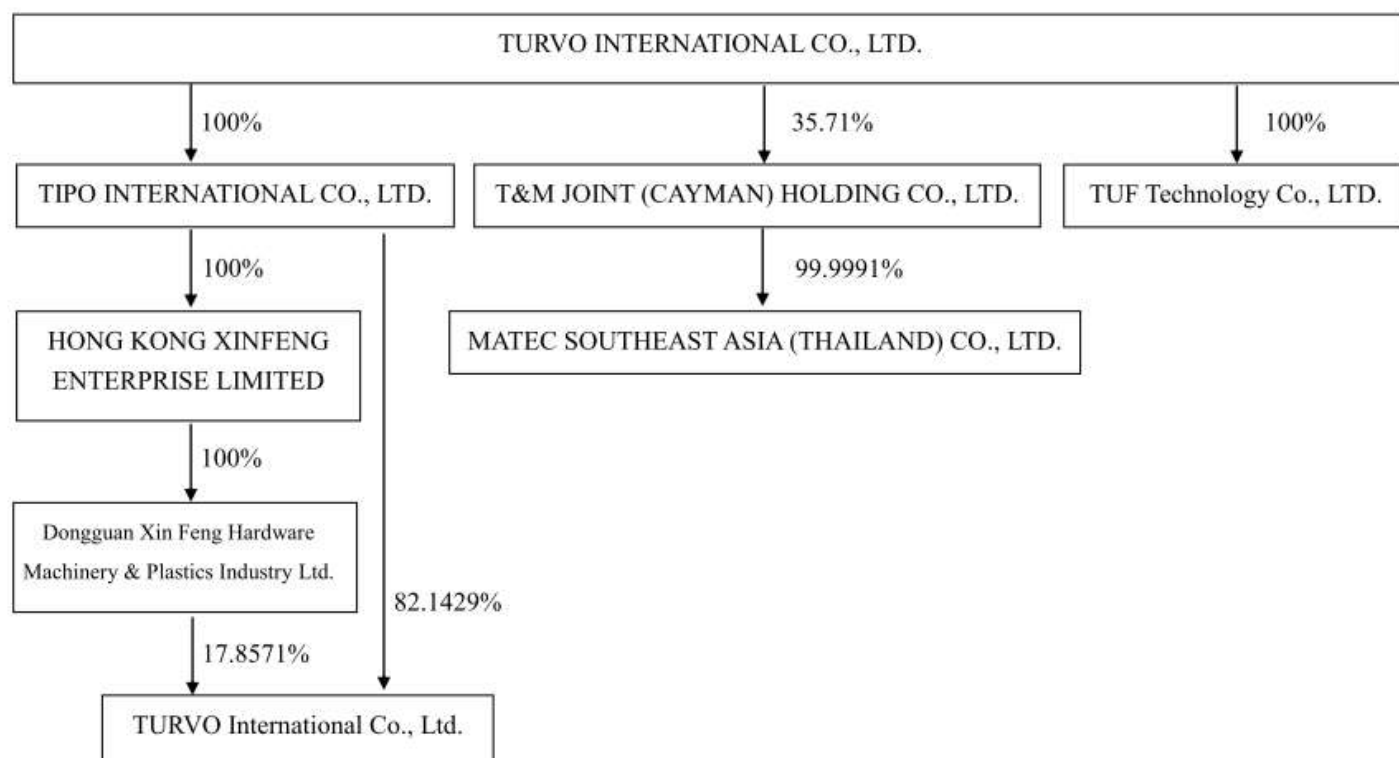
None.

VI. Special Disclosure

6.1 Information on affiliated companies

6.1.1 Consolidated Business Report of Affiliates

1. Organizational chart of affiliated companies



2. Summary of affiliated companies

Unit: NTD (in thousands)

Name	Establishment date	Address	Paid-in capital	Main business content
TIPO International Co., Ltd.	14 May 2008	Vistra Coporate Services Centre, Ground Floor NPF Building, Beach Round, Apia, Samoa	946,313	Investment holding
HONG KONG XINFENG ENTERPRISE LIMITED	17 November 2004	Unit A56, 29/F., Legend Tower, 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong	216,811	Investment holding
Dongguan Xin Feng Hardware Machinery & Plastics Industry Ltd	25 March 1996	No. 45, Shangxing Road, Shangjiao Management District, Chang'an Town, Dongguan City, Guangdong Province	230,289	Processing, manufacturing, and sales of precision metal parts.
TURVO International Co., Ltd (YZ)	28 June 2010	No. 69 Hongfu East Road, Yaozhuang Town, Jiashan County, Jiaxing City, Zhejiang Province	848,585	Processing, manufacturing, and sales of precision metal parts.
T&M Joint (Cayman)Holding Co., Ltd.	22 July 2014	P.O. Box 31119 Grand Pavilion, Hi biscus Way, 802 West Bay Road,	204,687	Investment holding

		Grand Cayman, KY1-1205, Cayman Islands		
Matec Southeast Asia (Thailand) Co., Ltd.	26 October 2012	588 Moo 7 Thatoom Srimahaphot, Prachinburi 25140, Thailand	204,637	Precision metal forging
TUF Technology Co., Ltd.	25 July 2023	21F.-6, No. 402, Shizheng Rd., Xitun Dist., Taichung City, Taiwan (R.O.C.)	900	Processing, manufacturing, and sales of precision metal parts.

Note 1: The affiliated companies do not hold any of the Company's share.

Note 2: The affiliated companies are limited companies; therefore, there are no issued shares.

3. The shareholder in common and is concluded as the existence of the controlling and subordinate relation: None.

4. The business operated by the affiliated companies overall and the mutual dealings and division of work among such affiliated companies

TURVO INTERNATIONAL CO., LTD. and its affiliated companies are specialized in the manufacturing and development of precision metal parts. The products are used in connectors for, sensors, temperature controlling devices, industry automation, medical equipment components, high-end bicycle components, etc. for automotive engine systems and industrial communication applications. TURVO INTERNATIONAL CO., LTD. has set up production plants in China, Thailand, and other places to provide global customers with timely service and technical services for products.

5. Director, supervisor, and president of affiliated companies

Unit: shares; %

Company name	Title	Name or representative	Shareholding	
			Number	%
TIPO International Co., Ltd.	Chairman	LIU, CHUN-CHANG	-	-
HONG KONG XINFENG ENTERPRISE LIMITED	Chairman	LIU, CHUN-CHANG	-	-
Dongguan Xin Feng Hardware Machinery & Plastics Industry Ltd	Chairman	LIU, CHUN-CHANG	-	-
TURVO International Co., Ltd (YZ)	Chairman	LIU, CHUN-CHANG	-	-
	Supervisor	TSAI, MING-TUNG	-	-
T&M Joint (Cayman)Holding Co., Ltd.	Director	TURVO International Co., Ltd. Represented by LIU, CHUN-CHANG	4,912,749	35.71%
	Director	TSAI, MING-TUNG	-	-
	Director	CHEN, YING-CHIEH	-	-
	Director	TAKEHIKO MASUYAMA	-	-
	Director	WU, HSIAO-JUI	82,474	0.60%
Matec Southeast Asia	Director	TSAI, MING-TUNG	-	-

(Thailand) Co., Ltd.	Director	CHEN, YING-CHIEH	-	-
	Director	LIN, SHU-TA	-	-
	Director	WU, HSIAO-JUI	-	-
	Director	TAKEHIKO MASUYAMA	-	-
TUF Technology Co., Ltd.	Chairman	LIU, CHUN-CHANG	-	-

6. Summarized operation results of affiliated companies

31 December 2024 Unit: NTD (in thousands) (the earnings per share is in NTD)

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenues	Operating profit(loss)s	Profit(loss) in the period (after-tax)	Earnings per share (after-tax)
TIPO International Co., Ltd.	946,313	3,270,494	43,424	3,227,071	—	(9,661)	536,545	17.23
HONG KONG XINFENG ENTERPRISE LIMITED	216,811	1,804,720	—	1,804,720	—	(105)	382,879	—
Dongguan Xin Feng Hardware Machinery & Plastics Industry Ltd	230,289	2,132,804	331,954	1,800,850	1,563,211	393,175	382,227	—
TURVO International Co.,Ltd (YZ)	848,585	1,848,219	230,363	1,617,856	1,113,697	128,447	145,497	—
T&M Joint (Cayman)Holding Co., Ltd.	204,687	15,131	2,792	12,339	—	(328)	(4,872)	—
Matec Southeast Asia (Thailand) Co., Ltd.	204,637	49,236	34,115	15,121	984	(5,189)	(4,199)	—
TUF Technology Co., Ltd.	900	867	—	867	—	—	1	—

6.1.2 Consolidated Financial Statements of Affiliates

The entities that are required to be included in the consolidated statements of affiliates of TURVO INTERNATIONAL CO., LTD. as of and for the year ended 31 December 2024 under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No.7 “Consolidated Financial Statements”. Relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, TURVO INTERNATIONAL CO., LTD. and its subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

6.1.3 Affiliation Report:

1. Statement of Affiliation Report

TURVO INTERNATIONAL CO., LTD.

Statement of Affiliation Report

The Company's affiliation report for the year 2024 (from January 1 to December 31, 2024) drew up by "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises." There was no major discrepancy between the disclosures and the notes of the above -mentioned period's financial statements.

Hereby declared

TURVO INTERNATIONAL CO., LTD.

Chairman : LIU, CHUN-CHANG

March 5, 2025

2. Statement of Affiliations

Representation Letter

To: TURVO INTERNATIONAL CO., LTD.

Subject: Statement of opinion regarding the preparation of affiliation report for year 2024
by the management authority of your company.

Explanation:

1. The affiliation report for year 2024 of your company has been prepared by the management authority of your company, and a statement has been issued stating that the aforementioned report was prepared in accordance with the “The compilation rules on consolidated operation reports and consolidated financial statements and relationships declaration on associated companies” and that the disclosed information is not significantly inconsistent with the relevant information disclosed in the financial statement notes for year 2024.
2. According to the opinion of our CPAs, there is no significant inconsistency in the statement issued by the management authority of your company regarding the preparation of the related party report for year 2024.

Ernst & Young

Approval give by the competent authority to conduct the business of
auditing and attesting the financial report of public companies

Auditing and Attestation Document Number:

(104) Financial-Supervisory-Securities-Auditing-1060027042

(104) Financial-Supervisory-Securities-Auditing-1110348358

CHEN, MING HUNG

CPAs:

LO, WEN CHEN

March 5, 2025

3. The Relationship Between the Subordinate Company and the Controlling Company

Unit: shares; %

Name of the Controlling Company	The Reasons for the Control	Details of Shareholding and Pledges for the Controlling Company			Directors or Supervisors Appointed to the Subordinate Company by the Controlling Company, or Controlling Company Appointees Engaged as Managerial Officers of the Subordinate Company.	
		Shareholdings (shares)	Proportion of shareholding	Shares Pledged	Title	Name
Zeng Hsing Industrial Co., Ltd.	Lead major relevant activities with substantial control.	15,367,000	25.48%	0	Chairman Director Director Director Director	LIU, CHUN-CHANG LIN, CHIH-CHENG LIU, TUNG-LIANG SZU, CHING-HSING TSAI, CHUNG TING

4. Purchase & Sale Transaction Status : None.

5. Property Transactions : None.

6. Financing Status : None.

7. Asset leasing Status : None.

8. Other Significant transactions and Dealings : None.

9. Endorsements and Guarantees : None.

6.2 Has the Company carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report
None.

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

6.4 Other matters that require additional description

None

TURVO INTERNATIONAL CO., LTD.



Chairman: LIU, CHUN-CHANG

