

三陽工業 SANYANG MOTOR

Annual Report 2024

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SANYANG MOTOR CO., LTD.

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Website of the Company : <http://www.sanyang.com.tw>

SANYANG MOTOR CO., LTD

Annual Report 2024



—— 新世代跑旅標竿 ——
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DRGBI



永源有限公司

The All-New

SANTA FE



-----DISCLAIMER-----

THIS IS A TRANSLATION OF THE ANNUAL REPORT FOR THE 2024 ANNUAL
SHAREHOLDERS' MEETING OF SANYANG MOTOR CO., LTD. THE
TRANSLATION IS FOR REFERENCE ONLY. IF THERE IS ANY INCONSISTENCY
BETWEEN THE CHINESE VERSION AND THIS TRANSLATION, THE CHINESE
VERSION SHALL PREVAIL.

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V. Overseas Securities Exchange Where Securities are Listed and Method of Inquiry:

None.

VI. Website of the Company: <http://www.sanyang.com.tw/>

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Chapter 1. Letter to Shareholders

I. 2024 Business Report

(I) Results of Implementation of Business Plan

The net consolidated sales in 2024 was NT\$65,624,544 thousand, an increase of 1.80% from the net consolidated sales of NT\$64,461,239 thousand in 2023.

(II) Budget Execution

Not applicable, as the Company does not disclose its consolidated financial forecast to the public.

(III) Financial Revenue and Expenditure and Profitability Analysis

1. Financial Revenue and Expenditure :

In 2024, net consolidated operating revenue was NT\$65,624,544 thousand, consolidated operating cost was NT\$52,244,077 thousand, consolidated operating expense was NT\$7,524,408 thousand, consolidated net operating income was NT\$5,856,059 thousand, consolidated net profit of non-operating income and expense was NT\$619,741 thousand and consolidated profit before income tax was NT\$6,475,800 thousand.

2. Profitability Analysis :

Item	2024	2023
Return on assets (%)	8.36	11.70
Return on equity (%)	19.02	29.20
Net profit margin (%)	7.82	10.34
Earnings per share (current period) (NT\$)	6.02	7.95

(IV) Research and Development

1. Motorcycles

(1) New mass production models launched in 2024:

A. 『JET SL+ 158』 (Taiwan)

Model Introduction

The JET 125 series has consistently been a best-selling model and a frequent champion in TSR competitions. In January 2024, the JET SL 125 evolved with the introduction of the JET SL+ 158 model, featuring a 158c.c. side water-cooled engine with an upgraded power output of 15ps. Additionally, the front-end design and tail light styling have been newly redesigned and adjusted. The JET SL+ 158 combines powerful performance with the compact and agile body of the 125, enhancing riding enjoyment and making it more convenient for navigating congested city streets and parking in narrow motorcycle spaces.

Product Positioning

In addition to maintaining its strong appeal among young male riders aged 18 to 24, it has also expanded its reach to male riders aged 25 and above. Maintaining an aggressive and dynamic design while upgrading horsepower and performance, it is well-suited for mountain racing, leisure riding, and urban commuting. Catering to customers who prioritize aesthetics, power and handling, and vehicle size when purchasing a scooter.

B. 『DRGBT 158』 (Taiwan)

Model Introduction

The second-generation DRGBT was newly launched in May 2024, enhancing the “Dragon” bionic design element with sharp body lines and incorporating fluid dynamics aerodynamics to create a more modern sports car appearance. It also introduces the latest Hyper-SVIS global variable intake system, advancing its power performance, making it a flagship white-label sports car that combines both appearance and performance. The DRGBT also stood out among over 10,000 entries in the 2024 German Red Dot Design Award, winning the Product Design Award. It is the first locally designed motorcycle from Taiwan to receive this prestigious recognition.

Product Positioning

The primary customer base consists of males aged 18 to 24, while the

secondary target customers includes males aged 25 to 29. Featuring a unique and avant-garde exterior design with high-spec performance sports car features, its power meets the multifunctional demands of young people seeking excitement and motorcycle enthusiasts for daily use.

C. 『MAXSYM 400 GT 』 (Taiwan)

Model Introduction

Since the launch of the MAXSYM 400 touring cruiser in April 2021, it has gained a strong reputation in the Taiwan market, with over 2,500 units sold. Its features, including comfortable riding convenience and ample storage space, have fully met the needs of riders on long journeys. In April 2024, SYM launched the all-new MAXSYM 400 “MAXSYM GT”, a revamped model designed to better fit the physical dimensions of Taiwanese riders. It meets the needs of long-distance touring with smooth mobility, comfortable riding, and expanded space. Named “Grand Tour” GT, it aims to provide consumers with an enjoyable and comfortable riding experience on their journeys, offering the best comfort zone wherever they go.

Product Positioning

The primary customer base for the MAXSYM 400 GT consists of males in their 40s to 50s with a stable economic foundation. In terms of usage, 80% of the time is for daily commuting, while 20% is for weekend trips to nearby areas. Additionally, the target customer consists of first-time heavy motorcycle buyers who require greater power for riding on expressways.

D. 『ADXTG 400 』 (Taiwan)

Model Introduction

With the rise of the global ADV trend, SYM has developed the ADXTG 400, which features genuine light off-road performance and equipment through differentiated core technologies. Following the existing ADX 125/150/300 models, it completes SYM’s global ADV scooter product line. The ADXTG 400 is equipped with a class-leading single-cylinder lock AEE adaptive engine, wet clutch, dual-stage thermostat, dual oil pumps, dual balance shafts, Hyper-VVS variable valve system, aluminum alloy double triangle platform, central six-link design, and inverted front fork. It has been fine-tuned for off-road needs, with specific adjustments to ground clearance, protection, and safety features, ensuring it fully satisfies consumers who are “born to go beyond”.

Product Positioning

The target customer for the ADXTG 400 is individuals aged 30 to 50, from both blue-collar and white-collar sectors, with a need for both paved and unpaved road capabilities, and an interest in exploring new forms of adventure with an ADV-style vehicle.

E. 『SYMPHONY 50/125/200』 (Europe)

Model Introduction

SYMPHONY is a key model in the European commuter market, offering three displacement options: 50 c.c., 125 c.c., and 200 c.c.. The model is known for its elegant and lightweight design. In response to the European Stage B OBDII environmental regulations, the front visual design has been updated to appeal to a younger audience, aiming to expand its target demographic and extend the product lifecycle.

Product Positioning

The target customer is individuals aged 30 to 50, including office workers and professionals, with a vehicle that meets the needs for daily commuting and short weekend trips.

F. 『CRUiSYM α 125/300』 (Europe)

Model Introduction

The CRUiSYM 300 was launched in January 2017, featuring a cross-border touring design with a dynamic and powerful appearance. It has received high praise from consumers in both domestic and international markets within this displacement range. In addition to continuous significant upgrades based on customer demands from 2020 to 2023, in January 2024, further modifications were made to the headlamp and taillight assemblies. These changes continue to enhance the technological appeal of the CRUiSYM α300, providing better front illumination and improving visibility for rear vehicles, significantly increasing the product's value.

Product Positioning

The primary customer base for the CRUiSYM α300 consists of males aged 35 to 45 (young to middle-aged), with an annual income ranging from 20,000 to 40,000 euros, including office workers and blue-collar workers. Approximately 38% of users commute on weekdays, while 62% enjoy riding the CRUiSYM α300, with a high level of satisfaction towards the product.

G. 『 ADX 300 』 (Europe)

Model Introduction

The primary customer base for the CRUiSYM α300 consists of males aged 35 to 45 (young to middle-aged), with an annual income ranging from 20,000 to 40,000 euros, including office workers and blue-collar workers. Approximately 38% of users commute on weekdays, while 62% enjoy riding the CRUiSYM α300, with a high level of satisfaction towards the product.

Product Positioning

30-50-year-old mature male urban professionals who enjoy being close to nature and seek a versatile adventure bike for both daily commuting and weekend outings.

H. 『 CLBCU 125 』 (China)

Model Introduction

The CLBCU was introduced to the Chinese market in January 2024, addressing the needs of the market and officially presenting EnMIS technology to Chinese consumers. The target customer is consumers who appreciate technology, minimalist style, and prioritize fuel efficiency. The aim is to provide local users with a unique riding experience and establish a strong reputation for EnMIS technology as the first model launched by SYM in the Chinese market.

Product Positioning

The target customer is young consumers aged 18 to 29. By incorporating innovative design, diverse colors, and excellent ergonomic features, the goal is to create a city commuter bike with a tech-savvy and innovative style.

I. 『 CRUiSYM 400 』 (China)

Model Introduction

The CRUiSYM 400 is a single-cylinder, 400 c.c., water-cooled, four-stroke large scooter with a maximum horsepower of 34. It performs effortlessly in both city and highway driving. The appearance adopts a design technique of layered cutting surfaces, inspired by sports cars, creating a groundbreaking visual impact in the market. The CRUiSYM 400 demonstrates outstanding comfort, ensuring that riders can maintain a natural and comfortable riding posture in any situation. It is also equipped with a full-color LCD instrument cluster, dual-channel ABS, a TCS traction control system, side-stand stall,

full LED lighting, and a keyless system, significantly enhancing the vehicle's technological sophistication, safety, and convenience. The model was officially unveiled at the 2024 Chongqing Motorcycle Expo and the EICMA Moto in Milan, attracting the attention of many motorcycle enthusiasts.

Product Positioning

The primary customer base consists of males in their 40s to 50s with a stable economic foundation. Targeting users who commute on weekdays and value leisure on weekends, CRUiSYM 400 is an ideal choice for motorcycle travel enthusiasts, being a large scooter suitable for long trips.

J. 『PRITI 50/125』 (Vietnam)

Model Introduction

In response to the recent trend of expanding into the Vietnamese market, the CLBCU debuted under the brand name “PRITI” in June 2024. In line with local consumer preferences, two engine displacement options, 50 c.c. and 125 c.c., were launched. During the promotional period, multiple regional launch events were held across various cities, attracting many customers and driving growth in SYM's market share in Vietnam. Similarly, using PRITI as the representative model, EnMIS technology was introduced, laying a strong foundation for subsequent models and solidifying SYM's market advantage in Vietnam.

Product Positioning

The 50 c.c. model targets young female high school students aged 16 to 18, featuring a lightweight frame, modern appearance, and stylish colors, making it the perfect commuting vehicle between school and home, offering a trendy riding experience for the student demographic.

The 125 c.c. model targets female office workers aged 25 and above, offering a compact body with a large storage compartment, a distinctive fashionable appearance, and EnMIS technology. Positioned as a stylish accessory, it aims to provide consumers with a premium riding experience.

(2) Models available for mass production in 2025

In addition to the existing range of motorcycles and light electric motorcycles ranging from 50 c.c. to 508 c.c., which cater to various market demands, in 2025, we will introduce new and updated models tailored to different market segments both domestically and internationally. This lineup will include 5 new designs of scooters, 15 redesigned scooters (Not including regulatory

responses), 2 redesigned model of motorcycle ,1 new model of electric motorcycle, and 1 redesigned model of sports bike. These new offerings are expected to significantly contribute to sales volume and revenue.

2. Automobiles

(1) Mass production models launched in 2024 :

A. IONIQ 5 N

Model Introduction

As Hyundai's first high-performance electric vehicle, the IONIQ 5 N is developed based on the highly acclaimed pure electric IONIQ 5 built on the E-GMP platform. It combines the core values of “on-road driving enjoyment” and “track handling capability”, creating an exceptional driving experience.

The IONIQ 5 N significantly enhances the interior layout, featuring a dedicated N performance multifunction steering wheel. This allows for quick switching of driving modes, as well as direct activation of the N Grin Boost for extra power and N e-Shift for optimized shifting feedback. The IONIQ 5 N is built on the HYUNDAI E-GMP electric vehicle platform, featuring an 800V high-voltage system that supports ultra-fast 350kW charging. With an increased battery capacity of 84kWh, it can charge from 10% to 80% in just 18 minutes. In response to high-performance demands, the IONIQ 5 N is equipped with a 4th-generation lithium-ion polymer battery, coupled with the N battery thermal management pre-conditioning function. This ensures the power system maintains optimal performance under any conditions, whether it's a short sprint race or a long-distance endurance race, with the battery temperature remaining stable to deliver the best power output. Tuned by the N Performance division, the IONIQ 5 N features a front and rear dual-motor electric all-wheel-drive system with 650 horsepower and 78.5 kg•m of torque. It delivers performance figures of 0 to 100 km/h acceleration in 3.4 seconds and a top speed of 260 km/h.

The IONIQ 5 N offers two battery management modes, Drag Mode and Track Mode, along with two track driving modes, Sprint Mode and Endurance Mode, for enhanced performance. Additionally, the IONIQ 5 N is equipped with a specially tuned braking system, capable of bringing the vehicle to a complete stop from 100 km/h in just 33.7 meters. Equipped with the N regenerative braking system, specially developed for the Nurburgring North Loop in Germany, it delivers up to 0.6G of deceleration force,

effectively recovering kinetic energy during braking. This system also reduces the load on the braking system, ensuring stable performance during extended periods of intense driving. Additionally, the LBF (Left Foot Braking) feature, specifically designed for track use, allows the driver to simultaneously use the left and right feet to control both the brake and throttle, enabling more precise control of the vehicle's balance and dynamic changes.

The IONIQ 5 N is equipped with the N e-Shift electronic gear shift feedback, which simulates the 8-speed N DCT dual-clutch transmission shift response. It also features N Active Sound+, two unique electric vehicle innovations. These features not only recreate the gear-shifting experience of gasoline vehicles but also provide the exhaust sound of a 2.0T turbocharged engine, catering to enthusiasts who are passionate about traditional combustion engine vehicles. It can even simulate the sound effects of the N 2025 Vision Gran Turismo concept electric race car or a jet fighter, offering a unique and exciting driving experience.

Product Positioning

With high-performance power and various driving modes, it targets customers who are passionate about driving experiences and eager to try new technologies.

B. TUCSON L N Line

Model Introduction

As a personalized performance vehicle, an eye-catching and stylish design is essential. The all-new TUCSON L N Line features striking hidden wing-shaped daytime running lights with geometric adjustments, adding dynamism and dominance to the overall design. The exclusive N Line badge is prominently displayed, signifying the model's distinct identity.

Complemented by a rectangular aerodynamic front bumper and a black chrome geometric grille/lower air intake, the meticulous details not only enhance the vehicle's sporty character but also exude a powerful presence. The custom 19-inch performance alloy wheels further elevate its luxurious and extraordinary appeal. The rear design is equally impressive, incorporating motorsport-inspired aerodynamics. The TUCSON L N Line features an aerodynamic rear spoiler and a diffuser-style rear bumper, expertly crafted to optimize airflow for enhanced driving stability. The dual

metal exhaust outlets not only improve exhaust efficiency but also lend a sleek, refined appearance to the rear profile. Additionally, the N Line badge on the front fender adds a distinctive touch of exclusivity, making its exceptional identity instantly recognizable.

Stepping inside, you are greeted by a visual feast. The exclusive sport-style steering wheel, with its distinctive design and ergonomic grip, elevates the driving experience to a whole new level. Meanwhile, the sporty metal pedals infuse the cabin with the exhilarating essence of motorsport. Regarding the seats, the suede-like sport seats provide both anti-slip properties and exceptional support, ensuring an unparalleled level of comfort for passengers. The red stitching accents further enhance the cabin's dynamic and stylish appeal. The redesigned gear shift elevates the driving experience, with the exclusive N Line performance gear lever not only improving shift smoothness but also reinforcing the sporty character of the vehicle, making every gear change a true pleasure.

The all-new next-generation sporty SUV, TUCSON LN Line, is not only a high-performance vehicle but also a driving companion that combines advanced safety technology with exhilarating driving pleasure.

Product Positioning

With the exclusive and striking N Line design, it offers consumers a new choice in sporty SUVs.

C. VENUE

Model Introduction

With a bold and dynamic two-tone color scheme, refined interior accents, and advanced active and passive safety technologies, the facelifted VENUE is officially launched. It debuts the exclusive new color “Emerald Green” and features five-spoke geometric black alloy wheels, highlighting its rugged outdoor personality. The interior is upgraded with a 4.2-inch full-color digital instrument cluster, exclusive blue and gray dual-tone seats, and a Qi wireless charging pad, enhancing both cabin sophistication and convenience while creating a stylish and timeless visual appeal. Constructed with 62% high-strength steel for a robust and secure body, it is equipped with up to 10 advanced safety features from “HYUNDAI SmartSense”. The comprehensive upgrade to Level 2 semi-autonomous driving technology ensures all-around protection for your safety on the road.

Product Positioning

Upgraded to Level 2 semi-autonomous driving technology, targeting customers who prioritize safety features.

D. KONA Electric

Model Introduction

The all-new fully redesigned KONA Electric, with its optimally sized body, high-quality and high-rigidity construction, next-generation parametric exterior design, and advanced technologies and convenience features, offers consumers a safe and comfortable driving experience. The completely redesigned KONA features a unique design language, incorporating parametric elements to enhance its futuristic appeal. The seamless Pixels LED daytime running lights and taillights add distinctive charm, while the striking exterior colors further emphasize the next-generation futuristic design of the KONA.

The interior design is inspired by the IONIQ series. In the KONA Electric, the wired gear shifter is relocated behind the steering wheel, and the center features an open layout to create a larger, more spacious, and comfortable cabin. The all-new redesigned KONA Electric is equipped with a dual 12.3-inch digital cockpit display, a new EV-exclusive interface (supporting Traditional Chinese), an SBW rotary shifter system, i-PEDAL one-pedal driving mode, a Qi wireless charging pad, and V2L in-car and external power supply systems, offering the latest generation of smart features. The KONA Electric features a second-row flat floor, enhancing passenger comfort and cargo space. The center armrest adopts an open home-style design and is equipped with a one-touch rotating cup holder, strengthening functionality and creating a more versatile living space. In terms of safety, the entire vehicle lineup is equipped with the HYUNDAI SmartSense Level 2 active safety assistance system, ensuring the highest level of safety and convenience on the road.

The redesigned KONA Electric inherits HYUNDAI Group's most advanced electric architecture, combining the innovative space, design, and safety technology of the IONIQ series to redefine the B-SUV electric vehicle segment.

Product Positioning

Targeting consumers who are eager to try new things and have a passion for

technology.

E. The All-new SANTA FE

Model Introduction

As a luxury global full-size SUV, the redesigned SANTA FE offers prestigious features, top-tier safety, exceptional space performance, and a turbocharged hybrid powertrain, perfectly balancing urban living and outdoor adventures, creating limitless possibilities for consumers' life experiences. The entire lineup introduces advanced CVVD (Continuously Variable Valve Duration) technology, equipped with a 1.6 Turbo Hybrid engine, delivering a powerful 218ps of performance. The all-new exterior design adopts HYUNDAI's unique H-shaped design elements, complemented by a large-area grille, emphasizing the vehicle's wide and premium feel. The minimalist, square design on the sides highlights the muscular body curves, paired with 20-inch low-resistance five-spoke alloy wheels, large triangular windows, and a bridge-style roof rack. The harmonious body lines redefine the minimalist image of a luxury SUV. The rear is also equipped with H-shaped LED taillights, an integrated rear bumper, and a hidden wiper. The understated design exudes an unmistakable sense of luxury.

Inside, the SANTA FE uses high-quality materials to offer spacious and comfortable seating. It is equipped with dual 12.3-inch digital displays, an electrically adjustable steering wheel, a 6.6-inch touch control air conditioning panel, an SBW electronic shift-by-wire system, and the Easy System digital cockpit, ensuring that every journey for both driver and passengers is filled with enjoyment and convenience. The all-new SANTA FE is equipped with the Platform 3.0 3rd-generation chassis platform, enhancing body rigidity and utilizing both engine-type and multi-frame body structures, effectively improving collision safety. The entire vehicle is equipped with 10 airbags as standard, along with up to 20 HYUNDAI SmartSense active and passive safety technologies, providing comprehensive protection for every passenger.

The all-new SANTA FE, a top-tier hybrid LSUV, meticulously addresses the post-pandemic consumer demand for outdoor vehicles, enhancing the utilization of both interior and exterior spaces while embodying the brand's expertise in luxurious, aristocratic appeal.

Product Positioning

With its eye-catching and stylish interior and exterior design, along with advanced safety technology, it attracts the luxury L-SUV customer segment.

(2) Models planned for mass production in 2025 :

In 2025, in addition to launching refreshed versions of existing models, we will continue to introduce brand-new hybrid and electric vehicles across various segments to meet customers' diverse choices and upgrade demands.

II. Outline of 2025 Business Plan

(I) Business strategies

1. Quality: Consider punctuality, top quality, and precise quantity as standards for work implementation and delivery.
2. Innovation: Enhance the Company's competitiveness through continuous improvement and the integration of innovative thinking and new technology.
3. Service: Strengthen professionalism and optimize customer experiences to improve brand satisfaction.

(II) Expected sales volume

Not applicable, as the Company does not disclose its consolidated financial forecast to the public.

(III) Key production and marketing policy

1. Create new opportunities and capture the hearts and minds of customers
 - (1) Continuing with the efforts of the four major reforms, the “three standards, three sharing”, and the “double quality, double quantity”, our focus remains on consumer-centric strategies. We aim to integrate various product lines, challenge existing technological boundaries, and innovate to create new brand value that resonates with consumer preferences.
 - (2) Integrate digital channels, introduce information system to accelerate the speed of channel feedback, strengthen online service technical training, and accelerate the development of channel stores and decoration that comply with the brand's professional image. This will allow us to agilely respond to market demands, enhance channel management efficiency, and improve the level of Sales, Service & Spare Parts (3S) dealership services.
 - (3) Continue to invest in new technologies, innovative designs, and performance enhancement initiatives, focusing on elevating the product's core qualities with

- the aim of delivering an improved riding experience for our customers.
2. Implementing a precise quality operation mechanism to ensure global competitiveness
 - (1) Establish the global production base for platform model and production leveling and consistent quality standards.
 - (2) The operation of the quality audit and counseling system operate on the principles of “prevention, containment, and recurrence prevention” along with the three non-policies for defective products: “no acceptance, no production, no distribution.” Continuous improvement and rapid response to market feedback are emphasized to provide customers with satisfactory products and services.
 - (3) Undertake a comprehensive inventory and update of smart equipment, leveraging extensive information technology utilization. Through continuous optimization and process improvement, heighten all employees’ focus on quality and accelerate the pace of enhancement.
 3. Leverage high-level craftsmanship in car manufacturing to create driving dreams and happiness.
 - (1) As a key partner in Hyundai Motor’s international business, we are dedicated to strategically positioning our products in the market to enhance competitiveness, in line with Hyundai’s brand philosophy of “Progress for Humanity.”
 - (2) Actively promote the management of a sustainable environment, introduce new energy vehicles, high-performance passenger cars and commercial vehicles, strengthen the brand image, and provide a complete and diverse sales product line.
 - (3) Create a brand-new customer service experience by establishing large GDSI hubs in the northern, central, and southern regions, and launch the “We Care 3.0 Customer Service Experience Upgrade” plan to expand service capacity. Upgrade the hardware and software of showrooms and digitalize sales service processes, further enhancing the quality of professional after-sales service.
 4. Collaborate closely with overseas distributors to aggressively target export markets, enhance brand recognition, and expand our global market share through the promotion of high-quality products.

III.Future Development Strategies of the Company and Effects of External Competitions, Legal Environment and Overall Business Environment

- (I) As COVID-19 eased off and inflation continued to drop in 2024, the economic

environment is expected to return to normal. However, there are still many uncertainties arising from the international conflicts over Ukraine and Russia, regional risks such as the Israel-Palestinian conflict, as well as countries' net-zero pathway. With the government's subsidy for replacing old motorcycles coming to an end, although the overall demand for new purchases increased, the rapid changes in the motorcycle market and import competition have intensified. In response to the challenging global market, SYM has maintained its high R&D capabilities and manufacturing technologies, consolidated its existing market, and actively expanded its overseas sales.

- (II) Global inflationary pressures and regional risks have led to increased freight costs, affecting overall sales markets in recent year. This has resulted in shortages of key components, rising raw material costs, and difficulties in sales. The company has integrated group resources and flexibly allocated them to maximize efficiency, ensuring both the adequacy and timeliness of supply.
- (III) In response to emerging trends and emphasis on improving energy efficiency and the accelerated development of new energy vehicles (NEVs), the Company is actively developing NEVs and energy-saving products, concentrating efforts on the key battery core areas of lithium batteries, aluminum batteries and hydrogen fuels, to create more internationally competitive products and realize the vision of environmental sustainability.
- (IV) The Company continues to develop global/regional product strategies, seeking new opportunities. Through the sharing of group value chains and the active integration of resources from three regions, it aims to expand procurement of common parts to enhance bargaining power and mitigate the impact of rising costs.
- (V) Sanyang has entered its 70th year as a company spanning both automotive and motorcycle sectors, accumulating profound experience and capabilities. It strives to break through existing technologies, cultivate global professional talents, actively expand diverse customer bases, and create economies of scale. This will lead to offering products with higher cost-effectiveness, driving operational synergies and international competitiveness both domestically and internationally, thus avoiding operational risks derived from external factors.

Chapter 2. Corporate Governance Report

I. Information of Directors of the Board and Main Managers

(I) Information about Directors of the Board

Apr.28, 2025

Title	Nationality or Place of Registration	Name	Gender and Age	Date Elected	Term of Office	Date First Elected	Shareholding When Electe		Current Shareholding		Spouse & Minor Children Shareholding		Shareholding Under the Names of Other Parties		Main Experience (Educational Attainment)	Other Position Concurrently Held at the Company and Other Companies	Other Executives or Directors who Are Spouses or within the Second Degree of Kinship			Note
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Chairman	Republic of China	Ching-Yuan Wu	Male 61~70	2023.06.28	3	2011.05.27	20,126,240	2.36%	20,126,240	2.52%	281,360	0.04%	-	-	Master of Agriculture and Urban Planning, Chung Hua University	Chairman of Nanyang Industries Co., Ltd. Chairman of Ching Ta Investment Co., Ltd. Chairman of Taiwan Tea Corporation (Note 2)	Vice Chairman	Li-Chu Wu	Sibling	Note 1
Vice Chairman	Republic of China	Chien-Jin Investment Co., Ltd. Representative: Li-Chu Wu	Female 51~60	2023.06.28	3	2014.06.18 2017.06.20	29,181,000 -	3.42% -	29,181,000 17,046,560	3.66% 2.14%	- 4,269,600	- 0.54%	- -	- -	EMBA, Nanjing Normal University	Chairman of Shan Young Assets Management Co., Ltd. Vice Chairman of Nanyang Industries Co., Ltd. (Note 2)	Chairman	Ching-Yuan Wu	Sibling	-
Managing Director/ Independent Director	Republic of China	Chung-Chuan Shih	Male 51~60	2023.06.28	3	2017.06.20	-	-	-	-	-	-	-	-	Master of Law, National Chengchi University	Independent Director of Eng Electric Co., Ltd.	-	-	-	-
Director	Republic of China	Chien-Jin Investment Co., Ltd. Representative: Li-Hsi Chiang	Male 51~60	2023.06.28	3	2014.06.18	29,181,000 -	3.42% -	29,181,000 106,200	3.66% 0.01%	- 36,200	- 0.00%	- -	- -	Department of International Trade, Feng Chia University Department of Law, Hsuan Chuang University	-	-	-	-	-
Director	Republic of China	Chien-Jin Investment Co., Ltd. Representative: Yi-Cheng Wu	Male 31~40	2023.06.28	3	2014.06.18 2023.06.28	29,181,000 -	3.42% -	29,181,000 40,000	3.66% 0.01%	- -	- -	- -	- -	Master of Business Management of National United University	Director of Nanyang Industries Co., Ltd. (Note 2)	Chairman	Ching-Yuan Wu	Father and son	-

Title	Nationality or Place of Registration	Name	Gender and Age	Date Elected	Term of Office	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Children Shareholding		Shareholding Under the Names of Other Parties		Main Experience (Educational Attainment)	Other Position Concurrently Held at the Company and Other Companies	Other Executives or Directors who Are Spouses or within the Second Degree of Kinship			Note
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Director	Republic of China	Chao-Yao Investment Co., Ltd. Representative: Ren-Hao Tien	Male 41~50	2023.06.28	3	2014.06.18	14,625,000 -	1.71% -	14,625,000 17,000	1.83% 0.00%	- -	- -	- -	- -	Cass Business School Investment Management	Director of Nanyang Industries Co., Ltd. Chairman of Three Brothers Machinery Industrial Co., Ltd. Director of Apex Biotechnology Corp. (Note 2)	-	-	-	-
Director	Republic of China	Chao-Yao Investment Co., Ltd. Representative: Yu-Chang Huang	Male 51~60	2023.06.28	3	2014.06.18	14,625,000 -	1.71% -	14,625,000 1,531,000	1.83% 0.19%	- -	- -	- 38,128,000	- 4.78%	-	Director of Taiwan Tea Corporation	-	-	-	-
Director	Republic of China	Chao-Yao Investment Co., Ltd. Representative: Te-Ching Chang	Male 61~70	2023.06.28	3	2014.06.18 2017.06.20	14,625,000 -	1.71% -	14,625,000 -	1.83% -	- -	- -	- -	- -	University of Ottawa	-	-	-	-	-
Independent Director	Republic of China	Chen Chiang	Male 51~60	2023.06.28	3	2017.06.20	-	-	-	-	-	-	-	-	Master of Commerce in the Department of Accounting and Information Technology, National Chung Cheng University	-	-	-	-	-
Independent Director	Republic of China	Chih-Hung Hsieh	Male 61~70	2023.06.28	3	2017.06.20	-	-	-	-	-	-	-	-	Doctor of Juridical Science, National Chengchi University	Independent Director of Grand Pacific Petrochemical Cop.	-	-	-	-
Independent Director	Republic of China	Fu-Wei Chen	Male 61~70	2023.06.28	3	2023.06.28	-	-	-	-	-	-	-	-	Master of Accounting, National Chengchi University	Independent Director of Taiwan Financial Holdings	-	-	-	-

Note 1: In case that the Chairman and the President or their equivalents (top manager) are the same person, or two persons who are spouses or relatives within one degree of kinship, the reason, rationality, necessity, and

corresponding measures (such as increasing the number of Independent Directors, and a majority of the Directors not concurrently serving as employees or managers) should be described:

The Chairman of the Company also serves as the President to improve operational efficiency and decision execution ability. At present, the Company has established an additional position for an independent director and the majority of the Board of Directors' members do not concurrently serve as employees or managers.

Note 2: For others, please refer to "Information on Affiliates".

1. Major Shareholders of Corporate Shareholders

Apr.28, 2025

Names of Corporate Shareholders	Major Shareholders of Corporate Shareholders
1. Chien-Jin Investment Co., Ltd.	(1) Li-Chu Wu (30%) (2) Chun-Mei Fan Chiang (3.40%)
2. Chao-Yao Investment Co., Ltd.	(1) Li-Chu Wu (40%) (2) Chin-Nu Yang (10%)

2. Disclosure of Information on the Professional Qualifications of Directors and Independence of Independent Directors

Criteria Name	Professional Qualifications and Experience	Compliance with the Independence Criteria	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Ching-Yuan Wu	Has over 5 years of work experience in the area for the Company's business, currently serves as the Chairman and President of the Company, and does not fall under the circumstances outlined in Article 30 of the Company Act.	-	0
Chien-Jin Investment Co., Ltd. Representative: Li-Chu Wu	Has over 5 years of work experience in the area for the Company's business, currently serves as the Vice Chairman of the Company, and does not fall under the circumstances outlined in Article 30 of the Company Act.	-	0
Chien-Jin Investment Co., Ltd. Representative: Li-Hsi Chiang	Has over 5 years of work experience in the area for the Company's business, currently serves as the Director of the Company, and does not fall under the circumstances outlined in Article 30 of the Company Act.	-	0
Chien-Jin Investment Co., Ltd. Representative: Yi-Cheng Wu	Has over 5 years of work experience in the area for the Company's business, currently serves as the Director and Assistant Manager, Chairman's Office of the Company, and does not fall under the circumstances outlined in Article 30 of the Company Act.	-	0
Chao-Yao Investment Co., Ltd. Representative: Ren-Hao Tien	Has over 5 years of work experience in the area for the Company's business, currently serves as the Director and Assistant Manager, Administration Sector of the Company, and does not fall under the circumstances outlined in Article 30 of the Company Act.	-	0
Chao-Yao Investment Co., Ltd. Representative: Yu-Chang Huang	Has over 5 years of work experience in the area for the Company's business, currently serves as the Director of the Company, and does not fall under the circumstances outlined in Article 30 of the Company Act.	-	0
Chao-Yao Investment Co., Ltd. Representative: Te-Ching Chang	Has over 5 years of work experience in the area for the Company's business, currently serves as the Director of the Company, and does not fall under the circumstances outlined in Article 30 of the Company Act.	-	0

Criteria Name	Professional Qualifications and Experience	Compliance with the Independence Criteria	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Chung-Chuan Shih	Has over 5 years of work experience in the area necessary for the Company's accounting affairs and business, currently serves as the Independent Director of the Company and Eng Electric Co., Ltd, and the CPA of the Guo Ju Certified Public Accounting Firm, and does not fall under the circumstances outlined in Article 30 of the Company Act.	(1) Not an employee of the Company or any of its affiliates. (2) Not a Director of the Board or Supervisor of the Board of the Company or any of its affiliates. (3) Not a natural person shareholder who, together with those held by the person's spouse, children (minors), or held by the person under others' names, holds an aggregate amount of 1% or more of the total number of outstanding shares of the Company, or ranks in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer as specified in (1) or any of the persons specified in (2) and (3).	1
Chen Chiang	Has over 5 years of work experience in the area necessary for the Company's legal affairs and business, currently serves as the Company's Independent Director and the managing attorney of the Chiang Chen Law Firm, and does not fall under the circumstances outlined in Article 30 of the Company Act.	(5) Not a Director of the Board, Supervisor of the Board, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a Director of the Board or Supervisor of the Board of the Company under Article 27, paragraph 1 or 2 of the Company Act. (6) Not a Director of the Board, Supervisor of the Board, or employee of any other company that controls a majority of the Company's director seats or voting shares and those of that other company.	0
Chih-Hung Hsieh	Has over 5 years of work experience as a law lecturer in a college or university and in the area necessary for the Company's business, currently serves as the Independent Director of the Company and Grand Pacific Petrochemical Corporation, and an associate professor in the Department of Law of Fu Jen Catholic University, and does not fall under the circumstances outlined in Article 30 of the Company Act.	(7) Not a Director (or governor), Director of the Board, or employee of another company or institution who is the chairman, president, or person holding an equivalent position of the Company and a person in any of those positions of another company or institution are the same person or are spouses. (8) Not a Director (or governor), Director of the Board, managerial officer, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company. (9) Not a professional individual who, or an owner, partner, Director (or governor), Director of the Board, or managerial officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting, or related services to the Company or any affiliate of the Company and for which the provider has received compensation in the past two years, or a spouse thereof.	1
Fu-Wei Chen	Has over 5 years of work experience as a law lecturer in a college or university and in the area necessary for the Company's business, currently serves as the Independent Director of the Company and Taiwan Financial Holdings Co., Ltd, and does not fall under the circumstances outlined in Article 30 of the Company Act.	(10) Not a spouse or relative within the second degree of kinship of any other Directors. (11) Not a governmental, juridical person, or its representative as defined in Article 27 of the Company Act.	1

3. Diversity and Independence of the Board of Directors

(1) Diversity of the Board of Directors

In accordance with Article 20 of the Company's Code of Corporate Governance, the composition of the Board of Directors shall take into account diversity. The number of Directors who concurrently serve as managers of the Company shall not exceed one-third of the total number of Directors. Furthermore, appropriate diversity guidelines shall be formulated with respect to the Company's operation, business model, and development needs, and shall include, but not be limited to, the following two major criteria:

- A. Basic criteria and values: Gender, age, nationality, culture, etc.
- B. Professional knowledge and skills: Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and experience in relevant industries.

The Board members shall generally possess the knowledge, skills, and literacy necessary to carry out their duties. To achieve the desired objectives of corporate governance, the Board as a whole shall possess the following competencies:

- A. Operational judgment.
- B. Accounting and financial analysis skills.
- C. Operational management skills.
- D. Crisis management skills.
- E. Industry knowledge.
- F. International market perspective.
- G. Leadership skills.
- H. Decision making skills.

(2) The Company's current Board of Directors consists of 11 Directors, and the specific management objectives and achievements of the Board's diversity policy are as follows:

Management Objectives	Achievement
Independent directorships exceed one-third of the Board seats.	Achieved
The number of Directors who are also managers of the Company shall not exceed one-third of the number of Directors.	Achieved
At least one-third of the independent directors have expertise in law and finance and accounting.	Achieved

(2) The implementation of the Board of Directors' diversity policy is as follows:

Core Items of Diversity		Name and Title	Nationality	Gender	Concurrent Role as the Employee (Nore)	Age		Professional Background					Professional Skills							
						Aged 31 ~40	Aged 41 ~50	Aged 51 ~60	Aged 61 ~70	Accounting	Industry	Finance	Law	Operational judgement	Accounting and financial analysis skills	Operational management skills	Crisis management skills	Industry knowledge	International market perspective.	Leadership skills
Director	Ching-Yuan Wu	Male	✓				✓		✓				✓	✓	✓	✓	✓	✓	✓	
	Li-Chu Wu	Female				✓			✓				✓	✓	✓	✓	✓	✓	✓	
	Li-Hsi Chiang	Male				✓			✓				✓	✓	✓	✓	✓	✓	✓	
	Yi-Cheng Wu	Male	✓	✓					✓				✓	✓	✓	✓	✓	✓	✓	
	Ren-Hao Tien	Male	✓		✓				✓				✓	✓	✓	✓	✓	✓	✓	
	Yu-Chang Huang	Male				✓			✓				✓	✓	✓	✓	✓	✓	✓	
	Te-Ching Chang	Male					✓		✓				✓	✓	✓	✓	✓	✓	✓	
Independent Director	Chung-Chuan Shih	Male				✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Chen Chiang	Male				✓			✓		✓		✓	✓	✓	✓	✓	✓	✓	
	Chih-Hung Hsieh	Male					✓		✓		✓		✓	✓	✓	✓	✓	✓	✓	
	Fu-Wei Chen	Male					✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	

Note:

1. The number of directors of the Company who are concurrently employees of the Company, its parent, subsidiary, or sibling company is less than (inclusive of) one-third of the board seats.
2. The Company's Board of Directors consists of only one female director (accounting for 9.09% of the Board). In the future, the Company will take gender equality into account and increase the number of female members on the Board.

(4) Independence of the Board of Directors

The Company's current Board of Directors consists of 11 members, including 4 Independent Directors and 3 Directors with employee status (accounting for 36.36% and 27.27% of the total number of Directors, respectively). This composition aligns with the goal of having no fewer than 3 Independent Directors, one-third of the Directors' seats held by Independent Directors, and Directors who concurrently serve as the Company managers not exceeding one-third of the Directors' seats. As of the end of 2024, all independent directors had complied with the requirements set by the Securities and Futures Bureau, Financial Supervisory Commission regarding independent directors. The majority of the board members did not have spouses or relatives within the second degree of kinship (Chairman Ching-Yuan Wu, Vice Chairman Li-Chu Wu, and Director Yi-Cheng Wu are relatives within the second degree of kinship); there were no spousal relationships or relatives within the second degree of kinship between independent directors or between independent directors and other directors.

(II) President, Vice Presidents, Assistant Vice President, and Supervisors of the Board of All Sectors and Branch Units

Apr.28, 2025

Title	Nationality	Name	Gender	Date Taking Office (Note 1)	Shareholding		Spouse & Minor Shareholding		Shareholding Under the Names of Other Parties		Main Experience (Educational Attainment)	Other Position Concurrently Held at Other Companies	Other Managerial Officers who Are Spouses or within the Second Degree of Kinship			Note
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
President	Republic of China	Ching-Yuan Wu	Male	2016.05.13	220,126,240	2.52%	281,360	0.04%	-	-	Master in Agriculture and Urban Planning of Chung Hua University	Chairman of Nanyang Industries Co., Ltd. Chairman of Ching Ta Investment Co., Ltd. Chairman of Taiwan Tea Corporation (Note 6)	Assistant Vice President	Yi-Cheng Wu	Father and son	Note 2
Vice President	Republic of China	Nai-Shih Lin	Male	1995.06.01	-	-	-	-	-	-	Master of Business Administration, New York Institute of Technology	Chairman of Sunshine Auto-Lease Co., Ltd.	-	-	-	-
Vice President	Republic of China	Hsu-Pin Chen	Male	2017.05.03	-	-	-	-	-	-	Master, Department of Mechanical Engineering, National Chiao Tung University	Chairman of Chu-Yang Motor Co., Ltd. Director of Sanyang Italia S.r.l Director of Sanyang Deutschland GmbH Director of Three Brothers Machinery Industrial Co., Ltd. (Note 6)	-	-	-	-
Vice President	Republic of China	Chien-Sheng Chen (Note 3)	Male	2025.01.01	10,718	0.00%	-	-	-	-	Department of Mechanical Engineering, National Taipei Institute of Technology	Director of Qingzhou Engineering Industry Co., Ltd. Director of Sanyang Global (Xiamen) Co., Ltd. Director of Xiamen Xiasheng Motorcycle Co., Ltd. (Note 6)	-	-	-	-
Assistant Vice President	Republic of China	Ying-Feng Chiu	Male	2010.12.01	3,412	0.00%	-	-	-	-	Master of Power Machinery, National Taiwan University	Chairman of Nova Design Co., Ltd. (Note 6)	-	-	-	-
Assistant Vice President	Republic of China	Chao-Shun Lin	Male	2013.02.06	11,064	0.00%	1,719	0.00%	-	-	Master of Machinery, National Taiwan University of Science and Technology	-	Assistant Vice President	Chao-Sheng Lin	Brothers	-
Assistant Vice President	Republic of China	Hsi-Cheng Chang (Note 4)	Male	2014.10.01	11,694	0.00%	-	-	-	-	Master of International Business Management, National Taiwan University	Chairman of Youth Taisun Co., Ltd.	-	-	-	-
Assistant Vice President	Republic of China	Kuei-Chin Huang	Male	2016.12.23	53	0.00%	-	-	-	-	Kaohsiung Municipal Kaohsiung Commercial High School	Supervisor of Ching Ta Investment Co., Ltd. Supervisor of Sunshine Auto Lease Co., Ltd. (Note 6)	-	-	-	-

Title	Nationality	Name	Gender	Date Taking Office (Note 1)	Shareholding		Spouse & Minor Shareholding		Shareholding Under the Names of Other Parties		Main Experience (Educational Attainment)	Other Position Concurrently Held at Other Companies	Other Managerial Officers who Are Spouses or within the Second Degree of Kinship			Note
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relatio nship	
Assistant Vice President	Republic of China	Chao- Sheng Lin	Male	2017.05.26	11,606	0.00%	-	-	-	-	Department of Power Machinery, Taiwan Industrial Technology Research Institute	Director of Qingzhou Engineering Industry Co., Ltd. (Note 6)	Assistant Vice President	Chao- Shun Lin	Brothers	-
Assistant Vice President	Republic of China	Ren-Hao Tien	Male	2017.07.03	17,000	0.00%	-	-	-	-	Cass Business School Investment Management	Director of Nanyang Industries Co., Ltd. Chairman of Three Brothers Machinery Industrial Co., Ltd. Director of Apex Biotechnology Corp. (Note 6)	-	-	-	-
Assistant Vice President	Republic of China	Yuan- Ping Huang	Male	2017.07.03	7,211	0.00%	-	-	-	-	Department of Mechanical Engineering, National Chung Hsing University	Chairman of Qingzhou Engineering Industry Co., Ltd. Director of Three Brothers Machinery Industrial Co., Ltd. (Note 6)	-	-	-	-
Assistant Vice President	Republic of China	Ming- Chieh Lin	Male	2017.07.17	-	-	-	-	-	-	Master of Civil Engineering, National Chiao Tung University	-	-	-	-	-
Assistant Vice President	Republic of China	Kuang- Pin, Chuang	Male	2022.12.14	-	-	-	-	-	-	Department of Electrical Engineering, Chienkuo Technology University	-	-	-	-	-
Assistant Vice President	Republic of China	Yi-Cheng Wu (Note 5)	Male	2025.01.01	40,000	0.01%	-	-	-	-	Master of Business Management of National United University	Director of Nanyang Industries Co., Ltd. (Note 6)	President	Ching- Yuan Wu	Father and son	-

Note 1: Date taking office means the date on which one is appointed as managerial officer of the Company.

Note 2: In case that the Chairman and the President or their equivalents (top manager) are the same person, or two persons who are spouses or relatives within one degree of kinship, the reason, rationality, necessity, and corresponding measures (such as increasing the number of Independent Directors, and a majority of the Directors not concurrently serving as employees or managers) should be described: The Chairman of the Company also serves as the President to improve operational efficiency and decision execution ability. At present, the Company has established an additional position for an independent director and the majority of the Board of Directors' members do not concurrently serve as employees or managers.

Note 3: Chien-Sheng Chen was promoted from Deputy Assistant General Manager to Deputy General Manager on January 1, 2025.

Note 4: Hsi-Cheng Chang retired on May 5, 2025.

Note 5: Yi-Cheng Wu was newly appointed on January 1, 2025.

Note 6: For others, please refer to "Information on Affiliates".

II. Remuneration of Directors, Independent Directors, President, and Vice Presidents in 2024

1. Remuneration of General Directors and Independent Directors

Unit: NT\$ thousand

Title	Name	Remuneration of Directors								Sum of A, B, C, and D to After-tax Net Income Ratio (%)	
		Compensation (A)		Severance Pay and Pension (B)		Directors' Compensation (C)		Business Execution Expenses (D)			
		The Company	All Companies Listed in Consolidated Financial Statements	The Company	All Companies Listed in Consolidated Financial Statements	The Company	All Companies Listed in Consolidated Financial Statements	The Company	All Companies Listed in Consolidated Financial Statements	The Company	All Companies Listed in Consolidated Financial Statements
Chairman	Ching-Yuan Wu	28,319	28,319	-	-	16,974	16,974	80	80	45,373 0.95%	45,373 0.95%
Vice Chairman	Chien-Jin Investment Co., Ltd. Representative: Li-Chu Wu	14,642	14,642	108	108	11,316	11,316	80	80	26,146 0.55%	26,146 0.55%
Director	Chien-Jin Investment Co., Ltd. Representative: Li-Hsi Chiang	-	-	-	-	5,658	5,658	80	80	5,738 0.12%	5,738 0.12%
Director	Chien-Jin Investment Co., Ltd. Representative: Yi-Cheng Wu	-	-	-	-	5,658	5,658	60	60	5,718 0.12%	5,718 0.12%
Director	Chao-Yao Investment Co., Ltd. Representative: Ren-Hao Tien	-	-	-	-	5,658	5,658	80	80	5,738 0.12%	5,738 0.12%
Director	Chao-Yao Investment Co., Ltd. Representative: Yu-Chang Huang	-	-	-	-	5,658	5,658	70	70	5,728 0.12%	5,728 0.12%
Director	Chao-Yao Investment Co., Ltd. Representative: Te-Ching Chang	-	-	-	-	5,658	5,658	70	70	5,728 0.12%	5,728 0.12%
Managing Director/ Independent Director	Chung-Chuan Shih	1,200	1,200	-	-	-	-	160	160	1,360 0.03%	1,360 0.03%
Independent Director	Chen Chiang	1,200	1,200	-	-	-	-	180	180	1,380 0.03%	1,380 0.03%
Independent Director	Chih-Hung Hsieh	1,200	1,200	-	-	-	-	180	180	1,380 0.03%	1,380 0.03%
Independent Director	Fu-Wei Chen	1,200	1,200	-	-	-	-	180	180	1,380 0.03%	1,380 0.03%

Title	Name	Relevant Remuneration Received by Directors who Concurrently Serve as Employees								Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income After Tax (%)		Remuneration from Reinvestment Entities Other than Subsidiaries or the Parent Company
		Salary, Bonus, and Allowance (E)		Severance Pay and Pension (F)		Employee Compensation (G)						
		The Company	All Companies Listed in Consolidated Financial Statements	The Company	All Companies Listed in Consolidated Financial Statements	The Company		All Companies Listed in Consolidated Financial Statements		The Company	All Companies Listed in Consolidated Financial Statements	
Cash	Stock	Cash	Stock									
Chairman	Ching-Yuan Wu	-	-	-	-	1,815	-	1,815	-	47,188 0.99%	47,188 0.99%	5,088
Vice Chairman	Chien-Jin Investment Co., Ltd. Representative: Li-Chu Wu	-	-	-	-	-	-	-	-	26,146 0.55%	26,146 0.55%	-
Director	Chien-Jin Investment Co., Ltd. Representative: Li-Hsi Chiang	-	-	-	-	-	-	-	-	5,738 0.12%	5,738 0.12%	-
Director	Chien-Jin Investment Co., Ltd. Representative: Yi-Cheng Wu	3,685	3,693	81	81	176	-	176	-	9,660 0.20%	9,668 0.20%	-
Director	Chao-Yao Investment Co., Ltd. Representative: Ren-Hao Tien	5,380	5,380	108	108	302	-	302	-	11,528 0.24%	11,528 0.24%	-
Director	Chao-Yao Investment Co., Ltd. Representative: Yu-Chang Huang	-	-	-	-	-	-	-	-	5,728 0.12%	5,728 0.12%	35
Director	Chao-Yao Investment Co., Ltd. Representative: Te-Ching Chang	-	-	-	-	-	-	-	-	5,728 0.12%	5,728 0.12%	-

Title	Name	Relevant Remuneration Received by Directors who Concurrently Serve as Employees								Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income After Tax (%)		Remuneration from Reinvestment Entities Other than Subsidiaries or the Parent Company
		Salary, Bonus, and Allowance (E)		Severance Pay and Pension (F)		Employee Compensation (G)						
		The Company	All Companies Listed in Consolidated Financial Statements	The Company	All Companies Listed in Consolidated Financial Statements	The Company		All Companies Listed in Consolidated Financial Statements		The Company	All Companies Listed in Consolidated Financial Statements	
						Cash	Stock	Cash	Stock			
Managing Director/ Independent Director	Chung-Chuan Shih	-	-	-	-	-	-	-	-	1,360 0.03%	1,360 0.03%	-
Independent Director	Chen Chiang	-	-	-	-	-	-	-	-	1,380 0.03%	1,380 0.03%	-
Independent Director	Chih-Hung Hsieh	-	-	-	-	-	-	-	-	1,380 0.03%	1,380 0.03%	-
Independent Director	Fu-Wei Chen	-	-	-	-	-	-	-	-	1,380 0.03%	1,380 0.03%	-

Note: The remuneration paid to Directors for providing services (e.g., providing consulting services as non-employees) for all companies listed in the consolidated financial statements in the most recent period: None.

2-1. Remuneration of the President and Vice Presidents

Unit: NT\$ thousand

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonuses and Allowances, etc. (C)		Employee Compensation (D)				Sum of A, B, C, and D to After-tax Net Income Ratio (%)		Remuneration from Reinvestment Entities Other than Subsidiaries or the Parent Company
		The Company	All Companies Listed in Consolidated Financial Statements	The Company	All Companies Listed in Consolidated Financial Statements	The Company	All Companies Listed in Consolidated Financial Statements	The Company		All Companies Listed in Consolidated Financial Statements		The Company	All Companies Listed in Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
President	Ching-Yuan Wu	5,909	5,909	216	216	7,950	7,950	2,493	-	2,493	-	16,568 0.35%	16,568 0.35%	5,088
Vice President	Nai-Shih Lin													
Vice President	Hsu-Pin Chen													

Note: The actual payment of retirement pension in 2024 amounted to NT\$216 thousand, the provision or allocation for retirement pension recognized as expenses for severance pay and pension in 2024 amounted to NT\$0 thousand.

2-2. Range of Remuneration

Range of Remuneration Paid to the President and Vice President	Name of President and Vice Presidents	
	The Company	Parent company and all investee enterprises
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Ching-Yuan Wu	-
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	-	-
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	-	-
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Nai-Shih Lin, Hsu-Pin Chen	Ching-Yuan Wu, Nai-Shih Lin, Hsu-Pin Chen
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	-	-
Over NT\$100,000,000	-	-
Total	3 individuals	3 individuals

3. Remuneration of Managerial officers

Unit: NT\$ thousand

	Title	Name	Stock	Cash	Total	Ratio of Total Amount to Net Income After Tax (%)
Managerial Officer	President	Ching-Yuan Wu	-	4,810	4,810	-
	Vice President	Nai-Shih Lin				
	Vice President	Hsu-Pin Chen				
	Assistant Vice President	Ying-Feng Chiu				
	Assistant Vice President	Chao-Shun Lin				
	Assistant Vice President	Hsi-Cheng Chang				
	Assistant Vice President	Kuei-Chin Huang				
	Assistant Vice President	Chao-Sheng Lin				
	Assistant Vice President	Chien-Sheng Chen				
	Assistant Vice President	Ren-Hao Tien				
	Assistant Vice President	Yuan-Ping Huang				
	Assistant Vice President	Ming-Chieh Lin				
	Assistant Vice President	Kuang-Pin, Chuang				

4. Analyzing the total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, president, vice President and assistant vice president :

(1) Total remuneration paid to directors, president, and vice president as a percentage of net profits after tax in the individual or standalone financial statements:

Unit: NTD

	2024			2023		
	Total remuneration	Net profits after tax	Remuneration as a percentage of total net profits in the on standalone basis (%)	Total remuneration	Net profits after tax	Remuneration as a percentage of total net profits in the on standalone basis (%)
Directors	117,215	4,770,397	2.46	117,835	6,297,521	1.87
President and Vice President	16,568	4,770,397	0.35	18,561	6,297,521	0.29

- (2) Total remuneration paid to directors, president, and vice president as a percentage of net profits after tax in the standalone financial statements by the Company and all companies in the consolidated financial statements:

Unit: NTD

	2024			2023		
	Total remuneration	Net profits after tax	Remuneration as a percentage of total net profits in the on standalone basis (%)	Total remuneration	Net profits after tax	Remuneration as a percentage of total net profits in the on standalone basis (%)
Directors	117,224	4,770,397	2.46	117,839	6,297,521	1.87
President and Vice President	16,568	4,770,397	0.35	18,838	6,297,521	0.30

5. The policy, standards, and composition of remuneration, the procedure for determining remuneration, and the relationship with operational performance and future risks are as follows:

- (1) The remuneration to directors shall be paid in accordance with Article 24 of the Company's Articles of Incorporation, which provides that the remuneration to the Chairman, Directors, and Supervisors shall be determined based on their degree of participation in the Company's operations and the value of their contributions, while taking into account domestic and international industry standards. According to Article 31-1 of the Articles of Incorporation, if the Company earns a profit for the year, it shall allocate over 1% of the income before tax as employee remuneration, and within 1% as remuneration for Directors and Supervisors. However, when the Company has accumulated losses, an amount shall be reserved in advance for offsetting such losses. Independent Directors shall not participate in the foregoing remuneration distribution. When attending the meetings of Board of Directors and functional committees of the Company, the travel expenses shall be additionally disbursed. The Company's directors have adopted the "Procedures for Evaluating Performance of the Board of Directors" as the basis for performance evaluation. At the end of the fiscal year, directors are internally evaluated through a self-evaluation questionnaire. The evaluation indicators include: grasp of the Company's goals and missions; awareness of directors' responsibilities; level of participation in the Company's operations, internal relationship management and communication, and directors' professionalism and continuing education (e.g. corporate governance-related courses), internal control, etc.
- (2) According to the Company's regulations, the remuneration of managerial officers shall include salaries and bonuses. Salaries are determined based on industry standards, job titles, positions, educational background, and professional abilities. Bonus distribution is based on the results of performance evaluations according to the "Performance Assessment Regulations", with performance metrics including job performance, management capabilities, specific contributions, and consideration of overall profitability, target achievement rate, operating performance, and participation in sustainable operations. At SYM, we provide reasonable remuneration to ensure that the Company's business and sustainable development goals are combined. In the future, we

will continue to optimize relevant indicators and evaluation mechanisms

Evaluation Items :

1. Work performance (60%)

Optimizing existing products, increasing sales revenue, developing new technologies, strategizing and executing platform strategies, establishing patent deployments and technology repositories, strengthening international brand power and corporate image, systematizing talent development, and planning and evaluating asset utilization.

2. Management functions (30%)

Strategy influence, deepening collaborative synergy, visionary leadership, leadership team, team talent arrangement, change leadership, empowerment authorization, formulation of strategic direction, operational decision-making ability, driving strategy execution, business acumen.

3. Concrete contribution (10%)

Participation in sustainable operation, human rights policy implementation, corporate governance (regulatory compliance, risk management, ethical management).

(3) Relevance of future risks

The Company's remuneration will be evaluated and adjusted based on future environmental changes and operational performance. Directors and employees involved in illegal activities resulting in losses to the Company may be subject to necessary disciplinary actions in accordance with legal regulations.

III. Corporate Governance and Operations

(I) Operations of the Board

A total of 8 (A) Board meetings were held in 2024. The attendance of the Directors and the Independent Directors was as follows:

Directors' Involvement in Operations of the Board of Directors

Title	Name	Attendance in Person B	Attendance by Proxy	Attendance Rate (%) [B/A] (Note 1)	Note
Chairman	Ching-Yuan Wu	8	0	100%	-
Vice Chairman	Chien-Jin Investment Co., Ltd. Representative: Li-Chu Wu	8	0	100%	
Managing Director/ Independent Director	Chung-Chuan Shih	7	1	87.5%	
Director	Chien-Jin Investment Co., Ltd. Representative: Li-Hsi Chiang	8	0	100%	
Director	Chien-Jin Investment Co., Ltd. Representative: Yi-Cheng Wu	6	2	75%	
Director	Chao-Yao Investment Co., Ltd. Representative: Yu-Chang Huang	7	1	87.5%	
Director	Chao-Yao Investment Co., Ltd. Representative: Ren-Hao Tien	8	0	100%	
Director	Chao-Yao Investment Co., Ltd. Representative: Te-Ching Chang	7	1	87.5%	
Independent Director	Chen Chiang	8	0	100%	
Independent Director	Chih-Hung Hsieh	8	0	100%	
Independent Director	Fu-Wei Chen	8	0	100%	

Note: When a Director is re-elected, the actual attendance rate (%) of the new and former Directors shall be calculated based on the number of Board meetings held and the number of actual attendance of the new and former Director.

Other matters to be noted:

I. Any matters listed in Article 14-3 of the Securities and Exchange Law, and other resolutions of the Board of Directors' meetings to which an Independent Director has expressed objection or reservation and recorded or declared in writing: None.

II. Recusals of Directors from proposal due to conflicts of interest:

Board of Directors Meeting Date and Session	Directors Who Recused Themselves	Proposal Content	Reason for Recusal	Participation in Voting
2024.01.24 27th term 5th session	Ching-Yuan Wu Li-Chu Wu Ren-Hao Tien Yi-Cheng Wu	Drafted proposal for distribution of FY2023 year-end bonus to the Company's Directors and managerial officers.	Involving the remuneration interests of Chairman Ching-Yuan Wu, Vice Chairman Li-Chu Wu, Director Ren-Hao Tien and Director Yi-Cheng Wu.	The motion was approved by all attending directors, except for Chairman Ching-Yuan Wu, Vice Chairman Li-Chu Wu, Director Ren-Hao Tien and Director Yi-Cheng Wu, who recused themselves due to conflicts of interest.
2024.03.14 27th term 6th session	Ching-Yuan Wu Ren-Hao Tien Yi-Cheng Wu	The distribution of remuneration to the Company's employees for FY2023.	Involving the remuneration interests of Chairman Ching-Yuan Wu, Director Ren-Hao Tien and Director Yi-Cheng Wu.	The motion was approved by all attending directors, except for Chairman Ching-Yuan Wu, Director Ren-Hao Tien and Director Yi-Cheng Wu, who recused themselves due to conflicts of interest.
2024.03.14 27th term 6th session	Ching-Yuan Wu Li-Chu Wu Li-Hsi Chiang Yu-Chang Huang Te-Ching Chang Ren-Hao Tien Yi-Cheng Wu	The distribution of remuneration to the Company's Directors for FY2023.	Involving the remuneration interests of Chairman Ching-Yuan Wu, Vice Chairman Li-Chu Wu, Director Li-Hsi Chiang, Director Yu-Chang Huang, Director Te-Ching Chang, Director Ren-Hao Tien and Director Yi-Cheng Wu.	The motion was approved by all attending directors, except for Chairman Ching-Yuan Wu, Vice Chairman Li-Chu Wu, Director Li-Hsi Chiang, Director Yu-Chang Huang, Director Te-Ching Chang, Director Ren-Hao Tien and Director Yi-Cheng Wu, who recused themselves due to conflicts of interest.
2024.08.13 27th term 10th session	Ching-Yuan Wu Li-Chu Wu Ren-Hao Tien Yi-Cheng Wu	The Company's salary adjustment for managerial officers in FY2024.	Involving the remuneration interests of Chairman Ching-Yuan Wu, Vice Chairman Li-Chu Wu, Director Ren-Hao Tien and Director Yi-Cheng Wu.	The motion was approved by all attending directors, except for Chairman Ching-Yuan Wu, Vice Chairman Li-Chu Wu, Director Ren-Hao Tien, who recused themselves due to conflicts of interest, and Director Yi-Cheng Wu, who was absent from the Board meeting.
2024.12.18 27th term 12th session	Ching-Yuan Wu Yi-Cheng Wu	New managerial officer of the Company.	Involving the self- interests of Chairman Ching-Yuan Wu and Director Yi-Cheng Wu.	The motion was approved by all attending directors, except for Chairman Ching-Yuan Wu and Director Yi-Cheng Wu, who recused themselves due to conflicts of interest.
2025.01.13 27th term 13th session	Ching-Yuan Wu Yi-Cheng Wu	Drafted the proposal for the salary of the new managerial officer of the Company.	Involving the self- interests or the remuneration interests of Chairman Ching-Yuan Wu and Director Yi-Cheng Wu.	The motion was approved by all attending directors, except for Chairman Ching-Yuan Wu and Director Yi-Cheng Wu, who recused themselves due to conflicts of interest.
2025.01.13 27th term 13th session	Ching-Yuan Wu Li-Chu Wu Ren-Hao Tien Yi-Cheng Wu	Drafted proposal for distribution of FY2024 year-end bonus to the Company's Directors and managerial officers.	Involving the remuneration interests of Chairman Ching-Yuan Wu, Vice Chairman Li-Chu Wu, Director Ren-Hao Tien and Director Yi-Cheng Wu.	The motion was approved by all attending directors, except for Chairman Ching-Yuan Wu, Vice Chairman Li-Chu Wu, Director Ren-Hao Tien and Director Yi-Cheng Wu, who recused themselves due to conflicts of interest.

Board of Directors Meeting Date and Session	Directors Who Recused Themselves	Proposal Content	Reason for Recusal	Participation in Voting
2025.03.13 27th term 14th session	Ching-Yuan Wu Ren-Hao Tien Yi-Cheng Wu	The distribution of remuneration to the Company's employees for FY2024.	Involving the remuneration interests of Chairman Ching-Yuan Wu, Director Ren-Hao Tien and Director Yi-Cheng Wu.	The motion was approved by all attending directors, except for Chairman Ching-Yuan Wu, Director Ren-Hao Tien and Director Yi-Cheng Wu, who recused themselves due to conflicts of interest.
2025.03.13 27th term 14th session	Ching-Yuan Wu Li-Chu Wu Li-Hsi Chiang Yu-Chang Huang Te-Ching Chang Ren-Hao Tien Yi-Cheng Wu	The distribution of remuneration to the Company's Directors for FY2024.	Involving the remuneration interests of Chairman Ching-Yuan Wu, Vice Chairman Li-Chu Wu, Director Li-Hsi Chiang, Director Yu-Chang Huang, Director Te-Ching Chang, Director Ren-Hao Tien and Director Yi-Cheng Wu.	The motion was approved by all attending directors, except for Chairman Ching-Yuan Wu, Vice Chairman Li-Chu Wu, Director Li-Hsi Chiang, Director Yu-Chang Huang, Director Te-Ching Chang, Director Ren-Hao Tien and Director Yi-Cheng Wu, who recused themselves due to conflicts of interest.

III. TWSE/TPEX listed companies shall disclose the information of self-evaluation of the Board of Directors, such as evaluation frequency, period, scope, method, and content:

1. On March 30, 2020, the Company established and passed the Procedures for Evaluating Performance of the Board of Directors. It will regularly evaluate the performance of the Board of Directors, functional committees, and Directors at the end of each fiscal year. This evaluation was presented at the Board of Directors meeting on March 13, 2025.
2. The performances of the Board of Directors in 2024 was "Excellent", the Directors independently evaluated their performances to be "Excellent", the self-assessment of the Audit Committee's performance was rated "Very Excellent" and the self-assessment of the Remuneration Committee was "Very Excellent".
3. To enhance the Board of Directors' functions and enhance their understanding of amendments to laws and regulations, the Company will timely deliver relevant courses to raise awareness of their duties and corporate governance among the Board members.

Implementation of the Board of Directors Evaluation			
Evaluation Frequency	Period of Evaluation	Scope of Evaluation	Evaluation Method
Once a year	From January 1, 2024 to December 31, 2024	Performance appraisal of the Board of Directors, Directors, and functional committees. Functional committees include Audit Committee and Remuneration Committee.	Internal self-evaluation of the Board of Directors, Directors' self-evaluations, and internal self-evaluations of functional committees.
Content			
<p>1. Self-evaluation of the Board of Directors' performance: The Board of Directors' performance evaluation indicators consist of five major aspects: participation in the operation of the Company, improvement of the quality of the Board of Directors' decisions making, composition and structure of the Board of Directors, election and continuing education of the Directors, and internal control.</p> <p>2. Self-evaluation of Board members' performance: The performance evaluation indicators for Directors encompass six major aspects: mastery of corporate goals and tasks, Directors' awareness of their responsibilities, participation in corporate operations, internal relations and communication, Directors' professionalism and continuing education, and internal control.</p> <p>3. Self-evaluation of the Audit Committee's performance: The performance evaluation indicators for the Audit Committee consist of five major aspects: participation in the company's operation, awareness of the functional committee's responsibilities, improvement of the quality of the functional committee's decision making, composition and selection of functional committee members, and internal control.</p> <p>4. Self-evaluation of the Remuneration Committee's performance: The performance evaluation indicators for the Remuneration Committee consist of five major aspects: participation in the company's operation, awareness of the functional committee's responsibilities, improvement of the quality of the functional committee's decision making, composition and selection of functional committee members, and internal control.</p>			

IV. Measures undertaken during the current and immediately preceding fiscal year to strengthen the functions of the Board of Directors (such as the establishment of an Audit Committee and improvement of information transparency, etc.) and the evaluation of their implementation:

1. After the re-election of directors at the annual general shareholders' meeting in 2023, four independent directors were elected and appointed to the Audit Committee.
2. On March 30, 2021, the Board of Directors of the Company passed a resolution to appoint Kuei-Chin Huang, Associate Vice President of the Finance Sector, to serve as the Company's Corporate Governance Supervisor of the Board of Directors to assist Directors in performing their duties and improve efficiency of the Board of Directors.
3. The "Investor Relations" section was set up on the Company's website and provides contact information for the spokesperson for shareholders to consult the Company's financial and business-related information.

(II) Operations of the Audit Committee

The Audit Committee of the Company has 4 members totally and it composed of all independent directors. About the Professional Qualifications and Experience of Audit Committee, please refer to pages 18~19 "Disclosure of Information on the Professional Qualifications of Directors and Independence of Independent Directors" of the annual report.

A total of 7 (A) Audit Committee meetings were held in 2024. The attendance of the members was as follows:

Title	Name	Actual Number of Attendances (B)	Attendance by Proxy	Actual Attendance Rate (%) 【 B / A 】 (Note 1)	Note
Independent Director	Chung-Chuan Shih	6	1	85.71%	-
Independent Director	Chen Chiang	7	0	100%	
Independent Director	Chih-Hung Hsieh	7	0	100%	
Independent Director	Fu-Wei Chen	7	0	100%	

Note : When the Audit Committee is re-elected, the actual attendance rate (%) of both new and former Audit Committee members is calculated based on the number of Audit Committee meetings held during their tenure and their actual attendance.

Other matters to be noted:

I. With regard to the implementation of the Audit Committee, if any of the following circumstances occurs, the dates, sessions of the meetings, contents of motions, results of the Audit Committee's resolutions, and Company's responses to such resolutions shall be specified:

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

Name of Meeting	Date of Meeting	Proposal Content	The resolutions of the Audit Committee and the Company's handling of the opinions of the Audit Committee
3rd term 4th session Audit Committee	2024.01.24	1. Proposal to provide financing endorsement guarantee for the subsidiary "VIETNAM MANUFACTURING AND EXPORT PROCESSING COMPANY LIMITED". 2. The evaluation of the independence, competency and professional fees of the attesting CPAs for the Company's 2024 Financial Statements.	The proposal was approved by all members and submitted to the Board of Directors for resolution.

Name of Meeting	Date of Meeting	Proposal Content	The resolutions of the Audit Committee and the Company's handling of the opinions of the Audit Committee
3rd term 5th session Audit Committee	2024.03.14	1. 2023 Statement on Internal Control System of the Company. 2. 2023 Business Report and Financial Statements of the Company. 3. 2023 Earnings Distribution.	The proposal was approved by all members and submitted to the Board of Directors for resolution.
3rd term 6th session Audit Committee	2024.05.14	Presentation of the Company's 2024 Q1 consolidated financial statements.	The proposal was approved by all members and submitted to the Board of Directors for resolution.
3rd term 7th session Audit Committee	2024.06.21	The Company and its subsidiaries, Shang Yang Assets Management Co., Ltd., intended to purchase the land and buildings at Fenghuang Subsection, Jianxing Section, Hukou, Hsinchu.	The proposal was approved by all members and submitted to the Board of Directors for resolution.
3rd term 8th session Audit Committee	2024.08.13	Presentation of the Company's 2024 Q2 consolidated financial statements.	The proposal was approved by all members and submitted to the Board of Directors for resolution.
3rd term 9th session Audit Committee	2024.11.13	1. Presentation of the Company's 2024 Q3 consolidated financial statements. 2. Amendments to the "Implementation Rules of Internal Control System." 3. Amendments to the "Implementation Rules of Internal Audit." 4. Adding the "Procedures for Sustainability Information Management" 5. Draft the 2025 Internal Audit Plan of the Company. 6. Extension period for the Company's provision of financing guarantee to the subsidiary, "VIETNAM MANUFACTURING AND EXPORT PROCESSING COMPANY LIMITED". 7. Report of Earnings Distribution for the First Half of 2024.	The proposal was approved by all members and submitted to the Board of Directors for resolution.
3rd term 10th session Audit Committee	2024.12.18	1. The marketable securities acquisition of Apex Biotechnology Corp. by the Company. 2. The Company donate NT\$100,000,000 to Hsinchu Sanyang Education Foundation.	The proposal was approved by all members and submitted to the Board of Directors for resolution.
3rd term 12th session Audit Committee	2025.03.13	1. 2024 Statement on Internal Control System of the Company. 2. 2024 Business Report and Financial Statements of the Company. 3. Amendments to certain provisions of the "General Policy for Non-assurance Services Pre-approval Policy". 4. 2024 Earnings Distribution. 5. The evaluation of the independence, competency and professional fees of the attesting CPAs for the Company's 2025 Financial Statements.	The proposal was approved by all members and submitted to the Board of Directors for resolution.

Name of Meeting	Date of Meeting	Proposal Content	The resolutions of the Audit Committee and the Company's handling of the opinions of the Audit Committee
3rd term 13th session Audit Committee	2025.04.30	1. Appointment of the convener of the Audit Committee to sign the contract on behalf of the Company. 2. The Company intends to acquire real estate from a related party. 3. The Company and YAO DA Construction Co., Ltd. to joint development and construction project and plan to entrust the sale.	The proposal was approved by all members, item 1 was reported to the Board of Directors, items 2 and 3 submitted to the Board of Directors for resolution.
3rd term 14th session Audit Committee	2025.05.14	Presentation of the Company's 2025 Q1 consolidated financial statements.	The proposal was approved by all members and submitted to the Board of Directors for resolution.

(II) Except for the aforementioned matters, other resolutions not approved by the Audit Committee but passed by more than two-thirds of all the Directors: None.

II. Regarding recusals of Independent Directors from voting due to conflicts of interests, the names of the Independent Directors, contents of the proposals, reasons for recusal, and results of voting shall be specified: None.

III. Communications between the Independent Directors, the Chief Audit Executive, and CPAs (shall include the material items, methods, and results of the Company's finance or operations, etc.):

(I) Summary of communications between Independent Directors and the Chief Audit Executive:

- A. The monthly audit report based on the audit plan shall be submitted to each Independent Director for review through email or in person by the end of the following month.
- B. The quarterly audit report shall be submitted to the Audit Committee periodically.
- C. A dedicated meeting is held between the internal audit supervisor and the independent directors at least once a year to explain the audit operations.
- D. Occasionally conducts communication and provide instruction and response by telephone, email, or in person.

(II) Summary of communications between Independent Directors and CPAs:

- A. Prior to the annual audit, the CPAs will fully communicate with the Independent Directors on the key audit matters and important statutory requirements of the year.
- B. The Independent Directors regularly communicate with the CPAs at the Audit Committee meetings about the review or audit of the financial statements and the results.
- C. A dedicated meeting is held between the CPAs and the independent directors at least once a year to communicate the results of the financial statement audits and internal control audits.

(III) Independent directors, Chief Audit Executive, and CPAs may convene meetings for independent communication on matters deemed necessary, with the frequency being irregular and at their discretion.

(IV) The communications with the Independent directors and Chief Audit Executive are specified as follows:

Date	Key Points of Communication	Results of Communication
2024.01.24	Report on implementation of the internal audit of the Company from October to December 2023.	Noted. No other comments.
2024.03.14	2023 Statement on Internal Control System of the Company.	The resolution was approved.
2024.05.14	Report on implementation of the internal audit of the Company from January to March 2024.	Noted. No other comments.
2024.08.13	Report on implementation of the internal audit of the Company from April to June 2024.	Noted. No other comments.
2024.11.13	1. Report on implementation of the internal audit of the Company from July to September 2024. 2. Draft the 2025 Internal Audit Plan of the Company.	Noted. No other comments. The resolution was approved.
2025.01.13	Report on implementation of the internal audit of the Company from October to December 2024.	Noted. No other comments.
2025.03.13	2024 Statement on Internal Control System of the Company.	The resolution was approved.
2025.05.14	Report on implementation of the internal audit of the Company from January to March 2025.	Noted. No other comments.

(V) The communications with the Independent directors and CPAs are specified as follows:

Date	Key Points of Communication	Results of Communication
2024.03.14	1. Explanation of the audit of the Company's financial statements for 2023. 2. Major deficiencies and reminders of the internal control system of the TPEX (ESB) listed companies inspected by the competent authority in the most recent period. 3. Major accounting standards or interpretations, and updates to laws and regulations.	Noted. No other comments.
2024.08.14	1. Explanation of the review of the Company's financial statements for the second quarter of 2024. 2. Others: IFRS Sustainability Disclosure Standards Implementation Plan. 3. Important statutory update.	Noted. No other comments.

Date	Key Points of Communication	Results of Communication
2025.03.13	1. Explanation of the audit of the Company's financial statements for 2024. 2. Major accounting standards or interpretations, and updates to laws and regulations.	Noted. No other comments.

VI. Annual key tasks of the Audit Committee:

a. Review financial reports

After the Company's annual business report, financial statements, and earnings distribution plan are reviewed and approved by the Audit Committee, they shall be submitted to the Board of Directors for discussion. After resolved by the Board of Directors, they shall be submitted to the Shareholders' Meeting for approval.

b. Assess effectiveness of internal control

Every year, all sectors of the Company shall independently evaluate their internal control systems and their implementation. The audit unit shall report to the Audit Committee on a regular basis and submit the annual internal control system statement to the Audit Committee for review. Additionally, the audit unit shall communicate with members of the Audit Committee from different perspectives several times per year, to evaluate effectiveness of the Company's internal control.

c. Appointment of CPAs

The Company's Audit Committee annually evaluates the independence and professionalism of the CPAs, as well as the reasonableness of their appointment and remuneration. In 2024, the Company appointed Kuo-Yang Tseng and Hsin-Ting Huang, CPAs of KPMG, for attestation, which was approved by the Audit Committee on Jan 24, 2024, and reported to the Board of Directors for resolution.

d. Review procedures for major financial operations

Review of the amendment to procedures for major financial operations involving the acquisition and disposal of assets shall be submitted to the Shareholders' Meeting for discussion after the Board of Directors' resolution.

e. Review major asset transactions

The acquisition or disposal of real estate, right-to-use assets, and securities shall be reviewed and approved by the Audit Committee and then submitted to the Board of Directors for approval.

(III) Implementation Status of Corporate Governance and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof:

Evaluation Item	State of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
I. Has the Company established and disclosed its Corporate Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has formulated corporate governance best practice principles based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies on May 13, 2021.	No material difference.
II. Shareholding structure & shareholders' rights				
(I) Does the Company have Internal Operating Procedures for handling shareholders' suggestions, concerns, disputes, and litigation matters. If yes, have these procedures been implemented accordingly?	✓		(I) The Company has spokespersons, deputy spokespersons, and Public Affairs Office to perform their respective duties.	No material difference.
(II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		(II) The Company maintains its shareholder list provided by the shareholder service agency.	No material difference.
(III) Has the company built and implemented a risk management system and a firewall between the Company and its affiliates?	✓		(III) The Company and its affiliates have established the Regulations for Management of Related Party Transactions.	No material difference.
(IV) Has the company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		(IV) The Company has developed operating procedures for processing internal material information to prevent insider trading.	No material difference.
III. Composition and responsibilities of the board of directors				
(I) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	✓		(I) While the Company has not specifically formulated guidelines for diversity of the composition of the Board members, the concept of diversity has been implemented in its actual operations.	No material difference.
(II) Has the Company voluntarily established other functional committees in addition to the Remuneration Committee and the Audit Committee?		✓	(II) The Company has not yet established other voluntary functional committees.	In the future, the Company will set up other functional committees according to actual needs.

Evaluation Item	State of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	✓		(III)1. The Company has developed the Procedures for Evaluating Performance of the Board of Directors, and performed the evaluation since 2020. 2. According to the Procedures for Evaluating Performance of the Board of Directors, the Board shall evaluate performance of the Board of Directors at least once a year; such evaluation shall be conducted by an external professional independent organization or an external professional team of scholars at least once every three years. 3. The 2024 performance appraisal results of the Board of Directors were reported to the Board of Directors on March 13, 2025.	No material difference.
(IV) Does the company regularly evaluate its external auditors' independence?	✓		(IV) The Audit Committee of the Company evaluates the independence and competency of its CPAs every year. In addition to requiring the CPAs to provide "Statement of Independence" and "Audit Quality Indicators (AQIs)," it also conducts the evaluation based on the following standards of Note 1 and 13 AQI indicators. It has been confirmed that the attesting CPAs have no other financial interests or business relationship with the Company, and that the CPAs' family members do not violate the independence requirements, and that the CPAs and the firm have sufficient audit experience with reference to the AQI indicator information and training hours. The evaluation results of the most recent year have been discussed and approved by the Audit Committee on Mar 13, 2025, and were submitted to the Board of Directors for approval on Mar 13, 2025, along with the evaluation of the independence and competency of CPAs.	No material difference.

Evaluation Item	State of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
IV. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	✓		On March 30, 2021, the Board of Directors appoints Kuei-Chin Huang, Associate Vice President of the Finance Sector, to serve as the Company's Corporate Governance Supervisor to assist Directors in performing their duties and improve efficiency of the Board of Directors. The main duties include handling matters related to the Board of Directors meetings and the Shareholders' Meeting in accordance with the law, preparing the minutes of the Board of Directors meetings and the Shareholders' Meeting, assistFYing Directors in taking office and continuing education, providing information necessary for the Directors to carry out their business, assisting Directors in complying with laws and regulations, and other matters stipulated in the Articles of Incorporation or the contracts.	No material difference.
V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc), and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	✓		The Company has established communication channels and a dedicated section on for stakeholders.	No material difference.
VI. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		The Company has appointed the Stock Service Agent of Concord Securities Group, a professional shareholder service agency and securities service agency, to handle Shareholders' Meeting affairs.	No material difference.

Evaluation Item	State of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
VII. Information Disclosure				
(I) Has the company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	✓		(I) The Company has set up a website to regularly disclose its financial information and corporate governance. http://www.sanyang.com.tw	No material difference.
(II) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	✓		(II) The Company has set up an English website and implemented the spokesman system. Additionally, appointed the person to collect and disclose information of the Company respectively from relative departments. http://www.sanyang.com.tw/en/	No material difference.
(III) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?		✓	(III) The Company has announced its annual, quarter financial statements and monthly business operations report within the periods which regulated by laws. However, the Company has not issued and filed its annual financial statements within two months after the end of the year.	Same as the summary.
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	✓		1. Employee rights: The Company always respects employees with trust and protects their legal rights in accordance with the Labor Standards Act. 2. Caring for employees: The Company has established a welfare, education and training system to enhance and stabilize employees' lives, and fostering strong relationship with employees, built on mutual trust and reliance. For example, providing funds for employees' club activities and recreation, subsidies for health checkup and medical consultations, offering employee dormitories, caring for daily lives of employees residing in the Company's dormitories, and free parking lots. 3. Investor relations: The Company has established the Finance Sector and the Public Affairs Office dedicated to handling shareholders' suggestions.	No material difference.

Evaluation Item	State of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
			<p>4. Supplier relations: The Company maintains good relationships with its suppliers.</p> <p>5. Stakeholders' rights: Stakeholders can communicate and offer suggestions to the Company and safeguard their legal rights and interests as well.</p> <p>6. Directors' training: All Directors of the Company possess professional industry backgrounds or practical experiences in business management</p> <p>7. Execution process of risk management policies and risk measurement standards: The Company has established various internal regulations and conducted multiple risk management and assessment in accordance with laws and regulations.</p> <p>8. Implementation of client policy: The Company maintains positive relationships with customers to generate profits.</p> <p>9. The Company's offering of Directors' liability insurance: The Company purchased liability insurance for Directors and reported it at the Board of Directors meetings on Jan 24, 2024 and Jan 13, 2025, respectively.</p>	
<p>IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement.</p> <p>1. The Company's ranking in the 9th Corporate Governance Appraisal of the Taiwan Stock Exchange in 2023: 51~65%. The Company's ranking in the 10th Corporate Governance Appraisal of the Taiwan Stock Exchange in 2024: 51~65%</p> <p>2. The Company has made following improvements:</p> <p>(1) English version of the Company's Sustainability Report has been added to the Company's website and reported to MOPS.</p> <p>(2) The video files of each session of the investor conference is disclosed.</p> <p>(3) Establish the "Ethical Corporate Management Best Practice Principles" and disclose the implementation of ethical management on the Company's website.</p> <p>(4) Amendments to the "Operational Regulations for Financial Transactions Among Related Parties" and are uploaded on the Company's website.</p>				

Note 1 : CPA independence and suitability criteria

Evaluation Items	Result of Evaluation	Comply with independence / competency
1. Whether the CPAs have direct or material indirect financial interest with the Company	No	Yes
2. Whether the CPAs have conducted any financing or guarantee activities in connection with the Company or its Directors	No	Yes
3. Whether the CPAs have close business relationships or potential employment relationships with the Company	No	Yes
4. The CPAs and members of the audit team serving as Directors or managerial officers or holding positions with significant influence on the audit work of the Company at present or in the past 2 years	No	Yes
5. Whether the appointed CPAs provide non-audit services for the Company that would have a direct impact on the audits	No	Yes
6. Whether the CPAs serve as intermediaries of stocks or other securities issued by the Company	No	Yes
7. Whether the CPAs serve as defendant of the Company or mediate the Company's conflicts with third parties on behalf of the Company	No	Yes
8. Whether the CPAs have kinships with Directors, managerial officers, or personnel holding positions with material influence on audit in the Company	No	Yes
9. Whether the CPA firm has sufficient auditing experience to perform the audit.	Yes	Yes
10. Whether the personnel of the accounting firm have received sufficient education and training hours to continuously acquire professional knowledge and skills.	Yes	Yes

(IV) Composition, Duties, and Operation of the Remuneration Committee:

1. Information on Members of the Remuneration Committee

The primary responsibilities of the Company's Remuneration Committee include regularly reviewing the performance evaluation criteria, annual and long-term performance objectives, and the policies, systems, standards, and structures related to the salaries and remuneration of the Company's directors and managerial officers. Additionally, the committee regularly evaluates the performance of directors and managers and determines the details and amounts of their individual salaries and remuneration.

Title	Criteria	Professional Qualifications and Experience	Compliance with the Independence Criteria	Number of Other Public Companies in Which the Individual Concurrently Serves as a Remuneration Committee Member
	Name			
Independent director Convener	Chung-Chuan Shih	Please refer to pages 18~19 for Disclosure of Information on the Professional Qualifications Directors and Independence of Independent Directors of the annual report.		1
Independent director	Chen Chiang			0
Independent director	Chih-Hung Hsieh			1
Independent director	Fu-Wei Chen			0

2. Operations of the Remuneration Committee

- (1) The Remuneration Committee of the Company has 4 members totally.
- (2) The term of current committee members is from July 7, 2023 to June 27, 2026.
- (3) A total of 3 (A) Remuneration Committee meetings were held in 2024. The attendance of the members was as follows:

Title	Name	Actual Number of Attendances (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A) (Note 1)	Note
Convener	Chung-Chuan Shih	3	0	100%	-
Committee Member	Chen Chiang	3	0	100%	
Committee Member	Chih-Hung Hsieh	3	0	100%	
Committee Member	Fu-Wei Chen	3	0	100%	

Note : During the election of the members of the Remuneration Committee, the actual attendance rate (%) of the new and former members of the committee shall be calculated based on the number of sessions held by the committee and how many times they have attended the sessions during their terms.

Other matters to be noted:

I. If the Board of Directors did not adopt or modify a recommendation of the Remuneration Committee, the Board meeting date, session, motion, resolution, as well as the Company's response to the Remuneration Committee's recommendation (e.g., If the remuneration approved by the Board of Directors exceeds the recommendation of the Remuneration Committee, the difference and causes for the difference shall be specified) shall be described: None.

II. As for a resolution of the Remuneration Committee, if a committee member expresses any objection or reservation, whether recorded or in written statement, it is imperative to describe the committee's date, session, motion, opinions of all members, and response to these opinions: None.

III. Discussions and resolutions of the Remuneration Committee in 2024:

Session of the Remuneration Committee	Date of Meeting	Proposal Content	The resolutions of the Remuneration Committee and the Company's handling of the opinions of the Remuneration Committee
5th term 2nd session	2024.01.24	Drew up the proposal for distribution of 2023 year-end bonus to the Directors and managerial officers.	The proposal was approved by all members and submitted to the Board of Directors for resolution.
5th term 3rd session	2024.03.14	1. The distribution of remuneration to the Company's employees for 2023. 2. The distribution of remuneration to the Company's Directors for 2023.	The proposal was approved by all members and submitted to the Board of Directors for resolution.
5th term 4th session	2024.08.13	The Company's 2023 salary adjustment for managerial officers.	The proposal was approved by all members and submitted to the Board of Directors for resolution.
5th term 5th session	2025.01.13	1. Salary of the new managers of the Company. 2. Drew up the proposal for distribution of 2024 year-end bonus to the Directors and managerial officers.	The proposal was approved by all members and submitted to the Board of Directors for resolution.
5th term 6th session	2025.03.13	1. Amendments to the "Regulations Governing the Remuneration of Directors and Managers." 2. The distribution of remuneration to the Company's employees for 2024. 3. The distribution of remuneration to the Company's Directors for 2024.	The proposal was approved by all members and submitted to the Board of Directors for resolution.

(V) The State of the Company's Implementation of Sustainable Development, Deviation and Reason from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies:

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		The Company has formed an ESG Promotion Committee chaired by the President.	No material difference.
II. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		The Company focus on corporate governance, environmental protection, and social engagement, which are included the Company's management policies and relevant business activities. While striving for sustainable operations and profits, the Company also pays attention to stakeholders' interests and fulfills its corporate social responsibilities.	No material difference.
III. Environmental Issues (I) Has the Company set an environmental management system designed to industry characteristics?	✓		(I) 1. The Company has established various environmental management systems and documents (including the Company's manual, measures, forms, standard operating procedures) in accordance with the environmental protection regulations established by the Ministry of Environment, as the basis for management operations. The Company also regularly performs regulatory identification, review of the applicability of rules and regulations, forms, and implementation status, as well as formulating and revising them annually to ensure the compliance and effectiveness of the environmental management system. 2. In order to implement the environmental management mechanism, ISO 14001 was introduced in 1998, and we have continuously operated the management system. Every year, the external verification is conducted by DNV GL Business Assurance Co., Ltd. Currently, the latest management system standard obtained is ISO 14001:2015, which is valid from 2022/10/17 to 2025/10/16.	No material difference.

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		(II) 1. The Company promotes various energy-saving measures (such as efficient energy-saving production equipment, low-carbon car paint production lines, replacement of aging air compressors, adoption of efficient transformers and lighting, etc.), significantly reducing the use of electricity. Additionally, the Company has switched from using heavy fuel oil for boilers to liquefied petroleum gas, greatly reducing carbon emissions. Furthermore, the Company has introduced a RTO (Regenerative Thermal Oxidizer) incinerator with coated zeolite rollers to reduce VOC and greenhouse gas emissions, thereby reducing environmental impact. 2. To grasp our energy use, appropriate energy management targets have been set to systematically increase energy efficiency and energy performance. We have established an energy improvement management mechanism, and promoted the establishment of the energy management system (ISO 50001) in Hsinchu Plant: The Company has obtained the ISO 50001:2018 certification from ARES in 2024, which is valid from December 9, 2024 to December 8, 2027.	No material difference.
(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		(III) To effectively control the drastic increase in greenhouse gas emissions and respond to the challenges of sustainable development resulting from climate changes, the Company has taken following measures to reduce greenhouse gas emissions: 1. Dedication to greenhouse gas inventory. 2. Tracking actual greenhouse gas emissions by the Company. 3. According to the TCFD guidelines, international standards, and benchmark companies, request expert guidance on the identification, management and policies of climate-related risks and opportunities 4. Conduct risk and opportunity impact assessments, formulate response strategy plans, integrate energy-saving and carbon reduction goals of the Company and departments, and initiate operational project initiatives. 5. Regularly track and review project goals.	No material difference.

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
(IV) Did the company collected data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		(IV)1. Greenhouse gas: The Company follows the standard procedures of ISO 14064 to conduct a comprehensive identification and inventory of greenhouse gases across the entire Company. This is done to understand the emissions status of greenhouse gases and serve as the basis for proposing greenhouse gas reduction plans. The Company conducts emission source identification, data collection, and emission calculations for all greenhouse gases it emits. These activities are also subject to investigation and verification by DNV Business Assurance Co., Ltd. 2. Energy conservation and carbon reduction: In line with the commitment to the environmental health and safety policy of "Energy conservation and carbon reduction are taken into consideration in all aspects of operation of design, procurement and maintenance. We are committed to achieving the energy conservation targets and continue to improve energy performance" the Company continuously enhances production efficiency, enhances equipment utilization efficiency, manages energy conservation in public facilities, and reduces energy usage costs. Additionally, the Company has embarked on an annual 1% electricity saving initiative, implementing 17 improvement themes in 2024, resulting in a total electricity savings of 911,300 kWh.	No material difference.
IV. Social Issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		(I) All the establishment, amendments to the Company's internal control and management rules are according to government laws and regulations.	No material difference.

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		<p>(II) The Company has established the “Regulations Governing Salary Management,” “Regulations Governing Performance Evaluations,” “Regulations Governing Reward and Disciplinary Management,” “Regulations Governing Mid-Autumn Festival Bonus, Year-end Bonus, and Employee Remuneration Distribution,” and “Regulations Governing Leave Management” in accordance with relevant regulations. Additionally, the Employee Welfare Committee and the enterprise labor union are responsible for safeguarding the rights and benefits of employees and promoting harmony and common prosperity for both employers and employees.</p> <p>The Company’s remuneration policy is based on the individual’s capabilities, respective contribution to the Company, performance, and the positive correlation with operational performance.</p> <p>Competitive salary and remuneration conditions: Through credible salary surveys conducted every year, the Company reviews or formulates reasonable salary and remuneration policies and various incentives for employees.</p> <p>The overall remuneration package includes base salary, allowances, bonuses, and employee benefits. Competitive compensation levels are determined based on factors such as job responsibilities, education and experience, performance, market conditions, the Company’s future development, and the retention of outstanding colleagues. Differential treatment based on factors such as gender, age, race, religion, political stance, or marital status is not permitted. Additionally, annual salary reviews are conducted in line with overall business performance and industry standards.</p> <p>The main incentive bonuses and welfare subsidies for employees include:</p>	No material difference.

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
			<p>1. Employee Remuneration: In recognition of employees' contributions to the Company and to share in the fruits of business operations, in accordance with the company's Articles of Incorporation, a portion of the annual profits, if any, exceeding 1% of pre-tax income will be allocated as employee Remuneration.</p> <p>2. Year-end Bonus: As a token of appreciation for employees' outstanding contributions and collaborative efforts in fostering mutual prosperity, the distribution of year-end bonuses is governed by the Company's regulations and is planned based on both the overall operational performance of the Company and individual performance.</p> <p>3. Mid-Autumn Festival Bonuses: to appreciate the hard work of employees and inspire work morale for the festive season, bonuses are paid in accordance with the Company's regulations on the eve of the Mid-Autumn Festival.</p> <p>4. Quarterly Incentive Bonus: bonuses will be given to foreign workers based on the achievement of work goals and the management of the dormitory on a quarterly basis.</p> <p>5. Diversified Incentives and Subsidies: Various forms of incentives and subsidies, such as consolation bonuses, commendation awards, other Company welfare schemes, as well as subsidies provided by the Employee Welfare Committee and enterprise labor union, are implemented to recognize and motivate employees.</p> <p>About the Employee Benefits, please refers to pages 109~111 of "Information on Employee Benefits, Continuing Education, Training, and Retirement Systems and the Status of Their Implementation, Labor Agreements and Measures for Safeguarding Employees' Rights and Interests" of the annual report.</p>	

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
(III) Does the company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?			(III) The Company has established a safety and health management department to implement process, equipment safety assessment, inspection, education, audit and supervision and improvement, in order to ensure the safety of all workers. The Company has designated dedicated nursing personnel for the planning and implementation of health management, health checkups, and health promotion activities in the plant. In addition to regular health checkups, health promotion, and first-aid and health education courses, the Company also hires physicians and occupational specialists to provide health management services. Regarding work-related accidents, fires, and other related incidents: 1. No fire accident in 2024. 2. In 2024, the number of disabling injuries totaled 3, involving 2 employees and 1 contractor, and the total number of days lost due to disabling injuries was 29. Disabling injuries are pinching, crashing and abrasions. The aforementioned accidents have been duly investigated and analyzed. The results were reviewed at the quarterly occupational safety and health committee meeting. In addition to monthly safety announcements, the occupational safety and health management unit also conducts periodic on-site inspections to ensure the occupational safety of employees.	No material difference.
(IV) Has the Company established effective career development training programs for employees?	✓		(IV) The Company is committed to creating a diverse and inclusive working environment, and ensuring the sustainable development of talent capital through a comprehensive talent cultivation system. The goal is to help colleagues realize their full potential and personal development, thereby enhancing the overall organizational value. The talent cultivation program is based on the business objectives, business direction and future's forward-looking development. We plan complete training courses for all levels of supervisors and colleagues, covering new employee training, new supervisor training, professional ability training and supervisor management	No material difference.

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?			<p>competency training, etc. The program encompasses diverse learning contents, continuing to promote employee learning and growth.</p> <p>In 2024, a total of 81 training courses were completed, totaling 2,769 participants and 13,891 training hours.</p> <p>In 2024, the focus of the training will be the development of mid-level supervisors. The core topics cover “the responsibilities and roles of managers”, “conflict management” and “performance management and interview skills”. In doing this, we aim to strengthen the management effectiveness of new mid-level supervisors within three years, and enhance team leadership and organizational performance.</p> <p>The mid-level supervisors play a crucial role in the operation of the Company as they are the operation of the Company. They are responsible for the implementation of the Company's strategy, coordination of the team, and promotion of the smooth operation of the organization. To achieve this, through systemic design, our courses help supervisors clarify their management responsibilities, grasp communication and conflict solving skills, improve performance management and feedback capabilities, and build a fair and transparent workplace culture.</p>	No material difference.
			<p>(V) All business units of the Company offer toll-free 080 customer complaint hotlines, Triumph Motor Service (TMS) or roadside assistance service and email messaging service on official website available to consumers. Additionally, a dedicated customer service unit is established to handle and respond to relevant affairs. The customer’s personal data is required to be processed with the highest level of protection in accordance with the relevant provisions of the Personal Data Protection Act.</p>	

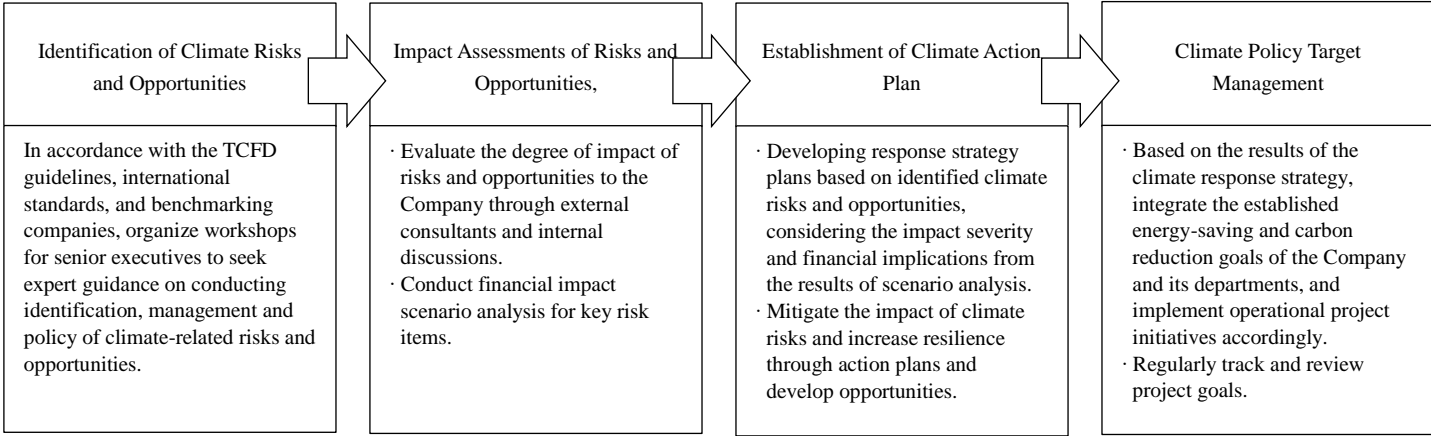
Implementation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
(VI) Has the company formulate supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		(VI) 1. The Company has included green procurement as fundamental requirement for supplier management. Collaborative manufacturers shall be evaluated in accordance with the “Regulations for New Collaborative Manufacturers’ Applications for QAV1.” The Company assigns procurement, quality assurance, quality control, technical, environmental, and safety personnel to perform on-site assessments. Manufacturers with a score of more than 80 (inclusive) points in the evaluation are deemed qualified suppliers. 2. The engineering contractors are included as significant concerns for the Company. They are required to sign commitments which related to environment, safety, and health in procurement outsourcing and contracting agreements. In addition to encouraging the contractors to assume their responsibilities, the ESH department also provides assistance, training, and improvement education when needed to maintain the effective implementation of environmental, safety, and health policies in the plants.	No material difference.
V. Does the company refers to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	✓		1. The data disclosed in the Sustainability Report are derived from the Company’s own statistics and findings, and are presented using internationally accepted indicators. The 2024 Sustainability Report includes assurance results and statements thereof from professional third-party verification entities. For details, please refer to the Company’s 2024 Sustainability Report.	No material difference.

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
			2. The greenhouse gas emissions specified by ISO14064 have been verified by Det Norske Veritas Business Assurance Co., Ltd. (DNV) in April each year. 3. The Company has obtained ISO 14001, ISO 45001 and CNS 45001 certifications (certified by DNV GL). These certifications are valid from October 17, 2022 to October 16, 2025. ISO 50001 (ARES), valid between December 9, 2024 to December 8, 2027.	
VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: None.				
VII. Other important information to facilitate better understanding of the company's promotion of sustainable development : The Company integrates and discloses aspects such as environmental protection, community engagement, social contributions, community service, social welfare, consumer rights, human rights, occupational health and safety, and other corporate social responsibility activities in its sustainability report. This report is publicly available on the official website of Sanyang Motor (http://www.sanyang.com.tw/).				

(VI) Implementation Status of Climate Related Information

Items	Implementation Status																																									
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Company identifies the risks and opportunities of climate issues and establishes an effective management mechanism. To effectively advance ESG initiatives and ensure the integration of ESG sustainability considerations into organizational strategic evaluations, the Company has formed an ESG Promotion Committee chaired by the President. Within this Committee, each working group examines and assesses climate change-related risks and opportunities, strategies, objectives, and metrics. The Executive Secretary compiles these findings and reports them to the ESG Promotion Committee.																																									
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term)	I. Impacts of climate-related risks <table> <tr> <th>Category</th><th>Aspect</th><th>Risk items</th><th>Time course of impact</th><th>Impact on the Company's strategy, operation, and finance</th></tr> <tr> <td rowspan="10">Transformation risks</td><td rowspan="6">Policies and regulations</td><td colspan="3">I. Increase in the cost of greenhouse gas emissions:</td></tr> <tr> <td>1. Imposition of carbon taxes increases carbon tax expenditures.</td><td>Short-term</td><td> <ul style="list-style-type: none"> Carbon emissions exceeding 25,000 tCO₂e/year are subject to the second batch of controls announced by the Ministry of Environment, and a carbon fee is levied in 2025 and paid in 2026. Carbon expense amounting to NT\$ 3.3 million/year (based on the current levy fee of NT\$ 300/ton) and the carbon fee will increase year by year. </td></tr> <tr> <td>2. Energy regulatory requirements and increase in the cost of energy use</td><td>Short-term</td><td> <ul style="list-style-type: none"> Mandatory energy-saving targets and implementation plans (according to energy regulations, electricity consumers with contract capacities exceeding 800KW are required to set annual energy-saving targets of at least 1% and relevant implementation plans 1.5% from 2025 onwards). Increase in electricity and fuel costs due to international market conditions and the power generation cost of Taipower. Increase power costs by 14.68%. (at the end of 2024, compared to the beginning of 2023). </td></tr> <tr> <td>3. Legal requirements for greenhouse gas inventory</td><td>Short-term</td><td> <ul style="list-style-type: none"> The FSC requires companies with a market capitalization exceeding NT\$5 billion from 2026 onwards, as well as subsidiary companies included in consolidated financial statements, to undergo carbon inventory. According to IFRS Sustainability Disclosure S2, Scope 3 of GHG inventories of subsidiaries in the consolidated financial statements must be included in the sustainability information by 2027. </td></tr> <tr> <td>4. More stringent energy efficiency standards</td><td>Short-term</td><td> <ul style="list-style-type: none"> Products comply with mandatory regulations (Phase VI for automobiles, Phase 7 for motorcycles, and new CAFÉ standards for total volume control). Increase in R&D of green energy vehicles, resulting in higher expenditure costs. </td></tr> <tr> <td>5. The policy directives of the net-zero emissions pathway is to completely ban fossil fuel vehicles by 2040</td><td>Long-term</td><td> <ul style="list-style-type: none"> Decline in sales of gasoline-powered vehicles, resulting in decreased revenue. Launch of two-wheeler electric scooters and low-carbon products. Introduction of four-wheeler NEVs. </td></tr> <tr> <td rowspan="4">Technology</td><td colspan="3">II. Cost expenditures for the transition to low-carbon technology:</td></tr> <tr> <td>Investment cost of low-carbon manufacturing process equipment</td><td>Short-term Medium-term</td><td>Production processes must comply with emission standards and reduce pollution and carbon emissions.</td></tr> <tr> <td colspan="3">III. 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Carbon expense amounting to NT\$ 3.3 million/year (based on the current levy fee of NT\$ 300/ton) and the carbon fee will increase year by year. 	2. Energy regulatory requirements and increase in the cost of energy use	Short-term	<ul style="list-style-type: none"> Mandatory energy-saving targets and implementation plans (according to energy regulations, electricity consumers with contract capacities exceeding 800KW are required to set annual energy-saving targets of at least 1% and relevant implementation plans 1.5% from 2025 onwards). Increase in electricity and fuel costs due to international market conditions and the power generation cost of Taipower. Increase power costs by 14.68%. (at the end of 2024, compared to the beginning of 2023). 	3. 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3. Describe the financial impact of extreme weather events and transformative actions.	Please refer to table descriptions in Item 2 and Item 6.																			
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Company Climate Risk Ranking: Climate risk impact assessments is conducted through executive-level TCFD training workshops (Assessment items: 1. Potential impact level 2. Potential vulnerability 3. Time of occurrence) Based on the aggregated scoring data, discern the magnitude and impact severity of climate risks, and prioritizing them to identify the significance of climate risk impacts.																			

Items	Implementation Status
	 <pre> graph LR A[Identification of Climate Risks and Opportunities] --> B[Impact Assessments of Risks and Opportunities] B --> C[Establishment of Climate Action Plan] C --> D[Climate Policy Target Management] </pre> <p>Identification of Climate Risks and Opportunities</p> <p>In accordance with the TCFD guidelines, international standards, and benchmarking companies, organize workshops for senior executives to seek expert guidance on conducting identification, management and policy of climate-related risks and opportunities.</p> <p>Impact Assessments of Risks and Opportunities,</p> <ul style="list-style-type: none"> · Evaluate the degree of impact of risks and opportunities to the Company through external consultants and internal discussions. · Conduct financial impact scenario analysis for key risk items. <p>Establishment of Climate Action Plan</p> <ul style="list-style-type: none"> · Developing response strategy plans based on identified climate risks and opportunities, considering the impact severity and financial implications from the results of scenario analysis. · Mitigate the impact of climate risks and increase resilience through action plans and develop opportunities. <p>Climate Policy Target Management</p> <ul style="list-style-type: none"> · Based on the results of the climate response strategy, integrate the established energy-saving and carbon reduction goals of the Company and its departments, and implement operational project initiatives accordingly. · Regularly track and review project goals.
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p>	<p>With reference to the “Strategy” chapter of the TCFD Recommendation, the Company has also taken into account different climate-related scenarios for the organization’s stress resistance, and continues to pay attention to the impact of climate risk on the Company’s operational transition and physical impacts.</p> <ol style="list-style-type: none"> 1. Transition risk: The Company pays attention to the risk of scenario transition by referring to the standards published by the SBTi to determine the potential financial impact in achieving net zero emissions by 2050. 2. Physical risk: Under the RCP scenario simulations, the Company references the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP). By simulating both RCP4.5 and RCP8.0 scenarios (representing concentration pathways), the Company evaluates the most severe situations and their potential financial impacts.

Items	Implementation Status				
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	Category	Aspect	Risk items	Time course of impact	Impact on the Company’s strategy, operation, and finance
	Transformation risks	Policies and regulations	I. Increase in the cost of greenhouse gas emissions:		
			1. Imposition of carbon taxes increases carbon tax expenditures.	<ul style="list-style-type: none">Implement energy-saving and carbon reduction schemes to decrease carbon emissions. Short-term goal: Reduce GHG emissions by 1.5% compared to the baseline year. Mid-term goal: Reduce GHG emissions by 5% annually. Long-term goal: Reduce GHG emissions by 8% annually.Establish for own consumption or add green power.Apply for voluntary reduction plan, strive for carbon reduction preferential rate.	<ul style="list-style-type: none">Invest NT\$10-20 million in energy-saving facilities each year and carbon reduction of 450.16 tCO2e/year in 2024.The fee for the voluntary reduction plan is by NT\$100,000.
			2. Energy regulatory requirements and increase in the cost of energy use	<ul style="list-style-type: none">Set energy-saving targets and implementation plans in accordance with the Ministry of the Environment’s Management Regulations Governing Self-determined Reduction Plans - Technology Benchmarks.Built ISO-50001 energy management system, utilizing the PDCA management mechanism and methods to enhance energy efficiency. Introducing smart energy management in factories by 2025 (Energy Management System - EMS).Apply for counseling subsidies from Industrial Development Administration and Taiwan Green Productivity Foundation, and receive counseling from professional consulting companies.Introduce energy monitoring system to regulate power consumption and reduce power consumption cost.	<ul style="list-style-type: none">Made improvements to energy-efficient facilities in 2024 totaled 17 items, with an investment of NT\$8,120 thousand and energy-saving benefits of 911,300 kWh.In 2024, NT\$240 million was invested in the modification of low-carbonized processes, which is expected to reduce carbon emissions by 1,095.60 tCO2e/year.The cost of the new ISO-50001 energy management system built in 2024 was NT\$840,000.The cost of the energy performance monitoring system installed was NT\$2.25 million.
			3. Legal requirements for greenhouse gas inventory	<ul style="list-style-type: none">Beginning in 2022, greenhouse gas inventories of the Company and consolidated financial statements have been carried out, and annual greenhouse gas verification (ISO 14064) has been completed.The results of the inventory were used as the basis for the reduction target plan. In 2025, we promoted the greenhouse gas reduction project (ISO 14064-2).	<ul style="list-style-type: none">The cost of the verification for the GHG inventory (ISO 14064-1) was NT\$1.27 million (including the parent company and its subsidiaries).The cost of the subsidiary’s GHG inventory and reduction coaching was NT\$500,000The coaching of the GHG reduction project (ISO 14064-2) system was NT\$250,000.
			4. More stringent energy efficiency standards	<ul style="list-style-type: none">Pay attention to regulatory trends, develop and manufacture high-performance products, and energy-saving models account for more than 90% of sales.Continue to introduce high-efficiency products that meet the environmental protection and energy-saving labels, and the number of models exceeds 85%.	<ul style="list-style-type: none">Invested NT\$ 1 billion in R&D funds each year to develop high-quality, high-efficiency energy-saving products

Items	Implementation Status				
	Category	Aspect	Risk items	Time course of impact	Impact on the Company's strategy, operation, and finance
	Transformation risks		5. The policy directives of the net-zero emissions pathway is to completely ban fossil fuel vehicles by 2040	<ul style="list-style-type: none"> The New Business Development Department continues to develop electric scooter products in collaboration with CPC Corporation, Taiwan, focusing on electric motorcycles utilizing standardized batteries. Additionally, investments are made in Aph ePower to advance aluminum battery products. Collaborated with Hyundai Motor to introduce four-wheeler NEVs. 	<ul style="list-style-type: none"> Invested in Aph ePower, and developed aluminum battery products. As the end of 2024, the Company invested NT\$2.8 billion and it will plan to invest NT\$0.5 billion in the future.
		Technology	II. Cost expenditures for the transition to low-carbon technology:		
			Investment cost of low-carbon manufacturing process equipment	<ul style="list-style-type: none"> Participated in the Industrial Development Administration's Low Carbon Initiative through the "Big Leading Small" project subsidy, aimed at promoting low-carbon project improvements. The Company collaborated with 10 partner companies, with Sanyang undertaking 3 projects and each partner company contributing to at least 1 project. Implementation of zeolite roller adsorption in motorcycle paint RTO (Regenerative Thermal Oxidizer) incinerators to reduce fuel costs and carbon emissions from VOCs combustion. Low-carbon boiler fuel (from heavy fuel oil to LPG), adding heat recovery facilities, and continuing to improve the annual process and equipment performance improvement plans. Improvement of low-carbon coating line. 	<ul style="list-style-type: none"> Total investment amounted to NT\$240 million. NT\$30 million subsidy from the Industrial Development Administration for low-carbon projects.
			III. Low-carbon alternatives to existing products and services:		
			Demand for low-carbon products and services	<ul style="list-style-type: none"> Continuously developing high-efficiency gas-powered motorcycles, hybrid motorcycles (powered by both gas and electricity), and electric scooters. Proactively obtained green marks and energy saving labels. Introduced the concept of circular economy, product parts and components can be dismantled, designed with recyclable materials, and improve the recycling rate after waste. 	<ul style="list-style-type: none"> Research and develop high-performance products, with Sanyang's annual research and development budget reaching approximately NT\$1 billion.

Items	Implementation Status				
	Category	Aspect	Risk items	Time course of impact	Impact on the Company's strategy, operation, and finance
	Physical risk	Short-term risk	Extreme Climate Impacts	<ul style="list-style-type: none"> Established emergency response procedures and disaster prevention notification mechanism. Inspected water supply and drainage facilities and enhance disaster prevention functions and measures. 	<ul style="list-style-type: none"> The gutters and ditches were cleaned before the typhoon and waterproof gates were added to the flood-prone factory building. The three typhoons in 2024 did not cause losses to the factory. Use existing underground wells as a backup water source.
		Long-term risk	Long-term climate change and temperature increase	<ul style="list-style-type: none"> Promote energy-saving and carbon-reduction projects, implement routine and regular equipment inspection and maintenance Implement equipment maintenance specifications and plans accordingly 	<ul style="list-style-type: none"> No significant financial impact for the time being, and continued focus on long-term climate change.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	None at the moment.				
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Please refer to Item 6 for climate-related goals. Currently, no carbon offsets or Renewable Energy Certificates (RECs) are adopted.				
9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies and specific action plans (please fill in 1-1 and 1-2 separately)	Please refer to 1-1 、 1-2.				

1-1 Greenhouse gas inventory and assurance
1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emission volume (tCO₂e), intensity (tCO₂e/NT\$ million), and data coverage for the most recent two years.

Unit:tCO₂e

Greenhouse Gas Emissions	Total emissions	
	2023	2024
Scope 1 emissions	11, 872. 5085	12, 207. 5571
Scope 2 emissions	28, 764. 8522	28, 951. 7277
Scope 3 emissions	8, 349. 9254	8, 065. 1264
The amount of greenhouse gas emissions	48, 987. 286	49, 224. 411
Intensity (tCO ₂ e/NT\$ million)	0. 99	0. 99

1-1-2 Greenhouse Gas Assurance Information

Description of the assurance status for the most recent two years up to the printing date of the annual report, including the scope of assurance, assurance provider, assurance standard, assurance opinion.

2023~2024 Greenhouse Gas Assurance

1. Scope of assurance: Hsinchu Plant, Xinfeng Plant, Parts Center, Dormitory
2. Assurance institution: DNV Business Assurance Co., Ltd
3. Assurance criteria: ISO-14064: 2018 Greenhouse Gas Inventory Standard
4. Assurance Opinion: Reasonable Assurance

1-2 Greenhouse gas reduction goals, strategies and specific action plans

Description of the baseline year and data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and progress toward achieving reduction targets.

1. According to the regulations outlined by the Energy Administration, Ministry of Economic Affairs, the current annual energy saving rate should be above 1%. As part of our energy conservation and carbon reduction goals, we implemented 17 energy-saving initiatives in 2024. The energy-saving target was 580,000 KW, with an actual achievement of 911,300 KW, resulting in a reduction of carbon emissions by 450.16 tCO₂e. Increase energy conservation rate by 1.5% from 2025.
2. According to the FSC's Road Map, the Company's capitalization is NT\$ 5 billion to NT\$10 billion. In 2025, the Company has set its greenhouse gas reduction goal, strategy, concrete action plan and reduction goal in 2026, with expected disclosures of relevant information in 2026.

(VII) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation Item	State of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
I. Establishment of ethical corporate management policies and programs				
(I) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	✓		(I) The Company has established the “Ethical Corporate Management Best Practice Principles” which were approved by the Board of Directors and disclosed on the Company’s website. In addition to the Ethical Corporate Management Best Practice Principles, the Company has also established the “Procedures for Ethical Management and Guidelines for Conduct” to provide directors, managers, employees, mandataries, or persons with substantial control of the Company, subsidiaries, and affiliated companies with compliance.	No material difference.
(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	✓		(II) The Company has established the “Procedures for Ethical Management and Guidelines for Conduct” to prevent business activities with a higher risk of unethical conduct. The contents cover all conducts under Article 7, Paragraph 2 of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the channels for reporting of unethical conduct have been established to reduce the risk of occurrence.	No material difference.
(III) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	✓		(III) The Company has established the “Procedures for Ethical Management and Guidelines for Conduct” which specify the operating procedures, guidelines and complaint channels for the prevention of unethical conduct for employees to follow. If employees violate the internal management regulations, they will be punished according to the Regulations Governing Reward and Disciplinary Management. If the violation is material, they will be dismissed. The Company has amended the internal management regulations according to laws and regulations.	No material difference.

Evaluation Item	State of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
II. Ethical Management Practice				
(I) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	✓		(I) When the Company transact with suppliers, the ethical management clause is explicitly stated in the contract, and it is strictly prohibited for related parties and other parties to receive bribes, kickbacks or improper benefits from the Company's stakeholders. The Company will terminate or rescind the contract if there is any violation.	No material difference.
(II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	✓		(II) The Company's Legal Affairs Section is responsible for promoting the ethical corporate management policy, assisting the Board of Directors and management in establishing and supervising the implementation of the ethical corporate management policy and prevention programs, ensuring the implementation of the ethical corporate management best practice principles. The Legal Affairs Section also reports the implementation of the Company's ethical corporate management policy to the Board of Directors every year. The most recent report made was November 13, 2024. In addition, the Company's audit unit has included ethical management into the 2025 audit plan to ensure the operation of the overall mechanism and jointly manage and prevent the generation of unethical behaviors. The implementation in 2024 is as follows: 1. The supplier undertook to include the ethical management clauses in the contract. 2. Education and training A. Organized the "Ethical Management Policy Promotion and Implementation Conference", with 16 participants. B. Organized the "Ethical Management and Case Studies" for mid-to-high level managers, with 44 participants.	No material difference.

Evaluation Item	State of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
(III)Has the company established policies to prevent conflict of interest, provide appropriate communication and complaint channels, and properly implemented such policies?	✓		<p>3. Commitment</p> <p>A. All new recruits are required to sign the “Professional Code of Ethics and Confirmation of Professional Code of Ethics and Service Norms”.</p> <p>B. The “Declaration of Compliance with the Ethical Corporate Management Policy” was signed by the directors.</p> <p>4. Promotion</p> <p>A. The Company’s ethical corporate management policy is disclosed on its intranet.</p> <p>B. Whistleblowing system - whistleblowing email - yuli@sym.com.tw</p> <p>(III) The Company has established the Rules of Procedure for Board of Directors Meetings and specified the appropriate channels for expression. If the interests of the directors are prejudiced, such directors shall recuse themselves from the meeting and not participate in the discussion and voting.</p>	No material difference.
(IV)Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	✓		<p>(IV) The Company has established internal control systems and accounting systems in accordance with the “Regulations Governing Establishment of Internal Control Systems by Public Companies” stipulated by the government. The Company also lawfully appointed internal audit personnel to implement the annual audit plan approved by the Board of Directors and make regular reports to the Audit Committee and the Board of Directors.</p>	No material difference.

Evaluation Item	State of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Summary	
(V) Does the company provide internal and external ethical corporate management training programs on a regular basis?	✓		(V) The Company offers courses related to ethical corporate management in its education and training programs for new employees. The Company holds promotional meeting and invites external attorneys to give lectures to senior management of the Company to convey its ethical management philosophy. The training implemented in 2024 is as follows: 1. Organized the “Ethical Management Policy Promotion and Implementation Conference”, with 16 participants. 2. Organized the “Ethical Management and Case Studies” for mid-to-high level managers, with 44 participants.	No material difference.
III. Implementation of Complaint Procedures				
(I) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?	✓		(I) The Company has established channels to accept employees’ complaints, including the Administration Sector, the Audit Office, and the employee’s complaint box. Once their violations of ethical corporate management principles are confirmed to have caused damage to the Company’s interests, employees will be punished in accordance with the work rules and the Guidelines for Special Rewards and Punishments.	No material difference.
(II) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	✓		(II) The Company has established procedures for accepting reports, which are implemented by the human resource unit and the audit unit. The Company strictly maintains the confidentiality of whistleblowers’ rights, interests, and privacy.	No material difference.

Evaluation Item	State of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
(III) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	✓		(III) After receiving complaint forms, the Company shall ensure that procedures for reporting and handling complaints remain objective, fair, and impartial will strictly protect the confidentiality of the whistleblowers' rights, interests, and privacy.	No material difference.
IV. Strengthening Information Disclosure Does the company disclose the ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	✓		The Company has set up a website to regularly disclose its business information required by laws and regulations. The contents and implementation results of ethical corporate management for the year 2024 have been announced on the following website, available for all stakeholders. http://www.sanyang.com.tw °	No material difference.
V. If the Company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: The Company submitted the “Ethical Corporate Management Best Practice Principles” to the Board of Directors for approval in November 2024. The Company has also established the “Rules of Procedure for Shareholders Meetings”, “Rules of Procedure for Board Meetings”, “Internal Control System” and “Prevention of Insider Trading” and other related guidelines. The implementation of the operating system has all met the requirements of the Principles.				
VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies :(e.g., the company's reviewing and amending of its ethical corporate management best practice principles) 1. The Company upholds ethical corporate management and strictly abides by all government regulations, rules governing TWSE listed companies, and other international business regulations as the basis for its ethical corporate management. 2. All the Company's employees have signed the “Professional Code of Ethics and Confirmation of Professional Code of Ethics and Service Norms” to ensure compliance in employees' behaviors.				

(VIII) Other important information for enhancing understanding of corporate governance:

1. All important information of the Company is announced on the MOPS pursuant to regulations of competent authorities.
2. Continuing education of Directors in 2024:

Title	Name	Date of Training	Course	Training Hours (hr)	Organizer
Chairman	Ching-Yuan Wu	2024.05.14	Insider Trading Regulations and Cases	3	Taiwan Corporate Governance Association
		2024.07.08	The prevailing trend of ESG and sustainable governance	3	Taiwan Corporate Governance Association
Vice Chairman	Li-Chu Wu	2024.05.14	Insider Trading Regulations and Cases	3	Taiwan Corporate Governance Association
		2024.07.08	The prevailing trend of ESG and sustainable governance	3	Taiwan Corporate Governance Association
Managing Director / Independent Director	Chung-Chuan Shih	2024.05.14	Insider Trading Regulations and Cases	3	Taiwan Corporate Governance Association
		2024.07.08	The prevailing trend of ESG and sustainable governance	3	Taiwan Corporate Governance Association
Director	Li-Hsi Chiang	2024.05.14	Insider Trading Regulations and Cases	3	Taiwan Corporate Governance Association
		2024.07.08	The prevailing trend of ESG and sustainable governance	3	Taiwan Corporate Governance Association
Director	Yi-Cheng Wu	2024.05.14	Insider Trading Regulations and Cases	3	Taiwan Corporate Governance Association
		2024.07.08	The prevailing trend of ESG and sustainable governance	3	Taiwan Corporate Governance Association
Director	Yu-Chang Huang	2024.05.14	Insider Trading Regulations and Cases	3	Taiwan Corporate Governance Association
		2024.07.08	The prevailing trend of ESG and sustainable governance	3	Taiwan Corporate Governance Association
Director	Te-Ching Chang	2024.05.14	Insider Trading Regulations and Cases	3	Taiwan Corporate Governance Association
		2024.07.08	The prevailing trend of ESG and sustainable governance	3	Taiwan Corporate Governance Association

Title	Name	Date of Training	Course	Training Hours (hr)	Organizer
Director	Ren-Hao Tien	2024.05.14	Insider Trading Regulations and Cases	3	Taiwan Corporate Governance Association
		2024.07.08	The prevailing trend of ESG and sustainable governance	3	Taiwan Corporate Governance Association
		2024.07.29	Emerging Payment Trends and Compliance Risks	3	The Chinese National Association of Industry and Commerce
		2024.08.15	The latest developments and impacts of the CFC rules	3	Corporate Operating and Sustainable Development Association
		2024.08.20	The company's operational weakness or crisis can be told from financial report	3	Corporate Operating and Sustainable Development Association
		2024.09.09	Money Laundering Prevention - Eight National Major Types of Money Laundering	3	Taipei Foundation of Finance
		2024.10.25	Labor disputes in working premises, resolution remedies and case sharing	3	Corporate Operating and Sustainable Development Association
		2024.10.28	Generative AI Industry Trends	3	Taipei Foundation of Finance
Independent Director	Chih-Hung Hsieh	2024.05.14	Insider Trading Regulations and Cases	3	Taiwan Corporate Governance Association
		2024.07.08	The prevailing trend of ESG and sustainable governance	3	Taiwan Corporate Governance Association
Independent Director	Chen Chiang	2024.05.14	Insider Trading Regulations and Cases	3	Taiwan Corporate Governance Association
		2024.07.08	The prevailing trend of ESG and sustainable governance	3	Taiwan Corporate Governance Association
Independent Director	Fu-Wei Chen	2024.03.06	2024 Global Economic Prospects	1	Taiwan Corporate Governance Association
		2024.03.08	Crisis Management and Communication of enterprises	3	Taiwan Corporate Governance Association
		2024.03.20	Seminar on Enhancing Resilience and Strengthening Sustainable Governance	2	Taiwan Corporate Governance Association
		2024.03.29	Corporate Governance - New Energy Explosions: The Technology Development and Business Opportunities of Electric Vehicles and Smart Vehicles	2	Taipei Foundation of Finance
		2024.04.17	Corporate Sustainability and Net-Zero Strategies in the Age of Climate Change	3	Corporate Operating and Sustainable Development Association
		2024.04.26	Corporate Governance - New Generation of AI: ChatGPT Creating New Trends in the Industry	2	Taipei Foundation of Finance
		2024.05.14	Insider Trading Regulations and Cases	3	Taiwan Corporate Governance Association

Title	Name	Date of Training	Course	Training Hours (hr)	Organizer
		2024.05.22	The Trend and Vision of Building a Green Ecosystem -- Business and Prospect of TCX	1	Taiwan Corporate Governance Association
		2024.06.07	Corporate Governance - Future Challenges and Opportunities from the History of Semiconductors	2	Taipei Foundation of Finance

3. Continuing education of the Corporate Governance Officer in 2024:

Title	Name	Date of Training	Course	Training Hours (hr)	Organizer
Corporate Governance Officer	Kuei-Chin Huang	2024.05.14	Insider Trading Regulations and Cases	3	Taiwan Corporate Governance Association
		2024.07.08	The prevailing trend of ESG and sustainable governance	3	Taiwan Corporate Governance Association
		2024.08.08	The Miracle of Nvidias Three Trillion Empire: The Semiconductor Industry Revolution Behind Artificial Intelligence. Trends in Applications and Governance of Generative AI	3	Securities & Futures Institute
		2024.09.06	2024 Insider Trading Prevention Conference	3	Securities & Futures Institute

(IX) Implementation of Internal Control System

1. Statement on Internal Control

Sanyang Motor Co., Ltd

Statement on Internal Control System

Date: March 13, 2025

The Company hereby states the results of the self-evaluation of the internal control system for 2024 as follows:

- I. The Company clarifies that the Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system, which has been established by the Company. Its purpose is to reasonably ensure the achievement of objectives, including operational effectiveness and efficiency (including profit, performance, and asset safety), reporting reliability, timeliness, and transparency, as well as compliance with relevant regulations and laws.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the aforementioned three objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond control. Nevertheless, the internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
- III. The Company evaluates the design and operating effectiveness of the internal control system based on the criteria provided in the “Regulations Governing the Establishment of Internal Control Systems by Public Companies” (herein below, the “Regulations”). The criteria adopted by the Regulations classify the internal control system into five components based on the process of management control: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communication; and 5. monitoring operations. Each key component includes several items. Please refer to the Regulations for the aforementioned items.
- IV. The Company has evaluated the design and operating effectiveness of the internal control system according to the Regulations.
- V. Based on the results of the determination in the preceding paragraph, the Company is of the opinion that, as of December 31, 2024, the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to understanding the degree of achievement of operational effectiveness and efficiency objectives, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing goals.
- VI. This statement is an integral part of the Company’s annual report and prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement was approved by the Board of Directors on March 13, 2025, and none of the eleven Directors present objected to it and all consented to the content expressed in this statement.

Sanyang Motor Co., Ltd.

Chairman: Ching-Yuan Wu (Signature/Seal)

President: Ching-Yuan Wu (Signature/Seal)

2. If a CPA has been hired to carry out a special audit of the internal control system, the CPA audit report shall be disclosed: None.

(X) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

1. Important resolutions of the 2024 general Shareholders' Meeting:

Matters to Be Resolved	Review of Implementation Status
Adoption of 2023 Business Report and Financial Statements	Based on the voting results, the number of affirmative votes met the statutory requirement and the proposal was thus adopted.
Adoption of 2023 Earnings Distribution	Based on the voting results, the number of affirmative votes met the statutory requirement and the proposal was thus adopted. The Company set the ex-dividend date on July 30, 2024 and the date for distributing cash dividends on August 29, 2024, with a total amount of NT\$2,392,468,812.

2. Major resolutions of the Board of Directors in 2024 and as of the date of annual report:

Name of Meeting	Date of Meeting	Major Resolutions	Implementation Status
27th term 5th session Board of Directors	January 24, 2024	<ol style="list-style-type: none"> 1. Approved the Company's 2024 Business Plan. 2. Approved the proposal for distribution of 2023 year-end bonus to the Company's Directors and managerial officers. 3. Resolution to approve the provision of financing endorsements/guarantees by the Company's subsidiary "VIETNAM MANUFACTURING AND EXPORT PROCESSING COMPANY LIMITED." 4. Approved the proposal for the evaluation of the independence and professional fees of the attesting CPAs for the Company's 2024 Financial Statements. 	Implemented the proposals according to the resolutions.
27th term 6th session Board of Directors	March 14, 2024	<ol style="list-style-type: none"> 1. Approved 2023 Statement on Internal Control System of the Company. 2. Approved 2023 Business Report and Financial Statements of the Company. 3. Approved the distribution of remuneration to the Company's employees for 2023. 4. Approved the distribution of remuneration to the Company's Directors for 2023. 5. Approved 2023 Earnings Distribution. 6. Approved the convening of the Company's 2024 general Shareholders' Meeting. 	In accordance with the resolution, items 2 and 5 were submitted for recognition and resolution at the 2024 annual general shareholders' meeting; items 3 and 4 were reported at the 2024 annual general shareholders' meeting.

Name of Meeting	Date of Meeting	Major Resolutions	Implementation Status
27th term 7th session Board of Directors	May 14, 2024	1. Approved the Company's 2024 Q1 Consolidated Financial Statements. 2. Approved the proposal for adjustment of the Company's financing limit.	Implemented and announced the proposals according to the resolutions.
27th term 8th session Board of Directors	June 21, 2024	Approved that the Company and its subsidiaries, Shang Yang Assets Management Co., Ltd. to purchase the land and buildings at Fenghuang Subsection, Jianxing Section, Hukou, Hsinchu.	Implemented and announced the proposals according to the resolutions.
27th term 9th session Board of Directors	July 8, 2024	Approved to set the relevant operational dates for 2023 cash dividends.	The Company implemented and announced the 2023 cash dividends in accordance with the resolution, and the distribution of 2023 cash dividends was completed on August 29, 2024.
27th term 10th session Board of Directors	August 13, 2024	1. Approved the Company's 2024 Q2 Consolidated Financial Statements. 2. Salary adjustments for directors and managers for 2024 were approved. 3. Approved the amendment of the Company's "Rules of Procedure for Board of Directors Meetings". 4. Approved the amendment of the "Audit Committee Charter".	Implemented and announced the proposals according to the resolutions.
27th term 11th session Board of Directors	November 13, 2024	1. Approved the Company's 2024 Q3 Consolidated Financial Statements. 2. Approved to formulate the "Ethical Corporate Management Best Practice Principles." 3. Approved the amendment to certain provisions of the "Procedures for the Implementation of Internal Control System". 4. Approved the amendment to certain provisions of the "Procedures for the Internal Audit Implementation." 5. Approved to formulate the "Sustainability Information Management Procedure." 6. Approval of the internal audit plan for FY2025. 7. Approved the proposal for adjustment of the Company's financing limit. 8. Approved the extension period for the Company's provision of financing guarantee to the subsidiary, "Vietnam Manufacturing and Export Processing Company Limited." 9. Resolution to approve the Company's earnings distribution for the first half of 2024.	Implemented and announced the proposals according to the resolutions.

Name of Meeting	Date of Meeting	Major Resolutions	Implementation Status
27th term 12th session Board of Directors	December 18, 2024	<ol style="list-style-type: none"> 1. Approved to appoint new managers of the Company. 2. Approved the marketable securities acquisition of Apex Biotechnology Corp. by the Company. 3. Approved the Company donate NT\$100,000,000 to Hsinchu Sanyang Education Foundation. 	Implemented and announced the proposals according to the resolutions.
27th term 13th session Board of Directors	January 13, 2025	<ol style="list-style-type: none"> 1. Approved the Company's 2025 Business Plan. 2. Approved the salary for the Company's new managers. 3. Approved the proposal for distribution of 2024 year-end bonus to the Company's Directors and managerial officers. 	Implemented the proposals according to the resolutions.
27th term 14th session Board of Directors	March 13, 2025	<ol style="list-style-type: none"> 1. Approved 2024 Statement on Internal Control System of the Company. 2. Approved 2024 Business Report and Financial Statements of the Company. 3. Approved the amendment to certain provisions of the "General Policy for Non-assurance Services Pre-approval Policy." 4. Approved the amendment to certain provisions of the "Procedures for Handling Material Inside Information." 5. Approved the amendment to certain provisions of the "Articles of Incorporation." 6. Approved the amendment to certain provisions of "Procedures for Remuneration Management of Directors and Managers." 7. Approved the distribution of remuneration to the Company's employees for 2024. 8. Approved the distribution of remuneration to the Company's Directors for 2024. 9. Approved 2024 Earnings Distribution. 10. Approved the proposal for the evaluation of the independence and professional fees of the attesting CPAs for the Company's 2025 Financial Statements. 11. Approved the convening of the Company's 2025 general Shareholders' Meeting. 	In accordance with the resolution, items 2 and 9 will submit for recognition and resolution at the 2025 annual general shareholders' meeting ; item 5 will submit for discussion and resolution at the 2025 annual general shareholders' meeting ; items 7 and 8 will report at the 2025 annual general shareholders' meeting.
27th term 15th session Board of Directors	April 08, 2025	Approved the Company's 15th buyback of treasury stocks.	Implemented and announced the proposals according to the resolutions.

Name of Meeting	Date of Meeting	Major Resolutions	Implementation Status
27th term 16th session Board of Directors	April 30, 2025	1. Approved the Company to acquire real property from the related party. 2. Approved to entrust the sale of the joint development and construction project with YAO DA Construction Co., Ltd.	Implemented and announced the proposals according to the resolutions.
27th term 17th session Board of Directors	May 14, 2025	1. Approved the Company's 2025 Q1 Consolidated Financial Statements. 2. Approved the proposal for adjustment of the Company's financing limit. 3. Approved the adjustment to agenda of the Company's 2025 AGM.	Implemented the proposals according to the resolutions.

(XI) The important resolutions passed by the Board of Directors or the Board of Supervisors with varying opinions, as recorded or stated in writing, in the most recent fiscal year and as of the date of annual report: None.

IV. Information about CPA Professional Fee

Unit: NT\$ thousand

Name of CPA Firm	Name of CPA	Audit Period	Audit Fees	Non-audit Fees	Total	Note
KPMG Taiwan	Kuo-Yang Tseng	2024.01.01	10,420	4,016	14,436	Non-audit Fees are mainly for transfer pricing and group main file report service, etc.
	Hsin-Ting Huang	~ 2024.12.31				

- (I) The Company changed its CPA firm, and audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year: None.
- (II) Audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more: None.

V. CPAs Replacement Related Information: None.

VI. Information Regarding the Chairman, Presidents, Financial and Accounting Managers Holding a Position at an Accounting Firm or an Affiliate in the Most Recent Fiscal Year: None.

VII. Conditions of Share Transfer and Changes in Equity Pledge from the Directors, Managers, and Shareholders Holding over 10% of Shares in the Most Recent Year and as of the Date of the Annual Report:

(I) Changes in shareholding of Directors, managerial officers and major shareholders

Unit: share

Title	Nmae	2024(Note 1)		As of Apr 28th of the Current Year	
		Change in Number of Shares Held	Change in Number of Shares Pledged	Change in Number of Shares Held	Change in Number of Shares Pledged
Chairman / President	Ching-Yuan Wu	-	(1,277,000)	-	-
Vice Chairman / Director	Chien-Jin Investment Co., Ltd.	-	(2,515,000)	-	-
Vice Chairman	Chien-Jin Investment Co., Ltd. Representative: Li-Chu Wu	-	-	-	-
Managing Director/ Independent Director	Chung-Chuan Shih	-	-	-	-
Director	Chien-Jin Investment Co., Ltd. Representative: Li-Hsi Chiang Yi-Cheng Wu	- -	- -	- -	- -
Director	Chao-Yao Investment Co., Ltd	-	(1,505,000)	-	-
Director	Chao-Yao Investment Co., Ltd. Representative: Yu-Chang Huang Ren-Hao Tien Te-Ching Chang	- - -	- - -	- - -	- - -
Independent Director	Chen Chiang	-	-	-	-
Independent Director	Chih-Hung Hsieh	-	-	-	-
Independent Director	Fu-Wei Chen	-	-	-	-
Vice President	Nai-Shih Lin	-	-	-	-
Vice President	Hsu-Pin Chen	-	-	-	-

Title	Nmae	2024(Note 1)		As of Apr 28th of the Current Year	
		Change in Number of Shares Held	Change in Number of Shares Pledged	Change in Number of Shares Held	Change in Number of Shares Pledged
Vice President	Chien-Sheng Chen (Note 2)	-	-	-	-
Assistant Vice President	Ying-Feng Chiu	(5,000)	-	-	-
Assistant Vice President	Chao-Shun Lin	-	-	-	-
Assistant Vice President	Hsi-Cheng Chang (Note 3)	-	-	-	-
Assistant Vice President	Kuei-Chin Huang	-	-	-	-
Assistant Vice President	Chao-Sheng Lin	-	-	-	-
Assistant Vice President	Ren-Hao Tien	-	-	-	-
Assistant Vice President	Yuan-Ping Huang	-	-	-	-
Assistant Vice President	Ming-Chieh Lin	-	-	-	-
Assistant Vice President	Kuang-Pin, Chuang	-	-	-	-
Assistant Vice President	Yi-Cheng Wu (Note 4)	-	-	-	-

Note1 : From January 1, 2024 to December 31, 2024.

Note2 : Chien-Sheng Chen was promoted from Deputy Assistant General Manager to Deputy General Manager on January 1, 2025.

Note3 : Hsi-Cheng Chang retired on May 5, 2025.

Note4 : Yi-Cheng Wu was newly appointed on January 1, 2025.

(II) Where the counterparty of stock transfer or stock pledge is a related party, the name of the counterparty, relationship between the counterparty and the Company, Directors of the Board, Supervisors of the Board, and shareholders holding over 10% shares of the Company, and the number of shares obtained or pledged shall be disclosed: None.

VIII. Information on Relationships among top 10 Shareholders

Apr.28, 2025 Unit: share

Name	Shareholding of the Individual		Spouse & Minor Shareholding		Total Shareholding Under the Names of Other Parties		Names and Relationships of Top 10 Shareholders who are Related Parties, Spouses, or Relatives within Second Degree of Kinship with Each Other		Note
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Name	Relationship	
Da Yang Investment Ltd. Representative: Tiao-Mou Hsu	54,905,000	6.88%	-	-	-	-	-	-	-
Chuan Yuan Investment Ltd. Representative: Li-ChinHuang	47,375,000	5.94%	-	-	-	-	-	-	-
Bai Ke Investment Co., Ltd. Representative: Wen-Lung Chang	45,730,000	5.73%	-	-	-	-	-	-	-
Guancheng Investment Co., Ltd. Representative: Ting-Yu Hsiao	33,243,000	4.17%	-	-	-	-	-	-	-
Chien-Jin Investment Co., Ltd. Representative: Li-Chu Wu	29,181,000	3.66%	-	-	-	-	Ching-Yuan Wu	Brother and sister with the company's representative	-
							Baiyang Investment Ltd.	Mother and son with the company's representative	-
Yuanta Taiwan High Dividend Low Volatility ETF	27,962,000	3.51%	-	-	-	-	-	-	-
Ding Jue Investment Co., Ltd. Representative: Chen-Mei Ku	20,165,000	2.53%	-	-	-	-	Hongbai Investment Co., Ltd.	Same Representative	-
Ching-Yuan Wu	20,126,240	2.52%	281,360	0.04%	-	-	Chien-Jin Investment Co., Ltd.	Brother and sister with the company's representative	-
Hongbai Investment Co., Ltd. Representative: Chen-Mei Ku	17,963,000	2.25%	-	-	-	-	Ding Jue Investment Co., Ltd.	Same Representative	-
Baiyang Investment Ltd. Representative: Chun-I Lin	17,469,000	2.19%	-	-	-	-	Chien-Jin Investment Co., Ltd.	Mother and son with the company's representative	-

IX. Number of Shares Held by the Company, Its Directors, Managers or Any Companies under Direct or Indirect Control of the Company in a Single Enterprise, and Their Total Shareholding Ratio

Dec.31, 2024 Unit: share; %

Reinvestment Entities (Note)	Investment by the Company		Investments by Directors of the Board, Supervisors of the Board, Managerial Officers, and Directly or Indirectly Controlled Entities		Total Investment	
	Number of Shares/ Amount of capital contribution	Shareholding Ratio	Number of Shares/ Amount of capital contribution	Shareholding Ratio	Number of Shares/ Amount of capital contribution	Shareholding Ratio
Shan Young Assets Management Co., Ltd.	771,432,767	100%	-	-	771,432,767	100%
Chu-Yang Motor Co., Ltd.	2,900,000	100%	-	-	2,900,000	100%
Ching Ta Investment Co., Ltd.	122,401,177	99.66%	-	-	122,401,177	99.66%
Sanyang Deutschland GmbH	NTD 122,713	100%	-	-	NTD 122,713	100%
Sanyang Italia S.r.l	NTD 179,915	100%	-	-	NTD 179,915	100%
Youth Taisun Co., Ltd.	18,093,488	100%	-	-	18,093,488	100%
SY International Ltd.	NTD 3,662,936	100%	-	-	NTD 3,662,936	100%
Nova Design Co., Ltd.	19,080,000	100%	-	-	19,080,000	100%
Nanyang Industries Co., Ltd.	179,283,498	89.78%	-	-	179,283,498	89.78%
Sunshine Auto-Lease Co., Ltd.	8,655,280	16.27%	43,941,693	82.58%	52,596,973	98.85%
Profit Source Investments Ltd.	NTD 867,759	100%	-	-	NTD 867,759	100%
APh Corporation	205,537,388	71.20%	-	-	205,537,388	71.20%
Sanyang Motor Colombia S.A.S	100,002	100%	-	-	100,002	100%
Yi Young Co., Ltd.	28,000,000	100%	-	-	28,000,000	100%
Chiao Song Health Co., Ltd.	600,000	60%	-	-	600,000	60%

Note : The Company uses the equity method for its long-term investments.

Chapter 3. Funding Status

I. Capital and Shares

(I) Source of Capital

Capitalization Process

Unit: share; NT\$

Year/ Month	Issuing Price	Authorized Capital		Paid-in Capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Capital Contributed by Assets Other than Cash	Others
July 1990	NT\$10	500,000,000	5,000,000,000	455,000,000	4,550,000,000	Earnings NT\$395,371,200 Additional Paid-in Capital NT\$200,916,800	None	(79) Tai-Cai-Zheng (I) No.01769
December 1992	NT\$10	500,000,000	5,000,000,000	486,850,000	4,868,500,000	Earnings NT\$136,500,000 Additional Paid-in Capital NT\$182,000,000	None	(81) Tai-Cai-Zheng (I) No.03331
September 1994	NT\$10	750,000,000	7,500,000,000	569,000,000	5,690,000,000	Cash NT\$91,225,000 Earnings NT\$486,850,000 Additional Paid-in Capital NT\$243,425,000	None	(83) Tai-Cai-Zheng (I) No.32553
October 1995	NT\$10	750,000,000	7,500,000,000	694,180,000	6,941,800,000	Earnings NT\$995,750,000 Additional Paid-in Capital NT\$256,050,000	None	(84) Tai-Cai-Zheng (I) No.34157
July 1998	NT\$10	750,000,000	7,500,000,000	746,243,500	7,462,435,000	Earnings NT\$242,963,000 Additional Paid-in Capital NT\$277,672,000	None	(87) Tai-Cai-Zheng (I) No.58685
September 1999	NT\$10	850,000,000	8,500,000,000	776,093,240	7,760,932,400	Additional Paid-in Capital NT\$298,497,400	None	(88) Tai-Cai-Zheng (I) No.75780
August 2000	NT\$10	850,000,000	8,500,000,000	790,070,000	7,900,700,000	Additional Paid-in Capital NT\$139,767,600	None	(89) Tai-Cai-Zheng (I) No.72283
August 2001	NT\$10	850,000,000	8,500,000,000	805,370,000	8,053,700,000	Additional Paid-in Capital NT\$153,000,000	None	(90) Tai-Cai-Zheng (I) No.153660
September 2008	NT\$10	850,000,000	8,500,000,000	845,638,500	8,456,385,000	Earnings NT\$402,685,000	None	Jin-Guan-Zheng-Fa No.0970039548
August 2011	NT\$10	950,000,000	9,500,000,000	896,376,810	8,963,768,100	Earnings NT\$507,383,100	None	Jin-Guan-Zheng-Fa No.1000036651
April 2014	NT\$10	950,000,000	9,500,000,000	900,044,604	9,000,446,040	Overseas convertible corporate bonds US\$6,400,000	None	Jin-Guan-Zheng-Fa No.1020051210
December 2015	NT\$10	950,000,000	9,500,000,000	880,044,604	8,800,446,040	Cancellation of treasury stocks NT\$200,000,000	None	Jing-Shou-Shang No.10401262010
August 2017	NT\$10	950,000,000	9,500,000,000	868,595,604	8,685,956,040	Cancellation of treasury stocks NT\$114,490,000	None	Jing-Shou-Shang No.10601113840
June 2018	NT\$10	950,000,000	9,500,000,000	853,595,604	8,535,956,040	Cancellation of treasury stocks NT\$150,000,000	None	Jing-Shou-Shang No.10701062160

Year/ Month	Issuing Price	Authorized Capital		Paid-in Capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Capital Contributed by Assets Other than Cash	Others
July 2020	NT\$10	950,000,000	9,500,000,000	814,398,604	8,143,986,040	Cancellation of treasury stocks NT\$391,970,000	None	Jing-Shou-Shang No.10901146070
September 2020	NT\$10	950,000,000	9,500,000,000	804,982,604	8,049,826,040	Cancellation of treasury stocks NT\$94,160,000	None	Jing-Shou-Shang No.10901180540
November 2020	NT\$10	950,000,000	9,500,000,000	803,077,604	8,030,776,040	Cancellation of treasury stocks NT\$19,050,000	None	Jing-Shou-Shang No.10901200540
December 2021	NT\$10	950,000,000	9,500,000,000	797,639,604	7,976,396,040	Cancellation of treasury stocks NT\$54,380,000	None	Jing-Shou-Shang No.11001217790
December 2022	NT\$10	950,000,000	9,500,000,000	797,489,604	7,974,896,040	Cancellation of treasury stocks NT\$1,500,000	None	Jing-Shou-Shang No.11101239480

Share Class

Share Class	Authorized Capital			Note
	Outstanding Shares	Unissued Shares	Total	
Ordinary Shares	797,489,604	152,510,396	950,000,000	TWSE Listed Company's Shares

Information for shelf registration: None.

(II) List of major shareholders:

Apr.28, 2025

Name of Major Shareholders	Shareholding	
	Number of Shares Held (Shares)	Shareholding Ratio (%)
Da Yang Investment Ltd.	54,905,000	6.88%
Chuan Yuan Investment Ltd.	47,375,000	5.94%
Bai Ke Investment Co., Ltd.	45,730,000	5.73%
Guancheng Investment Co., Ltd.	33,243,000	4.17%
Chien-Jin Investment Co., Ltd.	29,181,000	3.66%
Yuanta Taiwan High Dividend Low Volatility ETF	27,962,000	3.51%
Ding Jue Investment Co., Ltd.	20,165,000	2.53%
Ching-Yuan Wu	20,126,240	2.52%
Hongbai Investment Co., Ltd.	17,963,000	2.25%
Baiyang Investment Ltd.	17,469,000	2.19%

(III) Dividend policy and implementation of the Company

1. Dividend policy:

For any earnings in the annual accounts, the Company shall, as required by law, first pay taxes and offset accumulated deficits from previous years. Next, it shall allocate 10% as the statutory surplus reserve, adding the undistributed earnings at the beginning of the period to calculate the accumulated undistributed earnings. It shall then allocate or reserve special surplus reserves as required by law. The remaining portion constitutes the distributable earnings for the current year. The Board of Directors shall prepare the proposal for earning distribution and submit it to the Shareholders' Meeting for resolution.

The Company is currently in the mature stage of the business lifecycle. However, the industry environment may change due to external factors, and the Company will still actively expand domestic and foreign markets for further growth. Therefore, in addition to considering actual earnings, the Company shall also consider future capital requirements, tax regulations, and the impact on shareholders when deciding on earnings distribution. The objective is to maintain stable dividend distribution. Dividends may be distributed in cash or by stocks, but the ratio of stock dividends shall not exceed 50% of the total dividends. The proposal for distribution shall be proposed and resolved by the Board of Directors in accordance with the Company Act.

Earnings distribution or deficit offset of the Company may occur at the end of each half of a fiscal year. The proposal for earnings distribution or deficit offset in the first half of a fiscal year, along with the business report and financial statements, shall be submitted to the Audit Committee for review and then to the Board of Directors for resolution.

In distributing earnings in accordance with the aforementioned provisions, the Company shall first estimate and reserve amounts for taxes payable, offsetting losses, and allocating legal reserves. It shall also extract or reverse special reserves as required by law. If there is any surplus, it, along with the beginning balance of accumulated undistributed earnings, shall be considered as distributable earnings. However, this provision shall not apply if the amount of legal reserves has reached the total capital of the Company.

When distributing earnings by issuing new shares in accordance with the foregoing Paragraph 3, the Company shall follow the Company Act. For distributing earnings in cash, the distribution shall be resolved by the Board of Directors.

2. Dividend distribution proposed at this Shareholders' Meeting:

The 2023 earnings distribution proposal was drafted according to the Articles of Incorporation of the Company, with cash dividends of NT\$3 per share.

Sanyang Motor Co., Ltd.

2024 Earnings Distribution Table

Unit: NT\$

Summary	Amount
Undistributed earnings at the beginning of the period	6,711,878,182
Plus (minus):	
Changes in actuarial gains and losses in the current period	40,109,666
Disposal of investments in equity instruments measured at fair value through other comprehensive income	3,177,823
Changes in ownership interests in subsidiaries	(71,889,765)
Reversal of special reserve (Note 1)	34,970,925
Net profit after tax	4,770,396,946
	11,488,643,777
Provisions:	
Provision of 10% as legal reserve	(474,179,467)
Earnings available for distribution in the current period	11,014,464,310
Distribution item:	
Cash dividend of NT\$3/share (Note 2)	2,392,468,812
Undistributed earnings at the end of the period	8,621,995,498

Note 1: The company reversed the special reserve according to the Financial Supervisory Commission's Jin-Guan-Zheng-Fa-Zi No.1090150022 issued on March 31, 2021.

Note 2: The dividend per share is adjusted based on the actual number of shares outstanding as of the ex-dividend date.

Note 3: The Company's earnings for the first half of 2024 were not distributed according to the decision made by the Board of Directors on November 13, 2024.

- (IV) Effect upon business performance and earnings per share of any stock dividend distribution proposed at this Shareholders' Meeting: None.
- (V) Remuneration of Employees and Directors:
1. Percentages or ranges with respect to remuneration of employees, Directors of the Board, and Supervisors of the Board as set forth in the Company's Articles of Incorporation:
If the Company earns a profit for the year, it shall allocate over 1% of the income before tax as employee remuneration, and within 1% as director of the Board and supervisor of the Board remuneration. However, if the Company suffers accumulated losses, it shall first retain an appropriate amount for offsetting such losses. Independent Directors shall not participate in the foregoing remuneration distribution.
 2. Basis for estimating the amount of remuneration for employees, Directors of the Board, and Supervisors of the Board, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure:
The Company calculated its employee and Director's remuneration by multiplying the income before tax for 2024 by 1% and 1%, respectively. No difference existed between the actual distributed amount and the estimated amount listed in the 2024 parent only financial statements.
 3. Remuneration distribution approved by the Board of Directors:
 - (1) The remuneration to employees, Directors of the Board, and Supervisors of the Board may be distributed in cash or in the form of stocks. In case of any discrepancy between the recognized and estimated amounts, the discrepancy, its cause, and the response to the discrepancy shall be disclosed:
On March 13, 2025, the Company's Board of Directors resolved to distribute NT\$56,580 thousand as employee remuneration and NT\$56,580 thousand as remuneration to Directors, both of which were paid in cash. No discrepancy existed between the actual distributed amount and the estimated amount listed in the 2024 parent only financial statements.
 - (2) The amount of employee remuneration distributed in the form of stocks, and its ratio to net income after tax and total amount of employee remuneration listed in the parent only financial statements for the current period:
The Company did not distribute any remuneration to employees in the form of stocks in 2024, so this provision is not applicable.
 4. Actual distribution of remunerations to employees, Directors of the Board, and Supervisors of the Board for the preceding year (including the number of shares distributed, amount, and stock price), and the discrepancy, if any, between the actual and recognized amount of remunerations paid to employees, Directors of the Board, and Supervisors of the Board, as well as its cause and response to the discrepancy:
In 2023, NT\$73,460 thousand was paid to employees as remuneration, and NT\$73,460 thousand was paid to Directors as remuneration. No discrepancy existed between the actual and recognized amount of remunerations in 2023.

(IX) The Company's repurchase of its shares:

1. Repurchases Already Completed : None.

2. Repurchases Still in Progress Completed:

May 14, 2025

Repurchase no.	The 15th time
Purpose of repurchase	To maintain credit and shareholders' equity
Type of shares repurchased	Common stock
Ceiling on total amount of shares repurchased	NT\$12,901,783,036
Scheduled repurchase period	April 9, 2025 to June 6, 2025
Number of shares intended to be repurchased	10,000 thousand shares
Repurchase price range	NT\$ per share 47.00~77.00
Types and numbers of shares bought back	(Note)
Amount of shares bought back	(Note)
Ratio of the number of shares already repurchased to the number of shares intended to be repurchased (%)	(Note)

Note: As of the publication date of the annual report, the Company has not yet completed the repurchase. The actual repurchase status will be reported at the annual general meeting.

II. Issuance of Corporate Bonds, Preferred Stocks, Overseas Depository Receipts, Employee Stock Option Certificates, Mergers and Acquisitions or Issuance of New Shares for Acquisition of Other Companies: None.

III. Implementation of the Company's Capital Allocation Plans:

(I) Each Uncompleted Issuance, Private Placement of Securities, or Issuance or Private Placement Completed in the Most Recent 3 Years but Have Not Yet Fully Yielded the Planned Benefits: None.

(II) Implementation Status: None.

Chapter 4. Overview of Operations

I. Business Activities

(I) Scope of Business

1. Principal Business Activities

- (1) Mechanical Equipment Manufacturing.
- (2) Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing.
- (3) Motor Vehicles and Parts Manufacturing.
- (4) Motorcycles and Parts Manufacturing.
- (5) Bicycles and Parts Manufacturing.
- (6) Other Transport Equipment and Parts Manufacturing.
- (7) Mold and Die Manufacturing.
- (8) Controlled Telecommunications Radio-Frequency Devices Installation Engineering.
- (9) Wholesale of Petroleum Products.
- (10) Wholesale of Motor Vehicles.
- (11) Wholesale of Motorcycles.
- (12) Wholesale of Motor Vehicle Parts and Motorcycle Parts Accessories.
- (13) Wholesale of Bicycle and Component Parts Thereof.
- (14) Wholesale of Other Traffic Means of Transport and Component Parts Thereof.
- (15) Retail Sale of Molds.
- (16) Retail Sale of Petroleum Products.
- (17) Retail Sale of Motor Vehicles.
- (18) Retail Sale of Motorcycles.
- (19) Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
- (20) Retail Sale of Bicycle and Component Parts Thereof.
- (21) International Trade.
- (22) Restrained Telecom Radio Frequency Equipments and Materials Import.
- (23) Other Consulting Service.
- (24) Environmental Testing Services.
- (25) Magazine (Periodical) Publishing.
- (26) Book Publishing.
- (27) Automobile Repair.
- (28) Motorcycle Repair.
- (29) Bicycle Repair.
- (30) Unclassified Other Services.
- (31) All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Proportion of businesses

This year, the sales of motorcycles, automobiles and related parts account respectively for 52.20%, 41.33%, and 6.47% of the businesses.

3. The Company's current products and new products development plan

(1) Motorcycles

A. Current products

Motorcycles: WOO series, MIO series, Fiddle LT series, VIVO series, New DUKE series, DUKE series, Z1 attila series, JET SR/SL series, FNXBT series, CLBCU series, KRNBT series, Jin Fa Cai series, 4MICA series, DRGBT series, MMBCU series, Orbit/CROX/X' Pro series, JET4 RX series, Fiddle series, JET 14/JET X series, Symphony S/SR/ST/CARGO series, HUSKYADV series, Joyride S series, JOYRIDE series, CRUiSYM α/Joymax Z+ series, MAXSYM series, ADXTG series, MAXSYM TL series, Wolf series, Wolf Legend series, SYMNH X/T series, VF series.

Electric Motorcycles: E-WOO series, e X' Pro series, Fiddle electric series, MIO electric series.

B. New products development plan

- Corresponding to the model development of each main market segments in Taiwan/Asia/Europe/Central and South America/ASEAN market, and increase model sales
- Development of new multifunctional prototypes and compartmentalized models
- Development of new, trendy motorcycles
- Development of eco-friendly EV models
- Development of flagship products and heavy machinery products and investment in new technologies

(2) Automobiles

A. Current products

Domestic automobile series: VENUE, ALL NEW TUCSON L, CUSTIN, PORTER, QT500

Imported automobile series: SANTA FE, KONA EV, STARIA, IONIQ 5, IONIQ 6

B. New products development plan

Launch of the all-new small SUV, small EVs and luxurious 7-seater EVs.

(II) Industry overview

(1) Industry status and development

A. Motorcycles

The top six countries in global motorcycle sales in 2024 were as follows: India: Domestic sales of approximately 20.5 million units (+20.09%); China: Domestic sales of approximately 13 million units (-8.12%); Indonesia:

Domestic sales of approximately 6.33 million units (+1.61%); Vietnam: Domestic sales of approximately 2.65 million units (+5.57%); Brazil: Domestic sales of approximately 1.87 million units (+19.11%); Thailand: Domestic sales of approximately 1.58 million units (-14.59%). The cumulative domestic sales of these six countries totaled approximately 45.93 million units, representing a 5.88% growth compared to the same period last year.

In Taiwan, the total domestic motorcycle market sales volume in 2024 was 752,643 units, representing an 13.6% decrease compared to 2023. The decline in the overall domestic motorcycle market by 13.6% in 2024 was mainly due to the government's motorcycle trade-in subsidy of NT\$2,000 to scrap Phases 1 to 4 motorcycles in 2023. Of the total sales, gasoline-powered motorcycles saw a decline of 14.8%, while electric scooter sales declined by 1.0%.

The challenges followed by the pandemic are rise of inflation, the recovery of the US, China, Europe, Africa, and Middle East, and even expansion, which drive the demand for commodities. Although still strong, the demand for commodities has gradually shifted to low-cost production bases for supply.

Taiwan's motorcycle exports (excluding IKD, triangular trade) totaled 14,373 units, indicating a YoY increase of 1.69% compared to 14,134 units in 2023.

The main export regions were Europe, the Americas, and Asia. Exports to Europe accounted for 9.19% of Taiwan's total exports, with Belgium, Turkey, Italy, Spain being the top four markets (based on customs statistics). Exports to the Americas accounted for 2.77% of Taiwan's total exports, with the US and the Dominican Republic being the main destinations (based on customs statistics). Exports to Asia accounted for 55.15% of Taiwan's total exports, with United Arab Emirates, Iraq, Japan, Israel, South Korea, Kuwait, Singapore, Hong Kong (based on customs statistics).

In the future, with limited growth in the domestic market, the expansion of overseas operations and export markets will become the main driving force for the growth of Taiwan's motorcycle industry. Even though exports are still facing the price war of China brands and Indian brands, and the global economic recession, Taiwan's motorcycle manufacturers continue to increase product value and deploy differentiated sales to meet market demand. It is only a matter of time before Taiwanese motorcycle manufacturers have a firm foothold in the international market.

B. Automobiles

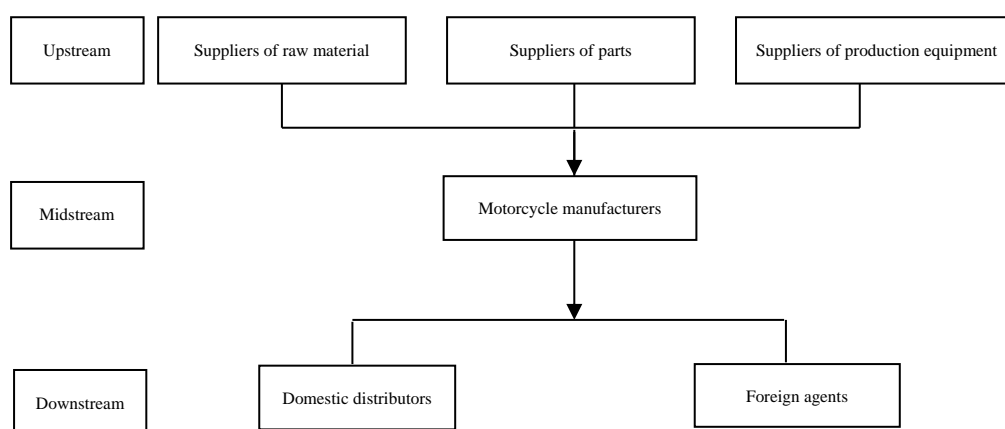
To encourage the private sector to adopt low-pollution automobiles, the government offers a variety of subsidies to encourage the public to purchase EVs. In addition to exempting vehicle license taxes, the exemption of goods taxes for EVs has been extended until 2025. In January 2023, the Legislative Yuan passed the "Climate Change Response Act," continuing to promote multiple subsidy policies to encourage people to switch to electric cars. As a result, the automotive market is poised to reap the rewards of these governmental initiatives, fostering an accelerated growth trajectory for the electric automobile sector.

Unlike the shortage of cars in 2023, the car supply in 2024 recovered. As a result, the total sales in Taiwan's automobile market reached 458,000 units, decrease by 4% from 477,000 units in 2023.

(2) Connections among industry upstream, midstream, and downstream

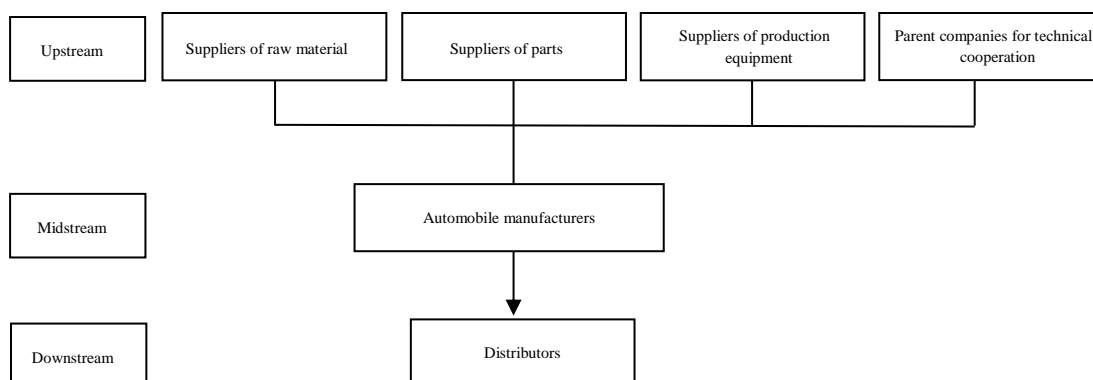
A. Motorcycles

The upstream mainly comprises suppliers of raw material (from the industries of steel, iron, aluminum ingots, rubber and plastics), suppliers of parts (systems/parts) and suppliers of production equipment (equipment and peripherals); the midstream is the motorcycle manufacturers, which manufacture necessary products for consumers by using upstream raw materials and parts; the downstream is the customers served by the motorcycle manufacturers, including domestic distributors for domestic sales and foreign agents for foreign sales.



B. Automobiles

The upstream mainly comprises suppliers of raw material (from the industries of steel, iron, aluminum ingots, rubber and plastics), suppliers of parts (systems/parts), suppliers of production equipment (equipment and peripherals), and the parent companies for technical cooperation (KD parts); the midstream is the automobile manufacturers, which manufacture necessary products for consumers by using upstream raw materials and parts; the downstream is the automobile distribution system.



(3) Future development trends of products

A. Motorcycles

a. More rigorous laws and regulations on environmental protection

The greenhouse effect has led to increasingly severe global warming. In response to this and the awakening of environmental consciousness among consumers, have implemented stricter pollution control regulations and monitoring standards to reduce urban pollution. Some have even resorted to license plate restrictions to control the overall level of pollution. Countries such as Taiwan, South Korea, Japan, Brazil, China, and the United States are adopting more stringent pollution control measures to reduce urban pollution. The development of “low-pollution, low-energy consumption” motorcycles will be a key focus of the motorcycle industry.

b. In view of remarkable differences in regional market demands, it is necessary that company offer relative products to rapidly respond different market needs

In developed countries, there is a greater emphasis on sports, leisure, personal style, and environmental friendliness in motorcycle products. For example, motorcycles with high added value, such as those above 300c.c., are popular for leisure purposes, while smaller motorcycles with sporty or fashionable styles are also in demand.

In the Taiwanese market, motor scooters remain the dominant choice among consumers; however, a notable shift toward environmental consciousness and innovative segmentation is underway. Particularly, there's a burgeoning interest in retro-style or multifunctional motorcycles, especially among the younger demographic, leading to a positive growth trajectory. In the mass market segment, there is a focus on fuel economy, with models emphasizing fuel efficiency being highly successful.

In the Southeast Asian region, although CUB-type motorcycles are still dominant, convenient motor scooters have been steadily growing in popularity in recent years, especially 125/150c.c. models with new features such as 14-inch wheels, gradually gaining mainstream prominence. In developing countries such as China, Central and South America, and Africa, the market is still focused on affordable and durable motorcycles. However, in recent years, there has been a growing trend toward luxury motorcycles with higher prices and larger engine capacities, reflecting the polarization of wealth gaps in these markets.

c. Product development is moving toward meeting the polarized trend of high-end and low-price demands

In developed and highly developed countries, the gap between the rich and the poor has gradually widened and the expenses of living has gradually increased, resulting in the phenomenon of polarized consumption. In developed and highly developed countries, the widening wealth gap and rising cost of living have led to a phenomenon of polarized consumption patterns toward two extremes: premium and value models. High-priced motorcycles are designed with luxurious equipment and extreme

performance, serving as a symbol of status and prestige for their owners; low-priced motorcycles are designed with functions that meet basic needs and are mainly used as commuter transportation. In the future, motorcycle manufacturers need to grasp this consumer trend and offer products that cater to the diverse needs of polarized consumers.

d. Increase added value of products and extend the use of related technologies

As the global economy continues to evolve, motorcycles are evolving beyond mere transportation tools to become expressions of personal style and leisure companions. Consequently, leading manufacturers are intensifying their efforts to enhance the overall value of their products. They're achieving this by promoting features such as high-displacement engines for enhanced performance, advanced safety equipment like ABS/CBS/TCS, unique and differentiated designs, premium branding to signify quality, and extending motorcycle-related technologies to include electric scooters.

e. Development of Alternative Energy Motorcycles

In response to the growing concerns over environmental conservation, leading automotive companies across the globe are channeling substantial resources into researching alternative energy sources for motorcycles. This includes exploring avenues such as electric scooters, hybrid scooters, and motorcycles powered by hydrogen fuel cells. Despite these concerted efforts, the widespread adoption of alternative energy automobiles is encountering hurdles stemming from technological constraints and concerns regarding battery range. These challenges present obstacles to achieving mass adoption in the near future. Nevertheless, developing alternative energy products has become a paramount priority for manufacturers.

B. Automobiles

a. Development of alternative energy automobiles

In response to increasingly stringent environmental regulations, manufacturers are actively improving the fuel efficiency of their automobiles and introducing hybrid and electric models. As the OEMs actively introduce new energy vehicles, affordable electric vehicles will also enter the market, driving the growth of the market.

b. Development of self-driving automobiles

Autonomous driving is an emerging global trend in automotive development, with major manufacturers competing in research and development of self-driving automobiles. In this development process, automobile-to-everything (V2X) technology and Advanced Driver Assistance Systems (ADAS) play indispensable roles. V2X enables communication between automobiles and surrounding road infrastructure, while ADAS systems use various sensing technologies such as radar and image recognition to control steering, throttle, and braking systems. The integration of V2X and ADAS systems enables faster and safer transportation services, transforming the future of human mobility.

c. Further Development of SUV Market

The demand for SUVs in the market is expanding, with the scale continuing to grow. Products are increasingly segmented into different categories (B/C/D Segment), and various brands are starting to introduce B-SUV or Crossover models. Expanding the complete SUV product lineup helps brands increase overall sales volume, and luxury brands are also successively entering SUV model development.

(4) Status of product competitions

A. Motorcycles

In terms of motorcycle products, those 125c.c. and below are still threatened by low-cost products from mainland China, ASEAN, and India. Brand appeal and high-quality, differentiated products are the main response of Taiwanese manufacturers. Meanwhile, Taiwanese companies also leverage global production, production base specialization, strengthened supply chains, and model platform integration to reduce product costs in order to compete with low-cost rivals. In the high-displacement motorcycle product segment, although Western and Japanese manufacturers still hold technological advantages, Taiwanese manufacturers are investing heavily in R&D to enhance product design, develop new technologies, and improve manufacturing competitiveness, thereby continuously increasing product added value and brand value.

In terms of motorcycle derivative products, electric motorcycle extending from environmental concepts have become a green energy industry in which manufacturers are vigorously investing in R&D or collaborating through technology partnerships to mitigate environmental impacts.

B. Automobiles

In response to the global ban on the sale of gasoline vehicles, coupled with the maturation of battery technology, the decreasing cost of EVs is advantageous for further market expansion due to reduced retail prices. Traditional automotive brands are more actively developing and launching electric vehicle models than in the past.

(III) Technology and research overview

A. R&D expenditures in the recent years

The R&D team, by adhering to the R&D roadmap of product innovation and technological leadership, are continuously launching high-quality market-leading products that appeal to consumers both domestically and internationally. SYM was crowned champion in domestic motorcycle sales for three consecutive years from 2022 to 2024, with the annual market share also reaching a new high of 40%. The sales of mid-to-high-end models have also reached 50% of the total sales, and the high gross profit and stable sales have greatly enhanced the Company's operating profits. The Company will continue to invest in the improvement of innovative technologies and R&D. At SYM, we are committed to continuing to be a leader with respect to R&D of high-end

models and advanced technology innovation. By doing this, we have an advantage to meet the marketing strategy to continue to introduce highly competitive. The R&D expenditure in recent years amounted to NT\$992,368 thousand in 2023 and NT\$1,015,112 thousand in 2024, demonstrating the Company's emphasis on investment in research and development. In addition, by following the product R&D planning blueprint, we improve product R&D technology capabilities and effectively plan patent layout to protect related intellectual properties. Through providing patent promotion education, we encourage our employees to research and innovate and file patent applications for their R&D results. We have also established an all-round patent application management system and offer patent creation incentives to encourage R&D professionals to actively submit their patent creations, in order to emphasize the integrity of technology protection in patent layout. By applying for patents of valuable innovative technologies, the Company proves objective technical superiority to consumers, achieving product differentiation. At the same time, we properly use the protection provided by the patent rights and use the patent as a strong deterrent against potential infringement.

B. R&D outcomes in recent years

a. Developing brand new styles and performances of automobiles

(a) Motorcycles

- January 2024 “ADX 300” : All new multifunctional large heavy-duty scooter model in the Europe market.
- May 2024 “DRGBT 158” : All new 2nd generation ultimate scooter model in the Taiwan market.
- June 2024 “ADXTG 400” : All-new ADV crossover scooter model in Taiwan.
- September 2024 “CRUiSYM 400” : All new multifunctional large heavy-duty scooter model in China.

(b) Automobiles

- August 2024 : KONA EV newly launched.
- October 2024 : SANTA FE newly launched.

b. Developing modified styles and improving performances

(a) Motorcycles

- January 2024 “New DUKE 125” : Launched the first time-display and USB charging device with affordable price in Taiwan.
- January 2024 “CLBCU 125” : Launched the Taiwan-based minimalist style scooter model in China.
- January 2024 “JET SL+ 158” : Launched 158c.c. water-cooled sport scooter model with new front view and LED taillight.
- January 2024 “CRUiSYM α 125/300” : Launched new front positioning lamps and rear taillamps for the Euro 5 large and heavy scooter model

in Europe.

- January 2024 “MAXSYM 400 GT” : Launched new front/side view and colorful LCD instrumentation for the large, heavy-duty scooter model in Taiwan.
- March 2024 “MMBCU 150” : Launched Taiwan-based scooter model in China.
- March 2024 “CRUiSYM X 150” : Launched new front sight / dragon bone scooter model in China.
- June 2024 “WOO 115” : Launched fuel-efficient and affordable scooter model in Taiwan.
- June 2024 “PRITI 50/125” : Launched the Taiwan-based minimalist style CLBCU scooter model in Vietnam.
- July 2024 “SYMPHONY 50/125/200” : Launched the new front-view, magnetized anti-theft 16-inch commuter scooter model in Europe.
- July 2024 “CROX 125” : Launched 12-inch commuter model with CBS and side stand switch in Europe.
- August 2024 “SYMPHONY SR 125” : Launched dual-channel ABS magnetized anti-theft 16-inch commuter scooter model in Europe.
- August 2024 “Fugue 125” : Launched Vietnam-based popular scooter model in Europe.
- September 2024 “SYMPHONY ST 125/200” : Launched LED indicators, magnetized anti-theft 16-inch commuter scooter model in Europe.
- September 2024 “Joymax Z+ 125/300” : Launched new rearview design, new taillight, new LED front and rear lights, and indicators, compliant with Euro 5 regulations for entry-level heavy-duty scooter model.
- December 2024 “CLBCU 125” : Launched the Vietnam-based minimalist style scooter model in Vietnam.
- Many European-standard OBDII Phase 2 models (including Euro 5 recertification) were still transitioning in 2024, ex : SYMPHONY Cargo, MIO, Fiddle II, Fiddle IV, Orbit III, X’Pro, CROX RX, 4MICA/FORMICA, ADXTG, CRUiSYM, YMJET X, JET EVO, Joyride series, JOYCITY, VF.....ect.

(b) Automobiles

- March 2024 IONIQ 5 N, the first pure electric sports car, officially launched.
- May 2024 TUCSON N-LINE Officially launched.
- June 2024 VENUE Slight changes and officially launched.

(6) Long-term and short-term development plan (future development strategies of the Company)

Items	Development Plans	
Short-term Development Plans	a. Winning the hearts of consumers and maintain market lead	<ul style="list-style-type: none"> ◎ Optimization of retail store layout and service experience ◎ Putting customer satisfaction first in sales and after-sales service ◎ Increasing customer loyalty and repeat purchase rates
	b. Operational performance growth	<ul style="list-style-type: none"> ◎ Annual growth in profit from automobiles and motorcycles ◎ Expansion of overseas business scale
Long-term Development Plans	a. Innovative leading technology	<ul style="list-style-type: none"> ◎ Development of diversified new energy technologies and products ◎ Integration of resources for complete product portfolio ◎ Buildup of technological capabilities and introduction of high-displacement products
	b. Enhancement of favorable brand image	<ul style="list-style-type: none"> ◎ Pursuit of quality, providing highly reliable products ◎ Complete product line offering high price–performance ratio.
	c. Global strategy	<ul style="list-style-type: none"> ◎ Joint sales of global brand in three regions ◎ International talent development and cultivation ◎ Flexible resource allocation for global procurement ◎ Actively seek international collaboration opportunities

II. Overview of the Market, Production and Sales

(I) Market Analysis

1. Motorcycles

(1) Sales areas of main products:

Apart from domestic sales, the motorcycles and their parts manufactured by the Company are also exported to regions and countries such as Europe, America, Africa, Australia, Hong Kong, Macao, Japan, Southeast Asia, etc.

(2) Market shares:

The Company's domestic/foreign sales and domestic market shares over the past two years are shown as follows. In the future, the Company will continue developing new products to satisfy consumer needs and maintain its stable growth:

Unit: Unit; %

Year Items	2024	2023
Domestic Sales (Ex-factory) Growth Rate	312,057 (-7.23%)	336,377 (+34.00%)
Foreign Sales (Ex-factory) Growth Rate	14,373 (+1.69%)	14,134 (-44.21%)
Total Domestic and Foreign Sale (Ex-factory) Growth Rate	326,430 (-6.87%)	350,511 (+26.82%)
Domestic Market Shares	40.9%	38.4%

Note: The above foreign sales exclude sales of IKD and triangular trade volume.

(3) Market supply and demand situation in the future

According to IMF, the global economic growth rate is expected to be adjusted downward by 0.1 percentage point, from 3.3% in 2024 to 3.2% in 2025. IMF praised central banks for not allowing the economy to fall into recession while they are trying to curb inflation, and warned that the risks of war and trade protectionism are intensifying. IMF stated: “Global economic uncertainty is rising, and this is impacting the commodity market. The rise of protectionism may also affect global economic activities”. The good news is that global inflation is set to fall to 4.3% next year, down from 5.8% in 2024. The battle against inflation is “near a victory”. IMF pointed out that even though some countries are experiencing high price pressure, most countries have managed to keep inflation rate close to the target level of the central bank, which is a major achievement despite a global recession. If we look at individual countries, the economic growth rate of the US in 2025 is estimated to be 2.2% (-0.6%). The economic growth rate in the Euro Zone in 2025 is 1.2% (+0.4%). The economic growth rate in the UK's in 2025 is 1.1% (+1.5%). Due to a sluggish housing market and low consumer confidence,

The economic growth rate in China in 2025 will drop to 4.5% (-0.4%). The economic growth rate in Japan in 2025 is expected to be 1.1% in 2025 (+0.8%). The environmental conditions for the export market in 2025 remain optimistic. In terms of the domestic motorcycle market, the overall market declined by 13.6% in 2023 due to the continued implementation of the Ministry of Environment's subsidy of NT\$2,000 for trading-in and scrapping Phase 1 to Phase 4 motorcycles. Coupled with the introduction of competitive new products such as JET SL+, which has garnered positive reviews for the SYM brand, the Company's sales and market share have significantly increased, leading to only 8.0% decline in the overall domestic motorcycle market, firmly establishing its position as the market leader.

In 2025, the overall domestic environment will be affected by the global regional conflicts that will soon slow down and the trade-in program is also coming to an end, the annual domestic motorcycle market size is expected to grow by 10%, up to 820,000 units. The company will continue to introduce new products to ensure

the number of units sold and market share, so that the SYM brand will continue to take the leading position in the market.

In the export market, Taiwanese motorcycle manufacturers face formidable competition from Chinese brands. However, the Taiwanese industry maintains certain advantages in R&D and design capabilities. These strengths, coupled with strategic overseas factory deployment, enable Taiwanese companies to gradually realize overall benefits and maintain competitiveness in the global market. The export of Taiwan's motorcycle sector has recovered to its previous level after the sea freight booking has recovered steadily and the supply of automotive chips and parts has returned to normal. SYM will not only continue to provide high-value-added products in developed countries, such as high-displacement scooters, but also strengthen competitive triangular trade products. In addition, the Company will continue to strengthen the operation of the market in the ASEAN and the Latin American markets, integrate the cost advantages of the overseas subsidiaries, and provide products that are reasonable and competitive. Therefore, the Company is still optimistic about the development of the export market.

(4) Growth of the industry in the future

- A. Domestic motorcycle market: The motorcycle industry is grappling with several key challenges, including high ownership rates, sluggish market growth, stringent environmental regulations, and escalating product prices. Despite these hurdles, the ongoing stimulus of the trade-in policy is expected to sustain consumer purchasing intentions. As a result, profitability remains a paramount focus for industry operations. In light of these conditions, the industry's development trajectory emphasizes the continuous enhancement of product value-added and investment in eco-friendly product development. In 2025, the Company remains steadfast in its commitment to quality, service, and innovation. By prioritizing these core values, the Company seeks to earn consumer loyalty through genuine engagement and connection, a concept referred to as "winning hearts." Through the introduction of products and services that resonate with customers, the Company aims to elevate customer satisfaction levels and cultivate a strong brand image built on trust and brand affinity.
- B. Foreign motorcycles market: While the motorcycle market in developed countries is considered saturated, there is still room for growth in developing countries. Therefore, the Company's mid-term strategy growth should remain relatively stable. In terms of market operation, the Company will continue to expand its product line, adjust product sales mix, strengthen overseas distribution network layout, develop emerging markets overseas, seek overseas cooperation opportunities to improve sales profits and expand sales volume in emerging markets, thus enhancing brand image.

(5) Competitive niches

- A. After-sales service parts are sold exclusively by the Company, increasing confidence and satisfaction among dealers and consumers.

- B. The Company has a comprehensive distribution network in the domestic market.
- C. By continuing to focus on the heavy motorcycle market and investing in high-priced and popular scooters, sales revenue and operating profit are expected to increase.

(6) Countermeasures for favorable/unfavorable Factors of Development Visions

A. Favorable factors

a. External environment – global

- (a) With the rising awareness of environmental protection and under the circumstance that inflation has not yet eased, consumers are paying more attention to fuel economy, and the demand for economical and fuel-efficient products such as EVs and motorcycles has increased.
- (b) The purchasing power in emerging markets is increasing, indicating long-term market growth of two-wheeled markets.
- (c) OEM/ODM opportunities derived from cost pressures for Western brands.
- (d) The large displacement markets in Europe and the US are of considerable size, and the products have high added value.
- (e) There is increased demand in mature Western markets as well as growing markets in emerging markets for mid- to low-priced products.
- (f) The structure of the scooter market in emerging markets is gradually expanding.
- (g) Favorable factors such as demographic dividends, improved infrastructure, and rising living standards in emerging markets will contribute to the expansion of demand and consumption of two-wheeled products.
- (h) The market demand for multi-functional and cross-industry products will be expanded each year, with R&D in related models invested to increase sales and profits.

b. External environment - Taiwan

- (a) Increased demand from young consumers for trendy and differentiated products will boost spending on vehicle purchases and related accessories and parts.
- (b) Increased availability of low-price/installment payment options lowers the threshold for purchasing motorcycles, which is beneficial for market activity.
- (c) Energy and environmental factors drive the development of energy-saving and environmentally friendly vehicles.
- (d) Government subsidies for promoting EVs will gradually stimulate the electric vehicle market.
- (e) Continued implementation of motorcycle trade-in and scrapping subsidy policies by central and local governments will boost motorcycle sales

growth.

- (f) From 2021 to 2025, the Environmental Protection Administration introduced the “Trade-in Old Motorcycles With New Motorcycles for Excise Tax Reduction”. Under this policy, consumers purchasing a new motorcycle to replace a used one that has been in service for at least four years would receive a NTD\$4,000 tax reduction. However, this incentive is set to end in early 2026, which may pose an impact on motorcycle sales growth.

B. Unfavorable factors

a. External environment - global

- (a) With the advent of the green environmental era and ongoing discussion of carbon taxes, alternative eco-friendly products (EVs) will gradually enter the market, partially replacing gasoline-powered motorcycles.
- (b) Significant differences exist in product demand and regulations across regions.
- (c) Export markets face pressure from both large European, Japanese, and Chinese manufacturers, squeezing the development of export markets.
- (d) Global pollution emissions and safety-related regulations are becoming increasingly stringent, requiring better cost control and technological breakthroughs in response.
- (e) European and Japanese brands are increasingly introducing products manufactured in India, ASEAN, and China, featuring continuously enhanced specifications and equipment, all at affordable price points. This strategic move aims to penetrate the mass market segment effectively, thereby intensifying competition and squeezing the survival for other players in export markets.
- (f) In some emerging markets, import regulations are unclear, policies change frequently, and local content requirements increase annually, making the import threshold for motorcycle products stricter, requiring actively grasp of market information and timely response.
- (g) Inflation in export markets continues to worsen, potentially affecting subsidiaries’ sales profits due to increased costs.
- (h) The fluctuation of foreign exchange rate is one of the factors affecting the profitability of the model.

b. External environment - Taiwan

- (a) Increasingly stringent environmental and safety regulations lead to increased costs, and higher prices may affect consumer willingness to purchase new vehicles.
- (b) Government efforts to promote the electric vehicle market and ongoing subsidy policies will partially substitute gasoline-powered motorcycles.
- (c) The population aged 15-40 presents a negative growth, and the number of motorcycle buyers decreases.
- (d) Promotions have made low-priced models the mainstream in the market,

leading to substitution effects for mid- to high-priced models and reducing manufacturers' motorcycle sales profits.

(e) Continued development of public transportation systems has led to substitution effects on motorcycle sales.

(f) Taiwan is facing the trend of trade liberalization, and new competitors and low-cost products may enter the Taiwanese market.

C. Countermeasures

a. Domestically, the focus is on enhancing channel efficiency, service, and parts supply, offering attractive and eco-friendly products, strengthening online marketing, and enhancing brand image.

b. Internationally, the focus is on continuing to focus on sales in four major regions (Europe, ASEAN, Africa, Middle East, Central and South America), developing new markets and customers, expanding the global sales network, deepening market penetration in mature markets to increase market share and brand image, expanding sales of large displacement models, and promoting emerging markets.

2. Automobiles

(1) Sales areas of main products:

All products manufactured by the Company and distributed by it as agent are sold domestically.

(2) Market shares: The domestic sales and market shares over the past two years are as follows:

Unit: Unit; %

Year Items	2024	2023
Sales (Ex-factory)	22,437	22,358
Growth Rate	0.35%	45.00%
Domestic Market Shares	4.95%	4.6%

(3) Market supply and demand situation in the Future

In recent years, the rising awareness of environmental protection, coupled with the battery technology becoming more mature has prompted a decrease in the cost of electric vehicles. Lower market prices are conducive to further market expansion. In addition, in response to the subsequent full ban on the sale of fossil fuel vehicles, the future electric vehicle trend will become the main supply and demand in the car market.

(4) Countermeasures for favorable/unfavorable Factors of Development Visions

A. Favorable factors

According to the "Commodity Tax Act", the government has extended the reduction of new vehicle tax for the replacement of old vehicles to 2026. For those who replace their old motorcycles over 10 years old can enjoy excise tax reduction. In addition, the government has extended the "exemption from

vehicle license tax” and “reduction of excise tax” policies for electric vehicles to 2025. The government promotes the above policies to reduce the burden of people buying motorcycles and increase the willingness to buy motorcycles.

B. Unfavorable factors

- a. Taiwan’s labor cost advantage has disappeared, and international car manufacturers have set up production plants in emerging countries with lower labor costs. In addition, the loose monetary policy of the Japanese yen has made imported Japanese vehicles competitive in price.
- b. Facing global climate change, energy saving and carbon reduction are issues that all countries must address seriously and proactively. The automotive industry is at the forefront, and environmental regulations for automobiles are becoming increasingly stringent in various countries. Each manufacturer will inevitably invest more in researching and developing new products, new technologies, improving engine fuel efficiency, and developing alternative energy vehicles, inevitably increasing the cost of purchasing cars for customers.

C. Countermeasures

- a. Introduce non-powered automatic equipment from Japan and increasing the proportion of automated equipment production can reduce labor-intensive production methods, achieve energy savings, improve production efficiency, and enhance quality. Automated facilities also help lower the age range of labor and increase the willingness of younger generations to engage in production, allowing the industry to effectively control labor expenses.
- b. Strengthen Hyundai’s brand image in the domestic market by providing trustworthy high-end products and services, continuing to cultivate the Taiwanese market, and increasing market share and revenue in the domestic market.
- c. Deepen cooperation with the technology parent company and actively striving to become part of the global supply chain system to increase opportunities for exporting finished vehicles and parts, compensating for the insufficient scale of the domestic market.
- d. Expand the product line of heavy-duty commercial vehicles to operate in the heavy-duty vehicle market, increasing revenue and profitability.
- e. Consider fuel efficiency, economy, and alternative energy as the development trends for vehicles in response to the emerging eco trends. Continue to plan and develop high-efficiency, low-fuel-consumption vehicles and green energy vehicles. The parent technology and brand partner, Hyundai Motor, plans to launch a large number of EVs by 2025. In addition, Hyundai is currently accelerating the progress of autonomous driving technology, and plans to gradually equip its models with “Level 3” autonomous driving function in response to the future development of the automotive market.

(II) Usage and Manufacturing Processes for Main Products

1. Main products and uses

Motorcycles:

(1) Scooter series

Domestic sales:

100~115c.c. : FIDDLE LT 115, WOO 115

125~160c.c. : VIVO 125, Z1 Attila 125, DUKE 125, New DUKE 125, JET SR 125,
JET SL 125, JET SL+ 158, FIDDLE 125, FIDDLE DX 150,
CLBCU 125, Jin Fa Cai 125/150, 4MICA 125/150, KRNBT 125,
NEW DRGBT 158, MMBCU 158

270~300c.c. : JOYMAX Z+ 300

400~600c.c. : ADXTG 400, MAXSYM GT 400, MAXSYM TL 508

Foreign sales:

125~160c.c. : JOYRIDE S 125, VS 125, Joymax Z+ 125, CRUiSYM 125, DRGBT
158, MMBCU 158

180~300c.c. : HD2 180, JOYRIDE 200I, CRUiSYM 250/300, VS300, CITYCOM
300i, Joymax Z+ 250/300, HD 300, CITYCOM 300

400~600c.c. : MAXSYM TL 508, MAXSYM 400i

(2) Gear series

Domestic sales: Wolf 125, Wolf Legend 125

(3) ATV series

Foreign sales: DS 250

(4) Electric scooters

Domestic sales: E-WOO

Automobiles:

(1) VENUE : 1.6L Gasolin

(2) TUCSON L : 2.0L Gasolin, 1.6L Gasolin, 1.6L HEV

(3) CUSTIN : 1.5L Gasolin

(4) Commercial automobiles : PORTER 3.25t Diesel fuel, QT500 5t Diesel fuel

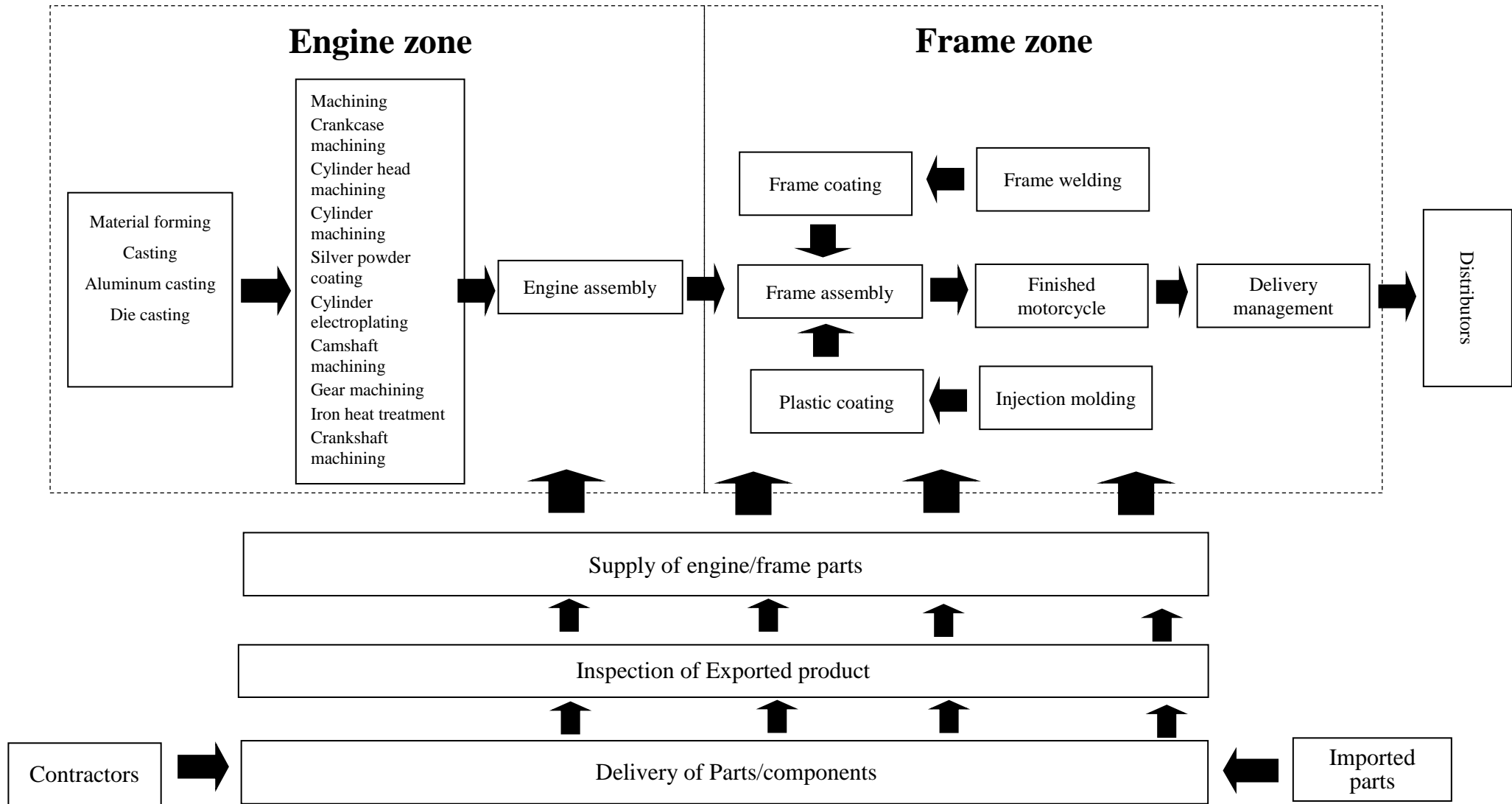
(5) Imported automobile series : KONA Electric, IONIQ 5 Electric, IONIQ 6 Electric,

SANTA FE SUVs, STARIA Commercial

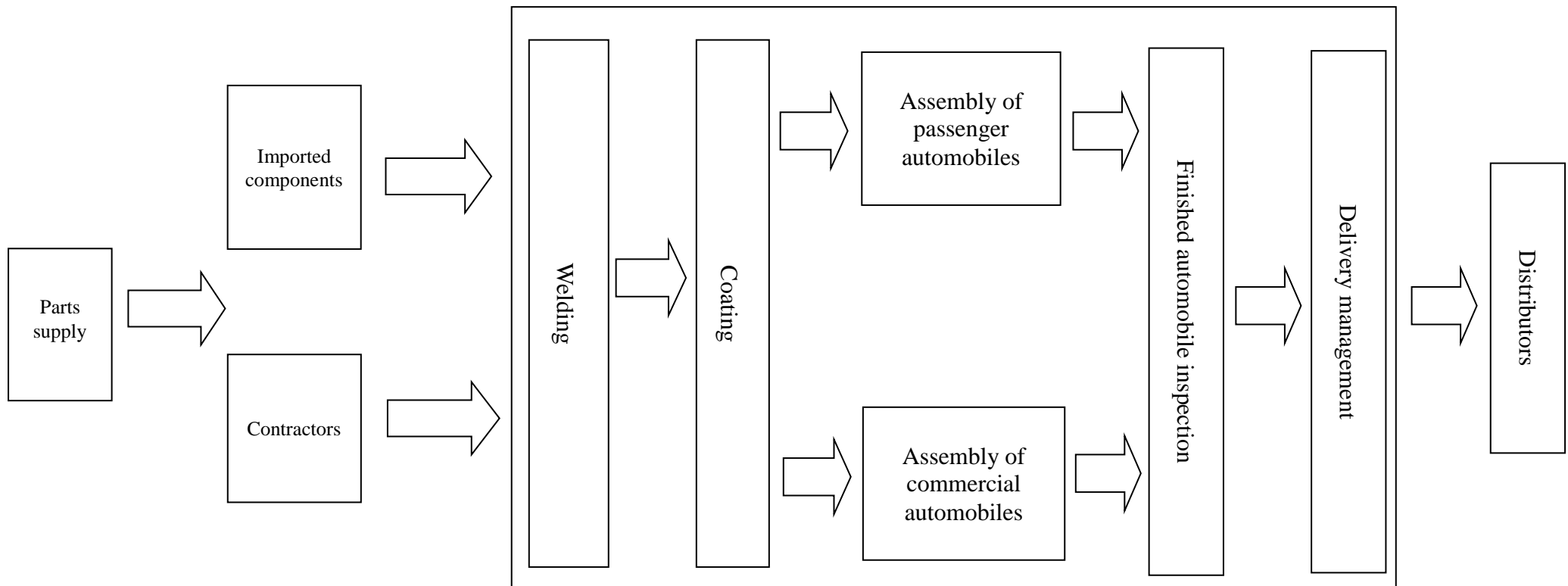
automobiles

2. Production process of primary products

Motorcycles:



Automobiles:



(III) Supply Situation of Main Raw Materials and Parts for Motorcycle and Automobile

1. Motorcycles:

(1) Main raw materials used by the Company:

- A. All aluminum ingots, plastic particles and coatings are purchased from domestic manufacturers at domestic market prices.
- B. For supply of all raw materials, the standard usage is calculated based on the monthly production schedule, and the raw materials are purchased according to the stock status.

(2) Motorcycle parts purchased by the Company in 2024, 7% were imported from abroad, while 93% were purchased from domestic contractors or processed by such contractors as entrusted by the Company.

A. Supply situation of import:

The Company places orders monthly with foreign manufacturers according to the production/marketing schedules, stock status and lead time for scheduling orders, in order to satisfy factories' production requirements. In the face of the pandemic, the production schedule of electronics-related parts and components has been affected, resulting in significant adjustments to production schedules.

B. Supply situation of domestic contractors:

Through the platform of the third-party manufacturers, the Company issues the production forecast for the semi-annual production of motorcycles. This serves as a reference for the long-term material preparation of the third-party manufacturers. Orders are issued on a weekly basis and the vendors deliver the goods according to the order instructions, to meet the market sales changes.

(3) All above supplies shall be in line with actual production requirements.

2. Automobiles:

(1) Among the automobile parts purchased by the Company, main parts are imported from foreign countries, while the some parts are purchased from domestic manufacturers or processed by the contractors as entrusted by the Company.

- A. Ratios of purchased parts: 80% KD parts and 20% domestic parts.
- B. Origins of purchased parts: KD parts are from Hyundai Motor Company and its subsidiaries; domestic parts are from domestic component manufacturers.
- C. In order to cooperate with the national policy, we have imported CKD models from China, which must reach 35% of the localized value chain. The Company is fully committed to the support of this policy and has plans in place to gradually achieve the policy requirements.

(2) The Company primarily procures components from Hyundai Motor and its subsidiaries in South Korea, as well as domestic component manufacturers. Although we are experiencing shortages with some parts in the short term, the supply of other components remained largely stable.

(3) All above supplies can still be in line with actual production requirements.

(4) Businesses on commercial automobiles: Given the stable market for commercial automobiles in Taiwan, our current production lines manufacture light-duty and

medium-sized commercial automobiles. This strategy allows us to establish a comprehensive product line for the commercial automobile business.

(IV) List of Major Suppliers and Customers in the Past Two Years

1. Major suppliers

Unit: NT\$ thousand

Items	Q1 of 2025				2024				2023			
	Suppliers	Amount	%	Relationship with the Issuer	Suppliers	Amount	%	Relationship with the Issuer	Suppliers	Amount	%	Relationship with the Issuer
1	Hyundai Motor Company	3,061,110	33	Companies having business dealings with the Company	Hyundai Motor Company	12,522,946	37	Companies having business dealings with the Company	Hyundai Motor Company	12,854,847	37	Companies having business dealings with the Company
2	Xiamen Xiaxing Motorcycle Co., Ltd	1,239,896	13	The Company's sub-subsidiary	Xiamen Xiaxing Motorcycle Co., Ltd	4,324,406	13	The Company's sub-subsidiary	Xiamen Xiaxing Motorcycle Co., Ltd	3,625,889	10	The Company's sub-subsidiary
3	Others	4,919,977	54	-	Others	16,716,364	50	-	Others	18,822,761	53	-
	Net purchase	9,220,983	100	-	Net purchase	33,563,716	100	-	Net purchase	35,303,497	100	-

2. Major customers

Unit: NT\$ thousand

Items	Q1 of 2025				2024				2023			
	Customers	Amount	Percentage of annual net sales (%)	Relationship with the Issuer	Customers	Amount	Percentage of annual net sales (%)	Relationship with the Issuer	Customers	Amount	Percentage of annual net sales (%)	Relationship with the Issuer
1	Nanyang Industries Co., Ltd.	3,655,294	31	The Company's sub-subsidiary	Nanyang Industries Co., Ltd.	16,809,991	34	The Company's sub-subsidiary	Nanyang Industries Co., Ltd.	16,984,747	35	The Company's sub-subsidiary
2	Dingtai Vehicles Co., Ltd.	1,419,097	12	-	Dingtai Vehicles Co., Ltd.	5,631,371	11	-	Dingtai Vehicles Co., Ltd.	5,978,357	12	-
3	Others	6,636,497	57	-	Others	27,355,569	55	-	Others	26,327,139	53	-
	Net sales	11,710,888	100	-	Net sales	49,796,931	100	-	Net sales	49,290,243	100	-

III. Employee Information

Datas of employees include their average working years, average age, and distribution of education level in the past two years:

Year		2023	2024	As of May 14, 2025 of the current fiscal year
Employees	Male	2,156	2,218	2,176
	Female	313	324	310
	Total	2,469	2,542	2,486
Average Age		43	43	42.7
Average working Years		16.8	16.2	16.0
Education Level Distribution	PhD	3	2	1
	Master's Degree	269	295	283
	Bachelor's Degree	822	855	833
	High School Diploma	1,014	987	961
	Below High School	361	403	408

IV. Environmental Protection Expenditures

- Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents:

There were no significant losses and disposals in 2024.

- The Company's environmental expenditure amounted to NT\$372 million in 2024.
- Investment in energy-saving or green energy-related, environment-friendly, and sustainable machinery and equipment:

- (1) In 2024, an investment of NT\$8.12 million for 17 items of energy-saving equipment was made, saving 911,300 kWh of electricity and reducing 450.16 MtCO₂e, as described below :

Hsinchu Plant: Replacement of aging equipment, introduction of energy-saving and environmentally friendly high-efficiency transformers, energy-saving lighting improvements, renew the old air compressor, replacement of air compressors, replacement of air conditioners, control of A/C activation time, etc., which saved total electricity consumption of 820,000 kWh.

Xinfeng Plant: Improvements to energy-saving ice-cooled water have reduced power consumption by 91,200 kWh.

- (2) Investment in low-carbon process modification project : A. Replaced heavy oil with liquid petroleum gas in 4 boilers ; B.Modified low-carbon coating lines and introduced a RTO (Regenerative Thermal Oxidizer) incinerator with coated zeolite rollers. The total investment was NT\$240 million, and it is expected to reduce carbon by 1,095.60 MtCO₂e/year.

V. Labor Relations

1. Losses from Labor Disputes in the Most Recent Year:

The labor relations in the Company are harmonious, and the Company has not suffered any loss from labor disputes. It is predicted that the Company won't be involved in any major labor disputes because it has complete channels for communicating about labor relations, salary, and benefit systems.

2. Information on Employee Benefits, Continuing Education, Training, and Retirement Systems and the Status of Their Implementation, Labor Agreements and Measures for Safeguarding Employees' Rights and Interests:

Items	Systems and Measures
Benefits	<p>The Company has established the Employee Welfare Committee to appropriately plan employee benefits and improve related welfare systems.</p> <ol style="list-style-type: none"> 1. Wedding and funeral subsidies 2. Bereavement subsidies 3. Mid-Autumn and year-end bonuses 4. Birthday presents 5. Cash gifts for festivals 6. Domestic and foreign travel subsidies 7. Automobile purchases subsidies 8. Scholarships 9. Club subsidies 10. Annual large-scale events subsidies 11. Traffic allowances 12. Internal and external employee education and training 13. Commemorative gold coins for senior employees 14. Hospitalization subsidies for employees and their families 15. Emergency aids and loans 16. Group insurances 17. Regular health examinations 18. Special store offers
Retirement (Resignation) Systems	<p>(1) Retirement:</p> <p>For pensions covered by the old pension system, in accordance with the Labor Standards Act, the Company established the Regulatory Committee on Reserve for Employee Retirement and makes monthly contributions to the reserve for employee retirement. As of the end of December 2024, the balance amounted to NT\$404,834 thousand in the special retirement account.</p> <p>For pensions covered by the new pension system, in accordance with the Labor Pension Act, the Company monthly contributes 6% of its employees' wages to their individual special accounts for those who adopt the new pension system. As for those who opt for voluntary contributions, the Company makes contributions to their individual special accounts at a ratio designated by the employees themselves.</p>

Items	Systems and Measures
	<p>(2) Resignation:</p> <p>According to rules of the Company, the employees, whose pension has been paid under the old system for more than five years (inclusive) but no more than 25 years, may apply for resignation allowance at the time of resignation. The retirement allowance shall be determined by multiplying the years of service, monthly base salary, and certain ratio (20%~110%). In 2024, the Company paid a resignation allowance to its resigned employees in the amount of NT\$0.</p>
Continuing Education and Training	<p>The Company plans to improve its education and training systems. It annually executes its education and training plans for different fields at varying levels in combination with its business strategies and plans for its future core competencies. It encourages its employees to receive continuing education/training and improve their professional competencies, in order to maintain and enhance their competitive advantages. In 2024, the Company organized 212 classes for education and training. A total of 2,780 employees were trained, with total training hours of 14,000 hours.</p>
Labor Agreements	<p>The Company enters into collective agreements with its employees based on the Labor Standard Act, and files such agreements with the Labor Affairs Bureau. It implements related systems in accordance with laws, regulations and collective agreements.</p> <p>(1) The Company and its employees formally entered into the collective agreements on March 28, 1989. Such agreements were renewed in May 1992, May 1995, May 1998, July 2001, June 2004, June 2007, June 2010, June 2013, June 2016, June 2017, and June 2020. The most recent effective signing period was from July 2023 to July 2026. To foster stable labor relations and cultivate harmony between labor and management, the Company is committed to promoting labor welfare through proactive measures. Central to this endeavor is the initiation of collective bargaining procedures with the labor union. In these negotiations, both parties adhere to the principles of labor-management autonomy and integrity, engaging in constructive dialogue on various aspects including labor conditions, welfare measures, education and occupational safety, rewards and penalties, as well as promotion criteria.</p> <p>(2) The Company quarterly holds a labor-management symposium.</p> <p>(3) Apart from internal administrative channels, the Company also offers alternative methods, such as suggestion boxes and improvement proposals, for submitting complaints. These options ensure smooth communications between the employees and management.</p>
Measures for Safeguarding Employees' Rights and Interests	<p>The Company has lawfully established a labor union and holds quarterly labor-management meetings, so the labor relations are harmonious. The Company provides suggestion boxes, complaint channels, employee communication zones, and employee assistance mechanisms to assist employees in solving related problems.</p>
Losses from Labor Disputes in the Most Recent Year	<p>The labor relations in the Company are harmonious, and the Company has not suffered any loss from labor disputes. It is predicted that the Company won't be involved in any major labor disputes because it has sufficient channels for communicating about labor relations, salary, and benefit systems.</p>

(III) Protective Measures for Work Environment and Employees' Personal Safety

The Company upholds being people-oriented as its core value. The Company is devoted to providing safe, sanitary and healthy workplaces. It carries out occupational safety and health management in accordance with labor laws and regulations. In 1999, it introduced and obtained the certification by the occupational safety and health management system OHSAS 18001. It also implemented and enforced related rules and PDCA cycle to guarantee its employees' personal safety and health. In order to strengthen procurement management, contract management and change management, the Company adopted CNS 15506 Occupational Safety and Health Management System in 2015. In an effort to comply with international standards and national standards, the Company adopted ISO/CNS 45001 Occupational Safety and Health Management System in 2019, and passed the management system verification. The current effective period is from October 17th 2022 to October 16th 2025. These systems are designed to assist the organization in providing safe sanitary workplaces, preventing harms or health impacts from work, and actively improving organizational health and safety performance.

Additionally, the Company performs workplace hazard and risk identification and formulates plans for management, audit assistance, independent management, education, training, and emergency response drills. It takes preventive measures against possible injuries and disasters and regularly conducts emergency response drills to ensure systematic responses in a well-organized manner when any accident happens, minimizing damages and losses. The Company also guarantees its employees' life safety to achieve the goal of "no disaster, harm or occupational disease" as stated in its safety and health declaration.

(IV) Information on Code of Conduct or Ethics for Employees

Related procedures and rules are specially drafted to be followed by employees in their conducts, rights, obligations and ethical concepts. They are summarized as follows:

1. Hierarchical delegation of responsibilities

(1) Hierarchical delegation of responsibilities for business approval

Clarify business procedures and hierarchical delegation of responsibilities, and regulate authorities for each position

(2) Application form for position agent

Implement an agent system to ensure normal business operations of the Company.

(3) Positions and titles structure

Establish structure of positions and titles to provide employees with appropriate blueprints for career development.

2. Work rules

Clarify the rights and obligations of employees and the employer, and urge all staff of the Company to jointly promote the business operations of the Company.

3. Code of professional ethics

To become internationalized, the Company has to learn from international enterprises. Specifically, the headquarters shall define the code of professional ethics and require all its employees to carefully read, personally sign, and comply with related rules.

4. Responsibilities of Sectors

Clarify responsibilities and organizational functions of each main sector in order to allocate tasks among sectors according to their respective professions and enhance the Company's core competencies.

5. Punishment and reward measures

To promptly reward employees with contributions and protect the Company from damages arising out of employees' behaviors, related rewards and punishments are specified in the work rules.

6. Evaluation measures

The supervisors offer appropriate assistance and feedback according to employees' performances, which are used as basis for individual rewards, transfer, promotion, appointment, dismissal, cultivation, work review, and improvement.

7. Management measures for attendance and leave

To maintain disciplines, improve work quality, and establish guidelines for the employees' attendance and leave, the Company has formulated comprehensive rules on employees' attendance and leave.

8. Measures on non-competition and confidentiality undertakings

To safeguard the commercial interests and enhance the competitiveness of the Company, employees are obliged to maintain the confidentiality of the Company's business. To avoid any harm to the interests or business reputation of the Company, employees ought to sign Non-competition and Confidentiality Undertakings.

9. Detailed rules on prevention and control of sexual harassment

To prevent and control sexual harassment in the workplace, maintain gender equality at work, and safeguard human dignity, the Company has established related rules and announced relevant laws and complaint channels on its internal website. This is to ensure that employees conduct themselves appropriately at work.

(V) Corporate Responsibilities

Sanyang Motor has been adhering to the concept on quality first and customer satisfaction. It is wholly dedicated to developing its core automobile and motorcycle businesses. In addition to creating value for itself and enhancing shareholder equity, it also diligently complies with all laws and regulations, strictly maintains operation of its governance mechanism, creates safe work environment for its employees, and provides its employees with reasonable compensation and benefits. Furthermore, it actively invests in innovations, research, and development

of intellectual properties and energy-saving products with lower carbon emissions, improves its performance in environmental protection, delivers education on environmental protection and energy conservation, and actively participates in social public welfare. This is in order to make contributions to social and economic development, advancement of products and technologies, and environmental sustainability. Outcomes of the Company are briefly introduced as follows:

1. Responses to climate changes

To reduce the impacts of products on the environment, the Company follows the standard procedures of ISO 14064, identifies and develops an inventory of greenhouse gases, and applies for verification by a third-party certification body. This process allows the Company to gain an exact understanding of current greenhouse gas emissions, which will serve as the basis for planning future emissions reductions.

In 2024, the Company implemented an Energy Management System (ISO 50001) and established a dedicated Energy Management Promotion Team, comprising representatives from the EHS unit, plant management, and energy management personnel. This team is responsible for the comprehensive implementation of energy-saving policies, including efforts to enhance production efficiency, improve equipment utilization efficiency, manage energy consumption in public facilities, and reduce overall energy costs.

2. EHS policies and management

Following EHS policies were established as guidelines for future environmental management:

- (1) EHS policies: Obey laws and regulations, create safe workplaces, prevent occupational hazards and environmental pollution, promote worker health, and continuously improve the environment.
 - (2) Environmental declarations: Prevent pollution, save energy, recycle resources, and promote a green environment.
 - (3) Safety and health declaration: No disaster, harm or occupational disease.
- Based on ISO 14001, ISO 50001, ISO 45001, and CNS 15506 management systems, the top management formulates relevant policies and orientations to ensure the achievement of environmental energy policies and objectives. They also regularly hold EHS Committee meetings and management review meetings to report on EHS practices and performances, review deficiencies, and offer suggestions for improvement.

3. Pollution prevention

To reduce possible environmental hazards associated with wastes, the Company is committed to reducing waste production, actively recycling and reusing resources. We strengthen waste management from source to production processes through management and proper classification of wastes, in the hope of minimizing waste generation, maximizing the benefits of reuse, decreasing resource consumption, or mitigating environmental impacts of our products, activities, and services.

4. Green design

Greenhouse effects have caused increasingly serious global warming. In response to environmental protection regulations and the growing environmental awareness among consumers, more stringent pollution control regulations or license plate restriction policies for total pollution control have been adopted to reduce urban pollution. For instance, the European V Regulations and the Taiwan VII Regulations rigorously restrict waste emissions from motorcycles and strengthen pollution monitoring (implementation of the second phase of OBDII). Other areas, including South Korea, Brazil, the United States, China and ASEAN countries, will also tighten their regulations following Europe. Furthermore, motorcycles featuring “low pollution and low energy consumption” have been developed using advanced technologies, including “injection system, lean combustion and hybrid system.” In spite of significant progress in technologies, developing alternative energy products is still a long-term concern for motorcycle manufacturers.

5. Customers first

To understand what customers are really thinking, customer satisfaction surveys are regularly performed among consumers and distributors. We believe that the surveys will not only make the Company more informative of market changes, but also serve as basis for subsequent improvements.

In addition, the Company enables its customers to understand its product specifications, performance, operation and maintenance instructions, as well as notes on driving safely, riding motorcycles defensively, personal rights and interests, and assistance systems through clear product identifications. These identifications include various data and product labels, user manuals, and maintenance manuals for motorcycle owners as required by the laws and regulations. The Company also aims to establish the most rigorous and comprehensive product guarantee system. When facing with product accidents, the rights and interests of customers are absolutely the priority. Therefore, relevant operating procedures are formulated not only to help customers solve problems and protect their rights and interests but also to ensure that every accident can be resolved in the best and quickest way possible.

Furthermore, the Company has established a 24-hour special free service hotline, and the calls to this hotline will be answered by a human. It is committed to protecting its customers’ personal information to the highest degree and providing them with the safest and most comprehensive service network.

6. Friendly and safe workplace

A safe workplace is fundamental for sustainable operations of enterprises and is the core value that Sanyang Motor is most concerned about. The Company undertakes to ensure the safety and health of its employees and stakeholders. Furthermore, we emphasize employee self-safety awareness, aiming to create a “zero harm” workplace. The Company is committed to promoting occupational safety culture competitions, health promotion activities for labor protection, and other initiatives to improve occupational safety and health performance, aiming

for zero accidents and zero occupational diseases. In 2024, the Company continued to focus on occupational safety and health hazard prevention management, and built a safe and friendly workplace. It covered six major areas: chemical hazard management, prevention of workplace unlawful infringement, operation environment monitoring, maternal health protection, prevention of work overload, and prevention of human-induced hazards.

7. Employee care

Sanyang Motor respects human rights, obeys laws and regulations, and prohibits inappropriate discrimination. Its employees are treated equally and properly in the Company, without regard to gender, religion, political affiliation, race, or nationality. If employees experience humiliation, threats, harassment, or insults, they can file complaints through advisory services for workplace violence or through established complaint channels.

In order to further care for the mental health of colleagues, the Company has introduced employee assistance programs (EAPs) to further enhance the team's cohesion and work efficiency, and build a sustainable management workplace culture.

In addition to competitive salary, reward, and compensation, the Company also offers comprehensive retirement, resignation, and welfare systems to ensure that its employees find pleasure in their work. This is with the hope of collectively achieving outstanding business performance and sharing in the Company's growth, ultimately aiming to attract and retain employees.

8. Social contributions

Taiwan:

- (1) We collected the supplies gathered by the Chin Tsyr Foundation, and donated supplies to the low-income household in Beipu Township, Xinfeng Township, Hukou Township, Hsinchu.
- (2) Donated Xipu Long-term care center.
- (3) Donated wheelchairs to Shin Ren Hospital.
- (4) Donated wheelchairs to Love and Mercy Hospital.
- (5) Donated incubators and high frequency oscillatory ventilation to Hsinchu MacKay Memorial Hospital
- (6) Donated wheelchairs and bath chairs to Da Chien General Hospital.
- (7) Donated scholarships to the students at Shan Qi elementary school, Xin Feng elementary school, Xin Hu elementary school, Xin Feng junior high school, Song Lin elementary school, Jing Hua junior high school, Xin Shi elementary school.
- (8) In response to World Oceans Day, we organized a beach cleanup, and participated in the autumn beach cleanup organized by the Ocean Affairs Council.
- (9) At the charity sale for bidding limited-edition painted motorcycles for our 70th anniversary, we donated NT\$2,536 thousand to Chin Tsyr Foundation.
- (10) Participated in cleaning the traffic mirrors around the Baishatun Mazu Pilgrimage route.

- (11) Donation of disaster relief equipment to the Third Brigade of Hsinchu County Volunteer Fire Brigade.
 - (12) Donated money to South-Link Medical Foundation
 - (13) Donated supplies to Taoyuan Ren-ai Senior Citizens' Home
 - (14) Donated supplies to Kuang-Fu-Chu Recovery Home.
 - (15) Donated supplies to Rehabilitation center of Fu Yu Community
 - (16) Donation of supplies to NSEP.
 - (17) Adoption of Hsinchu Industrial Park Service Center, Department of Adoption Economics.
 - (18) Participated in the Taiwan Fund for Children and Families and set up a booth for charity sale.
 - (19) Donated supplies to Wufeng Township office and Jianshih Township office
 - (20) Donated livelihood materials to Hsinchu City Government
 - (21) Donated NT\$1 million to Alumni association of National Hsinchu Industrial High School.
 - (22) Donated NT\$10 million to Hualien earthquake.
 - (23) Donated NT\$700 thousands to FRCPA.
 - (24) Donated NT\$300 thousands to Wellspring Theater
 - (25) Donated NT\$66 thousands motorcycle vouchersto Lions Clubs.
 - (26) Donated NT\$100 million to Sanyang Education Foundation
 - (27) Sponsored 2024Taipei Design Award
- Overseas:
- (1) Xiamen Xiashing Motorcycle Co., Ltd. held blood donation event.
 - (2) Vietnam Manufacturing and Export Processing Co., Ltd. held the charity activities in Tian PingOrphanage and Fa Hua nursing home.
 - (3) Vietnam Manufacturing and Export Processing Co., Ltd. assisted in disaster relief in mountainous area of Tinh Lao Cai, Hanio.

9. Issuing Sustainability Report

To fulfill corporate social responsibilities, Sanyang Motor regularly and publicly issues its corporate sustainability report to explain to all stakeholders of the society about its outcomes in fulfillment of such responsibilities and its determination to achieve sustainable development.

VI. Cyber Security Management

As the Company grows, the protection of electronic data and the continuous operation of information systems become increasingly important. Through the proper deployment of information security protection measures, we aim to avoid information security incidents caused by factors such as cyber attacks, natural disasters, and machine failures.

(I) Data Security Aspect:

Based on the importance of data and the frequency of risk occurrence, we have categorized risk levels and established local high-availability and network remote offsite backup mechanisms. The Company regularly conducts data restoration drills to reduce the risk of data loss. Additionally, we have enhanced the functionality of our storage systems, utilizing more advanced technology and predictive analytics to proactively prevent data storage system failures.

(II) Network Security Aspect:

To maintain normal business operations, we have implemented network and computer security protection systems. We continuously update relevant information security equipment, set up internal and external network security protections, and deploy endpoint protection on important hosts.

(III) Management Systems:

1. Establishment of the Information and Communications Security Management Committee:

The Company has established the Information and Communications Security Management Committee (referred to as the Information Security Committee) as a dedicated unit to ensure the effective operation of the information and communication security operations in 2021. The Information Security Committee uniformly formulates information and communication security policies and regularly reviews them. The content includes information and communication security, information and communication asset management, risk assessment and management, human resource security management, information and communication access control, physical and environmental security, organizational context assessment, system and network security, system development and operation, information security incident reporting and handling, business continuity management, information and communication security audit management, corrective management, document and record management, backup and recovery management, database management, and implementation of information and communications security.

2. Obtain ISO 27001:2022 transition certification:

To foster compliance with international information security management standards, in October 2024, the Company applied for and obtained ISO 27001 certification for the operation and management activities of core business application information systems, including system management, data center management, and network infrastructure management. The certification was obtained through third-party verification by the British Standards Institution (BSI) Taiwan Branch and is valid until January 3, 2028. Through the implementation of

the ISO 27001 information security management system and the appointment of 18 dedicated information security supervisors and personnel, we continuously review and improve the information security system to mitigate information security risks to an acceptable level and protect the confidentiality, integrity, and availability of information.

3. Continue to implement the information security PDCA cycle operations:

- (1) Conduct inventory and risk assessment of information assets on a regular basis every year.
- (2) Conduct disaster recovery drills for critical systems.
- (3) Perform system vulnerability scanning and penetration testing on a regular basis every year.
- (4) Execution of social engineering drills on a regular basis every year.
- (5) Hold information security education and training on a regular basis every year.
- (6) Dissemination of information security awareness to employees on a regular basis every month.
- (7) A total of 27 information security meetings were held, and 1 information security management review meeting was held to regularly review the information communication security policy.
- (8) Implemented 1 internal audit and 1 external audit; there were no major deficiencies identified, ensuring the implementation of information security measures.

4. Information security maintenance and monitoring:

Information and communication security management is a continuous process. The Company has established dedicated organizations and formulated a series of information security regulations. We have obtained ISO 27001 certification and regularly undergo third-party verification to ensure the continuous implementation of information and communication security. Furthermore, we have planned additional monitoring mechanisms to adapt to the rapidly changing landscape of information security due to technological advancements

- (1) Introduction of a Security Operations Center (SOC) in 2024 to facilitate real-time, centralized aggregation of enterprise security information, monitor internal crises, assess hidden threats, and promptly respond to them.
- (2) Introduction of Application Performance Monitoring (APM) in 2024 to enable the IT Systems Center to quickly grasp the complex and virtualized network infrastructure, in response to the rapid development and application of virtualization technology. This breaks the traditional monitoring approach's inability to immediately reflect issues, allowing the IT Systems Center to quickly identify the causes of application performance degradation and promptly address application interruption issues. This will shorten the processing time from hours under traditional methods to minutes through APM.

(IV) Information Security Joint Defense:

Joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) to facilitate the sharing of cybersecurity information and strengthens collaborative defense against cyber threats. This collaboration aims to achieve comprehensive effectiveness in cross-domain cybersecurity threat prevention.

- (V) In 2024, as of the date of publication of the annual report, some of the information systems of the Company were under cyber attack. The Company has assessed that there was no significant impact on its operations.

VII. Important Contracts

December 31, 2024

Contract Type	Parties	Contract Term	Main Content	Restrictions
Automobiles:				
Distribution Contract	Nanyang Industries Co., Ltd.	January 1, 1994 ~ Proposed Expiry Date	Authorize distributors to sell the Company's automobiles and parts within the territory of R.O.C.	None
Distribution Contract	Nanyang Industries Co., Ltd.	July 1, 2006 ~ Proposed Expiry Date	Authorize distributors to sell the Company's automobiles and parts within the territory of R.O.C.	None
Distribution Contract	Hyundai Motor Company	January 1, 2023 ~ December 31, 2024	Sell automobiles and parts of Hyundai Motor Company within the territory of R.O.C.	None
Technology licensing contract (PORTER)	Hyundai Motor Company	November 20, 2013 ~ November 19, 2025	The Company shall manufacture automobiles within the territory of R.O.C. according to specifications and technical materials provided by Hyundai Motor Company.	None
Technology licensing contract (TUCSON HEV)	Hyundai Motor Company	January 29, 2023 ~ January 28, 2028	The Company shall manufacture automobiles within the territory of R.O.C. according to specifications and technical materials provided by Hyundai Motor Company.	None
Technology licensing contract (VENUE)	Hyundai Motor Company	April 27, 2020 ~ April 26, 2025	The Company shall manufacture automobiles within the territory of R.O.C. according to specifications and technical materials provided by Hyundai Motor Company.	None
Technology licensing contract (TUCSON L)	Hyundai Motor Company	May 30, 2021 ~ November 15, 2026	The Company shall manufacture automobiles within the territory of R.O.C. according to specifications and technical materials provided by Hyundai Motor Company.	None
Technology licensing contract (KU)	Hyundai Motor Company	July 26, 2021 ~ July 25, 2026	The Company shall manufacture automobiles within the territory of R.O.C. according to specifications and technical materials provided by Hyundai Motor Company.	None
Technology licensing contract (QT 500)	Hyundai Motor Company	April 1, 2023 ~ March 31, 2025	The Company shall manufacture automobiles within the territory of R.O.C. according to specifications and technical materials provided by Hyundai Motor Company.	None

Contract Type	Parties	Contract Term	Main Content	Restrictions
Motorcycles:				
No. VIPO 18 Technology Transfer Contract	Vietnam Manufacturing and Export Processing Co., Ltd.	December 1, 2022 ~ November 30, 2025	Technology transfer for new types of motorcycles, including VW3, VW4 and etc.	Exclusive licensing
No. VIPO 19 Technology Transfer Contract	Vietnam Manufacturing and Export Processing Co., Ltd.	August 01, 2023 ~ July 31, 2026	Technology transfer for new types of motorcycles, including V4A, VW5 and VW6, etc.	Exclusive licensing
No. VIPO 20 Technology Transfer Contract	Vietnam Manufacturing and Export Processing Co., Ltd.	July 05, 2024 ~ July 04, 2027	Technology transfer for new types of motorcycles, including VHA, VH2, VWN, VWR, VFN, VFL and etc.	Exclusive licensing
No. VIPO 20 Technology Appendix VIPO ANNEX 03	Vietnam Manufacturing and Export Processing Co., Ltd.	September 15, 2024 ~ September 14, 2027	Definition of net selling price of VWA and VW4 models	Exclusive licensing
No. VIPO 21 Technology Transfer Contract	Vietnam Manufacturing and Export Processing Co., Ltd.	December 02, 2024 ~ December 01, 2027	Technology transfer for new types of motorcycles, including VVH3, VHB, VSH, VSK, VYA, VYB, VYC & VHC and etc.	Exclusive licensing

Chapter 5. Review and Analysis of Financial Position and Financial Performance, and a Listing of Risks

I. Financial Position:

Comparative Analysis on Parent Company Only Financial Position

Unit: NT\$ thousand; %

Year Items	2024	2023	Difference	
			Amount	%
Current assets	8,253,189	8,694,968	(441,779)	(5.08)
Property, plant, and equipment	5,311,760	4,958,429	353,331	7.13
Other assets	35,839,387	32,395,428	3,443,959	10.63
Total assets	49,404,336	46,048,825	3,355,511	7.29
Current liabilities	12,539,508	11,999,903	539,605	4.50
Non-current liabilities	11,725,424	11,653,711	71,713	0.62
Total liabilities	24,264,932	23,653,614	611,318	2.58
Share capital	7,974,896	7,974,896	0	0.00
Capital reserves	1,735,853	1,713,762	22,091	1.29
Retained earnings	16,547,004	14,197,678	2,349,326	16.55
Other equity	(985,533)	(1,358,309)	372,776	27.44
Treasury stock	(132,816)	(132,816)	0	0.00
Total equity	25,139,404	22,395,211	2,744,193	12.25

Notes on material changes:

Other equity: mainly due to the increase in exchange differences on translation of foreign financial statements compared to 2023.

II. Financial Performance:

Comparative Analysis of Operating Results

Unit: NT\$ thousand

Year Items	2024	2023	Difference	
			Amount	%
Operating revenue	49,796,931	49,290,243	506,688	1.03
Operating costs	43,569,239	42,869,251	699,988	1.63
Gross profit	6,219,592	6,374,325	(154,733)	(2.43)
Operating expenses	2,894,164	2,850,465	43,699	1.53
Net operating profit	3,325,428	3,523,860	(198,432)	(5.63)
Non-operating income and expenses	2,219,411	3,675,244	(1,455,833)	(39.61)
Profit before income tax	5,544,839	7,199,104	(1,654,265)	(22.98)
Income tax expense	774,442	901,583	(127,141)	(14.10)
Net income for the year	4,770,397	6,297,521	(1,527,124)	(24.25)
Other comprehensive income (net amount after tax)	416,063	(117,541)	533,604	453.97
Total comprehensive income for the year	5,186,460	6,179,980	(993,520)	(16.08)

Notes on material changes:

1. Non-operating income and expenses, net income before tax, net income for the period, and total comprehensive income for the period: Mainly due to the recognition of gain from disposal of non-current assets held for sale in 2022.
2. Other comprehensive income: mainly due to the increase in exchange differences on translation of foreign financial statements compared to 2023.

III. Cash Flow:

(I) Liquidity analysis for the past two years

Unit: %

Year Items	2024	2023	Increase (Decrease) (%)
Cash flow ratio (%)	24.14	29.17	(17.24)
Cash flow adequacy ratio (%)	92.21	92.02	0.21
Cash reinvestment ratio (%)	1.32	4.52	(70.80)

Note: Lower cash reinvestment ratio was mainly due to higher cash dividends and investments accounted for using the equity method.

(II) Cash Liquidity Analysis for the Upcoming Year

Unit: NT\$ thousand

Cash at Beginning of Year	Net Cash Inflows from Operating Activities	Net Cash Outflow from Investments and Financing Activities of the Whole Year	Cash Balance (Deficit)	Remedial Measures for Cash Inadequacy	
				Investment Plan	Financial Plan
2,390,289	3,071,313	(4,098,963)	1,362,639	-	-

In the coming year, the estimated cash inflow from operating activities is NT\$3,071,313 thousand, the estimated cash outflow from investing activities is NT\$1,267,140 thousand, and the estimated cash outflow from financing activities is NT\$2,831,823 thousand.

IV. Impacts of Material Capital Expenditure in the Most Recent Fiscal Year upon Financial Business:

(I) Utilization and Source of Funds of Major Capital Expenditures

Unit: NT\$ thousand

Plan	Actual or expected source of funds	Actual or expected completion date	Funds required	Actual or estimated capital expenditure				
				2025	2024	2023	2022	2021
Projects for production rationalization	Private capital	2025	1,715,436	364,207	580,487	271,387	165,486	333,869
Development of new types of scooters	Private capital	2025	1,110,470	557,095	267,658	102,040	161,676	22,001
Others	Private capital	2025	1,206,145	262,340	386,637	66,183	296,241	194,744

(II) Expected Benefits

1. Invest in equipment to expand, integrate, and improve the efficiency and quality of present product lines. This will also enhance product competitiveness and ensure a prompt response to both domestic and foreign market needs.
2. Invest in developing new types of motorcycles and creating more complete product lines, so as to develop new market segments and new international markets while increasing market shares, corporate revenues, and sales.

V. Investment Policy for the Most Recent Fiscal Year, Main Causes of Profits or Losses Resulting Therefrom, Improvement Plans and Investment Plan for the Upcoming Fiscal Year:

The Company's reinvestment strategies focus on its core businesses. The investment income from reinvestment accounted for using equity method in 2024 amounted to NT\$2,166,176 thousand. In the future, the Company will continue to implement the reinvestment plans with an attitude of seeking progress while maintaining stability.

VI. Risk Management and Assessment:

(I) Impact on the Company's Profit (Loss) Due to Interest and Exchange Rate Fluctuations and Inflation, and Future Responses:

1. Changes in interest rates

The Company's interest rate risks primarily stem from the liabilities related to managing its operating activities. Its main financing instruments are short and mid-term liabilities measured at banks' benchmark interest rate and fixed interest rate. To reduce interest rate risks, the Company strives to lower its loan interest rate with financial institutions every year according to market interest rates.

The interest rate range for short-term borrowings of the Company in 2024 was 1.74%~1.81%, and the interest rate for long-term borrowings was 1.72%~1.955%. With all other conditions unchanged, for every 1% increase or decrease in the loan interest rate, the net profit of the Company in 2024 would decrease or increase by NT\$111,404 thousand.

2. Exchange rate fluctuations

In 2024, the foreign sales revenue of the Company increased by NT\$910,447 thousand compared with those in 2023. The ratio of foreign sales revenue to the total revenue of the Company increased from 12.68% in 2023 to 14.38% in 2024. In addition, most parts used by the Company for automobile production were imported from foreign countries. In order to mitigate the impact of exchange rate fluctuations on its net profit, the Company has engaged in necessary hedging transactions to manage associated risks. These transactions include spot sales of net inflow of US dollars and the conclusion of foreign exchange forward contracts, with the aim of reducing impacts of exchange rate fluctuations on the Company's gains (losses).

To strengthen its risk control over exchange rate fluctuations, the Company has also taken the following countermeasures:

- (1) Regularly collects market information on exchange rates to understand fluctuation trends in exchange rate;
- (2) Conducts regular reviews and performs timely foreign exchange operations to adjust foreign currency positions;
- (3) Appoints financial institutions that have cooperated with the Company to provide professional advisory services and requires finance personnel to collect information about exchange rates and provide related sectors with this information promptly;
- (4) Takes into account exchange rate fluctuations to ensure that the Company will make reasonable profits when providing quotations in foreign currencies.

3. Inflation

According to the data released by the Directorate General of Budget, Accounting and Statistics of Executive Yuan, the average consumer price index in 2024 is 107.81, increased by 2.30% compared with that of 105.51 in 2023. The Company's costs have increased due to an increase in the global price of raw materials, growing needs for necessary for key components, tightened supply, and continuous price increases. Consolidate the Group's strength in global procurement to ensure adequacy and timeliness of supply. For certain components facing rising raw material costs, the Company adopts multi-manufacturer development or collaborates with multiple

manufacturers on joint design and research. With a commitment to maintaining or enhancing quality, it mitigates impacts of the price increase by reducing the consumption of raw materials that are experiencing price growth through various development or production methods. In the future, the Company will continue to explore manufacturers with new technologies or cooperate with manufacturers to develop new technologies, thereby alleviate the impacts of adverse factors due to lowering costs with technologies.

(II) Policy regarding High-risk Investments, Highly Leveraged Investments, Loans to Other Parties, Endorsements /Guarantees, and Derivatives Transactions, Main Reasons for the Profit (Loss) Generated Thereby, and Future Response Measures:

To effectively control financial risks, the Company hasn't engaged in high-risk or highly leveraged investments or transactions. Capital loans, endorsements or guarantees and derivatives transactions also comply with related laws regulated by the Securities and Futures Bureau. Furthermore, the Company has developed operational procedures for capital loans, endorsements/guarantees and derivatives transactions, along with measures for internal control and management to improve financial and business management. Furthermore, the Company engages in derivative financial products transactions to mitigate market risks rather than for the purpose of trading or speculative product trading. In the future, it will continue to regularly evaluate and flexibly adjust related hedging strategies based on its business conditions and changes in market trends.

(III) Future R&D Plans and Expected R&D Spending:

1. Motorcycles:

- (1) Continuously develops its private brand motorcycles that lead the trends and increases its market shares.
- (2) Masters core technologies of its excellent products, accumulates creative product technologies, and expands leading technologies.
- (3) Improves its abilities for platform integration, R&D, and design to rapidly launch products worth more than what they are paid for.
- (4) Continuously develops heavy-duty motorcycles, big-sized Heavy Motorcycle and innovative products with high added value.
- (5) Integrates R&D technologies and production resources of overseas bases to launch special segmentation of high-end models and economical and practical models.

2. Automobiles:

Plans to introduce hybrid automobiles, electric automobiles, and those equipped with high fuel efficiency engines in response to environmental regulations and standards.

3. In 2025, the Company plans to invest NT\$557,095 thousand in R&D of new models.

(IV) Impacts of Changes in Domestic and Foreign Material Policies and Legal Changes upon Financial Operations of the Company and Countermeasures:

The Company operates in compliance with relevant domestic and foreign laws and regulations, and the management has been paying close attention to laws and policies affecting the Company's business and operations. Currently, there is no significant impact on financial operations.

(V) Impacts of Developments in Science and Technology and Industrial Changes on the Financial Operations of the Company and Countermeasures:

1. With the development of digital environments and technological tools, there is a growing focus on data protection and ensuring the continuous operation of information systems. Through the proper deployment of information security and protective measures, efforts are made to prevent cybersecurity incidents caused by factors such as cyberattacks, natural disasters, and equipment failures.
2. The Company has obtained ISO 27001 information security management system certification. Through comprehensive measures in system security, network security, and policy management, the Company ensures the protection of information confidentiality and effectively controls cybersecurity risks.
3. Actively develop NEVs, and give priority to safety to win market opportunities.
4. The Company is closely monitoring the future technological advancements and market development trends in electric scooters, while also conducting research on key technologies and innovative business models for charging service related to electric scooters.

(VI) Effects of Changes in Company Image upon Crisis Management and Countermeasures:

1. To strengthen governance, the Company has appointed independent directors and instituted both an Audit Committee and a Remuneration Committee, which convene regular meetings. These committees adhere to regulatory requirements, ensuring prompt disclosure of pertinent information. Additionally, the Company has established a spokesperson mechanism, with a dedicated unit tasked with effectively maintaining the Company's corporate image.
2. In the face of global challenges posed by extreme climate conditions, businesses are being tested on their resilience to risks. As a major manufacturing hub for finished vehicles, the Company has established a Sector of ESG & sustainability affairs, aligning with the goal of sustainable environmental management. This initiative echoes government initiatives toward achieving net zero emissions. Annually, the Company publishes ESG reports, actively researches new energy technologies, and products, committing to long-term, sustainable operations. We recognize our corporate responsibility in shaping the future and strive to create it collectively.
3. In addition to formulating annual and monthly operational plans, the Company regularly conducts weekly meetings, monthly meetings, and sales and production meetings. These meetings aim to enhance management precision and facilitate swift responses to the supply status of raw materials and critical components. They ensure the monitoring of the Company's operational activities and enable effective allocation and acquisition of internal resources, thereby enhancing crisis response capabilities.

(VII) Expected Benefits and Possible Risks Associated with Any M&A and Countermeasures: None.

(VIII) Expected Benefits and Possible Risks Associated with Any Plant Expansion and Countermeasures:

The Company's plant expansions have all gone through complete and prudent evaluation by responsible units. The return on investment and possible risks have all been taken into account.

(IX) Risks Associated with Any Concentration of Sales or Purchase and Countermeasures:

1. Motorcycles

(1) Purchase:

A. Risks:

1. Among the motorcycle parts purchased by the Company, several technologically advanced components are procured from professional manufacturers that possess exclusive technologies. All other parts are supplied by more than 2 manufacturers, all of whom are competent for production. Therefore, there is no risk of purchasing concentration.
2. In terms of motorcycle components imported from overseas, we estimate future shipments by using half-yearly production forecasts and increase the safety stock level and lead time of purchase, in order to reduce the risk of delayed delivery of components.

B. Countermeasures:

1. For the parts purchased from exclusive manufacturers, the Company maintains good relations with them. Meanwhile, it actively develops relationships with new manufacturers and looks for alternative resources satisfying their needs, in order to reduce risks.
2. Provides manufacturers with a half-year predictive quantity for their reference in preparing goods. Increases the safety stock level and extends the lead time for purchasing to reduce risks of late delivery of parts.

(2) Sales:

A. Domestic sales:

The Company's general agents for selling motorcycles include general distributors in Taiwan and outing islands (Kinmen and Penghu) and individual distributors. The Company has maintained cooperation and good interactions with these distributors for many years. For motorcycles delivery, the Company first collects a shipping security deposit from the general distributors and individual shipping distributors. Motorcycles will then be shipped within the range secured by the deposit according to the corresponding order, and the payment for the entire order will be collected one week thereafter. After the Finance Sector confirms that the payment has been received and recognized, the guaranteed number of motorcycles will be restored, and the motorcycles will then be delivered. The general distributors and individual distributors shall manage their sales and inventories by themselves in cooperation with the Company's marketing process. It is concluded that there are no centralized or immediate risks.

B. Foreign sales:

1. The Company sells its motorcycles all over the world. It has set up an Overseas Business Sector to coordinate the marketing and production capacity of the factories in three regions for global shipping. Foreign sales arrangement focuses on promoting its sales in four major markets (Europe, Central/South America, Africa/Middle East, and ASEAN). At present, SYM has approximately 95 agents worldwide, and formulates a sales distribution strategy delegated by region and country, effectively reducing regional

“market risk”.

2. In addition, the Company plans to purchase product liability insurance for export models every year to reduce the risk of liability claims in overseas markets (risk diversification) resulting from product defects.
3. The Company’s foreign sales of its motorcycles comply with the principle of “delivery after obtaining a bank’s letter of credit as a guarantee or receiving payment.” If a customer has any special payment conditions or requirements for a credit line change, the requirements shall be reviewed and approved by supervisors before delivery to lower “financial risks”.

2. Automobiles

(1) Purchase:

The Company’s automobiles are primarily supplied by Hyundai. Since Hyundai has experienced strikes every July to August for a long time, the purchasing risk is relatively high. However, the Company maintains long-term and close cooperation with its suppliers to ensure that there will not be a shortage of components. In recent years, the rise of isolationism has made the shipping industry extremely unstable in the face of the pressure of tariff wars. In response to this change, the Company’s safety stock is a key to the Company’s future growth. Moreover, the Company has negotiated with Hyundai Korea to not only meet the Company’s safety stock supply but also the actual production demand. In addition, Nanyang Industries Co., Ltd. is the main customer and an affiliate of the Company. Both companies regularly hold production and sales meetings to review their sales ratio and jointly diversify purchasing risks, ensuring that the Company does not incur unnecessary costs. In addition, Nanyang Industries Co., Ltd. is the main customer and an affiliate of the Company. Both companies regularly hold production and sales meetings to review their sales ratio and jointly diversify purchasing risks, ensuring that the Company does not incur unnecessary costs.

(2) Sales:

The Company’s products are sold in the vast end customer market, so there is no sales concentration for either passenger or commercial vehicles. Nanyang Industries Co., Ltd. and other distributors order the Company’s vehicle products according to consumers’ orders, and they cannot prevent other distributors from selling these products. Therefore, the sales risks are diversified, and the Company has the authority to direct the sales market.

For passenger vehicles, Nanyang Industries Co., Ltd. strives to develop diverse sales channels, apart from selling through its sales bases. For commercial vehicles, Nanyang Industries Co., Ltd. employs a distribution method involving designated regions and volumes, catering to commercial groups.

- (X) Impacts of Substantial Share Transfer by Directors, Supervisors or Shareholders Holding over 10% Shares on the Company, Risks and Countermeasures: None.
- (XI) Impacts of Changes in Management Rights on the Company, Risks and Countermeasures: None.
- (XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative

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

(XIII) Other Important Risks and Countermeasures: None.

VII. Other Important Matters: None.

Chapter 6. Special Notes

I. Information on Affiliates

Please refer to MOPS for details

(https://mopsov.twse.com.tw/mops/web/t57sb01_q10).

Check route as the following:

MOPS > Single Company > Download Electronic Documents > Three Reporting Forms for Affiliated Enterprises

II. Issuance of Private Placement Securities of the Most Recent Fiscal Year and as of the Date of the Annual Report: None.

III. Other Necessary Supplementary Information: None.

IV. Situations Listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which Might Materially Affect Shareholders' Equity or the Price of the Securities, Occurring during the Most Recent Fiscal Year and as of the Date of the Annual Report: None.

Sanyang Motor Co., Ltd.

Chairman Ching-Yuan Wu