

**TA YIH INDUSTRIAL CO., LTD.**  
**PARENT COMPANY ONLY FINANCIAL**  
**STATEMENTS AND INDEPENDENT AUDITORS’**  
**REPORT**  
**DECEMBER 31, 2024 AND 2023**

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For the convenience of readers and for information purpose only, the auditors’ report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors’ report and financial statements shall prevail.

TA YIH INDUSTRIAL CO., LTD.  
DECEMBER 31, 2024 AND 2023 PARENT COMPANY ONLY FINANCIAL  
STATEMENTS AND INDEPENDENT AUDITORS' REPORT  
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## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Ta Yih Industrial Co., Ltd.

### ***Opinion***

We have audited the accompanying parent company only balance sheets of Ta Yih Industrial Co., Ltd. (the “Company”) as of December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

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

Key audit matters for the Company's 2024 parent company only financial statements are stated as follows:

#### **Key audit matter: Cut-off of sales revenue from hub warehouse**

##### Description

Please refer to Notes 4(22) and 6(13) to the parent company only financial statements for the accounting policy and the details of sales revenue relating to this key audit matter, respectively. The sales revenue generated from the hub warehouse was \$1,220,486 thousand for the year ended December 31, 2024, which accounted for 33% of the total operating revenue.

The Company mainly manufactures and sells automobile and locomotive lamps. The Company also sells its products to overseas markets and recognizes revenue upon acceptance of the goods by the customers (transfer of risks and rewards) if picked up from hub. The sales model of overseas markets depends on the delivery of goods from hub warehouse. The Company recognizes sales revenue based on movements of inventories contained in the statements or other information provided by the hub custodians. As there are numerous sales revenue transactions from hubs and the transaction amounts prior to and after the balance sheet date are significant to the financial statements. Thus, we considered the cut-off of hub sales revenue as the key audit matter of our 2024 annual audit.

#### How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. We validated the effectiveness of the management's controls in respect of the cut-off of sales revenue from hub warehouse.
2. We performed cut-off tests of hub sales revenue for a specific period prior to and after the balance sheet date, including verifying records of picking goods from hubs and confirming records of inventory movements are recorded in appropriate period.
3. We conducted physical count of inventory quantities held at hubs and agreed to accounting records.

#### ***Responsibilities of management and those charged with governance for the parent company only financial statements***

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

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

Those charged with governance, including audit committee, are responsible for overseeing the Company's financial reporting process.

### ***Auditors' responsibilities for the audit of the parent company only financial statements***

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Yeh, Fang-Ting

Independent Accountants

Tien, Chung-Yu

PricewaterhouseCoopers, Taiwan

Republic of China

March 6, 2025

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The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TA YIH INDUSTRIAL CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

| Assets                    | Notes   | December 31, 2024 |                     | December 31, 2023 |                     |            |
|---------------------------|---|-------------------|---------------------|-------------------|---------------------|------------|
|                           |   | AMOUNT            | %                   | AMOUNT            | %                   |            |
| <b>Current assets</b>     |   |                   |                     |                   |                     |            |
| 1100                      | Cash and cash equivalents                     | 6(1)              | \$ 284,528          | 10                | \$ 382,731          | 12         |
| 1150                      | Notes receivable, net                         | 6(2) and 12       | 10                  | -                 | 9,086               | -          |
| 1170                      | Accounts receivable, net                      | 6(2) and 12       | 607,672             | 22                | 682,672             | 20         |
| 1180                      | Accounts receivable - related parties, net    | 6(2), 7 and 12    | 9,429               | -                 | 96,952              | 3          |
| 1200                      | Other receivables                             |                   | 22,359              | 1                 | 26,912              | 1          |
| 1210                      | Other receivables - related parties           | 7                 | 369                 | -                 | 3,441               | -          |
| 130X                      | Inventories                                   | 5, 6(3)(5)        | 819,437             | 29                | 1,084,652           | 32         |
| 1410                      | Prepayments                                   |                   | 53,571              | 2                 | 28,908              | 1          |
| 1479                      | Other current assets, others                  |                   | 6,205               | -                 | 28,191              | 1          |
| 11XX                      | <b>Total current assets</b>                   |                   | <u>1,803,580</u>    | <u>64</u>         | <u>2,343,545</u>    | <u>70</u>  |
| <b>Non-current assets</b> |   |                   |                     |                   |                     |            |
| 1550                      | Investments accounted for using equity method | 6(4) and 7        | 8,159               | -                 | 7,618               | -          |
| 1600                      | Property, plant and equipment                 | 6(5)              | 893,814             | 32                | 912,720             | 27         |
| 1755                      | Right-of-use assets                           | 6(6) and 7        | 28,751              | 1                 | 45,308              | 2          |
| 1780                      | Intangible assets                             |                   | 1,531               | -                 | 5,035               | -          |
| 1840                      | Deferred income tax assets                    | 6(20)             | 41,636              | 2                 | 25,237              | 1          |
| 1915                      | Prepayments for equipment                     | 6(22)             | 30,894              | 1                 | 9,541               | -          |
| 1920                      | Guarantee deposits paid                       |                   | 8,835               | -                 | 7,794               | -          |
| 1990                      | Other non-current assets, others              |                   | 7,034               | -                 | -                   | -          |
| 15XX                      | <b>Total non-current assets</b>               |                   | <u>1,020,654</u>    | <u>36</u>         | <u>1,013,253</u>    | <u>30</u>  |
| 1XXX                      | <b>Total assets</b>                           |                   | <u>\$ 2,824,234</u> | <u>100</u>        | <u>\$ 3,356,798</u> | <u>100</u> |

(Continued)

TA YIH INDUSTRIAL CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

| Liabilities and Equity   |   | Notes | December 31, 2024   |            | December 31, 2023   |            |
|--|---|-------|---------------------|------------|---------------------|------------|
|  |   |       | AMOUNT              | %          | AMOUNT              | %          |
| <b>Current liabilities</b>   |   |       |                     |            |                     |            |
| 2100   | Short-term borrowings                         | 6(7)  | \$ 50,000           | 2          | \$ 210,000          | 6          |
| 2130   | Contract liabilities - current                | 6(13) | 74,578              | 3          | 25,247              | 1          |
| 2150   | Notes payable                                 |       | 38,796              | 1          | 92,641              | 3          |
| 2170   | Accounts payable                              |       | 387,802             | 14         | 682,796             | 20         |
| 2180   | Accounts payable - related parties            | 7     | 26,838              | 1          | 54,170              | 2          |
| 2200   | Other payables                                | 6(8)  | 178,436             | 6          | 187,763             | 6          |
| 2220   | Other payables - related parties              | 7     | 28,134              | 1          | 46,553              | 1          |
| 2230   | Current income tax liabilities                | 6(20) | 10,523              | -          | 57,087              | 2          |
| 2280   | Lease liabilities - current                   | 7     | 12,299              | 1          | 13,745              | -          |
| 2399   | Other current liabilities, others             |       | 25,303              | 1          | 47,521              | 1          |
| 21XX   | <b>Total current liabilities</b>              |       | <u>832,709</u>      | <u>30</u>  | <u>1,417,523</u>    | <u>42</u>  |
| <b>Non-current liabilities</b>   |   |       |                     |            |                     |            |
| 2570   | Deferred income tax liabilities               | 6(20) | 77,561              | 3          | 76,736              | 2          |
| 2580   | Lease liabilities - non-current               | 7     | 16,854              | -          | 28,041              | 1          |
| 2640   | Net defined benefit liabilities - non-current | 6(9)  | 26,421              | 1          | 58,894              | 2          |
| 2670   | Other non-current liabilities, others         |       | 2,410               | -          | 2,399               | -          |
| 25XX   | <b>Total non-current liabilities</b>          |       | <u>123,246</u>      | <u>4</u>   | <u>166,070</u>      | <u>5</u>   |
| 2XXX   | <b>Total liabilities</b>                      |       | <u>955,955</u>      | <u>34</u>  | <u>1,583,593</u>    | <u>47</u>  |
| <b>Equity</b>  |   |       |                     |            |                     |            |
| Share capital  |   |       |                     |            |                     |            |
| 3110   | Common stock                                  | 6(10) | 762,300             | 27         | 762,300             | 23         |
| 3200   | Capital surplus                               | 6(11) | 61,278              | 2          | 61,145              | 2          |
| Retained earnings  |   |       |                     |            |                     |            |
| 3310   | Legal reserve                                 |       | 688,058             | 24         | 684,741             | 20         |
| 3320   | Special reserve                               |       | 68,264              | 3          | 68,264              | 2          |
| 3350   | Unappropriated retained earnings              |       | 287,886             | 10         | 231,885             | 7          |
| 3400   | Other equity interest                         |       | 493                 | -          | (35,130)            | (1)        |
| 3XXX   | <b>Total equity</b>                           |       | <u>1,868,279</u>    | <u>66</u>  | <u>1,773,205</u>    | <u>53</u>  |
| Significant contingent liabilities and unrecognized contract commitments |   |       |                     |            |                     |            |
| 3X2X   | <b>Total liabilities and equity</b>           |       | <u>\$ 2,824,234</u> | <u>100</u> | <u>\$ 3,356,798</u> | <u>100</u> |

The accompanying notes are an integral part of these parent company only financial statements.

TA YIH INDUSTRIAL CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except for earning per share amount)

|      | Items   | Notes                  | Year ended December 31 |          |                    |          |
|------|---|------------------------|------------------------|----------|--------------------|----------|
|      |   |                        | 2024                   |          | 2023               |          |
|      |   |                        | AMOUNT                 | %        | AMOUNT             | %        |
| 4000 | Operating revenue   | 6(13) and 7            | \$ 3,696,220           | 100      | \$ 4,817,004       | 100      |
| 5000 | Operating costs   | 6(3)(9)(18)(19) and 7  | ( 3,183,322)           | ( 86)    | ( 4,103,898)       | ( 85)    |
| 5900 | Operating margin  |                        | 512,898                | 14       | 713,106            | 15       |
| 5910 | Unrealized gain on sales  | 6(4)                   | -                      | -        | ( 730)             | -        |
| 5920 | Realized gain on sales  | 6(4)                   | 730                    | -        | 1,047              | -        |
| 5950 | Net operating margin  |                        | 513,628                | 14       | 713,423            | 15       |
|      | Operating expenses  | 6(9)(18)(19), 7 and 12 |                        |          |                    |          |
| 6100 | Selling expenses  |                        | ( 163,228)             | ( 5)     | ( 188,649)         | ( 4)     |
| 6200 | General and administrative expenses   |                        | ( 151,265)             | ( 4)     | ( 153,692)         | ( 3)     |
| 6300 | Research and development expenses   |                        | ( 159,896)             | ( 4)     | ( 172,268)         | ( 4)     |
| 6450 | Expected credit gains   |                        | 3,445                  | -        | 2,171              | -        |
| 6000 | Total operating expenses  |                        | ( 470,944)             | ( 13)    | ( 512,438)         | ( 11)    |
| 6900 | Operating profit  |                        | 42,684                 | 1        | 200,985            | 4        |
|      | Non-operating income and expenses   |                        |                        |          |                    |          |
| 7100 | Interest income   | 6(14)                  | 5,250                  | -        | 5,079              | -        |
| 7010 | Other income  | 6(15) and 7            | 18,901                 | -        | 41,036             | 1        |
| 7020 | Other gains and losses  | 6(4)(6)(16), 7 and 12  | 20,995                 | 1        | 14,320             | -        |
| 7050 | Finance costs   | 6(6)(17) and 7         | ( 4,225)               | -        | ( 5,997)           | -        |
| 7070 | Share of loss of subsidiaries, associates and joint ventures accounted for using equity method                        | 6(4)                   | ( 705)                 | -        | ( 176,667)         | ( 3)     |
| 7000 | Total non-operating income and expenses   |                        | 40,216                 | 1        | ( 122,229)         | ( 2)     |
| 7900 | <b>Profit before income tax</b>   |                        | 82,900                 | 2        | 78,756             | 2        |
| 7950 | Income tax benefit (expense)  | 6(20)                  | 4,528                  | -        | ( 36,346)          | ( 1)     |
| 8200 | <b>Net profit for the year</b>  |                        | <u>\$ 87,428</u>       | <u>2</u> | <u>\$ 42,410</u>   | <u>1</u> |
|      | <b>Other comprehensive income (loss)</b>  |                        |                        |          |                    |          |
|      | <b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>                |                        |                        |          |                    |          |
| 8311 | Actuarial (losses) gains on defined benefit plans   | 6(9)                   | \$ 31,564              | 1        | ( \$ 11,552)       | -        |
| 8349 | Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss | 6(20)                  | ( 6,313)               | -        | 2,310              | -        |
|      | <b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>                    |                        |                        |          |                    |          |
| 8361 | Financial statements translation differences of foreign operations  | 6(4)                   | 39,567                 | 1        | ( 290)             | -        |
| 8399 | Income tax related to components of other comprehensive (loss) income that will be reclassified to profit or loss     | 6(20)                  | ( 3,944)               | -        | 58                 | -        |
| 8300 | <b>Other comprehensive (loss) income for the year</b>   |                        | <u>\$ 60,874</u>       | <u>2</u> | <u>( \$ 9,474)</u> | <u>-</u> |
| 8500 | <b>Total comprehensive income for the year</b>  |                        | <u>\$ 148,302</u>      | <u>4</u> | <u>\$ 32,936</u>   | <u>1</u> |
|      | Earnings per share (in dollars)   | 6(21)                  |                        |          |                    |          |
| 9750 | Basic   |                        | <u>\$ 1.15</u>         |          | <u>\$ 0.56</u>     |          |
| 9850 | Diluted   |                        | <u>\$ 1.15</u>         |          | <u>\$ 0.56</u>     |          |

The accompanying notes are an integral part of these parent company only financial statements.

TA YIH INDUSTRIAL CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

|   | Notes | Capital surplus              |               |                            | Retained earnings |               |                 | Other equity interest            | Total       |  |
|---|-------|------------------------------|---------------|----------------------------|-------------------|---------------|-----------------|----------------------------------|-------------|--|
|   |       | Share capital - common stock | Share premium | Gain on disposal of assets | Donated assets    | Legal reserve | Special reserve | Unappropriated retained earnings |             | Financial statements translation differences of foreign operations |
| <u>For the year ended December 31, 2023</u>                     |       |                              |               |                            |                   |               |                 |                                  |             |  |
| Balance at January 1, 2023                                      |       | \$ 762,300                   | \$ 56,330     | \$ 4,142                   | \$ 551            | \$ 674,678    | \$ 68,264       | \$ 262,141                       | (\$ 34,898) | \$ 1,793,508   |
| Net income  |       | -                            | -             | -                          | -                 | -             | -               | 42,410                           | -           | 42,410   |
| Other comprehensive loss  |       | -                            | -             | -                          | -                 | -             | -               | (9,242)                          | (232)       | (9,474)  |
| Total comprehensive income (loss)                               |       | -                            | -             | -                          | -                 | -             | -               | 33,168                           | (232)       | 32,936   |
| Distribution of 2022 net income:                                |       |                              |               |                            |                   |               |                 |                                  |             |  |
| Legal reserve   |       | -                            | -             | -                          | -                 | 10,063        | -               | (10,063)                         | -           | -  |
| Cash dividends  | 6(12) | -                            | -             | -                          | -                 | -             | -               | (53,361)                         | -           | (53,361)   |
| Unclaimed cash dividends overdue transferred to capital surplus |       | -                            | -             | -                          | 122               | -             | -               | -                                | -           | 122  |
| Balance at December 31, 2023                                    |       | \$ 762,300                   | \$ 56,330     | \$ 4,142                   | \$ 673            | \$ 684,741    | \$ 68,264       | \$ 231,885                       | (\$ 35,130) | \$ 1,773,205   |
| <u>For the year ended December 31, 2024</u>                     |       |                              |               |                            |                   |               |                 |                                  |             |  |
| Balance at January 1, 2024                                      |       | \$ 762,300                   | \$ 56,330     | \$ 4,142                   | \$ 673            | \$ 684,741    | \$ 68,264       | \$ 231,885                       | (\$ 35,130) | \$ 1,773,205   |
| Net income  |       | -                            | -             | -                          | -                 | -             | -               | 87,428                           | -           | 87,428   |
| Other comprehensive income                                      |       | -                            | -             | -                          | -                 | -             | -               | 25,251                           | 35,623      | 60,874   |
| Total comprehensive income                                      |       | -                            | -             | -                          | -                 | -             | -               | 112,679                          | 35,623      | 148,302  |
| Distribution of 2023 net income:                                |       |                              |               |                            |                   |               |                 |                                  |             |  |
| Legal reserve   |       | -                            | -             | -                          | -                 | 3,317         | -               | (3,317)                          | -           | -  |
| Cash dividends  | 6(12) | -                            | -             | -                          | -                 | -             | -               | (53,361)                         | -           | (53,361)   |
| Unclaimed cash dividends overdue transferred to capital surplus |       | -                            | -             | -                          | 133               | -             | -               | -                                | -           | 133  |
| Balance at December 31, 2024                                    |       | \$ 762,300                   | \$ 56,330     | \$ 4,142                   | \$ 806            | \$ 688,058    | \$ 68,264       | \$ 287,886                       | \$ 493      | \$ 1,868,279   |

The accompanying notes are an integral part of these parent company only financial statements.

TA YIH INDUSTRIAL CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

|  | Notes       | Year ended December 31 |             |
|--|-------------|------------------------|-------------|
|  |             | 2024                   | 2023        |
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>   |             |                        |             |
| Profit before tax  |             | \$ 82,900              | \$ 78,756   |
| Adjustments  |             |                        |             |
| Adjustments to reconcile profit (loss)   |             |                        |             |
| Expected credit gains  | 12          | ( 3,445 )              | ( 2,171 )   |
| Provision for inventory market price decline   | 6(3)        | 26,612                 | 2,476       |
| Share of profit of subsidiaries, associates and joint ventures accounted for using equity method (including (realized) unrealized gain on sales) | 6(4)        | ( 25 )                 | 176,350     |
| Loss on disposal of investments accounted for using equity method  | 6(4)(16)    | 12,099                 | -           |
| Depreciation   | 6(5)(6)(18) | 129,428                | 146,431     |
| Loss on disposal of property, plant and equipment  | 6(16)       | 3,536                  | 404         |
| Loss (gain) from lease modification  | 6(6)(16)    | 424                    | ( 23 )      |
| Amortization   | 6(18)       | 3,890                  | 6,390       |
| Interest income  | 6(14)       | ( 5,250 )              | ( 5,079 )   |
| Finance costs  | 6(17)       | 4,225                  | 5,997       |
| Net (gain) loss on foreign currency exchange   |             | ( 8,936 )              | 15,250      |
| Changes in operating assets and liabilities  |             |                        |             |
| Changes in operating assets  |             |                        |             |
| Notes receivable   |             | 9,087                  | ( 8,662 )   |
| Accounts receivable  |             | 87,597                 | ( 9,504 )   |
| Accounts receivable - related parties  |             | 87,509                 | 45,348      |
| Other receivables  |             | 4,553                  | ( 21,331 )  |
| Other receivables - related parties  |             | 3,115                  | 6,273       |
| Inventories  |             | 216,419                | ( 172,205 ) |
| Prepayments  |             | ( 24,896 )             | 78,957      |
| Other current assets, others   |             | 21,986                 | ( 9,804 )   |
| Changes in operating liabilities   |             |                        |             |
| Contract liabilities - current   |             | 49,331                 | ( 88,748 )  |
| Notes payable  |             | ( 53,845 )             | 14,341      |
| Accounts payable   |             | ( 295,953 )            | 155,628     |
| Accounts payable - related parties   |             | ( 26,629 )             | ( 10,521 )  |
| Other payables   |             | ( 5,761 )              | 14,732      |
| Other payables - related parties   |             | ( 18,419 )             | 679         |
| Other current liabilities, others  |             | ( 22,218 )             | 31,777      |
| Net defined benefit liabilities - non-current  |             | ( 909 )                | ( 2,455 )   |
| Other non-current liabilities  |             | 11                     | ( 30 )      |
| Cash inflow generated from operations  |             | 276,436                | 449,256     |
| Interest received  |             | 5,250                  | 5,079       |
| Interest paid  |             | ( 4,132 )              | ( 5,965 )   |
| Income tax paid  |             | ( 67,867 )             | ( 8,348 )   |
| Net cash flows from operating activities   |             | 209,687                | 440,022     |

(Continued)

TA YIH INDUSTRIAL CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

|   | Notes | Year ended December 31 |             |
|---|-------|------------------------|-------------|
|   |       | 2024                   | 2023        |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>                             |       |                        |             |
| Decrease in financial assets at amortized cost - current                |       | \$ -                   | \$ 5,600    |
| Acquisition of investments accounted for using equity method            | 6(4)  | -                      | ( 9,335 )   |
| Proceeds from disposal of investments accounted for using equity method | 6(4)  | 26,952                 | -           |
| Cash paid for acquisition of property, plant and equipment              | 6(22) | ( 107,586 )            | ( 44,014 )  |
| Proceeds from disposal of property, plant and equipment                 |       | 6,476                  | -           |
| Acquisition of intangible assets  |       | ( 386 )                | ( 2,904 )   |
| Increase in guarantee deposits paid                                     |       | ( 1,041 )              | ( 217 )     |
| Increase in other non-current assets, others                            |       | ( 7,034 )              | -           |
| Net cash flows used in investing activities                             |       | ( 82,619 )             | ( 50,870 )  |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>                             |       |                        |             |
| Decrease in short-term borrowings                                       | 6(23) | ( 160,000 )            | ( 90,000 )  |
| Payments of lease liabilities   | 6(23) | ( 12,043 )             | ( 17,200 )  |
| Payment of cash dividends   | 6(12) | ( 53,361 )             | ( 53,361 )  |
| Unclaimed cash dividends overdue transferred to capital surplus         |       | 133                    | 122         |
| Net cash flows used in financing activities                             |       | ( 225,271 )            | ( 160,439 ) |
| Net (decrease) increase in cash and cash equivalents                    |       | ( 98,203 )             | 228,713     |
| Cash and cash equivalents at beginning of year                          | 6(1)  | 382,731                | 154,018     |
| Cash and cash equivalents at end of year                                | 6(1)  | \$ 284,528             | \$ 382,731  |

The accompanying notes are an integral part of these parent company only financial statements.

TA YIH INDUSTRIAL CO., LTD.  
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

(1)TA YIH Industrial Co., Ltd. (the “Company”) was incorporated in 1964. It was formerly known as Ta Yih Industrial Corp. and changed to its present name in 1976. The Company mainly sells, manufactures and processes automobile parts, motorcycle parts, railway vehicle parts, transportation machineries, industrial plastic parts, as well as invests in related industries.

(2)The Company’s shares have been trading on the Taiwan Stock Exchange since October 1997.

2. The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

These parent company only financial statements were authorized for issuance by the Board of Directors on March 6, 2025.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS<sup>®</sup>”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

| New Standards, Interpretations and Amendments                                  | Effective date by<br>International Accounting<br>Standards Board(“IASB”) |
|--|--|
| Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’               | January 1, 2024  |
| Amendments to IAS 1, ‘Classification of liabilities as current or non-current’ | January 1, 2024  |
| Amendments to IAS 1, ‘Non-current liabilities with covenants’                  | January 1, 2024  |
| Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’                | January 1, 2024  |

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

| New Standards, Interpretations and Amendments   | Effective date by<br>IASB |
|---|---------------------------|
| Amendments to IAS 21, ‘Lack of exchangeability’ | January 1, 2025           |

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs Accounting Standards as endorsed by the FSC are as follows:

| <u>New Standards, Interpretations and Amendments</u>  | <u>Effective date by IASB</u> |
|---|-------------------------------|
| Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification  | January 1, 2026               |
| Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’                                     | January 1, 2026               |
| Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’ | To be determined by IASB      |
| IFRS 17, ‘Insurance contracts’  | January 1, 2023               |
| Amendments to IFRS 17, ‘Insurance contracts’  | January 1, 2023               |
| Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’                               | January 1, 2023               |
| IFRS 18, ‘Presentation and disclosure in financial statements’  | January 1, 2027               |
| IFRS 19, ‘Subsidiaries without public accountability: disclosures’  | January 1, 2027               |
| Annual Improvements to IFRS Accounting Standards—Volume 11  | January 1, 2026               |

Except for the following, the above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

IFRS 18, ‘Presentation and disclosure in financial statements’

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Except for the defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation, the parent company only financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC<sup>®</sup> Interpretations, and SIC<sup>®</sup> Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its

judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5, 'Critical accounting judgements, estimates and key sources of assumption uncertainty'.

(3) Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional and the Company's presentation currency.

- A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- D. All foreign exchange gains and losses are presented in the statement of comprehensive income within "Other gains and losses".

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
  - (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;
  - (c) Assets that are expected to be realized within twelve months from the balance sheet date;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
  - (a) Liabilities that are expected to be settled within the normal operating cycle;

- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(7) Impairment of financial assets

For financial assets at amortized cost at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(8) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(9) Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. Inventories are recorded at the standard cost on the balance sheet date. The difference between actual costs and normal standard costs is allocated in proportion to inventory and operational costs on financial year-end, in order to approach the amount of weighted-average cost. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses. When the cost of inventories exceeds net realizable value, the amount of any write-down of inventories is recognized as cost of sales during the period; and the amount of any reversal of inventory write-down is recognized as a reduction in

cost of sales during the period.

(10) Investments accounted for using equity method / subsidiaries and associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealized gains or losses resulting from inter-company transactions with subsidiaries are eliminated. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. After acquisition of subsidiaries, the Company recognizes proportionately the share of profit and loss and other comprehensive income in the income statement as part of the Company's profit and loss and other comprehensive income, respectively. When the share of loss in a subsidiary equals or exceeds the carrying amount of Company's interest in that subsidiary, the Company continues to recognize its share in the subsidiary's loss proportionately.
- D. As long as the change in shareholding in the subsidiaries does not lead to loss of control (transactions with non-controlling interest), it is to be treated as equity, which are transactions between the owners. The difference between non-controlling equity adjustment amount and the fair value of payment and receipt is to be recognized as equity.
- E. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- F. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- G. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- H. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- I. When the Company disposes its investment in an associate and loses significant influence over

this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

- J. According to Regulations Governing the Preparation of Financial Statements by Securities Issuers, “Profit for the year” and “Total other comprehensive income for the year” reported in the parent company only statement of comprehensive income, shall equal to “Profit for the year” and “Total other comprehensive income” attributable to owners of the parent reported in that entity's consolidated statement of comprehensive income. Total equity reported in the parent company only financial statements shall equal to equity attributable to owners of parent reported in the consolidated financial statements.

(11) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets’ residual values and useful lives differ from previous estimates or the patterns of consumption of the assets’ future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, ‘Accounting Policies, Changes in Accounting Estimates and Errors’, from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

| <u>Asset</u>                | <u>Useful lives</u> |    |          |
|-----------------------------|---------------------|----|----------|
| Buildings                   |                     |    |          |
| Main buildings              | 40                  | to | 60 years |
| Factory and other buildings | 5                   | to | 40 years |
| Machinery equipment         | 3                   | to | 10 years |
| Molding equipment           | 2                   | to | 3 years  |
| Transportation equipment    |                     |    | 5 years  |
| Other equipment             | 3                   | to | 7 years  |

(12) Leasing arrangements (lessee) - right-of-use assets/ lease liabilities

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liabilities; and
  - (b) Any lease payments made at or before the commencement date.
- The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.
- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease and recognize the difference in profit or loss.

(13) Intangible assets

A. Computer software

Stated at cost and amortized on a straight-line basis over its estimated useful life of 3 years.

B. Patents

Stated at cost and amortized on a straight-line basis over its estimated useful life of 5 years.

(14) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(15) Borrowings

Borrowings comprise short-term bank borrowings. Borrowings are recognized initially at fair value,

net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the lifetime using the effective interest method.

(16) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(17) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(18) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognized immediately in profit or loss.

C. Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(19) Income taxes

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.
- D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same

taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

- F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(20) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(21) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(22) Revenue recognition

Sales of goods

A. The Company primarily manufactures and sells car lamps and molds related products. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.

B. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(23) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes expenses for the related costs for which the grants are intended to compensate.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates

concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

A. As inventories are stated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

B. As of December 31, 2024, the carrying amount of inventories was \$819,437.

6. Details of Significant Accounts

(1) Cash and cash equivalents

|                                       | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---------------------------------------|--------------------------|--------------------------|
| Cash:                                 |                          |                          |
| Cash on hand and revolving funds      | \$ 781                   | \$ 750                   |
| Checking accounts and demand deposits | <u>250,962</u>           | <u>320,571</u>           |
|                                       | <u>251,743</u>           | <u>321,321</u>           |
| Cash equivalents:                     |                          |                          |
| Time deposits                         | <u>32,785</u>            | <u>61,410</u>            |
|                                       | <u>\$ 284,528</u>        | <u>\$ 382,731</u>        |

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company has no cash and cash equivalents pledged to others as of December 31, 2024 and 2023.

(2) Notes and accounts receivable, net

|  | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--|--------------------------|--------------------------|
| Notes receivable                           | \$ 10                    | \$ 9,097                 |
| Less: Allowance for uncollectible accounts | <u>-</u>                 | <u>( 11)</u>             |
|  | <u>\$ 10</u>             | <u>\$ 9,086</u>          |
| Accounts receivable                        | \$ 609,586               | \$ 687,919               |
| Less: Allowance for uncollectible accounts | <u>( 1,914)</u>          | <u>( 5,247)</u>          |
|  | <u>\$ 607,672</u>        | <u>\$ 682,672</u>        |
| Accounts receivable - related parties      | \$ 9,430                 | \$ 97,054                |
| Less: Allowance for uncollectible accounts | <u>( 1)</u>              | <u>( 102)</u>            |
|  | <u>\$ 9,429</u>          | <u>\$ 96,952</u>         |

A. The aging analysis of notes and accounts receivable (including related parties) is as follows:

|   | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---|--------------------------|--------------------------|
| Notes receivable                                |                          |                          |
| Not past due                                    | <u>\$ 10</u>             | <u>\$ 9,097</u>          |
| Accounts receivable (including related parties) |                          |                          |
| Not past due                                    | \$ 606,132               | \$ 772,485               |
| Within 90 days                                  | 11,924                   | 5,945                    |
| 91 to 180 days                                  | -                        | 5,136                    |
| 181 to 270 days                                 | 6                        | 1,200                    |
| Over 271 days                                   | <u>954</u>               | <u>207</u>               |
|   | <u>\$ 619,016</u>        | <u>\$ 784,973</u>        |

The above aging analysis was based on past due date.

- B. As of December 31, 2024 and 2023, notes and accounts receivable were all from contracts with customers. As of January 1, 2023, the balance of receivables from contracts with customers amounted to \$839,811.
- C. As of December 31, 2024 and 2023, without considering any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the notes and accounts receivable was its carrying amount.
- D. The Company has no notes and accounts receivable pledged to others as of December 31, 2024 and 2023.
- E. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2), 'Financial Instruments'.

(3) Inventories

|                  | December 31, 2024 |                                 |                   |
|------------------|-------------------|---------------------------------|-------------------|
|                  | Cost              | Allowance for<br>valuation loss | Book value        |
| Merchandise      | \$ 17,066         | \$ -                            | \$ 17,066         |
| Raw materials    | 327,599           | ( 36,077)                       | 291,522           |
| Work in progress | 92,764            | -                               | 92,764            |
| Finished goods   | 423,943           | ( 5,858)                        | 418,085           |
|                  | <u>\$ 861,372</u> | <u>(\$ 41,935)</u>              | <u>\$ 819,437</u> |

  

|                  | December 31, 2023   |                                 |                     |
|------------------|---------------------|---------------------------------|---------------------|
|                  | Cost                | Allowance for<br>valuation loss | Book value          |
| Merchandise      | \$ 47,966           | \$ -                            | \$ 47,966           |
| Raw materials    | 374,858             | ( 9,476)                        | 365,382             |
| Work in progress | 68,274              | -                               | 68,274              |
| Finished goods   | 608,877             | ( 5,847)                        | 603,030             |
|                  | <u>\$ 1,099,975</u> | <u>(\$ 15,323)</u>              | <u>\$ 1,084,652</u> |

The cost of inventories recognized as expense for the year:

|  | For the years ended December 31, |                     |
|--|----------------------------------|---------------------|
|  | 2024                             | 2023                |
| Cost of goods sold                           | \$ 3,131,802                     | \$ 4,091,143        |
| Provision for inventory market price decline | 26,612                           | 2,476               |
| Loss on scrapped inventories                 | 28,692                           | 13,139              |
| Income from sale of scraps                   | ( 3,784)                         | ( 2,860)            |
|  | <u>\$ 3,183,322</u>              | <u>\$ 4,103,898</u> |

(4) Investments accounted for using equity method

A. Movements of investments accounted for under equity method are as follows:

|  | <u>2024</u>     | <u>2023</u>     |
|--|-----------------|-----------------|
| January 1  | \$ 7,618        | \$ 174,923      |
| Addition of investments accounted for under equity method (Note)                   | -               | 9,335           |
| Unrealized gain on sales   | -               | ( 730)          |
| Realized gain on sales   | 730             | 1,047           |
| Share of profit or loss of investments accounted for using equity method           | ( 705)          | ( 176,667)      |
| Other equity - Exchange differences on translation of foreign financial statements | <u>516</u>      | <u>( 290)</u>   |
| December 31  | <u>\$ 8,159</u> | <u>\$ 7,618</u> |

(Note) The subsidiary, Ta Yih International Investment Co., Ltd. (BVI) had completed the process of capital increase in November 2023.

B. Details of investments accounted for under equity method are as follows:

|  | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--|--------------------------|--------------------------|
| Subsidiary:  |                          |                          |
| Ta Yih International Investment Co., Ltd. (BVI)      | <u>\$ 8,159</u>          | <u>\$ 7,618</u>          |
| Associates:  |                          |                          |
| Fuzhou Koito Ta Yih Automotive Lamp Co., Ltd. (Note) | <u>\$ -</u>              | <u>\$ -</u>              |

(Note) The Company entered into a stock transfer agreement on July 29, 2024 with a related party, Koito Manufacturing Co., Ltd., to sell all the equity of Fuzhou Koito Ta Yih Automotive Lamp Co., Ltd. for JPY 120,000 thousand in cash (NTD 26,952). This equity transfer transaction has been completed, and the financial statements translation differences of foreign operations amounting to \$39,051 has been reversed. Additionally, an investment loss under the equity method totaling \$12,099 has been recognized (listed under “Other Gains and Losses”).

C. For information regarding the subsidiary of the Company, please refer to Note 4(3), “Basis of consolidation” of the Company’s 2024 Annual Consolidated Financial Statements.

D. The Company has no investments accounted for using equity method pledged to others as of December 31, 2024 and 2023.

(5) Property, plant and equipment

|   | <u>Land</u>       | <u>Buildings</u> | <u>Machinery</u>  | <u>Molding<br/>equipment</u> | <u>Transportation<br/>equipment</u> | <u>Other<br/>equipment</u> | <u>Total</u>      |
|---|-------------------|------------------|-------------------|------------------------------|-------------------------------------|----------------------------|-------------------|
| <u>January 1, 2024</u>                      |                   |                  |                   |                              |                                     |                            |                   |
| Cost  | \$ 601,050        | \$ 270,754       | \$ 1,067,497      | \$ 263,648                   | \$ 18,489                           | \$ 365,962                 | \$ 2,587,400      |
| Accumulated depreciation                    | -                 | ( 245,473)       | ( 890,545)        | ( 215,596)                   | ( 17,797)                           | ( 305,269)                 | ( 1,674,680)      |
|   | <u>\$ 601,050</u> | <u>\$ 25,281</u> | <u>\$ 176,952</u> | <u>\$ 48,052</u>             | <u>\$ 692</u>                       | <u>\$ 60,693</u>           | <u>\$ 912,720</u> |
| <u>For the year ended December 31, 2024</u> |                   |                  |                   |                              |                                     |                            |                   |
| January 1                                   | \$ 601,050        | \$ 25,281        | \$ 176,952        | \$ 48,052                    | \$ 692                              | \$ 60,693                  | \$ 912,720        |
| Additions                                   | -                 | 6,491            | 23,034            | -                            | 9,874                               | 46,834                     | 86,233            |
| Transferred from inventories                | -                 | -                | 13,738            | 763                          | -                                   | 7,683                      | 22,184            |
| Depreciation                                | -                 | ( 4,942)         | ( 47,943)         | ( 33,389)                    | ( 458)                              | ( 30,579)                  | ( 117,311)        |
| Disposals - cost                            | -                 | ( 69,901)        | ( 86,152)         | ( 181,991)                   | ( 23,329)                           | ( 92,246)                  | ( 453,619)        |
| - accumulated depreciation                  | -                 | 69,874           | 86,077            | 181,991                      | 13,451                              | 92,214                     | 443,607           |
| December 31                                 | <u>\$ 601,050</u> | <u>\$ 26,803</u> | <u>\$ 165,706</u> | <u>\$ 15,426</u>             | <u>\$ 230</u>                       | <u>\$ 84,599</u>           | <u>\$ 893,814</u> |
| <u>December 31, 2024</u>                    |                   |                  |                   |                              |                                     |                            |                   |
| Cost  | \$ 601,050        | \$ 207,344       | \$ 1,018,117      | \$ 82,420                    | \$ 5,034                            | \$ 328,233                 | \$ 2,242,198      |
| Accumulated depreciation                    | -                 | ( 180,541)       | ( 852,411)        | ( 66,994)                    | ( 4,804)                            | ( 243,634)                 | ( 1,348,384)      |
|   | <u>\$ 601,050</u> | <u>\$ 26,803</u> | <u>\$ 165,706</u> | <u>\$ 15,426</u>             | <u>\$ 230</u>                       | <u>\$ 84,599</u>           | <u>\$ 893,814</u> |

|   | <u>Land</u>       | <u>Buildings</u> | <u>Machinery</u>  | <u>Molding equipment</u> | <u>Transportation equipment</u> | <u>Other equipment</u> | <u>Total</u>      |
|---|-------------------|------------------|-------------------|--------------------------|---------------------------------|------------------------|-------------------|
| <u>January 1, 2023</u>                      |                   |                  |                   |                          |                                 |                        |                   |
| Cost  | \$ 601,050        | \$ 264,360       | \$ 1,138,863      | \$ 245,186               | \$ 18,013                       | \$ 341,493             | \$ 2,608,965      |
| Accumulated depreciation                    | -                 | ( 237,894)       | ( 935,979)        | ( 169,426)               | ( 16,793)                       | ( 282,230)             | ( 1,642,322)      |
|   | <u>\$ 601,050</u> | <u>\$ 26,466</u> | <u>\$ 202,884</u> | <u>\$ 75,760</u>         | <u>\$ 1,220</u>                 | <u>\$ 59,263</u>       | <u>\$ 966,643</u> |
| <u>For the year ended December 31, 2023</u> |                   |                  |                   |                          |                                 |                        |                   |
| January 1                                   | \$ 601,050        | \$ 26,466        | \$ 202,884        | \$ 75,760                | \$ 1,220                        | \$ 59,263              | \$ 966,643        |
| Additions                                   | -                 | 6,394            | 10,332            | -                        | 476                             | 24,324                 | 41,526            |
| Transferred from inventories                | -                 | -                | 15,391            | 18,462                   | -                               | 4,008                  | 37,861            |
| Depreciation                                | -                 | ( 7,579)         | ( 51,256)         | ( 46,170)                | ( 1,004)                        | ( 26,897)              | ( 132,906)        |
| Disposals - cost                            | -                 | -                | ( 97,089)         | -                        | -                               | ( 3,863)               | ( 100,952)        |
| - accumulated depreciation                  | -                 | -                | 96,690            | -                        | -                               | 3,858                  | 100,548           |
| December 31                                 | <u>\$ 601,050</u> | <u>\$ 25,281</u> | <u>\$ 176,952</u> | <u>\$ 48,052</u>         | <u>\$ 692</u>                   | <u>\$ 60,693</u>       | <u>\$ 912,720</u> |
| <u>December 31, 2023</u>                    |                   |                  |                   |                          |                                 |                        |                   |
| Cost  | \$ 601,050        | \$ 270,754       | \$ 1,067,497      | \$ 263,648               | \$ 18,489                       | \$ 365,962             | \$ 2,587,400      |
| Accumulated depreciation                    | -                 | ( 245,473)       | ( 890,545)        | ( 215,596)               | ( 17,797)                       | ( 305,269)             | ( 1,674,680)      |
|   | <u>\$ 601,050</u> | <u>\$ 25,281</u> | <u>\$ 176,952</u> | <u>\$ 48,052</u>         | <u>\$ 692</u>                   | <u>\$ 60,693</u>       | <u>\$ 912,720</u> |

A. As of December 31, 2024 and 2023, the Company's property, plant and equipment are all for its own use.

B. There was no capitalization of borrowing costs for the years ended December 31, 2024 and 2023.

C. As of December 31, 2024 and 2023, the Company has no property, plant and equipment pledged to others.

(6) Leasing arrangements - lessee

- A. The Group leases various assets including buildings, office equipment, and business vehicle. Rental contracts are typically made for periods of 2 to 5 years. Certain lease contracts of office equipment and business vehicles do not give priority rights to renew the lease or purchase the properties. The Company does not have bargain purchase options to acquire the leasehold buildings at the end of the lease contracts of buildings. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.
- B. Short-term leases with a lease term of 12 months or less comprise underlying assets such as air compressors, forklift trucks, offices and warehouse, etc. Low-value assets comprise office equipment such as printers, etc.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

|                          | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--------------------------|--------------------------|--------------------------|
|                          | <u>Carrying amount</u>   | <u>Carrying amount</u>   |
| Buildings                | \$ 20,447                | \$ 29,158                |
| Office equipment         | 2,299                    | 2,830                    |
| Transportation equipment | 6,005                    | 13,320                   |
|                          | <u>\$ 28,751</u>         | <u>\$ 45,308</u>         |

  

|                          | <u>For the years ended December 31,</u> |                     |
|--------------------------|---|---------------------|
|                          | <u>2024</u>                             | <u>2023</u>         |
|                          | <u>Depreciation</u>                     | <u>Depreciation</u> |
| Buildings                | \$ 8,711                                | \$ 8,288            |
| Office equipment         | 531                                     | 529                 |
| Transportation equipment | 2,875                                   | 4,708               |
|                          | <u>\$ 12,117</u>                        | <u>\$ 13,525</u>    |

- D. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were \$5,771 and \$21,054, respectively.
- E. The information on profit or loss relating to lease contracts is as follows:

|                                       | <u>For the years ended December 31,</u> |             |
|---------------------------------------|---|-------------|
|                                       | <u>2024</u>                             | <u>2023</u> |
| <u>Items affecting profit or loss</u> |   |             |
| Interest expense on lease liabilities | \$ 480                                  | \$ 606      |
| Expense on short-term lease contracts | 3,620                                   | 978         |
| Expense on leases of low-value assets | 178                                     | 87          |
| Loss (gain) on lease modification     | 424                                     | ( 23)       |

- F. For the years ended December 31, 2024 and 2023, the Company's total cash outflow for leases were \$16,321 and \$18,871, respectively.

(7) Short-term borrowings

| <u>Type of borrowings</u> | <u>December 31, 2024</u> | <u>Interest rate range</u> | <u>Collateral</u> |
|---------------------------|--------------------------|----------------------------|-------------------|
| Unsecured bank borrowings | <u>\$ 50,000</u>         | 1.825%                     | None              |

  

| <u>Type of borrowings</u> | <u>December 31, 2023</u> | <u>Interest rate range</u> | <u>Collateral</u> |
|---------------------------|--------------------------|----------------------------|-------------------|
| Unsecured bank borrowings | <u>\$ 210,000</u>        | 1.70%                      | None              |

For more information about interest expense recognized in profit or loss by the Company for the years ended December 31, 2024 and 2023, please refer to Note 6(17), 'Finance costs'.

(8) Other payables

|                                   | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|-----------------------------------|--------------------------|--------------------------|
| Wages, salaries and bonus payable | \$ 118,847               | \$ 146,926               |
| Utilities expenses payable        | 4,962                    | 5,939                    |
| Molding equipment payables        | 6,212                    | 12,900                   |
| Others                            | 48,415                   | 21,998                   |
|                                   | <u>\$ 178,436</u>        | <u>\$ 187,763</u>        |

(9) Pensions

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company has established the pension fund monitoring committee in accordance with the Labor Standards Act and the manager pension fund managing committee in accordance with the Income Tax Act since August, 1987 and July, 1999. The Company contributes amounts equal to 11% and 8% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee and a manager pension fund administered by the manager pension fund managing committee. Pension contributions are deposited respectively in the Bank of Taiwan and Taiwan Business Bank in the committee's name. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

Information about the abovementioned pension plan is disclosed as follows:

(a) The amounts recognized in the balance sheet are as follows:

|  | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--|--------------------------|--------------------------|
| Present value of defined benefit obligations | (\$ 190,744)             | (\$ 236,141)             |
| Fair value of plan assets                    | <u>164,323</u>           | <u>177,247</u>           |
| Net defined benefit liabilities              | <u>(\$ 26,421)</u>       | <u>(\$ 58,894)</u>       |

(b) Movements in net defined benefit liabilities are as follows:

|  | <u>For the year ended December 31, 2024</u>                 |                                      |  |
|--|---|--------------------------------------|--|
|  | <u>Present value of<br/>defined benefit<br/>obligations</u> | <u>Fair value of<br/>plan assets</u> | <u>Net defined<br/>benefit liabilities</u> |
| January 1  | (\$ 236,141)  | \$ 177,247                           | (\$ 58,894)                                |
| Current service cost   | ( 1,185)  | -                                    | ( 1,185)                                   |
| Interest (expense) income  | ( 2,952)  | <u>2,246</u>                         | ( 706)                                     |
|  | <u>( 240,278)</u>   | <u>179,493</u>                       | <u>( 60,785)</u>                           |
| Remeasurements:  |   |                                      |  |
| Return on plan assets<br>(excluding amounts included in<br>interest income or expense) | -   | 16,487                               | 16,487                                     |
| Change in financial assumptions  | 4,268   | -                                    | 4,268                                      |
| Experience adjustments   | <u>10,809</u>   | -                                    | <u>10,809</u>                              |
|  | <u>15,077</u>   | <u>16,487</u>                        | <u>31,564</u>                              |
| Pension fund contribution  | -   | 2,800                                | 2,800                                      |
| Paid pensions  | <u>34,457</u>   | ( 34,457)                            | -  |
| December 31  | <u>(\$ 190,744)</u>   | <u>\$ 164,323</u>                    | <u>(\$ 26,421)</u>                         |

|  | For the year ended December 31, 2023               |                              |                                    |
|--|--|------------------------------|------------------------------------|
|  | Present value of<br>defined benefit<br>obligations | Fair value of<br>plan assets | Net defined<br>benefit liabilities |
| January 1  | (\$ 259,563)                                       | \$ 209,766                   | (\$ 49,797)                        |
| Current service cost   | ( 1,694)   | -                            | ( 1,694)                           |
| Interest (expense) income  | ( 3,569)   | 2,918                        | ( 651)                             |
|  | <u>( 264,826)</u>                                  | <u>212,684</u>               | <u>( 52,142)</u>                   |
| Remeasurements:  |  |                              |                                    |
| Return on plan assets<br>(excluding amounts included in<br>interest income or expense) | -  | 1,285                        | 1,285                              |
| Change in financial assumptions  | ( 2,795)   | -                            | ( 2,795)                           |
| Experience adjustments   | ( 10,042)  | -                            | ( 10,042)                          |
|  | <u>( 12,837)</u>                                   | <u>1,285</u>                 | <u>( 11,552)</u>                   |
| Pension fund contribution  | -  | 4,800                        | 4,800                              |
| Paid pensions  | 41,522   | ( 41,522)                    | -                                  |
| December 31  | <u>(\$ 236,141)</u>                                | <u>\$ 177,247</u>            | <u>(\$ 58,894)</u>                 |

- (c) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(d) The principal actuarial assumptions used were as follows:

|                             | For the years ended December 31, |       |
|-----------------------------|----------------------------------|-------|
|                             | 2024                             | 2023  |
| Discount rate               | 1.50%                            | 1.25% |
| Future salary increase rate | 2.50%                            | 2.50% |

Future mortality rate was estimated based on the 6<sup>th</sup> Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2024 and 2023.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

|   | Discount rate  |                | Future salary increase rate |                |
|---|----------------|----------------|-----------------------------|----------------|
|   | Increase 0.25% | Decrease 0.25% | Increase 0.25%              | Decrease 0.25% |
| <u>December 31, 2024</u>                              |                |                |                             |                |
| Effect on present value of defined benefit obligation | (\$ 4,132)     | \$ 4,269       | \$ 4,154                    | (\$ 4,041)     |
| <u>December 31, 2023</u>                              |                |                |                             |                |
| Effect on present value of defined benefit obligation | (\$ 5,543)     | \$ 5,738       | \$ 5,571                    | (\$ 5,411)     |

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(e) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2025 amount to \$2,460.

(f) As of December 31, 2024, the weighted average duration of the retirement plan is 8.8 years.

The analysis of timing of the future pension payment was as follows:

|                          |                   |
|--------------------------|-------------------|
| Within next 1 year       | \$ 5,624          |
| Within next 2 to 5 years | 61,190            |
| Over next 6 years        | 45,800            |
|                          | <u>\$ 112,614</u> |

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the Company’s defined contribution pension plan for the years ended December 31, 2024 and 2023 were \$22,694 and \$23,029, respectively.

(10) Share capital

A. Movements in the number of the Company’s ordinary shares outstanding are as follows (Unit: in thousand shares):

|   | For the years ended December 31, |        |
|---|----------------------------------|--------|
|   | 2024                             | 2023   |
| Balance as of January 1 and December 31 | 76,230                           | 76,230 |

B. As of December 31, 2024, the Company’s total authorized capital were \$800,000 and the paid-in capital were \$762,300, consisting of 76,230 thousand shares of ordinary stock, with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

(11) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(12) Retained earnings

A. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company’s paid-in capital.

B. According to the Company’s revised Articles of Incorporation passed by the shareholders' meeting on June 11, 2024, considering future capital needs and long-term financial planning, the company will set aside 10% as a legal reserve after paying taxes and covering accumulated losses in accordance with the law. However, when the legal reserve has reached the amount of paid-in capital, a special reserve shall be set aside for the amount of reductions in shareholders' equity occurred in that year. ; The remainder with any undistributed retained earnings shall be distributed by the Company’s Board of Directors as the basis for proposing a distribution plan, which should be resolved in the shareholders’ meeting for the distribution of dividends and bonuses to

shareholders. The shareholders' dividends shall not be lower than 50% of distributed retained earnings, and the cash dividends shall not be lower than 50% of the total shareholders' dividends

The company authorizes the board of directors, with more than two-thirds of the directors present and a resolution approved by more than half of the directors present, to distribute all or part of the dividends and bonuses, capital reserves or legal reserves in cash, and report it to the shareholders' meeting. The provisions of the preceding paragraph that must be resolved by the shareholders' meeting do not apply.

C. Under the Company's Articles of Incorporation before the amendment, with consideration of the future needs for funds and long-term financial plan, the current year's earnings, if any, shall be first utilized for paying taxes, offsetting losses of previous years, setting aside 10% of the remaining profit as legal reserve, setting aside or reversing special reserve in accordance with the Act. The remainder with any undistributed retained earnings shall be distributed by the Company's Board of Directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. The shareholders' dividends shall not be lower than 50% of distributed retained earnings, and the cash dividends shall not be lower than 50% of the total shareholders' dividends.

D. Special reserve

(a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings

(b) The amount of \$23,122 previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

E. The Company recognized cash dividends distributed to owners both amounting to \$53,361 (\$0.7 (in dollars) per share) for the years ended December 31, 2024 and 2023. On March 6, 2025, the Board of Directors resolved to distribute cash dividends from 2024 earnings in the amount of \$76,230 (\$1(in dollars) per share).

(13) Operating revenue

A. The Company derives revenue from the transfer of goods sold of revenue-related contract at a point in time in the following major product categories:

|           | For the years ended December 31, |                     |
|-----------|----------------------------------|---------------------|
|           | 2024                             | 2023                |
| Car lamps | \$ 3,256,060                     | \$ 4,089,309        |
| Molds     | 132,456                          | 321,864             |
| Others    | 307,704                          | 405,831             |
|           | <u>\$ 3,696,220</u>              | <u>\$ 4,817,004</u> |

B. Contract liabilities

As of December 31, 2024, December 31, 2023 and January 1, 2023, the Company recognized contract liabilities amounting to \$74,578, \$25,247 and \$113,995, respectively. Revenue recognized for the years ended December 31, 2024 and 2023 that was included in the contract liability balance at the beginning of the year amounted to \$8,417 and \$103,248, respectively.

(14) Interest income

|  | For the years ended December 31, |                 |
|--|----------------------------------|-----------------|
|  | 2024                             | 2023            |
| Interest income from bank deposits                         | \$ 5,250                         | \$ 5,067        |
| Interest income from financial assets<br>at amortized cost | -                                | 12              |
|  | <u>\$ 5,250</u>                  | <u>\$ 5,079</u> |

(15) Other income

|  | For the years ended December 31, |                  |
|--|----------------------------------|------------------|
|  | 2024                             | 2023             |
| Royalty revenue  | \$ 747                           | \$ 14,899        |
| Government grants income   | 654                              | 15,978           |
| Accounts payable recognized as income due to<br>expiration of claim rights | 8,959                            | -                |
| Other income   | 8,541                            | 10,159           |
|  | <u>\$ 18,901</u>                 | <u>\$ 41,036</u> |

(16) Other gains and losses

|   | For the years ended December 31, |                  |
|---|----------------------------------|------------------|
|   | 2024                             | 2023             |
| Net currency exchange gain  | \$ 37,513                        | \$ 20,118        |
| Loss on disposal of investments accounted for using equity method | ( 12,099)                        | -                |
| Loss on disposal of property, plant and equipment                 | ( 3,536)                         | ( 404)           |
| (Loss) gain from lease modification                               | ( 424)                           | 23               |
| Royalty expense   | ( 342)                           | ( 4,567)         |
| Other losses  | ( 117)                           | ( 850)           |
|   | <u>\$ 20,995</u>                 | <u>\$ 14,320</u> |

(17) Finance costs

|                                       | For the years ended December 31, |                 |
|---------------------------------------|----------------------------------|-----------------|
|                                       | 2024                             | 2023            |
| Interest expense:                     |                                  |                 |
| Bank borrowings                       | \$ 3,745                         | \$ 5,382        |
| Interest expense on lease liabilities | 480                              | 606             |
| Others                                | -                                | 9               |
|                                       | <u>\$ 4,225</u>                  | <u>\$ 5,997</u> |

(18) Expenses by nature

|                          | For the year ended December 31, 2024 |                    |                   |
|--------------------------|--------------------------------------|--------------------|-------------------|
|                          | Operating costs                      | Operating expenses | Total             |
| Employee benefit expense | <u>\$ 378,871</u>                    | <u>\$ 206,726</u>  | <u>\$ 585,597</u> |
| Depreciation             | <u>\$ 112,103</u>                    | <u>\$ 17,325</u>   | <u>\$ 129,428</u> |
| Amortization             | <u>\$ 522</u>                        | <u>\$ 3,368</u>    | <u>\$ 3,890</u>   |

|                          | For the year ended December 31, 2023 |                    |                   |
|--------------------------|--------------------------------------|--------------------|-------------------|
|                          | Operating costs                      | Operating expenses | Total             |
| Employee benefit expense | <u>\$ 443,840</u>                    | <u>\$ 206,615</u>  | <u>\$ 650,455</u> |
| Depreciation             | <u>\$ 132,061</u>                    | <u>\$ 14,370</u>   | <u>\$ 146,431</u> |
| Amortization             | <u>\$ 1,262</u>                      | <u>\$ 5,128</u>    | <u>\$ 6,390</u>   |

(19) Employee benefit expense

|                            | For the year ended December 31, 2024 |                           |                   |
|----------------------------|--------------------------------------|---------------------------|-------------------|
|                            | <u>Operating costs</u>               | <u>Operating expenses</u> | <u>Total</u>      |
| Wages and salaries         | \$ 300,539                           | \$ 166,882                | \$ 467,421        |
| Labor and health insurance | 36,595                               | 17,886                    | 54,481            |
| Pension costs              | 16,087                               | 8,498                     | 24,585            |
| Directors' remuneration    | -                                    | 2,100                     | 2,100             |
| Other personnel expenses   | 25,650                               | 11,360                    | 37,010            |
|                            | <u>\$ 378,871</u>                    | <u>\$ 206,726</u>         | <u>\$ 585,597</u> |

  

|                            | For the year ended December 31, 2023 |                           |                   |
|----------------------------|--------------------------------------|---------------------------|-------------------|
|                            | <u>Operating costs</u>               | <u>Operating expenses</u> | <u>Total</u>      |
| Wages and salaries         | \$ 361,327                           | \$ 172,478                | \$ 533,805        |
| Labor and health insurance | 41,311                               | 15,553                    | 56,864            |
| Pension costs              | 17,666                               | 7,708                     | 25,374            |
| Directors' remuneration    | -                                    | 370                       | 370               |
| Other personnel expenses   | 23,536                               | 10,506                    | 34,042            |
|                            | <u>\$ 443,840</u>                    | <u>\$ 206,615</u>         | <u>\$ 650,455</u> |

- A. For the years ended December 31, 2024 and 2023, the average number of employees of the Company were 813 and 866 employees, respectively, which included 6 and 7 non-employee directors. For the years ended December 31, 2024 and 2023, the average employee benefit expenses were \$723 and \$757, while average wages and salaries were \$579 and \$621, respectively. The average wages and salaries decreased by 6.76% compared to prior year.
- B. According to the Company's revised Articles of Incorporation passed by the Company's shareholders' meeting on June 11, 2024, the annual pre-tax net profit before deducting employees' and directors' compensation will be distributed in the following manner:
- (a) Less than 2% for directors' compensation
  - (b) More than 1% for employees' compensation
- However, if there are accumulated losses, the company should reserve the amount to offset the losses in advance, then distributed according to agreed proportions mentioned above. Employee compensation can be in stocks or cash, and directors' compensation can only be in cash. Employee and directors' compensation distribution should be proposed to the shareholders' meeting report.
- C. In accordance with the Articles of Incorporation of the Company before the amendment, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation. The ratio shall not be lower than 1% for employees' compensation, and then be appropriated as employees' compensation based on the abovementioned ratios. In addition, the Company did not distribute directors' remuneration over years, and thus did not accrue directors' remuneration.

D. For the years ended December 31, 2024 and 2023, employees' compensation was accrued at \$837 and \$1,652, respectively. The aforementioned amounts were recognized in salary expenses. The employees' compensation was estimated and accrued based on the percentage of distributable profit of current year as of the end of reporting period as prescribed by the Company's Articles of Incorporation. The employees' compensation resolved by the Board of Directors for 2024 was \$837 and the employees' compensation will be distributed in the form of cash. The amounts of employees' compensation as resolved by the Board of Directors was agreed with the estimated amounts of \$1,652 recognized in the 2023 financial statements. Information about employees' compensation of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(20) Income tax

A. Income tax (benefit) expense:

(a) Components of income tax (benefit) expense:

|   | <u>For the years ended December 31,</u> |                  |
|---|---|------------------|
|   | <u>2024</u>                             | <u>2023</u>      |
| Current income tax:                               |   |                  |
| Current tax on profits for the year               | \$ 21,303                               | \$ 55,551        |
| Tax on unappropriated earnings                    | -                                       | 1,860            |
| Prior year income tax overestimation              | -                                       | (17,597)         |
| Total current income tax                          | <u>21,303</u>                           | <u>39,814</u>    |
| Deferred income tax:                              |   |                  |
| Origination and reversal of temporary differences | (25,831)                                | (3,468)          |
| Income tax (benefit) expense                      | <u>(\$ 4,528)</u>                       | <u>\$ 36,346</u> |

(b) The income tax relating to components of other comprehensive income is as follows:

|  | <u>For the years ended December 31,</u> |                 |
|--|---|-----------------|
|  | <u>2024</u>                             | <u>2023</u>     |
| Remeasurement of defined benefit obligations                       | (\$ 6,313)                              | \$ 2,310        |
| Financial statements translation differences of foreign operations | (3,944)                                 | 58              |
|  | <u>(\$ 10,257)</u>                      | <u>\$ 2,368</u> |

B. Reconciliation between income tax expense (benefit) and accounting profit:

|  | For the years ended December 31, |                  |
|--|----------------------------------|------------------|
|  | 2024                             | 2023             |
| Tax calculated based on profit before tax and statutory tax rate | \$ 16,580                        | \$ 15,751        |
| Effects from items adjusted in accordance with tax regulations   | ( 21,108)                        | 36,332           |
| Tax on unappropriated earnings                                   | -                                | 1,860            |
| Prior year income tax overestimation                             | -                                | ( 17,597)        |
| Income tax (benefit) expense                                     | <u>(\$ 4,528)</u>                | <u>\$ 36,346</u> |

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

|  | For the year ended December 31, 2024 |                              |  |                    |
|--|--------------------------------------|------------------------------|--|--------------------|
|  | January 1                            | Recognized in profit or loss | Recognized in other comprehensive income | December 31        |
| Deferred income tax assets   |                                      |                              |  |                    |
| Temporary differences:   |                                      |                              |  |                    |
| Loss on decline in market value of inventories                     | \$ 3,065                             | \$ 5,322                     | \$ -                                     | \$ 8,387           |
| Unused compensated absences  | 4,410                                | 307                          | -  | 4,717              |
| Long-term employee benefit liabilities                             | 432                                  | 2                            | -  | 434                |
| Pensions   | 11,778                               | ( 182)                       | ( 6,313)                                 | 5,283              |
| Unrealized exchange losses   | 1,731                                | ( 1,731)                     | -  | -                  |
| Investment income  | -                                    | 494                          | -  | 494                |
| Loss on disposal of investments                                    | -                                    | 22,321                       | -  | 22,321             |
| Financial statements translation differences of foreign operations | <u>3,821</u>                         | <u>-</u>                     | <u>( 3,821)</u>                          | <u>-</u>           |
|  | <u>\$ 25,237</u>                     | <u>\$ 26,533</u>             | <u>(\$ 10,134)</u>                       | <u>\$ 41,636</u>   |
| Deferred income tax liabilities                                    |                                      |                              |  |                    |
| Temporary differences:   |                                      |                              |  |                    |
| Increment tax on land revaluation                                  | (\$ 76,736)                          | \$ -                         | \$ -                                     | (\$ 76,736)        |
| Unrealized exchange gains  | -                                    | ( 702)                       | -  | ( 702)             |
| Financial statements translation differences of foreign operations | <u>-</u>                             | <u>-</u>                     | <u>( 123)</u>                            | <u>( 123)</u>      |
|  | <u>(\$ 76,736)</u>                   | <u>(\$ 702)</u>              | <u>(\$ 123)</u>                          | <u>(\$ 77,561)</u> |
|  | <u>(\$ 51,499)</u>                   | <u>\$ 25,831</u>             | <u>(\$ 10,257)</u>                       | <u>(\$ 35,925)</u> |

| For the year ended December 31, 2023   |                    |                                 |   |                    |
|--|--------------------|---------------------------------|---|--------------------|
|  | January 1          | Recognized in<br>profit or loss | Recognized<br>in other<br>comprehensive<br>income | December 31        |
| Deferred income tax assets   |                    |                                 |   |                    |
| Temporary differences:   |                    |                                 |   |                    |
| Loss on decline in market<br>value of inventories  | \$ 2,569           | \$ 496                          | \$ -  | \$ 3,065           |
| Unrealized gain with<br>associates   | 812                | ( 812)                          | -   | -                  |
| Unused compensated<br>absences   | 3,908              | 502                             | -   | 4,410              |
| Long-term employee benefit<br>liabilities  | 438                | ( 6)                            | -   | 432                |
| Pensions   | 9,959              | ( 491)                          | 2,310   | 11,778             |
| Unrealised exchange losses<br>Financial statements<br>translation differences<br>of foreign operations | -                  | 1,731                           | -   | 1,731              |
|  | <u>3,763</u>       | <u>-</u>                        | <u>58</u>   | <u>3,821</u>       |
|  | <u>\$ 21,449</u>   | <u>\$ 1,420</u>                 | <u>\$ 2,368</u>                                   | <u>\$ 25,237</u>   |
| Deferred income tax liabilities  |                    |                                 |   |                    |
| Temporary differences:   |                    |                                 |   |                    |
| Increment tax on land<br>revaluation   | (\$ 76,736)        | \$ -                            | \$ -  | (\$ 76,736)        |
| Unrealized exchange gains  | ( 2,048)           | 2,048                           | -   | -                  |
|  | <u>(\$ 78,784)</u> | <u>\$ 2,048</u>                 | <u>\$ -</u>                                       | <u>(\$ 76,736)</u> |
|  | <u>(\$ 57,335)</u> | <u>\$ 3,468</u>                 | <u>\$ 2,368</u>                                   | <u>(\$ 51,499)</u> |

D. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority. As of March 6, 2025, there was no administrative lawsuit.

(21) Earnings per share

|  | <u>For the year ended December 31, 2024</u> |  |  |
|--|---|--|--|
|  | <u>Amount<br/>after tax</u>                 | <u>Weighted average<br/>number of<br/>shares outstanding<br/>(shares in thousands)</u> | <u>Earnings<br/>per share<br/>(in dollars)</u> |
| <u>Basic earnings per share</u>  |   |  |  |
| Profit attributable to the ordinary<br>shareholders  | <u>\$ 87,428</u>                            | <u>76,230</u>  | <u>\$ 1.15</u>                                 |
| <u>Diluted earnings per share</u>  |   |  |  |
| Profit attributable to the ordinary<br>shareholders  | \$ 87,428                                   | 76,230   |  |
| Assumed conversion of all dilutive<br>potential ordinary shares  |   |  |  |
| Employees' compensation  | <u>-</u>                                    | <u>27</u>  |  |
| Profit attributable to the ordinary<br>shareholders plus assumed conversion<br>of all dilutive potential ordinary shares | <u>\$ 87,428</u>                            | <u>76,257</u>  | <u>\$ 1.15</u>                                 |
|  |   |  |  |
|  | <u>For the year ended December 31, 2023</u> |  |  |
|  | <u>Amount<br/>after tax</u>                 | <u>Weighted average<br/>number of<br/>shares outstanding<br/>(shares in thousands)</u> | <u>Earnings<br/>per share<br/>(in dollars)</u> |
| <u>Basic earnings per share</u>  |   |  |  |
| Profit attributable to the ordinary<br>shareholders  | <u>\$ 42,410</u>                            | <u>76,230</u>  | <u>\$ 0.56</u>                                 |
| <u>Diluted earnings per share</u>  |   |  |  |
| Profit attributable to the ordinary<br>shareholders  | \$ 42,410                                   | 76,230   |  |
| Assumed conversion of all dilutive<br>potential ordinary shares  |   |  |  |
| Employees' compensation  | <u>-</u>                                    | <u>42</u>  |  |
| Profit attributable to the ordinary<br>shareholders plus assumed conversion<br>of all dilutive potential ordinary shares | <u>\$ 42,410</u>                            | <u>76,272</u>  | <u>\$ 0.56</u>                                 |

(22) Supplemental cash flow information

A. Investing activities with partial cash payments:

|  | For the years ended December 31, |                  |
|--|----------------------------------|------------------|
|  | 2024                             | 2023             |
| Acquisition of property, plant and equipment               | \$ 86,233                        | \$ 41,526        |
| Add: Ending balance of prepayments for equipment           | 30,894                           | 9,541            |
| Less: Beginning balance of prepayments for equipment       | ( 9,541)                         | ( 7,053)         |
| Cash paid for acquisition of property, plant and equipment | <u>\$ 107,586</u>                | <u>\$ 44,014</u> |

B. Investing activities with no cash flow effects:

|  | For the years ended December 31, |                  |
|--|----------------------------------|------------------|
|  | 2024                             | 2023             |
| Inventories transferred to property, plant and equipment | <u>\$ 22,184</u>                 | <u>\$ 37,861</u> |

(23) Changes in liabilities from financing activities

|  | For the year ended December 31, 2024 |                   |                             |                                       |
|--|--------------------------------------|-------------------|-----------------------------|---------------------------------------|
|  | Short-term borrowings                | Lease liabilities | Guarantee deposits received | Liabilities from financing activities |
| January 1                                      | \$ 210,000                           | \$ 41,786         | \$ 240                      | \$ 252,026                            |
| Changes in cash flow from financing activities | ( 160,000)                           | ( 12,043)         | -                           | ( 172,043)                            |
| Changes in other non-cash items                | -                                    | ( 590)            | -                           | ( 590)                                |
| December 31                                    | <u>\$ 50,000</u>                     | <u>\$ 29,153</u>  | <u>\$ 240</u>               | <u>\$ 79,393</u>                      |

|  | For the year ended December 31, 2023 |                   |                             |                                       |
|--|--------------------------------------|-------------------|-----------------------------|---------------------------------------|
|  | Short-term borrowings                | Lease liabilities | Guarantee deposits received | Liabilities from financing activities |
| January 1                                      | \$ 300,000                           | \$ 38,826         | \$ 240                      | \$ 339,066                            |
| Changes in cash flow from financing activities | ( 90,000)                            | ( 17,200)         | -                           | ( 107,200)                            |
| Changes in other non-cash items                | -                                    | 20,160            | -                           | 20,160                                |
| December 31                                    | <u>\$ 210,000</u>                    | <u>\$ 41,786</u>  | <u>\$ 240</u>               | <u>\$ 252,026</u>                     |

## 7. Related Party Transactions

### (1) Names of related parties and relationship

| <u>Names of related parties</u>  | <u>Relationship with the Company</u>                                      |
|--|---|
| Ta Yih International Investment Co., Ltd. (BVI)                            | Subsidiary  |
| Koito Manufacturing Co., Ltd.  | Entities with significant influence on the Company                        |
| Guangzhou Koito Automotive Lamp Co., Ltd.                                  | Subsidiary of the entity with significant influence on the Company        |
| Fuzhou Koito Ta Yih Automotive Lamp Co., Ltd.                              | Subsidiary of the entity with significant influence on the Company (Note) |
| India Japan Lighting Private Limited                                       | Subsidiary of the entity with significant influence on the Company        |
| PT. Indonesia Koito  | Subsidiary of the entity with significant influence on the Company        |
| Thai Koito Company Limited   | Subsidiary of the entity with significant influence on the Company        |
| Hubei Koito Automotive Lamp Co., Ltd.                                      | Subsidiary of the entity with significant influence on the Company        |
| North American Lighting Inc.   | Subsidiary of the entity with significant influence on the Company        |
| NAL DO BRASIL INDUSTRIA E<br>COMERCIO DE COMPONENTES<br>DE ILUMINACAO LTDA | Subsidiary of the entity with significant influence on the Company        |
| Ta Yih Kenmos Auto Parts Co., Ltd.   | Substantive related party   |
| Ta Yih Kenmos Auto Parts (Thailand) Co., Ltd.                              | Substantive related party   |
| Ta Yih International Hotel Co., Ltd.                                       | Substantive related party   |
| DBM Reflex of Taiwan Co., Limited  | Substantive related party   |
| Chenwang Industrial Co., Ltd.  | Substantive related party   |

(Note) Fuzhou Koito Ta Yih Automotive Lamp Co., Ltd., previously an associate in which the Company held a 49% interest, changed its status on July 29, 2024, due to an equity transfer transaction with Koito Manufacturing Co., Ltd. It is now recognized as a subsidiary of an entity that has significant influence on the Company.

(2) Significant related party transactions

A. Operating revenue

|  | For the years ended December 31, 2024 |                   |
|--|---------------------------------------|-------------------|
|  | 2024                                  | 2023              |
| Sales of goods:  |                                       |                   |
| Koito Manufacturing Co., Ltd.  | \$ 145,511                            | \$ 559,039        |
| Substantive related parties  | 14,157                                | 1,516             |
| Associates   | 2,262                                 | 7,679             |
| Subsidiaries of the entity with significant influence on the Company | -                                     | 73,642            |
|  | <u>\$ 161,930</u>                     | <u>\$ 641,876</u> |

The prices of sales of goods with related parties did not have substantive difference compared to non-related parties, except the prices of sales of goods with associates were added based on the costs. The collection term of domestic sales with related parties is 90 days. Except for Koito Manufacturing Co., Ltd., which the payment is received within 2 months of monthly settlement, and for associate which the payment is received within 4 to 6 months of monthly settlement, the collection term of export sales with related parties according to the term of individual transaction, which is normally 90 days, and the collection term does not have substantive difference compared to non-related parties.

B. Purchases

|  | For the years ended December 31, 2024 |                   |
|--|---------------------------------------|-------------------|
|  | 2024                                  | 2023              |
| Purchases of goods:  |                                       |                   |
| Entities with significant influence on the Company                   | \$ 118,807                            | \$ 258,480        |
| Subsidiaries of the entity with significant influence on the Company | 11,230                                | 11,199            |
| Substantive related parties  | 9,199                                 | 6,060             |
| Associates   | 75                                    | 19,271            |
|  | <u>\$ 139,311</u>                     | <u>\$ 295,010</u> |

The price of goods purchased do not have substantive difference between related and non-related parties. Except for the associate which the payment is paid within 4 months of monthly settlement, the payment term for related parties depends on individual transaction, which is normally 90 days, and does not have substantive difference from non-related parties.

C. Disposal of investments accounted for using equity method

|                               | For the year ended December 31, 2024 |                    |
|-------------------------------|--------------------------------------|--------------------|
|                               | Disposal proceeds                    | Loss on disposal   |
| Koito Manufacturing Co., Ltd. | <u>\$ 26,952</u>                     | <u>(\$ 12,099)</u> |

There were no such matters in 2023.

D. Receivables from related parties

|  | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--|--------------------------|--------------------------|
| Accounts receivable:   |                          |                          |
| Koito Manufacturing Co., Ltd.  | \$ -                     | \$ 67,011                |
| Substantive related parties  | 8,620                    | 1,409                    |
| Subsidiaries of the entity with significant influence on the Company | 810                      | 26,353                   |
| Associates   | -                        | 2,281                    |
|  | <u>9,430</u>             | <u>97,054</u>            |
| Less: Allowance for uncollectible accounts                           | ( 1)                     | ( 102)                   |
|  | <u>\$ 9,429</u>          | <u>\$ 96,952</u>         |
| Other receivables:   |                          |                          |
| Fuzhou Koito Ta Yih Automotive Lamp Co., Ltd.                        | \$ -                     | \$ 3,268                 |
| Substantive related parties  | 369                      | 173                      |
|  | <u>\$ 369</u>            | <u>\$ 3,441</u>          |

The outstanding trade receivables from related parties are unsecured.

E. Payables to related parties

|  | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--|--------------------------|--------------------------|
| Accounts payable:                                  |                          |                          |
| Entities with significant influence on the Company | \$ 19,691                | \$ 50,585                |
| Substantive related parties                        | 7,087                    | 1,256                    |
| Associates   | 60                       | 2,329                    |
|  | <u>\$ 26,838</u>         | <u>\$ 54,170</u>         |
| Other payables:                                    |                          |                          |
| Koito Manufacturing Co., Ltd.                      | <u>\$ 28,134</u>         | <u>\$ 46,553</u>         |

The outstanding trade payables from related parties are unsecured.

F. Lease transactions - lessee

(a) The Company leases plants from Ta Yih Kenmos Auto Part Co., Ltd. Rental contracts are typically made for periods from April 1, 2022 to March 31, 2027. Rents are determined by reference to market prices and are paid monthly starting from the first day of lease.

The carrying amount of lease liabilities recognized by the Company as of December 31, 2024 and 2023 was \$18,628 and \$26,740, respectively. Interest expense recognized for the years ended December 31, 2024 and 2023 were \$287 and \$388, respectively.

(b) The lease period of the offices and warehouses leased from Ta Yih Kenmos Auto Part Co., Ltd. shall not exceed 12 months. Rents are determined by reference to market prices and are paid monthly starting from the first day of lease.

For the years ended December 31, 2024 and 2023, the Company recognized rent expense

amounting to \$1,322 and \$800, respectively, due to the above lease transactions.

**G. Other transactions with related parties**

(a) Royalty expenses:

The Company entered into a royalty expense contract with the entity with significant influence - Koito Manufacturing Co., Ltd on June 1, 1987, original contract period 8 years, in accordance with the provisions of the contract, if either party doesn't give notice of termination of the original contract 6 months prior to the end of the period, extended every 3 years. The royalty expenses were \$66,814 and \$86,333 for the years ended December 31, 2024 and 2023, respectively (listed as "operating costs" and "operating expenses").

(b) Royalty revenue:

- i. The Company entered into a royalty revenue contract with its associate - Fuzhou Koito Ta Yih Automotive Lamp Co., Ltd. on December 26, 2016, original contract period 2 years, in accordance with the provisions of the contract, if either party doesn't give notice of termination of the original contract 6 months prior to the end of the period, extended every 3 years. The royalty revenues were \$747 and \$11,426 for the years ended December 31, 2024 and 2023, respectively (listed as "other income"). According to the contract, 50% of the royalty revenue should be paid to the entity with significant influence - Koito Manufacturing Co., Ltd. which amounted to \$342 and \$4,567 for the years ended December 31, 2024 and 2023, respectively (listed as "other gains and losses").
- ii. The Company entered into a contract with the subsidiary of Koito Manufacturing Co., Ltd - Guangzhou Koito Automotive Lamp Co., Ltd. on November 11, 2019. The contract period is one year, and it shall be automatically renewed for successive one year term thereafter until and unless either the Party provides the other Party within 3 months prior notification to expire or modify the contract. The royalty revenue was \$ - and \$3,473 for the years ended December 31, 2024 and 2023, respectively (listed as "other income").

(3) Significant related party transactions

|   | For the years ended December 31, |                 |
|---|----------------------------------|-----------------|
|   | 2024                             | 2023            |
| Salaries and other short-term employee benefits | \$ 15,790                        | \$ 9,241        |
| Post-employment benefits                        | 141                              | 71              |
|   | <u>\$ 15,931</u>                 | <u>\$ 9,312</u> |

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

**8. Pledged Assets**

None.

**9. Significant Contingent Liabilities and Unrecognized Contract Commitments**

As of December 31, 2024 and 2023, the balances for contracts that the Company entered into but not yet

paid are \$6,645 and \$5,854, respectively.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Company consists of net liabilities (borrowings offset by cash) and the equity, and the Company is not subject to any externally imposed capital requirements.

(2) Financial instruments

A. Financial instruments by category

|  | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--|--------------------------|--------------------------|
| <u>Financial assets</u>  |                          |                          |
| Financial assets at amortized cost   |                          |                          |
| Cash and cash equivalents  | \$ 284,528               | \$ 382,731               |
| Notes receivable   | 10                       | 9,086                    |
| Accounts receivable  | 617,101                  | 779,624                  |
| Other receivables  | 22,728                   | 30,353                   |
| Guarantee deposits paid  | 8,835                    | 7,794                    |
|  | <u>\$ 933,202</u>        | <u>\$ 1,209,588</u>      |
| <br>   |                          |                          |
|  | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
| <u>Financial liabilities</u>   |                          |                          |
| Financial liabilities at amortized cost                                    |                          |                          |
| Short-term borrowings  | \$ 50,000                | \$ 210,000               |
| Notes payable  | 38,796                   | 92,641                   |
| Accounts payable   | 414,640                  | 736,966                  |
| Other payables   | 206,570                  | 234,316                  |
| Guarantee deposits received<br>(listed as "other non-current liabilities") | 240                      | 240                      |
|  | <u>\$ 710,246</u>        | <u>\$ 1,274,163</u>      |
| <br>   |                          |                          |
| Lease liabilities (including current portion)                              | <u>\$ 29,153</u>         | <u>\$ 41,786</u>         |

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, CNY and JPY. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Foreign exchange risk arises when future commercial transactions, recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.
- iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follow:

|  | December 31, 2024 |               |            |
|--|-------------------|---------------|------------|
|  | Foreign currency  |               | Book value |
|  | amount            |               | (NTD)      |
|  | (in thousands)    | Exchange rate |            |
| (Foreign currency:<br>functional currency) |                   |               |            |
| <u>Financial assets</u>                    |                   |               |            |
| <u>Monetary items</u>                      |                   |               |            |
| USD:NTD                                    | \$ 9,377          | 32.785        | \$ 307,425 |
| CNY:NTD                                    | 1,394             | 4.478         | 6,242      |
| JPY:NTD                                    | 171,339           | 0.2099        | 35,964     |
| <u>Financial liabilities</u>               |                   |               |            |
| <u>Monetary items</u>                      |                   |               |            |
| USD:NTD                                    | 216               | 32.785        | 7,082      |
| CNY:NTD                                    | 2,801             | 4.478         | 12,543     |
| JPY:NTD                                    | 108,140           | 0.2099        | 22,699     |

| December 31, 2023                          |                          |               |                     |
|--|--------------------------|---------------|---------------------|
|  | Foreign currency         |               | Book value<br>(NTD) |
|  | amount<br>(in thousands) | Exchange rate |                     |
| (Foreign currency:<br>functional currency) |                          |               |                     |
| <u>Financial assets</u>                    |                          |               |                     |
| <u>Monetary items</u>                      |                          |               |                     |
| USD:NTD                                    | \$ 17,923                | 30.71         | \$ 550,329          |
| CNY:NTD                                    | 2,548                    | 4.327         | 11,027              |
| JPY:NTD                                    | 683,264                  | 0.2172        | 148,405             |
| <br><u>Financial liabilities</u>           |                          |               |                     |
| <u>Monetary items</u>                      |                          |               |                     |
| USD:NTD                                    | 1,383                    | 30.71         | 42,455              |
| CNY:NTD                                    | 4,196                    | 4.327         | 18,158              |
| JPY:NTD                                    | 259,658                  | 0.2172        | 56,398              |

The sensitivity analysis of foreign exchange risk mainly focuses on the foreign currency monetary items at the end of the financial reporting period. If the exchange rate of NTD to all foreign currencies had appreciated or depreciated by 1% with all other variables held constant, the Company's profit, net of tax for the years ended December 31, 2024 and 2023 would have increased/decreased by \$2,459 and \$4,742, respectively.

- iv. The total exchange gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2024 and 2023, amounted to \$37,513 and \$20,118, respectively.

#### Price risk

The Company has not engaged in financial instrument or derivatives investment, hence is not exposed to significant market risk of price fluctuations.

#### Cash flow and fair value Interest rate risk

- i. The Company's certain borrowings are financial instruments at floating rates. Thus, future cash flows fluctuate due to changes in market interest rates and further changes in effective rates of debt instruments. However, risk is partially offset by cash and cash equivalents held at variable rates and borrowings issued at fixed rates expose the Company to fair value interest rate risk.
- ii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2024 and 2023 would have decreased/increased by \$30 and \$43, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

#### (b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the

clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

- ii. The Company manages their credit risk taking into consideration the entire entity's concern. According to the Company's credit policy, each local entity in the Company is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, considering their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
- iii. The Company adopts the management of credit risk, if the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument. the default occurs when the contract payments are past due over 365 days. In addition, the default occurs after the Company initiates recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights.
- iv. The Company's credit risks are deemed significantly concentrated since the credit risks are mainly concentrated in the top three customers of the Company. The Company classifies customer's notes and accounts receivable in accordance with credit rating of customer. The Company applies the modified approach using a provision matrix based on the loss rate methodology to estimate the expected credit loss and uses the forecast ability to adjust historical and timely information to assess the default possibility of notes and accounts receivable. On December 31, 2024 and 2023, the provision matrix is as follows:

|                          | <u>No indication of default of debtor</u> |                               |                                  | <u>Total</u>      |
|--------------------------|---|-------------------------------|----------------------------------|-------------------|
|                          | <u>Not past due</u>                       | <u>Up to 90 days past due</u> | <u>Individual identification</u> |                   |
| <u>December 31, 2024</u> |   |                               |                                  |                   |
| Rate                     | 0% ~ 0.06%                                | 0.1% ~ 50%                    | 100%                             |                   |
| Total book value         | \$ 606,142                                | \$ 11,924                     | \$ 960                           | \$ 619,026        |
| Loss allowance           | ( 377)                                    | ( 578)                        | ( 960)                           | ( 1,915)          |
|                          | <u>\$ 605,765</u>                         | <u>\$ 11,346</u>              | <u>\$ -</u>                      | <u>\$ 617,111</u> |

|                          | <u>No indication of default of debtor</u> |                                   |                                      | <u>Total</u>      |
|--------------------------|---|-----------------------------------|--------------------------------------|-------------------|
|                          | <u>Not past due</u>                       | <u>Up to 90<br/>days past due</u> | <u>Individual<br/>identification</u> |                   |
| <u>December 31, 2023</u> |   |                                   |                                      |                   |
| Rate                     | 0% ~ 0.13%                                | 0.1% ~ 100%                       | 50% ~ 100%                           |                   |
| Total book value         | \$ 781,582                                | \$ 5,945                          | \$ 6,543                             | \$ 794,070        |
| Loss allowance           | ( 995)                                    | ( 390)                            | ( 3,975)                             | ( 5,360)          |
|                          | <u>\$ 780,587</u>                         | <u>\$ 5,555</u>                   | <u>\$ 2,568</u>                      | <u>\$ 788,710</u> |

v. Movements in relation to the Company applying the modified approach to provide loss allowance for notes receivable accounts receivable (including related parties) are as follows:

|                       | <u>For the years ended December 31,</u> |                 |
|-----------------------|---|-----------------|
|                       | <u>2024</u>                             | <u>2023</u>     |
| January 1             | \$ 5,360                                | \$ 7,531        |
| Expected credit gains | ( 3,445)                                | ( 2,171)        |
| December 31           | <u>\$ 1,915</u>                         | <u>\$ 5,360</u> |

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by the Company's Finance Department. Company's Finance Department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Company's Finance Department. The Company's Finance Department invests surplus cash in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts, that are expected to readily generate cash inflows for managing liquidity risk.
- iii. The Company has the following undrawn borrowing facilities:

|                          | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--------------------------|--------------------------|--------------------------|
| Floating rate:           |                          |                          |
| Expiring within one year | <u>\$ 1,131,140</u>      | <u>\$ 1,062,820</u>      |

- iv. The table below analyses the Company's non-derivative financial liabilities and relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| December 31, 2024                               | Less than<br>1 year | Between 1<br>and 2 years | Between 2<br>and 5 years |
|---|---------------------|--------------------------|--------------------------|
| Non-derivative financial liabilities:           |                     |                          |                          |
| Short-term borrowings                           | \$ 50,065           | \$ -                     | \$ -                     |
| Notes payable                                   | 38,796              | -                        | -                        |
| Accounts payable<br>(including related parties) | 414,640             | -                        | -                        |
| Other payables<br>(including related parties)   | 206,570             | -                        | -                        |
| Lease liabilities                               | 12,669              | 11,683                   | 5,423                    |
| Guarantee deposits received                     | -                   | 240                      | -                        |

  

| December 31, 2023                               | Less than<br>1 year | Between 1<br>and 2 years | Between 2<br>and 5 years | Over<br>5 years |
|---|---------------------|--------------------------|--------------------------|-----------------|
| Non-derivative financial liabilities:           |                     |                          |                          |                 |
| Short-term borrowings                           | \$ 210,510          | \$ -                     | \$ -                     | \$ -            |
| Notes payable                                   | 92,641              | -                        | -                        | -               |
| Accounts payable<br>(including related parties) | 736,966             | -                        | -                        | -               |
| Other payables<br>(including related parties)   | 234,316             | -                        | -                        | -               |
| Lease liabilities                               | 14,285              | 13,168                   | 15,228                   | 188             |
| Guarantee deposits received                     | -                   | 240                      | -                        | -               |

- v. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with enough frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. The carrying amounts of the financial instruments which are not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), guarantee deposits paid, short-term borrowings, notes payable, accounts payable (including related parties), other payables (including related parties) and guarantee deposits received are approximate to their fair values.

### 13. Supplementary Disclosures

(According to the current regulatory requirements, the Company is only required to disclose the information for the year ended December 31, 2024)

#### (1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Acquisition or sale of the same security with the accumulated cost reaching \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of the Company's paid-in capital: None.
- F. Disposal of real estate reaching \$300 million or 20% of the Company's paid-in capital: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of the Company's paid-in capital: Refer to table 1.
- H. Receivables from related parties reaching \$100 million or 20% of the Company's paid-in capital: None.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: None.

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Refer to table 2.

#### (3) Information on investments in Mainland China

- A. Basic information: Refer to table 3.
- B. Significant transactions with investee companies in Mainland China, either directly or indirectly through a third area: None.

#### (4) Information on major shareholders

Information on major shareholders: Refer to table 4.

### 14. Segment Information

Not applicable.

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF CASH AND CASH EQUIVALENTS  
DECEMBER 31, 2024  
 (Expressed in thousands of New Taiwan dollars)

| Item                             | Description                     | Amount            |
|----------------------------------|---------------------------------|-------------------|
| Cash:                            |                                 |                   |
| Cash on hand and revolving funds |                                 | \$ 781            |
| Checking accounts                |                                 | 705               |
| Demand deposits - NTD            |                                 | 129,860           |
| - Foreign currency               | USD 2,400 thousand @ 32.785     |                   |
|                                  | CNY 1,109 thousand @ 4.478      |                   |
|                                  | EUR 26 thousand @ 34.14         |                   |
|                                  | JPY 170,939 thousand @ 0.2099   | <u>120,397</u>    |
|                                  |                                 | <u>251,743</u>    |
| Cash equivalents:                |                                 |                   |
| Time deposits - Foreign currency | USD 1,000 thousand @ 32.875     |                   |
|                                  | Maturity date: January 10, 2025 |                   |
|                                  | Annual interest rate: 4.18%     | <u>32,785</u>     |
|                                  |                                 | <u>\$ 284,528</u> |

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF ACCOUNTS RECEIVABLE, NET  
DECEMBER 31, 2024  
 (Expressed in thousands of New Taiwan dollars)

| <u>Client name</u>                         | <u>Description</u>  | <u>Amount</u>     | <u>Note</u> |
|--|---------------------|-------------------|-------------|
| Company A                                  | Accounts receivable | \$ 290,581        | —           |
| Company B                                  | Accounts receivable | 143,956           | —           |
| Company C                                  | Accounts receivable | 38,605            | —           |
| Others (less than 5%)                      | Accounts receivable | <u>136,444</u>    | —           |
|  |                     | 609,586           |             |
| Less: Allowance for uncollectible accounts |                     | ( <u>1,914</u> )  |             |
|  |                     | <u>\$ 607,672</u> |             |

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF INVENTORIES  
DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

| <u>Item</u>                             | <u>Description</u> | <u>Amount</u>     |                             | <u>Note</u> |
|---|--------------------|-------------------|-----------------------------|-------------|
|   |                    | <u>Cost</u>       | <u>Net Realizable Value</u> |             |
| Merchandise                             | —                  | \$ 17,066         | \$ 18,910                   | (Note)      |
| Raw materials                           | —                  | 327,599           | 325,552                     | (Note)      |
| Work in progress                        | —                  | 92,764            | 139,554                     | (Note)      |
| Finished goods                          | —                  | <u>423,943</u>    | <u>564,479</u>              | (Note)      |
|   |                    | 861,372           | <u>\$ 1,048,495</u>         |             |
| Less: Allowance for inventory valuation |                    |                   |                             |             |
|   | losses             | ( <u>41,935</u> ) |                             |             |
|   |                    | <u>\$ 819,437</u> |                             |             |

(Note) Refer to Note 4(9) 'Inventories' of parent company only financial statements for the method to determine the net realizable value.

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF PREPAYMENTS  
DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

| <u>Item</u>              | <u>Description</u> | <u>Amount</u>    | <u>Note</u> |
|--------------------------|--------------------|------------------|-------------|
| Prepayments to suppliers | —                  | \$ 30,331        | —           |
| Prepaid expenses         | —                  | 21,895           | —           |
| Others(less than 5%)     | —                  | <u>1,345</u>     | —           |
|                          |                    | <u>\$ 53,571</u> |             |

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT - COST  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(5) 'Property, plant and equipment' of parent company only financial statements.

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT - ACCUMULATED  
DEPRECIATION  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(5) 'Property, plant and equipment' of parent company only financial statements for the change in accumulated depreciation of property, plant and equipment.

Refer to Note 4(11) 'Property, plant and equipment' of parent company only financial statements for the depreciation method and useful lives for assets.

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS - COST  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| Item                     | Balance as of<br>January 1, 2024 | Increase        | Decrease           | Balance as of<br>December 31, 2024 | Footnote |
|--------------------------|----------------------------------|-----------------|--------------------|------------------------------------|----------|
| Buildings                | \$ 43,557                        | \$ -            | \$ -               | \$ 43,557                          | —        |
| Office equipment         | 3,184                            | -               | -                  | 3,184                              | —        |
| Transportation equipment | 21,678                           | 5,771           | ( 18,294)          | 9,155                              | —        |
|                          | <u>\$ 68,419</u>                 | <u>\$ 5,771</u> | <u>(\$ 18,294)</u> | <u>\$ 55,896</u>                   |          |

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSESTS - ACCUMULATED DEPRECIATION  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| Item                     | Balance as of<br>January 1, 2024 | Increase         | Decrease          | Balance as of<br>December 31, 2024 | Note |
|--------------------------|----------------------------------|------------------|-------------------|------------------------------------|------|
| Buildings                | \$ 14,399                        | \$ 8,711         | \$ -              | \$ 23,110                          | —    |
| Office equipment         | 354                              | 531              | -                 | 885                                | —    |
| Transportation equipment | 8,358                            | 2,875            | ( 8,083)          | 3,150                              | —    |
|                          | <u>\$ 23,111</u>                 | <u>\$ 12,117</u> | <u>(\$ 8,083)</u> | <u>\$ 27,145</u>                   |      |

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF CHANGES IN DEFERRED INCOME TAX ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(20) 'income tax' of parent company only financial statements.

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF CHANGES IN PREPAYMENTS FOR EQUIPMENT  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| Item                     | Balance as of<br>January 1, 2024 | Increase   | Transfer<br>(Note) | Balance as of<br>December 31, 2024 |
|--------------------------|----------------------------------|------------|--------------------|------------------------------------|
| Prepayment for Equipment | \$ 9,541                         | \$ 107,586 | (\$ 86,233)        | \$ 30,894                          |

(Note)Transfer to ‘property, plant and equipment’.

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF SHORT-TERM BORROWINGS  
DECEMBER 31, 2024  
 (Expressed in thousands of New Taiwan dollars)

| <u>Nature</u>        | <u>Description</u>       | <u>December 31, 2024</u> | <u>Period of contract</u> | <u>Range of interest rate</u> | <u>Credit facility</u> | <u>Collateral</u> | <u>Note</u> |
|----------------------|--------------------------|--------------------------|---------------------------|-------------------------------|------------------------|-------------------|-------------|
| Unsecured borrowings | Chang Hwa Comercial Bank | \$ 50,000                | 2024.10.28~2025.01.26     | 1.825%                        | \$ 300,000             | None              | —           |

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF CONTRACT LIABILITIES -CURRENT  
DECEMBER 31, 2024  
 (Expressed in thousands of New Taiwan dollars)

| <u>Suppliers</u>     | <u>Description</u>     | <u>Amount</u>    | <u>Note</u> |
|----------------------|------------------------|------------------|-------------|
| Company X            | Advance sales receipts | \$ 35,382        | —           |
| Company Y            | Advance sales receipts | 32,161           | —           |
| Others(less than 5%) | Advance sales receipts | <u>7,035</u>     | —           |
|                      |                        | <u>\$ 74,578</u> |             |

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF NOTES PAYABLE  
DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

| <u>Vendor Name</u>                       | <u>Description</u> | <u>Amount</u>    | <u>Footnote</u> |
|--|--------------------|------------------|-----------------|
| Company D                                | Notes payable      | \$ 29,787        | —               |
| National Health Insurance Administration | Notes payable      | 4,279            | —               |
| Bureau of Labor Insurance                | Notes payable      | 2,320            | —               |
| Labor Pension Accounts                   | Notes payable      | 1,961            | —               |
| Others (less than 5%)                    | Notes payable      | <u>449</u>       | —               |
|  |                    | <u>\$ 38,796</u> |                 |

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF ACCOUNTS PAYABLE  
DECEMBER 31, 2024  
 (Expressed in thousands of New Taiwan dollars)

| <u>Supplier Name</u>  | <u>Description</u> | <u>Amount</u>     | <u>Note</u> |
|-----------------------|--------------------|-------------------|-------------|
| Company E             | Accounts payable   | \$ 45,282         | —           |
| Company F             | Accounts payable   | 31,240            | —           |
| Company G             | Accounts payable   | 27,311            | —           |
| Company H             | Accounts payable   | 24,528            | —           |
| Company I             | Accounts payable   | 22,225            | —           |
| Others (less than 5%) | Accounts payable   | 237,216           | —           |
|                       |                    | <u>\$ 387,802</u> |             |

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF OTHER PAYABLES  
DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(8) 'Other payables' of parent company only financial statements.

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF CHANGES IN DEFERRED TAX LIABILITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(20) 'Income tax' of parent company only financial statements.

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF LEASE LIABILITIES  
DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

| <u>Item</u>              | <u>Description</u> | <u>Lease period</u>  | <u>Discount rate</u>  | <u>Balance as of<br/>December 31, 2024</u> | <u>Note</u> |
|--------------------------|--------------------|----------------------|-----------------------|--|-------------|
| Buildings                | —                  | 2022.4.1~2028.9.5    | 1.25%~2.09%           | \$ 20,769                                  | —           |
| Office equipment         | —                  | 2023.5.1~2029.4.30   | 2.09%                 | 2,339                                      | —           |
| Transportation equipment | —                  | 2021.12.1~2027.12.31 | 1.31%~2.32%           | <u>6,045</u>                               | —           |
|                          |                    |                      |                       | \$ 29,153                                  |             |
|                          |                    |                      | Less: Current portion | <u>( 12,299)</u>                           |             |
|                          |                    |                      |                       | <u>\$ 16,854</u>                           |             |

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF OPERATING REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2024  
 (Expressed in thousands of New Taiwan dollars)

| <u>Item</u>                    | <u>Quantity</u>  | <u>Amount</u>   |                     | <u>Note</u> |
|--------------------------------|------------------|-----------------|---------------------|-------------|
|                                |                  | <u>Subtotal</u> | <u>Total</u>        |             |
| Sales:                         |                  |                 |                     |             |
| Car lamps                      | 12,238 thousands | \$ 3,290,039    |                     | —           |
| Molds                          | 100              | 132,456         |                     | —           |
| Others                         |                  | <u>309,282</u>  |                     | —           |
|                                |                  |                 | \$ 3,731,777        |             |
| Less: Sales returns            |                  |                 |                     |             |
|                                |                  |                 | ( 12,999)           | —           |
| Sales discounts and allowances |                  |                 |                     |             |
|                                |                  |                 | <u>( 22,558)</u>    | —           |
|                                |                  |                 | <u>\$ 3,696,220</u> |             |

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF OPERATING COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| Item                                  | Amount             |
|---------------------------------------|--------------------|
| Merchandise at January 1, 2024        | \$ 47,966          |
| Add: Merchandise purchased            | 40,971             |
| Less: Transferred to expenses         | ( 359)             |
| Transferred to equipments             | ( 806)             |
| Merchandise at December 31, 2024      | ( <u>17,066</u> )  |
| Merchandise used during the year      | <u>70,706</u>      |
| Raw materials at January 1, 2024      | 374,858            |
| Add: Raw materials purchased          | 1,804,063          |
| Less: Transferred to expenses         | ( 21,681)          |
| Sale of raw materials                 | ( 261,409)         |
| Scrapped                              | ( 4,268)           |
| Raw materials at December 31, 2024    | ( <u>327,599</u> ) |
| Raw materials used during the year    | 1,563,964          |
| Direct labor                          | 181,709            |
| Manufacturing overhead                | <u>534,291</u>     |
| Manufacturing cost                    | 2,279,964          |
| Work in progress at January 1, 2024   | 68,274             |
| Work in progress at December 31, 2024 | ( <u>92,764</u> )  |
| Cost of finished goods                | <u>2,255,474</u>   |

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF OPERATING COSTS (Cont.)  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| Item   | Amount              |
|--|---------------------|
| Finished goods at January 1, 2024            | \$ 608,877          |
| Add: Finished goods purchased                | 407,910             |
| Less: Transfer to expenses                   | ( 2,829)            |
| Transfer to equipments                       | ( 21,378)           |
| Scrapped                                     | ( 24,424)           |
| Finished goods at December 31, 2024          | ( <u>423,943</u> )  |
| Cost of production and marketing             | <u>2,799,687</u>    |
| Sale of cost of raw materials                | <u>261,409</u>      |
| Cost of goods sold                           | 3,131,802           |
| Loss on scrapped inventories                 | 28,692              |
| Provision for inventory market price decline | 26,612              |
| Less: Income from sale of scrap              | ( <u>3,784</u> )    |
| Operating costs                              | <u>\$ 3,183,322</u> |

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF MANUFACTURING OVERHEAD  
FOR THE YEAR ENDED DECEMBER 31, 2024  
 (Expressed in thousands of New Taiwan dollars)

| <u>Item</u>            | <u>Amount</u>     | <u>Footnote</u> |
|------------------------|-------------------|-----------------|
| Wages and salaries     | \$ 165,953        | —               |
| Depreciation           | 112,103           | —               |
| Utilities              | 72,775            | —               |
| Royalty                | 61,756            | —               |
| Repair and maintenance | 22,150            | —               |
| Insurance              | 17,133            | —               |
| Others (less than 3%)  | <u>82,421</u>     | —               |
|                        | <u>\$ 534,291</u> |                 |

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF SELLING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
 (Expressed in thousands of New Taiwan dollars)

| Item                  | Amount            | Footnote |
|-----------------------|-------------------|----------|
| Import/Export         | \$ 83,519         | —        |
| Loss on export sales  | 21,419            | —        |
| Freight               | 16,589            | —        |
| Wages and salaries    | 16,415            | —        |
| Professional service  | 5,209             | —        |
| Others (less than 3%) | <u>20,077</u>     | —        |
|                       | <u>\$ 163,228</u> |          |

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| <u>Item</u>            | <u>Amount</u>     | <u>Footnote</u> |
|------------------------|-------------------|-----------------|
| Wages and salaries     | \$ 65,645         | —               |
| Depreciation           | 15,270            | —               |
| Professional service   | 10,508            | —               |
| Royalty                | 5,089             | —               |
| Insurance              | 7,962             | —               |
| Repair and maintenance | 5,487             | —               |
| Software               | 4,852             | —               |
| Others (less than 3%)  | <u>36,452</u>     | —               |
|                        | <u>\$ 151,265</u> |                 |

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
 (Expressed in thousands of New Taiwan dollars)

| <u>Item</u>           | <u>Amount</u>     | <u>Footnote</u> |
|-----------------------|-------------------|-----------------|
| Wages and salaries    | \$ 93,320         | —               |
| Examination           | 16,497            | —               |
| Software              | 21,648            | —               |
| Insurance             | 9,952             | —               |
| Others (less than 3%) | <u>18,479</u>     | —               |
|                       | <u>\$ 159,896</u> |                 |

TA YIH INDUSTRIAL CO., LTD.  
STATEMENT OF SUMMARY OF EMPLOYEE BENEFITS, DEPRECIATION, AND  
AMORTIZATION EXPENSES IN THE CURRENT PERIOD  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(18) 'Expense by nature' and Note 6(19) 'Employee benefit expense' of parent company only financial statements.

TA YIH INDUSTRIAL CO., LTD.

Purchases or sales transactions with related parties reaching \$100 million or 20% of the Company's paid-in capital

For the year ended December 31, 2024

Table 1

Expressed in thousands of NTD

| Purchases/sales company     | Name of the counterparty      | Relationship                                       | Description of transaction |              |                                     |               | Description and reasons for difference in transaction terms compared to non-related party |                             | Notes or accounts receivable/(payable) |  |      |
|-----------------------------|-------------------------------|--|----------------------------|--------------|-------------------------------------|---------------|---|-----------------------------|--|--|------|
|                             |                               |  | Purchases/(sales)          | Amount       | Percentage of net purchases/(sales) | Credit Period | Unit Price  | Credit Period               | Amount                                 | Percentage of notes or accounts receivable/(payable) | Note |
| Ta Yih Industrial Co., Ltd. | Koito Manufacturing Co., Ltd. | Entities with significant influence on the Company | (Sales)                    | (\$ 145,511) | (4%)                                | 2 months      | Not significantly different   | Not significantly different | \$ -                                   | -%   | -    |
|                             |                               |  | Purchases                  | 118,807      | 5%                                  | 3 months      | Not significantly different   | Not significantly different | ( 19,691)                              | (5%)   | -    |

TA YIH INDUSTRIAL CO., LTD.  
Information on investees  
For the year ended December 31, 2024

Table 2

Expressed in thousands of NTD

| Investor                    | Investee  | Location               | Main Businesses     | Original investment amount      |  | Holding status as of December 31, 2024 |                         |            | Net income (loss) of the investee | Investment income (loss) recognized by the Company | Note       |
|-----------------------------|---|------------------------|---------------------|---------------------------------|--|--|-------------------------|------------|-----------------------------------|--|------------|
|                             |   |                        |                     | Balance as of December 31, 2024 | Balance as of December 31, 2023 (Note 1) | Shares                                 | Percentage of ownership | Book value |                                   |  |            |
| Ta Yih Industrial Co., Ltd. | Ta Yih International Investment Co., Ltd. (BVI) | British Virgin Islands | General investments | \$ 11,475                       | \$ 11,475                                | 35,000                                 | 100.00                  | \$ 8,159   | \$ 25                             | \$ 25  | Subsidiary |

(Note 1) Represents the original investment amount as of December 31, 2023.

(Note 2) Foreign currencies were translated into New Taiwan Dollars using the exchange rates as of report date as follows: USD:NTD 1:32.785.

TA YIH INDUSTRIAL CO., LTD.  
Information on investments in Mainland China - Basic information  
For the year ended December 31, 2024

Table 3

Expressed in thousands of NTD

| Investee in Mainland China                    | Main Businesses   | Paid-in capital        | Investment Method  | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024 (Note 3)         | Amount remitted from Taiwan to Mainland China/<br>Amount remitted back to Taiwan for the year ended December 31, 2024 |                         | Accumulated amount of remittance from Taiwan as of December 31, 2024 | Net income (loss) of the investee | Percentage of ownership held by the Company (direct or indirect) | Investment income (loss) recognized by the Company | Book value of investments as of December 31, 2024 | Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024 (Note 4) | Note     |
|---|---|------------------------|--|---|---|-------------------------|--|-----------------------------------|--|--|---|--|----------|
|   |   |                        |  |   | Remitted to Mainland China  | Remitted back to Taiwan |  |                                   |  |  |   |  |          |
| Fuzhou Koito Ta Yih Automotive Lamp Co., Ltd. | Import, export and sale of automobile lamps in mainland China                                 | \$ 295,065             | (Note 1)   | \$ 42,470   | \$ -  | (\$ 26,952)             | \$ -   | (\$ 133,633)                      | -  | \$ -   | \$ -  | \$ 238,605   | (Note 2) |
| <u>Company name</u>                           | <u>Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024</u> | <u>Paid-in capital</u> | <u>Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 2)</u> | <u>Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 5)</u> |   |                         |  |                                   |  |  |   |  |          |
| Ta Yih Industrial Co., Ltd.                   | \$ -  | \$ -                   | \$ -   | \$ 1,120,967  |   |                         |  |                                   |  |  |   |  |          |

(Note 1) Entrusting Ta Yih International Investment Co., Ltd. which was established in third region to invest in mainland China. Items referred to Rule No. 84022220 issued by the Investment Commission, MOEA.

(Note 2) On January 18, 1996, the Investment Commission, MOEA approved the investment of US\$2.5 million (including cash investment of US\$1.76 million and machinery investment of US\$740,000) through the approval of the Rule No. 84022220. On February 20, 2001, according to the Rule No. 90003791, approved by the Investment Commission, MOEA, the Company entrusted Ta Yih Investment Co., Ltd. which was established in the third region to invest US\$500,000 on machinery equipment. However, there was still US\$150,000 left unpaid. Therefore, the amount of capital owned by Fuzhou Koito Ta Yih Automotive Lamp Co., Ltd was only US\$2.85 million. However, at the end of November 2005, the Company transferred 51% of the investment to Koito Manufacturing Co., Ltd. In December 2007, Fuzhou Koito Ta Yih Automotive Lamp Co., Ltd resolved to issue share dividends from capital surplus of US\$2.45 million, of which the investment amount belonged to the Company was US\$2.45 million × 49% = US\$1.205 million, and had been approved by the Investment Commission, MOEA on March 24, 2008. In August 2008, the Company applied for issuing share dividends from capital surplus of US\$1.5 million, of which the amount of investment belonged to the company was US\$1.5 million × 49% = US\$735,000, and had been approved by the Investment Commission, MOEA on August 6, 2008. In May 2010, the Company applied for issuing share dividends from capital surplus of US\$2.2 million, of which the amount of investment belonged to the Company was US\$2.2 million × 49% = US\$1.078 million, In July 2024, 49% of the company equity had been sold, and the initial approved mainland investment project was canceled by the Department of Investment Review, Ministry of Economic Affairs.

(Note 3) The original amount of investment was NT\$86,673 thousands. Subsequently, it sold 51% and 49% of Fuzhou Koito's equity in November,2005 and July,2024 respectively and recovered the investment amount of NT\$44,203 and \$26,952 thousands. The remainder will be written off.

(Note 4) Inward cash dividends.

(Note 5) The ceiling amount is 60% of higher of consolidated net worth or net worth according to "Principle of Investment or Technical Cooperation in Mainland China" issued by the Investment Commission, MOEA.

(Note 6) Foreign currencies were translated into New Taiwan Dollars using the exchange rates as of report date as follows: USD:NTD 1:32.785, except for net income (loss) of the investee and investment income (loss) recognized by the Company.

TA YIH INDUSTRIAL CO., LTD.

Information on major shareholders

December 31, 2024

Table 4

| Name of major shareholders    | Shares                |                      |
|-------------------------------|-----------------------|----------------------|
|                               | Number of shares held | Ownership Percentage |
| Koito Manufacturing Co., Ltd. | 24,774,750            | 32.50%               |
| Ta Wei Investment Co., Ltd.   | 20,797,622            | 27.28%               |

(Note 1) The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialized form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation.

The share capital on the financial statements may differ from the actual number of shares issued in dematerialized form because of a different calculation basis.

(Note 2) If a shareholder delivers their shareholdings to a trust, the above information will be disclosed by the individual trustee who opened the trust account.

For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Securities and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property.

For information relating to insider shareholding declaration, please refer to the Market Observation Post System website of the Taiwan Stock Exchange.