



Stock Code: 1521

TA YIH INDUSTRIAL CO.,LTD

2024 Annual Shareholders' Meeting Meeting Agenda

Time : 9:00 a.m., June 11, 2024 (Tuesday)

Venue: 2F 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

Contents

I·Meeting Procedure	1
II·Meeting Agenda.....	2
1. Announcing Meeting in Session	3
2. Words from the Chair	3
3. Reported Matters.....	3
4. Proposed Resolutions	3
5. Matters for Discussion.....	4
6. Directors Election	4
7. Other Motions	5
8. Extempore Motions.....	5
9. Adjournment	5
III·Attachments	
1. Business Report of 2023	6
2.Audit Committee Review Report.....	9
3.Auditors' Report and Financial Statements of 2023	10
4.Statement of Earning Distribution of 2023	35
5.Comparison Table for the Articles of Incorporation Before and After Amendment	36
IV·Appendices	
1.Articles of Incorporation	41
2.Rules for Shareholders' Meetings	45
3.Regulations Governing Election of Directors.....	47
4.Shareholdings of All Directors	49

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. Matters for Discussion
6. Directors Election
7. Other Motions
8. Extempore Motions
9. Adjournment

Ta Yih Industrial Co., Ltd.

2024 Annual Shareholders'
Meeting Meeting Agenda

1. Time: 9:00 a.m., June 11, 2024 (Tuesday)
Venue: 2F 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 2023
 - (2) Audit Committee's review report
 - (3) To report 2023 employees' profit sharing
4. Proposed Resolutions
 - (1) To accept 2023 Business Report and Financial Statements.
 - (2) To accept 2023 earnings distribution.
5. Matters for Discussion : Amendments to the Company's certain Articles of
Incorporation.
6. Directors Election: Re-election of directors of the Company.
7. Other Motions: Release of Prohibitions on Directors in Competitive
Business.
8. Extempore Motions
9. 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 2023

Explanations: The business report has been attached. Please refer to Attachment 1. on pages 6~8 of the meeting agenda.

Motion 2

Subject: Audit Committee Review Report of 2023.

Explanations: Audit Committee Review Report has been attached. Please refer to Attachment 2. on page 9 of the meeting agenda.

Motion 3

Subject: To report 2023 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. However, in case of any accumulated loss of the Company, an amount shall be retained in advance to make up the loss.

2. By resolution of the Board of Directors, NT\$1,651,747 has been allocated for employee compensation, with the full amount to be distributed in cash.

4. Proposed Resolutions

Motion 1 (Proposed by the Board)

Subject: To accept 2023 Business Report and Financial Statements.

Explanations: 1. The Company's 2023 business report, consolidated financial statements, and individual financial statements have been approved by the resolution of its Board of Directors. These financial statements have been audited and attested by CPAs Yeh Fang-Ting and Tien Chung-Yu of PwC Taiwan. Pursuant to Article 228 of the Company Act, the aforementioned reports have been submitted to the Audit Committee for audit and review.

2. For the Company's 2023 business report, please refer to Attachment 1 on pages 6~8 of the meeting agenda. For auditor's report and the aforementioned financial statements, please refer to Attachment 3 on pages 10~34.

Resolution:

Motion 2 (Proposed by the Board)

Subject: To accept 2023 earnings distribution.

Explanations: 1. The Company proposes a distribution of 2023 earnings with cash dividends totaling NT\$53,361,000, at a rate of NT\$0.7 per share. Please see Appendix 4 on page 35 of this manual for the earnings distribution table.

2. 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.

3. The authorization for the distribution of this cash dividend, including the establishment of criteria for ex-dividend dates and cash dividend payment dates, is delegated to the board of directors. If revisions to this distribution plan are required due to regulatory changes or fluctuations in the company's capital affecting outstanding share quantities and dividend rates, the chairman will be empowered to address these matters comprehensively pending approval by the shareholders' meeting.

Resolution:

5. Matters for Discussion

Subject: Discussion on the proposed amendment to the Company's Articles of Incorporation. (Proposed by the Board)

Explanations: To align with the operational requirements of the Company, amendments to the Company's Articles of Incorporation are proposed. Please refer to Attachment 5 on pages 36-40 of this manual for Comparison Table for the Articles of Incorporation Before and After Amendment.

Resolution:

6. Directors Election:

Subject: Re-election of directors of the Company.

For your election. (Proposed by the Board)

Explanations: 1. There are currently two vacancies for directors in the Company's current term. In consideration of the operational requirements of the Company, it is proposed to conduct a by-election to fill these positions. The term of office for the newly elected directors will commence on June 11, 2024 and conclude on June 12, 2026.

2. The candidate nomination system is adopted in the Company's election of directors in accordance with Article 192 of the Company Act.

3. The list of candidates for the Company's Directors has been adopted by the Board of Directors on April 17, 2024.

Shareholders are to vote on the selected candidates for directors. The relevant information is as follows:

Name	Education/ Principal Experiences	Current Role(s)	Number of Shares Held
Da Wei Investment Enterprise Co., Ltd.	N/A	Chairman of Tayih Kenmos Auto Parts Co., Ltd.	20,797,622
Ding Wan Investment Industrial Co., Ltd. Representative: Kreng Bor-Wen	EMBA Professor of Department of Industrial and Information Management ,NCKU Ph.D., Purdue University, USA	Chairman of Jingfong Industry Co., Ltd. Chairman of Taiwan Fasteners Integrated Service Co., Ltd. Director of Jingfong Investment Co., Ltd. Independent Director of Fu Chun Shin Machinery Manufacture Co., Ltd.	10,000

Election Result:

7. Other Motions:

Subject: Release of Prohibitions on Newly Elected Directors 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. Our newly appointed legal representative director has investments in or operates other businesses that fall within the same or similar scope as our company. In light of the absence of any negative impact on the company's interests, we are seeking approval from the shareholders' meeting to waive the non-compete restriction for the newly appointed directors in accordance with the law.
3. The proposed release of the non-compete restriction for the newly appointed corporate directors are outlined as follows:

Name	Roles to Release Prohibitions from Participation
Da Wei Investment Enterprise Co., Ltd.	Chairman of Tayih Kenmos Auto Parts Co., Ltd.
Ding Wan Investment Industrial Co., Ltd. Representative: Kreng Bor-Wen	Chairman of Jingfong Industry Co., Ltd. Chairman of Taiwan Fasteners Integrated Service Co., Ltd. Director of Jingfong Investment Co., Ltd. Independent Director of Fu Chun Shin Machinery Manufacture Co., Ltd.

Resolution:

8. Extempore Motions

9. Adjournment

Attachment 1. Business Report of 2023

Ta Yih Industrial Co., Ltd. Business Report

1. Business Report of 2023:

(1) Business Results :

The all-year Net Operating Revenue of the Company in 2023 was NT\$4,817,004 thousand, Increase by NT\$70,599 thousand compared to that of 2022 at NT\$4,746,405 thousand; in addition, the Pre-tax Income in 2023 was NT\$78,756 thousand, decreased by NT\$5,999 thousand compared to that of 2022 at NT\$84,755 thousand.

Comparison table of revenue and net profit after tax for the years 2023 and 2022:

Unit: NT\$ Thousands

Year	2023	2022	Increase/ Decrease by	Increase/ Decrease by %
Net Operating Revenue	4,817,004	4,746,405	(+) 70,599	(+) 1.5
Operating Income	198,486	55,550	(+) 142,936	(+) 257.3
Pre-tax Income	78,756	84,755	(-) 5,999	(-) 7.1
Net Income	42,410	88,824	(-) 46,414	(-) 52.3
EPS (NT\$/Share)	0.56	1.17	(-) 0.61	(-) 52.1

(2) Budget implementation: no financial forecast was released for 2023.

(3) Analysis of financial revenue and expenditure and profitability :

(3-1)Financial structure

Debt to assets ratio : 47.18%

Long-term capital accounted for real estate, plant and equipment ratio :
202.42%

(3-2)Profitability

Return on assets : 1.42%

Return on assets : 2.38%

Return on equity : 0.88%

Earnings per share : NT\$0.56

(4) Status of research and development

(4-1)Research and development expenses for the past 2 years

In 2022, the expenses were NT\$147,122 thousands, which accounted for 3.10% of the net operating income.

In 2023, the expenses were NT\$172,268 thousands, which accounted for 3.58% of the net operating income.

(4-2)On-going research and development projects :

(1) Low-cost and interchangeable LED fog light system.

(2) Optical "film" marking light system with exhibition capabilities.

(3) Road surface imaging tail light system for improved road safety.

- (4) Efficient LED tail light system with low cost.
- (5) Multi-segment array LED adaptive module.
- (6) Slim design far and near light lens module.
- (7) Motorcycle identification tail light using OLED-like technology.
- (8) Track traffic light guide composite headlight (penetrating type) with exhibition and variable color capabilities.
- (9) Track traffic light guide composite headlight (non-penetrating type) with exhibition and variable color capabilities.
- (10) Development of multifunctional composite headlights for track vehicles.
- (11) Development of penetrating type composite headlights for track vehicles.
- (12) Development of aircraft exterior lighting systems.
- (13) Development of 1200W dual-color fishing lamp.

2. Overview of Business Plan of 2024:

(1) Management Guidelines

- 1. Satisfying customer needs, and generating values as an enterprise.
- 2. Grasp on technical trends, and strengthening design and development.
- 3. Establishing a manufacturing site with low waste, automation, and a comprehensive contingency system.
- 4. Raising quality awareness, and building SOPs.
- 5. Perfecting talent incubation, and cultivating successor echelons.
- 6. Adhering to regulatory requirements, rigorously enforce security and disaster prevention measures, actively promote energy conservation and carbon reduction, and fulfill social responsibilities.

(2) Expected Sales and Their Foundations:

- 1. Expected Sales: about 440~450 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 at 2023, the automotive industry saw a relief in pandemic conditions and an improvement in the semiconductor shortage situation. The supply of imported brand vehicles stabilized gradually, and the sales volume in Taiwan's automotive market (about 476,000 units) showed a significant increase compared to the previous year. However, international factors such as U.S.-China tensions, the Russia-Ukraine conflict, and the Red Sea crisis contributed to rising raw material costs, increased export freight rates, global inflation, and exchange rate fluctuations. Consequently, the supply chain system continues to face considerable challenges, adversely affecting performance.

Prospecting the year 2024, on the grounds of expected ease in the parts and component deficiency, along with the launch of new vehicle models and the extension of the vehicle replacement subsidy policy, are expected to stimulate consumer car purchases. Consequently, Taiwan's annual automobile sales volume is forecasted to remain between 440,000 to 450,000 units. 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.

Ta Yih Industrial Co., Ltd.

Chairman: Wu Chun-I

Manager: Jyh Chin-Juang

Accounting Manager: Cheng Ching-Hsiang

Attachment 2. Audit Committee Review Report

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

The financial statements of 2023 (including the consolidated financial statements) prepared by the Board of Directors have been audited and attested by CPAs Yeh Fang-Ting and Tien Chung-Yu of PwC 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. 2024 Annual Shareholders' Meeting

Ta Yih Industrial Co., Ltd.

Convenor of Audit Committee: Chang Jui -Hui

March 8, 2024

Attachment 3. Auditors' Report and Financial Statements of 2023

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 consolidated balance sheets of Ta Yih Industrial Co., Ltd. and its subsidiaries (the “Group”) as of December 31, 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

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 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 Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

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

Description

Please refer to Notes 4(24) and 6(14) to the consolidated 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 \$1,670,712 thousand for the year ended December 31, 2023, which accounted for 35% of the total operating revenue.

The Group mainly manufactures and sells automobile and locomotive lamps. The Group 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 Group 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 2023 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.

Other matter – Scope of the audit

The financial statements of the Group as of and for the year ended December 31, 2022 were audited by other auditors whose report dated March 8, 2023 expressed an unmodified opinion on those statements.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Ta Yih Industrial Co., Ltd. as of and for the year ended December 31, 2023.

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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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 audit committee, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

1. Identify and assess the risks of material misstatement of the 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 appropriate audit evidence regarding the financial information of the 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 those matters that were of most significance in the audit of the consolidated 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 8, 2024

The accompanying consolidated 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 consolidated 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. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 390,349	12	\$ 154,833	5
1136	Financial assets at amortized cost - current	6(1)(2)	-	-	5,600	-
1150	Notes receivable, net	6(3) and 12	9,086	-	416	-
1170	Accounts receivable, net	6(3) and 12	682,672	20	685,440	21
1180	Accounts receivable - related parties	6(3), 7 and 12	96,952	3	146,424	4
1200	Other receivables		26,912	1	5,581	-
1210	Other receivables - related parties	7	3,441	-	9,690	-
130X	Inventories	5 and 6(4)	1,084,652	32	952,784	29
1410	Prepayments	7	28,908	1	107,865	3
1479	Other current assets		28,191	1	18,387	1
11XX	Total current assets		2,351,163	70	2,087,020	63
Non-current assets						
1550	Investments accounted for under equity method	6(5)	-	-	174,108	6
1600	Property, plant and equipment	6(6)	912,720	27	966,643	29
1755	Right-of-use assets	6(7) and 7	45,308	2	38,650	1
1780	Intangible assets		5,035	-	8,521	-
1840	Deferred income tax assets	6(21)	25,237	1	21,449	1
1915	Prepayments for equipment	6(23)	9,541	-	7,053	-
1920	Guarantee deposits paid		7,794	-	7,577	-
15XX	Total non-current assets		1,005,635	30	1,224,001	37
1XXX	Total assets		\$ 3,356,798	100	\$ 3,311,021	100

(Continued)

TA YIH INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(8)	\$ 210,000	6	\$ 300,000	9
2130	Contract liabilities - current	6(14) and 7	25,247	1	113,995	4
2150	Notes payable		92,641	3	78,300	2
2170	Accounts payable		682,796	20	528,522	16
2180	Accounts payable - related parties	7	54,170	2	66,622	2
2200	Other payables	6(9)	187,763	6	172,999	5
2220	Other payables - related parties	7	46,553	1	45,874	1
2230	Current income tax liabilities	6(21)	57,087	2	25,621	1
2280	Lease liabilities - current	7	13,745	-	10,711	-
2399	Other current liabilities		47,521	1	15,744	1
21XX	Total current liabilities		1,417,523	42	1,358,388	41
Non-current liabilities						
2570	Deferred income tax liabilities	6(21)	76,736	2	78,784	2
2580	Lease liabilities - non-current	7	28,041	1	28,115	1
2640	Net defined benefit liabilities - non-current	6(10)	58,894	2	49,797	2
2670	Other non-current liabilities		2,399	-	2,429	-
25XX	Total non-current liabilities		166,070	5	159,125	5
2XXX	Total Liabilities		1,583,593	47	1,517,513	46
Equity attributable to owners of parent						
Share capital						
3110	Common stock	6(11)	762,300	23	762,300	23
3200	Capital surplus	6(12)	61,145	2	61,023	2
	Retained earnings	6(13)				
3310	Legal reserve		684,741	20	674,678	20
3320	Special reserve		68,264	2	68,264	2
3350	Unappropriated retained earnings		231,885	7	262,141	8
3400	Other equity interest		(35,130)	(1)	(34,898)	(1)
31XX	Equity attributable to owners of the parent		1,773,205	53	1,793,508	54
3XXX	Total equity		1,773,205	53	1,793,508	54
	Significant contingent liabilities and unrecognized contract commitments	9				
3X2X	Total liabilities and equity		\$ 3,356,798	100	\$ 3,311,021	100

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

TA YIH INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(14) and 7	\$ 4,817,004	100	\$ 4,746,405	100
5000	Operating costs	6(4)(10)(19)(20) and 7	(4,103,898)	(85)	(4,151,023)	(88)
5900	Operating margin		713,106	15	595,382	12
5910	Unrealized gain on sales	6(5)	(730)	-	(1,473)	-
5920	Realized gain on sales	6(5)	1,047	-	1,762	-
5950	Net operating margin		713,423	15	595,671	12
	Operating expenses	6(10)(19)(20), 7 and 12				
6100	Selling expenses		(188,649)	(4)	(263,744)	(5)
6200	General and administrative expenses		(156,191)	(3)	(129,255)	(3)
6300	Research and development expenses		(172,268)	(4)	(147,122)	(3)
6450	Expected credit gains		2,171	-	-	-
6000	Total operating expenses		(514,937)	(11)	(540,121)	(11)
6900	Operating profit		198,486	4	55,550	1
	Non-operating income and expenses					
7100	Interest income	6(2)(15)	5,133	-	296	-
7010	Other income	6(16) and 7	41,036	1	43,631	1
7020	Other gains and losses	6(7)(17), 7 and 12	14,320	-	93,288	2
7050	Finance costs	6(7)(18) and 7	(5,997)	-	(5,356)	-
7060	Share of loss of associates and joint ventures accounted for under equity method	6(5)	(174,222)	(3)	(102,654)	(2)
7000	Total non-operating income and expenses		(119,730)	(2)	29,205	1
7900	Profit before income tax		78,756	2	84,755	2
7950	Income tax (expense) benefit	6(21)	(36,346)	(1)	4,069	-
8200	Net Profit for the year		\$ 42,410	1	\$ 88,824	2

(Continued)

TA YIH INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Actuarial (losses) gains on defined benefit plans	6(10)	(\$ 11,552)	-	\$ 14,756	-
8349	Income tax related to components of other comprehensive income (loss) that will not be reclassified to profit or loss	6(21)	2,310	-	(2,951)	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(290)	-	5,016	-
8399	Income tax related to components of other comprehensive income (loss) that will be reclassified to profit or loss	6(21)	58	-	(1,003)	-
8300	Other comprehensive (loss) income for the year		(\$ 9,474)	-	\$ 15,818	-
8500	Total comprehensive income for the year		\$ 32,936	1	\$ 104,642	2
	Profit attributable to:					
8610	Owners of the parent		\$ 42,410	1	\$ 88,824	2
	Comprehensive income attributable to:					
8710	Owners of the parent		\$ 32,936	1	\$ 104,642	2
	Earnings per share (in dollars)	6(22)				
9750	Basic		\$ 0.56		\$ 1.17	
9850	Diluted		\$ 0.56		\$ 1.17	

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

TA YIH INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent									
		Capital surplus			Retained earnings			Other equity interest	
								Financial statements translation differences of foreign operations	
Notes	Share capital - common stock	Share premium	Gain on disposal of assets	Donated assets	Legal reserve	Special reserve	Unappropriated retained earnings		Total equity
<u>For the year ended December 31, 2022</u>									
Balance at January 1, 2022	\$ 762,300	\$ 56,330	\$ 4,142	\$ 452	\$ 667,215	\$ 68,264	\$ 214,713	(\$ 38,911)	\$ 1,734,505
Net income	-	-	-	-	-	-	88,824	-	88,824
Other comprehensive income	-	-	-	-	-	-	11,805	4,013	15,818
Total comprehensive income	-	-	-	-	-	-	100,629	4,013	104,642
Distribution of 2021 net income:									
Legal reserve	-	-	-	-	7,463	-	(7,463)	-	-
Cash dividends 6(13)	-	-	-	-	-	-	(45,738)	-	(45,738)
Unclaimed cash dividends overdue transferred to capital surplus	-	-	-	99	-	-	-	-	99
Balance at December 31, 2022	\$ 762,300	\$ 56,330	\$ 4,142	\$ 551	\$ 674,678	\$ 68,264	\$ 262,141	(\$ 34,898)	\$ 1,793,508
<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(13)	-	-	-	-	-	-	(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

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

TA YIH INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 78,756	\$ 84,755
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit gains	12	(2,171)	-
Provision for inventory market price decline	6(4)	2,476	-
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method (including (realized) unrealized gain on sales)	6(5)	173,905	102,365
Depreciation expense	6(6)(7)(19)	146,431	181,886
Net loss (gain) on disposal of property, plant and equipment	6(17)	404 (	59)
Gain from lease modification	6(7)(17)	(23)	-
Amortization expense	6(19)	6,390	10,127
Interest income	6(15)	(5,133 ) (	296)
Finance costs	6(18)	5,997	5,356
Net loss (gain) on foreign currency exchange		15,250 (	8,912)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable	(	8,662)	13,840
Accounts receivable	(	9,504)	30,895
Accounts receivable - related parties		45,348 (	76,436)
Other receivables	(	21,331 ) (	3,290)
Other receivables - related parties		6,273	5,523
Inventories	(	172,205)	108,406
Prepayments		78,957 (	33,716)
Other current assets	(	9,804 ) (	492)
Changes in operating liabilities			
Contract liabilities - current	(	88,748)	60,042
Notes payable		14,341 (	6,438)
Accounts payable		155,628	976
Accounts payable - related parties	(	10,521 ) (	5,393)
Other payables		14,732	1,227
Other payables - related parties		679 (	4,142)
Other current liabilities		31,777	15,317
Net defined benefit liabilities - non-current	(	2,455 ) (	14,177)
Other non-current liabilities	(	30 ) (	416)
Cash inflow generated from operations		446,757	466,948
Interest received		5,133	296
Interest paid	(	5,965 ) (	5,424)
Income tax paid	(	8,348 ) (	18,616)
Net cash flows from operating activities		437,577	443,204

(Continued)

TA YIH INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease (Increase) in financial assets at amortized cost -			
current		\$ 5,600	(\$ 5,600)
Cash paid for acquisition of property, plant and equipment	6(23)	(44,014)	(137,483)
Proceeds from disposal of property, plant and equipment		-	80
Acquisition of intangible assets		(2,904)	(4,932)
(Increase) decrease in guarantee deposits paid		(217)	1,988
Net cash flows used in investing activities		(41,535)	(145,947)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(24)	(90,000)	(78,830)
Decrease in short-term notes and bills payable	6(24)	-	(90,000)
Payments of lease liabilities	6(24)	(17,200)	(10,680)
Payment of cash dividends	6(13)	(53,361)	(45,738)
Unclaimed cash dividends overdue transferred to capital surplus		122	99
Net cash flows used in financing activities		(160,439)	(225,149)
Effect of foreign exchange rate changes on cash and cash equivalents		(87)	84
Net increase in cash and cash equivalents		235,516	72,192
Cash and cash equivalents at beginning of year	6(1)	154,833	82,641
Cash and cash equivalents at end of year	6(1)	\$ 390,349	\$ 154,833

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

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, 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the year 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, 2023, and its financial performance and its cash flows for the year 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 2023 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 2023 parent company only financial statements are stated as follows:

Key audit matter: Cut-off of hub sales revenue

Description

Please refer to Notes 4(23) and 6(14) 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 hub sales revenue was \$1,670,712 thousand for the year ended December 31, 2023, which accounted for 35% 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 2023 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.

Other matter – Scope of the audit

The financial statements of the Company as of and for the year ended December 31, 2022 were audited by other auditors whose report dated March 8, 2023 expressed an unmodified opinion on those statements.

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 8, 2024

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

			December 31, 2023		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Assets			Notes					
Current assets								
1100	Cash and cash equivalents	6(1)	\$	382,731	12	\$	154,018	5
1136	Financial assets at amortized cost -	6(1)(2)						
	current			-	-		5,600	-
1150	Notes receivable, net	6(3) and 12		9,086	-		416	-
1170	Accounts receivable, net	6(3) and 12		682,672	20		685,440	21
1180	Accounts receivable - related parties	6(3), 7 and 12		96,952	3		146,424	4
1200	Other receivables			26,912	1		5,581	-
1210	Other receivables - related parties	7		3,441	-		9,690	-
130X	Inventories	5 and 6(4)		1,084,652	32		952,784	29
1410	Prepayments	7		28,908	1		107,865	3
1479	Other current assets			28,191	1		18,387	1
11XX	Total current assets			2,343,545	70		2,086,205	63
Non-current assets								
1550	Investments accounted for under	6(5)						
	equity method			7,618	-		174,923	6
1600	Property, plant and equipment	6(6)		912,720	27		966,643	29
1755	Right-of-use assets	6(7) and 7		45,308	2		38,650	1
1780	Intangible assets			5,035	-		8,521	-
1840	Deferred income tax assets	6(21)		25,237	1		21,449	1
1915	Prepayments for equipment	6(23)		9,541	-		7,053	-
1920	Guarantee deposits paid			7,794	-		7,577	-
15XX	Total non-current assets			1,013,253	30		1,224,816	37
1XXX	Total assets		\$	3,356,798	100	\$	3,311,021	100

(Continued)

TA YIH INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(8)	\$ 210,000	6	\$ 300,000	9
2130	Contract liabilities - current	6(14) and 7	25,247	1	113,995	4
2150	Notes payable		92,641	3	78,300	2
2170	Accounts payable		682,796	20	528,522	16
2180	Accounts payable - related parties	7	54,170	2	66,622	2
2200	Other payables	6(9)	187,763	6	172,999	5
2220	Other payables - related parties	7	46,553	1	45,874	1
2230	Current income tax liabilities	6(21)	57,087	2	25,621	1
2280	Lease liabilities - current	7	13,745	-	10,711	-
2399	Other current liabilities		47,521	1	15,744	1
21XX	Total current liabilities		1,417,523	42	1,358,388	41
Non-current liabilities						
2570	Deferred income tax liabilities	6(21)	76,736	2	78,784	2
2580	Lease liabilities - non-current	7	28,041	1	28,115	1
2640	Net defined benefit liabilities - non-current	6(10)	58,894	2	49,797	2
2670	Other non-current liabilities		2,399	-	2,429	-
25XX	Total non-current liabilities		166,070	5	159,125	5
2XXX	Total liabilities		1,583,593	47	1,517,513	46
Equity						
Share capital						
3110	Common stock	6(11)	762,300	23	762,300	23
3200	Capital surplus	6(12)	61,145	2	61,023	2
	Retained earnings	6(13)				
3310	Legal reserve		684,741	20	674,678	20
3320	Special reserve		68,264	2	68,264	2
3350	Unappropriated retained earnings		231,885	7	262,141	8
3400	Other equity interest		(35,130)	(1)	(34,898)	(1)
3XXX	Total equity		1,773,205	53	1,793,508	54
Significant contingent liabilities and unrecognized contract commitments						
3X2X	Total liabilities and equity		\$ 3,356,798	100	\$ 3,311,021	100

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
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Year ended December 31			
	Items	Notes	2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(14) and 7	\$ 4,817,004	100	\$ 4,746,405	100
5000	Operating costs	6(4)(10)(19)(20) and 7	(4,103,898)	(85)	(4,151,023)	(88)
5900	Operating margin		713,106	15	595,382	12
5910	Unrealized gain on sales	6(5)	(730)	-	(1,473)	-
5920	Realized gain on sales	6(5)	1,047	-	1,762	-
5950	Net operating margin		713,423	15	595,671	12
	Operating expenses	6(10)(19)(20), 7 and 12				
6100	Selling expenses		(188,649)	(4)	(263,744)	(5)
6200	General and administrative expenses		(153,692)	(3)	(129,199)	(3)
6300	Research and development expenses		(172,268)	(4)	(147,122)	(3)
6450	Expected credit gains		2,171	-	-	-
6000	Total operating expenses		(512,438)	(11)	(540,065)	(11)
6900	Operating profit		200,985	4	55,606	1
	Non-operating income and expenses					
7100	Interest income	6(2)(15)	5,079	-	293	-
7010	Other income	6(16) and 7	41,036	1	43,631	1
7020	Other gains and losses	6(7)(17), 7 and 12	14,320	-	93,288	2
7050	Finance costs	6(7)(18) and 7	(5,997)	-	(5,356)	-
7070	Share of loss of subsidiaries, associates and joint ventures accounted for under equity method	6(5)	(176,667)	(3)	(102,707)	(2)
7000	Total non-operating income and expenses		(122,229)	(2)	29,149	1
7900	Profit before income tax		78,756	2	84,755	2
7950	Income tax (expense) benefit	6(21)	(36,346)	(1)	4,069	-
8200	Net profit for the year		<u>\$ 42,410</u>	<u>1</u>	<u>\$ 88,824</u>	<u>2</u>
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Actuarial (losses) gains on defined benefit plans	6(10)	(\$ 11,552)	-	\$ 14,756	-
8349	Income tax related to components of other comprehensive income (loss) that will not be reclassified to profit or loss	6(21)	2,310	-	(2,951)	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(5)	(290)	-	5,016	-
8399	Income tax related to components of other comprehensive income (loss) that will be reclassified to profit or loss	6(21)	58	-	(1,003)	-
8300	Other comprehensive (loss) income for the year		(\$ 9,474)	-	\$ 15,818	-
8500	Total comprehensive income for the year		<u>\$ 32,936</u>	<u>1</u>	<u>\$ 104,642</u>	<u>2</u>
	Earnings per share (in dollars)	6(22)				
9750	Basic		\$ 0.56		\$ 1.17	
9850	Diluted		\$ 0.56		\$ 1.17	

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
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Capital Surplus				Retained Earnings			Other equity interest	
									Financial statements translation differences of foreign operations	
	Notes	Share capital - common stock	Share premium	Gain on disposal of assets	Donated assets	Legal reserve	Special reserve	Unappropriated retained earnings		Total
For the year ended December 31, 2022										
Balance at January 1, 2022		\$ 762,300	\$ 56,330	\$ 4,142	\$ 452	\$ 667,215	\$ 68,264	\$ 214,713	(\$ 38,911)	\$ 1,734,505
Net income		-	-	-	-	-	-	88,824	-	88,824
Other comprehensive income		-	-	-	-	-	-	11,805	4,013	15,818
Total comprehensive income		-	-	-	-	-	-	100,629	4,013	104,642
Distribution of 2021 net income:										
Legal reserve		-	-	-	-	7,463	-	(7,463)	-	-
Cash dividends	6(13)	-	-	-	-	-	-	(45,738)	-	(45,738)
Unclaimed cash dividends overdue transferred to capital surplus		-	-	-	99	-	-	-	-	99
Balance at December 31, 2022		\$ 762,300	\$ 56,330	\$ 4,142	\$ 551	\$ 674,678	\$ 68,264	\$ 262,141	(\$ 34,898)	\$ 1,793,508
For the year ended December 31, 2023										
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(13)	-	-	-	-	-	-	(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

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
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 78,756	\$ 84,755
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit gains	12	(2,171)	-
Provision for inventory market price decline	6(4)	2,476	-
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method (including (realized) unrealized gain on sales)	6(5)	176,350	102,418
Depreciation expense	6(6)(7)(19)	146,431	181,886
Net loss (gain) on disposal of property, plant and equipment	6(17)	404 (	59)
Gain from lease modification	6(7)(17)	(23)	-
Amortization expense	6(19)	6,390	10,127
Interest income	6(15)	(5,079 ) (	293)
Finance costs	6(18)	5,997	5,356
Net loss (gain) on foreign currency exchange		15,250 (	8,912)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable	(	8,662)	13,840
Accounts receivable	(	9,504)	30,895
Accounts receivable - related parties		45,348 (	76,436)
Other receivables	(	21,331 ) (	3,290)
Other receivables - related parties		6,273	5,523
Inventories	(	172,205)	108,406
Prepayments		78,957 (	33,716)
Other current assets	(	9,804 ) (	492)
Changes in operating liabilities			
Contract liabilities - current	(	88,748)	60,042
Notes payable		14,341 (	6,438)
Accounts payable		155,628	976
Accounts payable - related parties	(	10,521 ) (	5,393)
Other payables		14,732	1,227
Other payables - related parties		679 (	4,142)
Other current liabilities		31,777	15,317
Net defined benefit liabilities - non-current	(	2,455 ) (	14,177)
Other non-current liabilities	(	30 ) (	416)
Cash inflow generated from operations		449,256	467,004
Interest received		5,079	293
Interest paid	(	5,965 ) (	5,424)
Income tax paid	(	8,348 ) (	18,616)
Net cash flows from operating activities		440,022	443,257

(Continued)

TA YIH INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (Increase) in financial assets at amortized cost - current		\$ 5,600	(\$ 5,600)
Acquisition of investments accounted for under equity method	6(5)	(9,335)	-
Cash paid for acquisition of property, plant and equipment	6(23)	(44,014)	(137,483)
Proceeds from disposal of property, plant and equipment		-	80
Acquisition of intangible assets		(2,904)	(4,932)
(Increase) decrease in guarantee deposits paid		(217)	1,988
Net cash flows used in investing activities		(50,870)	(145,947)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term borrowings	6(24)	(90,000)	(78,830)
Decrease in short-term notes and bills payable	6(24)	-	(90,000)
Payments of lease liabilities	6(24)	(17,200)	(10,680)
Payment of cash dividends	6(13)	(53,361)	(45,738)
Unclaimed cash dividends overdue transferred to capital surplus		122	99
Net cash flows used in financing activities		(160,439)	(225,149)
Net increase in cash and cash equivalents		228,713	72,161
Cash and cash equivalents at beginning of year	6(1)	154,018	81,857
Cash and cash equivalents at end of year	6(1)	\$ 382,731	\$ 154,018

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

Attachment 4. Statement of Earning Distribution

Ta Yih Industrial Co., Ltd.

Statement of Earning Distribution

for the Year 2023

Unit: NT\$

Item	Amount
Undistributed earnings at the beginning of the year	198,717,401
Net profit of 2023	42,409,998
Less: Impact of IFRS Application (Effect of pension actuarial impact for the current year).	(9,241,638)
Distributable earnings for the current year	33,168,360
Less: 10% legal reserve	(3,316,836)
Distributable earnings for the year	228,568,925
Distributions:	
Dividends to shareholders (Cash) (NT\$0.7/share)	(53,361,000)
Undistributed earnings at the end of the year	175,207,925

Note : The distribution priority of profits for the current year is to first allocate the surplus from 2023, totaling NT\$29,851,524. Any deficit will then be covered by the undistributed earnings at the beginning of the year, amounting to NT\$23,509,476.

Chairman : Wu Chun-I

Manager : Jyh Chin-Juang

Accounting Manager : Cheng Ching-Hsiang

Attachment 5.

Ta Yih Industrial Co., Ltd. Comparison Table for the Articles of Incorporation Before and After Amendment

Article	Amended Article	Current Article	Explanation
Article 5	The Company's total capital is Eight Hundred million, divided into <u>Eighty Million</u> NT Dollars shares with a <u>par value</u> of NT\$10 each. Any unissued shares <u>may be issued in stages as required by the business, subject to authorization by the Board of Directors.</u> <u>Within the total capital as mentioned above, an amount up to NT\$37.7 million may be allocated for issuing employee stock warrants, totaling 37.7 million shares with a par value of NT\$10 each, which can be issued in stages.</u>	The Company's total capital is <u>Seven Hundred Sixty Two Million Three Hundred Thousand</u> NT Dollars, divided into <u>Seventy Six Million Two Hundred Thirty Thousand</u> shares, at NT\$10 per share, which are issued in the <u>full</u> amount.	Revised to align with the operational requirements of the Company.
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 <u>for registration.</u>	There is no obligation to print share certificates for the Company's shares. However, the Company shall designate a securities custodian organization.	Text revised to align with Article 161-2 of the Company Act.
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. <u>Electronic voting is implemented as one of the means for shareholders of the Company to exercise voting rights, with related procedures conducted according to regulations stipulated by the competent authority. Shareholders' meetings of the Company may be convened using video conferencing or other methods announced by the central competent authority.</u>	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.	Revised to align with Article 177-1 of the Company Act and the amended provisions of Article 44-9 of Regulations Governing the Administration of Shareholder Services of Public Companies.
Article 13	Shareholders who cannot attend a shareholders' meeting due to any reasons may issue a proxy <u>issued by the Company</u> , specifying the scope of authorization for the appointed representative to attend. <u>The use of such proxy shall be in compliance with the regulations prescribed by laws and the competent authority.</u>	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.	Revised to align with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.
Article 15	Each share of the Company carries one voting right per shareholder. <u>However, this is subject to the</u>	<u>The shareholders of the Company are entitled to one voting right per share held.</u>	Revised to align with provisions of Article 179 of the Company

Article	Amended Article	Current Article	Explanation
	<u>provisions of the Company Act and other relevant laws and regulations, which may exclude certain shareholders from this entitlement.</u>		Act.
Chapter 4	<u>Board of Directors and the Audit Committee</u>	Board of Directors	Adjusted to align with the establishment of the Audit Committee.
Article 18	<p>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.</p> <p>Among the directors under the previous paragraph, there shall be at least 3 independent directors.</p> <p>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.</p> <p>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.</p> <p><u>The aggregate shareholding of registered shares held by all directors in the Company shall not fall below the percentage specified by the competent authority in accordance with legal regulations.</u></p> <p><u>During their term of office, the Company shall purchase liability insurance for all directors to cover the compensation liability they are legally responsible for within the scope of their duties.</u></p> <p>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. <u>The exercise of powers and related matters of the audit committee and its members shall be conducted in accordance with laws and regulations of the competent authority.</u></p>	<p>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.</p> <p>Among the directors under the previous paragraph, there shall be at least 3 independent directors.</p> <p>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.</p> <p>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.</p> <p><u>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.</u></p> <p>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 <u>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</u></p>	Newly added to align with Article 193-1 of the Company Act.

Article	Amended Article	Current Article	Explanation
		laws.	
Article 22	Board meetings are held once every quarter. If deemed necessary by the chairman or by a <u>majority of directors who submit in writing the proposed agenda and reasons</u> , they may request the chairman to convene a meeting. The chairman shall convene and preside over the meeting. In the event that the chairman is on leave or unable to perform the duties, the vice chairman shall act as the chairman. If the vice chairman is on leave or unable to perform the duties, the chairman shall designate another director to act as chairman. If no designation is made, the directors shall mutually select one person to act as chairman.	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.	Revised to align with provisions of Article 203-1 of the Company Act.
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.	Matters resolved in board meetings shall be recorded in minutes, which shall be affixed with the signature <u>and</u> 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.	Textual adjustment.
Article 26	The remuneration for all directors <u>is authorized to be determined by the board of directors based on their level of involvement and contribution to the Company's operations, considering industry norms.</u>	The remuneration for all directors <u>and the president shall be determined by the board of directors based on the common standards of the industry.</u>	The general manager, as a managerial position, will be relocated to Article 27.
Chapter 5	Managers	Managers and Staff	Adjustments for staff members require board approval unless deemed unnecessary.
Article 27	The Company may appoint several managers, and their appointment, dismissal, and remuneration shall be managed in accordance with Article 29 of the Company Act.	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.	In accordance with the Company Act, the appointment, dismissal, and remuneration of managers shall be revised through a resolution of the board of directors with a majority of the directors present and the agreement of a majority of the directors in attendance.
Article 28	delete.	The Company may, through board resolution in accordance with Article 23 of the Articles of Association, hire consultants or important staff.	Deleted for the clause allowing consultants and key executives who are

Article	Amended Article	Current Article	Explanation
			managers to proceed without board approval, as per Article 27.
Article 29	delete.	The other staff of the Company shall be hired and dismissed by the president and filed with the board of directors for reference.	Deleted for non-managerial appointments do not necessitate board deliberation
Article 30	At the end of each accounting year, <u>the board of directors is required to compile the following register, which will be presented to the shareholders' meeting for recognition according to legal procedures:</u> 1. Business report. 2. Financial statements. 3. Profit sharing or loss compensation proposal.	At the end of each accounting year <u>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.</u> 1. Business report. 2. Financial statements. 3. Profit sharing or loss compensation proposal.	Adjusted to align with the practical functioning of the Audit Committee as set up by the company.
Article 30-1	The Company's annual net profit <u>before deducting employee and director remuneration shall be distributed as follows:</u> (1) <u>Up to 2% shall be allocated for director remuneration.</u> (2) Not less than 1% shall be allocated for employee remuneration. However, <u>if</u> there are accumulated losses, the amount of <u>loses</u> compensation shall be reserved distribution according to the aforementioned <u>two</u> proportions. <u>Employee remuneration may be provided in the form of either stocks or cash, while director remuneration is strictly disbursed in cash.</u> The employee <u>and director</u> remuneration distribution proposal shall be reported to the general shareholders' meeting.	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.	Revised to align with the company's operational requirements and the amendment to Article 235-1 of the Company Act.
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 <u>taxes</u> and compensating <u>accumulated</u> losses, <u>then</u> 10% of the balance amount shall be provided as legal reserve. <u>However, when the statutory retained earnings reserve has reached the amount of the issued share capital, no additional provision is necessary.</u> Also, 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	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,	Adjusted to align with the revisions to Articles 237 and 239 of the Company Act.

Article	Amended Article	Current Article	Explanation
	<p>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.</p> <p><u>The Company grants authority to the board of directors, with the presence of two-thirds or more of the directors and the agreement of a majority of those present, to distribute all or part of dividends, capital surplus, or statutory retained earnings reserves in cash, and to report such actions to the shareholders' meeting. This provision exempts the requirement for approval by the shareholders' meeting as mentioned in the preceding paragraph.</u></p>	<p>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.</p>	
Article 34	<p>These Articles of Association were established on 14 December 1975. The first amendment was made on 19 February 1976. ...(omitted)... The thirty- third amendment was made on 12 June 2020. <u>The thirty-fourth amendment was made on 11 June 2024.</u></p>	<p>These Articles of Association were established on 14 December 1975. The first amendment was made on 19 February 1976. ...(omitted)... The thirty- third amendment was made on 12 June 2020.</p>	A new date of amendment is added.

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 and 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 13, 2024

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		
Independent Director	Chang Jui-Hui	0	0.00%
Independent Director	Lo Bin-Hsien	0	0.00%
Independent Director	Hsien Sung-Wen	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		24,784,750	32.51% of total shares