



Stock Code: 1521

## TA YIH INDUSTRIAL CO.,LTD

# 2023 Annual Shareholders' Meeting Meeting Agenda

Time : 9:00 a.m., June 13, 2023 (Tuesday)

Venue: 3F Meeting Room of Hotel Château Anping (No.  
47, Xinjian Rd, South Dist., Tainan City)

This Shareholders' Meeting will be held in form of:

Physical Shareholders' Meeting

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Ta Yih Industrial Co., Ltd.

Annual Shareholders' Meeting  
Meeting Agenda

1. Announcing Meeting in Session
2. Words from the Chair
3. Reported Matters
4. Proposed Resolutions
5. Directors Election
6. Other Motions
7. Extempore Motions
8. Adjournment

Ta Yih Industrial Co., Ltd.

2023 Annual Shareholders' Meeting  
Meeting Agenda

1. Time: 9:00 a.m., June 13, 2023 (Tuesday)  
Venue: 3F Meeting Room of Hotel Château Anping (No. 47, Xinjian Rd, South Dist., Tainan City)

The number of shares hold by the shareholders present is reported and the chair declares the meeting open.

2. Words from the Chair

3. Reported Matters

- (1) To report the business of 2022
- (2) Audit Committee's review report
- (3) To report 2022 employees' profit sharing

4. Proposed Resolutions

- (1) To accept 2022 Business Report and Financial Statements.
- (2) To accept 2022 earnings distribution.

5. Directors Election: Re-election of 6 directors and 3 independent directors of the Company.

6. Other Motions: Release of Prohibitions on Directors and their representatives from Participation in Competitive Business

7. Extempore Motions

8. Adjournment

## Meeting Agenda

1. The number of shares hold by the shareholders present is reported and the chair declares the meeting open.
2. Words from the Chair
3. Reported Matters

### Motion 1

Subject: To report the business of 2022

Explanations: The business report has been attached. (Please refer to pages 7~8 of the meeting agenda.)

### Motion 2

Subject: Audit Committee Review Report of 2022.

Explanations: Audit Committee Review Report has been attached. (Please refer to page 9 of the meeting agenda.)

### Motion 3

Subject: To report 2022 employees' profit sharing.

Explanations: 1. Subject to Article 30-1 of the Articles of Incorporation, the Company shall set aside no less than 1% of its profit to be the employees' remuneration if there is any profit in the current year, and the remuneration shall be distributed in the form of stocks or cash. However, in case of any accumulated loss of the Company, an amount shall be retained in advance to make up the loss before the employees' remuneration is set aside at the percentage mentioned above. The distribution of employees' remuneration shall be reported at the annual shareholders' meeting.

2. The Board of Directors of the Company resolved on Mar. 8, 2023 to set aside 1% of the profit to be the employees' remuneration. The total amount of employees' remuneration was NT\$1,151,932 and was fully distributed in cash.

## 4. Proposed Resolutions

### Motion 1 (Proposed by the Board)

Subject: To accept 2022 Business Report and Financial Statements.

Explanations: 1. The Company's financial statements and business report of 2022 are approved by the resolution of its Board of Directors.

2. The aforementioned financial statements have been audited and attested by CPAs Li Chi-Chen and Yang Chao-Chin of Deloitte Taiwan, and have been submitted, together with the business report, to and audited by the Audit Committee. For your ratification. (Please refer to pages 7~8 and 10~29 of the meeting agenda.)

Resolution:

Motion 2 (Proposed by the Board)

Subject: To accept 2022 earnings distribution.

- Explanations:
1. The Company's earning distribution of 2022 has been approved by the Board of Directors and audited by the Audit Committee. For your ratification. (Please refer to page 30 of the meeting agenda.)
  2. In addition to the legal reserve in the amount of NT\$10,062,952 proposed by the Board of Directors, the cash dividends at NT\$0.7 per share will be distributed. The total amount of distributed cash dividends is NT\$53,361,000.
  3. This cash dividend will be distributed in cash in the unit of NT\$, with portions lower than NT\$1 rounded off. The sums of fractional shares under NT\$1 is further recognized as other incomes of the Company.
  4. Dates of reference for dividend distribution and cash dividend distribution shall be determined otherwise by the Board of Directors under authorization.

Resolution:

## 5. Directors Election:

Subject: Re-election of 6 directors and 3 independent directors of the Company.  
For your election. (Proposed by the Board)

- Explanations:
1. The term of office for the Company's 16<sup>th</sup> Board of Directors, composed of 6 directors and 3 independent directors, will expire on June 13, 2023. The election of 17<sup>th</sup> Directors and Independent Directors will be held in the 2023 Annual Shareholders' Meeting.
  2. In accordance with Article 18 of the Company's Articles of Incorporation, the Company has established its Board of Directors composed of 9 directors (with no fewer than 3 independent directors). The candidate nomination system is adopted in the Company's election of directors in accordance with Article 192 of the Company Act.
  3. The 17<sup>th</sup> Directors and Independent Directors shall assume office from June 13, 2023 to June 12, 2026, with the term of 3 years.
  4. The list of candidates for the Company's 17<sup>th</sup> Directors and Independent Directors has been adopted by the Board of Directors on April 11, 2023. The list of candidates for Directors and Independent Directors, including their education, working experiences and numbers and amounts of shares held, is shown as follows:

## List of Directors' Candidates

No.	Name	Education	Principal Experiences	Current Role(s)	Candidate Type	Number of Shares Held
1	Ding Wan Investment Industrial Co., Ltd. Representative: Wu, Chun-I	National Pei-men Senior Agricultural and Industrial Vocational School	1. Chairman of TAYIH KENMOS AUTO PARTS CO., LTD. 2. Director of T.Y.C. BROTHER INDUSTRIAL CO., LTD. 3. Vice Chairman of Fuzhou Koito Ta Yih Automotive Lamp Co., Ltd.	1. Chairman of Ta Yih Industrial Co., Ltd. 2. Chairman of TAYIH KENMOS AUTO PARTS CO., LTD. 3. Director of T.Y.C. BROTHER INDUSTRIAL CO., LTD. 4. Vice Chairman of Fuzhou Koito Ta Yih Automotive Lamp Co., Ltd.	Director	10,000
2	Koito Manufacturing Co., Ltd. Representative: Iwanabe Megumi	Department of Engineering, Osaka Electro-Communication University (Japan)	Vice Chairman of Ta Yih Industrial Co., Ltd.	Vice Chairman of Ta Yih Industrial Co., Ltd.	Director	24,774,750
3	Wu, Yu-Hsien	MBA Program, Loyola Marymount University	Special Assistant to Chairman of TAYIH KENMOS AUTO PARTS CO., LTD.	Vice Chairman of TAYIH KENMOS AUTO PARTS CO., LTD. General Manager of TAYIH KENMOS AUTO PARTS CO., LTD.	Director	25,101
4	Yi-Jian Investment Co., Ltd. Representative: Cheng Hsien Tsong	Bachelor of Mechanical Engineering, National Cheng Kung University	1. General Manager of Product Planning, Ford Lio Ho Motor Co., Ltd. 2. VP of Procurement in Greater China, Ford China 3. VP of Procurement, Ford (China) Global Procurement Center 4. Chairman of GAC Fiat Chrysler Chinese Automobile and Finance Company 5. Co-founder of Nio Inc. (NIO) 6. Chairman of NIO XPT	CEO of Mobility In Harmony Open EV Platform	Director	20,000
5	Koito Manufacturing Co., Ltd. Representative: KONAGAYA HIDEHARU	Faculty of Science and Engineering, Waseda University (Japan)	President of Management Headquarters, Koito Manufacturing Co., Ltd.	President of Management Headquarters, Koito Manufacturing Co., Ltd.	Director	24,774,750
6	Koito Manufacturing Co., Ltd. Representative: YAMAMOTO KAKUYA	Business School of Doshisha University (Japan)	Vice President of International Business Headquarters, Koito Manufacturing Co., Ltd.	Vice President of International Business Headquarters, Koito Manufacturing Co., Ltd.	Director	24,774,750
7	Cheng, Yu-Wei	Doctor of Judicial Science, University of Pennsylvania (the US)	1. Assistant Professor at Graduate Institute of Industrial Economics, School of Management, National Central University 2. Associate Professor at Graduate Institute of Industrial Economics, School of Management, National Central University 3. Director of Graduate Institute of Industrial Economics, School of Management, National Central University 4. Acting Director of Graduate Institute of Industrial Economics, School of Management, National Central University	1. Associate Professor at Graduate Institute of Industrial Economics, School of Management, National Central University 2. Director of Graduate Institute at School of Management, National Central University	Independent Director	0

No.	Name	Education	Principal Experiences	Current Role(s)	Candidate Type	Number of Shares Held
8	Huang Chang Fu	MBA Program, Meiji University (Japan)	1. Vice General Manager, Department of Organizational Relations, CTBC Financial Holding Co., Ltd. 2. Vice President of Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) 3. Deputy Secretary General of Asian Bankers Association (ABA) 4. Head of International Organization Department, CTBC Bank Co., Ltd.	1. Consultant at CTBC Financial Holding Co., Ltd. 2. CEO of The Third Wednesday Club-Young Entrepreneur Group 3. Deputy Secretary General of The Third Wednesday Club 4. Secretary General of TJABC	Independent Director	0
9	Kao Hsin Chung	Department of Machinery Dynamics, Minghsin Institute of Technology	1. General Manager of SENTEC E&E CO., LTD. 2. Director of SENTEC E&E CO., LTD.	Director of SENTEC E&E CO., LTD.	Independent Director	0

### Election Result:

#### 6. Other Motions:

Subject: Release of Prohibitions on Directors and their representatives from Participation in Competitive Business. For your discussion. (Proposed by the Board)

#### Explanations:

1. In accordance with Article 209 of the Company Act, “director who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”
2. Due to the matters the Company may require in its diversified operations and the conducts by the directors for itself or others, which are within the scope of the Company’s business, the Board hereby proposes in cooperation with actual needs for approval of the release of prohibitions on partial directors from participation in competitive business by the Shareholders’ Meeting, provided such release will not be detrimental to the Company’s interests.
3. For details of the prohibitions on directors and their representatives from participation in competitive businesses, please refer to page 31 of the meeting agenda.

#### Resolution:

#### 7. Extempore Motions

#### 8. Adjournment



## Attachment 1. Business Report of 2022

### Ta Yih Industrial Co., Ltd. Business Report

#### 1. Business Report of 2022:

##### (1) Business Results:

The all-year Net Operating Revenue of the Company in 2022 was NT\$4,746,405 thousand, decreased by NT\$245,737 thousand compared to that of 2021 at NT\$4,992,142 thousand; in addition, the Pre-tax Income in 2022 was NT\$84,755 thousand, decreased by NT\$2,786 thousand compared to that of 2021 at NT\$87,541 thousand.

##### (2) Comparison Table for Net Operating Revenues and Net Incomes of 2022 and 2021:

Unit: NT\$ Thousands

Year	2022	2021	Increase/ Decrease by	Increase/ Decrease by %
Net Operating Revenue	4,746,405	4,992,142	(-) 245,737	(-) 4.9
Operating Income	55,550	127,211	(-) 71,661	(-) 56.3
Pre-tax Income	84,755	87,541	(-) 2,786	(-) 3.2
Net Income	88,824	82,524	(+) 6,300	(+) 7.6
EPS (NT\$/Share)	1.17	1.08	(+) 0.09	(+) 8.3

##### (3) The Net Income in 2022 was NT\$88,824 thousand, with an EPS at NT\$1.17 and a profit margin at 1.87%. The Returns on Assets and Shareholder's Equity were 2.78% and 5.04% respectively.

#### 2. Overview of Business Plan of 2023:

##### (1) Management Guidelines

1. Satisfying customer needs, and generating values as an enterprise.
2. Grasp on technical trends, and strengthening design and development.
3. Building automated plants to pursue optimized inventory management.
4. Raising quality awareness, and building SOPs.
5. Perfecting talent incubation, and cultivating successor echelons.
6. Creating a safe and friendly workplace, and improving use of green power and waste reduction management.

##### (2) Expected Sales and Their Foundations:

1. Expected Sales: about 470~480 thousand automobiles are sold domestically.
2. Foundation: projected based on plans of automotive makers.

##### (3) Important Production and Sales Policies

1. Securing domestic automobile orders and developing motorcycles and export markets in a progressive manner.
2. Adjusting inventory in a timely manner by grasping expenses of raw materials and logistics and changes in exchange rates.
3. Building a zero-waste production management through the promotions of post-supplement production system TPS (Toyota Production System), TPM (Total Productive Management) planned maintenance and self-initiated maintenance.
4. Improving energy conservation, waste reduction, pollution prevention, etc.,

on an ongoing manner and ensuring that restricted substances hazardous to the environment are not used in the design and manufacturing process.

3. Future Development Strategies of the Company:

- (1) Gaining knowledge of trends and styles of EV lightings plus preliminary technical R&D to satisfy needs by automotive makers in the future.
- (2) Introduction of new information technology, and facilitating operation efficiency and cyber security through IOT and Industry 4.0 systems.
- (3) Implementing the resource and energy management mechanism as well as sustainable use of resources for heightened awareness of green environmental protection in the planning and manufacturing of products.

4. Effects by External Competition, Legal Circumstances and Overall Business Environment:

Looking back in 2022, the global automotive industry remained in slump due to effects of the pandemic, logistics, lack of automotive chips, Russo-Ukrainian War, Sino-US Trade War, etc. The issues including deficiency in automotive chips, rising raw material prices and global inflation trend leading to inhibition of consumptions in the automotive market in conjunction with appreciation of New Taiwan Dollar ultimately bring about adverse effects to the Company's sales in 2022.

Prospecting the year 2023, on the grounds of expected ease in the parts and component deficiency, extension of excise tax subsidy policy as old car replacement stimulus, which leads to increased needs for purchasing new cars, as well as the expectations on price hike for domestic cars, the annual sales of automobiles in Taiwan is estimated to be 470~480 thousand vehicles. In terms of export sales, the Company will continue to develop new customers in the North American market in addition to contending for overseas orders from the Koito Group, meanwhile actively launching new technologies to domestic and foreign customers so as to gain more orders of lamps for new car models and their molds. Furthermore, the Company has taken various cost rationalization improvement to improve production efficiency and reduce production costs.

In the near future, the Company will implement an austere corporate governance, promote sustainable development, fulfill corporate social responsibility and invest in research and development consistently. In addition, with the corporate philosophy of sincerity and sustainable development, the Company, supported by all shareholders and all-out effort by our employees in solidarity, guarantees its stable growth and will create reasonable gains and values for shareholders, employees and the society. We sincerely expect the support, encouragement and feedbacks from all the shareholders, with adherence to the original intention.

We wish all shareholders health and prosperity!

Ta Yih Industrial Co., Ltd.

Chairman: Wu Chun-I

Manager: Wu Cheng-Yuan

Accounting Manager: Wang Hung-Ji

## Attachment 2. Audit Committee Review Report

### Ta Yih Industrial Co., Ltd. Audit Committee Review Report

The financial statements of 2022 (including the consolidated financial statements) prepared by the Board of Directors have been audited and attested by CPAs Li Chi-Chen and Yang Chao-Chin of Deloitte Taiwan, which along with the Business Report and the proposals for earnings distribution have been reviewed and determined to be correct and accurate by the Audit Committee. In accordance with Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this report.

To

Ta Yih Industrial Co., Ltd. 2023 Annual Shareholders' Meeting

Ta Yih Industrial Co., Ltd.

Convenor of Audit Committee: Wu Wan-I

March 8, 2023

## **INDEPENDENT AUDITORS' REPORT**

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

### **Opinion**

We have audited the accompanying consolidated financial statements of Ta Yih Industrial Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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 consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the audit of the Group's consolidated financial statements for the year ended December 31, 2022 is as follows:

#### Sales Revenue from Hub Warehouse

Ta Yih Industrial Co., Ltd. mainly manufactures and sells automobile and locomotive lamps. The Company also sells its products to overseas markets. The sales model of overseas markets depends on the delivery of goods from hub warehouse. Ta Yih Industrial Co., Ltd. usually relies on the statements or other information from the external custodians of hub warehouse when making important strategic decisions. The inventory change related to the delivery from hub warehouse is used as the basis for recognizing revenue, and sales revenue is recognized when the customer picks up the goods (transfer of risks and rewards).

The sales revenue generated from the hub warehouse was \$1,530,564 thousand for the year ended December 31, 2022, which accounted for 32% of the total operating revenue. The transaction volume of revenue from the hub warehouse is significant to the consolidated financial statements of Ta Yih Industrial Co., Ltd. for the year ended December 31, 2022; therefore, the revenue recognition of sales from hub warehouse needed to be verified through multiple internal controls and was identified as a key audit matter.

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

1. We obtained an understanding and tested the effectiveness of the design of the internal control and implementation related to the authenticity of sales revenue.
2. We confirmed the existence of revenue by sampling the sales revenue from shipment of hub warehouse and checked the corresponding documents such as export declarations, bills of lading and bank statement's records.

#### **Other Matter**

We have also audited the standalone financial statements of Ta Yih Industrial Co., Ltd. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the supervisors, are responsible for overseeing the Group's financial reporting process.

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

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine a matter that was of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and is therefore the key audit matter. We describe this matter 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.

The engagement partners on the audits resulting in this independent auditors' report are Chi-Chen Lee and Chao-Chin Yang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 8, 2023

#### Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

# Ta Yih Industrial Co., Ltd. and Subsidiaries

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash (Notes 4 and 6)	\$ 154,833	5	\$ 82,641	2
Financial assets at amortized cost - current (Notes 4 and 7)	5,600	-	-	-
Notes receivable (Notes 4 and 8)	416	-	14,256	-
Accounts receivable (Notes 4, 8 and 21)	685,440	21	706,917	21
Accounts receivable from related parties (Notes 4, 8, 21 and 28)	146,424	4	63,689	2
Other receivables (Notes 4 and 8)	5,581	-	2,291	-
Other receivables from related parties (Notes 4, 8 and 28)	9,690	-	15,332	1
Inventories (Notes 4 and 9)	952,784	29	1,061,190	31
Prepayments (Note 28)	107,865	3	74,149	2
Other current assets (Note 15)	18,387	1	17,895	1
Total current assets	2,087,020	63	2,038,360	60
<b>NON-CURRENT ASSETS</b>				
Investments accounted for using the equity method (Notes 4 and 11)	174,108	5	271,541	8
Property, plant and equipment (Notes 4, 12 and 28)	966,643	29	995,638	29
Right-of-use assets (Notes 4 and 13)	38,650	1	8,166	-
Intangible assets (Notes 4, 14 and 28)	8,521	-	13,716	1
Deferred tax assets (Notes 4 and 23)	21,449	1	45,777	1
Other non-current assets (Notes 4 and 15)	14,630	1	21,265	1
Total non-current assets	1,224,001	37	1,356,103	40
<b>TOTAL</b>	<b>\$ 3,311,021</b>	<b>100</b>	<b>\$ 3,394,463</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 16)	\$ 300,000	9	\$ 375,830	11
Short-term bills payable (Note 16)	-	-	90,000	3
Contract liabilities - current (Notes 4, 21 and 28)	129,154	4	53,953	2
Notes payable (Note 17)	78,300	2	84,738	2
Accounts payable (Note 17)	528,522	16	527,055	16
Accounts payable to related parties (Notes 17 and 28)	66,622	2	68,820	2
Other payables (Note 18)	172,999	5	171,840	5
Other payables to related parties (Notes 18 and 28)	45,874	2	50,016	1
Current tax liabilities (Notes 4 and 23)	25,621	1	55,122	2
Lease liabilities - current (Notes 4 and 13)	10,711	-	4,527	-
Other current liabilities (Note 18)	585	-	427	-
Total current liabilities	1,358,388	41	1,482,328	44
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities (Notes 4 and 23)	78,784	2	92,342	3
Lease liabilities - non - current (Notes 4 and 13)	28,115	1	3,713	-
Net defined benefit liabilities (Notes 4 and 19)	49,797	2	78,730	2
Other non-current liabilities (Note 18)	2,429	-	2,845	-
Total non-current liabilities	159,125	5	177,630	5
Total liabilities	1,517,513	46	1,659,958	49
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)</b>				
Ordinary shares	762,300	23	762,300	22
Capital surplus	61,023	2	60,924	2
Retained earnings				
Legal reserve	674,678	20	667,215	20
Special reserve	68,264	2	68,264	2
Unappropriated earnings	262,141	8	214,713	6
Total retained earnings	1,005,083	30	950,192	28
Other equity	(34,898)	(1)	(38,911)	(1)
Total equity attributable to owners of the Company	1,793,508	54	1,734,505	51
<b>TOTAL</b>	<b>\$ 3,311,021</b>	<b>100</b>	<b>\$ 3,394,463</b>	<b>100</b>

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



# Ta Yih Industrial Co., Ltd. and Subsidiaries

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21 and 28)	\$ 4,746,405	100	\$ 4,992,142	100
OPERATING COSTS (Notes 9, 19, 22 and 28)	<u>4,151,023</u>	<u>88</u>	<u>4,350,801</u>	<u>87</u>
GROSS PROFIT	<u>595,382</u>	<u>12</u>	<u>641,341</u>	<u>13</u>
UNREALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	(1,473)	-	(2,200)	-
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	<u>1,762</u>	<u>-</u>	<u>2,645</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>595,671</u>	<u>12</u>	<u>641,786</u>	<u>13</u>
OPERATING EXPENSES (Notes 8, 19, 22 and 28)				
Selling and marketing expenses	263,744	5	224,238	5
General and administrative expenses	129,255	3	134,269	3
Research and development expenses	147,122	3	154,030	3
Expected credit loss	<u>-</u>	<u>-</u>	<u>2,038</u>	<u>-</u>
Total operating expenses	<u>540,121</u>	<u>11</u>	<u>514,575</u>	<u>11</u>
PROFIT FROM OPERATIONS	<u>55,550</u>	<u>1</u>	<u>127,211</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES (Notes 22 and 28)				
Interest income	296	-	100	-
Other income	43,631	1	59,041	1
Other gains and losses	87,932	2	(39,408)	(1)
Share of profit or loss of associates	<u>(102,654)</u>	<u>(2)</u>	<u>(59,403)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>29,205</u>	<u>1</u>	<u>(39,670)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	84,755	2	87,541	1
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 23)	<u>(4,069)</u>	<u>-</u>	<u>5,017</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>88,824</u>	<u>2</u>	<u>82,524</u>	<u>1</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 19)	14,756	-	(9,866)	-

(Continued)

## Ta Yih Industrial Co., Ltd. and Subsidiaries

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 23)	<u>(2,951)</u>	<u>-</u>	<u>1,973</u>	<u>-</u>
	<u>11,805</u>	<u>-</u>	<u>(7,893)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	5,016	-	(1,810)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 23)	<u>(1,003)</u>	<u>-</u>	<u>362</u>	<u>-</u>
	<u>4,013</u>	<u>-</u>	<u>(1,448)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>15,818</u>	<u>-</u>	<u>(9,341)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 104,642</u>	<u>2</u>	<u>\$ 73,183</u>	<u>1</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ 88,824</u>	<u>2</u>	<u>\$ 82,524</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ 104,642</u>	<u>2</u>	<u>\$ 73,183</u>	<u>1</u>
EARNINGS PER SHARE (New Taiwan dollars, Note 24)				
Basic	<u>\$ 1.17</u>		<u>\$ 1.08</u>	
Diluted	<u>\$ 1.17</u>		<u>\$ 1.08</u>	

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

(Concluded)

**Ta Yih Industrial Co., Ltd. and Subsidiaries**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)**

	Share Capital		Retained Earnings				Other Equity	
	Shares	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earning	Exchange Differences on Translating Foreign Operations	Total Equity
BALANCE AT JANUARY 1, 2021	76,230	\$ 762,300	\$ 60,832	\$ 651,251	\$ 68,264	\$ 255,145	\$ (37,463)	\$ 1,760,329
Appropriation of the 2020 earnings (Note 20)								
Legal reserve	-	-	-	15,964	-	(15,964)	-	-
Cash dividends distributed by the Company - NT\$1.3 per share	-	-	-	-	-	(99,099)	-	(99,099)
Unclaimed cash dividends overdue transferred to capital surplus	-	-	92	-	-	-	-	92
Net profit for the year ended December 31, 2021	-	-	-	-	-	82,524	-	82,524
Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(7,893)	(1,448)	(9,341)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	74,631	(1,448)	73,183
BALANCE AT DECEMBER 31, 2021	76,230	762,300	60,924	667,215	68,264	214,713	(38,911)	1,734,505
Appropriation of the 2021 earnings (Note 20)								
Legal reserve	-	-	-	7,463	-	(7,463)	-	-
Cash dividends distributed by the Company - NT\$0.6 per share	-	-	-	-	-	(45,738)	-	(45,738)
Unclaimed cash dividends overdue transferred to capital surplus	-	-	99	-	-	-	-	99
Net profit for the year ended December 31, 2022	-	-	-	-	-	88,824	-	88,824
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	11,805	4,013	15,818
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	100,629	4,013	104,642
BALANCE AT DECEMBER 31, 2022	76,230	\$ 762,300	\$ 61,023	\$ 674,678	\$ 68,264	\$ 262,141	\$ (34,898)	\$ 1,793,508

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

# Ta Yih Industrial Co., Ltd. and Subsidiaries

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 84,755	\$ 87,541
Adjustments for:		
Depreciation expenses	181,886	167,259
Amortization expenses	10,127	10,368
Expected credit loss recognized on trade receivables	-	2,038
Finance costs	5,356	3,451
Interest income	(296)	(100)
Share of profits of associates	102,654	59,403
Loss (gain) on disposal of property, plant and equipment, net	(59)	43
Unrealized gain on transactions with associates	1,473	2,200
Realized gain on transactions with associates	(1,762)	(2,645)
Net gain on foreign currency exchange	(8,912)	(10,869)
Changes in operating assets and liabilities:		
Notes receivable	13,840	(12,068)
Accounts receivable	30,895	63,555
Accounts receivable from related parties	(76,436)	175,527
Other receivables	(3,290)	29
Other receivables from related parties	5,523	4,446
Inventories	108,406	(118,169)
Prepayments	(33,716)	31,845
Other current assets	(492)	11,057
Contract liabilities	75,201	(104,915)
Notes payable	(6,438)	(10,750)
Accounts payable	976	(189,351)
Accounts payable to related parties	(5,393)	(1,812)
Other payables	1,227	(32,077)
Other payables to related parties	(4,142)	(16,336)
Other current liabilities	158	(196)
Net defined benefit liabilities	(14,177)	(6,192)
Other non-current liabilities	(416)	79
Cash generated from operations	466,948	113,361
Interest received	296	100
Interest paid	(5,424)	(3,386)
Income tax paid	(18,616)	(26,265)
Net cash generated from operating activities	443,204	83,810
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(5,600)	-
Payments for property, plant and equipment	(137,483)	(129,161)
Proceeds from disposal of property, plant and equipment	80	-
Increase in refundable deposits	(2,409)	(6,421)
Decrease in refundable deposits	4,397	11,157
Payments for intangible assets	(4,932)	(5,160)
Net cash used in investing activities	(145,947)	(129,585)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	3,913,065	2,885,588

(Continued)

# **Ta Yih Industrial Co., Ltd. and Subsidiaries**

## **CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)**

	<b>2022</b>	<b>2021</b>
Repayments of short-term borrowings	(3,991,895)	(2,850,440)
Proceeds from short - term bills payable	260,000	640,000
Repayments from short - term bills payable	(350,000)	(550,000)
Repayment of the principal portion of lease liabilities	(10,680)	(5,866)
Cash dividends	(45,738)	(99,099)
Unclaimed cash dividends overdue transferred to capital surplus	<u>99</u>	<u>92</u>
Net cash generated from (used in) financing activities	<u>(225,149)</u>	<u>20,275</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>84</u>	<u>(23)</u>
NET INCREASE (DECREASE) IN CASH	72,192	(25,523)
CASH AT THE BEGINNING OF THE YEAR	<u>82,641</u>	<u>108,164</u>
CASH AT THE END OF THE YEAR	<u>\$ 154,833</u>	<u>\$ 82,641</u>

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

(Concluded)

## **INDEPENDENT AUDITORS' REPORT**

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

### **Opinion**

We have audited the accompanying standalone financial statements of Ta Yih Industrial Co., Ltd. (the "Company"), which comprise the standalone balance sheets as of December 31, 2022 and 2021, and the standalone statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the standalone financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying standalone financial statements present fairly, in all material respects, the standalone financial position of the Company as of December 31, 2022 and 2021, and its standalone financial performance and its standalone 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 Auditing and Attestation of Financial Statements by 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 standalone 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 standalone financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the audit of the Company's standalone financial statements for the year ended December 31, 2022 is as follows:

### Sales Revenue from Hub Warehouse

Ta Yih Industrial Co., Ltd. mainly manufactures and sells automobile and locomotive lamps. The Company also sells its products to overseas markets. The sales model of overseas markets depends on the delivery of goods from hub warehouse. Ta Yih Industrial Co., Ltd. usually relies on the statements or other information from the external custodians of hub warehouse when making important strategic decisions. The inventory change related to the delivery from hub warehouse is used as the basis for recognizing revenue, and sales revenue is recognized when the customer picks up the goods (transfer of risks and rewards).

The sales revenue generated from the hub warehouse was \$1,530,564 thousand for the year ended December 31, 2022, which accounted for 32% of the total operating revenue. The transaction volume of revenue from the hub warehouse is significant to the standalone financial statements of Ta Yih Industrial Co., Ltd. for the year ended December 31, 2022; therefore, the revenue recognition of sales from hub warehouse needed to be verified through multiple internal controls and was identified as a key audit matter.

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

1. We obtained an understanding and tested the effectiveness of the design of the internal control and implementation related to the authenticity of sales revenue.
2. We confirmed the existence of revenue by sampling the sales revenue from shipment of hub warehouse and checked the corresponding documents such as export declarations, bills of lading and bank statement's records.

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

Management is responsible for the preparation and fair presentation of the standalone 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 standalone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 the audit committee, are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

1. Identify and assess the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the standalone 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 a matter that was of most significance in the audit of the standalone financial statements for the year ended December 31, 2022 and is therefore the key audit matter. We describe this matter 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.



The engagement partners on the audits resulting in this independent auditors' report are Chi-Chen Lee and Chao-Chin Yang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 8, 2023

Notice to Readers

*The accompanying standalone financial statements are intended only to present the standalone financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such standalone financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying standalone financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and standalone financial statements shall prevail.*

## Ta Yih Industrial Co., Ltd.

### STANDALONE BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash (Notes 4 and 6)	\$ 154,018	5	\$ 81,857	2
Financial assets at amortized cost - current (Notes 4 and 7)	5,600	-	-	-
Notes receivable (Notes 4 and 8)	416	-	14,256	-
Accounts receivable (Notes 4, 8 and 20)	685,440	21	706,917	21
Accounts receivable from related parties (Notes 4, 8, 20 and 27)	146,424	4	63,689	2
Other receivables (Notes 4 and 8)	5,581	-	2,291	-
Other receivables from related parties (Notes 4, 8 and 27)	9,690	-	15,332	1
Inventories (Notes 4 and 9)	952,784	29	1,061,190	31
Prepayments (Note 27)	107,865	3	74,149	2
Other current assets (Note 14)	18,387	1	17,895	1
Total current assets	2,086,205	63	2,037,576	60
<b>NON-CURRENT ASSETS</b>				
Investments accounted for using the equity method (Notes 4 and 10)	174,923	5	272,325	8
Property, plant and equipment (Notes 4, 11 and 27)	966,643	29	995,638	29
Right-of-use assets (Notes 4 and 12)	38,650	1	8,166	-
Intangible assets (Notes 4, 13 and 27)	8,521	-	13,716	1
Deferred tax assets (Notes 4 and 22)	21,449	1	45,777	1
Other non-current assets (Notes 4 and 14)	14,630	1	21,265	1
Total non-current assets	1,224,816	37	1,356,887	40
<b>TOTAL</b>	<u>\$ 3,311,021</u>	<u>100</u>	<u>\$ 3,394,463</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 15)	\$ 300,000	9	\$ 375,830	11
Short-term bills payable (Note 15)	-	-	90,000	3
Contract liabilities - current (Notes 4, 20 and 27)	129,154	4	53,953	2
Notes payable (Note 16)	78,300	2	84,738	2
Accounts payable (Note 16)	528,522	16	527,055	16
Accounts payable to related parties (Notes 16 and 27)	66,622	2	68,820	2
Other payables (Note 17)	172,999	5	171,840	5
Other payables to related parties (Notes 17 and 27)	45,874	2	50,016	1
Current tax liabilities (Notes 4 and 22)	25,621	1	55,122	2
Lease liabilities - current (Notes 4 and 12)	10,711	-	4,527	-
Other current liabilities (Note 17)	585	-	427	-
Total current liabilities	1,358,388	41	1,482,328	44
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities (Notes 4 and 22)	78,784	2	92,342	3
Lease liabilities - non-current (Notes 4 and 12)	28,115	1	3,713	-
Net defined benefit liabilities (Notes 4 and 18)	49,797	2	78,730	2
Other non-current liabilities (Note 17)	2,429	-	2,845	-
Total non-current liabilities	159,125	5	177,630	5
Total liabilities	1,517,513	46	1,659,958	49
<b>EQUITY (Note 19)</b>				
Ordinary shares	762,300	23	762,300	22
Capital surplus	61,023	2	60,924	2
Retained earnings				
Legal reserve	674,678	20	667,215	20
Special reserve	68,264	2	68,264	2
Unappropriated earnings	262,141	8	214,713	6
Total retained earnings	1,005,083	30	950,192	28
Other equity	(34,898)	(1)	(38,911)	(1)
Total equity	1,793,508	54	1,734,505	51
<b>TOTAL</b>	<u>\$ 3,311,021</u>	<u>100</u>	<u>\$ 3,394,463</u>	<u>100</u>

The accompanying notes are an integral part of the standalone financial statements.

# Ta Yih Industrial Co., Ltd.

## STANDALONE STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 20 and 27)	\$ 4,746,405	100	\$ 4,992,142	100
OPERATING COSTS (Notes 9, 18, 21 and 27)	<u>4,151,023</u>	<u>88</u>	<u>4,350,801</u>	<u>87</u>
GROSS PROFIT	595,382	12	641,341	13
UNREALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	(1,473)	-	(2,200)	-
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	<u>1,762</u>	<u>-</u>	<u>2,645</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>595,671</u>	<u>12</u>	<u>641,786</u>	<u>13</u>
OPERATING EXPENSES (Notes 8, 18, 21 and 27)				
Selling and marketing expenses	263,744	5	224,238	5
General and administrative expenses	129,199	3	134,216	3
Research and development expenses	147,122	3	154,030	3
Expected credit loss	<u>-</u>	<u>-</u>	<u>2,038</u>	<u>-</u>
Total operating expenses	<u>540,065</u>	<u>11</u>	<u>514,522</u>	<u>11</u>
PROFIT FROM OPERATIONS	<u>55,606</u>	<u>1</u>	<u>127,264</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 27)				
Interest income	293	-	100	-
Other income	43,631	1	59,041	1
Other gains and losses	87,932	2	(39,408)	(1)
Share of profit or loss of subsidiaries and associates	<u>(102,707)</u>	<u>(2)</u>	<u>(59,456)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>29,149</u>	<u>1</u>	<u>(39,723)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	84,755	2	87,541	1
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 22)	<u>(4,069)</u>	<u>-</u>	<u>5,017</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>88,824</u>	<u>2</u>	<u>82,524</u>	<u>1</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 18)	14,756	-	(9,866)	-

(Continued)

# Ta Yih Industrial Co., Ltd.

## STANDALONE STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 22)	<u>(2,951)</u>	<u>-</u>	<u>1,973</u>	<u>-</u>
	<u>11,805</u>	<u>-</u>	<u>(7,893)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	5,016	-	(1,810)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 22)	<u>(1,003)</u>	<u>-</u>	<u>362</u>	<u>-</u>
	<u>4,013</u>	<u>-</u>	<u>(1,448)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>15,818</u>	<u>-</u>	<u>(9,341)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 104,642</u>	<u>2</u>	<u>\$ 73,183</u>	<u>1</u>
EARNINGS PER SHARE (New Taiwan dollars, Note 23)				
Basic	<u>\$ 1.17</u>		<u>\$ 1.08</u>	
Diluted	<u>\$ 1.17</u>		<u>\$ 1.08</u>	

The accompanying notes are an integral part of the standalone financial statements.

(Concluded)

# Ta Yih Industrial Co., Ltd.

## STANDALONE STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Share Capital			Retained Earnings			Other Equity Exchange Differences on Translating Foreign Operations	Total Equity
	Shares	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings		
BALANCE AT JANUARY 1, 2021	76,230	\$ 762,300	\$ 60,832	\$ 651,251	\$ 68,264	\$ 255,145	\$ (37,463)	\$ 1,760,329
Appropriation of the 2020 earnings (Note 19)								
Legal reserve	-	-	-	15,964	-	(15,964)	-	-
Cash dividends distributed by the Company - NT\$1.3 per share	-	-	-	-	-	(99,099)	-	(99,099)
Unclaimed cash dividends overdue transferred to capital surplus	-	-	92	-	-	-	-	92
Net profit for the year ended December 31, 2021	-	-	-	-	-	82,524	-	82,524
Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(7,893)	(1,448)	(9,341)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	74,631	(1,448)	73,183
BALANCE AT DECEMBER 31, 2021	76,230	762,300	60,924	667,215	68,264	214,713	(38,911)	1,734,505
Appropriation of the 2021 earnings (Note 19)								
Legal reserve	-	-	-	7,463	-	(7,463)	-	-
Cash dividends distributed by the Company - NT\$0.6 per share	-	-	-	-	-	(45,738)	-	(45,738)
Unclaimed cash dividends overdue transferred to capital surplus	-	-	99	-	-	-	-	99
Net profit for the year ended December 31, 2022	-	-	-	-	-	88,824	-	88,824
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	11,805	4,013	15,818
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	100,629	4,013	104,642
BALANCE AT DECEMBER 31, 2022	76,230	\$ 762,300	\$ 61,023	\$ 674,678	\$ 68,264	\$ 262,141	\$ (34,898)	\$ 1,793,508

The accompanying notes are an integral part of the standalone financial statements.

# Ta Yih Industrial Co., Ltd.

## STANDALONE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 84,755	\$ 87,541
Adjustments for:		
Depreciation expense	181,886	167,259
Amortization expense	10,127	10,368
Expected credit loss recognized on trade receivables	-	2,038
Finance costs	5,356	3,451
Interest income	(293)	(100)
Share of profits of subsidiaries and associates	102,707	59,456
Loss (gain) on disposal of property, plant and equipment, net	(59)	43
Unrealized gain on transactions with associates	1,473	2,200
Realized gain on transactions with associates	(1,762)	(2,645)
Net gain on foreign currency exchange	(8,912)	(10,869)
Changes in operating assets and liabilities:		
Notes receivable	13,840	(12,068)
Accounts receivable	30,895	63,555
Accounts receivable from related parties	(76,436)	175,527
Other receivables	(3,290)	29
Other receivables from related parties	5,523	4,446
Inventories	108,406	(118,169)
Prepayments	(33,716)	31,845
Other current assets	(492)	11,057
Contract liabilities	75,201	(104,915)
Notes payable	(6,438)	(10,750)
Accounts payable	976	(189,351)
Accounts payable to related parties	(5,393)	(1,812)
Other payables	1,227	(32,077)
Other payables to related parties	(4,142)	(16,336)
Other current liabilities	158	(196)
Net defined benefit liabilities	(14,177)	(6,192)
Other non-current liabilities	(416)	79
Cash generated from operations	467,004	113,414
Interest received	293	100
Interest paid	(5,424)	(3,386)
Income tax paid	(18,616)	(26,265)
Net cash generated from operating activities	443,257	83,863
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(5,600)	-
Payments for property, plant and equipment	(137,483)	(129,161)
Proceeds from disposal of property, plant and equipment	80	-
Increase in refundable deposits	(2,409)	(6,421)
Decrease in refundable deposits	4,397	11,157
Payments for intangible assets	(4,932)	(5,160)

(Continued)

# **Ta Yih Industrial Co., Ltd.**

## **STANDALONE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)**

	<b>2022</b>	<b>2021</b>
Net cash used in investing activities	<u>(145,947)</u>	<u>(129,585)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	3,913,065	2,885,588
Repayments of short-term borrowings	(3,991,895)	(2,850,440)
Proceeds from short-term bills payable	260,000	640,000
Repayments of short-term bills payable	(350,000)	(550,000)
Repayment of the principal portion of lease liabilities	(10,680)	(5,866)
Cash dividends	(45,738)	(99,099)
Unclaimed cash dividends overdue transferred to capital surplus	<u>99</u>	<u>92</u>
Net cash generated from (used in) financing activities	<u>(225,149)</u>	<u>20,275</u>
NET INCREASE (DECREASE) IN CASH	72,161	(25,447)
CASH AT THE BEGINNING OF THE YEAR	<u>81,857</u>	<u>107,304</u>
CASH AT THE END OF THE YEAR	<u>\$ 154,018</u>	<u>\$ 81,857</u>

The accompanying notes are an integral part of the standalone financial statements.

(Concluded)

#### Attachment 4. Statement of Earning Distribution

Ta Yih Industrial Co., Ltd.

Statement of Earning Distribution  
for the Year 2022

Unit: NT\$

Item	Amount
Undistributed earnings at the beginning of the year	161,511,829
Net profit of 2022	88,824,094
Add: Remeasurement of defined benefit plans recognized in retained earnings	11,805,430
Distributable earnings for the current year	100,629,524
Less: 10% legal reserve	(10,062,952)
Distributable earnings for the year	252,078,401
Distributions:	
Dividends to shareholders (Cash) (Note 1)	(53,361,000)
Undistributed earnings at the end of the year	198,717,401

(Note 1) Earnings for 2021 have been preferentially distributed this time.

Chairman : Wu Chun-I

Manager : Wu Cheng-Yuan

Accounting Manager : Wang Hung-Chi



## Attachment 5. Statement Relating to Release of Prohibitions on Candidates of Directors from Participation in Competitive Business

Name	Roles to Release Prohibitions from Participation
Ding Wan Investment Industrial Co., Ltd. Representative: Wu Chun-I	1. Chairman of TAYIH KENMOS AUTO PARTS CO., LTD. 2. Director of T.Y.C. BROTHER INDUSTRIAL CO., LTD. 3. Vice Chairman of Fuzhou Koito Ta Yih Automotive Lamp Co., Ltd.
Wu Yu-Hsien	Vice Chairman of TAYIH KENMOS AUTO PARTS CO., LTD. General Manager of TAYIH KENMOS AUTO PARTS CO., LTD.
Koito Manufacturing Co., Ltd. Representative: KONAGAYA HIDEHARU	President of Management Headquarters, Koito Manufacturing Co., Ltd.
Koito Manufacturing Co., Ltd. Representative: YAMAMOTO KAKUYA	Vice President of International Business Headquarters, Koito Manufacturing Co., Ltd.
Yi-Jian Investment Co., Ltd. Representative: Cheng Hsien Tsong	CEO of Mobility In Harmony Open EV Platform
Kao Hsin Chung	Director of SENTEC E&E CO., LTD.

## Appendix 1.

### Ta Yih Industrial Co., Ltd. Corporate Charter

#### Chapter 1 General

- Article 1: The Company is organized in accordance with the provisions regarding stock limited companies under the Company Act and is named "Ta Yih Industrial Co, Ltd."
- Article 2: The Company operates the following businesses:
1. Manufacturing, sale, import and export trading business of vehicles, motorcycles, and hardware parts.
  2. Manufacturing, processing, and sales business of airplane parts and vessel parts.
  3. Manufacturing, processing, and sales business of transportation machinery and parts.
  4. Manufacturing, sales, process, import and export business of lighting machinery, modules, and relevant equipment.
  5. Rail vehicles and parts manufacturing business.
  6. Rail vehicles and parts wholesale business.
  7. Industrial plastics product manufacturing business.
  8. Optic instruments manufacturing business.
  9. Precision instruments wholesale business.
- Article 2-1: The Company may provide guarantees for and invest in other companies as required for its business. The amount of investment may exceed 40% of its paid-in capital.
- Article 3: The Company has its headquarters in Tainan City.
- Article 4: The Company makes public announcements in accordance with Article 28 of the Company Act.

#### Chapter 2 Shares

- Article 5: The Company's total capital is Seven Hundred Sixty Two Million Three Hundred Thousand NT Dollars, divided into Seventy Six Million Two Hundred Thirty Thousand shares, at NT\$10 per share, which are issued in the full amount.
- Article 6: All of the Company's shares are registered shares, to be affixed with the signatures or seals of the directors representing the Company and issued after certification by in accordance with the law. The shares may also be issued without share certificates.
- Article 6-1: There is no obligation to print share certificates for the Company's shares. However, the Company shall designate a securities custodian organization.
- Article 7: Shareholders shall provide their true names and addresses to the Company. Sample seal cards shall be completed and provided to the Company for safekeeping. The loss of any sample seal shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.
- Article 8: Upon any share transfer, the transferor and the transferee shall complete a share transfer form and submit it together with the share certificate to the Company to seek transfer registration. The transfer may only be used against the Company after it has been registered in the shareholder register.
- Article 9: If any share certificate is lost or damaged, it shall be declared lost and re-issued in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.
- Article 10: The Company may collect an administrative charge upon re-issuance or replacement of new share certificates.
- Article 11: Share transfer registration shall be suspended for the period of 60 days before any general shareholders' meeting, 30 days before any special meeting, or 5 days before the record date for the distribution of dividends, bonuses, or other benefits determined by the Company.

#### Chapter 3 Shareholders' Meetings

- Article 12: Shareholders' meetings are divided into general meetings and special meetings. General meetings are held once every year within 6 months from the end of each accounting year. Notice shall be given to each shareholder 30 days in advance. Special meetings are held as required in accordance with the law. Notice shall be given to each shareholder 15 days in

- advance.
- Article 13: Any shareholder who cannot attend a shareholders' meeting due to any reason may issue a proxy, specifying the scope of authorization, to designate a representative to attend the meeting on its behalf.
- Article 14: The chairman shall chair shareholders' meetings. If the chairman is absent, the vice chairman shall chair the meeting. If the vice chairman is absent, the chairman shall designate one director to act on his behalf. If there is no such designation, one director shall be appointed from among themselves.
- Article 15: The shareholders of the Company are entitled to one voting right per share held.
- Article 16: Unless otherwise provided by the Company Act, shareholder resolutions shall be approved by shareholders representing the majority of voting rights represented in a meeting that is attended by shareholders representing the majority of all outstanding shares.
- Article 17: Matters resolved in shareholders' meetings shall be recorded in minutes, which shall be affixed with the signature or seal of the chairman and distributed to each shareholder within 20 days after the meeting. The minutes may be distributed through public announcements.  
The minutes shall record the year, month, date, location of the meeting, the chairman's name, manner of resolution, main proceedings and the results, and shall be kept permanently during the period of existence of the Company.  
Signature sheets for attending shareholders and proxies shall be kept for at least one year, provided that if any shareholder files a lawsuit in accordance with Article 189 of the Company Act, these documents shall be kept until the end of the lawsuit.

#### Chapter 4 Board of Directors

- Article 18: The Company has 9 directors, to be elected by the shareholders' meeting from among persons with legal capacities. Their terms shall be 3 years and the same person may be re-elected upon expiry of the term.  
Among the directors under the previous paragraph, there shall be at least 3 independent directors.  
Directors shall be elected through the candidate nomination system in accordance with Article 192-1 of the Company Act. Non-independent directors shall be elected together with the independent directors. The persons who have received the votes representing the highest number of voting rights shall be elected as non-independent directors and independent directors, respectively, in accordance with the respective number of seats available.  
The professional qualifications, nomination and election manners and other matters of compliance for independent directors shall be governed by the applicable laws such as the Company Act and the Securities Exchange Act.  
The total number of shares of the Company to be held by all directors shall be established based on the standards under the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios in Public Companies promulgated by the competent securities authority.  
The Company has an audit committee in accordance with Article 14-4 of the Securities and Exchange Commission, which is composed of all independent directors which is responsible for performing the duties that should be performed by supervisors in accordance with the Company Act, the Securities and Exchange Act and other laws.
- Article 19: If the current term of a director has expired but a re-election has not been held in time, the duties of the director shall be extended until the time when the re-elected director starts their term.
- Article 20: The directors constitute the board of directors. One person shall be elected from among themselves to serve as the chairman and another person as the vice chairman. The chairman acts as the Company's representative.
- Article 21: When there is more than 1/3 vacancy in board seats, the board of directors shall convene a shareholders meeting to fill the seats in accordance with the law and the term shall be until the end of the original term.
- Article 21-1: To convene a board meeting, the agenda shall be specified and a notice shall be given to each director 7 days in advance. However, a meeting may be held at any time in case of an emergency. The meeting notice and the agenda under the previous paragraph may be sent in writing, by email, or by fax.
- Article 22: Board meetings are held once every quarter. A special meeting may be held if the chairman

- deems it necessary or upon the request of 4 or more directors. The chairman shall chair the special meetings. If the chairman is on leave or cannot perform their duties due to any reason, the vice chairman shall chair the meeting. If the vice chairman is on leave or cannot perform their duties due to any reason, the chairman shall designate one director to act on their behalf. If there is no such designation, one director shall be appointed from among themselves.
- Article 23: Unless otherwise provided under the Company Act or by the Company, board meeting shall be approved by a majority of the directors present in a meeting that is attended by a majority of the directors.
- Any director who cannot attend a meeting in person due to any reason may designate another director to act on his/her behalf. Any director participating in a meeting through video conference shall be deemed to have participated in person.
- When a director designates another director as his/her representative to attend a board meeting, a proxy shall be issued each time, specifying the scope of authorization in relation to the agenda.
- The proxy holder under the previous two paragraphs shall not represent more than one other person.
- Article 24: Matters resolved in board meetings shall be recorded in minutes, which shall be affixed with the signature or seal of the chairman and distributed to each director within 20 days after the meeting. The minutes shall record the main proceedings of the meeting and the results. The minutes shall be kept in the Company together with the signature sheets of the attending directors and the proxies.
- Article 25: delete.
- Article 26: The remuneration for all directors and the president shall be determined by the board of directors based on the common standards of the industry.

#### Chapter 5 Managers and Staff

- Article 27: The Company may have one president and several vice presidents, assistant managers, and managers. Other than the managers, who shall be hired and dismissed by the board of directors, the hiring and dismissal of such persons shall be subject to the approval by the majority of all directors, provided that the nominations shall be made by the president.
- Article 28: The Company may, through board resolution in accordance with Article 23 of the Articles of Association, hire consultants or important staff.
- Article 29: The other staff of the Company shall be hired and dismissed by the president and filed with the board of directors for reference.

#### Chapter 6 Closing

- Article 30: At the end of each accounting year of the Company, the board of directors shall prepare below statements, submit them to the audit committee for audit and issuance of a report 30 days before the general shareholders meeting and then further submit them to the general shareholders meeting for approval.
1. Business report.
  2. Financial statements.
  3. Profit sharing or loss compensation proposal.
- Article 30-1: If the Company has profit in the current year, at least 1% shall be provided as employee remuneration, to be distributed in stock or in cash through board resolution. However, if the Company has accumulated losses, the amount of compensation shall be reserved before provision of the employee remuneration based on the above ratio.
- The employee remuneration distribution proposal shall be reported to the general shareholders' meeting.
- Article 31: In consideration of the future funding needs and long-term financial planning for the Company, if there is profit after annual closing, after paying profit-seeking enterprise income tax and compensating losses from the past years, 10% of the balance amount shall be provided as legal reserve and a special reserve shall be provided for the amount of decrease in the shareholders' equity in the current year. The balance, if any, shall be combined with the accumulated non-distributed profit from the last year for the profit distribution proposal to be made by the board of directors, which shall be submitted to the general shareholders' meeting for resolution before distribution. Among the above, the shareholder dividend shall not be less than 50% of the distributable profit of the current year and the cash dividend shall not be less than 50% of the total shareholder dividend.

#### Chapter 7 Miscellaneous

- Article 32: The organizational charter and bylaws of the Company shall be further established.
- Article 33: Any matter that is not fully stipulated in these Articles of Association shall be governed by the Company Act and other laws.
- Article 34: These Articles of Association were established on 14 December 1975.  
The first amendment was made on 19 February 1976.  
The second amendment was made on 15 December 1977.  
The third amendment was made on 12 May 1979.  
The fourth amendment was made on 15 August 1980.  
The fifth amendment was made on 25 July 1981.  
The sixth amendment was made on 20 July 1982.  
The seventh amendment was made on 5 August 1983.  
The eighth amendment was made on 29 August 1983.  
The ninth amendment was made on 3 December 1983.  
The tenth amendment was made on 21 November 1985.  
The eleventh amendment was made on 21 April 1986.  
The twelfth amendment was made on 15 June 1988.  
The thirteenth amendment was made on 10 August 1988.:  
The fourteenth amendment was made on 24 May 1990.  
The fifteenth amendment was made on 10 December 1990.  
The sixteenth amendment was made on 15 May 1991.  
The seventeenth amendment was made on 8 April 1992.  
The eighteenth amendment was made on 13 September 1993.  
The nineteenth amendment was made on 24 September 1993.  
The twentieth amendment was made on 11 November 1993.  
The twenty-first amendment was made on 13 May 1994.  
The twenty-second amendment was made on 29 May 1995.  
The twenty-third amendment was made on 6 March 1996.  
The twenty-fourth amendment was made on 4 June 1998.  
The twenty-fifth amendment was made on 15 June 1999.  
The twenty-sixth amendment was made on 20 June 2000.  
The twenty-seventh amendment was made on 7 June 2001.  
The twenty-eighth amendment was made on 28 June 2002.  
The twenty-ninth amendment was made on 13 June 2007.  
The thirtieth amendment was made on 14 June 2010.  
The thirty-first amendment was made on 18 June 2012.  
The thirty-second amendment was made on 13 June 2016.  
The thirty- third amendment was made on 12 June 2020.

## Appendix 2.

### Ta Yih Industrial Co., Ltd. Rules for Shareholders' Meetings

- Article 1: Shareholders' meetings of the Company shall be governed by these Rules.
- Article 2: The Company shall put in place a signature sheet for signatures by the attending shareholders (or proxy holders). Alternatively, attending shareholders (or proxy holders) may submit their attendance cards in lieu of signatures. The number of shares present shall be calculated based on the signature sheet or the signature cards submitted.
- Article 3: Presence and voting in the shareholders' meetings shall be calculated based on shares.
- Article 4: Shareholders' meetings of the Company shall be held in the county or city where the headquarters is located or a location that is convenient for holding a shareholders' meeting. The meeting shall start no earlier than 9 a.m. and no later than 3 p.m.
- Article 5: The chairman of the board of directors shall chair shareholders meetings. If the chairman is on leave or cannot perform his/her duties due to any reason, the vice chairman shall chair the meeting. If the vice chairman is also on leave or if he/she cannot exercise his/her duties due to any reason, the chairman shall designate one director to chair the meeting. If no one is designated by the chairman, the directors shall elect one person from among themselves.
- Article 6: The Company may assign designated attorneys, accountants, or relevant persons to participate in shareholders' meetings.  
The staff of the shareholders' meetings shall wear badges or arm bands.
- Article 7: The Company shall make full audio or video recordings of the shareholders' meetings and shall keep such recordings for at least one year.
- Article 8: The chairman shall announce the start of the shareholders' meeting upon attendance by shareholders (or proxy holders) representing the majority of all outstanding shares. If the quorum is not met at the meeting time, the chairman may announce an adjournment. There shall be no more than 2 adjournment and the total period of adjournment shall not exceed 1 hour. If the quorum is still not met after two adjournments and if the number of shareholders (or proxy holders) representing 1/3 or more of the total outstanding shares are present, a provisional resolution may be passed by shareholders representing the majority of voting rights. After the provisional resolution is passed, if the number of shares represented by the attending shareholders (or proxy holders) meets the statutory quorum, the chairman may submit the provisional resolution to the meeting for ratification in accordance with Article 175 of the Company Act.
- Article 9: The board of directors shall determine the agenda of the shareholders' meetings. Meetings shall proceed in accordance with the scheduled agenda and no change shall be made without a resolution.  
Before the agenda scheduled under the previous paragraph (including motions) is completed, the chairman shall not dismiss the meeting unless there is a resolution.  
Upon dismissal of the meeting by resolution, no shareholder shall further elect a chairman to continue the meeting either in the same place or in a different place.
- Article 10: delete.
- Article 11: Before an attending shareholder (or proxy holder) speaks, he/she must first complete a speaking note specifying the main points of the speech, the shareholder account number (or attendance card number), and account name. The order of speech shall be determined by the chairman.  
If an attending shareholder (or proxy holder) only submits a speaking note but does not speak, he/she shall be deemed to have not spoken. If the speech is inconsistent with the speaking note, the confirmed speech shall prevail.  
When an attending shareholder speaks, the other shareholders shall not speak to interfere unless with the consent of the chairman and the speaking shareholder. Any violation shall be stopped by the chairman.
- Article 12: Each shareholder (or proxy holder) shall speak no more than twice about the same proposal without the chairman's approval. Each speech shall not exceed 5 minutes.  
The chairman shall stop the shareholder's speech when it violates the previous paragraph or goes beyond the scope of the proposal.
- Article 13: When a corporation attends a shareholders' meeting through a representative, only one person shall be designated to attend the meeting.  
If a corporate shareholder designates 2 or more representatives to attend the meeting, only one

- person shall be allowed to speak.
- Article 14: After an attending shareholder speaks, the chairman may provide an answer or designate a relevant person to provide an answer.
- Article 15: When the chairman deems that there has been sufficient discussion to put a proposal to a vote, he/she may announce the closing of discussion and submit the proposal to a vote.
- Article 16: When voting takes place on a proposal, the vote supervisors and vote counters shall be designated by the chairman, provided that the vote supervisors shall be shareholders. The voting results shall be reported on site and recorded.
- Article 17: During the meeting, the chairman may announce a break.
- Article 18: Other than a special resolution provided by the Company Act, proposals shall be approved by the majority of voting rights among attending shareholders. If the chairman makes an inquiry at the time of voting and there is no objection, it shall be deemed approved and shall have the same effect as voting. Other than trust enterprises and shareholder service organizations approved by the securities competent authority, when a person holds a proxy issued by two or more shareholders, the voting rights on behalf of others shall not exceed 3% of the voting rights of all outstanding shares. In case of excess, the voting rights in excess shall be excluded from the calculation. When a shareholder has an interest in relation to a matter in the meeting, which may result in jeopardy to the Company's interest, such shareholder shall be excluded from the voting and shall not exercise their voting rights on behalf of any other shareholder.
- Article 19: When a proposal has an amendment or an alternative, the chairman shall determine the order of voting. If one proposal has been approved, the other proposals shall be deemed denied and there is no need for further voting.
- Article 20: The chairman may direct disciplinary staff (or security staff) to help maintain order in the meeting place. In maintaining the order on site, the disciplinary staff (or security staff) shall wear arm bands showing "disciplinary staff".
- Article 21: Any matter that is not stipulated in these Rules shall be governed by the Company Act, the Securities Exchange Act, the Articles of Association of the Company and other applicable laws.
- Article 22: These Rules, including any amendment, shall be implemented after approval by the shareholders' meeting.

### Appendix 3.

#### Ta Yih Industrial Co., Ltd.

##### Regulations for Election of Directors

Article 1:

These Regulations are established in accordance with the Company Act and the articles of association of the Company. All elections of directors of the Company shall be governed by these Regulations.

Article 2:

Directors of the Company shall be elected in shareholders' meetings.

Article 3:

Directors of the Company shall be elected through nominative cumulative voting. The voters may be identified by the number of their attendance cards printed on the voting ballots in lieu of their names.

Article 4:

In electing directors of the Company, each share is entitled to the number of voting rights that are equivalent to the number of directors to be elected. The board of directors shall prepare ballots in the same number of directors to be elected and distribute them to each attending shareholder. These ballots may be cast for the same candidate or allocated to multiple candidates.

Article 5:

Directors of the Company shall be elected by a shareholders' meeting from among persons with legal capacities. Subject to the number of seats provided in the articles of association of the Company, those having received the highest number of votes as reflected in the ballots shall be elected as independent directors and non-independent directors in the order of sequence. If two or more candidates receive the same number of votes and there are not enough seats for allocation, a random draw shall be conducted among the candidates who have received equal number of votes. If any such candidate is not present, the chairman shall participate in the random draw on his/her behalf. If a person elected as director is found and confirmed to have non-compliant personal information or be unfit in accordance with the applicable laws, the vacancy shall be filled by the next person who has received the next higher number of votes.

Article 6:

In preparing the ballots, the board of directors shall number them by shareholder account number and the number of votes allocated shall be specified.

Article 7:

Before the election starts, the chairman shall appoint a certain number of vote supervisors and vote counters to conduct vote opening.

Article 8:

The voting box shall be prepared by the board of directors and shall be open for public inspection by the vote supervisor before voting.

Article 9:

If a candidate is a shareholder, the elector shall specify in the "candidate"



column the candidate account name and shareholder account name. If the candidate is not a shareholder, the candidate's name and ID number shall be specified. However, if the candidate is a government or corporate shareholder, the candidate account name column on the ballot shall be identified with the name of such government or corporation. Alternatively, the name and representative's name of such government or corporation may be specified. If there are multiple number of representatives, all names of the representatives shall be specified.

Article 10:

Any ballot with any of the below events shall be invalid:

- (1) Any ballot other than the ballots provided in accordance with these Regulations.
- (2) Blank ballot inserted into the voting box.
- (3) Illegible or altered ballot.
- (4) If the candidate is a shareholder, inconsistent account name or shareholder account number with the shareholders register. If the candidate is not a shareholder, inconsistent name or ID number following verification.
- (5) Two or more candidates listed in the same ballot.
- (6) Any text included other than the candidate's account name (name) or shareholder account name (ID number) and the number of votes casted.
- (7) Failure to complete with the candidate's account name (name) or shareholder account name (ID number).

Article 11:

Deleted.

Article 12:

Votes shall be opened on site once it is completed. The results of the votes shall be announced by the chairman on site.

Article 13:

Election notices shall be distributed to the elected directors by the board of directors of the Company.

Article 14:

These Regulations, including any amendment hereto, shall be implemented following the approval by the general shareholders' meeting.

## Appendix 4. Shareholdings of All Directors

### Shareholdings of All Directors

Record Date: April 15, 2023

Title	Name	Number of Shares Held	
		Number of Shares	Rate of Shareholding
Chairman	Ding Wan Investment and Industrial Co., Ltd. Representative: Wu Chun-I	10,000	0.02%
Vice Chairman	Koito Manufacturing Co., Ltd. Representative: Iwanabe Megumi	24,774,750	32.50%
Director	Koito Manufacturing Co., Ltd. Representative: KONAGAYA HIDEHARU		
Director	Koito Manufacturing Co., Ltd. Representative: YAMAMOTO KAKUYA		
Director	Wu Yu-Hsien	25,101	0.03%
Director	Wu Cheng-Yuan	0	0.00%
Independent Director	Wu Wan-I	0	0.00%
Independent Director	Chen Hsiu-Fon	0	0.00%
Independent Director	Ding Ze-Xiang	0	0.00%
Minimum number of shares held by all directors according to the law		6,098,400	8.00% of total shares
Number of shares held by all directors		24,809,851	32.55% of total shares