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SuperAlloy Industrial Co., Ltd.

2024 years



ANNUAL REPORT

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For information about the Annual Report, visit: <http://www.superalloy.tw>

Securities Exchange Public Information Inquiry Website: <http://mops.tse.com.tw>

I. Spokesperson and acting spokesperson's names, titles, contact phone numbers, and email addresses

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Factory Tel: 05-5512288

III. Name, address, website, and phone number of the stock transfer agency

Name: Mega Securities Co., Ltd. Registrar and Transfer Agency Department

Address: 1F., No. 95, Sec. 2, Zhongxiao E. Rd., Taipei City, Taiwan (R.O.C.)

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

Tel: 02-3393-0898

IV. Name, firm name, address, website, and phone number of the Certified Public Accountant for the latest annual financial report

Certified Public Accountant: Accountants Mei-Lan Liu and Su-Hua Hung

Name of Firm: PwC Taiwan

Address: 12F., No. 402, Shizheng Rd., Xitun Dist., Taichung City, Taiwan (R.O.C.)

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

Tel: 04-27049168

V. Name of Trading Site for Securities Listed Overseas and How to Search for the Said Overseas Securities: None

VI. Company Website: <http://www.superalloy.tw>

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A. Letter to Shareholders

Dear Shareholders

I. Business results:

(I). 2024 Business Plan Implementation Results

In 2024, due to the global economic situation and the Chinese automotive market, the overall demand for luxury cars and the delivery schedule have slowed compared to earlier expectations. As a result, SuperAlloy's revenue for the entire year of 2024 is expected to be slightly affected, resulting in a single-digit percentage decrease. However, as the demand for carbon reduction from luxury car brand customers continues to grow, the use of SuperAlloy's recycled aluminum for manufacturing customized wheels has been certified by 7 car manufacturers by 2024. The usage rate of recycled aluminum is steadily increasing, with a goal of reaching 50% by 2025. Besides helping customers progress towards carbon neutrality, it also enables the company to reduce raw material costs by 10 to 15% and decrease its inventory levels. Alongside continuous efforts to enhance production efficiency, SuperAlloy reached a new high in operating profit margin in 2024, the highest since 2019.

The company will continue to enhance the efficiency of various processes and implement artificial intelligence (AI) technology in practical applications for product development, manufacturing, and automated and smart quality inspection, aiming to further increase yield and reduce labor usage in production. In 2024, the consolidated revenue amounted to NT\$ 7,473,579 thousand, with earnings per share after tax of NT\$ 3.30.

(II). Execution of the Budget:

Our company has not released financial forecasts for 2024; therefore, we present the actual operating conditions for that year as follows:

Unit: NT\$ Thousands

Item	2024 years	Percentage	2023 years	Percentage	Differences	Percentage
Operating revenue	7,473,579	100	7,779,316	100	(305,737)	(4)
Operating costs	5,469,886	73	6,044,901	78	(575,015)	(10)
Gross profit	2,003,693	27	1,734,415	22	269,278	16
Operating expenses	1,025,835	14	979,556	12	46,279	5
Operating income	977,858	13	754,859	10	222,999	30
Non-operating revenue and (expenses)	(34,338)	-	7,051	-	(41,389)	(587)
Net income before tax	943,520	13	761,910	10	181,610	24
Income tax expense	188,036	3	153,474	2	34,562	23
Net income after tax	755,484	10	608,436	8	147,048	24
Earnings per share (New Taiwan dollars)	3.30		2.88		0.42	15

(III). Financial income, expenditures, and profitability status:

Item		2024 years	2023 years
Financial structure	Debt-to-assets ratio (%)	43.97	55.48
	Ratio of long-term funds to property, plant and equipment (%)	180.36	163.81
Solvency	Current ratio (%)	273.06	233.16
	Quick ratio (%)	96.18	63.88
	Interest coverage ratio	6.76	5.09
Profitability	Return on assets (%)	5.05	4.28
	Return on equity (%)	8.61	8.10
	Ratio of income before tax to paid-in capital (%)	39.68	35.56
	Net profit margin (%)	10.11	7.82
	Earnings per share (New Taiwan dollars)	3.30	2.88

(IV).Status of Research and Development:

1. Recent research and development expenditures as a percentage of consolidated net operating revenue in the last two years are as follows:

Unit: NT\$ Thousands

Year	2024 years	2023 years
Net operating revenue	7,473,579	7,779,316
Research and development expenses	151,096	153,056
Research and development ratio	2%	2%

2. Recent annual R&D results and future research directions:

(1) Recent annual R&D results:

1. Development of new horizontal continuous casting molds to enhance mold lifespan and facilitate mass production.
2. Establishing standards for CFD flow field analysis of dynamically rotating wheels (aerodynamics).
3. Integrating AI models into business operations and product development.
4. The spraying operation of the release agent involves developing a robotic arm spraying method and implementing it for mass production.
5. Development of a net-shape forging process for AMG wheel products.

(2) Future R&D items:

1. Development of a two-stage net-shape forging process for wheel rims to reduce the number of manufacturing stages.
2. Expand the supply chain of recycled aluminum to include various industries such as automotive, semiconductors, heavy electrical, aerospace, and electric vehicles, thereby broadening the application scope of the recycled aluminum industry.
3. Utilizing core forging and CNC machining technology to offer consumables suitable for semiconductor equipment.
4. Development of a new surface treatment for aluminum alloy rims.
5. Implementing artificial intelligence technology in quality control and quality testing processes.
6. Develop full automation of single-station processes by integrating robotic arms, visual systems, and sensors.
7. The five-axis machining center is utilized for developing processing procedures for wheel rims or other products.
8. Development of forged magnesium alloy wheel product and surface treatment process.
9. Development of 23-inch and 24-inch forged aluminum alloy wheel products.

II. Overview of 2025 Business Plan:

1. Product:

- Continuously supplying high-strength, lightweight forged wheels, rims, and related accessories (including aluminum forgings for suspension system) needed by the mobile industry through a dual-core shaping process.
- Continuously supply the mobile industry with high-quality, low-carbon recycled aluminum materials, while leveraging the company's established testing capabilities to provide testing services to external clients.
- Broaden the promotion of aluminum's diverse applications beyond passenger vehicles, including but not limited to industries such as semiconductors, other mobile devices, heavy electrical, and aerospace.
- Increase the production scale of recycled aluminum and link the recycling needs and business opportunities across different industries.

2. Production process:

- Continuously advance automation technologies and invest in equipment for manufacturing production.
- Implement the MES production management system.
- Continuously assess the development of process technologies aimed at reducing steps or shortening manufacturing time from a process optimization standpoint.
- To meet the demands of luxury car manufacturers, we are developing wheel manufacturing technologies that feature larger sizes, more complex shapes, and greater processing challenges, along with various surface treatment techniques, to increase the added value and product value for SuperAlloy's luxury car clients.
- Establish production equipment for a small-scale recycled aluminum smelting plant to support future demands in the mobile industry and cross-industry aluminum recycling.

3. Regarding the materials:

- The shaping process technology, which includes improvements in forging blank and mold design simulation analysis, aims to reduce design development time and enhance the accuracy of changes in material structure.
- Leverage AI modeling to enhance yield rates and lower costs.

III. Future Development Strategy:

(1) Short-term Development Plans:

- A. Lean manufacturing: Improve production capacity utilization and labor efficiency, and continuously improve production yield.

- B. Innovation Research and Development:
 - Enhance process technology to achieve larger size forging and topological optimization in structural design, utilizing five-axis precision machining and various surface treatments to expand product options and fulfill customer demands for lightweight customized components.
 - Continuously increase the utilization of self-produced aluminum, reduce raw material costs and carbon emission of product.
 - C. Expand the scale of operations: Leverage existing manufacturing equipment and process layouts for semiconductor devices and other mobile applications, along with aluminum forgings for various industrial uses, and the production scale of low-carbon recyclable aluminum.
- (2) Medium to Long-Term Development Plan:
- A. Innovation Research and Development:
 - Advancing a new process for precision net-shape technology. To enhance quality while lowering costs.
 - Develop a new metal forming technique that integrates with existing manufacturing equipment, offering lightweight, high-strength components with cost advantages for the mobility industry or other sectors.
 - Collaborating with luxury car brand clients on technical development, we explore the design of wheel rims optimized for aerodynamics, along with the development of components and assembly techniques that enhance the aerodynamic performance of these rims.
 - B. Expand the scale of operations:
 - Leverage the company’s current and upcoming smelting capabilities to enter the recycled aluminum alloy market across various industries, thereby increasing the revenue share of recyclable low-carbon aluminum materials.
 - Leveraging the demand for aluminum recycling, the company employs its existing processing technology and equipment to penetrate the supply chain of aluminum alloy components in various industries.
 - C. Heading towards the dark factory: Continuously expand the automation and smart technology framework for processes and inspection equipment, leveraging rapidly advancing AI technology to improve production efficiency and yield, reduce product development time and costs, and minimize the manpower required for production activities.

IV. Impacts from External Competition, Regulatory Environment, and Overall Operational Setting:

With the growing urgency of the global automotive market’s demand for carbon reduction, finding methods to decrease carbon emissions has quietly become a key focus for car manufacturers and their supply chains which requires high attention and enhanced implementation. Amid the overall market demand surge, SuperAlloy’s RESAICAL® recycled aluminum material has garnered the attention and formal certification from seven automotive manufacturers by the end of 2024, including luxury brands like Porsche, JLR, BMW, Toyota, Lexus, Stellantis, and Rolls-Royce. The usage rate of RESAICAL® recycled aluminum is projected to reach 34% in 2024, up from 30% in 2023. By 2025, the usage rate of recycled aluminum is expected to advance towards 50% as the product lineup continues to develop. SuperAlloy’s low-carbon emission solutions also consistently support customers in their journey towards carbon neutrality.

In response to global ESG and carbon reduction demands, SuperAlloy is committed to advancing sustainable development and green transformation. Besides successfully completing the external verification of ISO 14067 for its production of forged aluminum wheels, chassis suspension components, and recycled aluminum products in 2024 and obtaining the certification, the company also participated in the 17th Taiwan Corporate Sustainability Awards with its 2023 sustainability report, winning the gold medal. This achievement reflects the high recognition from industry, government, and academic evaluations of the company’s commitment to ESG practices. Additionally, in response to the upcoming EU CBAM, US CCA, and Taiwan’s carbon fee policies, there is a growing demand across various industries for the recycling of raw materials. As a result, SuperAlloy has decided to reinvest in the establishment of a recycling aluminum smelting plant with an annual capacity of 60,000 tons. In the future, the company aims to collaborate with clients in sectors such as semiconductors, other mobile devices, heavy electrical, and aerospace, further expanding the applications of its forged aluminum and recycled aluminum products, with the goal of continuously contributing to its stakeholders.

The company’s operations are closely tied to the automotive industry and the global political and economic landscape, as well as economic trends. In 2024, the development of the global economy and China’s automotive sector has made the transition for some luxury car manufacturers to electric vehicles less smooth than anticipated. This has affected their operations, resulting in growth that falls short of expectations, prompting them to adjust their vehicle production plans and reduce their demand for component deliveries. The global political and economic landscape in 2025 will once again be influenced by the changes brought by Trump 2.0. While there is no immediate impact at this stage, the company will closely monitor industry trends and market movements through diligent information gathering, and will continuously adjust its production plans to respond to market changes based on customer needs. Additionally, it strengthens the positioning in non-automotive sectors, mitigating the effects of global political and economic changes or cyclical fluctuations in the industry on overall business.

Chairman: Tsung-Jung Huang

Manager: Tsung-Jung Huang

Accounting Supervisor: Yu-Ping Lin

B. Corporate Governance Report

I. Information on Directors, Supervisors, General Managers, Deputy General Managers, Assistant Managers, and Heads of Departments and Branches:

(I) Information on Directors:

March 23, 2025 (layover date); unit: Shares; %

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected (Start of Office)	Term of Office	Date First Elected	Shareholding (shares) on the Date of Election		Current Shareholding		Current Shareholding by Spouse and Underage Children		Shareholding in the Name of Others		Major Work/ Education Experience	Current Positions at the Company and Other Companies	Other Heads, Directors or Supervisors as Spouse or Relatives of Second Degree or Closer			Remarks
							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	Tsung-Jung Huang	Male 72	2023.11.13	3 years	2017.10.19	3,408,800	1.59	3,388,800	1.43	255,000	0.11	-	-	Chief Financial Officer at Save & Safe Corporation Deputy General Manager of Sanhosun Sporting Goods Co., Ltd. Department of International Business, Feng Chia University	Chairman of Jeng-Yi Business Management Consultant Co., Ltd. Huang Paichi Co., Ltd.	Deputy General Manager	Ben, Huang	Father and son	Note
Director	Republic of China	Long-Cheng Wei	Male 65	2023.11.13	3 years	2023.11.13	1,562,400	0.73	1,562,400	0.66	-	-	-	-	Chairman of SuperAlloy Industrial Co., Ltd. Department of Chemical Engineering, National United College of Industry and Business	Chairman of PVI Chemical Co., Ltd. Chairman of Jia-Yi Investment Co., Ltd. Juristic Person Representative Director of IV Technologies Co., Ltd. Juristic Person Representative Director of Praise Victor Industrial Co. Ltd. Director of Jeou Luh Enterprise Co., Ltd.	None	None	None	-
Director	Republic of China	Mao-Lin Shih	Male 73	2023.11.13	3 years	2017.10.19	-	-	-	-	15,400	0.01	-	-	Minister, Ministry of Justice, Republic of China Chief Prosecutor, Taiwan Taipei District Prosecutors Office Chief Prosecutor, Taiwan Taoyuan District Prosecutors Office Chief Prosecutor, Taiwan Taichung District Prosecutors Office Chief Prosecutor, Taiwan Kaohsiung District Prosecutors Office College of Law, National Taiwan University	Independent Director of Century Wind Power Co. Ltd. Director at CTBC Financial Holding Co., Ltd. Director of Taiwan Life Insurance Co., Ltd. Chairman of the Yunlin County Fude SuperAlloy Social Welfare Charity Foundation Chairman of the Mt. Dadu Industrial Innovation Foundation Visiting Professor at National Chung Hsing University Honorary Chair Professor in the Department of Financial & Economic Law at Asia University	None	None	None	-
Director	Republic of China	Ke-Chang Liu	Male 71	2023.11.13	3 years	2020.11.14	1,000,000	0.47	1,000,000	0.42	-	-	-	-	Assistant Manager at Hua Nan Commercial Bank Ltd. Department of International Business, Feng Chia University	-	None	None	None	-
Director	Republic of China	Jeng-Yi Business Management Consultant Co., Ltd.	-	2023.11.13	3 years	2017.10.19	5,684,800	2.65	5,684,800	2.39	-	-	-	-	-	-	None	None	None	-
	Republic of China	Representative: Shun-Chung Wang	Male 74	2023.11.13	3 years	2017.10.19	-	-	-	-	-	-	-	-	Deputy Manager of Taiwan Business Bank Co., Ltd. Passed the civil service special examination National Chia-Yi Senior Commercial Vocational School - Business Department	-	None	None	None	-
Director	Republic of China	Yung-Ming Investment Co., Ltd.	-	2023.11.13	3 years	2017.10.19	2,294,557	1.07	2,294,557	0.97	-	-	-	-	-	-	None	None	None	-
	Republic of China	Representative: Chiu-Yueh Chang	Female 54	2023.11.13	3 years	2023.11.13	-	-	-	-	-	-	-	-	Chief Accountant at Sanhosun Sporting Goods Co., Ltd. Department of Business Administration, National Taipei University of Business	Chief Accountant at Sanhosun Sporting Goods Co., Ltd.	None	None	None	-

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected (Start of Office)	Term of Office	Date First Elected	Shareholding (shares) on the Date of Election		Current Shareholding		Current Shareholding by Spouse and Underage Children		Shareholding in the Name of Others		Major Work/ Education Experience	Current Positions at the Company and Other Companies	Other Heads, Directors or Supervisors as Spouse or Relatives of Second Degree or Closer			Remarks
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Independent Director	Republic of China	Ding-Wang Zheng	Male 81	2023.11.13	3 years	2017.10.19	-	-	-	-	-	-	-	-	President of a National Chengchi University Director of the Central Bank of the Republic of China (Taiwan) Chairman of the Chinese Intangible Assets Appraisal Research and Development Association Chairman of the Taiwan Accounting Association Independent Director at TECO Electric & Machinery Co., Ltd. Executive and Independent Director of Asia Pacific Telecom Co., Ltd. Doctorate in Accounting from the University of Missouri, USA	Independent Director of Hanns Touch Holdings Company Independent Director of Acepodia Inc. Chairperson of Accounting Research and Development Foundation Adjunct Chair Professor in the Department of Accounting at National Chengchi University	None	None	None	-
Independent Director	Republic of China	Wan-Yu Liu	Female 44	2023.11.13	3 years	2023.11.13	-	-	-	-	-	-	-	-	Professor at the College of Agriculture and Natural Resources, National Chung Hsing University Director of Taiwan Bio-energy Technology Development Association Secretary General of the Rural Economics Society of Taiwan Member of Examination Yuan's Examination Committee Associate Professor at the Department of Tourism Information at the Aletheia University Assistant Professor at the College of Tourism, Leisure, and Sports at Aletheia University Ph.D. in Agricultural Economics (Production Management and Environmental Economics Group), Department of Agriculture Economics, National Taiwan University	Independent Director at Chung Hwa Pulp Corporation Independent Director of Lion Travel Service Co., Ltd Independent Director of CH Biotech R&D Co., LTD. Distinguished Professor for Life at the College of Agriculture and Natural Resources, National Chung Hsing University Review Committee Member of the Environmental Protection Administration, Executive Yuan Director at Rural Economics Society of Taiwan Director of the Taiwan Association of Environmental and Resource Economics Director of the National Defense Industrial Development Foundation Secondary Review Committee Member of the National Science and Technology Council, Executive Yuan	None	None	None	-
Independent Director	Republic of China	Ming-Hsiu Cheng	Male 58	2023.11.13	3 years	2023.11.13	-	-	-	-	-	-	-	-	Professor at the School of Law, Soochow University Doctorate in Law from the University of Münster in Germany	Independent Director at Celxpert Energy Corporation Distinguished Professor in the School of Law, Soochow University	None	None	None	-
Independent Director	Republic of China	Wen-Chung Chen	Male 68	2023.11.13	3 years	2023.11.13	-	-	-	-	-	-	-	-	Deputy General Manager at China Bills Finance Corporation Department of Finance and Taxation, College of Law and Business, National Chung Hsing University	-	None	None	None	-

Note: The Chairman and General Manager are the same individual, with Mr. Tsung-Jung Huang having over 25 years of service in the company. His extensive experience in the core business makes him the ideal candidate for this role, essential and reasonable for enhancing decision-making execution and operational efficiency. To bolster the board's independence, the company has established 4 independent directors as a regulatory measure, with only one board member concurrently serving as an employee or manager.

(II) Major Shareholders of Corporate Shareholders:

Name of corporate shareholder	Major Shareholders of Corporate Shareholders
Yung-Ming Investment Co., Ltd.	Yung-Chuan Hsu (20%), Yung-Chang Hsu (20%), Yung-Chi Hsu (10%), Yung-Tsung Hsu (10%), Yung-Cheng Hsu (10%), Li-Yue Wu (10%), Hui-Ching Liu (10%), Hui-Ling Li (10%)
Jeng-Yi Business Management Consultant Co., Ltd.	Tsung-Jung Huang (33.45%), Kuan-Chang Huang (16.67%), Mei-Hua Huang Lin (15.36%), Hsing-Wei Huang (11.43%), Kuan-Pin Huang (5.65%), Pei-Chun Hsieh (3.87%), Chen-Yen Huang (3.57%), Ke-Chen Huang (3.57%), Yi-Zhen Chen (2.62%), Pei-Zhen Chen (2.62%)

(III) Major Shareholders of those whose major shareholder is a corporation: None.

(IV) Disclosure of information on professional qualifications of directors and independence of independent directors:

Criteria		Professional Qualifications and Experience	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Name				
Chairman	Tsung-Jung Huang	Areas of expertise: Professional background in corporate administration with financial experience Education: Department of International Business, Feng Chia University Previous experience: Deputy General Manager of SuperAlloy Industrial Co., Ltd.; Deputy General Manager of Sanhosun Sporting Goods Co., Ltd.; Financial Controller of Save & Safe Corporation	Not applicable	0
Director	Long-Cheng Wei	Areas of expertise: Professional in business management with financial expertise Education: Department of Chemical Engineering, National United College of Industry and Business Previous experience: Founder of SuperAlloy Industrial Co., Ltd.	Not applicable	0
Director	Mao-Lin Shih	Areas of expertise: Legal Services Professional Education: College of Law, National Taiwan University Other major responsibilities: Chair Professor of the Department of Financial & Economic Law at Asia University/Independent Director of Century Wind Power co., Ltd. Previous experience: Minister of Justice, Judges, Prosecutors, and Court chiefs	Not applicable	1
Director	Ke-Chang Liu	Areas of expertise: Professional background in corporate administration with financial experience Education: Department of International Business, Feng Chia University Previous experience: Hua Nan Bank Branch Manager	Not applicable	0
Representative of juristic person directors	Shun-Chung Wang	Areas of expertise: Professional background in corporate administration with financial experience Education: National Chia-Yi Senior Commercial Vocational School - Business Department Previous experience: Deputy Manager at Taiwan Business Bank Co., Ltd.	Not applicable	0
Representative of juristic person directors	Chiu-Yueh Chang	Areas of expertise: Professional background in corporate administration with financial experience Education: Department of Business Administration, National Taipei University of Business Previous experience: Chief Accountant at Sanhosun Sporting Goods Co., Ltd.	Not applicable	0
Independent Director	Ding-Wang Zheng	Areas of expertise: Finance and accounting expertise Education: Ph.D. in Accounting from the University of Missouri in the United States Other major responsibilities: Independent Director of Hanns Touch Holdings Company; Independent Director of Acepodia Inc. Previous experience: President of a National Chengchi University	Compliance with the independence requirements of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	2
Independent Director	Wan-Yu Liu	Areas of expertise: Production management and environmental economics, corporate sustainability and environmental protection Education: Ph.D. in Agricultural Economics (Production Management and Environmental Economics Group), Department of Agriculture Economics, National Taiwan University Other major responsibilities: Professor at the College of Agriculture and Natural Resources, National Chung Hsing University; Independent Director at Chung Hwa Pulp Corporation; Independent Director of Lion Travel Service Co., Ltd; Independent Director of CH Biotech R&D Co., LTD.	Compliance with the independence requirements of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	3
Independent Director	Ming-Hsiu Cheng	Areas of expertise: Legal expertise Education: Doctorate in Law from the University of Münster in Germany Other major responsibilities: Professor at the School of Law, Soochow University; Independent Director at Celxpert Energy Corporation	Compliance with the independence requirements of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	1
Independent Director	Wen-Chung Chen	Areas of expertise: Finance and Banking Education: Department of Finance and Taxation, College of Law and Business, National Chung Hsing University Previous experience: Deputy General Manager at China Bills Finance Corporation	Compliance with the independence requirements of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	0
The directors (including independent directors) of the company are not involved in any events stated in Article 30 of the Company Act.				

(V) Diversity and Independence of the Board of Directors:

(1) Policies regarding the diversification of Board of Directors:

The board of directors of this company consists of ten members with diverse professional backgrounds, including four independent directors, four non-independent directors, one external director, and one director who also serves as a company manager. The number of directors who do not hold the managerial position exceeds half of the total board seats. The board of directors should possess a range of capabilities, including capability to make operational judgment, capability to perform accounting and financial analysis, capability to conduct management administration, capability to conduct crisis management, industry knowledge, an international market perspective, and capability to make sustainable management decisions. The composition of the board of directors should take diversity into account and establish a diversity policy for board members that addresses the needs of the company's operations, business model, and future development trends. This policy should include basic criteria and values (gender, age, and nationality) as well as professional knowledge and skills (including law, accounting, industry expertise, finance, and marketing). The specific management objectives and outcomes of the company's diversification policy are as follows:

Core of Diversification Name	Basic Composition									Professional knowledge and skills					Knowledge, skills, and competencies								
	Nationality	Gender	Also serves as employ- -ee	Age (years)				Years of service as an independent director (in years)		Laws	Accounting	Industry	Finance	Marketing	Operational Judgment	Accounting and Financial Analysis	Management Administration	Crisis Management	Industry Knowledge	International Market Perspective	Sustainable management	Decision-making	
				41 50	51 60	61 70	Over 70	Less than 3	3 to 9														
Tsung-Jung Huang	Repub- lic of China	Male	✓				✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Long-Cheng Wei	Repub- lic of China	Male				✓						✓		✓	✓		✓	✓	✓	✓	✓	✓	
Mao-Lin Shih	Repub- lic of China	Male					✓			✓							✓		✓	✓	✓	✓	
Ke-Chang Liu	Repub- lic of China	Male					✓					✓			✓				✓	✓	✓	✓	
Jeng-Yi Business Management Consultant Co., Ltd. Representative: Shun-Chung Wang	Repub- lic of China	Male					✓					✓			✓				✓	✓	✓	✓	
Yung-Ming Investment Co., Ltd. Representative: Chiu-Yueh Chang	Repub- lic of China	Fe- male			✓						✓		✓		✓				✓	✓	✓	✓	
Ding-Wang Zheng	Repub- lic of China	Male					✓		✓		✓		✓		✓	✓	✓		✓	✓	✓	✓	
Wan-Yü Liu	Repub- lic of China	Fe- male		✓				✓			✓	✓							✓	✓	✓	✓	
Ming-Hsiu Cheng	Repub- lic of China	Male			✓			✓		✓							✓		✓	✓	✓	✓	
Wen-Chung Chen	Repub- lic of China	Male				✓		✓			✓		✓		✓				✓	✓	✓	✓	

Specific management objectives of the diversification policy: The goal is to have at least four independent directors and at least one female director to enhance the structure of the company's board. This term has successfully appointed four independent directors, including two women, both of whom have met the established goals. Of these, three independent directors have served for less than three years, while one independent director has served for more than six years but less than nine years.

If the representation of any gender among the company's board of directors falls below one-third, please explain the reasons and outline the measures planned to improve gender diversity among the directors:

Explanation of the cause: Our company has set up 10 director positions (including 4 independent directors) in accordance with our articles of association. The current directors were elected at the extraordinary shareholders' meeting on November 13, 2023. However, there are only two female directors, which, although compliant with the relevant regulations at the time, still falls short of the one-third requirement. This is attributed to the nature of the industry, which makes it challenging to find talent quickly.

Implement measures: Before the board of directors is re-elected at the end of its term, seek talent recommendations from various sources, such as industries or educational institutions, to improve corporate governance effectiveness and promote diversification policy among board members.

(2) Independence of Board of Directors:

The current board of directors of the company comprises a total of 10 members, including 4 independent directors and 6 non-independent directors. Independent directors represent 40% of the entire board. To enhance the board's independence and operational efficiency, the company has established the "Scope of Duties of Independent Directors," which the independent directors adhere to in carrying out their responsibilities. Throughout their tenure, the independent directors have maintained impartiality and have not engaged in conflicts of interest or compromised the company's interests or fair judgment. All 4 independent directors are capable of independently and effectively overseeing the board's operations. All directors of the Company do not have spouses or relatives within the second degree of kinship with each other. When matters discussed in the board of directors meeting involve conflicts of interest for directors, the directors abstain from discussing and voting on those matters to ensure the board of directors can independently and objectively carry out their duties.

All independent directors meet the standards set by the Financial Supervisory Commission regarding their independence, as detailed below:

Name	Whether the individual, their spouse, or relatives within the second degree of kinship hold positions as directors, supervisors, or employees in this company or its affiliated entities	The number and percentage of company shares owned by oneself, one's spouse, and relatives within the second degree of kinship (or held in someone else's name)	Are you serving as a director, supervisor, or employee of a company that has a specific relationship with us	The compensation received for providing business, legal, financial, accounting, and other services to the company or its affiliated entities over the past two years
Ding-Wang Zheng	No	None	No	None
Wan-Yu Liu	No	None	No	None
Ming-Hsiu Cheng	No	None	No	None
Wen-Chung Chen	No	None	No	None

(VI) Information about the General Managers, Assistant General Managers, Assistant Managers, and Departmental and Branch Officers:

March 23, 2025 (layover date)

Title (Note 1)	Name	Gender	Nationality	Date inaugurated	Shareholding		Shareholding by Spouse and Underage Children		Shareholding in the Name of Others		Major Work/ Education Experience (Note 2)	Current Positions at Other Companies	Managers as Spouse or Relatives of Second Degree or Closer			Remarks (Note 3)
					Number of Shares	Share- holding Ratio%	Number of Shares	Share- holding Ratio%	Number of Shares	Share- holding Ratio%			Title	Name	Relation- ship	
General Manager (Note 3)	Tsung- Jung Huang	Male	Republic of China	2019.02.01	3,388,800	1.43	255,000	0.11	-	-	Chairman of SuperAlloy Industrial Co., Ltd./ Department of International Business and Trade, Feng Chia University	Chairman of Jeng-Yi Business Management Consultant Co., Ltd.	Deputy General Manager	Ben, Huang	Fat- her and son	Currently holding the position of general manager until a suitable replacement is found by the board. More than half of the directors of the Company do not concurrently serve as employees or managers.
Deputy General Manager	Ben, Huang	Male	Republic of China	2019.08.10	737,825	0.31	304,170	0.13	-	-	EMBA, National Yunlin University of Science and Technology	None	General Manager	Tsung- Jung Huang	Fat- her and son	
Assistant Manager	Yu-Chih Kao	Male	Republic of China	2015.06.01	189,898	0.08	3,709	0.00	-	-	Deputy Section Chief at Baochang Corporation/Master of Materials Science and Green Energy Engineering, National Formosa University	None				
Assistant Manager	Shih- Heng Kuo	Male	Republic of China	2021.02.01	152,000	0.06	-	--	-	-	Ph.D. in Fluid Dynamics from the Institute of Applied Mechanics, National Taiwan University	None				
Assistant Manager	Hsin-Hao Tseng	Male	Republic of China	2023.09.01	27,500	0.01	-	-	-	-	Master in Industrial Engineering and Management, National Yunlin University of Science and Technology Store Manager, JOHNSON HEALTH TECH CO., LTD.	None				
Financial Officer & Corporate Governance Officer	Kelly Wang	Female	Republic of China	2018.10.12	132,500	0.06	-	-	-	-	Graduate Institute of Finance, National Yunlin University of Science and Technology	None				
Accounting Officer	Yu-Ping Lin	Female	Republic of China	2018.10.12	442,241	0.19	89,691	0.04	-	-	Institute of Accounting, Yunlin University of Science and Technology	None				

Note 1: The disclosed information should include the general managers, deputy general managers, assistant managers, heads of departments and branches, and anyone else whose position is equivalent to the general managers, deputy general managers, or assistant managers, regardless of title.

Note 2: If there are working experiences relevant to the current position, such as working at a certified public accountant firm or an affiliate during the preceding period, the job title and responsibilities shall be disclosed.

Note 3: If the general manager or the equivalent (top manager) and the chairman of the Board of Directors are the same person, spouses or first-degree relatives, related information regarding the reasons, reasonableness, necessity and measures to be taken (e.g. increasing the number of independent directors, and more than half of the members of the Company's directors do not concurrently serve as employees or managers) shall be disclosed.

II. Remuneration Paid to Directors, Supervisors, General Managers and Deputy General Managers in the Most Recent Year:

1. Remuneration Paid to Directors, Supervisors, General Managers and Deputy General Managers in the Most Recent Year (2024)

(1) Remuneration to Directors (including Independent Directors)

December 31, 2024; Unit: NT\$ Thousands

Title	Name	Remuneration to directors								Sum of A + B + C + D and ratio to net income after tax		Remuneration as an Employee								Sum of A + B + C + D + E + F + G and ratio to net income after tax		Remuneration from Reinvested Companies Other Than Subsidiaries, or the Parent Company
		Compensation (A)		Retirement Allowance (B)		Director profit-sharing compensation (C)		Business Execution Expense (D)				Salary, Bonus, and Special Allowance (E)		Retirement Allowance (F)		Employee Compensation (G)						
		The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company		All Companies in the Financial Statements		The Company	All Companies in the Financial Statements	
																Cash	Stock	Cash	Stock			
Director	Tsung-Jung Huang	100	100	-	-	11,943	11,943	348	348	1.64	1.64	4,196	4,196	128	128	2,787	338	2,787	338	2.62	2.62	-
	Long-Cheng Wei																					
	Mao-Lin Shih																					
	Ke-Chang Liu																					
	Yung-Ming Investment Co., Ltd. Representative: Chiu-Yueh Chang																					
	Jeng-Yi Business Management Consultant Co., Ltd. Representative: Shun-Chung Wang																					
Independent Director	Ding-Wang Zheng	4,984	4,984	-	-	-	-	276	276	0.70	0.70	-	-	-	-	-	-	-	0.70	0.70		
	Wan-Yu Liu																					
	Ming-Hsiu Cheng																					
	Wen-Chung Chen																					
<p>1. Please explain the policy, system, criteria and structure for the payment of remuneration to independent directors, and the correlation to the amount of remuneration paid based on the responsibilities undertaken, risks, time commitment, etc.:</p> <p>(1) Director and functional committee members' remuneration payment method follows the provisions of Article 29 of the Company's Articles of Association for paying director remuneration. If the company is profitable, it should set aside up to three percent for director remuneration. Directors involved in the day-to-day management of the company are eligible to receive salaries as per the company's salary and year-end bonus management regulations.</p> <p>(2) Remuneration to Independent Directors: Independent directors of the company provide a fixed monthly amount of NT\$60,000 per person. For those who do not complete a full month due to special circumstances, the payment is calculated based on the proportion of days served in that month (calendar days). Directors of the company (including independent directors) attending board meetings are entitled to claim a car and horse allowance of NT\$ 12,000. Our company's functional committee members are entitled to claim a transportation allowance of NT\$ 20,000 for attending meetings. This measure shall come into effect upon resolution by the board of directors, and the same applies when amended.</p> <p>2. In addition to those disclosed in the table above, the remuneration received by the Company's directors in the past year for providing services to all companies included in the financial statements (such as working as consultants who are not employees): None.</p>																						

Remuneration Range Table

Ranges of remuneration paid to each director of the Company	Name of Director			
	Total of the first four items of remuneration (A + B + C + D)		Total of the first seven items of remuneration (A + B + C + D + E + F + G)	
	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements
Less than NT\$ 1,000,000	-	-	-	-
NTD 1,000,000 (incl.) ~ NTD 2,000,000 (excl.)	Tsung-Jung Huang Long-Cheng Wei Mao-Lin Shih Ke-Chang Liu Yung-Ming Investment Co., Ltd. Representative: Chiu-Yueh Chang Jeng-Yi Business Management Consultant Co., Ltd. Representative: Shun-Chung Wang Ding-Wang Zheng Wan-Yu Liu Ming-Hsiu Cheng Wen-Chung Chen	Tsung-Jung Huang Long-Cheng Wei Mao-Lin Shih Ke-Chang Liu Yung-Ming Investment Co., Ltd. Representative: Chiu-Yueh Chang Jeng-Yi Business Management Consultant Co., Ltd. Representative: Shun-Chung Wang Ding-Wang Zheng Wan-Yu Liu Ming-Hsiu Cheng Wen-Chung Chen	Long-Cheng Wei Mao-Lin Shih Ke-Chang Liu Yung-Ming Investment Co., Ltd. Representative: Chiu-Yueh Chang Jeng-Yi Business Management Consultant Co., Ltd. Representative: Shun-Chung Wang Ding-Wang Zheng Wan-Yu Liu Ming-Hsiu Cheng Wen-Chung Chen	Long-Cheng Wei Mao-Lin Shih Ke-Chang Liu Yung-Ming Investment Co., Ltd. Representative: Chiu-Yueh Chang Jeng-Yi Business Management Consultant Co., Ltd. Representative: Shun-Chung Wang Ding-Wang Zheng Wan-Yu Liu Ming-Hsiu Cheng Wen-Chung Chen
NTD 2,000,000 (incl.) ~ NTD 3,500,000 (excl.)	-	-	-	-
NTD 3,500,000 (incl.) ~ NTD 5,000,000 (excl.)	-	-	-	-
NTD 5,000,000 (incl.) ~ NTD 10,000,000 (excl.)	-	-	Tsung-Jung Huang	Tsung-Jung Huang
Total	10	10	10	10

(2) Remuneration to Supervisor: Not applicable.

(3) Remuneration to General Managers and Deputy General Managers

December 31, 2024; Unit: NT\$ Thousands; %

Title	Name	Salary (A)		Retirement Allowance (B)		Bonus and Special Allowance (C)		Employee Compensation (D)				Sum of A + B + C + D and ratio to net income after tax (%)		Remuneration from Reinvested Companies Other Than Subsidiaries, or the Parent Company
		The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company		All Companies in the Financial Statements		The Company	All Companies in the Financial Statements	
								Cash	Stock	Cash	Stock			
General Manager	Tsung-Jung Huang	6,455	7,295	128	128	-	-	3,981	1,476	3,981	1,476	1.59	1.70	-
Deputy General Manager	Ben, Huang													

Remuneration Range Table

Ranges of remuneration paid to each of the Company's general manager(s) and deputy general manager(s)	Names of General Manager(s) and Deputy General Manager(s)	
	The Company	All Companies in the Financial Statements
Less than NT\$ 1,000,000	-	-
NTD 1,000,000 (incl.) ~ NTD 2,000,000 (excl.)	-	-
NTD 2,000,000 (incl.) ~ NTD 3,500,000 (excl.)	-	-
NTD 3,500,000 (incl.) ~ NTD 5,000,000 (excl.)	Ben, Huang	Ben, Huang
NTD 5,000,000 (incl.) ~ NTD 10,000,000 (excl.)	Tsung-Jung Huang	Tsung-Jung Huang
NTD 10,000,000 (incl.) ~ NTD 15,000,000 (excl.)	-	-
NTD 15,000,000 (incl.) ~ NTD 30,000,000 (excl.)	-	-
NTD 30,000,000 (incl.) ~ NTD 50,000,000 (excl.)	-	-
NTD 50,000,000 (incl.) ~ NTD 100,000,000 (excl.)	-	-
NT\$ 100,000,000 or above	-	-
Total	2 people	2 people

(4) Names of Managers Entitled to Remuneration to Employees and Distribution Status:

December 31, 2024; Unit: NT\$ Thousands; %

	Title	Name	Stock dividend	Cash dividend	Total	Ratio of Sum to Net Income After Tax
Manager	General Manager	Tsung-Jung Huang	3,066	11,943	15,009	1.99
	Deputy General Manager	Ben, Huang				
	Deputy Manager of the Production Department	Yu-Chih Kao				
	Assistant Managers at General Manager's Office	Shih-Heng Kuo				
	Assistant Manager at Business Department	Hsin-Hao Tseng				
	Financial Officer & Corporate Governance Officer	Kelly Wang				
	Accounting Officer	Yu-Ping Lin				
	Manager at Audit Office	Chi-Jen Tu				

2. The analysis of the proportion of total remuneration paid to the Company's Directors, Supervisors, General Manager and Deputy General Manager by the Company and all the companies listed in the consolidated statements in the most recent two years to the Net Income After Tax in individual financial statements, and describe the policies, standards and packages for payment of remuneration, as well as the procedures followed for determining remuneration, and their linkages to business performance and future risk:

- (1) The analysis of the ratio of the total remuneration paid to the Company's directors, supervisors, general managers and deputy general managers by the Company and all companies included in the consolidated financial statements in the most recent two years to the profit after tax

Unit: NT\$ Thousands; %

Item Title	Ratio of Total Remuneration to Net Income After Tax			
	2023		2024	
	The Company	All Companies in the Consolidated Financial Report	The Company	All Companies in the Consolidated Financial Report
Directors (excluding Independent Director)	2.39%	2.39%	2.62	2.62
Independent Director	0.82%	0.82%	0.70	0.70
General Manager and Deputy General Manager	1.73%	1.86%	1.59	1.70

- (2) Policy formulation, benefit standards and combinations, procedures for benefit determination, and the correlation between operational performance and future risks

Our company's articles of association and the "Directors, Independent Directors, Functional Committee Members, and Managers' Remuneration and Compensation Regulations" have clearly defined the standards for director remuneration, as well as the allocation standards for director remuneration and employee compensation in the articles of association. Distribution can only be made after approval by the Compensation Committee and Audit Committee, and resolution by the Board of Directors, and will be reported at the shareholders' meeting. The board of directors of our company discussed and approved the "Board Performance Evaluation Measures" on December 27, 2017, planning to conduct individual director annual performance assessments starting from the year 2024. The evaluation results will be linked to individual director annual remuneration, establishing performance goals to enhance the efficiency of the board of directors' operations.

The remuneration of our company's general manager and deputy general manager is determined according to the method described above, taking into account their contribution to operations and responsibilities, while also considering industry salary levels, company performance, and individual performance to provide reasonable compensation, subject to regular evaluation by the Compensation Committee.

The remuneration of our company's directors, general managers, and deputy general managers is determined by considering the company's future business development and

operational risks. Simultaneously, it involves a comprehensive assessment of their positive correlation with operational performance to achieve a balance between sustainable operation and risk management, which is closely linked to their corporate management responsibilities and overall performance.

III. Governance and Operation:

(I) Operation of the Board of Directors

During the most recent fiscal year (2024) and up to the printing date of the annual report for the application year, the 15th Board of Directors convened a total of 7 [A] board meetings. The attendance of directors is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Actual Attendance Rate (%)	Remarks
Chairman	Tsung-Jung Huang	7	0	100.00	
Director	Yung-Ming Investment Co., Ltd. Representative: Chiu-Yueh Chang	7	0	100.00	
Director	Jeng-Yi Business Management Consultant Co., Ltd. Representative: Shun-Chung Wang	7	0	100.00	
Director	Long-Cheng Wei	7	0	100.00	
Director	Mao-Lin Shih	6	1	100.00	
Director	Ke-Chang Liu	7	0	100.00	
Independent Director	Ding-Wang Zheng	7	0	100.00	
Independent Director	Wan-Yu Liu	7	0	100.00	
Independent Director	Ming-Hsiu Cheng	5	0	71.43	
Independent Director	Wen-Chung Chen	7	0	100.00	
Other matters to be included:					
<p>I. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:</p> <p>(I) Any matter under Article 14-3 of the Securities and Exchange Act: The company has an audit committee in place, therefore Article 14-3 provisions do not apply. For details on the matters listed in Article 14-5 of the Securities and Exchange Act, please refer to the audit committee's operational status.</p> <p>(II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any Board resolution: None.</p> <p>II. Regarding the execution situation of conflict of interest proposals avoided by directors, their names, proposal content, reasons for avoiding interests, and participation in voting should be stated:</p> <ol style="list-style-type: none"> The 3rd Meeting of the 15th Board of Directors discussed the promotion of the acting general manager of the company. The chairman of this case recused himself due to being a related party and appointed independent director Wen-Chung Chen as the acting chairman. The Chairman consulted all directors present at the meeting, and upon receiving no objections, the motion was approved. During 3rd Meeting of the 15th Board of Directors, the board discussed the "Transfer of Treasury Stock Manager Quota Case", which was approved during the board meeting on April 21, 2021. The chairman and the attending reporter, accounting manager Yu-Ping Lin, and finance manager Kelly Wang abstained from the case due to their conflict of interest, and independent director Wen-Chung Chen was appointed as the acting chairman. The Chairman consulted all directors present at the meeting, and upon receiving no objections, the motion was approved. During 3rd Meeting of the 15th Board of Directors, the board discussed the "Transfer of Treasury Stock Manager Quota Case", which was approved during the board meeting on April 17, 2023. The chairman and the attending reporter, accounting manager Yu-Ping Lin, and finance manager Kelly Wang abstained from the case due to their conflict of interest, and independent director Wen-Chung Chen was appointed as the acting chairman. The Chairman consulted all directors present at the meeting, and upon receiving no objections, the motion was approved. The 3rd Meeting of the 15th Board of Directors deliberated on the resolutions "Lifting the restrictions on competition for new directors" passed at the first extraordinary shareholders' meeting on November 14, 2020, and on November 13, 2023. The chairman, director Wei, director Shih, independent director Zheng, and independent director Liu recused themselves due to their conflict of interest in this matter, appointing independent director Wen-Chung Chen as the acting chairman. The Chairman consulted all directors present at the meeting, and upon receiving no objections, the motion was approved. During 3rd Meeting of the 15th Board of Directors, the discussion revolved around the distribution of employee and director remuneration for the year 2023, as well as the allocation proposal for the management team. Chairman and attending reporter Yu-Ping Lin, Manager of Accounting, and Manager of Finance Kelly Wang abstained from the case due to being related parties, and Director Mao-Lin Shih was appointed as the acting chairman. The Chairman consulted all directors present at the meeting, and upon receiving no objections, the motion was approved. During the 3rd Meeting of the 15th Board of Directors, the Board of Directors deliberated on the transfer of the company's first treasury stock in 2024 by the manager. Chairman and attending reporter, Accounting Manager Yu-Ping Lin, and Finance Manager Kelly Wang abstained from the discussion due to their conflict of interest in this case, and Director Mao-Lin Shih was appointed as the acting chairman. The Chairman consulted all directors present at the meeting, and upon receiving no objections, the motion was approved. The 3rd Meeting of the 15th Board of Directors deliberated on the employee stock subscription method for the initial public offering and the internal personnel subscription list. The chairman and the attending reporter, accounting manager Yu-Ping Lin, and finance manager Kelly Wang abstained due to conflicts of interest, and director Mao-Lin Shih was appointed as the acting chairman. The Chairman consulted all directors present at the meeting, and upon receiving no objections, the motion was approved. The 4th Meeting of the 15th Board of Directors discussed the appointment of members to the company's Sustainable Development Committee for the fifteenth term. <ol style="list-style-type: none"> (1) Independent directors Ding-Wang Zheng and Wan-Yu Liu attended this case. As per the board meeting regulations, the individuals involved should abstain from voting. (2) Independent directors Ding-Wang Zheng and Wan-Yu Liu must abstain from voting due to a conflict of interest. The acting chairman of the board shall consult with other directors, and subsequently approve the matter without objections. The 8th Meeting of the 15th Board of Directors deliberated on the performance evaluation criteria for directors and independent directors in 2025: In accordance with the board of directors' meeting regulations, individuals involved are required to abstain from voting due to conflicts of interest, resulting in a two-stage voting process. In the first stage, independent directors are requested to recuse themselves. After consultation with the chairman and other directors, the resolution was passed without objection. In the second stage, non-independent directors should abstain, and Ding-Wang Zheng, an independent director, should act as the chairman to oversee the voting of this case. The acting chairman of the board of directors shall seek no objection from the other independent directors and approve the case. The 8th Meeting of the 15th Board of Directors discussed the performance evaluation criteria for the company's managers in 2025: The case was approved by the board of directors after the chairman abstained due to a conflict of interest, with the consent of the other independent directors consulted by the acting chairman. The 8th Meeting of the 15th Board of Directors deliberated on the annual performance bonuses for directors and managers in 2024: 					

- (1) The case was attended by Chairman Tsung-Jung Huang and the attending reporting personnel, Deputy General Manager Kuan-Pin Huang, accounting manager Yu-Ping Lin, and finance manager Kelly Wang, who are part of the company's management team. According to the regulations of the board of directors' meeting, the parties involved should abstain from voting due to conflicts of interest and the voting of this case should be chaired by independent director Ding-Wang Zheng.
- (2) The chairman must abstain from voting due to a conflict of interest, and the other directors shall approve the matter after consulting with the acting chairman of the board and receiving no objections.
12. The 15th meeting of the 9th Board of Directors of the company concerning the distribution of employee and director compensation for the year 2024, along with the management allocation proposal:
- (1) The case was attended by Chairman Tsung-Jung Huang and the attending reporting personnel, accounting manager Yu-Ping Lin, and finance manager Kelly Wang, who are part of the company's management team. According to the regulations of the board of directors' meeting, the parties involved should abstain from voting due to conflicts of interest and the voting of this case should be chaired by independent director Ming-Hsiu Cheng.
- (2) The chairman must abstain from voting due to a conflict of interest, and the other directors shall approve the matter after consulting with the acting chairman of the board and receiving no objections.
- III. For a TWSE or TPEx-listed company, disclose information including the evaluation cycle and period(s) of the board of directors' self-evaluations (or peer evaluations) and the evaluation method and content. Additionally, complete Table II (2) Implementation of Evaluations of the Board of Directors: Our company approved the performance evaluation method for the board of directors during the second meeting of the thirteenth board on December 27, 2017. Articles 2 and 3 stipulate that the functional committees and the board of directors shall conduct an internal performance evaluation annually, with the implementation for 2024 outlined as follows.
- IV. Evaluation of the goals for strengthening the functions of the board in the current and recent years (such as setting up an audit committee, and improving information transparency) and their implementation: An audit committee has been established and is operating in compliance with the regulations of the competent authority.
- (I) The company established a remuneration committee approved by the board of directors on December 28, 2011. In accordance with Article 14-2 of the "Securities Exchange Act", the 13th board of directors and supervisors election was held at the 2017 shareholders' meeting, appointing three independent directors to enhance the board's functions, improve corporate governance effectiveness, and replace the original supervisor system with an audit committee established on October 19, 2017 to strengthen the company's internal control mechanism.
- (II) In line with the global trend in corporate governance development, the Company revised its "Board Meeting Rules" on June 26, 2023, and March 7, 2024, as well as its "Audit Committee Organization Regulations" on December 27, 2017, and March 7, 2024, with the goal of continually improving its corporate governance standards.
- (III) In order to implement the concept of sustainable business operation, promote corporate governance, strengthen the board of directors' management of integrity operation and practice corporate social responsibility, the 9th Meeting of the 14th Board of Directors on June 27, 2022 passed the "Organizational Regulations of the Sustainable Development Committee" and established the Sustainable Development Committee under the board of directors.
- (IV) In order to improve information transparency, the company promptly announces important decisions on the Market Observation Post System after each board meeting. Additionally, the company updates relevant organizational regulations on its website to protect shareholder rights and enhance investors' understanding and recognition of the company.
- (V) Purchase of insurance for directors and officers' liability: Our company has been buying directors' and officers' liability insurance annually since 2021, with the most recent board submission date being December 26, 2024.
- (VI) In order to improve our company's stable operation and sustainable development, we have established a robust risk management mechanism to ensure the reasonable achievement of our company's strategic objectives. On March 7, 2024, the "Risk Management Measures" were formulated to further elevate the company's governance standards.

Status of the Board of Directors and Functional Committees for 2024:

Year	Assessment method	Assessment period	Scope of assessment	Content for assessment
2024 years	Self-assessment questionnaire for board members, evaluation of board performance, evaluation of the audit committee's performance, evaluation of the compensation committee's performance, and evaluation of the sustainable development committee's performance	From January 1, 2024, to December 31, 2024	The overall board of directors, individual board members, audit committee, compensation committee, and sustainable development committee	<p>1. The performance evaluation criteria of the board of directors consist of the following six key areas:</p> <p>I. Level of involvement in company operations.</p> <p>II. Improvement in the decision-making quality of board.</p> <p>III. Composition and structure of the board of directors.</p> <p>IV. Appointment and continuous education of directors.</p> <p>V. Internal controls.</p> <p>VI. ESG stands for (Environmental Protection, Social Inclusion, and Sustainable Governance)</p> <p>2. The performance evaluation criteria of the individual board members of directors consist of the following seven key areas:</p> <p>I. Control of company objectives and tasks.</p> <p>II. Awareness of directors' responsibilities.</p> <p>III. Level of involvement in company operations.</p> <p>IV. Internal relationship management and communication.</p> <p>V. Professional competence and continuing education of directors.</p> <p>VI. Internal controls.</p> <p>VII. ESG stands for (Environmental Protection, Social Inclusion, and Sustainable Governance)</p> <p>3. The performance evaluation criteria of the Audit Committee consist of the following five key areas:</p> <p>I. Level of involvement in company operation</p> <p>II. Awareness of duties of the Audit Committee</p> <p>III. Improvement in the decision-making quality of the audit committee</p> <p>IV. Structure and member selection of the Audit Committee</p> <p>V. Internal controls and related matters</p> <p>4. The performance evaluation criteria of the Compensation Committee consist of the following four key areas:</p> <p>I. Level of involvement in company operation</p> <p>II. Awareness of duties of the Compensation Committee</p> <p>III. Improvement in the decision-making quality of the compensation committee</p> <p>IV. Structure and member selection of the Compensation Committee</p> <p>5. The performance evaluation criteria of the Sustainable Development Committee consist of the following four key areas:</p> <p>I. Level of involvement in company operation</p> <p>II. Awareness of duties of the Sustainable Development Committee</p> <p>III. Improvement in the decision-making quality of the Sustainable Development Committee</p> <p>IV. Structure and member selection of the Sustainable Development Committee</p>

(II) Operation of the Audit Committee

During the most recent fiscal year (2024) and up to the printing date of the annual report for the application year, the 3rd Audit Committee convened a total of 7 (A) meetings. The attendance of independent directors is as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance in Person Rate (%) (B/A) (Note)	Remarks
Chairperson	Ding-Wang Zheng	7	0	100.00	
Member	Wan-Yu Liu	7	0	100.00	
Member	Ming-Hsiu Cheng	5	0	71.43	
Member	Wen-Chung Chen	7	0	100.00	

Other matters to be included:

- I. If any of the following circumstances occur in the operation of the Audit Committee, the date and period of the Audit Committee meeting, the content of the proposal, independent directors' objections, reservations and major suggestions, the resolutions of the Audit Committee, and the Company's handling of the opinions of the Audit Committee shall be stated.

(I) Any matter under Article 14-5 of the Securities and Exchange Act:

Audit Committee Meeting Date	Audit Committee Meeting Session No.	Proposal Content Summary	Independent Directors and Audit Committee Comments	Company's reactions towards the Audit Committee's Comments
2024.03.07	The 2nd meeting of the 3rd session	1. Approval of cash capital increase to issue new shares for public underwriting before the company's stock listing. 2. Approval of the Company's 2023 Business Report, Individual Financial Report and Consolidated Financial Statements. 3. Approval of the Company's 2023 Earnings Distribution. 4. Approval of the Company's Statement of Internal Control System for 2023. 5. Approval of Evaluation of the independence and performance of the CPAs in 2023. 6. Approval of delegation and compensation of CPAs for the Company in 2024. 7. Accountants, their firms, and related entities are approved to offer non-audit services to the Company and its subsidiaries after obtaining prior approval. 8. Approval of re-enactment of the general principles of internal control system. 9. Approval of revising the Operational Procedures for Loaning of Company Funds. 10. Approval of revising the regulations on the use of seals. 11. Approval of revising the rules for board meetings. 12. Approval of revising Audit Committee Organization Regulations. 13. Approval of enacting Risk Management Guidelines.	Independent directors unanimously approved, and the board of directors proceeded with the resolution.	The resolution was approved by the board of directors after submission.
2024.05.07	The 3rd meeting of the 3rd session	1. Approval of Consolidated Financial Statements for the first quarter of 2024. 2. Approval of revising the Company's 2023 Earnings Distribution Proposal.		
2024.08.08	The 4th meeting of the 3rd session	1. Approval of the Company's consolidated financial statements for the first half of 2024		
2024.10.01	The 5th meeting of the 3rd session	1. Approval of setting up a subsidiary to establish a smelting plant for aluminum alloy processing and sales.		
2024.11.05	The 6th meeting of the 3rd session	1. Financial statements for the third quarter of 2024		

2024.12.26	The 7th meeting of the 3rd session	1. Approval of our company's capital expenditure budget for 2025. 2. Approval of our company's audit plan for 2025. 3. Approval of establishing operational guidelines for sustainable information management. 4. Approval of amendment to the approval authority table for the circulation of real estate and factory equipment.		
2025.03.03	The 8th meeting of the 3rd session	1. Approval of the Company's 2024 Business Report, Individual Financial Report and Consolidated Financial Statements. 2. Approval of the Company's 2024 Earnings Distribution. 3. Approval of the Company's Statement of Internal Control System for 2024. 4. Approval of our company's assessment of the independence of CPAs for 2025 and the suitability of accountants for 2024. 5. Approval of delegation and compensation of CPAs for the Company in 2025. 6. Approval of Amendment to the Credit Management Guidelines.		

(II) In addition to those mentioned in the foregoing, other resolutions not adopted by the Audit Committee but approved by two-thirds and more of all directors: None.

- II. Regarding the execution situation of conflict of interest proposals avoided by independent directors, their names, proposal content, reasons for avoiding interests, and participation in voting should be stated: The company has established the "Audit Committee Organization Regulations", which specifically define the clauses for independent director members of the committee to recuse themselves from conflict of interest matters, and ensures compliance with relevant regulations.
- III. Communication among the independent directors, internal audit supervisors and accountants (which should include significant matters, methods and results of communication regarding the Company's financial and business condition):
- (I) The company regularly convenes the Audit Committee and, as needed, invites accountants or audit managers to attend separately; in addition to Audit Committee meetings, independent directors also communicate with accountants, audit managers, or relevant managers on relevant issues.
- (II) Internal audit supervisors regularly present audit summary reports to the Audit Committee in accordance with the annual audit plan, and the Audit Committee also periodically evaluates the company's internal control system, internal audit personnel, and their work.
- (III) The Audit Committee holds regular discussions with the company's auditors every year to review the results of the quarterly financial statements and other legal requirements, and to independently assess the auditors' appointment and the audit and non-audit services they offer.
- (IV) Main communication issues in 2024 up to the date the Annual Report was printed:
1. Excerpts of communication between independent directors and accountants:

Conference Date	Nature of Meeting	Key points of communication	Communication details and independent directors' comments	The Company's handling of independent directors' comments
2024.03.07	Audit Committee	Audit report on the consolidated and individual financial statements for the fiscal year 2023	Upon review by the audit committee, all independent directors have no objections	Not applicable
2024.05.07	Audit Committee	Review report on the Company's consolidated financial statements for the 1st quarter of 2024	Upon review by the audit committee, all independent directors have no objections	Not applicable
2024.08.08	Audit Committee	Review report on the Company's consolidated financial statements for the first half of 2024	Upon review by the audit committee, all independent directors have no objections	Not applicable
2024.11.05	Audit Committee	Review report on the Company's consolidated financial statements for the 3rd quarter of 2024	Upon review by the audit committee, all independent directors have no objections	Not applicable
2025.03.03	Audit Committee	Audit report on the consolidated and individual financial statements for the fiscal year 2024	Upon review by the audit committee, all independent directors have no objections	Not applicable

2. Excerpts of communication between independent directors and Audit Supervisor:

Conference Date	Nature of Meeting	Key points of communication	Communication details and independent directors' comments	The Company's handling of independent directors' comments
2024.03.07	Audit Committee	1. Audit plan execution status and deficiency tracking report for 2023 2. The Company's Statement of Internal Control System for 2023. 3. Re-enactment of the general principles of internal control system. 4. Revision of the Operational Procedures for Loaning of Company Funds. 5. Revision of the regulations on the use of seals.	Upon review by the audit committee, all independent directors have no objections	Not applicable

		6. Revision of the rules for board meetings. 7. Revision of Audit Committee Organization Regulations. 8. Enacting Risk Management Guidelines.		
2024.05.07	Audit Committee	1. Audit plan execution status and deficiency tracking report for the first quarter of 2024.	Upon review by the audit committee, all independent directors have no objections	Not applicable
2024.08.08	Audit Committee	1. Audit plan execution status and deficiency tracking report for the 2nd quarter of 2024	Upon review by the audit committee, all independent directors have no objections	Not applicable
2024.11.05	Audit Committee	1. Audit plan execution status and deficiency tracking report for the third quarter of 2024	Upon review by the audit committee, all independent directors have no objections	Not applicable
2024.12.26	Audit Committee	1. Audit plan execution status and deficiency tracking report for November 2024 2. Approval of 2025 Audit Plan. 3. Approval of establishing operational guidelines for sustainable information management. 4. Approval of amendment to the approval authority table for the circulation of real estate and factory equipment.	Upon review by the audit committee, all independent directors have no objections	Not applicable
2025.03.03	Audit Committee	1. Audit plan execution status and deficiency tracking report for 2024 2. The Company's Statement of Internal Control System for 2024. 3. Revise the Credit Management Guidelines	Upon review by the audit committee, all independent directors have no objections	Not applicable

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

Evaluation Item	Operation			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the Reasons
	Yes	No	Description	
I. Does the company follow the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" to develop and disclose its corporate governance best practice principles?	✓		The Company has developed Corporate Governance Best Practice Principles, and disclosed at the Company's website and Market Observation Post System.	No difference
II. The Company's shareholding structure and shareholders' equity (I) Does the company have internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigation? If yes, have these procedures been implemented accordingly?	✓		This company convenes shareholders' meetings in compliance with the Company Law and relevant regulations, establishes comprehensive rules of procedure, and ensures the effective execution of matters that require resolution by the shareholders' meeting according to the rules of procedure. In addition, the company has established the "Internal Procedures for Handling Significant Information and Preventing Insider Trading", and has set up spokespersons, acting spokespersons, and stock affairs units with dedicated personnel to handle shareholder suggestions, doubts, disputes, etc., to ensure shareholder rights. When legal issues arise, seek assistance from legal colleagues or legal advisors for resolution.	No difference
(II) Does the company possess a list of major shareholders who actually control the company and the persons who have ultimate control over major shareholders?	✓		This company reports any changes in shareholding by internal personnel (directors, managers, and shareholders holding more than 10%) to the competent authority's designated website "Market Observation Post System" on a monthly basis as required by law, while also maintaining positive relationships with investors.	No difference

Evaluation Item	Operation			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the Reasons
	Yes	No	Description	
(III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	✓		This company has established “Subsidiary Supervision Measures” and “Related Party Transaction Management Measures” to create, execute, and maintain firewalls and risk management mechanisms with related entities.	No difference
(IV) Does the company have internal norms that prohibit company insiders from trading securities using information not disclosed to the market?	✓		The company has established the “Internal Major Information Processing and Prevention of Insider Trading Procedures”, prohibiting internal personnel from trading securities based on undisclosed information in the market. This serves as the basis for the company’s major information processing and disclosure mechanism, with periodic reviews conducted to comply with current laws and practical management needs.	No difference
III. Composition and duties of the Board of Directors (I) Has the Board of Directors established and implemented a diversification policy and specific management objectives?	✓		The company, in accordance with the “Corporate Governance Guidelines” issued by the regulatory authorities, should consider diversification in the composition of the board members, formulate appropriate diversification policies based on its own operations, operating model, and development needs, taking into account basic criteria and values, as well as professional knowledge and skills (such as legal, financial accounting, business management, professional knowledge, marketing, or leadership decision-making), and should generally possess the knowledge, skills, and qualities necessary to perform their duties. Taking into account the overall composition of the board of directors, the specific objective is to have directors from different genders, ages, professional backgrounds, with at least one having a financial accounting background, and at least one with relevant management experience or legal expertise. Currently, the company’s board of directors consists of 10 directors (including 4 independent directors and 6 non-independent directors), with one director also serving as a manager. Their expertise covers various fields such as business management, financial accounting, and more. Among the current directors, 5 have financial accounting expertise, 2 have relevant industry experience, 2 have legal expertise, and 1 specializes in sustainable development. This includes 2 female directors, effectively realizing the diversity goal of the board of directors. This diversity will greatly benefit the company’s future in terms of human resources succession, equipment renewal, advanced product research and development, high-value industry chain construction, intelligent production and sales, and commitment to a circular economy.	No difference
(II) Besides the Remuneration Committee and the Audit Committee which are established as required by law, does the company voluntarily establish any other types of functional committees?	✓		Considering the size of our board of directors and the number of independent directors, in addition to the compensation committee and audit committee established in accordance with legal requirements, various business operations also have internal control mechanisms and hold special, operational, and decision-making meetings to evaluate important issues through such meetings to assist the board of directors in carrying out its supervisory responsibilities. The company has established a remuneration committee as well as sustainable development, cross-departmental welfare, and environmental health and safety committees to support employees and society.	No difference
(III) Does the company have a board of directors’ performance evaluation system and a method thereof, and conduct performance evaluation annually and regularly, and submit the results of performance evaluation to the board of directors for reference of individual director’s salary and compensation and nomination for re-election?	✓		The company formulated the board performance evaluation method and its assessment approach on December 27, 2017. While not conducted annually, the Compensation Committee regularly reviews the performance evaluations of directors and managers, along with compensation policies, systems, standards, and structures, and presents recommendations to the board for consideration.	No difference
(IV) Does the company regularly evaluate the independence of its certified public accountants?	✓		To ensure effective corporate governance, our company evaluates the independence and suitability of CPAs annually. The finance department conducts a regular assessment of their independence and	No difference

Evaluation Item	Operation			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the Reasons
	Yes	No	Description	
			suitability, documenting the findings in writing. At the end of each fiscal year, the results are compiled and submitted to the board of directors after receiving approval from the responsible supervisor. On March 3, 2025, the company will present the independence of the CPAs for 2025 and the suitability assessment of the accountants for 2024 during the eighth meeting of the third session of the Audit Committee and the 15th meeting of the 9th Board of Directors along with the Audit Quality Indicators (AQIs) and the assessment of independence. Following an evaluation (for details, please refer to Table 1), in 2024, the audit will be signed by accountants Mei-Lan Liu and Su-Hua Hung from PwC. The quality and timeliness of their audit and tax services meet the required standards, making them suitable CPAs. In 2025, due to internal rotations at PwC, the audit will be signed by CPAs Mei-Lan Liu and Chih-Wei Lai. Their qualifications align with the requirements for accounting services, and they have no direct or indirect financial interests with the company or its directors, ensuring their substantial independence and suitability to serve as the company's CPAs.	
IV. Does the TWSE/TPEX listed company have the adequate number of qualified corporate governance personnel and appoint the corporate governance officer to be in charge of corporate governance affairs (including but not limited to providing information necessary for directors and supervisors to perform their duties, assisting directors and supervisors in complying with laws and regulations, handling matters related to board meetings and shareholders' meetings in accordance with the law, preparing minutes of board meetings and shareholders' meetings)?	✓		<p>The company's corporate governance director, appointed by the board of directors on April 17, 2023, has over 3 years of experience in financial and administrative management in publicly traded companies, meeting the regulatory requirements. The corporate governance director is responsible for corporate governance matters and has dedicated personnel to handle board and shareholder meeting-related information and records. Business execution status for the fiscal year 2024:</p> <ol style="list-style-type: none"> 1. The status of the director and company governance training is outlined in Table 2 below. 2. Evaluating the purchase of "Directors and Officers Liability Insurance" for board members and reporting the coverage to the board of directors. 3. Plan to hold meetings with accountants, independent directors, and audit supervisors to ensure the implementation of internal audit and control systems. Detailed meeting records are available in the company's annual report. 4. Matters related to the meetings of the board of directors and functional committees in accordance with laws and regulations: Notice all directors and committee members to attend and provide sufficient meeting materials seven days before the board and committee meetings, enabling directors to understand the relevant agenda items; if a director has a conflict of interest with the meeting agenda related to themselves or their represented legal entity, the interested party will be given prior notice to abstain from the interest; distribute meeting records to all directors within 20 days after the meeting. 5. Responsible for disclosing important decisions or announcements after the board of directors and shareholders' meeting to ensure the legality and accuracy of information, thereby safeguarding information equality for investors. 6. From time to time provide directors with information on new laws and regulations related to executive operations, corporate governance, or business operations. 7. Conduct shareholder meetings in accordance with legal requirements: Annually, prepare and submit meeting notices, agenda books, and meeting minutes before the deadline for registering the shareholders' meeting date as required by law. 	No difference
V. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, suppliers) and set up a stakeholder section on the company's website to	✓		This company has a spokesperson system in place and communicates the latest information and important corporate social responsibility issues through various channels such as the stakeholder section on the company's website and customer satisfaction surveys.	No difference

Evaluation Item	Operation			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the Reasons
	Yes	No	Description	
properly respond to important CSR issues of concern to stakeholders?				
VI. Does the company appoint a professional stock affairs agency to handle the affairs of the shareholders' meeting?	✓		Our company has designated Mega Securities Co., Ltd. Registrar and Transfer Agency Department as our stock affairs agency to assist with various stock-related matters.	No difference
VII. Information Disclosure (I) Does the company have a website to disclose finance and corporate governance information?	✓		1. Disclosure of financial information: Our company has established an investor relations section on the website to provide complete transparency regarding our financial status and corporate governance information. Create a dedicated corporate sustainability section to compile and share real-time updates on the progress of environmental, social, and governance initiatives	No difference
(II) Does the company employ other means of information disclosure (e.g., establishing an English website, appointing a person to collect and disclose company information, implementing a spokesperson system, placing the investor presentation process on the company's website)?	✓		1. Designate a dedicated person to be responsible for the collection and disclosure of company information: Our company has established a Mandarin/English website, designated personnel responsible for collecting and disclosing information, and regularly informs the public of the latest and accurate information through press releases or important messages. 2. Implement the system of spokespersons: The company is represented by spokesperson Felicia Hsiao, the chairman's special assistant, and manager Kelly Wang, who acts as the deputy spokesperson. Additionally, the company periodically holds "investor presentation" to ensure transparency of its information. 3. The financial and business operation information related to the investor presentation is published on the company's website under the latest news and has also been submitted to the Market Observation Post System as required by stock exchange regulations.	No 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?	✓		1. Our company has proactively announced and submitted the financial reports for the first, second, and third quarters, along with the monthly operational updates, ahead of the required deadline. However, the annual financial report has not yet been published within two months after the end of the accounting year, but the company will still ensure its completion ahead of the legal deadline.	No difference
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. Responsibilities towards customers: Our company has successively obtained IATF16949 and AS9100 certificates. Following the acquisition of the IATF16949 certificate by our German subsidiary, our Pingtung factory also obtained the IATF16949 certificate in March 2020. With "producing and timely providing products that satisfy customers" as our company's quality policy, we strive to offer customers safe, high-quality products, provide complete and accurate product information, conduct regular customer satisfaction surveys after product sales, and meet customer needs. 2. Responsibilities towards shareholder: This company regularly discloses its financial status on its public website. Any significant information is promptly revealed on the Market Observation Post System to ensure that shareholders have access to accurate financial data and important updates from the company. 3. Responsibilities towards employees: (1) Establish the Workers' Welfare Committee to organize various activities and offer assistance for marriage, funerals, childbirth, and travel.	No difference

Evaluation Item	Operation			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the Reasons
	Yes	No	Description	
			<p>(2) In order to enhance employee productivity and ensure that both labor and management share the fruits of operation, the company has implemented production bonuses, target bonuses, performance bonus assessments, and distribution methods, as stipulated in the company's articles of association, to distribute employee remuneration in profitable years.</p> <p>(3) After joining the company, employees not only enjoy relevant labor and health insurance benefits and retirement benefits in accordance with the law, but are also provided with free group insurance, accident insurance, and medical insurance for all employees and their families, offering more security.</p> <p>(4) Develop education and training programs that include new employee orientation, on-the-job training, and management training. Implement regular practical job training based on competency needs to achieve a "hands-on learning approach". Encourage employees to engage in external training or further education to improve their job skills and knowledge. Furthermore, through monthly meetings, department meetings, etc., promote the management philosophy, share experiences, establish team consensus, and cultivate reserve executives.</p> <p>(5) In order to safeguard the safety of employees at work, we offer and uphold a secure and hygienic work environment that complies with practical and regulatory standards. We are certified with ISO45001 and ISO14001. Additionally, we conduct regular safety and health seminars for employees, including fire safety training, community-coordinated fire drills, practical emergency evacuation route exercises, and more, to reduce any risks that could potentially harm employees.</p> <p>4. Investor relations: This company has appointed a dedicated spokesperson to ensure timely and appropriate communication of information that may impact investors.</p> <p>5. Supplier relations: Always maintain good communication channels with suppliers to enable timely issue resolution and achieve mutual benefits.</p> <p>6. Stakeholder relationships: Directors have refrained from voting on matters involving conflicts of interest.</p> <p>7. Continuing education of directors: Our company's directors have industry expertise and practical management experience. The company also, from time to time, offers directors courses on corporate governance and securities regulations. The courses taken for 2024 are as following (in Table 2 below.)</p> <p>8. Implementation of Risk Management Policies and Risk Measurement Standards: The finance department assesses and analyzes the impact of financial risks, interest rates, exchange rate fluctuations, and currency inflation on the company's financial performance, as well as outlines future response strategies. In response to the global economic environment, the department evaluates the company's overall risk exposure and existing transactions, emphasizing risk mitigation for positions such as exchange rates and interest rates with a conservative and prudent approach. The hedging strategy is guided by the net position of natural hedges. Hedging instruments include forward foreign exchange contracts, options, and derivative products, which are managed in accordance with company procedures and disclosed regularly, prioritizing prudence. Natural hedging minimizes the impact of interest rate and exchange rate fluctuations on financial performance. Ongoing monitoring of the global economic environment aims to minimize the effects of interest rate and exchange rate fluctuations on the company's financial results.</p>	

Evaluation Item	Operation			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the Reasons
	Yes	No	Description	
			Our company takes a meticulous approach to managing risks in environmental sustainability, corporate governance, and social responsibility. We develop response measures in various areas and publish sustainability reports on our company website. 9. Liability Insurance for the Company's Directors and Supervisors: Directors and managers have purchased liability insurance and report to the board annually after signing a new insurance contract.	
IX. Please describe the improvements that have been made and propose priorities and measures to strengthen those that have not yet been improved with respect to the results of the corporate governance evaluation issued by the Corporate Governance Center of Taiwan Stock Exchange in the most recent year: It will be listed on May 13, 2024, and is not applicable for less than one year.				

(Table 1)

SuperAlloy Industrial Co., Ltd.

2024 Table for assessing the independence and suitability of CPAs

I. Explanation of the evaluation: In accordance with Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," A TWSE/TPEX listed company shall evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually.

II. Accountant's basic information:

CPA Name	Accountant Mei-Lan Liu Accountant Chih-Wei Lai	Name of accounting firm	PwC Taiwan
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III. Content for assessment:

Evaluation criteria for the formulation of Article 47 of the Certified Public Accountant Act and Bulletin No. 10 of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, along with the development of Audit Quality Indicators (AQIs):

A. Evaluation of independence criteria (If any of the following items are marked "No," further investigation into the specific facts is necessary)				
Item	Assessment content	Please select		Remarks
		Yes	No	
01	The accountant or his/her spouse and minor children has no relationship with the company regarding investments or shared financial interests.	v		The company's shareholder register does not list the individuals mentioned
02	The accountant or his/her spouse and minor children does not have any financial loans with this company. However, this does not apply if the client is a financial institution that has a regular business relationship.	v		The company has no financial lending arrangements with the individuals mentioned
03	The accounting firm did not provide an assurance report on the effective operation of the financial information system that it designed or helped implement.	v		There are no such things

04	The CPA or his/her audit service team members do not serve as directors, managers, or are not in positions with significant influence on the audit of the Company at present or within the last two years.	v		The list of directors and managers does not indicate any such issues
05	The non-audit services offered by the company do not directly affect the key aspects of the audit case.	v		Offering tax services does not compromise independence
06	The CPA or his/her audit service team members do not serve as a broker for shares or other securities issued by the Company.	v		PwC states that there is no promotion or mediation of the stocks or other securities issued by this company. The company has not engaged PwC to promote or mediate the stocks or other securities issued by this company.
07	The CPA or his/her audit service team members do not represent the company in legal matters or other disputes with third parties, except for activities permitted by law.	v		There are no such things involving representation
08	The CPA or his/her audit service team members do not have relationships with the company's directors, managers, or individuals in positions that significantly influence the audit case, including spouse, lineal relative by blood, direct relative by marriage, or collateral relative by blood within the second degree of kinship.	v		The accountant declared that there is no such issue
09	Joint CPAs who have resigned within one year do not serve as directors, managers, or in any positions that could significantly influence audit cases for this company.	v		The list of directors and managers does not indicate any such issues
10	The CPA or his/her audit service team members have not accepted significant gifts or special favors from the company, its directors, managers, or major shareholders.	v		The accountant declared that there is no such issue
11	The accountant is not engaged by the client or the audited entity for regular work, does not receive a fixed salary, and does not serve as a director or supervisor.	v		There was no such situation found in the roster of directors, managers, and employees
12	Listed companies: The accountant has not provided auditing services to the company for the past seven years. Unlisted companies: The accountant has not provided auditing services to the company for the past ten years.	v		Accountant Mei-Lan Liu began her service in 2022 Accountant Chih-Wei Lai is expected to begin his service in 2025

B. Review of independent operations (If any of the following items are marked "No," further investigation into the specific facts is necessary)

Item	Assessment content	Please select		Remarks
		Yes	No	
01	If an accountant has a direct or significant indirect interest in the entrusted matters that could affect their impartiality and independence, has he/she refrained from handling the case?	v		Matters entrusted that do not affect its impartiality and independence

02	When an accountant conducts audits, reviews, re-examinations, or project assessments of financial statements and prepares an opinion letter, does he/she maintain not only substantial independence but also formal independence?	v		No issues regarding independence have been identified, and this has been confirmed by the accountant
03	Do the audit service team members, other joint CPAs, shareholders of corporate accounting firms, accounting firms, related entities, and alliance firms also maintain their independence from our company?	v		No issues regarding independence have been identified, and this has been confirmed by the accountant
04	Does the accountant perform their professional services with integrity and diligence?	v		No integrity violations detected
05	Did the accountant maintain an impartial and objective position while providing professional services, and have they avoided being influenced by bias, conflicts of interest, or relationships that could impact their professional judgment?	v		No issues of fairness and objectivity were identified
06	An accountant's integrity and objectivity are not compromised by a lack or loss of independence.	v		No issues regarding independence have been identified, and this has been confirmed by the accountant
C. Evaluation of suitability (If any of the following items are marked "No," further investigation into the specific facts is necessary)				
Item	Assessment content	Please select		Remarks
		Yes	No	
01	The accountant has had no disciplinary records from the CPA Discipline Committee in the last two years.	v		The Financial Supervisory Commission's disciplinary list for accountants does not include this issue
02	Does the accounting firm have adequate scale, resources, and regional coverage for providing company audit services?	v		PwC, a member of the international alliance, is well-equipped to provide audit services
03	Does the accounting firm have a well-defined quality control process? Does the scope cover the levels and key points of the audit procedures, how audit issues and judgments are handled, the quality control review of independence, and the management of risks?	v		After consulting with the accountant, it is evident that there are clear quality control procedures in place. These procedures cover the levels and key points of the audit procedures, how audit issues and judgments are handled, the quality control review of independence, and the management of risks
04	Does the accounting firm promptly inform the board of directors (audit committee) of any significant issues and developments related to risk management, corporate governance, financial accounting, and associated risk controls?	v		The accountant will regularly communicate with the governance body—the board of directors (audit committee)—regarding audit risks and will share new regulations with the company as they arise
D. Additional notes:				

IV. Evaluation result:

Following an evaluation, the CPAs appointed by our company have not faced any of the situations outlined in the independence evaluation criteria. Based on the audit quality indicators (AQIs) provided by the Financial Supervisory Commission, we have evaluated the accountants' financial interests, business relationships, and employment relationships. The results of this evaluation confirm that the CPAs meet the required standards of independence and suitability, ensuring the reliability of the financial reports.

Date of evaluation: February 21, 2025

Evaluation unit: Our company's finance department submitted the board's approval on March 3, 2025

(Table 2) 2024 Status of the director and company governance training

Name	Date of Continuing Education	Event Organizer	Name of Course	Hours of Continuing Education
Chairman Tsung-Jung Huang	2024/09/30	Taiwan Securities Exchange	Summit for Strengthening Taiwan's Capital Market	3.0
	2024/11/29	Securities & Futures Institute	2024 Legal Compliance Seminar for Insider Equity Transactions	3.0
Director Long-Cheng Wei	2024/04/12	Taiwan Academy of Banking and Finance	Workshop on Corporate Governance and Sustainable Business Practices	3.0
	2024/11/29	Securities & Futures Institute	2024 Legal Compliance Seminar for Insider Equity Transactions	3.0
Director Ke-Chang Liu	2024/11/19	Securities & Futures Institute	Sustainable Development Committee and Chief Sustainability Officer Seminar	3.0
	2024/11/29	Securities & Futures Institute	2024 Legal Compliance Seminar for Insider Equity Transactions	3.0
Director Mao-Lin Shih	2024/06/07	Taiwan Corporate Governance Association	The Latest Regulations, Trends, Impacts, and Responses related to ESG	3.0
	2024/08/09	Taiwan Corporate Governance Association	Risk Management and Internal Control	3.0
	2024/11/01	Securities & Futures Institute	Sharing Examples of Generative AI Applications to Shape a New Future with AI	3.0
	2024/11/01	Securities & Futures Institute	Prevention of Money Laundering and Protection against Fraud	3.0
Representative of the board of directors Shun-Chung Wang	2024/11/29	Securities & Futures Institute	2024 Legal Compliance Seminar for Insider Equity Transactions	3.0
Representative of the board of directors Chiu-Yueh Chang	2024/10/18	Securities & Futures Institute	2024 Annual Conference on Preventing Insider Trading	3.0
	2024/12/12	Securities & Futures Institute	Shareholders' meeting, management rights, and equity strategy	3.0

Independent Director Ding-Wang Zheng	2024/06/03	Taiwan Securities Exchange	Forum on Perspectives of Institutional Investors	3.0
	2024/09/12	Taiwan Corporate Governance Association	Internal control is related to risk management	3.0
	2024/11/14	Taiwan Corporate Governance Association	An introduction to the IFRS Sustainability Disclosure Standards S1 and S2 and how to respond to them	3.0
Independent Director Wan-Yu Liu	2024/01/19	Taiwan Corporate Governance Association	Executive compensation and the design of ESG performance evaluation systems	3.0
	2024/05/21	Securities & Futures Institute	Safeguarding of trade secrets	3.0
	2024/05/21	Securities & Futures Institute	Understanding the concept of corporate ESG sustainable governance - Trends in global net zero carbon emissions and how companies are responding	3.0
Independent Director Ming-Hsiu Cheng	2024/10/25	Taiwan Corporate Governance Association	Discussion on management trends in the financial sector's efforts to combat money laundering and counter-terrorism financing	3.0
	2024/12/13	Taiwan Corporate Governance Association	An introduction to the personnel system of corporate governance and the role of legal professionals in corporate governance	3.0
Independent Director Wen-Chung Chen	2024/10/18	Securities & Futures Institute	2024 Annual Conference on Preventing Insider Trading	3.0
	2024/12/05	Securities & Futures Institute	Carbon trading mechanisms and applications of carbon management	3.0
	2024/12/12	Securities & Futures Institute	Shareholders' meeting, management rights, and equity strategy	3.0
Corporate Governance Officer Kelly Wang	2024/10/18	Securities & Futures Institute	2024 Annual Conference on Preventing Insider Trading	3.0
	2024/12/05	Securities & Futures Institute	Carbon trading mechanisms and applications of carbon right management	3.0
	2024/11/29	Securities & Futures Institute	2024 Legal Compliance Seminar for Insider Equity Transactions	3.0
	2024/12/12	Institute of Internal Auditors-Chinese Taiwan	An exploration of insider trading and the issues of inaccurate financial reporting, along with strategies for addressing them	6.0

(IV) Composition, duties and operation of the Remuneration Committee

1. Information on Members of the Remuneration Committee:

All members of our company's Remuneration Committee are independent directors. The table below provides information on their professional qualifications, experience, independence status, and the number of other public companies' Remuneration Committee members they also serve.

Name		Professional Qualifications and Experience	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director	Ding-Wang Zheng	Areas of expertise: Finance and accounting expertise Education: Ph.D. in Accounting from the University of Missouri in the United States Other major responsibilities: Independent Director of Hanns Touch Holdings Company; Independent Director of Acepodia Inc. Previous experience: President of a National Chengchi University	Compliance with the independence requirements of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	2
Independent Director	Wan-Yu Liu	Areas of expertise: Production management and environmental economics, corporate sustainability and environmental protection Education: Ph.D. in Agricultural Economics (Production Management and Environmental Economics Group), Department of Agriculture Economics, National Taiwan University Other major responsibilities: Professor at the College of Agriculture and Natural Resources, National Chung Hsing University; Independent Director at Chung Hwa Pulp Corporation; Independent Director of Lion Travel Service Co., Ltd; Independent Director of CH Biotech R&D Co., LTD.	Compliance with the independence requirements of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	3
Independent Director	Ming-Hsiu Cheng	Areas of expertise: Legal expertise Education: Doctorate in Law from the University of Münster in Germany Other major responsibilities: Professor at the School of Law, Soochow University; Independent Director at Celxpert Energy Corporation	Compliance with the independence requirements of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	1
Independent Director	Wen-Chung Chen	Areas of expertise: Finance and Banking Education: Department of Finance and Taxation, College of Law and Business, National Chung Hsing University Previous experience: Deputy General Manager at China Bills Finance Corporation	Compliance with the independence requirements of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	0
The directors (including independent directors) of the company are not involved in any events stated in Article 30 of the Company Act.				

2. Duties of the Compensation and Remuneration Committee:

- (1) Reviewing the regulations of the salary and compensation committee on a periodic basis and providing advices on its revision.
- (2) To develop and periodically reflect upon the performance evaluations of directors and managers, the annual and long-term performance target, along with compensation policies, systems, standards, and structures, and disclose the performance evaluation criteria in the annual report.
- (3) Regularly assess the achievement of performance goals for the directors and managers of the company. Based on the evaluation results obtained from the performance evaluation criteria, establish the content and amount of their individual salary compensation. Directors and managers are required to disclose the results of individual performance evaluations in the annual report, along with details and amounts of individual salary compensation, the relationship and reasonableness of the compensation with the performance evaluation results, and present this information in the shareholders' meeting report.

3. Information on the Operation of the Remuneration Committee:

- (1) The Company's Remuneration Committee comprises 3 members.
- (2) Term of office of current members: Between November 13, 2023, and November 13, 2026, the 6th Compensation Committee convened a total of 5 (A) meetings during the most recent fiscal year (2024) and up to the printing date of the annual report for the application year. The attendance of the committee members is as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance in Person rate (%) (B/A) (Note)	Remarks
Member	Ding-Wang Zheng	5	0	100.00	
Convener	Ming-Hsiu Cheng	5	0	100.00	
Member	Wen-Chung Chen	5	0	100.00	

Other matters to be included:

- I. In case the Board of Directors does not adopt or modify the suggestion of the Remuneration Committee, a description shall be provided for the date and session of the board meeting, the content of the proposal, the resolutions of the Board of Directors and the Company's handling of the opinions of the Remuneration Committee: None.
- II. On matters resolved by the Remuneration Committee, if a member has an objection or reservation which are documented or declared in writing, the date and session of the Remuneration Committee meeting, the content of the proposal, the opinions of all members and the Company's handling of such members' opinions shall be detailed: None.

(V) Promotion of sustainable development, differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons

Item	Implementation status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons
	Yes	No	Description	
I. Does the company have a governance framework in place to promote sustainable development and a dedicated (concurrent) unit for fulfilling sustainable development, with the board of directors authorizing senior management to handle such efforts, and having relevant progress supervised by the board of directors?	✓		<p>1. Our company has officially established a Sustainable Development Committee in 2022.</p> <p>2. In order to ensure the effective implementation of key business decisions related to corporate social responsibility and sustainable development, we are committed to enhancing the company's management system. We actively focus on three main areas: environmental conservation (E), social responsibility (S), and corporate governance (G). This enables the board of directors to fulfill its responsibilities effectively and protect the rights and interests of the company, employees, shareholders, and stakeholders. To effectively drive these initiatives, the committee has established four groups: the Corporate Governance Group, the Environmental Sustainability Group, the Social Care Group, and the Supply Chain Management Group. Each group is led by the head of the relevant department as the convener, who is responsible for overseeing the operation of each group, participating in group meetings, assisting members in implementing various plans, and reporting to the board from time to time for further action.</p>	No material difference
II. Does the company perform risk assessments on environmental, social and corporate governance issues related to the company's operation based on the materiality principle and develop relevant risk management policies or strategies?	✓		The Company selects the major issue via stakeholder questionnaire, to perform risk assessments on environmental, social and corporate governance issues related to the company's operation, and develop relevant risk management policies, strategies and performance evaluation, and disclose at the official website of the Company (Sustainable Development Report in 2023).	No material difference
III. Environmental Issues (I) Does the company have an appropriate environmental management system developed based on its industry characteristics?	✓		The company has acquired ISO 14001 environmental management system certification and ISO 45001 occupational safety management. It conducts annual inspections as per environmental and occupational safety management regulations to ensure the effectiveness of implementation.	No material difference
(II) Is the company committed to improving energy efficiency and using renewable materials that have a low impact on the environment?	✓		<p>1. The company acquired the ISO50001 energy management system to enhance energy efficiency, reduce greenhouse gas emissions, and cut down on corporate energy expenses.</p> <p>2. Implementing a resource management procedure to actively promote recycling of various waste or resources, effectively reducing resource wastage.</p> <p>3. Our company operates a smelting plant where we recycle and reuse aluminum scrap produced during the manufacturing process.</p>	No material difference

Item	Implementation status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons
	Yes	No	Description	
(III) Does the company evaluate the potential risks and opportunities in climate change with regard to the business now and in the future, and take appropriate action to address them?	✓		Our company holds regular ESG meetings to review potential internal risks and implement relevant response measures. There have been successful outcomes in energy conservation and carbon reduction efforts: (1) Save 1% energy in 2023 compared to 2022. (2) Our company continuously passed the third-party inspection for the in March 2024 through the ISO14064-1 greenhouse gas management standard, which scientifically calculates greenhouse gas emissions and contributes to future carbon reduction efforts. The relevant data is available on the company's official website in the 2023 Sustainable Development Report.	No material difference
(IV) Did the company collect 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?	✓		<ol style="list-style-type: none"> 1. The company has achieved compliance with the ISO14064-1 greenhouse gas management standard. They conduct surveys to monitor and analyze greenhouse gas emissions, water usage, electricity consumption, and monthly waste weight statistics. This helps in effective control and review of reduction and waste reduction policies. 2. The company acquired the ISO50001 energy management system to enhance energy efficiency, reduce greenhouse gas emissions, and cut down on corporate energy expenses. 3. Our company has established office environmental management procedures and energy resource usage management procedures. Monthly evaluations and reviews are conducted to monitor energy resource usage and recycling, aiming to achieve effective control and energy conservation. 4. This company has established waste management regulations. Waste management and disposal are conducted in compliance with legal requirements, ensuring that all generated waste is properly controlled and managed. 	No material difference
IV. Social Issues (I) Does the company establish its management policies and procedures in accordance with relevant regulations and the International Bill of Human Rights?	✓		The company adheres to relevant labor laws and international human rights conventions to safeguard the legitimate rights and interests of employees. Simultaneously, it establishes appropriate management regulations and procedures for both labor and management to abide by together, and discloses them on the company's website. The related regulations are also concurrently revealed in the 2023 Sustainable Development Report.	No material difference
(II) Has the Company established and implemented reasonable employee welfare measures (including salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		<ol style="list-style-type: none"> 1. Our company has an Employee Welfare Committee that offers a range of welfare assistance, educational incentives, and cultural and recreational activities for employees. 2. The company has vacation management regulations that not only comply with the Labor Standards Act but also offer employees travel subsidy allowances 3. The company offers a salary system that exceeds the industry average to create a workplace environment where employees can work with peace of mind and enjoy life to the fullest. It also implements a performance evaluation system effectively, ensuring clear execution of performance evaluations, and establishes 	No material difference

Item	Implementation status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons
	Yes	No	Description	
			clear guidelines for “Rewards and Penalties Operation Management Measures” to achieve a transparent system of rewards and penalties.	
(III) Does the company provide a safe and healthy work environment for its employees and conduct regular safety and health training for its employees?	✓		<ol style="list-style-type: none"> 1. Our company has established a health management system and passed the ISO45001 occupational safety management. A specialist is responsible for maintaining the safety and health of employees and the work environment. In addition to new employees undergoing physical examinations and health education training upon joining the company, safety and health education training is conducted annually for existing employees. Free health check-ups for employees and their dependents, as well as regular physician services, are provided. 2. Conduct regular internal human rights impact assessments and develop risk control measures based on employee risk exposure. 	No material difference
(IV) Does the company have an effective professional competency development training program for employees?	✓		Our company has established human resources management procedures and employee on-the-job training management procedures, which are tailored to new and existing employees to develop training plans. In addition to participating in external training, we also train internal trainers and conduct regular internal education and training.	No material difference
(V) Do the company’s products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling, and are relevant consumer protection or customer rights protection and complaint procedure policies implemented?	✓		<ol style="list-style-type: none"> 1. All our company’s exported products are accompanied by Dun & Bradstreet enterprise certification codes, ensuring accountability for product marketing and labeling. 2. Our company has a customer service department that is always ready to address any issues customers may have with our products. 3. Implement TISAX to strengthen the protection of customer products. 4. Establish a reporting system and provide stakeholders with a channel for reporting and complaints on the company’s official website. 	No material difference
(VI) Does the company have a supplier management policy that requires suppliers to follow relevant norms on issues, such as environmental protection, occupational safety and health, or labor human rights? If so, describe its implementation status.	✓		Our company conducts supplier management by forming assessment teams for on-site inspections, conducting regular evaluations, including environmental health and safety assessments. An annual environmental health and safety management questionnaire is conducted, with semi-annual environmental health and safety investigation evaluations for D-rated suppliers. E-rated suppliers are suspended from trading, and suppliers are required to sign a supplier code of conduct that complies with environmental protection, labor rights, and other issues, which is published on the company’s website. In 2023, the signing rate of the supplier code of conduct for key suppliers reached 100%	No material difference
V. Does the company refer to the international standards or guidelines for the preparation of reports to	✓		The company follows the Global Reporting Initiative’s GRI Sustainability Reporting Guidelines “Core Option” for drafting the 2023 sustainability report, taking into account the Sustainability Accounting Standards Board (SASB) and the	No material difference

Item	Implementation status			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons
	Yes	No	Description	
prepare sustainability reports and other reports that disclose non-financial information? Does the aforementioned reports acquire the assurance or guarantee of the third-party certification unit?			Task Force on Climate-Related Financial Disclosures (TCFD), and publishes it on the company's website.	
VI. Describe the differences between actual practice and the sustainable development principles, if the company has formulated such principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies": This company has a sustainable development committee in place with regulations governing its operations. It identifies and manages significant themes through stakeholder engagement, resulting in no major discrepancies.				
VII. Other important information to facilitate a better understanding of the Company's implementation of sustainable development: 1. Our company, in addition to establishing a Sustainable Development Committee, is committed to fulfilling our social responsibility and giving back to society. We actively enhance employee welfare and care for every employee's family, and we are dedicated to providing support for various emergency disasters. We have also set up the Yunlin County Fude SuperAlloy Social Welfare Charity Foundation, funded by investments from our directors and shareholders. In 2024, we donated NT\$532,000 to World Vision Taiwan for after-school care and scholarships for disadvantaged children, approximately NT\$216,000 to the Association of Victims Support Taiwan Yunlin Branch for scholarships, NT\$650,000 to the Mustard Seed Mission, NT\$500,000 for scholarships in Ci-Tong Township, Yunlin County, NT\$846,000 to China Medical University and Huwei St. Joseph's Hospital, and NT\$420,000 to the Huashan Social Welfare Foundation and Double Bliss Welfare and Charity Foundation supporting music class events in Yunlin junior high schools, funding the basketball team of Doudong Elementary School, providing books to Yunlin County Government, assisting employees in emergencies, and sponsoring summer camps organized by the Fire Department, totaling approximately NT\$2,928,000.				

Climate-Related Information of TWSE/TPEX Listed Company

1. Implementation of Climate-Related Information

Item	Implementation status
<p>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p>In response to the high uncertainty of climate change and the rapid shifts in policies and markets, our company regularly gathers senior executives from various departments to identify major climate risks and opportunities, as well as to promptly assess and anticipate the potential impacts of climate change. Additionally, we will assess the risks that floods, droughts, typhoons, and high temperatures may pose to our various operational sites. This will help us understand the climate changes and market dynamics in the external environment, allowing for a more comprehensive consideration of our overall operational strategy, which will also be disclosed in the company's sustainability report. (Please refer to our company's 2023 sustainability report)</p> <p>The board of directors has established a "Sustainable Development Committee," which consists of two board members with expertise in corporate sustainability, authorized by the board, along with the chairman. This committee meets regularly and is responsible for developing, promoting, and enhancing action plans and capital expenditures for key sustainable development policies (including climate-related issues) across the group's companies. It also reviews, monitors, and revises the implementation and effectiveness of these sustainability efforts and reports back to the board of directors. The committee also has a working group made up of senior executives, including a Sustainable Environment Group, which is responsible for environmental management systems, compliance with environmental regulations and international standards, assessing sustainable transformation, improving resource utilization, and implementing climate change response mechanisms. Additionally, it establishes dedicated environmental management units or personnel and holds interdepartmental meetings from time to time to discuss and coordinate efforts to achieve the goal of environmental sustainability.</p> <p>Additionally, other functional committees are responsible for overseeing various climate-related issues, including: The "Audit Committee" meets quarterly to hear reports from the internal audit supervisor on the design and effectiveness of the internal control system related to climate-related risks, along with any audit findings.</p>
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p>	<p>Our company's risk management policy, along with that of its subsidiaries, defines various types of risks in accordance with the overall operational guidelines of the company. We have established a risk management mechanism for early identification, accurate measurement, effective supervision, and strict control of risks. By operating within acceptable risk limits, we aim to prevent potential losses and continuously adjust and improve our best risk management practices in response to changes in the internal and external environment. This approach is designed to protect the interests of employees, shareholders, partners, and customers, enhance company value, and achieve optimal resource allocation.</p> <p>Our company is actively working on solutions aimed at reducing the operational and financial impacts of climate change while enhancing the organization's resilience to climate challenges. The internal target management timeline defines short-term as under two years, medium-term as three to five years, and long-term as over five years. Evaluate the following risks and identify climate-related risks and opportunities that could have a substantial financial impact, along with the strategies to address them as outlined below:</p>

		Risks and Categories	Short-term (under 2 years)	Medium-term (3 to 5 years)	Long-term (over 5 years)	Financial impact - positive/negative	Strategy
	Risk	Transformation	Management of greenhouse gas emissions and the collection of carbon taxes	Market insights and shifts in customer behavior; New regulations for renewable energy	Trends in net zero emissions	<ul style="list-style-type: none"> — Payment of carbon fees lead to increased operating costs — The procurement of renewable energy power certificates has led to increased operating costs — Payment of fines is required for violation of regulatory requirements resulting in increased operating expenses — The costs associated with the installation and operation of carbon reduction equipment have risen 	<ol style="list-style-type: none"> 1. In accordance with ISO 14064-2 standards, replace high-energy-consuming equipment, increase the use of renewable energy, and reduce greenhouse gas emissions. 2. Expand the capacity of renewable energy generation to improve the self-sufficiency of electricity supply. 3. Establish an energy management platform to track electricity usage in processes, plan energy reduction initiatives, and decrease energy consumption.
		Physical	The severity and frequency of extreme weather events, such as droughts, have increased; there is a shortage of resources, leading to unstable water and electricity supplies	Leads to higher operational costs due to disruptions in operations	Increase in average temperature	<ul style="list-style-type: none"> — Work suspension results in operational losses — Acquiring external water or electricity results in higher operational costs 	<ol style="list-style-type: none"> 1. Diversifying the selection of operational sites and machine processing subcontractors to enable production transfer in the event of plant operation disruptions 2. Sign a contract with the water supplier to provide water trucks during shortages to ensure production continues; increase the share of renewable energy to supply electricity to the facility during power outages.
	Opportunities	Opportunities	Transitioning to low-carbon emission technology services	Customers' demand for sustainable and low-carbon products increases	Improve the company's reputation	<ul style="list-style-type: none"> — Developing new low-carbon processes and technologies to reduce plastic will raise R&D costs, and if the development fails, it could lead to financial losses. — The drop in market sales has resulted in a decrease in revenue + Boost the sales ratio of low-carbon products to enhance revenue + Enhance funding accessibility and lower capital costs 	<ol style="list-style-type: none"> 1. Assess the costs of implementing equipment and the environmental and financial benefits of the product. Choose the machines with higher energy efficiency and select low-pollution raw materials to minimize environmental impact 2. Our company assesses the product life cycle and offers customers low-carbon products. We improve the energy efficiency of the usage cycle through product design and recycle aluminum scrap by melting it down to create recycled aluminum as raw material for our products, achieving a reduction in carbon emissions of over 95%. 3. Improve the company's green image through transparent disclosure; strengthen corporate governance to foster a culture that prioritizes climate-related issues and takes action; enhance sustainability ratings and build a positive reputation.
3.	<p>Describe the financial impact of extreme weather events and transformative actions.</p> <p>The financial impact of extreme weather events</p> <p>Our company has identified potential risks to production or transportation stages through internal discussions, inventory and assessments, including flooding, droughts, changes in precipitation patterns, and extreme fluctuations in climate patterns. Heavy rainfall can cause flooding, leading to the suspension of operations at business sites and damage to equipment, resulting in a temporary inability to ship goods. Conversely, drought and water shortages can disrupt the normal functioning of production lines. During such shortages, it is necessary to maintain supply by reducing water usage, transporting water across regions with water trucks, or trading goods with other factories, which increases operational costs. Our company uses the “Disaster Risk Adaptation” to evaluate the risk of physical flooding in the context of the RCP 8.5 scenario, which predicts a 4°C increase, and the RCP 6.0 scenario, which predicts a 2°C increase. The assessment results indicate that SuperAlloy Technology’s factories in Yunlin and Pingtung are situated in low-risk flood zones, which do not have a significant impact on their finances.</p> <p><u>The financial impact of transformative actions</u></p> <p>In the context of transformation risks, transitioning to a low-carbon economy may encounter a wide range of policy and regulatory, technological, and market changes. Considering the nature, speed, and focus of the aforementioned changes,</p>						

	<p>carbon fees and total greenhouse gas regulations, along with renewable energy regulations, may result in increased operating costs within the analysis timeframe. Given that the company already produces and sells some low-carbon products and continues to innovate and diversify its related offerings, market sales have not been significantly affected in various scenarios. As a result, the company emphasizes the analysis of operating costs. In the context of a low-carbon transition, for the financial impact, carbon pricing will result in higher operational and supply chain costs for merged companies.</p> <p>Our company is committed to minimizing our climate impact by implementing energy-saving and carbon-reduction initiatives. We strive to reduce energy consumption, water usage, and waste in our operations and supply chain to the greatest extent possible. We are enhancing energy efficiency, investing in green energy technologies, and focusing on the research and development of innovative green products that meet consumer demands to tackle these transformation challenges. This project's financial impact on the company will result in increased capital investment and operating costs.</p>
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>The board of directors serves as the highest decision-making authority for the company's risk management, directly supervising the risk governance framework. To enhance risk assessment and strengthen management functions, the board of directors revised the "Organizational Regulations of the Sustainable Development Committee" in March 2024 and established Risk Management Guidelines. The general manager is responsible for coordinating and overseeing overall risk management, while the head office assists in consolidating information, including the physical and transitional risks posed by climate change. The office also leads the planning of relevant response measures, ensuring that risks arising from various business activities are kept within acceptable limits and establishing sound principles for risk management operations. The heads of various departments carry out risk identification and analysis across six key areas: operations, financial economics, environment, technological security, human factors, and legal matters, among others. They also update the annual primary risk identification matrix. Based on the results of the risk identification, each department develops response strategies, integrates, and manages risks that could impact operations and profitability. At least once a year, they present a report to the board of directors on the management execution and risk control status, overseeing and reviewing the management team's performance in risk management to enhance the overall strength of the organization.</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>While situational analysis cannot predict the future, it can help companies gain a better understanding of how climate change impacts them. Essentially, situational analysis is a crucial tool for strategic planning, risk management, and evaluating the adaptability of corporate strategies. Our company uses the "Disaster Risk Adaptation" to evaluate the risk of physical flooding in the county where our facility is located, in the context of the RCP 8.5 scenario, which predicts a 4°C increase, and the RCP 6.0 scenario, which predicts a 2°C increase. The risk classification for adoption aligns with TCFD recommendations and simulates the assessment of how transition and physical risk factors could potentially impact the company.</p> <p><u>Risk of transformation</u></p> <p>In the context of transformation risks, transitioning to a low-carbon economy may encounter a wide range of policy and regulatory, technological, and market changes. Considering the nature, speed, and focus of the aforementioned changes, the total greenhouse gas control measures, along with carbon fees and renewable energy regulations, may result in increased operating costs within the analysis timeframe. Given that our company already sells low-carbon products (recycled aluminum) and is continuously innovating and expanding the variety of related products, sales have not been significantly affected in different scenarios. As a result, the company emphasizes the analysis of operating costs.</p> <p><u>Evaluation of the key financial impacts of transformation risks in various scenarios</u></p> <p>The carbon price is set based on the decision made by the Environmental Protection Agency on October 7, 2024, during the carbon fee review committee meeting, establishing a general rate of NT\$300 per ton of carbon. Our company is</p>

	<p>committed to minimizing our climate impact by implementing energy-saving and carbon-reduction initiatives. We strive to reduce energy consumption, water usage, and waste in our operations and supply chain to the greatest extent possible. We are enhancing energy efficiency, investing in green energy technologies, and focusing on the research and development of innovative green products that meet consumer demands to tackle these transformation challenges.</p> <p><u>Physical risk</u></p> <p>Physical risks can be either immediate or long-term. Immediate risks are already manifesting, such as extreme changes in climate patterns that lead to increased flooding, disrupting operations and resulting in revenue declines or financial losses. Additionally, rising droughts are causing supply chain interruptions, and these events are expected to become more extreme and frequent. The company has a strong correlation with water and electricity resources during the raw material and manufacturing stages of its overall value chain. To mitigate risks, the company diversifies the selection of operational sites and machine processing subcontractors to enable production transfer in the event of plant operation disruptions. It also signs contracts with water suppliers to provide water trucks during shortages, ensuring production continuity and increasing the share of renewable energy. In case of power outages, electricity is supplied to the plant. As a result, the estimated cost increases are not significantly different in both scenarios.</p>
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.	<p>To achieve net zero emissions, our company has developed a low-carbon transformation plan that will focus on reducing direct emissions from operational activities (Category One), indirect emissions from energy use (Category Two), and indirect emissions generated throughout the value chain (Category Three). The content of the execution includes:</p> <ol style="list-style-type: none"> 1. Ongoing proactive self-reduction of carbon emissions: Develop advanced technologies to enhance energy productivity and efficiency, and create low-carbon products, aiming to minimize carbon emissions during both manufacturing and product usage. 2. Utilizing renewable energy sources: Significantly increase the use of renewable energy and promote it across the value chain to actively support the transition to low-carbon energy. 3. Investment in technologies for net-zero emissions: Invest in net-zero emission technologies to improve the production and use of recycled aluminum, and engage in carbon offset projects to reduce carbon emissions that are unavoidable or limited by current reduction technologies. <p>Our company uses 2022 as the baseline year for comparing indicators and targets related to greenhouse gas emissions, as explained in point 9. The following are the indicators and targets for identifying and managing physical risks and transition risks:</p> <ol style="list-style-type: none"> 1. Risks of transformation: The recycling and reuse rate of smelted aluminum materials is 31.6% in 2023 and is projected to exceed 40% in 2024. 2. Physical risks: The wastewater recovery rate at the Plant 2 in 2024 is $\geq 30\%$. There will be a 1% reduction in annual energy consumption, and by 2025, renewable energy will account for 10% of the contracted capacity.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Our company has not yet adopted internal carbon pricing. We are currently gathering data and will assess the establishment of relevant mechanisms in the future.
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	The company has long been dedicated to environmental protection, aiming to achieve a harmonious win-win situation for both the economy and the environment through a green operational model that “maximizes production efficiency while minimizing environmental impact”. It has established the following indicators to improve ecological benefits in four areas: energy conservation, water saving, waste reduction, and greenhouse gas reduction, thereby contributing to a sustainable environment.

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.	The company is currently not using the purchase of renewable energy certificates as a method for reducing carbon emissions. Instead, it prioritizes self-generated and self-used renewable energy, with a total of 1.8894 million kilowatt-hours generated and used in 2024.		
	Item	Target for 2024	Target for 2025
	Energy management	A 1% reduction in energy consumption each year	<ul style="list-style-type: none"> ● A 1% reduction in energy consumption each year ● The share of renewable energy reaches 10% of the contracted capacity
	Emissions of greenhouse gases	<ul style="list-style-type: none"> ● A 1% reduction in carbon emissions compared to the baseline year of 2022 ● Approval of ISO 14067 verification 	Approval of ISO 14064-2 verification for reduction plan
	Eco-friendly innovative products	The usage rate of recycled aluminum materials is $\geq 40\%$	The usage rate of recycled aluminum materials is $\geq 50\%$
	Waste management	The use of organic solvents for the unit's wheel rims has been reduced by 20%	The use of organic solvents for the unit's wheel rims has been reduced by 30%
	Air pollution prevention and management	Evaluation and planning for the installation of preventive and control equipment	A 3% decrease compared to the baseline year of 2022
	Water resources management	The Plant 2's wastewater recovery rate is $\geq 30\%$	The Plant 2's wastewater recovery rate is $\geq 30\%$
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	Please provide a detailed explanation of the following.		

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO₂e), intensity (tCO₂e/NT\$ thousands), and data coverage of greenhouse gases in the most recent 2 fiscal years.

The minimum data that listed companies are required to disclose according to the regulations of sustainable development roadmap for listed companies includes the following areas:

1. The parent company is expected to start its inventory in 2025, but our company has already begun the inventory in 2022.

2. Subsidiaries should start the inventory for their consolidated financial reports from 2026.

Our company has established a greenhouse gas inventory mechanism in accordance with the requirements of ISO 14064-1:2018, the guidelines for greenhouse gas emissions registration from the Climate Change Administration, the management methods for greenhouse gas emissions inventory registration, and the greenhouse gas verification guidelines. Starting in 2023, we will conduct regular annual assessments of the company's greenhouse gas emissions to gain a comprehensive understanding of greenhouse gas usage and emissions, as well as to evaluate the effectiveness of our reduction efforts. Furthermore, the greenhouse gas inventory data for the last two years has been compiled based on the operational control approach to summarize the company's greenhouse gas emissions, as detailed below:

Item	2023 years	2024 years
Greenhouse Gas Emissions for Category One	22,597.5517	21,299.9178
Greenhouse Gas Emissions from Category Two	60,647.9001	53,781.5701
Category One + Category Two	83,245.4518	75,081.4879
Operating revenue (NT\$ thousands)	7,779,316	7,473.579
Greenhouse gas emission intensity (tCO ₂ e /NT\$ thousands)	0.0107	0.0100

Note: Unit: tCO₂e

1. The carbon emission coefficients for Category One are based on the greenhouse gas emission coefficient management table version 6.0.4 published by the Environmental Protection Agency.

2. The data above has been certified by a third party in accordance with the ISO 14064-1:2018 greenhouse gas inventory standard. Category Two electricity carbon emission factor is calculated using the most recent coefficient available, which is the 2024 electricity coefficient of 0.474 tCO₂/kWh.

1-1-2 Greenhouse Gas Assurance Information

The description indicates that the sustainable development roadmap for listed companies should at least include a scope of assurance

1. The parent company is expected to begin implementing the assurance in 2027, while our company has already engaged TUV NORD Taiwan Co., Ltd. for verification in 2023.

2. Subsidiaries should start the assurance for their consolidated financial reports from 2028.

Item	2023 years	2024years
Greenhouse Gas Emissions for Category One	22,597.5517	21,299.9178
Greenhouse Gas Emissions from Category Two	60,647.9001	53781.5701
Category One + Category Two	83,245.4518	75081.4879
The percentage of the inspection data revealed in the aforementioned section 1-1-1	100%	100%
Assurance institution	TUV NORD Taiwan Co., Ltd. (TÜV NORD)	TUV NORD Taiwan Co., Ltd. (TÜV NORD)

Explanation of assurance	Criteria for verification: ISO 14064-1:2018, GWP values from the IPCC AR6 assessment report. Level of guarantee: A reasonable assurance.	Criteria for verification: ISO 14064-1:2018, GWP values from the IPCC 2021 AR6 assessment report. Level of guarantee: A reasonable assurance.
Conviction opinion/conclusion	Unqualified opinion	Unqualified opinion

Unit: tCO₂e

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

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

Baseline year for greenhouse gas reduction and reduction targets

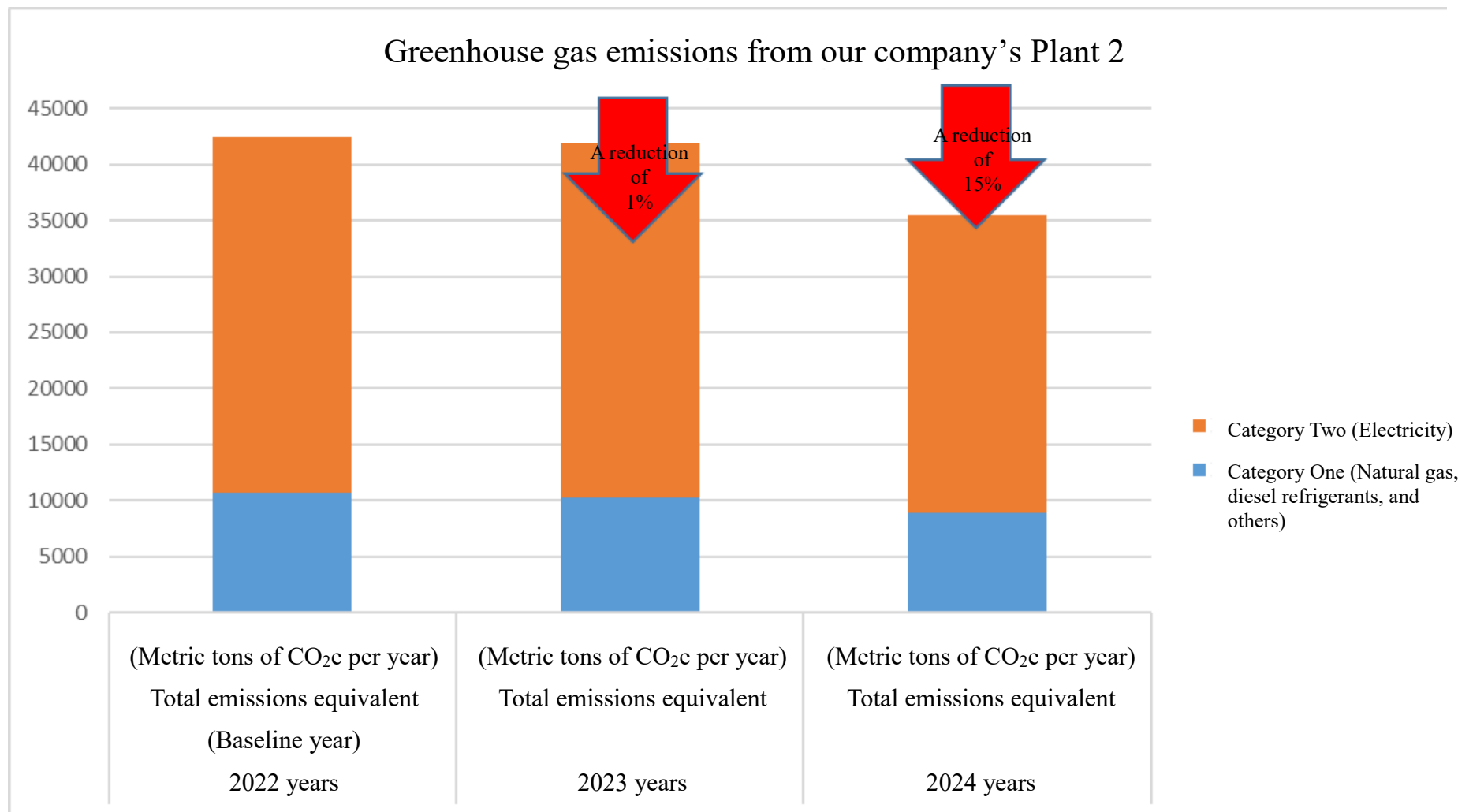
In order to develop greenhouse gas reduction strategies, our company conducted an inventory based on individual financial reports for the year 2022 in 2023, establishing 2022 as the baseline year. The emissions for Category One and Category Two are 21,756.7065 tons CO₂e and 60,185.5175 tons CO₂e, respectively. We aim to implement specific actions to achieve a 1% reduction in emissions by 2024 compared to the baseline year, a 4% reduction by 2026 as our short-term goal, and a 7% reduction by 2030 as our medium-term goal.

Greenhouse Gas Reduction Targets and Concrete Action Plan

Our company incorporates carbon management into its operational strategy to respond to international carbon pricing trends. We take into account the prices in the international carbon market and the carbon prices associated with greenhouse gas regulations, using this information as a reference for our carbon reduction management and planning. By utilizing the carbon pricing mechanism, we can proactively address the carbon fees imposed under our country's "Climate Change Response Act," the global carbon emission regulatory frameworks, and the requirements of the "Renewable Energy Development Act" to increase the share of green electricity. This approach helps us manage the internal and external pressures and risks associated with carbon reduction. Additionally, our company can leverage this mechanism to evaluate the opportunities presented by low-carbon transformation, continuously adjust relevant policies and initiatives, and develop innovative carbon reduction technologies or low-carbon investments, such as process improvements and carbon capture and storage. Furthermore, the carbon management platform systematically integrates the emission data of the entire group, enabling real-time access to the information necessary for effective carbon management. It allows for comprehensive oversight of various greenhouse gas reduction initiatives, including enhancing energy efficiency, purchasing energy-efficient machinery, installing solar power systems, reducing greenhouse gas emissions at the source of raw materials, implementing high-efficiency greenhouse gas destruction technologies, assessing the use of low-carbon fuels/energy, and developing negative carbon technologies. This ensures that reduction efforts are on track, actively mitigating the impact of carbon emissions while enhancing operational competitiveness.

Status of achieving reduction targets

The emission data and progress towards targets for each year to date are as follows:



Note 1: The greenhouse gas assurance information for 2024 is still undergoing verification as of March 2025, and the complete assurance details will be revealed in the sustainability report.

(VI) 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	Operation (Note)			Differences with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons
	Yes	No	Description	
I. Establishment of ethical corporate management policies and approaches				
(I) Does the company have an ethical corporate management policy adopted by the board of directors, and state in its regulations and external documents the ethical corporate management policy and practices, as well as the commitment of the board of directors and management towards enforcement of such policy?	✓		Our company conducts business activities based on the principles of fairness, honesty, trustworthiness, and transparency. To uphold our integrity management policy and proactively prevent dishonest behaviors, we have developed the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies,” operational procedures for corporate integrity management, and a code of conduct for integrity. We have also disclosed specific regulations and guidelines on matters to be observed when conducting business on the company’s website.	No material difference
(II) Does the company have a mechanism to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company formulate the programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Article 7, Paragraph 2, of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?	✓		1. Our company has a code of conduct for integrity, corporate integrity operating procedures, and guidelines for integrity behavior that outline preventive measures against the following dishonest behaviors: (1) Prohibition of bribery or acceptance of bribes, and providing or receiving improper benefits (2) Prohibition of illegal political donations (3) Prohibition of improper charitable donations or sponsorship (4) Prohibition of offering or acceptance of unreasonable presents or hospitality, or other improper benefits (5) Prohibition of intellectual property rights infringement 2. Our company has established effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.	No material difference
(III) Does the company provide the clear operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above and perform regular reviews and amendments?	✓		3. Our company clearly defines provisions and behavioral guidelines on conflicts of interest, confidentiality of customer information, business gifts, fair trade, competition, etc., in the “ethical corporate management principles” and “Code of Ethical Conduct,” and provides employees with a channel for complaints to address opinions of unfair and unreasonable treatment.	No material difference
II. Implementation of ethical corporate management				
(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?	✓		Based on regulations of “ethical corporate management policy”, prior to any commercial transactions, the Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved. Established a list of qualified suppliers to avoid transactions with those who have a record of dishonesty, and include clauses on honest behavior in the signed contracts.	No material difference
(II) Does the company have a dedicated unit directly under the Board of Directors to promote corporate integrity, which will report regularly (at least once a year) to the Board of Directors on	✓		The company designates the General Manager’s Office as the dedicated unit, under the Board of Directors, to handle the revision, execution, interpretation, consultation services, notification content registration and filing, and other related operations and supervise their implementation, reporting to the Board of Directors from time to time.	No material difference

Evaluation Item	Operation (Note)			Differences with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons
	Yes	No	Description	
the ethical management policies and programs against unethical conduct and oversee their implementation?				
(III) Does the company have policies to prevent conflicts of interest, provide proper appeal channel, and implement them?	✓		To prevent conflicts of interest, the company has established the “ethical corporate management principles,” “Code of Ethical Conduct,” and “Whistleblowing System,” with a dedicated reporting section on the company’s official website managed by the audit department.	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?	✓		The company has set up accounting and internal control systems to ensure the effectiveness of financial reporting processes and internal controls. The internal audit unit regularly assesses risks, develops audit plans, conducts relevant audits based on these plans, carries out special audits when necessary, and reports audit results periodically to the audit committee and the board of directors. This is done to help the management understand how the company’s internal controls are being implemented and to achieve management goals.	No material difference
(V) Does the company hold regular internal and external education and training on ethical corporate management?	✓		Our company promotes integrity management by using internal network, email, and mobilizing monthly meetings to raise awareness on integrity-related issues. We also provide integrity promotion courses for new employees when they join the company.	No material difference
III. Operation of the Company’s Whistle blowing System				
(I) Does the company have a specific reporting and reward system, and has it established a channel to facilitate reporting and assigned appropriate staff for the accused party?	✓		1. Our company has established a whistleblowing system and procedure. Individuals involved in various business activities, upon discovering any facts that violate integrity and honesty, can report through the following channels: (1) Internal: Establishment of a reporting hotline and an employee complaint handling system (2) External: Establishment of a hotline and email for reporting unethical behavior on the company website (https://www.superalloy.tw/governance/ and sharon.tu@superalloy.tw), with the audit department responsible for handling it. (3) Upon submission of the report, an investigation process will be initiated. A committee comprising legal, labor, occupational safety, and HR representatives will be established to conduct the investigation. 2. Develop procedures for lodging complaints, define the responsible units for case acceptance, and outline the process for handling incidents in accordance with the “Regulations on Reporting, Processing, and Investigating Incidents.” Ensure compliance with personal data confidentiality laws and strictly prohibit retaliatory actions against colleagues.	No material difference
(II) Does the company have standard operating procedures for the investigation of reported matters, as well as follow-up measures and relevant confidentiality mechanisms after the completion of the investigation?	✓			No material difference
(III) Does the company take measures to protect whistleblowers from being subjected to improper treatment as a result of reporting?	✓		1. Procedures for filing complaints, defining the units responsible for case acceptance, and outlining the incident handling process are established through the “Regulations on Reporting, Handling, and Investigation of Incidents” and the Employee Complaint Handling System. The procedures include provisions for protecting complainants, ensuring personal data confidentiality, and strictly prohibiting retaliatory actions against colleagues. 2. In 2024, the company received a total of 0 reports.	No material difference
IV. Information Disclosure Enhancement Has the company disclosed the contents of its ethical corporate management principles as well as	✓		The company has published the company’s Ethical Corporate Management Principles on its website and has developed the “Code of Ethical Conduct” with the aim of improving the behavioral literacy, professional ethics, and professional capabilities of the company and all employees. Our company believes that as an organization operating with integrity, the actions of	No material difference

Evaluation Item	Operation (Note)			Differences with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons
	Yes	No	Description	
relevant implementation results on its website and on the Market Observation Post System?			each employee will impact the entire organization they serve and its reputation. Every employee has an obligation to, within legal limits, maximize the company's interests as much as possible; they also have a responsibility to prevent any decrease or loss of the company's interests.	
V. Describe the differences between actual practice and the ethical corporate management principles, if the company has formulated such principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies": The company has established ethical corporate management principles, Code of Ethical Conduct, operational procedures for ethical operations, and behavioral guidelines. Company personnel are required to adhere to relevant regulations when conducting business. The company's operational direction aligns closely with the established "code of ethics" without significant differences.				
VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies: None. <ol style="list-style-type: none"> 1. The Company complies with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the regulations related to public companies, or other laws and regulations related to business practices as the basis for implementing ethical corporate management. 2. The Company's "Rules and Procedures of Board of Directors Meetings" clearly stipulate a system for recusal of directors' interests. If a director or the legal entity he/she represents has an interest in a matter discussed at the board meeting, such director shall state comments and inquiries at that board meeting. If there is a risk of harming the interests of the Company, the said director shall not participate in discussion and voting, shall recuse themselves from discussions and voting, and shall not act as a proxy for other directors to exercise their voting rights. 3. The Company's "Operating Procedures for Handling of Material Information and Prevention of Insider Trading" clearly stipulate that directors, managers and employees shall conduct their business in good faith and on the basis of the duty of care and loyalty as good managers, and shall sign confidentiality agreements. Directors, officers and employees who learn of material internal information of the Company shall not disclose the said information they learn to others. They shall not inquire or collect any company's undisclosed material internal information that is irrelevant to their personal duties from those who learn of the material internal information, nor shall they disclose to others any company's undisclosed material internal information they learn otherwise than in the course of business. 4. Our company has always operated with integrity, following relevant laws and internal control systems to ensure ethical business practices. We strictly prohibit dishonesty or violations of laws and have established a neutral unit for necessary consultation and approval. 5. Our company has obtained directors' and officers' liability insurance for directors, managers, and key employees to mitigate the risks arising from their roles and safeguard the interests of investors. 				

(VII) Other significant information sufficient to enhance the understanding of corporate governance and operation may be disclosed together with:

The company has published corporate governance information on its website (<http://www.superalloy.tw>) to make relevant regulations available for reference.

(VIII) The following matters on the implementation status of the internal control system should be disclosed:

1. Statement of Internal Control (Please refer to page 47 for details).
2. If a CPA is engaged to audit the internal control system, disclose his/her audit report: None.

SuperAlloy Industrial Co., Ltd.
Statement of Internal Control System

Date: March 3, 2025

We hereby make the following statement about our internal control system for the year 2024 based on the assessments we've performed:

- I. We acknowledge that it is the responsibility of our Board of Directors and managers to establish, implement and maintain an internal control system, and we have established such a system. The purpose is to provide reasonable assurance to the effectiveness and efficiency of operation (including profitability, performance and security of assets), reliability, promptness and transparency of reports, and compliance with relevant regulatory requirements in reaching compliance targets.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can only provide reasonable assurance of accomplishing the three objectives as mentioned above. Furthermore, its effectiveness may change due to changes in the environment and circumstances. Nevertheless, our internal control system contains self-monitoring mechanisms, and upon identification of the defects, we will take immediate corrective action.
- III. We determine whether the design and implementation of our internal control system is effective in accordance with the criteria for judging the effectiveness of the internal control system as stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "Governing Regulations"). The criteria for the internal control system adopted under the Governing Regulations are the five underlying elements of internal control system divided based on the process of management control, namely: 1. control environment, 2. risk assessment, 3. control operation, 4. information and communication, and 5. monitoring. Each of the elements further contains several items. Please refer to the "Governing Regulations" for details.
- IV. We have adopted the aforementioned criteria for evaluating the effectiveness of the design and implementation of the internal control system.
- V. Based on the results of the aforementioned evaluation, we believe that the design and implementation of our internal control system as of December 31, 2024 (including supervision and management of subsidiaries), including the effectiveness and efficiency in operation, reliability, promptness and transparency of reports, and compliance with relevant regulatory requirements, is effective, and that it can reasonably assure the achievement of the aforementioned objectives.
- VI. This statement will constitute an integral part of our annual report, and will be made public. In case of any unlawful aspects such as falsehood or concealment of facts in relation to the aforesaid statement, the Company shall be legally liable under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- VII. This Declaration has been passed by the Board of Directors in their meeting held on March 03, 2025, with zero of the ten attending directors expressing dissenting opinions, and the remainder all affirming the content of this Declaration.

SuperAlloy Industrial Co., Ltd.

Chairman: Tsung-Jung Huang

General Manager: Tsung-Jung Huang

(IX) Significant resolutions made during shareholders' meetings and board meetings in the most recent year and up to the publication date of this annual report:

1. Major resolution approved at board of directors meetings:

Conference Date	Session	Major resolution
2024.03.07	The 3rd meeting of the 15th session	<ol style="list-style-type: none"> 1. Important Financial Business Statements. 2. Report on the implementation status of internal audits. 3. Report on the evaluation of derivative products. 4. Approval of revising the revenue budget for Q1 2024. 5. Approval of promoting the company's acting general manager to be permanent. 6. Approval of cash capital increase to issue new shares for public underwriting before the company's stock listing. 7. Approval of the Company's 2023 Business Report, Individual Financial Report and Consolidated Financial Statements. 8. Approval of the Company's 2023 Earnings Distribution. 9. Approval of the Company's Statement of Internal Control System for 2023. 10. Approval of Evaluation of the independence and performance of the CPAs in 2023. 11. Approval of delegation and compensation of CPAs for the Company in 2024. 12. Accountants, their firms, and related entities are approved to offer non-audit services to the Company and its subsidiaries after obtaining prior approval. 13. Approval of re-enactment of the general principles of internal control system. 14. Approval of revising the Operational Procedures for Loaning of Company Funds. 15. Approval of revising the regulations on the use of seals. 16. Approval of revising the rules for board meetings. 17. Approval of revising Audit Committee Organization Regulations. 18. Approval of enacting Risk Management Guidelines. 19. Approval of the distribution of 2023 remuneration to employees and that to directors, along with appropriation for the management. 20. Approval of treasury stock transfer to agent for the first time in 2024. 21. Approval of employee stock subscription method for the initial public offering and the internal personnel subscription list. 22. Approval of scheduling the date of the 2024 shareholders' meeting, agenda, and the period for accepting shareholder proposals. 23. Approval of amendment to the Organizational Regulations of the Sustainable Development Committee.
2024.05.07	The 4th meeting of the 15th session	<ol style="list-style-type: none"> 1. Important Financial Business Statements. 2. Report on the implementation status of internal audits. 3. Report on the evaluation of derivative products. 4. Approval of Consolidated Financial Statements for the first quarter of 2024. 5. Approval of appointing Wan-Yu Liu and Ding-Wang Zheng as independent directors for the Sustainable Development Committee. 6. Approval of preparation report for the 2023 sustainability report by the company. 7. Approve that the SuperAlloy Industrial Co., Ltd. employee welfare savings association be dismissed. 8. Approval of initiating employee stock trust business. 9. Approval of amending the Profit Distribution Table.
2024.08.08	The 5th meeting of the 15th session	<ol style="list-style-type: none"> 1. Important Financial Business Statements. 2. Report on the implementation status of internal audits. 3. Report on the evaluation of derivative products. 4. Report on the performance of investment securities. 5. Approval of the Company's consolidated financial statements for the first half of 2024. 6. Approval of revising Article 3, Paragraph 1 of the "Implementation Measures for the Employee Stock Ownership Trust of SuperAlloy Industrial Co., Ltd." 7. Approval of revising Article 3, Paragraph 2, Point 3 of the "Compensation and Remuneration Regulations for Directors, Independent Directors, Functional Committees, and Managers of SuperAlloy Industrial Co., Ltd."

Conference Date	Session	Major resolution
2024.10.01	The 6th meeting of the 15th session	<ol style="list-style-type: none"> 1. Approval of setting up a subsidiary to establish a smelting plant for aluminum alloy processing and sales. 2. LCTec GmbH (formerly known as SAINT) submitted a request for arbitration results to the German Arbitration Institute (DIS) in December 2021.
2024.11.05	The 7th meeting of the 15th session	<ol style="list-style-type: none"> 1. Important Financial Business Statements. 2. Report on the implementation status of internal audits. 3. Report on the evaluation of derivative products. 4. Report on the performance of investment securities. 5. Approval of Consolidated Financial Statements for the third quarter of 2024.
2024.12.26	The 8th meeting of the 15th session	<ol style="list-style-type: none"> 1. Important Financial Business Statements. 2. Report on the implementation status of internal audits. 3. Report on the evaluation of derivative products and performance of investment securities. 4. Report on the renewal of liability insurance for directors and key employees. 5. Report on compliance status. 6. The report is prepared in accordance with IFRS Sustainability Disclosure Standards to outline the progress of implementing sustainable information. 7. Approval of the budget for 2025. 8. Approval of capital expenditures for 2025. 9. Approval of 2025 Audit Plan. 10. Approval of establishing guidelines for sustainable information management. 11. Approval of amendment to the approval authority table for the circulation of real estate and factory equipment. 12. Approval of performance evaluation criteria for 2025 by the directors and independent directors. 13. Approval of the performance evaluation criteria for managers in 2025. 14. Approval of the annual performance bonuses for directors and managers in 2024. 15. Approval of the company's policy for repurchasing shares and transferring them to employees. 16. Approval of the company's plans to repurchase shares as treasury stock and allocate them to employees.
114.03.03	The 9th meeting of the 15th session	<ol style="list-style-type: none"> 1. Important Financial Business Statements. 2. Report on the implementation status of internal audits. 3. Report on the evaluation of derivative products and performance of investment securities. 4. Report on the schedule planning for implementing the IFRS Sustainability Disclosure Standards. 5. Approval of the Company's 2024 Business Report, Individual Financial Report and Consolidated Financial Statements. 6. Approval of the Company's 2024 Earnings Distribution. 7. Approval of the Company's Statement of Internal Control System for 2024. 8. Approval of our company's assessment of the independence of CPAs for 2025 and the suitability of accountants for 2024. 9. Approval of delegation and compensation of CPAs for the Company in 2025. 10. Approval of amendment to the Credit Management Guidelines. 11. Approval of the distribution of 2024 remuneration to employees and that to directors, along with appropriation for the management. 12. Approval of amendment to the company's Articles of Association. 13. Approval of scheduling the date of the 2025 shareholders' meeting, agenda, and the period for accepting shareholder proposals. 14. Approval of the company's second treasury stock repurchase.

2. Review of the implementation status of the 2024 annual shareholders' meeting resolutions:

Resolution matters	Implementation status review
To accept 2023 Business Report and Financial Statements	The case is recognized based on the voting results showing that the approval votes meet the statutory requirements
The Company's earnings distribution for 2023 is recognized	The case is recognized based on the voting results showing that the approval votes meet the statutory requirements The company's Articles of Incorporation stipulate the dividend distribution scheme, with dividends distributed in cash or stock as determined by the board of directors, subject to approval by the shareholders' meeting. The company plans to distribute a cash dividend of 2.0129 dollars per share in 2023, pending approval by the shareholders' meeting and submission for regulatory approval. The board of directors will set the record date for additional share issuance, distribution date, and other related matters. In case changes in laws and regulations, adjustments by regulatory authorities, or changes in the company's capital lead to fluctuations in the number of outstanding shares and consequently affect the shareholder's rights issue rate, the Chairman is fully authorized to manage and make necessary adjustments.

(X) The different opinions of directors or supervisors on important resolutions adopted by board meetings that are documented or declared in writing in the most recent year and up to the publication date of the annual report, and the main content thereof: None.

IV. Information on CPA Fee:

Unit: In Thousands of New Taiwan Dollars

CPA Firm	CPA Name	CPA's Duration of Audit	Audit Fee	Non-Audit Fee	Total	Remarks
PwC Taiwan	Mei-Lan Liu	2024.01.01~2024.12.31	3,050	721	3771	Non-audit public expenses mainly consist of tax compliance audit, document photocopying, domestic and overseas business trips, and inventory expenses
	Su-Hua Hung					

(I) If there is a replacement of the accounting firm and the audit fees for the year in which the replacement occurred are less than those for the prior year, the amounts paid for audit fees before and after the replacement as well as the reason for the fee reduction should be disclosed: Not applicable.

(II) If there is a 10% or more reduction in the audit fees compared to those for the prior year, the amount and percentage of reduction as well as the reason for the audit fee reduction should be disclosed: Not applicable.

V. Information on Change of CPA: When there is a change in accountants in the recent two years and subsequent periods, the following matters should be disclosed: Not applicable.

(I) Information regarding the former CPAs:

Date of replacement	Approved by the Board of Directors on April 18, 2022		
Reason for replacement and explanation	Our company’s visa accountant was originally appointed by the accountants Yu-Chuan Wang and Su-Hua Hung from PwC. Due to PwC’s internal rotation policy, starting from 2022, the appointed accountants of our company will be changed from Yu-Chuan Wang and Su-Hua Hung to Su-Hua Hung and Mei-Lan Liu.		
Describe whether the Company terminated or the CPAs terminated or did not accept the engagement	Party	CPAs	The Company
	Circumstances		
	Terminated the engagement	Not applicable	Not applicable
	No longer accepted (discontinued) the engagement	Not applicable	Not applicable
If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons	None		
Disagreement with the Company?	Yes		Accounting principles or practices
			Disclosure of financial reports
			Audit scope or steps
			Others
	None	√	
	Specify details	Not applicable	
Other disclosures (Any matters required to be disclosed under sub-items d to g of Article 10.6.A)	None		

(II) Information Regarding the Successor CPAs:

Name of accounting firm	PwC Taiwan
CPA Name	Accountants Mei-Lan Liu and Chih-Wei Lai
Date of engagement	March 03, 2025
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type of audit opinion that might be issued on the company's financial report	Not applicable
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPAs	Not applicable

(III) Information regarding the former CPAs: Not applicable.

VI. For the Company's Chairman of the Board, General Managers, or any manager in charge of financial or accounting operations who has, in the most recent year, held a position at the accounting firm of its CPA or its related companies, the name, title, and duration of service in the firm that the CPAs belong to or its affiliate shall be disclosed: None.

VII. Change in the Transfer and Pledge of Shares by Directors, Supervisors, Managers, and Shareholders Holding over 10% of Outstanding Shares in the Most Recent Year and up to the Publication of the Annual Report:

(I) Changes in equity of directors, supervisors, managers and major shareholders:

Title	Name	Year 2023		2024		As of March 23 of the year 2025	
		Increase (Decrease) in Shares Held	Increase (Decrease) in Pledged Shares	Increase (Decrease) in Shares Held	Increase (Decrease) in Pledged Shares	Increase (Decrease) in Shares Held	Increase (Decrease) in Pledged Shares
Chairman and CEO	Tsung-Jung Huang	620,000	(800,000)	(20,000)	—	—	—
Director	Yung-Ming Investment Co., Ltd.	—	—	—	—	—	—
	Representative: Chih-Hsiang Chang (Note 1)	—	—	—	—	Not applicable	Not applicable
	Representative: Chiu-Yueh Chang (Note 1)	—	—	—	—	—	—
Director	Jeng-Yi Business Management Consultant Co., Ltd.	—	(470,000)	—	200,000	—	—
	Representative: Shun-Chung Wang	—	—	—	—	—	—
Director	Mao-Lin Shih	—	—	—	—	—	—
Director	Ke-Chang Liu	10,000	—	—	—	—	—
Director	Long-Cheng Wei (Note 2)	—	—	—	—	—	—
Independent Director	Ding-Wang Zheng	—	—	—	—	—	—
Independent Director	Wan-Yu Liu (Note 2)	—	—	—	—	—	—
Independent Director	Ming-Hsiu Cheng (Note 2)	—	—	—	—	—	—
Independent Director	Wen-Chung Chen (Note 2)	—	—	—	—	—	—
Vice General Manager in person	Ben, Huang	200,000	—	62,000	—	—	—
Assistant Manager	Yu-Chih Kao (Note 3)	75,000	—	22,000	—	—	—
Assistant Manager	Shih-Heng Kuo (Note 3)	130,000	—	22,000	—	—	—
Assistant Manager	Hsin-Hao Tseng (Note 4)	—	—	—	—	—	—
Head of Finance Department	Kelly Wang	50,000	—	22,000	—	—	—
Head of Accounting Department	Yu-Ping Lin	200,000	—	32,000	—	—	—

Note 1: Yung-Ming Investment Co., Ltd. appointed Chiu-Yueh Chang as the new representative on November 13, 2023, and declared her as an insider; the former representative Chih-Hsiang Chang ceased to be an insider on November 13, 2023, with the share calculation effective until November 12, 2023.

Note 2: Elected as a director of the 15th board of directors in the special shareholders meeting on November 13, 2023, and disclosed as an insider.

Note 3: Apply for insider on May 3, 2023.

Note 4: Apply for insider on September 01, 2023.

(II) Those who are related parties in equity transfers: None

(III) Those who are related parties in the context of equity pledge: None

VIII. Information on the Relationships Among the Ten Largest Shareholders, Who May Be Related Parties to Each Other or Be Spouses or Relatives within the Second Degree of Kinship:

March 23, 2025

Name	Principal Shareholding		Shareholding by Spouse and Underage Children		Aggregate Shareholding in the Name of Others		Title/Name of the Ten Largest Shareholders, Who May Be Related Parties to Each Other or Be Spouses or Relatives within the Second Degree of Kinship, and the Relationships		Re- marks
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Title (or Name)	Relationship	
SuperAlloy Industrial Co., Ltd. treasury stock account	10,242,000	4.31	-	-	-	-	-	-	-
Jeng-Yi Business Management Consultant Co., Ltd.	5,684,800	2.39	-	-	-	-	Tsung-Jung Huang	The person in charge of the company	
Guang Li Car Co., Ltd.	4,590,300	1.93	-	-	-	-	-		-
Jih-Hsin Hsu	4,567,100	1.92	-	-	-	-	-	-	-
Yung-Cheng Hsu	4,287,992	1.80	-	-	-	-	Yung-Ming Investment Co., Ltd.	Director of the company	-
							Yung-Chi Hsu	Brothers	
Tsung-Jung Huang	3,388,800	1.43	255,000	-	-	-	Jeng-Yi Business Management Consultant Co., Ltd.	The person in charge of the company	-
Hui-Ling Li	3,241,773	1.36	3,091,154	1.30	-	-	Yung-Chi Hsu	Spouse	-
Yung-Chi Hsu	3,091,154	1.30	3,241,773	1.36	-	-	Hui-Ling Li	Spouse	-
							Yung-Ming Investment Co., Ltd.	The person in charge of the company	
							Yung-Cheng Hsu	Brothers	
Management Consulting Co., Ltd.	2,787,300	1.17	-	-	-	-	-	-	-
Yunlin County Fude SuperAlloy Social Welfare Charity Foundation	2,777,286	1.17	-	-	-	-	-	-	-

IX. The total number of shares and the consolidated equity stake percentage held in any single reinvested enterprise by the Company, its directors, supervisors, managers, and any companies controlled either directly or indirectly by the Company

Comprehensive Shareholding

Unit: Shares; %

Reinvestment Business (Note)	Investments of the Company		Investments of Directors, Supervisors, Managers, and Enterprises Controlled Directly or Indirectly by the Company		Comprehensive Investment	
	Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding
SuperAlloy Manufaktur GmbH	-	100%	-	-	-	100%

Note: Long-term investments accounted for using equity method by the Company. Kunshan Subo Yalu Trading Co., Ltd. has completed liquidation in September 2020.

C. Capital Raising Overview

I. Capital and Shares:

(I) Source of share capital

1. Capitalization:

February 28, 2025 / Unit: In New Taiwan Dollars

Year and Month	Issue Price	Authorized Capital		Paid-in Capital		Remarks		
		Number of shares (thousand shares)	Amount (NT\$ thousands)	Number of shares (thousand shares)	Amount (NT\$ thousands)	Source of share capital	Share payment offset by property other than cash	Others
1994.06	1,000	28	28,000	28	28,000	Cash setup	-	-
1998.07	10	30,000	300,000	16,000	160,000	Cash Capital Increase 132,000 thousand (Note 1)	-	Commercial (087) Letter No. 087120916
1999.05	12	30,000	300,000	19,800	198,000	1. Cash Capital Increase 30,000 thousand (Note 1) 2. Surplus to Capital Increase 8,000 thousand (Note 1)	-	-
2000.08	12	90,000	900,000	52,770	527,700	1. Cash Capital Increase 300,000 thousand (Note 2) 2. Surplus to Capital Increase 29,700 thousand (Note 2)	-	-
2001.08	10	90,000	900,000	62,770	627,700	Cash Capital Increase 100,000 thousand (Note 3)	-	-
2002.07	10	90,000	900,000	80,000	800,000	Cash Capital Increase 172,300 thousand (Note 4)	-	-
2003.05	16	120,000	1,200,000	100,000	1,000,000	Cash Capital Increase 200,000 thousand (Note 5)	-	-
2004.06	16	120,000	1,200,000	108,000	1,080,000	Cash Capital Increase 80,000 thousand (Note 6)	-	-
2004.12	16	150,000	1,500,000	120,000	1,200,000	Cash Capital Increase 120,000 thousand (Note 7)	-	-
2005.01	16	150,000	1,500,000	142,500	1,425,000	Cash Capital Increase 225,000 thousand (Note 8)	-	-
2006.10	45	200,000	2,000,000	162,500	1,625,000	Cash Capital Increase 200,000 thousand (Note 9)	-	-
2007.10	0	250,000	2,500,000	14,050	1,765,500	Stock Grant - Surplus to Capital Increase (Note 10)	-	-
2008.04	13	250,000	2,500,000	83	1,766,330	Exercise employee stock options (Note 11)	-	-
2008.09	0	250,000	2,500,000	3,177.9	1,798,109	Stock Grant - Surplus to Capital Increase (Note 12)	-	-
2009.07	5	250,000	2,500,000	37,500	2,173,109	Cash Capital Increase 375,000 thousand (Note 13)	-	-
2010.04	11.5	250,000	2,500,000	1,083	2,183,939	Exercise employee stock options (Note 14)	-	-
2010.08	0	250,000	2,500,000	(35,533)	1,828,609	Reduce capital by 355,330 thousand (Note 15)	-	-
2012.04	13.1	250,000	2,500,000	188	1,830,489	Exercise employee stock options	-	MOEA DOC No. 10101159380 -
2012.07	12.6	250,000	2,500,000	137	1,831,859	Exercise employee stock options	-	Commercial (101) Letter No. 10101213130

Year and Month	Issue Price	Authorized Capital		Paid-in Capital		Remarks		
		Number of shares (thousand shares)	Amount (NT\$ thousands)	Number of shares (thousand shares)	Amount (NT\$ thousands)	Source of share capital	Share payment offset by property other than cash	Others
2012.10	12.6	250,000	2,500,000	2,199.5	1,853,854	Exercise employee stock options	-	Commercial (102) Letter No. 10201009340
2013.01	12.6	250,000	2,500,000	714	1,860,994	Exercise employee stock options	-	MOEA DOC No. 10201047390
2013.01	19.3	250,000	2,500,000	2,071	1,881,704	Exercise employee stock options	-	MOEA DOC No. 10201047390
2013.03	12.6	250,000	2,500,000	186	1,883,564	Exercise employee stock options	-	MOEA DOC No. 10201085500
2013.03	19.3	250,000	2,500,000	8,619.5	1,969,759	Exercise employee stock options	-	MOEA DOC No. 1020185500
2013.08	11.1	250,000	2,500,000	44	1,970,199	Exercise employee stock options	-	MOEA DOC No. 10201175810
2013.08	17.8	250,000	2,500,000	435	1,974,549	Exercise employee stock options	-	MOEA DOC No. 10201175810
2013.10	11.1	250,000	2,500,000	41	1,974,959	Exercise employee stock options	-	MOEA DOC No. 10201238740
2013.10	17.8	250,000	2,500,000	223.5	1,977,194	Exercise employee stock options	-	MOEA DOC No. 10201238740
2014.01	11.1	250,000	2,500,000	12	1,977,314	Exercise employee stock options	-	MOEA DOC No. 10301036400
2014.01	17.8	250,000	2,500,000	678	1,984,094	Exercise employee stock options	-	MOEA DOC No. 10301036400
2014.04	17.8	250,000	2,500,000	162	1,985,714	Exercise employee stock options	-	MOEA DOC No. 10301086750
2015.02	16.2	250,000	2,500,000	266	1,988,374	Exercise employee stock options	-	MOEA DOC No. 1040152430
2020.06	-	400,000	4,000,000	-	1,988,374	-	-	MOEA DOC No. 10901195640
2022.08	10	400,000	4,000,000	218,315	2,183,151	Earnings of 103,232 thousand were transferred to capital increase, and capital surplus of 91,545 thousand was also transferred to increase the capital stock	None	MOEA DOC No. 11101162840
2023.09	10	400,000	4,000,000	214,255	2,142,551	Cancel treasury stock worth 40,600 thousand	None	MOEA DOC No. 11230160090
2024.05	70	400,000	4,000,000	237,784	2,377,841	Cash Capital Increase 235,290 thousand	None	MOEA DOC No. 11330107560

Note 1: Our company conducted a public offering in 89, with cash capital increases and surplus capital increases in 87 and 88: Not applicable

Note 2: Approval Number: (89) Taiwan-Finance-Securities (I) No. 54864

Note 3: Approval Number: (90) Taiwan-Finance-Securities (I) No. 143426

Note 4: Approval Number: (91) Taiwan-Finance-Securities (I) No. 117445

Note 5: Approval Number: (92) Taiwan-Finance-Securities (I) No. 091100168505

Note 6: Approval Number: (93) Taiwan-Finance-Securities (I) No. 0930123291

Note 7: Approval Number: FSC Security I No. 0930149046

Note 8: Approval Number: FSC Security I No. 0930160043

Note 9: Approval Number: FSC Security I No. 0950139664

Note 10: Approval Number: FSC Security I No. 09600045298

Note 11: Approval Number: FSC Security I No. 0940157664

Note 12: Approval Number: FSC Security I No. 0970043207

Note 13: Approval Number: FSC Security I No. 0980013742

Note 14: Approval Number: FSC Security I No. 0940157664

Note 15: Approval Number: FSC Issuance No. 0990041687

2. Type of shares issued:

March 23, 2025; Unit: Shares

Type of Shares	Authorized Capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common stock	237,784,140	162,215,860	400,000,000	As of March 24, 2025, the company has repurchased a total of 10,242,000 shares.

3. Information about the shelf registration system: None

(II) List of Major Shareholders

(Ownership ratio reaches 5% or more or is among the top ten major shareholders)

March 23, 2025; Unit: Shares; %

Name of Major Shareholder	Shares	Number of Shares Held	Shareholding
SuperAlloy Industrial Co., Ltd. treasury stock account		10,242,000	4.31
Jeng-Yi Business Management Consultant Co., Ltd.		5,684,800	2.39
Guang Li Car Co., Ltd.		4,590,300	1.93
Jih-Hsin Hsu		4,567,100	1.92
Yung-Cheng Hsu		4,287,992	1.80
Tsung-Jung Huang		3,388,800	1.43
Hui-Ling Li		3,241,773	1.36
Yung-Chi Hsu		3,091,154	1.30
Management Consulting Co., Ltd.		2,787,300	1.17
Yunlin County Fude SuperAlloy Social Welfare Charity Foundation		2,777,286	1.17

Note: This table provides information about the most recent book closure prior to the printing date of the annual report

(III) Company dividend policy and implementation

1. Dividend policy stipulated in the company's Articles of Incorporation

After the Company's annual financial statements show a profit, the Company must first allocate remuneration to employees and directors in accordance with Article 29 of the Company's Articles of Incorporation. Subsequently, the Board of Directors will decide on the distribution, followed by the payment of taxes, offsetting of accumulated losses, and setting aside 10% as legal reserve. If the legal reserve reaches the Company's paid-up capital, no further allocation is required. The remaining balance will be allocated or reversed according to legal requirements, along with the accumulated undistributed earnings. Priority will be given to distributing dividends to preferred shareholders for the current year. Any remaining balance will be subject to a profit distribution proposal prepared by the Board of Directors, which will be presented to the shareholders' meeting for approval to distribute dividends to the shareholders. The Board of Directors is authorized to distribute dividends and bonuses in cash, subject to approval by two-thirds or more of the directors present, and a resolution by the majority of the directors present, and must report to the shareholders' meeting as required by Article 240, Paragraph 5 of the Company Act.

The dividend policy of our company takes into account the company's environment and growth stage, in response to the company's future funding needs and long-term financial planning, etc. In addition to the distribution of profits in accordance with the preceding provisions, the total amount of shareholder dividends should be between ten percent and ninety percent of the accumulated distributable earnings, with cash dividends not less than twenty percent of the total shareholder dividends. However, the board of directors may adjust the ratio based on the overall operating conditions at that time and seek approval from the shareholders' meeting.

2. Proposed distribution of shareholder dividends for the current year

In the fiscal year 2024, our company's distributable earnings amount to 3,919,563 thousand dollars, with a proposed cash dividend of 504,381 thousand dollars to be distributed to shareholders. The year-end undistributed earnings amount to 3,415,182 thousand dollars. The resolution was passed by the board of directors on March 03, 2025, and will be reported at the shareholders' annual meeting scheduled for May 21, 2025.

(IV) The effects of the proposed stock grants on the Company's business performance and earnings per share: Not applicable.

(V) Remuneration of Employees, Directors and Supervisors

1. The proportion or ranges with respect to remuneration to Employees, Directors and Supervisors as set forth in the Company's Articles of Incorporation

According to the Company's Articles of Incorporation, 3% ~ 15% of profit of the current year is distributable as employees' compensation, and no more than 3% of profit of the current year is distributable as remuneration to directors. However, if there are still accumulated losses, the amount for offsetting should be retained first. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, distribute the abovementioned employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. The recipients of stocks or cash in the preceding section, including employees of subsidiary companies who meet specific criteria.

2. The basis for the estimation of the amounts of remuneration to employees and that to directors and supervisors accrued for the period and for the calculation of the number of shares to be distributed as employee profit-sharing, as well as the accounting treatment for the discrepancy, if any, between the appropriated and accrued amounts

The company determines the distribution percentage of employee and director remuneration by deducting the amount from the pre-tax net profit for each period, as stipulated in the company's Articles of Incorporation, and reports it as operating costs and expenses for the current year. When there is a variance between the actual allocation amount and the estimated number, the difference will be recognized as income or loss for the fiscal year based on accounting estimate adjustments.

3. The approval from the Board of Directors on the sharing of profit

The amounts of the remuneration to employees and that to directors and supervisors in the form of cash or shares. If there is a discrepancy between the estimated and actual expenses for the year, the difference, reasons, and actions taken should be disclosed

On March 3, 2025, our company's board of directors resolved to allocate the 2024 profit (the pre-tax net profit amount not yet allocated for employee compensation and director remuneration) of NT\$ 995,274

thousand. This allocation includes 4.00% for employee compensation, amounting to NT\$ 39,811 thousand, and 1.20% for director remuneration, amounting to NT\$11,943 thousand, both to be paid in cash. There is no difference between the amount allocated in the previous item and the expense amount recognized in 2024.

4. Reporting on the distribution of remuneration and outcomes in the shareholders' meeting report

The company will present the distribution of employee and director remuneration for the year 2024 at the shareholders' meeting on May 21, 2025. Employee remuneration of 39,811 thousand dollars and director remuneration of 11,943 thousand dollars will be distributed entirely in cash.

5. Disclosure of any difference between actual remuneration distribution to employees, directors and supervisors (including the number of shares distributed, the amount and share price) and the recognized remuneration of employees, directors and supervisors, reasons thereof, and responses

Our company decided during the board meeting on March 07, 2024 to distribute employee remuneration of 27,938 thousand dollars and director remuneration of 8,381 thousand dollars, all in cash, for 2023.

The employee remuneration and director's fees mentioned above have been accounted for as expenses for the year 2023, with the recorded amount matching the distribution approved by the board of directors.

(VI) Buyback of the Company's shares by the Company:

In the most recent year and up to the date the Annual Report was printed

Number of buybacks of shares	Buyback for the first time	Buyback for the second time
Time of Board Resolution	2024/12/26	2025/03/03
Buyback purpose	Transfer shares to employees	To safeguard the credit and shareholders' rights
Price range for buyback (per share) scheduled	NT\$ 40 ~ 86	NT\$ 40 ~ 86
Type and number of buybacks (common stock)	10,000,000 shares of common stock	8,000,000 shares of common stock
Actual buyback period	2024/12/27~2025/02/26	2025/03/04~2025/05/03
Type and number of actual shares buyback (common stock) (Note 1)	8,520,000 shares of common stock	Not yet finished
Amount of actual shares buyback	NT\$ 515,172,836	Not yet finished
Percentage of purchased quantity to planned purchase quantity (%)	85.2%	Not yet finished
The average buyback price per share	60.47	Not yet finished
Number of shares canceled and transferred	0	Not yet finished
Cumulative number of shares held in the Company	8,520,000 shares of common stock	Not yet finished
Ratio of the cumulative number of shares held in the Company to the total number of issued shares% (Note 2)	3.58%	Not yet finished

Note 1: As of March 24, 2025, the buyback of 1,722,000 shares of treasury stock for the second time.

Note 2: Ratio of the cumulative number of shares held in the Company to the total number of issued shares (237,784,140 shares)

II. Corporate Bonds Processing Status: None.

III. Preferred Stock Processing Status: None.

IV. Global Depository Receipts (GDRs) Processing Status: None.

V. Employee Stock Option Warrants Processing Status: None.

VI. Restricted Stock Award Processing Status: None.

VII. Recently, the board of directors has approved the acquisition or transfer of shares of another company by issuing new shares up to the date of the latest annual report printing: None.

VIII. Implementation of Fund Utilization Plans: None.

D. Operation Overview

I. Scope of Operation:

(I) Business Scope:

1. SAI focuses on providing forging solutions such as the production and sale of aluminum alloy wheels and suspension system components. In addition to continuously developing new forging technologies, researching new material applications, enhancing design and engineering capabilities, improving the lightweight benefits of forging products, and continuously negotiating with other suitable industrial parts for forging services. Provide optimization suggestions during the customer design phase to address the complexity and diversity of surface treatment processes, meeting the requirements for product personalization and uniqueness. Besides focusing on delivering the highest quality aluminum alloy wheels and suspension system components solutions, SuperAlloy is dedicated to environmental sustainability. 100% recycled aluminum, RESAICAL®, is used as the top choice for sustainable practices in related industries, helping customers achieve optimal outcomes in the circular economy.
2. Main Content: The content is as shown below
 - a. Designing, manufacturing, processing, and trading of aviation components.
 - b. Forging, designing, processing, buying, and selling of aluminum, copper, steel, titanium, alloys, and metal parts.
 - c. Design, manufacture, processing and trade of molds.
 - d. Manufacturing, processing, and trade of reinforcement couplers.
 - e. Import and export trade of aforesaid various products and raw materials.
 - f. Quote, bid, and distribute products from domestic and foreign manufacturers.
 - g. CD01030 Automobile and parts manufacturing industry.
 - h. CD01040 Motorcycle and parts manufacturing industry.
 - i. F114030 Wholesale industry for automotive and motorcycle parts.
 - j. F214030 Retail industry for the supply of automotive and motorcycle parts.
 - k. CH01010 Sports equipment manufacturing industry.
 - l. F109030 Wholesale industry of exercise equipment.
 - m. F209020 Exercise equipment wholesale and retail industry.
 - n. CA01040 Steel forging industry.
 - o. CA01050 Steel secondary processing industry.
 - p. CA01100 Aluminum secondary processing industry.
 - q. CA02010 Metal building structure and component manufacturing industry.
 - r. F106010 Wholesale hardware industry.
 - s. F206010 Retail hardware industry.
 - t. CA03010 Metal heat treatment industry.
 - u. CA01130 Secondary processing industry for copper materials.
 - v. CA01030 Stationery manufacturing industry.
 - w. CE01030 Manufacturing of optical instruments.
 - x. CE01040 Watch manufacturing industry.
 - y. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval

3. Proportion of business:

Unit: In Thousands of New Taiwan Dollars; %

Product \ Year	2023		2024	
	Sales amount	Ratio	Sales amount	Ratio
Forged aluminum rims	6,630,143	85.23	6,684,529	89.44
Aluminum material	644,881	8.29	463,654	6.20
Others (note)	504,292	6.48	325,396	4.36
Total	7,779,316	100.00	7,473,579	100.00

Note 1: Other main components include suspension parts, accessories, raw materials, and mold design and development revenue.

4. Current product offerings and upcoming product development plans:

(1) Current product (service) items:

- A. Forged aluminum alloy wheels - finished and semi-finished forged wheel products for various types of vehicles in the mobility industry.
- B. Forged components for car suspension system.
- C. Recycled aluminum alloy casting rod.
- D. Wheel accessories.

(2) Planned new products:

- A. Development of a new surface treatment for forged wheel rims.
- B. Development of larger forged aluminum alloy wheel products.
- C. Development of wheel rims and other products suitable for five-axis machining center.
- D. Development of aluminum forged products for uses outside the mobility industry.

(II) Forging Industry Overview:

1. Scope of application for forged products:

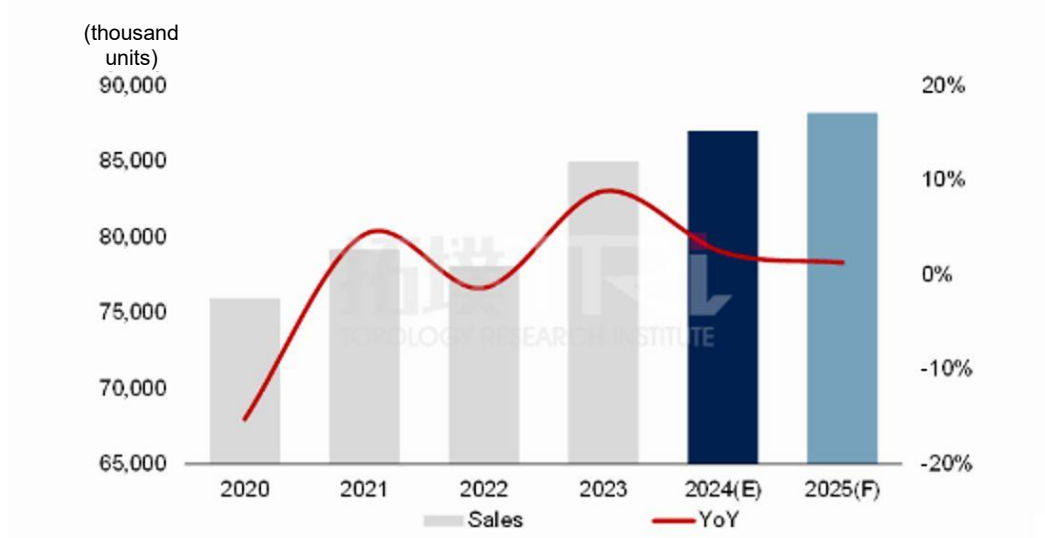
The forging industry is part of the intermediate metal processing sector within the manufacturing industry system. Forging is a manufacturing process that shapes metal using localized pressure. Shaping is carried out using a hammer (typically a power hammer) or a mold. It can be classified based on the temperature during the forming process: Cold forging, warm forging, or hot forging. For the latter two methods, the workpiece is heated before forging. The range of parts that can be forged varies in weight from less than one kilogram to several hundred tons. Forging has been practiced by blacksmiths for millennia, shaping metal materials into specific forms and dimensions through the pressure of impact or compression. Forging can alter the structure of metals, resulting in finer, more uniform, and fibrous materials, enhancing the mechanical properties of the metal. Since the Industrial Revolution, forged parts have been extensively utilized in mechanisms and machines that demand high-strength components, as well as in lightweight products or assemblies. Forged parts of this kind typically require additional processing, such as machining, to obtain the final product. Today, with the continuous advancement of forging technology, precision forging techniques are gradually replacing traditional cutting and casting processes. Our company primarily focuses on applying forging craftsmanship to aluminum wheels in the automotive industry. Therefore, our operational changes are closely linked to the prosperity of the automotive industry. The following explains the current situation and development of the automotive industry:

A. Automotive Industry

The automotive industry is a complex sector that demands high precision, technical expertise, and a high level of integration. As a result, the development cycle for its products and components is lengthy, typically spanning three to four years, and the manufacturing technology and processes involved are highly intricate. The main processes include forging, casting, stamping, assembling engines, transmission systems, and axles, assembling and painting chassis and body, and finally assembling, inspecting, and delivering the complete vehicle. Thanks to the government's long-term support for the domestic automotive components industry, Taiwan's automotive sector has developed a comprehensive supply chain system. Local automotive manufacturers boast advanced component manufacturing technology and delivery quality, making them key partners for major global automakers like Toyota Group, Volkswagen Group, Mercedes-Benz Group, and BMW Group. Their growing significance in the global automotive industry supply chain is set to boost technological advancements in associated industries and increase market competitiveness.

According to the report on the review of automotive industry for 2024 and the outlook for 2025 published by the Topology Research Institute, it is noted that global market sales are expected to grow only slightly by 2.4% in 2024, due to the effects of slowing economic growth and geopolitical risks. The growth momentum is stabilizing, and increases in 2025 are anticipated to be limited. The total volume of new energy vehicle categories is expected to continue experiencing double-digit growth from 2024 to 2025, although the rate of growth will decline. The EU has alleviated the sales pressure on fuel vehicles for car manufacturers by implementing new carbon emission standards, while the US may face increased uncertainty due to changes in policy.

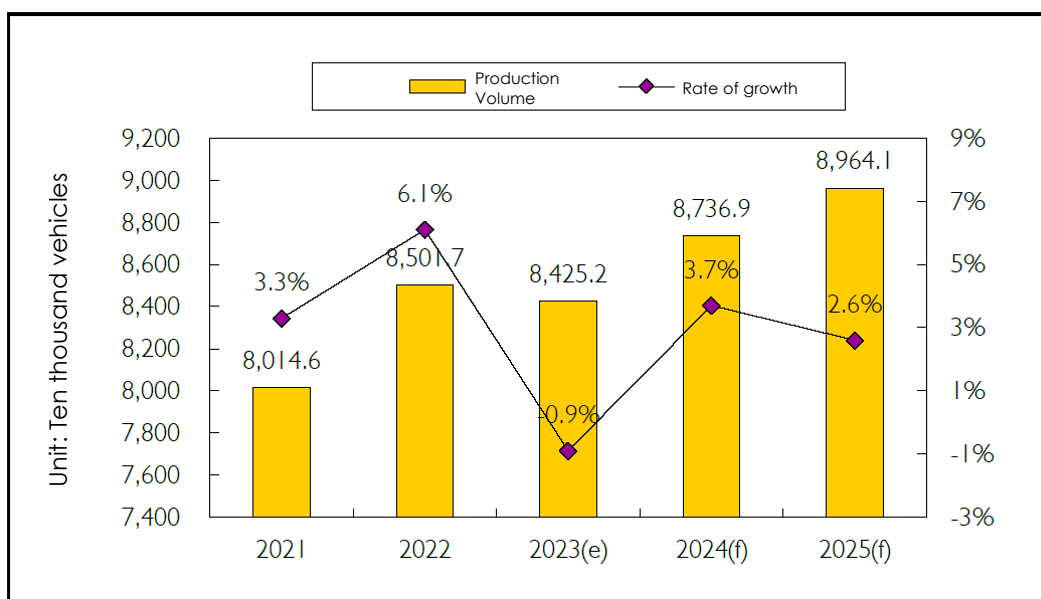
The global automotive market size from 2020 to 2025 (including both fuel and electric vehicles)



Source: Topology Research Institute, December 2024.

According to research data from the International Division of the Industrial Technology Research Institute, the global automotive production scale is expected to grow by 3.7% and 2.6% in 2024 and 2025, respectively, as the supply chain gradually returns to normal operation.

Global Car Production Scale from 2021 to 2025



Source: OICA, Industry, Science and Technology International Strategy Center, Industrial Technology Research Institute (2023/05)

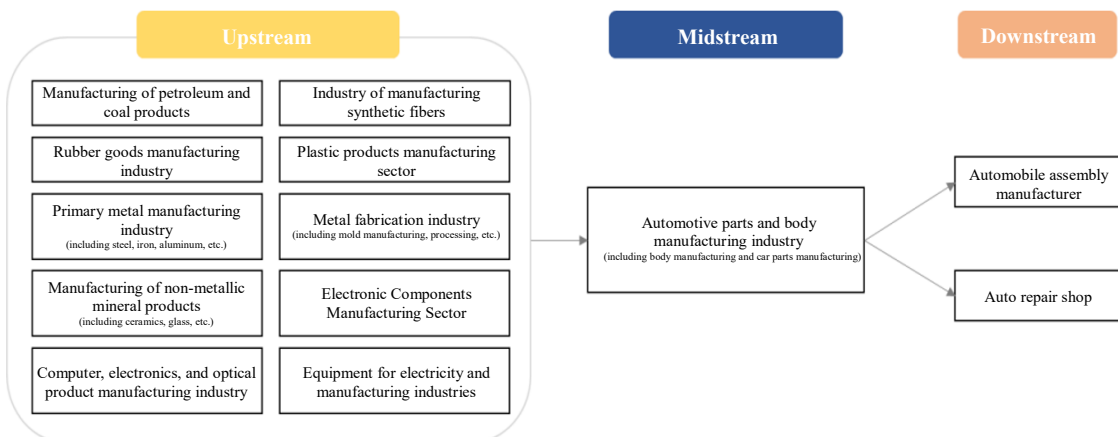
B. Automotive components sector

Automotive components are mainly used to provide the automotive manufacturing industry and repair shops with replacement parts. These components can be divided into metal components and non-metal parts, including supply for various industries such as petrochemicals, glass, steel, rubber, electrical, and electronics, covering a wide range of industries.

As a result of changes in the overall economy and the structure of the automotive industry, Taiwan's component output has experienced significant growth following the pandemic. The Industrial Technology Research Institute also forecasts that this growth rate of 3.4% can be maintained in 2024. The Industrial Technology Research Institute noted that since the pandemic began in 2020, the overall economic environment, influenced by supply chain disruptions and high inflation, has resulted in significant growth in Taiwan's automotive parts industry, with sales reaching NT\$ 243.6 billion in 2023. Looking ahead, while the growth of Taiwan's automotive parts output is expected to gradually slow due to the high base effect, the structural changes in the automotive industry are beneficial for Taiwan's automotive parts market. It is anticipated that Taiwan's automotive parts industry will continue to experience positive growth. In the export market, the United States continues to be the primary destination, making up over 50% of total export value. Following the U.S. are Japan, Mexico, Germany, and the United Kingdom. Although China was once the second-largest export market for Taiwan's automotive components, its significance has diminished in recent years due to supply chain shifts resulting from the U.S.-China trade war. (2) The relationship between upstream, midstream, and downstream industries:

The forged aluminum wheels sold by our company are automotive components, making us one of the suppliers in the automotive industry chain. Given the extensive scope of the automotive industry, it covers a wide range from upstream system design and raw material supply to downstream vehicle assembly and after-sales maintenance. The industry chain formed by the collaboration between relevant satellite manufacturers and various industries is vast. Our company primarily focuses on providing automotive components, illustrating the interconnectivity of the industry's upstream, midstream, and downstream sectors as shown below:

Industry correlation diagram for the automotive parts and body manufacturing sector



Source: Taiwan Industry Economics Services

(3) Various trends and competitive situations in product development

According to the latest report from Skyquest Technology Group, the metal forging market is expected to experience significant growth in the upcoming years. This growth is primarily attributed to the continuous rise in demand across various sectors including automotive, defense and aerospace, shipbuilding, power industry, oil and gas, construction machinery, agriculture, and more. By 2030, the global metal forging market is forecasted to reach \$145.44 billion, with a projected compound annual growth rate of 7.7% throughout the forecast period. Aluminum forging parts are extensively used in various applications where safety is crucial and lighter metals are required to achieve energy efficiency or speed. These parts find wide applications in automobiles, push-pull machines, aircraft, power generation, drilling equipment, and ships. The aluminum raw materials sector is projected to experience the highest compound annual growth rate during the forecast period.

A. Streamlining

In the automotive industry, low energy consumption remains an important goal. Lightweighting of vehicles can reduce energy consumption. Essentially, for every 10% reduction in weight, there can be a 6 to 8% decrease in fuel consumption, leading to a 5.5% increase in fuel efficiency. As vehicle weight decreases, inertia decreases, resulting in lower rotational inertia resistance on the driving wheels, reducing energy losses transmitted to the rear wheels and thereby enhancing acceleration performance. Decreasing the spring mass improves suspension response, enhances ride quality, and boosts braking performance. Reducing braking distance improves safety performance of the car. With strength higher than common cast wheels, true roundness, or minimal deformation effectively ensures safe vehicle operation. Therefore, the forging vendors must consider various factors in producing lighter products, such as selecting appropriate materials and utilizing process enhancements to strengthen metal materials and reduce thickness for weight reduction. Furthermore, the fast-paced expansion of electric vehicles, hybrid cars, and other new energy vehicles is driving a growing need for lightweight materials.

In the mobility industry, components such as axles, wheels, suspensions, side brackets, torsion bars, rollers, rings, and links are used. The demand for lightweight materials is steadily increasing in industries like automotive, aerospace, and defense. Metal forgings offer a high strength-to-weight ratio, making them an ideal option for manufacturing lightweight components. As industries work towards enhancing fuel efficiency, battery life, and emission reduction, the rising need for lightweight forged parts will be a significant market driver.

B. Technological Process Optimization

Car development is moving towards smaller engines with higher horsepower, and with the growing popularity of four-wheel drive SUVs, this indicates a rising demand for forged parts. Car manufacturers are increasingly embracing the concept of vehicle sharing platforms and supply chain integration management. They are shifting towards using system component suppliers to provide pre-assembled modules instead of procuring parts themselves. This transition relegates parts suppliers to second or even third-tier suppliers, exerting price pressure on forging plants. A vehicle sharing platform implies a rise in the number of orders, yet prices need to decrease. The forge should leverage technology to enhance management efficiency, boost engineering and process technical capabilities, improve production lines, increase capacity, and reduce costs. For the creation of appearances like wheels, utilize advanced software design and simulation, testing, refine design, optimize the formability of the finished product, enhance product quality, expand product portfolio, develop innovative forged products with updated appearances, and create differentiation. Simultaneously, in response to the rapid advancement of artificial intelligence (AI) technology, forging factories can leverage AI modeling to predict and enhance yield rates, reduce product development time, and lower testing costs. Additionally, AI can be applied to process quality control, automate quality inspections, and enhance intelligence, thereby creating a competitive edge.

C. Sustainable materials

As global net zero emissions and carbon neutrality become significant trends, car manufacturers are placing greater emphasis on green and sustainable development. In the automotive industry, this means not only improving the recycling rate of materials, but also extending the product life cycle and minimizing the overall environmental impact. From design and manufacturing to usage and recycling, every stage incorporates sustainable development considerations to achieve closed-loop resource management. Thanks to the growing adoption of aluminum by automotive manufacturers for lightweighting and sustainability, the demand in the mobility industry has risen, driving market growth. The process of refining bauxite into primary aluminum metal is energy-intensive and produces high carbon emissions, and mining bauxite leads to ecological damage. In light of the 2050 net-zero carbon emission goal, low-carbon products have become a key focus for major automotive manufacturers. Recycled aluminum can reduce carbon emissions by over 95% compared to primary aluminum, effectively aiding the industry in its transition towards sustainability and achieving net-zero emissions.

(III) Technical and R&D Overview

(1) Business operations technical level:

- A. Product design phase involves designing and modeling using NX, CATIA (CAD) software, and simulating product stress state using FEA analysis software ABAQUS to predict product reliability and durability.
- B. Designing molds involves using software such as AutoCAD, Pro-E, NX, and CATIA to develop various mold components. These designs are then translated, via software CAD interface, into CAM program language for mold processing.
- C. Forging Design Stage - Designing the best forging part without compromising the mechanical properties of the blank. This design is analyzed through FORGE simulation for material flow to determine the required tonnage of forging equipment and the surface forming condition after multiple forging processes, thereby enhancing efficiency by modifying forging design and process capabilities.

- D. Continuous improvement of process design capabilities - designing processes tailored to different product material and characteristic requirements, and continuously adjusting various parameters during the actual trial production process to meet the product's specific requirements.
- E. Continuously improving the net shape forging wheel technology to enhance production capacity and offer customers a diverse range of products and technical services.
3. Research and development expenses invested annually in the recent years and the technology or products developed successfully:

Unit: NT\$ Thousands

Item	2024 years	2023 years
Net revenue (a)	7,473,579	7,779,316
Research and development expenses (b)	151,096	153,056
Research and Development to Revenue Ratio (b/a%)	2.02	1.97%

4. Successfully developed technologies or products:

Year	Result of R&D	Field of application
2018	Establishment of a specialized production line for forging aluminum alloy wheels	Net Shape Forging Wheels
	Complete the expansion of the chassis parts production line and implement high levels of automation	Chassis suspension part
2019	Optimization of high-strength aluminum alloy material	Melting aluminum casting rod/ingot
2020	Develop forged aluminum alloy wheels with a clean and precise finish	Net Shape Forging Wheels
	Develop and mass-produce critical steering knuckle components for chassis suspension	Chassis suspension components
	Airplane seats undergo rigorous 16G testing and have been awarded the US patent certificate code 6061893 for 16G airplane seat forging; and have obtained certification for aerospace forging process	Aircraft seat
	Certification of forged titanium alloy blades for aircraft engines	Aircraft propeller blades
2021	Lightweight design and analysis capability of the front fork damping system of Rolls-Royce chassis completed before suspension components	Chassis suspension components
	Successful completion of smelting and mass production of high-quality and stable 6061 recycled aluminum. The material quality of this aluminum has already been certified by some customers	Melting aluminum casting rod/ingot
	Testing the functionality of truck (Euro-spec) wheels	TUV truck
2022	Design and manufacture molds for smelting and casting independently	Melting aluminum casting rod/ingot
	Complete the independent design and fabrication of various fixtures	Metal fabrication process
	Develop an environmentally friendly alkaline paint stripping process	Paint stripping process
2023	Successful completion of smelting and mass production of high-quality and stable 6082 recycled aluminum. The material quality of this aluminum has already been certified by Porsche customers	Melting aluminum casting rod/ingot
	Wheel three-station sandblasting process setup	Polishing procedure
	Establishment of automated loading and unloading system for painting MASKING	Painting process
	Shortest polishing process combined with paint covering process	Polishing procedure
2024	Development of new horizontal continuous casting molds to enhance mold lifespan and facilitate mass production.	
	Establishing standards for CFD flow field analysis of dynamically rotating wheels (aerodynamics).	
	Integrating AI models into business operations and product development.	
	The spraying operation of the release agent involves developing a robotic arm spraying method and implementing it for mass production.	
	Development of a net-shape forging process for AMG wheel products.	

(IV) Long-term and Short-term Business Development Plans:

(1) Short-term Development Plans:

- A. Lean manufacturing: Improve production capacity utilization and labor efficiency, and continuously improve production yield.
- B. Innovation Research and Development:
 - Enhance process technology to achieve larger size forging and topological optimization in structural design, utilizing five-axis precision machining and various surface treatments to expand product options and fulfill customer demands for lightweight customized components.
 - Continuously increase the utilization of self-produced aluminum, reduce raw material costs and carbon emission of product.
- C. Expand the scale of operations: Leverage existing manufacturing equipment and process layouts for semiconductor devices and other mobile applications, along with aluminum forgings for various industrial uses, and the production scale of low-carbon recyclable aluminum.

(2) Medium to Long-Term Development Plan:

- A. Innovation Research and Development:
 - Advancing a new process for precision net-shape technology. To enhance quality while lowering costs.
 - Develop a new metal forming technique that integrates with existing manufacturing equipment, offering lightweight, high-strength components with cost advantages for the mobility industry or other sectors.
 - Collaborating with luxury car brand clients on technical development, we explore the design of wheel rims optimized for aerodynamics, along with the development of components and assembly techniques that enhance the aerodynamic performance of these rims.
- B. Expand the scale of operations:
 - Leverage the company's current and upcoming smelting capabilities to enter the recycled aluminum alloy market across various industries, thereby increasing the revenue share of recyclable low-carbon aluminum materials.
 - Leveraging the demand for aluminum recycling, the company employs its existing processing technology and equipment to penetrate the supply chain of aluminum alloy components in various industries.
- C. Heading towards the dark factory: Continuously expand the automation and smart technology framework for processes and inspection equipment, leveraging rapidly advancing AI technology to improve production efficiency and yield, reduce product development time and costs, and minimize the manpower required for production activities.

II. Market and Production/Distribution Overview:

(I) Market Analysis

(1) Sales (provision) regions of main products (services)

Unit: NT\$ Thousands

Sales Region \ Year		Year 2023		2024	
		Revenue	Ratio	Revenue	Ratio
Domestic sales		1,636,519	21.04%	1,883,856	25.21%
Export sales	Europe	4,231,489	54.39%	4,420,308	59.15%
	Americas	1,886,861	24.26%	1,160,090	15.52%
	Others	24,447	0.31%	9,325	0.12%
	Subtotal	6,142,797	78.96%	5,589,723	74.79%
Total		7,779,316	100.00%	7,473,579	100.00%

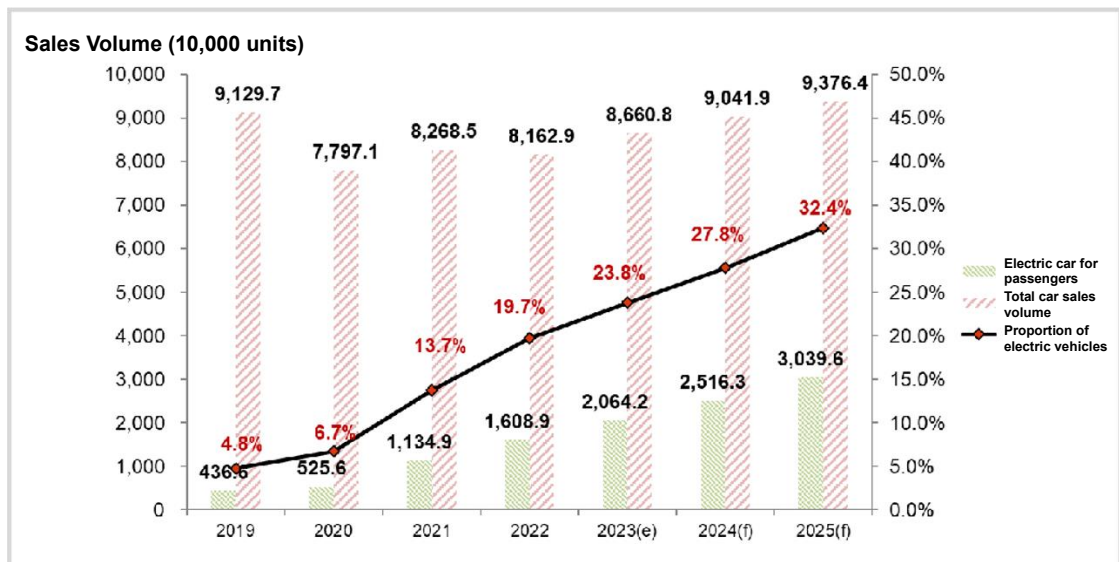
(2) Market share percentage

SAI's customers include globally renowned car manufacturers such as Ferrari, Porsche, McLaren, Bentley, Aston Martin, Mercedes-Benz (including Maybach, AMG), BMW (including Rolls-Royce, Mini), Jaguar & Land Rover, Lexus, Lotus, and electric truck manufacturer Workhorse. Based on the statistics from the Ministry of Economic Affairs, the total output value of Taiwan's automotive components industry in 2024 was NT\$ 120.9 billion. SAI's net revenue for 2024 was NT\$ 7,473,579 thousand, indicating that SAI's products held a market share of around 6.1% in Taiwan's automotive components industry in 2024.

(3) Market future supply and demand situation and growth prospects

In recent years, the production and sales of electric vehicles have been steadily increasing in various countries due to subsidies, tax incentives, carbon emission targets, and urban vehicle restrictions. It is anticipated that this growth trend will continue in the next few years. Given the rapid growth of new energy vehicles such as electric cars and hybrid cars, and the fact that the weight of conventional cars generally ranges from about 1.4 to 1.7 tons, according to statistics published by InsideEVs in August 2021, over one-third of electric cars weigh over 2 tons. In order to meet higher payload requirements, major car manufacturers are increasingly demanding lightweight wheels. Vehicle lightweighting can reduce energy consumption; essentially, for every 10% reduction in weight, fuel consumption can be reduced by approximately 6% to 8%, leading to a 5.5% increase in fuel efficiency. The pursuit of lightweight design will keep driving a strong demand in the electric vehicle industry for forged wheels with characteristics like lightweight and superior rigidity compared to cast wheels.

According to a report by the Industrial Technology Research Institute International Strategy Center (ITRI ISTI), the global automotive and electric vehicle industry is witnessing a shift towards electric vehicles due to the implementation of net zero emission policies worldwide. The report forecasts that electric vehicles will account for 32.4% of global sales by 2025.



Source: Industry, Science and Technology International Strategy Center, Industrial Technology Research Institute (2023/10).

(4) Competitive niche

- A. Long-term cooperation with internationally renowned companies, a trusted partner for customers.
- B. The technical team is experienced and has strong customization capabilities.
- C. Possessing the ability to integrate processes and professional testing and inspection capabilities.
- D. Achieve outstanding quality and acquire numerous international certifications.
- E. Having the capability to produce and recycle aluminum materials

(5) Favorable and unfavorable factors and coping strategies for future development:

A. Favorable factors

- (A) In a scenario where global climate change shows no signs of improvement and instead becomes more extreme, and air pollution worsens, the call for energy efficiency, carbon reduction, and environmental pollution control becomes more urgent. Vehicle exhaust emissions are a significant contributor to air pollution and climate change. Countries with a significant automobile industry are enforcing stricter regulations on vehicle fuel consumption and exhaust emissions. Vehicle lightweighting is considered one of the solutions. The market for new energy vehicles, particularly electric vehicles, is expanding, leading to a continuous increase in the demand for lightweight components.
- (B) The company is investing in the construction of a smelting plant at the Pingtung factory to recycle aluminum alloy scraps like aluminum ingots, aluminum powder, and scrap generated during the 100% recycling process. The recycled aluminum materials produced meet international standards. By forging them into recycled aluminum rims, the company can reduce carbon emissions by approximately 95% compared to using primary aluminum materials. The performance and quality of recycled aluminum wheels are equivalent to those of primary aluminum wheels, which has drawn the attention and formal certification of seven car manufacturers, including luxury brands like Porsche, JLR, BMW, Toyota, Lexus, Stellantis, and Rolls-Royce. Our company will constantly and actively promote our self-produced recycled aluminum materials to customers. Given the environmental context of global automotive manufacturers responding to low-carbon emission policies, there is a growing interest in using certified recycled aluminum for manufacturing automotive components. We are in discussions or cooperation plans with several customers at various stages, aiming to enhance our competitive advantage, improve cost control, boost new alloy material development, and assist customers in mobility industry to achieve net zero emissions. In addition to the mobility industry, other industries are increasingly adopting aluminum as a sustainable recycled material. According to a report by Kings Research, the global recycled aluminum market is valued at \$48.83 billion and is projected to grow at a compound annual growth rate of 6.13% starting this year, reaching \$78.07 billion by 2031. Therefore, the company will also set up new smelting plant capacity, which is expected to assist various industries in reducing carbon emissions in the future, while also broadening the application range of the company's recycled aluminum materials.
- (C) The world has been ravaged by the COVID-19 pandemic for a long 3 years, causing turmoil. Countries are implementing monetary policies ranging from quantitative easing to rapid interest rate hikes in order to save the economy and reduce the inflationary pressures that may follow. In this financial wave, the redistribution of national assets is taking place, intensifying the phenomenon of income inequality and widening the wealth gap. The global luxury goods market is experiencing rapid growth due to the continuous expansion of the high-net-worth population, making it a key driver of the luxury car market. According to the IMARC Group market research report, the global luxury car market is expected to reach \$467.9 billion in 2024 and is projected to reach \$657.8 billion by 2032, with a compound annual growth rate (CAGR) of 4.1% from 2024 to 2032. As global demand for luxury cars continues to rise, there will be an increasing need for forged aluminum alloy wheels that offer both high performance and a premium driving experience.

B. Unfavorable factor

- (A) Enhancing casting technology reduces the distinction between casting and forging products.

Coping strategies

Diversification of products and modularization. The wheel rims are developed and promoted through the net forming process, which enhances

production efficiency and creates high-quality products at competitive prices. In the future, we will continue to develop more cost-competitive net-shaping forging methods that streamline production processes, while also advancing towards larger-sized forgings. We will leverage newly established five-axis machining center and related process technologies to further enhance the design variations of forged aluminum wheels, reduce the weight of the finished products, and increase their added value. Additionally, the company will explore new metal forming techniques that leverage the benefits of both casting and forging. Besides supplying components for chassis suspension parts, we will also continue to develop assemblies and integrate them with the company's forthcoming production capacity for small-sized recycled aluminum casting rods, providing customers with low-carbon forged component solutions.

- (B) Market conditions are impacted by uncontrollable factors, leading to delayed deliveries in the supply chain and substantial fluctuations in demand.

Coping strategies

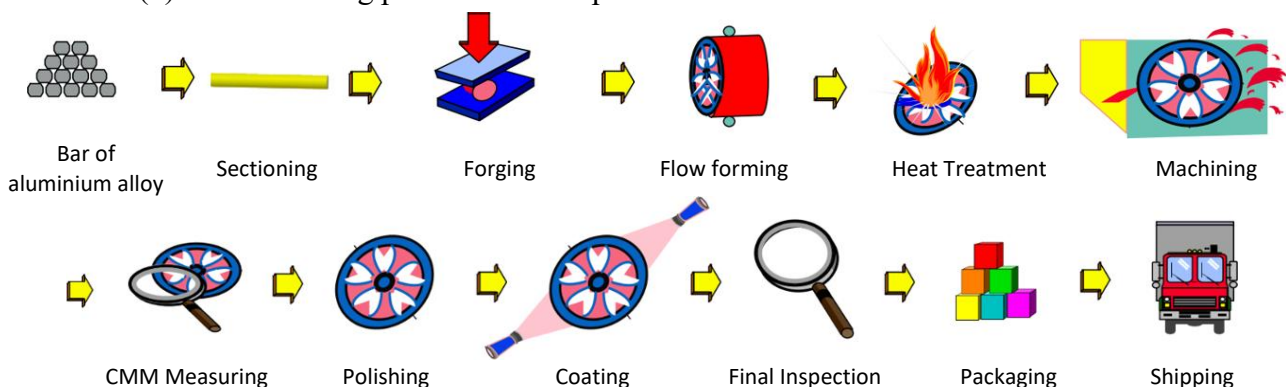
- ① By collecting information, we closely monitor industry trends and market fluctuations, and continuously adjust internal production planning with flexibility to meet customer needs effectively.
 - ② Continuously expanding the customer base globally to diversify customers across Europe, the Americas, Asia, and Oceania, among other regions, in order to mitigate the impact of regional political and economic changes on the company's overall business.
- (C) It is challenging to develop production line and R&D personnel, leading to a high turnover rate.

Coping strategies

Production line personnel experience higher turnover rates due to the nature of their work, and there is a scarcity of talent specializing in forging products. The significance of talent for enterprise development should not be underestimated. Our company not only enhances various personnel management systems, but also prioritizes employee well-being and communication, fosters team synergy, and maintains ongoing collaboration with schools to nurture research and development and technical talents. To enhance overall employee welfare and benefits, the company's board of directors has decided to establish an employee stock trust in 2024, aiming to create a happier workplace.

Besides, the company will continue to enhance the efficiency of various processes and implement artificial intelligence (AI) technology in practical applications for product development, manufacturing, and automated and smart quality inspection, not only aiming to further increase yield, but also hoping to reduce labor usage in production in the future.

(2) Manufacturing process of main product wheels:



(II) Supply status of main raw materials

Product category	Materials	Supplier	Supply Status
Forged aluminum rims	Aluminum alloy	DUBAL and EGA (Singapore) (Note)	Stable quality and large supply with a consistent source.
Forged aluminum rims	Aluminum alloy	Our company - research and develop recycled aluminum materials	Stable quality and consistent source.

Note: Dubai Aluminium Co., Ltd (referred to as DUBAL) is one of the members of the Emirates Global Aluminium (EGA) group, a large international aluminum company in the United Arab Emirates, mainly engaged in aluminum production and smelting. In recent years, due to internal regional business integration considerations, since 2022, we have adjusted the trading partner to the exclusive distributor in Asia, EMIRATES GLOBAL ALUMINIUM (SINGAPORE) PTE. LTD (referred to as EGA (Singapore)), responsible for handling customer orders and shipment arrangements in the Asia-Pacific region for the EGA group.

(III) Names of customers accounted for more than 10% of the total volume of imports (sales) in any of the last two years, as well as the amount and proportion of their purchases (sales), and the reasons for their changes in increase or decrease:

1. Information on main suppliers for the last two years:

Unit: NT\$ Thousands

Item	2023 years				2024			
	Name	Amount	Percentage of net purchases for the entire year	Relationship with the Issuer	Name	Amount	Percentage of net purchases for the entire year	Relationship with the Issuer
1	EGA (Singapore)	2,100,190	67.11	None	EGA (Singapore)	1,642,967	67.98	-
	Others	1,029,228	32.89		Others	774,260	32.02	-
	Net Purchase	3,129,418	100.00		Net Purchase	2,417,227	100	-

Cause of change: In 2024, considering the growth of orders in 2025 fiscal year, there is a moderate increase in inventory stocking, and the continuous depreciation of the Taiwan Dollar against the US Dollar has led to an increase in purchase amount, intensifying the proportion. In 2024, the global economic slowdown due to the continuous interest rate hikes in the United States has resulted in reduced demand for aluminum products, causing international aluminum prices to be lower than in 2023, leading to a decrease in purchase amount.

2. Major sales customers for the last two years:

Unit: NT\$ Thousands

Item	2023 years				2024			
	Name	Amount	Percentage of net sales for the year	Relationship with the Issuer	Name	Amount	Percentage of net sales for the year	Relationship with the Issuer
1	JLR	1,275,132	16.39	None	JLR	1,223,921	16.38	-
2	Toyota Taiwan	982,864	12.63	None	Toyota Taiwan	1,508,427	20.18	-
3	—	—	—	None	—	-	-	-
	Others	5,506,162	70.98		Others	4,741,231	63.44	--
	Net sales	7,779,316	100.00		Net sales	7,473,579	100	

Description: The reason for the change is the increase in deliveries from Toyota customers in Taiwan.

III. Number of employees, average years of service, average age, and educational distribution ratio of employees in the past two years and up to the annual report printing date

Unit: People

Year		Year 2023	Year 2024	As of February 28 of 2025
Number of employees	Manager	7	7	7
	General staff	449	454	449
	Production line workers	1,108	1,050	1,044
	Total	1,564	1,511	1,500
Average age		37.87	38.18	38.33
Average years of service		7.04	7.82	7.98
Educational background distribution ratio	Doctoral degree	3	3	3
	Master degree	62	66	61
	University (College)	499	480	480
	Less than high school degree	1,000	962	956
	Total	1,564	1,511	1,500

IV. Information on Environmental Protection Expenditures

(I) Environmental protection policy

1. Promote awareness of environmental safety and health to employees and relevant stakeholders.
2. Comply with environmental safety and health regulations and relevant requirements.
3. Achieve environmental safety and health goals, promote energy efficiency and carbon reduction, embrace green environmental protection, and ensure physical and mental well-being.
4. Enhance environmental safety and health processes to minimize environmental harm and ensure the well-being of personnel

(II) Losses incurred as a result of environmental pollution in the most recent year and up to the publication date of the annual report:

(Including compensation and environmental protection inspection results violating environmental regulations, the disposal date, disposal number, violated legal provisions, violated legal content, and disposal content should be specified), and disclose the estimated amount and response measures for current and future possible occurrences, if unable to reasonably estimate, the fact of inability to reasonably estimate should be explained

Date of Disposal	Disposal No.	Violation of legal provisions	Content violating regulations	Disposals
2024.11.18	Fine notification number: 40-113-110013	Article 31, Paragraph 1, Subparagraph 1 of the Waste Disposal Act and Article 36, Paragraph 1 of the Waste Disposal Act	Operating without permission or registered items	The penalty is NT\$ 12,000. Date of modification limit: November 25, 2024. It is required to attend a 2-hour environmental training session .
2024.12.19	Fine notification number: 40-113-120021	Article 36, Paragraph 1 of the Waste Disposal Act	Your company's Pingtung Plant 1, located at No. 323 and 325, Daxi Road, Qianjin Village, Pingtung City, Pingtung County, is involved in basic metal manufacturing. During an inspection by our bureau on October 30, 2024, it was discovered that sludge from wastewater treatment facilities was scattered on the factory floor next to the material storage area at your company's Pingtung Plant 1. The storage site for this sludge, classified as industrial waste, was not maintained in a clean and intact condition, resulting in waste leakage, seepage, and ground contamination. There were no clear Chinese labels	The penalty is NT\$ 12,000. Date of modification limit: November 25, 2024. It is required to attend a 2-hour environmental training session.

Date of Disposal	Disposal No.	Violation of legal provisions	Content violating regulations	Disposals
			indicating the type of waste, and the outdoor storage lacked measures to prevent surface water, rainwater, and groundwater from entering or permeating the area. Furthermore, there were no facilities or measures in place to collect or prevent pollution of surface water, groundwater, or soil, which constitutes a violation of Article 36, Paragraph 1 of the Waste Disposal Act and Article 6, Paragraph 1, Subparagraphs 2 and 4, as well as Article 10, Paragraph 1, Subparagraphs 1 and 2 of the standards for the storage and disposal of industrial waste.	
2024.02.05	Ministry of Labor No. 1130202606	Article 35 of the Occupational Safety and Health Facilities Regulations, Article 43, Paragraph 1 of the same Regulations, and Article 6, Paragraph 1 of the Occupational Safety and Health Act	The employer has failed to provide appropriate passage equipment, such as handrails, steps, and ladders, for workers crossing between two locations. Additionally, the employer has not installed protective covers, enclosures, sleeves, or bridges for machinery parts that could pose a risk to workers, including the prime mover, shafts, gears, pulleys, flywheels, drive wheels, and belts.	The penalty is NT\$ 70,000.
2024.05.02	Ministry of Labor No. 1130204174	Article 43, Paragraph 1 of the Occupational Safety and Health Facilities Regulations and Article 6, Paragraph 1 of the Occupational Safety and Health Act	The motor shaft of the preheating furnace presents a risk of workers getting caught and injured, as there are no protective covers or barriers in place.	The penalty is NT\$ 60,000.
2025.03.24	Ministry of Labor No. 1140251130	Article 43, Paragraph 1 of the Occupational Safety and Health Facilities Regulations and Article 6, Paragraph 1 of the Occupational Safety and Health Act	For air compressor power supplies, the ground voltage is 215 volts. For portable electrical equipment with a ground voltage exceeding 150 volts, a high-sensitivity, fast-acting leakage circuit breaker that meets the specifications is not installed to effectively prevent electric shock	The penalty is NT\$ 100,000.

Response strategies: Our company is committed to enhancing and implementing environmental management systems, improving pollution prevention equipment, reducing environmental impact and air pollution, to ensure compliance with regulations and promote sustainable environmental practices.

V. Labor-Management Relations:

- (I) Employee welfare measures, continuing education, training, retirement system, and implementation status, as well as labor-management agreements and employee rights protection measures

Our company has an Employee Welfare Committee that regularly implements various welfare measures. Apart from providing employees with opportunities to participate in various training and seminars for further education to enhance their perspectives, we offer vacation schemes, insurance, employee health check-up programs, travel subsidies, wedding and funeral allowances, meal subsidies that exceed

labor laws. We also occasionally organize afternoon tea and department dinners. This ensures that employees can work with peace of mind, maintain a work-life balance, and become crucial long-term partners in the company's development.

Our company not only offers insurance coverage as required by government regulations but also provides free group insurance for employees, ensuring they have peace of mind outside of work. In order to improve employee welfare, a new Employee Welfare Committee will be set up to organize various club activities and offer cash gifts for weddings, funerals, and other celebrations.

(1) Continuing education and training status:

Our company arranges annual education and training for new employees, as well as ongoing training for existing staff. We also post announcements of academic institution courses on the company bulletin board to help employees access relevant information easily.

(2) Retirement system and implementation status:

In order to ensure that employees can work with peace of mind during their employment and secure their post-retirement life, retirement procedures for employees are established based on the "Labor Standards Act" (referred to as the "old labor retirement system") and the "Labor Pension Act" (referred to as the "new labor retirement system"). Employees opting for the old labor retirement system will contribute to the labor retirement reserve fund monthly based on a specified percentage of their total salary. For employees choosing the new labor retirement system, the company will monthly contribute not less than 6% of their salary to the individual account of the labor retirement fund to guarantee the retirement benefits of employees.

(3) Situation of agreement between labor and management:

Our company highly values employees' feedback and engages in two-way and open communication with them. Before meetings, we gather colleagues' opinions through labor representatives, discuss various topics during meetings, maintain effective internal communication channels, and regularly hold labor-management meetings every three months. The meeting topics cover management systems, labor conditions, and ways to enhance work efficiency, among other related issues. Representatives from both labor and management are invited to participate in these meetings to foster a positive and harmonious relationship between the two parties.

(4) Various measures for employee rights and interests protection:

In order to safeguard employee rights, our company not only complies with relevant laws and regulations but also addresses employee needs by enhancing the company's software and hardware facilities. According to the company's Articles of Incorporation, distribute employee bonuses as stipulated and transfer treasury stocks to employees, enabling them to share the business results.

(5) Safety and Health Aspects:

- A. Award for Outstanding Achievements: Received awards such as the Department of Health's Health Management Award, the Outstanding Management Unit and Personnel Achievement Award for Occupational Safety and Health, the Healthy Workplace and Betel Nut-Free Workplace Award, and the Health Promotion Mark for Certified Healthy Workplace.
- B. The company aligns with international occupational safety and health trends by transitioning to the ISO45001 management system, ensuring effective workplace safety and health management, and mitigating potential risks.
- C. Verification from both internal and external sources: The management systems based on ISO14001 (environmental) and ISO45001 (occupational health and safety) require regular internal audits by an internal audit unit. External verification audits are carried out annually, and certification audits are conducted every three years. The occupational safety and health management system

verification was successfully completed in December 2024. The first new site in 2024 is Zhuwei plant and it is certified.

D. Internal and external training: In 2024, a total of 32,710 employees received 111,445 hours of education and training.

E. Results of occupational accident management: The company is committed to its environmental safety and health policy and actively promotes safety and health initiatives. Utilizing the PDCA management framework, it aims to conduct risk assessments and enhance the working environment from the design, manufacturing, input, or construction planning stages, continually working to reduce risks.

F. Promoting health management:

Annual health checks/special health assessments are conducted regularly each year, involving employees' family members to promote overall health and fitness. In collaboration with public sectors and academic/association initiatives, we conduct blood donation activities, AI stroke detection, the COVID and flu vaccination, technology-based fitness assessments, and various health seminars (stress relief, physical fitness, diet, etc.). Additionally, we partner with meal service companies to provide employees with calorie information for their meals, promoting a healthier lifestyle among staff.

(II) Losses incurred as a result of labor disputes in the most recent year and up to the publication date of the annual report

(Including violations of the Labor Standards Act in the results of labor inspections, the date of the penalty, penalty number, violated legal provisions, violated legal content, and penalty content should be specified), and disclose the estimated amount and response measures for current and future possible occurrences, if unable to reasonably estimate, the fact of inability to reasonably estimate should be explained

(1) Labor dispute

In the past two years and up to the date of the annual report printing, the company has resolved a total of 3 labor disputes. The disputed amounts in each case are minimal compared to the company's revenue, and all have been settled with the employees concerned or concluded through litigation, without any significant impact on the company. Verification of the occupational safety and health management system.

Date	Content	Disposal No.	Impact on the company's finance and business
2023.08.18	The Yunlin County Government's letter dated August 18, 2023, with reference number Fu Labor Capital No. 1123423338, addressed a labor-capital dispute involving an employee named Qiu seeking mediation for compensation related to a work-related injury. Despite mediation attempts, the parties' differing interpretations of the requested terms prevented reaching an agreement. It is recommended to explore other avenues for resolution as mediation was inconclusive. The employee has not pursued any further claims or legal actions against the company, and an evaluation suggests no significant financial impact on the company's operations.	None	No major impact

(2) Breach of Occupational Safety and Health Act

Date	Content	Disposal No.	Impact on the company's finance and business
2023.08.17	On August 17, 2023, the Ministry of Labor issued a letter (Labor Occupation Letter No. 1120203913) to our company's Yunlin Plant 2 regarding safety violations in the workplace. It was noted that the aisles, floors, and stairs were not maintained in a safe condition to prevent workers from falling or slipping, as required by Article 21 of the Regulations on Occupational Safety and Health Facilities. Consequently, on July 21, 2023, a Thai worker named Ati suffered a fall while operating a sandblasting machine in the polishing class on the 3rd floor of Building E, due to insufficient friction caused by residual steel grit on the stairs, resulting in a fracture of the right femoral neck bone, which was classified as an occupational accident. This contravenes Article 6, Paragraph 1,	Ministry of Labor No. 1120203913	No major impact

Date	Content	Disposal No.	Impact on the company's finance and business
	Subparagraph 13 of the Occupational Safety and Health Act. Additionally, it was found that the maintenance door of the automated warehouse did not have the necessary safety features, such as interlocking safety doors, as mandated by Article 58, Paragraph 5 the Regulations on Occupational Safety and Health Facilities. This violation of Article 6, Paragraph 1, Subparagraph 1 of the Occupational Safety and Health Act led to a fine of 200,000 NT dollars.		
2023.09.27	On September 27, 2023, the Ministry of Labor issued a letter (Labor Occupation Letter No. 1120204629) to our company concerning the workplace at 325 Daxi Road, Qianjin Village, Pingtung City, Pingtung County. It was found that the floor in the inspection area for mechanical products within the factory did not meet the safety requirements to prevent workers from falling, as stipulated in Article 21 of the Occupational Safety and Health Facilities Regulations. Consequently, our employee, Mr. Li, suffered an occupational accident on August 31, 2023, while performing external quality checks on wheel rims. He accidentally tripped over a bent gap in the cover above the channel, falling forward and fracturing his right proximal humerus, in addition to sustaining blunt injuries to his right elbow and right hip. This incident violated Article 6, Paragraph 1 of the Occupational Safety and Health Act, resulting in a fine of 60,000 NT dollars.	Ministry of Labor No. 1120204629	No major impact

(III) Estimation of current and future possible losses and countermeasures

Our company is committed to enhancing internal education and training, and engaging external speakers. The occupational safety unit conducts regular or ad-hoc on-site audits to ensure compliance with regulations and reduce occupational safety risks.

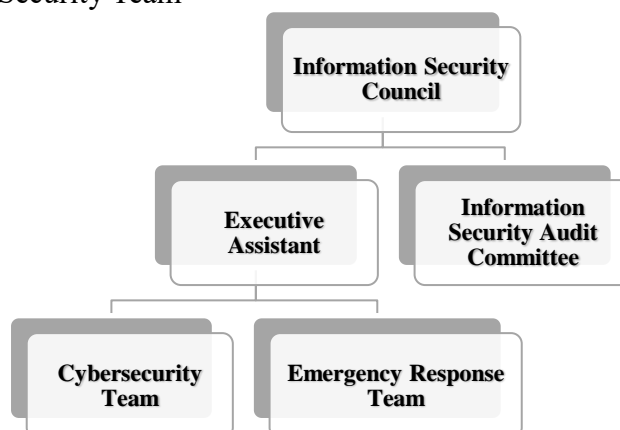
VI. Information Security Management

(I) Information security risk management structure, information security policy, specific management plan and resources invested in information security management.

1. Information Security Policy

Our company is continuously enhancing the security and protection capabilities of data, information systems, equipment, and network communication through the implementation and improvement of processes, compliance with laws and regulations, personnel training, and technology utilization to meet the requirements of the ISO27001 information security management system. This not only strengthens information security capabilities to effectively mitigate risks such as theft, misuse, leakage, tampering, or destruction of information assets due to human error, deliberate actions, or natural disasters but also safeguards company assets, helps the company adhere to international regulations regarding sensitive information of customers and employees, reduces the risks of regulatory violations and penalties, and boosts the company's reputation and competitiveness to uphold commitments to shareholders and customers, fulfilling the company's goal of sustainable operation.

2. Information Security Team



The Information Security Committee Management Review Meeting shall be held at least once a year, following the completion of internal audits of the information security system. In order to ensure the proper and effective operation of the company's information security system and quality management system, the management level conducts regular reviews of the information security system and tracks, reviews, and closes improvement measures to encourage each department to effectively achieve information security goals.

3. Information security management system

Our Information Security Management System (ISMS) is based on the continuous improvement Plan-Do-Check-Act (P.D.C.A.) cycle management model established by the International Organization for Standardization (ISO). It integrates and enhances the information security management system, establishing a systematic, documented, and systematized management mechanism. By continuously monitoring and reviewing management, implementing the concept of information security management and business continuity to ensure the confidentiality, integrity, and availability of the information assets owned by the company, and to comply with relevant laws and regulations, in order to prevent intentional or accidental threats from internal and external sources, and to protect the rights and interests of the company's employees and customers, to achieve the following information security objectives:

- (1) Ensure that the critical core systems of the company maintain a certain level of system availability.
- (2) Safeguard the company's business activity information, including information security and prototype protection, to prevent unauthorized access and modifications, ensuring its accuracy and integrity.
- (3) Conduct regular internal audits to ensure proper implementation of relevant operations.
- (4) Regularly provide education and training to promote employees' awareness of information security and strengthen their understanding of related responsibilities.

Our company achieved ISO 27001:2013 certification on May 23, 2023, and will renew it every three years. The certification is valid until October 31, 2025. The ISO/IEC 27001:2022 was officially released on October 25, 2022, expanding its focus from information security to include network security and privacy protection. Our company aims to achieve new version of ISO 27001:2022 certification in May 2025, with the expectation of enhancing our information security management from various angles to better address the continuously evolving cybersecurity threats.

4. Efficient operation and ongoing enhancement of information security management

Our company is certified in ISO27001 information security management to continuously enhance the P.D.C.A. cycle management model, ensuring the effectiveness of management. The management mechanism includes:

- (1) Establish comprehensive norms and clear operational procedures to operationalize information security management systematically.
- (2) Utilize a variety of tools and technologies to promptly and effectively identify, protect, detect, respond to, and recover from incidents.
- (3) Establish a cybersecurity incident emergency response and disaster recovery process to quickly isolate and eliminate threats, reducing the scope and impact.
- (4) Conduct regular disaster recovery drills for critical application systems to ensure their effectiveness.
- (5) Conduct regular cybersecurity training for employees to enhance their awareness comprehensively.
- (6) Annual regular internal and external audits are conducted to review the entire management system, ensuring its smooth operation and continuous improvement.

5. Evaluation of Information Security and Network Risks

Annually review the list of information assets and perform risk assessments based on internal and external cybersecurity issues, security incidents, and audit findings. For high-risk items, allocate necessary resources for enhancement or implementation of additional control measures to mitigate or eliminate risks.

6. Cybersecurity education and training and promotion

In order to improve employees' understanding of information security protection, the company has implemented an online learning (E-Learning) information security course, regularly shares information security awareness content and case studies, conducts annual information security education and training courses for all employees, and periodically carries out social engineering drills to enhance the organization's resilience against online scams.

7. Resources Invested in Information Security Management

Our company enhances cybersecurity protection by installing antivirus software on endpoints and building firewalls to defend against potential network security threats. Deploy advanced threat protection to detect hacker intrusions and monitor network malicious behavior detection systems. Moreover, in high-risk technical units, implementing a two-factor authentication mechanism helps mitigate the risk of system-related account passwords being counterfeited or stolen, thereby enhancing the overall security of the system.

- (II) The losses suffered due to major information security incidents in the most recent year and as of the publication date of the annual report, their possible impact, and response measures; if unable to reasonably estimate, the fact of inability to reasonably estimate should be explained: None.

VII. Important Contracts

The important contracts that remain valid as of the date of the annual report printing are listed below:

Contract Nature	Party	Contract Start and End Dates	Main Content	Restriction
Land lease	Hsiu-Chin Chang and 6 others	2022/01/01~2026/12/31	Provide parking for employees	None
Credit Contract	Taiwan Cooperative Bank	2024/06/17~2025/06/17	Overall credit limit	None
Credit Contract	Taiwan Cooperative Bank	2021/06/29~2028/06/29	Medium to Long-Term borrowings	Mortgage loan secured by real estate
Credit Contract	Taiwan Cooperative Bank	2015/02/12~2035/02/12	Medium to Long-Term borrowings	None
Credit Contract	Taiwan Cooperative Bank	2021/03/15~2028/03/15	Medium to Long-Term borrowings	Rooted in Taiwan Project
Credit Contract	Bank of Taiwan	2024/08/16~2025/08/16	Overall credit limit	None
Credit Contract	Bank of Taiwan	2023/08/16~2026/08/16	Medium to Long-Term borrowings	None
Credit Contract	Bank of Taiwan	2021/06/29~2028/11/08	Medium to Long-Term borrowings	Rooted in Taiwan Project
Credit Contract	Bank of Taiwan	2021/06/30~2026/10/05	Medium to Long-Term borrowings	Rooted in Taiwan Project
Credit Contract	Chang Hwa Bank	2024/10/31~2025/10/31	Overall credit limit	None
Credit Contract	Chang Hwa Bank	2019/12/30~2040/03/10	Medium to Long-Term borrowings	Mortgage loan secured by real estate
Credit Contract	Chang Hwa Bank	2020/12/25~2027/12/25	Medium to Long-Term borrowings	Rooted in Taiwan Project
Credit Contract	The Export-Import Bank of the Republic of China	2024/04/16~2025/04/16	Short-term export financing options	None
Credit Contract	Bank of Ayudhya in Thailand	2024/10/15~2025/10/15	Overall credit limit	None
Credit Contract	Hua Nan Commercial Bank	2024/02/26~2027/02/26	Overall credit limit	None
Credit Contract	Cathay United Bank	2024/08/01~2025/07/31	Overall credit limit	None
Credit Contract	Yushan Bank	2024/06/18~2025/06/17	Overall credit limit	None
Credit Contract	Shin Kong Bank	2025/02/11~2026/02/11	Overall credit limit	None
Credit Contract	Far Eastern Int'l Bank	2024/07/26~2027/08/08	Overall credit limit	None
Credit Contract	The Shanghai Commercial & Savings Bank, Ltd.	2022/03/07~2025/09/05	Medium to Long-Term borrowings	None
Credit Contract	Yuanta Bank	2024/02/05~2027/02/05	Medium to Long-Term borrowings	None

E. Review and Analysis of Financial Position and Financial Performance, and Risk Matters

I. Financial Position:

Unit: NT\$ Thousands, %

Item \ Year	Year 2023	Year 2024	Differences	
			Amount	%
Current Assets	8,663,867	9,329,628	665,761	7.68
Property, plant and equipment	8,339,267	7,819,404	(519,863)	(6.23)
Intangible assets	13,643	8,253	(5,390)	(39.51)
Other assets	359,287	362,259	2,972	0.83
Total assets	17,376,064	17,519,544	143,480	0.83
Current liabilities	3,715,897	3,416,754	(299,143)	(8.05)
Long-term liabilities	5,894,400	4,260,544	(1,633,856)	(27.72)
Other liabilities	30,432	26,908	(3,524)	(11.58)
Total liabilities	9,640,729	7,704,206	(1,936,523)	(20.09)
Share capital	2,142,551	2,377,841	235,290	10.98
Capital surplus	1,013,145	2,559,546	1,546,401	152.63
Retained earnings	4,651,443	4,980,922	329,479	7.08
Other equity adjustment items	(71,804)	(102,971)	(31,167)	(43.41)
Total Equity	7,735,335	9,815,338	2,080,003	26.89
Provide analysis and explanation for changes exceeding 20% in the last two years, with amounts over 10 million:				
1. Decrease in long-term liabilities: The primary reason is that the cash infusion from the capital increase has resulted in a decrease in long-term loans				
2. Increase in capital surplus: Primarily due to the increase in cash capital and the execution of stock options for treasury stocks				
3. Other equity adjustment items: Primarily due to the implementation of treasury stock repurchase				
4. Total equity has increased: Primarily due to an increase in cash capital				

II. Financial Performance:

(I) Comparative analysis of operating results:

Unit: NT\$ Thousands, %

Item \ Year	Year 2023	Year 2024	Increase (decrease) amount	Change ratio %
Operating revenue	7,779,316	7,473,579	(305,737)	(3.93)
Operating costs	(6,044,901)	(5,469,886)	(575,015)	(9.51)
Gross profit	1,734,415	2,003,693	269,278	15.53
Operating expenses	(979,556)	(1,025,835)	46,279	4.72
Operating income	754,859	977,858	222,999	29.54
Other income	74,422	67,516	(6,906)	(9.28)
Other gains and (losses)	107,538	55,115	(52,423)	(48.75)
Finance costs	(174,909)	(156,969)	(17,940)	(10.26)
Net income from continuing operations before tax	761,910	943,520	181,610	23.84
Income tax (expenses) benefits	(153,474)	(188,036)	34,562	22.52
Net income from continuing operations after tax	608,436	755,484	147,048	24.17
Provide analysis and explanation for changes exceeding 20% in the last two years, with amounts over 10 million:				
1. Increase in operating income: The increase in revenue and decrease in costs are primarily due to the greater use of recycled aluminum materials and fluctuations in exchange rates				
2. Decrease in other benefits: Due to fluctuations in exchange rates				
3. Increase in net income before tax: Primarily attributed to the increase in operating income				
4. Increase in income tax expense: Mainly attributable to the increase in profits before tax				
5. Increase in net income after tax: Primarily attributed to the increase in net income before tax				

(II) Explanation of the reasons for the increase in Mao Li:

1. Price differences: As a result of fluctuations in exchange rates.
2. Cost differences: The main products utilize recycled aluminum materials, resulting in lower costs and improved production capacity.

(III) Sales volume forecast and the basis for the forecast; possible impacts on the Company's future financial performance and responsive actions to such impacts:

Anticipated growth in demand for forged aluminum wheels and recycled aluminum from future customers, with ongoing influx of new orders. Currently in the process of actively planning new factory capacity to meet future delivery needs, with primary funding sourced from operating funds and bank loans, thereby having no impact on financial operations.

III. Cash flow:

- (I) Analysis of changes in cash flows for the most recent year: Liquidity analysis in the recent two years:

Unit: NT\$ Thousands, %

Year Item	Year 2023	Year 2024	Increase (decrease) amount	Increase (decrease) %
Operating activity	1,538,146	1,869,316	331,170	21.53
Investing activities	(648,308)	(503,162)	(145,146)	(22.39)
Financing activities	(538,263)	(448,677)	(89,586)	(16.64)
Net cash generated by/(used in)	358,923	916,441	564,866	160.67
Explanation of significant changes:				
(1) Operating activity: The increase in revenue and profit is the primary reason for the cash inflows.				
(2) Investing activities: The main reason for cash outflows is the company's ongoing investment in machinery and equipment.				
(3) Financing activities: The main reason for cash outflows is the repayment of both long-term and short-term loans.				

- (II) Analysis of deviation in cash flow for 2025:

Unit: NT\$ Thousands

Cash balance for beginning of year	Net cash generated by operating activities for the year	Net cash generated by financing and investment activities for the year	Cash balance remained	Remedy for the cash shortfall	
				Investment Plan	Financial Plan
2,153,486	2,290,480	(2,432,148)	2,011,818	-	-
1. Analysis of deviation in cash flow for 2025:					
(1) Operating activity: Net cash generated from net profit.					
(2) Financing activities: Mainly for repaying loans and paying cash dividends resulting in net cash outflows.					
(3) Investing activities: Mainly for purchasing new machinery and equipment to replace old ones and improve bottleneck processes, resulting in a net cash outflow.					
2. Remedy for expected cash shortfall and the liquidity analysis: None.					

IV. Impact of Major Capital Expenditures on Finance in the Most Recent Year:

In addition to the 2024 annual plan to purchase some automated machinery and equipment for 481,362 thousand dollars, there are no other major capital expenditures.

V. Main Causes for Profits or Losses of the Reinvestment Policy in the Most Recent Year, Improvement Plans and Investment Plans for the Coming Year

Unit: NT\$ Thousands

Investee	Net income after tax for the period	Investment strategy	The primary factors contributing to profit or loss	Improvement plan	Investment plan for the coming year
SAME.	471	Providing services to European customers for a paint factory	Operating situation is favorable	None	None

VI. Analysis and Assessment of Risk Matters for the most recent year and up to the date the Annual Report was printed:

- (I) The impact of changes in interest rates, exchange rates and inflation on the Company's profit and loss and future response measures:

(1) Changes in interest rates:

Unit: NT\$ Thousands

Item	Year 2023	Year 2024
Interest expense	174,909	156,969
Net operating revenue	7,779,316	7,473,579
Interest expense as a percentage of net operating revenue (%)	2.25%	2.10%

The interest expenses of this company for the fiscal years 2023 and 2024 represented 2.25% and 2.10% of the net operating income, respectively. This is primarily due to financing interest incurred by the company from borrowing funds from financial institutions for operational needs and capital expenditures. Despite fluctuations in market interest rates, they have not significantly affected the company's revenue and profitability.

Response strategies

The company continuously monitors and analyzes how fluctuations in financial market interest rates affect the cash flow of all interest-bearing debts, maintains strong relationships with banks, and adjusts fixed or floating borrowings promptly to mitigate the risk of rising funding costs caused by interest rate changes.

(2) Exchange rate changes:

Unit: NT\$ Thousands

Item	Year 2023	Year 2024
Foreign exchange gain	18,697	59,695
Net operating revenue	7,779,316	7,473,579
Exchange gains and losses as a percentage of net operating revenue (%)	0.24%	0.80%

Our company's exports are mainly denominated in US dollars, Japan yen and euros, while imports are mainly denominated in US dollars and New Taiwan dollars. Offsetting some foreign currencies in accounts receivable and payable can generate partial hedging effects. However, there are still foreign exchange gains and losses in net foreign currency assets, so exchange rate fluctuations still have a certain degree of impact on our company's profits.

Response strategies

Monitor the trends of major currencies in the international foreign exchange market and changes in international situations due to non-economic factors to anticipate exchange rate movements and respond promptly. Additionally, factor in the risks stemming from exchange rate fluctuations during the product pricing process, adjust selling prices promptly to safeguard the expected profit, and make timely adjustments to foreign currency assets and liabilities positions to mitigate the risk of exchange rate fluctuations.

In accordance with the "Acquisition or Disposal of Assets Processing Procedure", the company engages in hedging derivative financial instrument transactions of a hedging nature at appropriate times based on exchange rate fluctuations to mitigate the exchange rate risk arising from its business operations.

(3) The impact of changes in inflation on the future response measures:

The company has not experienced significant impacts on profit and loss due to inflation in the past. The company, its subsidiaries, suppliers, and customers maintain close and good interactive relationships. It is important to closely monitor global

market changes, be vigilant for inflation risks, and promptly reflect cost changes in selling prices to mitigate the impact of inflation.

2. The policy of engaging in high-risk, highly leveraged investments, lending of funds to others, endorsements, guarantees and derivative transactions, the main reasons for profit or loss, and future response measures in the most recent year and up to the publication of the annual report:

Our company has always adhered to the principles of focusing on core business and pragmatic operation, with a financial policy based on prudence and conservatism. We do not engage in high-risk, high-leverage investment activities. We have established operational procedures such as “Handling Procedures for Lending Funds to Others”, “Endorsement Guarantee Procedures”, and “Asset Acquisition or Disposal Procedures” as the basis for the group’s related transactions. Currently, funds are only lent to others and endorsed guarantees are only for the individual companies in the consolidated financial statements, all in compliance with the policies and contingency measures mentioned above; when the Company engages in derivative financial instrument transactions, it aims to mitigate foreign exchange price volatility risks and follows the Company’s “Asset Acquisition or Disposal Procedures”.

- (II) The policy of engaging in high-risk, highly leveraged investments, lending of funds to others, endorsements, guarantees and derivative transactions, the main reasons for profit or loss, and future response measures:

The company shall follow the procedures set by the company and approved by the board of directors, with rigorous internal controls in place. It also has a dedicated audit department that conducts regular audits of the operational procedures of relevant departments.

- (III) Future R&D plans and expected R&D expenses:

- (1) Future R&D plans:

- A. Improve aluminum material quality and process to increase yield
- B. Develop multi-spindle machining equipment
- C. Develop multi-piece wheel products for manufacturing
- D. Development of a dual-core shaping process method
- E. Development of vacuum pump rotor technology for semiconductor equipment components
- F. External technology development of pendulum valve body for semiconductor equipment components

- (2) Estimated R&D expenses of the company:

Our research and development expenses for the fiscal years 2023 and 2024 amount to NT\$ 153,056 thousand and NT\$ 151,096 thousand, representing 1.97% and 2.02% of operating income, respectively. In the future, with the growth and expansion of the business, we plan to allocate research and development expenses according to the research and development work plan to optimize the company’s process technology, enhance production capacity, maintain competitiveness, and sustain operational growth momentum.

- (IV) The impact of important domestic and foreign policies and legal changes on the Company’s financial business and response measures:

Our company and its subsidiaries closely monitor significant domestic and international policy and legal changes that may impact the company’s financial operations. We continuously gather relevant information on these changes to provide the management with decision-making insights. Recent policy and legal changes have not had a significant impact on the financial operations of the Company and its subsidiaries up to the date of printing the annual report.

- (V) The impact of technological changes (including information security risks) and industry changes on the Company's financial business and response measures:

Our company constantly monitors the technological changes and technological developments in the industry to grasp the latest industry trends and market information through close cooperation with customers, collecting relevant information on industry-related technological changes and trend changes at any time, providing management decision-making references, adjusting operational strategies, and formulating response measures. The company also prioritizes the implementation of information security risk management. For more details, please see the "II. I. (6) Information Security Management" section in this annual report. Recent technological changes have not had a significant impact on the company's financial operations up to the date of the annual report printing.

- (VI) The impact of corporate image change on corporate crisis management and response measures:

The company has upheld the principles of integrity and sustainable management since its establishment, focusing on its core business operations. It has maintained a good corporate image, complied with relevant laws and regulations, and had no incidents of corporate crisis management due to changes in corporate image in the recent fiscal year and up to the date of the annual report publication.

- (VII) Expected benefits, possible risks and response measures for conducting M&A:

Our company has no plans to acquire other businesses in the past year and up to the date of the annual report printing.

- (VIII) Expected benefits, possible risks and response measures for the expansion of the plant:

Our company currently has no plans for expansion in the current fiscal year and up to the date of the annual report.

- (IX) Risks on vendor and customer concentration and response measures:

- (1) Centralized procurement risk mitigation

The primary raw material for our company's aluminum wheel forging is aluminum alloy rods. In 2024, the purchase proportion to VB Company, a subsidiary of Group B, is 67.98%. Here are the risks and corresponding measures our company takes to address the challenges of centralized procurement:

- A. List of qualified suppliers with two or more identical materials

Taking into account the lengthy process of forging aluminum wheels and material certification, which reduces warehouse management costs, our company strategically gives priority to using aluminum alloy bars produced by a subsidiary of Group B. We only look for alternative sources when the supply is insufficient, leading to centralized procurement. The company has established a list of two or more qualified suppliers certified through internal laboratory testing. In case of delayed or interrupted supply from a subsidiary of Group B, the verification time for requesting aluminum material replacement from customers can be moderately shortened, and there are multiple alternative suppliers available for supply.

- B. Recycled aluminum bars already in production

Our company has the ability to self-smelt qualified recycled aluminum rods. Due to the unrestricted source of materials, if the recycled aluminum materials collected in the factory are insufficient, they can still be purchased from other aluminum metal processors or material suppliers. Currently, our company has sufficient stock of recycled aluminum rods. The proportion of feed gradually increases as customers certify and adopt it. If there is a shortage of supply from the subsidiary of Group B, it should not cause a complete production interruption in the short term.

In summary, the company's actions in response to the centralized procurement of aluminum alloy rods aim to diversify raw material sources, thereby mitigating potential risks associated with centralized procurement.

(2) Concentrated Sales Risk

Our company currently produces wheel products mainly for major automobile manufacturers in North America, Europe, and Asia. We will leverage our geographical advantage to expand our business gradually. In 2024, the proportion of sales to a single customer is below 20%, and we have business dealings with the vast majority of luxury car brands, avoiding the risk of excessive reliance on a single customer or overly concentrated customer sources.

- (X) The impact of substantial transfer or replacement of shareholdings of directors, supervisors or major shareholders holding more than 10% of shares on the Company, its risks and response measures:

As of the recent annual report printing date and up to the publication date, there have been no significant share transfers or changes in ownership by directors or shareholders holding more than ten percent of the shares that would have a major impact on the company.

- (XI) The impact of the change of management rights on the Company, its risks and response measures:

There was no change of management rights in the most recent year and up to the date the Annual Report was printed.

(XII) Litigious or non-litigious disputes

1. Any litigation, non-litigious proceeding, or administrative dispute involving the Company that has a confirmed ruling or remained pending and whose outcome may have a material impact on shareholders' equity or prices for the Company's securities in the most recent two years and up to the date the Annual Report was printed, the facts of the dispute, the amount of money at stake in the dispute, the date of commencement of the litigation, the main parties involved in the litigation shall be disclosed:

- (1) This company is involved in a lawsuit with Air Tiger Express due to a transportation contract dispute

Air Tiger Express (hereinafter referred to as ATE) and our company have signed a contract for transportation services. The two parties have agreed that ATE will transport processed parts and goods manufactured by our company from Taiwan to the Americas. Upon reviewing the transportation cost burden, our company found that ATE had overcharged a total of \$ 775,085 (approximately NT\$ 23,253 thousand) for sea freight. We hereby request ATE to return the undue profits. According to a civil judgment from the Taipei District Court in Taiwan, the payment method for the freight charges in the transportation contract between the two parties was finalized after both parties confirmed the agreed amount of ocean freight charges stated on the ATE invoice. Our company proceeded to pay the ocean freight charges only after reaching this agreement. It is challenging to accept our company's assertion of ATE overcharging for ocean freight. Our company demands ATE to pay USD 775,085 and interest, a request that should be dismissed as unjustified. Our company has appealed this case to the High Court, and the second instance is currently still under review.

- (2) This company is involved in an arbitration case with the German company LCTec GmbH due to disputes over commissions and compensations

LCTec GmbH, a German company, represents our company in Europe, and we have a sales agency contract in place. It provides sales management, marketing, technical support, customer contact, and other services to the customer list agreed upon in the contract, while the company offers remuneration in the form of

employment fees and sales commissions. The company terminated its contract in August 2018 and did not renew it. LCTec acknowledges the contract, and the company is obligated to continue paying commissions for products represented during the contract period after the commencement of mass production, as well as provide compensation equivalent to one year's commission as stipulated in Section 89b of the German Commercial Code (HGB). The company denies it. LCTec filed the following arbitration case with the German Arbitration Institute:

A. The first arbitration request [Case No. DIS-SV-2019-00173]

In February 2019, LCTec filed for arbitration with the German Arbitration Institution (DIS), seeking our company to provide commission reports from July to October 2018 and to pay commissions and interest based on those reports (base interest rate plus an annual interest rate of 9%). The company lost the arbitration case and has already settled the arbitration award in full.

B. The second and third arbitration request [Case no. DIS-SV-2021-00594 (c. DIS-SV-2021-00595)]

In December 2021, LCTec filed two arbitration cases with DIS, seeking our company to provide commission statements from November 2018 to November 2021 and to pay commissions and interest (base rate plus 9% annual interest) based on those statements, as well as requesting our company to provide compensation equivalent to one year's commission. Due to the identical basic facts in two arbitrations, both parties have agreed to consolidate and proceed with a unified procedure for the hearing. Our company has evaluated the risks associated with the two potential arbitration cases in accordance with IAS 37 on provisions, taking into account the likelihood and amount of occurrence.

In September 2024, the group received an arbitration ruling stating that it must submit the relevant commission report as stipulated in the agreement, pay commissions and interest to LCTec based on that report, and compensate the sales agent with 1,343 thousand euros plus interest. The group has already disbursed the relevant compensation and interest expenses totaling NT\$74,154 thousand in September 2024, which are recorded under other losses and financial costs. Furthermore, the commission report will be submitted as agreed in October 2024, with a commission payment of 1,993 thousand euros (NT\$ 69,143 thousand). As of December 31, 2024, the commission report submitted by the group is still pending payment confirmation from LCTec. However, the interest accrued on the relevant commission has been estimated and recorded in the liability provisions in accordance with the basic interest rate specified in Article 247 of the German Commercial Law.

2. Any litigation, non-litigious proceeding, or administrative dispute involving any of the Company's directors, supervisors, general manager, de facto responsible person, major shareholders with a stake of more than 10 percent, or affiliates that has a confirmed ruling or remained pending and whose outcome may have a material impact on shareholders' equity or prices for the Company's securities in the most recent two years and up to the date the Annual Report was printed: None.
3. Disclosure of violations of Article 157 of the Securities and Exchange Act by company directors, supervisors, managers, and major shareholders holding over ten percent of shares in the last two years and up to the annual report publication date, along with the current actions taken by the company: None.

(XIII) Other important risks and response measures: None.

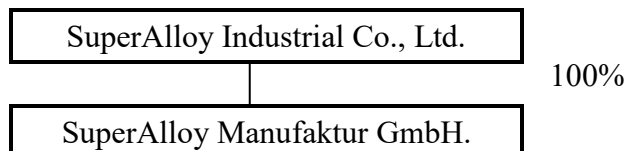
VII. Other Important Matters: None.

F. Special Disclosure

I. Information of Affiliates:

(I) Affiliate Consolidated Business Report:

1. Organizational Chart for the Affiliate:



2. Basic information of the affiliates:

Unit: In Thousands of New Taiwan Dollars

Business name	Date of Establishment	Address	Paid-in Capital	Main Business Items
SuperAlloy Manufaktur GmbH.	2014.08.13	Hauptstraße 19 72290 Loßburg	9,109	Manufacture various types of wheels and automotive accessories

3. Shareholder in common between the entities that are deemed to have a controlling and controlled relationship: None.

4. The industries in which the business activities of the affiliate are engaged:

Wholesale of automobile and motorcycle parts, aircraft equipment, metal materials (excluding precious metals), and plastic products, commission agency services (excluding auctions), import and export business, and provision of related pre-sales and after-sales services. Excludes state-traded goods but includes goods subject to quota and license management, which require application according to relevant national regulations.

5. Information on directors, supervisors and general manager of each affiliate

Business name	Shareholders	General Manager	Shareholding
SuperAlloy Manufaktur GmbH.	SuperAlloy Industrial Co., Ltd.	Ben, Huang	100%

6. Operational overview of the affiliate in 2024:

Unit: In Thousands of New Taiwan Dollars

Business name	Capital	Total assets	Net Value	Operating revenue	Income (loss) for the period
SuperAlloy Manufaktur GmbH.	9,109	458,206	53,575	301,727	471

(II) Declaration of Affiliates:

SuperAlloy Industrial Co., Ltd.

Declaration of Consolidated Financial Statements of Affiliates

We hereby declare that the entities that should be included in the consolidated financial statements of affiliated companies for the year 2024 (from January 01, 2024 to December 31, 2024), under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those that should be included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with the International Accounting Standards No.27, and the information required to be disclosed in the consolidated financial statements of affiliated companies has already been disclosed in the above disclosed consolidated financial statements of parent and subsidiary companies. Consequently, we do not prepare separate consolidated financial statements of affiliated companies.

This is hereby to declare.

Company Name: SuperAlloy Industrial Co., Ltd.

Person-in-Charge: Tsung-Jung Huang

March 03, 2025

(III) Affiliate Report: Not applicable.

- II. Private Placement of Securities in the Most Recent Year and up to the Publication of the Annual Report: None.
- III. Holding or disposal of the Company's shares by its subsidiaries in the most recent year and up to the date the Annual Report was printed: None.
- IV. Other Matters Requiring Supplementary Information: None.

- G. Any Matters of the Company, Which Have Had a Significant Impact on Shareholders' Equity or the Price of Securities as Stated in Article 33, Paragraph 2 of the Securities and Exchange Act in the Most Recent Year and up to the Publication of the Annual Report: None.

Publishing company: SuperAlloy Industrial Co., Ltd.

Person-in-Charge: Tsung-Jung Huang