

Stock Code: 2022

TYCOONS GROUP ENTERPRISE CO., LTD.

2024 ANNUAL REPORT

Website for annual report: <http://mops.twse.com.tw>

The Company website: <http://www.tycons.com.tw>

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Independent auditors: Chen, Cheng-Chu and Lee, Fang-Wen

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V. Name of overseas securities exchange and method of inquiry for overseas securities:
Nil.

VI. Company website: <http://www.tycons.com.tw>

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One. Letter to Shareholders

I. Business Report for 2024

(I) Implementation Status of Business Plans

The 2024 individual operating revenue of the Tycoons Group was NT\$1,421 million, increasing by NT\$903 million and 57% year-to-year, and the consolidated operating revenue was NT\$8,004 million, decreasing by NT\$8,420 million and 5% year-to-year. The net loss after tax was NT\$165 million, and the net loss after tax per share was NT\$0.49. As the domestic economy began to recover, demand for inventory replenishment from downstream vendors increased, driving the Company's revenue growth in 2024 compared to the previous period. However, low-priced imports from China continued to disrupt the market, causing fluctuations in steel prices and intensifying price competition. Due to the weak international steel market, the Company's recognized loss from subsidiaries increased compared to the previous year, negatively impacting profitability for the year.

The global macro economy is still affected by uncertainties such as the US-China trade war, geopolitical tensions, and high-interest environment. In the short term, the steel market is dominated by a wait-and-see sentiment. In the wire rod market, prices of coal and iron ore have remained relatively stable. With improvements in supply and demand dynamics and support from raw material costs, the overall steel market still maintains stable operations and is expected to improve gradually on a quarterly basis.

Consolidated Comprehensive Income Statement of Tycoons Group Enterprise Co., Ltd.

Unit: NT\$ thousand

Profit or loss item	2024	%	2023	%	Increase/decrease	%
Operating revenue	8,003,810	100	8,420,093	100	(416,283)	(4.94)
Operating cost	(7,340,970)	(92)	(7,232,718)	(86)	(108,252)	1.49
Gross profit from operations	662,840	8	1,187,375	14	(524,535)	(44.18)
Operating expenses	(833,010)	(11)	(783,603)	(9)	(49,407)	6.31
Net operations (loss) income	(170,170)	(3)	403,772	5	(573,942)	(142.15)
Non-operating income and expenses	(278,859)	(3)	(33,033)	(1)	(245,826)	744.18
(Loss) income before income tax	(449,029)	(6)	370,739	4	(819,768)	(221.12)
(Loss) profit from continuing operation	(493,984)	(7)	343,084	4	(837,068)	(243.98)
(Loss) profit from discontinued operations	0	0	(147,664)	(2)	147,664	(100)
(Loss) profit	(493,984)	(7)	195,420	2	(689,404)	(352.78)
(Loss) profit attributed to:						
Owners of parent	(165,301)	(2)	80,877	1	(246,178)	(304.39)
Non-controlling interests	(328,683)	(4)	114,543	1	(443,226)	(386.95)
Basic (loss) earning per share (NT\$)	(0.49)		0.24			

(II) Financial Income and Loss

Unit: NT\$ thousand

Item	2024	2023	Increase/decrease
Net cash (used in) generated from operating activities	(391,506)	1,296,864	(1,688,370)
Net cash (used in) generated from investing activities	(625,774)	(818,599)	192,825
Net cash (used in) generated from financing activities	827,751	(414,865)	1,242,616

1. The net cash outflow from operating activities increased compared to the previous period, mainly due to the increase in loss before tax for the current period and inventories.
2. The decrease in net cash outflow from investing activities compared to the previous period was mainly due to higher acquisitions of subsidiaries and investment properties in the previous year.
3. Net cash inflow in financing activities increased compared to the previous period, mainly due to the increase in short-term borrowings for the current year.

(III) Profitability Analysis

Item	2024	2023
Return on assets	(4.61)	2.98
Return on shareholder equity	(7.28)	2.92
Profit margin	(6.17)	2.32

In 2024, the consolidated net loss was NT\$493,984 thousand with a net loss attributable to the owner of the parent company of NT\$165 million, and the profitability indicator was negative.

(IV) Research and Development:

In response to changes in the business environment, the Company shall make consistent improvements to its fabrication processes and implement automated fabrication technology to increase production volume and enhance quality, while satisfying and surpassing customer requirements. Certification obtained by Tycoons Group Enterprise Co., Ltd. and Tycoons Worldwide Group (Thailand) Public Co., Ltd.:

Certificate authority of Tycoons Group Enterprise Co., Ltd.

Item	Content of certificate	Certification unit	Certificate number
1	ISO 9001 : 2015	SGS	TW14/10817
2	Studs for drawn arc stud welding - concrete anchor and shear connectors	Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs	Tai-Zheng-Zi No. 7407
3	ISO 14067:2018	DNV	C748170-2024-AP-TWN-DNV

Certificate authority of Tycoons Worldwide Group (Thailand) Public Co., Ltd.

Item	Content of certificate	Certification unit
1	ISO 9001:2015	UKAS
2	ISO 14001:2015	UKAS
3	ISO/IEC 17025	Thai Industrial Standards Institute (TISI)
4	EN 14566 、 EN 14592 、 EN 15048	CE
5	TIS 348-2559 、 TIS 24-2559 、 TIS 20-2559	Thai Industrial Standards Institute (TISI)
6	CFO 、 CFP	Thailand Greenhouse Gas Management Organization (TGO)
7	ISO 14064 、 ISO 14067	Bureau Veritas (BV)

II. Summary of the 2025 Business Plan

(I) Business strategy and major production and marketing policies

1. In the wire rod market, order intake remains strong. With the significant increase in production capacity following the expansion of the pickling line, the Company is well positioned to fully meet customer demand while also expanding its customer base and increasing wire rod shipments.
2. Following the replacement of outdated heat treatment furnaces, production capacity has significantly increased. With a rebound in market demand for screws, the Company is actively securing orders.
3. Driven by ongoing construction in the tech industry, urban renewal projects, and factory-office developments, domestic demand for shear studs is expected to remain stable in the short to medium term.

(II) Expected sales volume:

Product targets for 2025 are as follows:

Product name	Sales volume (metric ton)	%
Wire rods	111,443	31
Fabrication	108,600	30
Spheroidized wires	64,542	18
Screws	56,721	16
Steel bars	18,010	5
Total	359,316	100

III. Future development strategy of the Company

(I) Develop sales market with diversification

The Tycoons Group owns production and sales bases located in Taiwan, Thailand, and Mainland China. Our products include wire rods, wires, screws, bolts, and steel bars. The diversification and outstanding quality of the products and the vertical integration of production will bring the Group certain competitive advantages. The Company will actively respond to the market to develop flexible strategic cost management. The operating and sales department will stay close to different customers and set price according to their needs to facilitate the sales and order receiving.

(II) Adjustment to the production and sales portfolio will benefit the profitability of Tycoons Worldwide Group (Thailand) Public Co., Ltd.

The outflow of China's manufacturing capacity and the influx of low-priced products into the ASEAN market have caused a significant negative impact on ASEAN countries. The future development of Thailand's steel industry will largely depend on the Thai government's ability to effectively stimulate economic growth and curb the dumping of low-priced products from China. In a sluggish steel market, Tycoons Worldwide Group (Thailand) Public Co., Ltd. leverages its diverse product portfolio and timely adjustments to its production and sales portfolio to improve profitability.

(III) The Company shall adjust operating strategies and undertake vertical integration for its production model

Tycoons Group Enterprise Co., Ltd. has transformed itself into a professional wire rod manufacturer in recent years. It plans to expand its acid cleaning and heat treatment capacity to fully meet customer demand while expanding its customer base and increasing wire rod shipments. In the future, we will continue to strengthen the one-stop production service from wire rods trading to wire processing. The Group is currently upgrading its equipment to improve production line utilization rate and create new opportunities for the Company.

The Group owns production and sales bases located in Taiwan, Thailand, and Mainland China. Our products include wire rods, wires, screws, bolts, and steel bars, plus billets produced by the associate. In the future, we will leverage the synergy of vertical integration, from top-to-bottom production, to respond to the rapidly changing market trend through our domestic and overseas bases in Taiwan, Thailand, and Mainland China. It is believed that the diversity and excellent quality of products will bring the Group with competitive advantages.

(IV) Rigorous planning, paying attention to details and fostering an optimization culture consistently

The Company seeks to focus on main business operation and internal control. For expense control, yield enhancement and customer service, the Company has undertaken rigorous planning on various details on these fronts. Furthermore, the management team has cultivated a good culture of paying attention to details, which is beneficial for enhancing management efficiency.

IV. External competition, regulatory environment and overall business environment impact

As inflationary pressure in Europe and the U.S. eased, a gradual shift toward interest rate cuts is underway, diminishing the suppressive effect of high interest rates on economic activity. Additionally, recent reports indicating that China may implement new production cuts, which, combined with a positive global economic outlook, creates upward potential for steel prices. The Company actively improves its equipment to reduce production costs and increase market competitiveness, creating new opportunities for the Company's operations. Although market conditions remain uncertain, positive news for the steel market is emerging, creating upward potential for steel prices. The outlook is optimistic.

In the future, we shall deepen product planning and pursue cost reduction to maintain our core competitive advantages in the steel industry. By upholding the philosophy of self-surpassing, the Company pursues product diversification and enhancement of operating efficiency to cater to the rapid changing market and create more profit for the shareholders.

Chairman: Huang, Wen-Sung

Two. Report on Corporate Governance

I. Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, Heads of Departments and Branches

(I) Directors and supervisors

1. Directors and supervisors

March 29, 2025

Position	Nationality or place of registration	Name	Gender Age	Date of appointment	Tenure	Date of initial appointment	Shares held when appointed		Current shares held		Current shares held by spouse and minor child(ren)		Shares held under other people's names		Education and experience	Concurrent position(s) in the Company and other companies	Spouse or relative within the second degree of kinship holding other managerial, director or supervisor positions		
							Shares held	Shareholding percentage	Shares held	Shareholding percentage	Shares held	Shareholding percentage	Shares held	Shareholding percentage			Position	Name	Relationship
Chairperson	Republic of China	Botian Investment Co., Ltd.	Male 60~75	May 26, 2022	3 years	July 2, 2021	21,209,879	4.42	14,906,234	4.42	-	-	Nil	Nil	LIDE Senior Commercial and Industrial School	(Note 1)	Nil	Nil	Nil
		Representative: Huang, Wen-Sung					-	-	336,835	0.10									
Director	Republic of China	Lu, Yen-Chuan	Female 60~75	May 26, 2022	3 years	June 2, 1992	5,986,649	1.25	4,207,397	1.25	-	-	Nil	Nil	Department of Information Management (three-year course), Ming Chuan Junior College	(Note 2)	Nil	Nil	Nil
Independent Director	Republic of China	Wei, Kung-Ao	Male 75~80	May 26, 2022	3 years	June 14, 2016	-	-	-	-	17,569	0.01	Nil	Nil	National Tsing Hua University	Remuneration Committee member	Nil	Nil	Nil
Independent Director	Republic of China	Wu, Chung-Hsin	Male 60~75	May 26, 2022	3 years	June 14, 2016	-	-	-	-	-	-	Nil	Nil	Feng Chia University	Remuneration Committee member	Nil	Nil	Nil
Independent Director	Republic of China	Huang, Chun-Kai	Male Below 59	May 26, 2022	3 years	June 27, 2019	-	-	-	-	-	-	Nil	Nil	Bachelor of Information Engineering, Southern Taiwan University of Science and Technology	Remuneration Committee member	Nil	Nil	Nil

Note 1: Chairperson of Tycoons Worldwide Group (Thailand) Public Co., Ltd., Director of HuangHua Jujin Hardware Products Co., Ltd., Representative of Kingford International Co., Ltd. and Chairperson of Hurco Automation Ltd.

Note 2: President of Tycoons Group Enterprise Co., Ltd. Director of Tycoons Worldwide Group (Thailand) Public Co., Ltd., Supervisor of Hurco Automation Ltd.

2. Major shareholders of corporate shareholders:

March 29, 2025

Corporate shareholder name	Major shareholders of corporate shareholder
Botian Investment Co., Ltd.	Trend Lucky Limited - 100%

3. Major shareholders in Table 1 are major shareholders of corporate shareholders

March 29, 2025

Corporate shareholders	Major shareholders of corporate shareholder
Trend Lucky Limited	Huang Chen Syuan-100%

4. Directors:

(1) Disclosure on professional qualification of Directors and independence of Independent Directors:

None of the members of the Board of Directors has any of the circumstances listed in Article 30 of the Company Act, and the Directors are in compliance with Article 26-3, Items 3 and 4 of the Securities and Exchange Act. All Independent Directors comply with the regulations of the Alloy Board regarding Independent Directors. Please refer to the following table for details on their independence:

March 29, 2025

Criterion Name	Professional qualification and experience	Independence criteria	Number of other public companies in which the individual is concurrently serving as an independent director
Chairman: Huang, Wen-Sung	<ul style="list-style-type: none"> - Director Huang has professional qualifications and experience in decision-making, business management capability, finance, accounting, corporate governance, business, and other related fields. - Director of Tycoons Worldwide Group (Thailand) Public Co., Ltd., director of Huanghua Jujin Hardware Products Co., Ltd., director of Hurco Automation, Ltd., director of Chin Fong Hsing Enterprising Co., Ltd. - Does not meet any of the criteria described in Article 30 of the Company Act. 	<ul style="list-style-type: none"> - Huang, Wen-Sung and relatives within the second degree of kinship assume directorship in the Company and affiliated companies. - Huang, Wen-Sung and relatives within the second degree of kinship own 3,461,883 shares of the Company in total, or a shareholding percentage of 1.03%. - In the most recent two years, Huang, Wen-Sung has not provided any services in commercial, law, finance, or accounting to the Company or its affiliated companies. 	Nil
Director: Lu, Yen-Chuan	<ul style="list-style-type: none"> - Director Lu has professional qualifications and experience in decision-making, business management capability, 	<ul style="list-style-type: none"> - Lu, Yen-Chuan and relatives within the second degree of kinship assume directorship in the Company and affiliated 	Nil

Criterion Name	Professional qualification and experience	Independence criteria	Number of other public companies in which the individual is concurrently serving as an independent director
	<p>corporate governance, business, and other related fields.</p> <ul style="list-style-type: none"> - Chairperson of Tycoons Worldwide Group (Thailand) Public Co., Ltd., and representative of Tycoons Group International Co., Ltd. - Does not meet any of the criteria described in Article 30 of the Company Act. 	<p>companies.</p> <ul style="list-style-type: none"> - Lu, Yen-Chuan and relatives within the second degree of kinship own 7,332,445 shares of the Company in total, or a shareholding percentage of 2.17%. - In the most recent two years, Lu, Yen-Chuan has not provided any services in commercial, law, finance, or accounting to the Company or its affiliated companies. 	
Independent Director: Wei, Kung-Ao	<ul style="list-style-type: none"> - Director Wei has professional qualifications and experience in business management capability, including industry analysis integration, risk management, and management decision-making opinions. - Worked as sales manager of Illies Engineering (Taipei) Ltd. (steel and equipment distributor), vice president of the Taiwan office of Macsteel International (China) Ltd. and vice president of Li Chang Steel Co., Ltd. - Does not meet any of the criteria described in Article 30 of the Company Act. 	The director does not violate the conditions defined in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and is no interested party directly or indirectly to the company and can execute the business independently.	Nil
Independent Director: Wu, Chung-Hsin	<ul style="list-style-type: none"> - Director Wu has professional qualifications and experience in decision-making, business management capability, business and marketing, and finance and accounting. - Worked as sales supervisor of Yatung Steel Industry Co., Ltd., Hua Eng Wire And Cable Co., Ltd., section manager, supervisor, assistant manager of Taiwan Times Group Ltd., president of Hsin Chun Yung Co., Ltd. - Does not meet any of the criteria described in Article 30 of the Company Act. 	The director does not violate the conditions defined in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and is no interested party directly or indirectly to the company and can execute the business independently.	Nil
Independent Director: Huang, Chun-Kai	<ul style="list-style-type: none"> - Director Huang has professional qualifications and experience in business management capability and accounting, construction engineering, and business. - Worked as labor safety supervisor and supervisor of Chia Tao Construction Co., Ltd., and director of Kuan Da Construction Co., Ltd. - Does not meet any of the criteria described in Article 30 of the Company Act. 	The director does not violate the conditions defined in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and is no interested party directly or indirectly to the company and can execute the business independently.	Nil

(2) Diversity and independence of the Board of Directors:

(i) Diversity of the Board of Directors:

To strengthen corporate governance and facilitate the healthy development of the Board composition and structure, the Company trusts that a diversity policy is beneficial for enhancing the overall performance of the Company. The election of Board members adopts the principle of meritocracy, whereby the members shall possess a diverse and cross-industrial competence that complements one another, including basic composition (e.g. age, gender, nationality, etc.), as well as relevant industry experience and skills (e.g. steel industry, construction industry, financial and accounting, trading, business management, etc.), and operating, business management, leadership and crisis management capabilities. To strengthen the Board functions in meeting the goals of corporate governance, the “Corporate Governance Best Practice Principles”, Article 20 provides that the overall Board of Directors shall possess capabilities that include business judgment, as well as accounting and financial analysis, business management and crisis management capabilities, industry knowledge, international market perspective, leadership qualities and decision making capability. The current diversity policy of the Board members and its implementation status are as follows:

Diversification policy of the board of directors and implementation status												
Name of director	Nationality	Gender	Age distribution			Years of experience as an independent director		Business management capability	Leadership and decision making capability	Industry knowledge	Financial and accounting knowledge	Marketing knowledge
			Below 59 years old	60 to 75 years old	76 to 80 years old	4 to 6 years	6 to 9 years					
Chairman: Huang, Wen-Sung	Republic of China	Male		V				V	V	V	V	V
Director: Lu, Yen-Chuan	Republic of China	Female		V				V	V	V		V
Independent Director: Wei, Kung-Ao	Republic of China	Male			V		V	V	V	V		
Independent Director: Wu, Chung-Hsin	Republic of China	Male		V			V	V	V	V	V	V
Independent Director: Huang, Chun-Kai	Republic of China	Male	V			V		V	V	V	V	

The five members of the current Board of Directors of the Company (including the three Independent Directors) possess overall abilities in business management, leadership decision-making, industrial knowledge, financial accounting, marketing, and other related fields, as well as industry experience and professional abilities. The three Independent Directors have expertise in business management, leadership decision-making, industrial knowledge, and the five Directors have the background expertise in finance and accounting, management, industry knowledge and marketing. The implementation of the policy of diversification of board members will help to enhance the effectiveness of corporate governance and management performance. The Independent Directors have, on average, seven years of experience. All Independent Directors have not been re-elected consecutively for more than three terms.

The current Board comprises four male directors and one female director. Female director accounts for less than one-third of the total number of directors, mainly because the Company operates in an industry that has long been male-dominated. As a result, female talents are less active in this field, which in turn affects the proportion of females at the decision-making level. In order to increase the proportion of female directors, the Company intends to proactively build a decision-making environment with diversity, inclusiveness, and gender equality to attract female talent with professional backgrounds, leadership experience, and strategic vision to join the Board, thereby enhancing its

Board gender diversity.

The specific management objectives of the company's diversification policy are to have an Independent Director ratio of over 50% and a female director position of at least one, in order to improve the company's board structure. The members of this Board of Directors are of Taiwanese nationality, the proportion of the composition structure is 20% for one Director with employee status, 60% for three Independent Directors, and 20% for one female Director, and the targets for both independent and female directors have been achieved. The age distribution of the Board members is such that one member is below 80 years old, three members are between 60 to 75 years old, whilst one member is below 59 years old. The diversity and complementarity of Directors, as well as the implementation status, have met the criteria provided by the "Corporate Governance Best Practice Principles", Article 20; in the future, the Company shall amend the diversity policy depending on the operation, management model and timely development needs of the Board, including, but not limited to, two major aspects, i.e. basic criteria and values, and professional competence and skills. This is to ensure the Board members are equipped with the necessary knowledge, skills and competence to perform their duties.

(ii) Independence of the Board of Directors:

According to the requirements of going public, the Company has obtained a declaration from each Independent Director and confirmed that they and their immediate families are independent of the Company. The Company opines that the Board independence shall be determined by actual circumstances and clear provisions of the "Diversity Policy of the Board of Directors". The Board seeks to evaluate the Director's independence consistently. Relevant factors shall also be considered, including whether the Director in question is able to consistently provide constructive advice to the management and other Directors, whether his view is independent of the management and other Directors, and whether his conduct and attitude in the Board is appropriate. The conduct of Independent Directors meets expectations where appropriate and has displayed the aforementioned traits. After considering the documentation of all circumstances in this section, the Company is of the opinion that all Independent Directors are independent of the Company. Résumés of all Directors and relevant personnel, including (if any) relationship between the members, are documented in the above section, "I. (I) 4. (1) Disclosure on professional qualification of Directors and independence of Independent Directors" and the Company website.

(II) Information on the President, Vice Presidents, Assistant Vice President, Heads of Departments and Branches

March 29, 2025

Position	Nationality	Name	Gender	Date of appointment	Shareholding		Shares held by spouse and minor children		Shares held under other people's names		Education and experience	Concurrent position(s) in other companies	Spouse or relative within the second degree of kinship holding a managerial position			Remark (Note 1)
					Shares held	Shareholding percentage	Shares held	Shareholding percentage	Shares held	Shareholding percentage			Position	Name	Relationship	
President	Republic of China	Lu, Yen-Chuan	Female	June 6, 2022	4,207,397	1.25	-	-	-	-	Department of Information Management (three-year course), Ming Chuan Junior College	(Note 2)	Nil	Nil	Nil	Nil
Vice President	Republic of China	Chang, Jui-Fu	Male	November 21, 2019	41	-	11	-	-	-	Department of Chemical Engineering, Provincial Kaohsiung Institute of Technology	Nil	Nil	Nil	Nil	Nil
Senior Manager	Republic of China	Chang, Hsin-Yueh	Female	November 21, 2019	-	-	-	-	-	-	Two-year junior college program	Nil	Nil	Nil	Nil	Nil
Accounting Officer	Republic of China	Chou, Pi-Wan	Female	September 1, 2015	-	-	-	-	-	-	Department of Accounting, Tung Hai University	Nil	Nil	Nil	Nil	Nil
Finance Officer	Republic of China	Chang, Wen-Hui	Female	March 1, 2021	56	-	-	-	-	-	Department of Accounting, National Cheng Kung University	Nil	Nil	Nil	Nil	Nil
Corporate Governance Officer	Republic of China	Wang, Min-Hua	Female	November 13, 2019	-	-	-	-	-	-	Department of Accounting, Feng Chia University	Nil	Nil	Nil	Nil	Nil

(Note 1) Where the president or equivalent position holder (the highest management position) and the chairperson are the same person, spouses or first-degree relatives, the rationale, reasonableness, necessity and countermeasures (e.g., increasing the number of Independent Directors, and more than half of the directors do not hold concurrent positions as company employees or managers) for the arrangement must be provided.

(Note 2) President of Tycoons Group Enterprise Co., Ltd. Director of Tycoons Worldwide Group (Thailand) Public Co., Ltd. Supervisor of Hurco Automation Ltd.

II. Remuneration paid to directors, supervisors, president and vice president(s) in the most recent fiscal year

(I) Remuneration Paid to Directors, Supervisors, President and Vice Presidents

1. Director remuneration

Unit: NT\$; %

Position	Name	Remuneration of directors								Sum of A, B, C and D as a percentage of net income after tax		Compensation to directors also serving as employees								Sum of A, B, C, D, E, F and G as a percentage of net income after tax		Compensation from affiliates other than subsidiaries or parent company
		Remunerations (A)		Pensions (B)		Director earnings distribution (C)		Business expenses (D)		The Company	All companies included in the financial statements	Salary, bonuses, and special allowance (E)		Pensions (F)		Employee earnings distribution (G)				The Company	All companies included in the financial statements	
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements			The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	Cash bonuses	Stock dividends	Cash bonuses	Stock dividends			
Director	Huang, Wen-Sung	600,000	1,145,173	0	0	0	0	30,000	38,916	-0.38	-0.72	2,756,992	5,890,696	0	0	0	0	0	0	-2.05	-4.28	960,000
Director	Lu, Yen-Chuan	360,000	794,773	0	0	0	0	15,000	23,916	-0.23	-0.50	4,012,781	6,593,197	0	0	0	0	0	0	-2.65	-4.48	Nil
Independent Director	Wei, Kung-Ao	360,000	360,000	0	0	0	0	30,000	30,000	-0.24	-0.24	0	0	0	0	0	0	0	0	-0.24	-0.24	Nil
Independent Director	Wu, Chung-Hsin	360,000	360,000	0	0	0	0	30,000	30,000	-0.24	-0.24	0	0	0	0	0	0	0	0	-0.24	-0.24	Nil
Independent Director	Huang, Chun-Kai	360,000	360,000	0	0	0	0	30,000	30,000	-0.24	-0.24	0	0	0	0	0	0	0	0	-0.24	-0.24	Nil

1. Policies, system, standards and structure of compensation paid to Independent Directors and the correlation of such compensation with their responsibility, risks and time devoted to business:

The director remuneration is determined in accordance with the Articles of Incorporation and management procedures. Apart from appropriating not more than 1% of the net profit for the period as director remuneration, the Company also disburses a fixed monthly salary and travel expense reimbursement to the directors. For the director remuneration, the Remuneration Committee refers to the industrial standard or remuneration of similar industries, and the Company's performance, as well as the level of participation in the management of the Company and individual contributions by the directors. The committee shall review the reasonableness of the remuneration on a regular basis and forward its recommendation to the board for resolution.

2. In addition to the disclosure in the above table, in the most recent fiscal year, the compensation received by directors from all companies included in the financial statements for services rendered (e.g. in the capacity of non-employee consultant): Nil.

Note 1: Director Huang, Wen-Sung has the official vehicle with the rental fee of NT\$238,476 per month; Director Lu, Yen-Chuan has the official vehicle which costs NT\$375,375 to acquire.

Note 2: Director Huang, Wen-Sung is the representative of Botian Investment Co., Ltd.

2. Compensation of President and Vice Presidents

Unit: NT\$; %

Position	Name	Salary (A)		Pensions (B)		Salary, bonuses, and special allowance (C)		Employee earnings distribution (D)				Sum of A, B, C and D as a percentage of net income after tax (%)		Compensation from affiliates other than subsidiaries or parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash bonuses	Stock dividends	Cash bonuses	Stock dividends			
President	Lu, Yen-Chuan	3,688,800	6,269,216	0	0	323,981	323,981	0	0	0	0	-2.43	-3.99	Nil
Vice President	Chang, Jui-Fu	1,512,000	1,512,000	90,936	90,936	250,000	250,000	0	0	0	0	-1.12	-1.12	Nil

3. Compensation of the top five management

Unit: NT\$; %

Position	Name	Salary (A)		Pensions (B)		Salary, bonuses, and special allowance (C)		Employee earnings distribution (D)				Sum of A, B, C and D as a percentage of net income after tax (%)		Compensation from affiliates other than subsidiaries or parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash bonuses	Stock dividends	Cash bonuses	Stock dividends			
President	Lu, Yen-Chuan	3,688,800	6,269,216	0	0	323,981	323,981	0	0	0	0	-2.43	-3.99	Nil
Chairman	Huang, Wen-Sung	2,534,400	5,668,104	0	0	222,592	222,592	0	0	0	0	-1.67	-3.56	960,000
President	Huang, Ping-Lun	3,785,896	3,785,896	0	0	0	0	0	0	0	0	-2.29	-2.29	Nil
Vice President	Chang, Jui-Fu	1,512,000	1,512,000	90,936	90,936	250,000	250,000	0	0	0	0	-1.12	-1.12	Nil
President	Bai, Chih-Ying	0	1,337,334	0	0	0	274,318	0	0	0	0	0.00	-0.97	Nil

4. Distribution of employee compensation to managers:

Manager	Position	Name	Stock	Cash	Total	Percentage of net income after tax (%)
	Unappropriated employee compensation					

(II) Compare and describe the percentage of total remuneration paid by the company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice presidents of the company, relative to net profit after tax of the standalone financial statements, and the correlation between policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and business performance and future risks.

1. The percentage of total remuneration paid by the Company and all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice president of the Company, relative to net profit after tax in the standalone financial statements

Unit: NT\$ thousand; %

Position	2024				2023			
	The Company		All companies included in the financial statements		The Company		All companies included in the financial statements	
	Total compensation	Percentage of net income (loss) after tax (%)	Total compensation	Percentage of net income (loss) after tax (%)	Total compensation	Percentage of net income (loss) after tax (%)	Total compensation	Percentage of net income (loss) after tax (%)
Director	8,945	-5.41	15,657	-9.47	9,747	12.05	16,317	20.18
President and Vice President	5,866	-3.55	8,446	-5.11	5,890	7.28	8,415	10.40

2. The correlation between policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and business performance and future risks

- (1) Director remuneration: The director remuneration is determined in accordance with the Articles of Incorporation and management procedures. Apart from appropriating not more than 1% of the net profit for the period as director remuneration, the Company also disburses a fixed monthly salary and travel expense reimbursement to the directors. For the director remuneration, the Remuneration Committee refers to the industrial standard or remuneration of similar industries, and the Company's performance, as well as the level of participation in the management of the Company and individual contributions by the directors. The committee shall review the reasonableness of the remuneration on a regular basis and forward its recommendation to the board for resolution.
- (2) Manager remuneration: The compensation of managers is determined according to their scope of duties, individual performance, contribution to the Company and the industrial pay standard. The compensation includes fixed salary, management allowance, year-end bonus and employee compensation. The employee compensation is determined in accordance with the Articles of Incorporation. 2% to 5% of the net profit for the period is appropriated as the employee compensation. The manager salary is determined in accordance with the management procedures, while taking into consideration the decision making capability of the manager and the performance of the department led by the manager and other performance results. The Remuneration Committee shall review the reasonableness of the consideration on a regular basis.

III. Implementation of Corporate Governance

(I) Board of directors

1. There were 5 board meetings in the latest fiscal year. The attendance of directors was as follows:

Position	Name (Note 1)	Attendance in person (in non-voting capacity) (B)	Attendance by proxy	Rate of attendance in person (in non-voting capacity) (%) [B/A] (Note 2)	Remarks
Chairperson	Representative of Botian Investment Co., Ltd.: Huang, Wen-Sung	5	0	100%	
Director	Lu, Yen-Chuan	3	2	60%	
Independent Director	Wei, Kung-Ao	5	0	100%	
Independent Director	Wu, Chung-Hsin	5	0	100%	
Independent Director	Huang, Chun-Kai	5	0	100%	

Other matters to be recorded:

- I. For board meetings that meet any of the following conditions, state the date, session, the discussed topics, independent directors' opinions and how the company has responded to such opinions:
 - (I) Conditions described in Article 14-3 of the Securities and Exchange Act.
In 2024 and up to the publication date of the annual report, the Board Meeting has been held 7 times in total, and please refer to "III. (IX) For the Most Recent Year and up to the Publication Date of the Annual Report, Major Resolutions and Implementation by the Shareholders' and Board Meetings" for the details of resolutions content. All Independent Directors passed the conditions described in Article 14-3 of the Securities and Exchange Act unanimously.
 - (II) Other issues opposed by independent directors or which directors have reservations about that have been noted in the record or declared in writing: Nil.
- II. In situations where independent directors recuse themselves due to conflict of interest, the director's name, content of the resolution, reason for recusal, and the voting participation should be properly recorded: Nil.
- III. TWSE/TPEX listed companies should disclose the frequency, period, scope, method and content of the self-assessment (or peer assessment) of the board of directors, as well as indicate (2) the implementation status of the assessment of the board of directors.
- IV. Evaluation of the target achievement and execution by the board of directors in the current and most recent year (e.g. establishing an audit committee, increasing information transparency):
 - (I) The Company encourages directors to participate in various corporate governance courses, in order to strengthen the competencies of the Board members. In 2024, 5 directors received continuing education for a total of 32 hours. Each director received an average of 6.4 hours of education.
 - (II) The Company adheres to the operational transparency and actively discloses relevant information such as important resolutions of the Board of Directors on the Company's website. The Company organizes investor conferences irregularly to improve company recognition among investors.

Note 1: If the director or supervisor is a legal person, the names of the shareholders and representatives of the legal person should be disclosed.

Note 2: (1) If any director or supervisor is discharged before year end, the discharge date must be indicated in the remarks column. The attendance rate (%) is computed using the number of board meetings during the tenure before discharge and the actual attendance in person (in non-voting capacity).

(2) Before year end, if there is any newly elected director or supervisor, the information of both new and existing directors and supervisors must be indicated. In the remarks column, the newly elected or re-elected status of the directors and supervisors and the re-election date must be indicated. The attendance rate (%) is computed using the number of board meetings during the tenure before discharge and the actual attendance in person (in non-voting capacity).

2. The implementation status of the assessment of the board of directors

Frequency of assessment	Period of assessment	Scope of assessment	Method of assessment	Content of assessment
Once a year	January 1, 2024 to December 31, 2024	Performance evaluation of the board of directors, individual directors and functional committees (Audit Committee, Remuneration Committee)	Self-assessment of the board of directors and self-assessment of individual directors	<p>The performance assessment items of the Board shall at least include the following five major areas:</p> <ol style="list-style-type: none"> 1.Participation level in the management of the Company. 2.Enhancement of the decision making quality of the Board. 3.Composition and structure of the Board of Directors. 4.Selection and continuing education of Directors. 5.Internal control. <p>The performance assessment items of individual Board members shall at least include the following six major areas:</p> <ol style="list-style-type: none"> 1.Monitoring of company goals and tasks. 2.Comprehension of Director’s duties. 3.Participation level in the management of the Company. 4.Management and communication of internal relationships. 5.Professionalism and continuing education of Directors. 6.Internal control. <p>The performance assessment items of functional committees shall at least include the following five major areas:</p> <ol style="list-style-type: none"> 1.Participation level in the management of the Company. 2.Comprehension of functional committees’ duties. 3.Enhancement of the decision making quality of functional committees. 4.Composition of functional committees and selection of committee members. 5.Internal control.

Overall, the board of directors and functional committees (audit committee and remuneration committee) operate well. (For evaluation scores and results explanation, please access the Company’s website at www.tycons.com.tw). The Company will continuously improve the functions of the board of directors and functional committees (audit committee and remuneration committee) to enhance the effectiveness of corporate governance. The results of 2024 performance assessment have been submitted to the Board on March 10, 2025.

(II) Information on the Operating Status of the Audit Committee

There were 5 (A) Audit Committee meetings in the latest fiscal year (2024). The attendance of independent directors was as follows:

Position	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) (B/A)	Remarks
Independent Director	Wei, Kung-Ao	5	0	100%	
Independent Director	Wu, Chung-Hsin	5	0	100%	
Independent Director	Huang, Chun-Kai	5	0	100%	

Other matters to be recorded:

I. For Audit Committee meetings that meet any of the following descriptions, state the meeting date, session, the discussed topics, independent directors' opinions and how the company has responded to such opinions.

(I) Conditions described in Article 14-5 of the Securities and Exchange Act:

In 2024 and up to the publication date of the annual report, the Audit Committee Meeting has been held 7 times in total, and please refer to "IV. (II) Progress of the Audit Committee for 2024" for details of the resolution content. The Audit Committee agreed to pass the resolution for matters listed in Article 14-5 of the Securities and Exchange Act.

(II) Apart from the aforementioned item, items that had not been passed by the Audit Committee but passed by two-thirds or more of all directors: Nil.

II. In situations where independent directors recuse themselves due to conflict of interest, the director's name, content of the resolution, reason for recusal, and the voting participation should be properly recorded: Nil.

III. Communication between independent directors, internal audit officers, and external auditors (major issues, method and results of the financial position of the company and business operation should be included).

(I) The Company's internal audit officers make audit reports to the independent directors via the Audit Committee every quarter. The communication between independent directors and the internal audit officers in 2024 was as follows:

Date	Content of communication	Results of action taken
2024.03.13 Audit Committee	The Internal Audit Office reported the internal audit operation for October to December 2023 and conducted communication and discussion on the related issues.	Independent directors did not have objections pertaining to the issue.
2024.05.14 Audit Committee	The Internal Audit Office reported the internal audit operation for January to March 2024 and conducted communication and discussion on the related issues.	Independent directors did not have objections pertaining to the issue.
2024.08.12 Audit Committee	The Internal Audit Office reported the internal audit operation for April to June 2024 and conducted communication and discussion on the related issues.	Independent directors did not have objections pertaining to the issue.
2024.11.13 individual communication meeting	Communicate with independent directors individually about the 2025 annual audit plan, and submit the 2025 annual audit plan to the independent directors for review. After obtaining the approval of each independent director, submit it to the audit committee and the board of directors for approval.	Independent directors did not have objections pertaining to the issue.
2024.11.13 Audit Committee	The Internal Audit Office reported the internal audit operation for July to September 2024 and the 2025 annual audit plan and conducted communication and discussion on the related issues.	Independent directors did not have objections pertaining to the issue.

(II) The independent auditors organize at least one workshop per year, communicating with the independent directors regarding the financial position of the Company, audit findings and amendments to regulations. The communication status between independent directors and head of internal audit in 2024 was as follows:

Date	Content of communication	Results of action taken
2024.11.13 individual communication meeting	1. Communication with the corporate governing body and the management. 2. Amendments to stock exchange regulations. 3. Amendments to tax related laws and regulations.	Independent directors did not have objections pertaining to the issue.

4. IFRS updates.

IV. Focus and progress of Audit Committee for the year:

(I) The focus of Audit Committee is mainly supervising the following tasks:

1. Fair representation of the financial statements.
2. Engagement (termination), independence and performance of independent auditors.
3. Effective implementation of the internal control systems.
4. Legal compliance with rules and regulations.
5. Control for existing or potential risks.

(II) Progress of the Audit Committee for 2024:

Date of meeting	Resolution
2024.03.13	<ol style="list-style-type: none"> 1. Resolution passed for appointment of the chief internal auditor of the Company. 2. Resolution passed for “Efficacy Assessment of Internal Control Systems” and “Statement of Internal Control System” for 2023. 3. Resolution passed for financial statements, consolidated financial statements and business report for 2023. 4. Resolution passed for distribution of 2023 profits. 5. Resolution passed for evaluation of the independence and suitability of certified public accountants. 6. Resolution passed for engagement of certified public accountants and their service fees for 2024. 7. Resolution passed for disposal of equity interests in the holding companies, Tycoons Group International Co., Ltd. and Tycoons Group (Samoa) Holding Ltd. 8. Resolution passed for setting the ceiling of funds lent to Fastbolt International Pte. Ltd. to NT\$1 million. 9. Resolution passed for setting the ceiling of short-term advance payments to NT\$1 million for the subsidiary Tycoons Worldwide Group (Thailand) Public Co., Ltd. 10. Resolution passed for amendments to the Company's internal control system.
2024.05.14	<ol style="list-style-type: none"> 1. Resolution passed for the purchase of a parcel of land currently under court auction from a related party, Huang Ho, Jui-Nu. 2. Resolution passed for consolidated financial statements for the first quarter of 2024
2024.06.07	<ol style="list-style-type: none"> 1. Resolution passed for change of certified public accountants and their service fees. 2. Resolution passed for evaluation of the independence and suitability of certified public accountants. 3. Resolution passed for non-assurance services to be provided by Ernst & Young and its associate company.
2024.08.12	<ol style="list-style-type: none"> 1. Resolution passed for consolidated financial statements for the second quarter of 2024.
2024.11.13	<ol style="list-style-type: none"> 1. Resolution passed for the audit plan for 2025. 2. Resolution passed for amendments to the Company's internal control system. 3. Resolution passed for renewal of land lease from a related party, Huang, Ping-Lun 4. Resolution passed for consolidated financial statements for the third quarter of 2024. 5. Resolution passed for setting the ceiling of funds lent to Ju Gu Construction Co., Ltd. to NT\$60 million.
Independent directors’ objections, reservations or major suggestions: None.	
Resolution of the Audit Committee and the Company’s response to the Audit Committee’s Opinion: The members of the Audit Committee unanimously approved all the resolutions, and the Board of Directors approved all such resolutions recommended by the Audit Committee.	

(III) Corporate governance implementation and deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Assessment item	Progress (Note)			Deviations and causes of the deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Summary description	
I. Has the company established and disclosed its corporate governance principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established the Corporate Governance Best Practice Principles and made amendments to keep up to date with the current regulations. The principles are disclosed on the Market Observation Post System (MOPS) and the Company website (www.tycons.com.tw).	No major deviation.
II. Shareholding structure and shareholders’ interests				
(I) Has the company implemented a set of internal procedures to handle shareholders’ recommendations, queries, disputes, and litigations?	V		(I) As per the Procedures for Handling Material Internal Information of the Company, the spokesperson or acting spokesperson shall serve as external communicators for releasing material information. If the shareholders have any recommendations or disputes pertaining to stock affairs, they can bring the issues up to the stock affairs department and the stock transfer agency. A specific section is established for communication with external stakeholders on the Company website to receive information, recommendations, complaints and reports. Specific personnel is designated to oversee and respond to issues raised.	No major deviation.
(II) Is the company constantly informed of the identities of its major shareholders and the ultimate controller of major shareholders?	V		(II) The stock affairs of the Company are overseen by a professional stock transfer agency. Specific personnel is designated for internal reporting and reporting of changes in major shareholders.	No major deviation.
(III) Has the company established and implemented risk management practices and firewalls for companies it is affiliated with?	V		(III) The management of related party transactions between the Company and affiliated companies, endorsement or guarantee provisions and lending of funds are supervised in accordance with the internal control procedures. Risk control and firewall mechanisms are implemented to foster a healthy business relationship between the Company and affiliated companies.	No major deviation.
(IV) Has the company established internal policies to prevent insiders from trading securities using non-public information?	V		(IV) The Company has established the Operating Procedures for Management of Ethical Conduct and Business Integrity Procedures and Behaviors, etc. and revised the “Corporate Governance Best-Practice Principles” and “Procedures for the Management of Internal Material Information and Prevention of Insider Trading” to prohibit company insiders from trading securities using undisclosed information. It specifies that company insiders, including (but not limited to) the directors should not trade the listed stocks of the Company or the stocks traded on the premises of the securities dealers or other negotiable securities having the nature of equity from the date of learning financial report of the Company or relevant	No major deviation.

Assessment item	Progress (Note)			Deviations and causes of the deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”																																																														
	Yes	No	Summary description																																																															
			performance content, 30 days before the announcement of the annual financial report and 15 days before the announcement of quarterly financial report. The stock trading control measures mentioned above are notified in advance and require insiders to comply with the regulations.																																																															
III. Composition and duties of the board of directors																																																																		
(I) Whether the board of directors has formulated diversity policies, specific management objectives and implemented them?	V		<p>(I) To strengthen corporate governance and promote the healthy development of the composition and structure of the board, the Company has established the Corporate Governance Best Practice Principles, which contains the diversification policy of board members. The policy stipulates that for the composition of the board of directors, the Company shall take into consideration its operation, business model and development needs so as to devise the appropriate diversification policy. The policy shall include but not be limited to the following criteria:</p> <ol style="list-style-type: none"> 1. Basic criteria: Gender, age, nationality and etc. 2. Professional knowledge and skill sets: Professional background (e.g. legal, accounting, industry, financial, marketing or technology), professional skill sets and industry experience. <p>The board of directors has five members of which three are Independent Directors. The Independent Directors ratio target is above 50%. The members possess extensive experience and professional knowledge in business and management. Furthermore, gender equality amongst the board members is important to the Company. The target percentage of female directors is 20% or more. At present, there are 5 directors, among which are 3 independent directors, 1 female director, and 1 director who is also an employee accounting for 60%, 20%, and 20% of the board, respectively. All three targets mentioned above have been achieved. The related implementation information is as follows:</p> <table border="1" data-bbox="750 1077 1729 1437"> <thead> <tr> <th colspan="11">Diversification policy of the board of directors and implementation status</th> </tr> <tr> <th rowspan="2">Name of director</th> <th rowspan="2">Gender</th> <th rowspan="2">Compensation to directors also serving as employees</th> <th colspan="3">Age distribution</th> <th rowspan="2">Years of experience as independent director 4 to 8 years</th> <th rowspan="2">Business management capability</th> <th rowspan="2">Leadership and decision making capability</th> <th rowspan="2">Industry knowledge</th> <th rowspan="2">Financial and accounting knowledge</th> <th rowspan="2">Marketing knowledge</th> </tr> <tr> <th>Below 59 years old</th> <th>60 to 75 years old</th> <th>76 to 80 years old</th> </tr> </thead> <tbody> <tr> <td>Chairperson Huang, Wen-Sung</td> <td>Male</td> <td></td> <td></td> <td>V</td> <td></td> <td></td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> </tr> <tr> <td>Director Lu, Yen-Chuan</td> <td>Female</td> <td>V</td> <td></td> <td>V</td> <td></td> <td></td> <td>V</td> <td>V</td> <td>V</td> <td></td> <td>V</td> </tr> <tr> <td>Independent Director Wei, Kung-Ao</td> <td>Male</td> <td></td> <td></td> <td></td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td></td> <td></td> </tr> </tbody> </table>	Diversification policy of the board of directors and implementation status											Name of director	Gender	Compensation to directors also serving as employees	Age distribution			Years of experience as independent director 4 to 8 years	Business management capability	Leadership and decision making capability	Industry knowledge	Financial and accounting knowledge	Marketing knowledge	Below 59 years old	60 to 75 years old	76 to 80 years old	Chairperson Huang, Wen-Sung	Male			V			V	V	V	V	V	Director Lu, Yen-Chuan	Female	V		V			V	V	V		V	Independent Director Wei, Kung-Ao	Male				V	V	V	V	V			No major deviation.
Diversification policy of the board of directors and implementation status																																																																		
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Director Lu, Yen-Chuan	Female	V		V			V	V	V		V																																																							
Independent Director Wei, Kung-Ao	Male				V	V	V	V	V																																																									

Assessment item	Progress (Note)													Deviations and causes of the deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”		
	Yes	No	Summary description													
			Independent Director Wu, Chung-Hsin	Male			v		v	v	v	v	v	v		
			Independent Director Huang, Chun-Kai	Male		v			v	v	v	v	v			
Note: The person in charge was changed to Huang, Wen-Sung in June 2022.																
(II) Apart from the Compensation Committee and Audit Committee, has the company established other functional committees at its own discretion?	V		(II) The Company has established the Audit Committee and Remuneration Committee in accordance with the law and regulations. Both cater to the current needs of the Company. In the future, the Company shall establish other functional committees depending on the business needs.											No major deviation.		
(III) Has the company established a set of policies and assessment methodology to evaluate the performance of the board? Is regular performance evaluation conducted, at least once a year, and the evaluation result submitted to the board to serve as a reference in determining the remuneration of individual directors and nomination for re-election?	V		(III) The Company has established the Procedures for Performance Assessment of the Board of Directors and Functional Committees. The internal performance assessment of the board of directors is conducted once a year. Depending on the needs of the Company, a professional independent institution or an external expert team may be appointed to conduct the assessment. The self-assessment questionnaire of the board and the board members assessment questionnaire for 2024 have been completed. The results of the questionnaires indicate that the overall performance of the board is considered efficient. The results were submitted to the board meeting on March 10, 2025. The results of the assessment are disclosed on the Company website, annual report and MOPS as per the regulations and shall serve as a reference for the future election or nomination of the directors and the determination of remuneration for individual directors.											No major deviation.		
(IV) Does the company assess the independence of external auditors on a regular basis?	V		(IV) The Audit Committee of our company evaluates the independence and suitability of our independent auditors Ernst & Young at least once a year. In addition to requiring the independent auditors to provide a "Statement of Detached Independence" and "Audit Quality Indicator (AQIs)", the Audit Committee evaluates the accountants based on Note 1 and 13 AQI indicators. It has been confirmed that the accountant has no other financial interests or business relationship with the company except the fees of visa and fiscal and tax cases, nor does it violate the independence requirements, and with reference to the AQI index information, the listed extract is as follows:											No major deviation.		

Assessment item	Progress (Note)			Deviations and causes of the deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”																		
	Yes	No	Summary description																			
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			<p>plan: Audit quality indicators/root cause analysis/coaching-based training programs.</p> <p>Based on the above AQI indicators, it has been confirmed that CPAs and the firm exceed the industry average in terms of audit experience and training hours, with no instances of disciplines, sanctions, or improvement letters issued by the competent authority. Additionally, the firm has continued to adopt digital auditing tools to enhance audit quality. On March 10, 2025, the audit Committee discussed and approved the above evaluation results on the independence and suitability of the certified accountants, and submitted to the Board of Directors on March 10, 2025. The Board of Directors passed the independence and suitability of the certified accountants.</p> <p>Note 1:</p> <table border="1"> <thead> <tr> <th>Assessment item of the independence of independent auditors.</th> <th>Assessment result</th> <th>Independence criterion met</th> </tr> </thead> <tbody> <tr> <td>1. Do the independent auditors have direct or major indirect financial interest in the Company?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>2. Do the independent auditors have financing or guaranteeing activities with the Company or the Company’s directors?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>3. Do the independent auditors have close business relationships and potential employment relationships with the Company?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>4. Have the independent auditors or members of the auditing team in the most recent two years assumed positions as the Company’s directors, managers or positions that have significant influence?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>5. Do the independent auditors provide other auditing services to the Company that may directly influence the auditing work?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>6. Do the independent auditors serve as the underwriter of shares or other securities issued by the Company?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>7. Do the independent auditors serve as an advocate of the Company or a representative of the Company in mediating disputes with third parties?</td> <td>No</td> <td>Yes</td> </tr> <tr> <td>8. Do the independent auditors have any kinship relations with the Company’s director, manager or personnel holding positions that have significant influence on the auditing work?</td> <td>No</td> <td>Yes</td> </tr> </tbody> </table>	Assessment item of the independence of independent auditors.	Assessment result	Independence criterion met	1. Do the independent auditors have direct or major indirect financial interest in the Company?	No	Yes	2. Do the independent auditors have financing or guaranteeing activities with the Company or the Company’s directors?	No	Yes	3. Do the independent auditors have close business relationships and potential employment relationships with the Company?	No	Yes	4. Have the independent auditors or members of the auditing team in the most recent two years assumed positions as the Company’s directors, managers or positions that have significant influence?	No	Yes	5. Do the independent auditors provide other auditing services to the Company that may directly influence the auditing work?	No	Yes	6. Do the independent auditors serve as the underwriter of shares or other securities issued by the Company?	No	Yes	7. Do the independent auditors serve as an advocate of the Company or a representative of the Company in mediating disputes with third parties?	No	Yes	8. Do the independent auditors have any kinship relations with the Company’s director, manager or personnel holding positions that have significant influence on the auditing work?	No	Yes	
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IV. Does the TWSE/TPEX listed company dedicate competent managers or a sufficient number of managers to take charge of corporate governance, and designate corporate governance officers to oversee corporate governance	V		<p>On November 13, 2019, the board of directors passed a resolution and designated Wang, Min-Hua as the Corporate Governance Director to protect the shareholders’ interest and strengthen the board’s capability in fulfilling its duties. Wang, Min-Hua possesses more than three years of experience as head of internal audit, financial affairs, stock affairs or corporate governance units in public issued companies.</p>	No major deviation.																											

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affairs (including but not limited to providing information required for director/supervisor’s operations, assisting the board and supervisors in legal compliance, convening board/shareholders’ meetings in accordance with the law, and producing meeting minutes of board/shareholders’ meetings)?			<p>The main duties of the Corporate Governance Director are convening board and shareholders’ meetings in accordance with the law, assisting in arranging the inauguration and continuing education of directors and supervisors, providing information needed by the board of directors to perform its functions and assisting the directors in legal compliance, the legal review of the qualifications of Independent Directors, reporting to the board of directors of its examination results as to whether the qualifications of independent directors upon their nomination and election and during their tenure conform to applicable laws and regulations, and handling matters related to the resignation of directors or the change of representatives.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="5" style="text-align: center;">Execution status for 2024</th> </tr> </thead> <tbody> <tr> <td colspan="5">1. 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V. Has the company established a means of communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, et cetera) or created a stakeholders section on the company website? Does the company respond to stakeholders’ questions on corporate social responsibility?	V		<p>(I) The Company has established a stakeholders section on its website according to different stakeholders (including employees, shareholders, customers, suppliers, government agencies, social organizations (community members), counterparts in the steel industry) and the issues they are concerned with. It is the specific window for communication with them and appropriate responses shall be given.</p> <p>(II) An investors section serving as the communication channel with investors is established on the Company website, which contains the contact information and e-mail addresses of the spokesperson, acting spokesperson and stock transfer agency.</p>		No major deviation.												
VI. Does the company appoint a professional stock transfer agent to handle the affairs of the shareholders’ meeting?	V		The Company appoints Grand Fortune Securities Co., Ltd. to handle the stock affairs.		No major deviation.												
VII. Information disclosure																	
(I) Has the company established a website that discloses financial, business and corporate governance-related information?	V		(I) The Company is in the process of constructing its English version website (www.tycons.com.tw) to make disclosures on major regulations, as well as financial, business and corporate governance related information and their implementation status.		No major deviation.												
(II) Does the company make disclosures using other avenues (e.g. setting up an English website, designating specific personnel to collect and provide disclosure on the company, implementing a spokesperson system, disclosing the process of institutional investor conferences on	V		<p>(II) The Company’s disclosure methods are as follows:</p> <ol style="list-style-type: none"> 1. Constructing a Chinese and English version website and designating personnel to collect and make disclosures on related information. 2. The Company has designated a spokesperson and acting spokesperson, and disclosed their contact information on the Company website. 3. The Company discloses its financial information to the public on the Company website and MOPS. 4. The information and presentation material on institutional investor conferences are 		No major deviation.												

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(III) Does the company publicly announce and file the annual financial reports within two months after the accounting year-end, and publicly announce and file the first, second and third quarterly financial reports and monthly operating status report before the stipulated deadlines?	V		(III) In accordance with the Securities and Exchange Act, Article 36, the Company publicly announces and files the annual financial reports within three months after the accounting year-end, and publicly announces and files the first, second and third quarterly financial reports and monthly operating status report before the stipulated deadlines. For the aforementioned information, please see MOPS (https://mops.twse.com.tw/mops/web/index).	The Company publicly announces and files the financial reports in accordance with Article 36 of the Securities and Exchange Act where it is listed.																										
VIII. Does the company have other important information for better understanding the company’s corporate governance system (including but not limited to the interests and rights of employees, care for employees, investor relations, relations with suppliers, rights of stakeholders, continuing education of directors and supervisors, execution of risk management policies and risk measuring standards, execution of customer policies, liability insurance for the company’s directors and supervisors)?	V		<p>Apart from establishing the related internal control systems in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”, the Company has also established rules and procedures governing human resource matters and disclosed them in accordance with laws and regulations on the MOPS.</p> <p>(I) For interests and rights of employees and care for employees, please see “Section Four. Operational Highlights, subsection 5, Labor-capital relations” in the annual report.</p> <p>(II) For relationships with investors and suppliers and rights of stakeholders, the Company has established “Corporate Governance Best Practice Principles”, “Sustainable Development Best Practice Principles”, “Ethical Corporate Management Best Practice Principles”, “Business Integrity Procedures and Behaviors” and other related regulations to implement and promote corporate governance. For other information, please see “Section Two. Report on Corporate Governance, III. Implementation of Corporate Governance, (V) Sustainable Development” of the annual report.</p> <p>(III) Continuing education of directors for 2024:</p> <table border="1" data-bbox="696 1043 1715 1442"> <thead> <tr> <th>Position</th> <th>Name</th> <th>Date of training</th> <th>Organizer</th> <th>Course title</th> <th>Hours of training</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Independent Director</td> <td rowspan="2">Wei, Kung-Ao</td> <td>2024.08.12</td> <td>The Buiness Development Foundation of the Chinese Strails</td> <td>Enhance corporate governance and Board performance</td> <td>3</td> </tr> <tr> <td>2024.11.13</td> <td>The Buiness Development Foundation of the Chinese Strails</td> <td>Operational Instructions for Operation Risk Management and Management Committee</td> <td>3</td> </tr> <tr> <td rowspan="2">Independent Director</td> <td rowspan="2">Wu, Chung-Hsin</td> <td>2024.08.12</td> <td>The Buiness Development Foundation of the Chinese Strails</td> <td>Enhance corporate governance and Board performance</td> <td>3</td> </tr> <tr> <td>2024.11.13</td> <td>The Buiness Development</td> <td>Operational Instructions for</td> <td>3</td> </tr> </tbody> </table>	Position	Name	Date of training	Organizer	Course title	Hours of training	Independent Director	Wei, Kung-Ao	2024.08.12	The Buiness Development Foundation of the Chinese Strails	Enhance corporate governance and Board performance	3	2024.11.13	The Buiness Development Foundation of the Chinese Strails	Operational Instructions for Operation Risk Management and Management Committee	3	Independent Director	Wu, Chung-Hsin	2024.08.12	The Buiness Development Foundation of the Chinese Strails	Enhance corporate governance and Board performance	3	2024.11.13	The Buiness Development	Operational Instructions for	3	No major deviation.
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			<p>through process control. Each department has control over the operation of risk reduction, and there is no need for the improvement operation.</p> <p>(V) Implementation of customer policy: The Company has established the "Ethical Corporate Management Best Practice Principles" and "Business Integrity Procedures and Behaviors" to observe the integrity management of business activities.</p> <p>(VI) Liability insurance of directors (including independent directors):</p> <table border="1"> <thead> <tr> <th>Insurance applicant</th> <th>Insurance company</th> <th>Insurance amount (NT\$)</th> <th>Insurance period</th> <th>Date of reporting by board of directors</th> <th>Status of insurance</th> </tr> </thead> <tbody> <tr> <td>Directors</td> <td>Shinkong Insurance</td> <td>32,395,000</td> <td>From: June 4, 2024 To: June 4, 2025</td> <td>May 14, 2024</td> <td>Renewal of insurance</td> </tr> </tbody> </table> <p>1</p> <p>(VII) Patent management:</p> <ol style="list-style-type: none"> 1. The Company is classified as a traditional industry enterprise. Over the years, the Company has accumulated many patents, e.g. wire rust removal installation, hexagon screw head shaper, shear stud riveting machine, torque-controlled fastener for construction, mechanical coupler, etc. However, the patents shall be shared by industry counterparts. As such, after the patents expire, the ownership shall end. On November 13, 2024, the Board reported the operating status of intellectual property management for 2024. 2. Foreign patents The Company currently holds an invention patent (No. I744688) for a "tapping screw," valid from November 1, 2021, to September 2, 2039. It also obtained a U.S. invention patent for the same technology, valid from April 19, 2022, to December 7, 2040. 3. Domestic patents <ol style="list-style-type: none"> (1) The Company holds a patent (No. I853674) for an "unloader of wire descaling equipment," valid from August 21, 2024 to August 16, 2043. (2) The Company holds a patent (No. I860045) for "wire descaling equipment and descaling process," valid from October 21, 2024 to August 16, 2043. 4. The new acid cleaning equipment is currently under application for several invention patents. 	Insurance applicant	Insurance company	Insurance amount (NT\$)	Insurance period	Date of reporting by board of directors	Status of insurance	Directors	Shinkong Insurance	32,395,000	From: June 4, 2024 To: June 4, 2025	May 14, 2024	Renewal of insurance	
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IX. Please describe improvements that have been made pertaining to the results of the corporate governance evaluation as prescribed by the Taiwan Stock Exchange Corporate Governance Center, as well as priorities and measures for matters that have yet to be improved. (Companies not listed for evaluation do not have to be filled in)				
Improvement items of the 11th corporate governance assessment				
Number	Assessment item		Improvement method	
1.3	Do more than half of the directors of the company and the convenor of the Audit Committee attend the general meeting in person and disclose the attendance list in the meeting minutes?		It has been Filed with the MOPS.	
2.7	Did the board regularly (at least once a year) refer to the Audit Quality Indicators (AQIs) to review the independence and suitability of the independent auditors and fully and accurately disclose the assessment procedures in the annual report?		The Company intends to fully and accurately disclose the assessment procedures in the annual report in accordance with the indicator requirements.	
Prioritized improvement items of the 11th corporate governance assessment				
Number	Assessment item		Improvement method	
4.23	Did the Company disclose the policy of linking the remuneration of senior managers with ESG-related performance evaluation?		The Company intends to make improvements in accordance with the indicator requirements.	

(Note) Regardless of ticking “Yes” or “No”, please provide more information in the summary description column.

(IV) If the company has established a remuneration committee or nomination committee, its composition and operation should be disclosed:

1. The Company established a Remuneration Committee, in accordance with the "Organizational Regulations for the Remuneration Committee," which was approved at the Board of Directors on December 28, 2011. The committee serves as a professional and objective body to evaluate and establish the remuneration policies and systems for directors and managers, and to review and assess the performance evaluations and remuneration policies, standards, and structures.
2. Remuneration Committee members

March 29, 2025

Title	Criteria		Professional qualifications and experience	Independence situation	Number of other public companies in which the individual is concurrently serving as a Remuneration Committee member
	Name				
Independent Director Convener	Wei, Kung-Ao	The remuneration committee is composed of independent directors of the Company. For more information on the professional qualifications and independence of the independent directors, please refer to page 6 of this annual report, "Disclosure on professional qualification of Directors and independence of Independent Directors"	The remuneration committee is composed of independent directors of the Company. For more information on the professional qualifications and independence of the independent directors, please refer to page 6 of this annual report, "Disclosure on professional qualification of Directors and independence of Independent Directors"	0	
Independent Director	Wu, Chung-Hsin			0	
Independent Director	Huang, Chun-Kai			0	

3. Information on the Operating Status of the Remuneration Committee

- (1) There are three members in the Company's Remuneration Committee.
- (2) The tenure of the committee: June 6, 2022, to June 5, 2025. There were 2 (A) meetings in the latest fiscal year, and the qualifications and attendance situation of committee members was as follows:

Position	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) (B/A) (Note)	Remarks
Convener	Wei, Kung-Ao	2	0	100%	
Committee member	Wu, Chung-Hsin	2	0	100%	
Committee member	Huang, Chun-Kai	2	0	100%	

Other matters to be recorded:

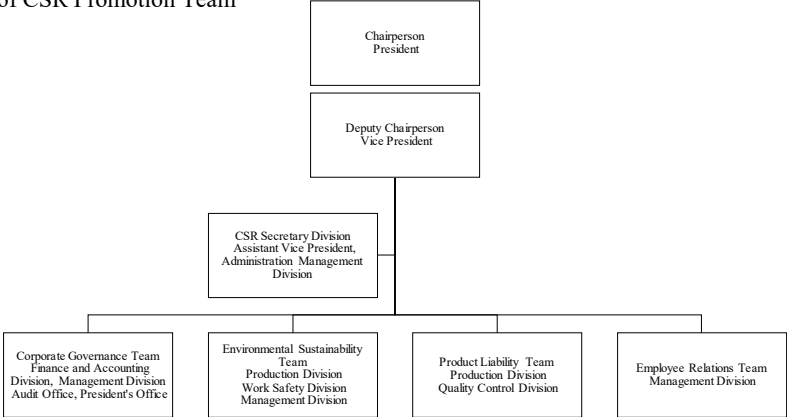
- I. If the board of directors declines to adopt or modify a recommendation of the remuneration committee, it should specify the date of the meeting, the session, the nature of the motion, the resolution made by the board of directors, and the company's response to the remuneration committee's opinion (e.g. the board passed a resolution on remuneration that is better than the recommendation of the committee, and the reason for the deviation should be indicated): Nil.
- II. If resolutions of the remuneration committee are objected to by members or become subject to a qualified opinion which has been recorded or declared in writing, then the date of the meeting, the session, the nature of the motion, all members' opinions and the response to members' opinions should be specified: Nil.
- III. Discussion items and voting results of the Remuneration Committee for 2024, and the Company's response to the Remuneration Committee's opinion:

Remuneration Committee	Resolution and subsequent undertaking	Result of resolution	Response of the Company to the Remuneration Committee's opinion
Fifth term 4th meeting 2024.03.13	1. Preliminary review of eligible managers submitted to the Remuneration Committee 2. Proposal for the distribution of remuneration to directors and employees for 2023	The resolution was passed unanimously after the chairperson soliciting the opinion of all attending committee members.	The proposal was submitted to the Board of Directors. The Board approved and passed the resolution.
Fifth term 5th meeting 2024.06.07	1. Proposal for the distribution of remuneration to directors and employees for 2023	The resolution was passed unanimously after the chairperson soliciting the opinion of all attending committee members.	The proposal was submitted to the Board of Directors. The Board approved and passed the resolution.

4. Information on the members of the nomination committee and information on their operation; the company does not have a nomination committee.

(V) The state of the company's promotion of sustainable development, any deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation; a company that meets certain conditions shall disclose climate-related information.

1. The state of the company's promotion of sustainable development, any deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Item promoted	Implementation status			Deviations and causes of the deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Has the Company established a sustainable development governance structure supervised by the Board of Directors and an exclusively (or concurrently) dedicated unit under supervision of senior management authorized by the Board of Directors to promote sustainable development?	V		<p>1. The Management Division is the designated unit in the Company for promoting sustainable development. The President shall take charge of overseeing the approval of sustainable development strategies and the subsequent implementation. Pertaining to the sustainable development issues concerning the Company's operation and stakeholders, the Management Division shall formulate and implement the countering strategies, as well as prepare the Sustainable Development Report based on the implementation status. The Board of Directors of the Company regularly listens to the report of the Management Department (Sustainability Working Group) on a quarterly basis (based on the sustainable development path map of the listed cabinet company, the initiation of ESG construction schedule and the greenhouse gas inventory and verification schedule of the Group (including its subsidiaries). The Board of Directors must regularly review the progress of the strategy and urge the Management Department (Sustainability Working Group) to make adjustments, when necessary.</p> <p>2. Organization of CSR Promotion Team</p>  <pre> graph TD A[Chairperson President] --- B[Deputy Chairperson Vice President] B --- C["CSR Secretary Division Assistant Vice President, Administration Management Division"] C --- D["Corporate Governance Team Finance and Accounting Division, Management Division Audit Office, President's Office"] C --- E["Environmental Sustainability Team Production Division Work Safety Division Management Division"] C --- F["Product Liability Team Production Division Quality Control Division"] C --- G[Employee Relations Team Management Division] </pre>	No major deviation.

Item promoted	Implementation status			Deviations and causes of the deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies											
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			3. In 2024, the Company sponsored the expenses of Gangshan District, Weisui District and Friends of the Police Association of Kaohsiung metropolitan area, as well as Taiwan Fund for Children and Families of Gangshan District and World Vision Taiwan. Regarding the 2024 Annual Sustainability Implementation report, the Management Department (Sustainability Working Group) has completed the report to the Board of Directors on March 13, May 14, August 12 and November 13, 2024 on a quarterly basis.												
II. Has the company performed risk assessment pertaining to the environment, society and corporate governance issues related to the operation of the company in accordance with the materiality principle, and established the corresponding risk management policies or strategies? (Note 2)	V		<p>The risk assessment mainly centers on the Company. The Management Division performs analysis based on the materiality principle, communicates with internal and external stakeholders, and undertakes risk assessment for major issues. According to the risk assessed, the risk management policies or strategies are established as follows:</p> <table border="1"> <thead> <tr> <th>Major issue</th> <th>Risk assessment item</th> <th>Risk management policy or strategies</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Environmental protection</td> <td>The Company's Management Division and Work Safety Division are responsible for handling the pollution prevention matters in the mills, and engage inspection institutions approved by the Environmental Protection Administration to perform inspections from time to time so as to conform to the latest emission standards stipulated by the Environmental Protection Administration.</td> </tr> <tr> <td rowspan="2">Social</td> <td>Integrity management</td> <td>To facilitate the compliance of directors, managers and all employees, the Company has established "Ethical Corporate Management Best Practice Principles", "Procedures for Management of Ethical Conduct" and other internal regulations, as well as concrete rules such as the "Business Integrity Procedures and Behaviors" to lay out the important items to pay attention to when conducting business activities. The Company also consistently promotes awareness of the philosophy of integrity and prohibiting unethical conduct via internal and external training and education. The Company also purchases liability insurance for the directors to reduce the potential liability risk when performing their duties.</td> </tr> <tr> <td>Workplace safety</td> <td>The Company performs public safety checks regularly every year and holds labor safety training and medical check-ups for employees to provide a safe and healthy working environment. Plants I, II, and III of the Company have completed the 2023 and 2024 safety inspection of building fire-prevention refuge facilities and equipment conducted by the Kaohsiung City Government. (Once every two years for</td> </tr> </tbody> </table>	Major issue	Risk assessment item	Risk management policy or strategies	Environment	Environmental protection	The Company's Management Division and Work Safety Division are responsible for handling the pollution prevention matters in the mills, and engage inspection institutions approved by the Environmental Protection Administration to perform inspections from time to time so as to conform to the latest emission standards stipulated by the Environmental Protection Administration.	Social	Integrity management	To facilitate the compliance of directors, managers and all employees, the Company has established "Ethical Corporate Management Best Practice Principles", "Procedures for Management of Ethical Conduct" and other internal regulations, as well as concrete rules such as the "Business Integrity Procedures and Behaviors" to lay out the important items to pay attention to when conducting business activities. The Company also consistently promotes awareness of the philosophy of integrity and prohibiting unethical conduct via internal and external training and education. The Company also purchases liability insurance for the directors to reduce the potential liability risk when performing their duties.	Workplace safety	The Company performs public safety checks regularly every year and holds labor safety training and medical check-ups for employees to provide a safe and healthy working environment. Plants I, II, and III of the Company have completed the 2023 and 2024 safety inspection of building fire-prevention refuge facilities and equipment conducted by the Kaohsiung City Government. (Once every two years for	No major deviation.
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III. Environmental issues														
(I) Has the company developed an appropriate environmental management system, given the distinctive characteristics of its industry?	V		(I) The main scope of business of the Company includes the manufacturing, trading and fabrication of wire rods, screws and wires. The manufacturing involves performing wire drawing, acid cleaning, spheroidization and heat treatment of raw materials. Although this is not a highly polluting industry, for the prevention of pollution sources, the Company has installed dust removal systems, waste water and gas treatment facilities, exhaust equipment and other equipment. Furthermore, as per the environmental protection regulations, the Company has designated personnel to undertake the pollution prevention measures depending on the on-site operations, and engaged inspection institutions approved by the Environmental Protection Administration to perform inspections from time to time. Therefore, with appropriate control engineering, the Company meets the emission standards stipulated by the Environmental Protection Administration.	No major deviation.										
(II) Is the company committed to enhancing efficient use of energy resources, and using renewable materials that produce less impact on the environment?	V		(II) The Company plans to gradually enhance the utilization efficiency of various resources, including the selection of equipment with energy conservation design, re-use of recoverable water resources, etc. Furthermore, in the process of production, carbon emission is reduced as much as possible, and the use of green products is prioritized to curtail the influence on the environment. To meet the energy conservation and carbon reduction goals, and in accordance with the Energy Administration Act, the Company achieved an average annual energy conservation rate of 0.06% in 2024. Looking ahead, the Company will continue to adhere to the Energy Administration Act in the future. From 2015 to 2024, the average annual energy conservation rate reached 2.03%, significantly exceeding the 1% benchmark. The Company will continue to achieve the energy conservation and carbon reduction goals.	No major deviation.										

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(III) Does the company assess potential risks and opportunities associated with climate change, and undertake measures in response to climate issues?	V		<p>(III) The Company closely monitors the trend of global climate change and identifies the relevant risks and opportunities of climate change, including instability in water and electricity supplies caused by extreme climate, and transitional risks caused by regulatory changes. Response measures are tailored to reduce risks and utilize business opportunities. In 2024, the climate change issues identified by the Company's assessment are as follows:</p> <table border="1"> <thead> <tr> <th>Climate risk</th> <th>Potential financial influence</th> <th>Climate opportunity</th> <th>Potential financial influence</th> </tr> </thead> <tbody> <tr> <td>Control of greenhouse gases emission volume and carbon trading system.</td> <td>Limitation of production capacity expansion and increase in operating costs.</td> <td>Participation in renewable energy projects and carbon trading market.</td> <td>Purchase of renewable energy in early stages to expand production capacity smoothly.</td> </tr> <tr> <td>Unstable water and electricity supplies.</td> <td>Impact on product and increase in operating costs.</td> <td>Enhancement of efficiency in water resource use and reuse of recoverable water.</td> <td>Strengthening of resistance toward climate change to reduce the probability of operation interruption and potential losses.</td> </tr> <tr> <td>Increase in costs of greenhouse gas emissions.</td> <td>Installation of carbon reduction equipment and increase in operational costs.</td> <td>Obtaining rewards from and collaboration with government agencies.</td> <td>Collection of carbon right for later use.</td> </tr> <tr> <td>Typhoons, floods and draughts.</td> <td>Impact on product and increase in operating costs.</td> <td>Enhancement for resistance to natural disasters.</td> <td>Strengthening of resistance to climate change to reduce the impact on production caused by disasters.</td> </tr> <tr> <td>Rise of climate temperature.</td> <td>Increase in electricity use, costs and carbon emission.</td> <td>Promotion of low carbon and green production.</td> <td>Electricity conservation and reduction of costs.</td> </tr> <tr> <td>Impact on company image.</td> <td>Inability to meet stakeholders' expectations, causing damage to company reputation and image.</td> <td>Facilitation of investors' willingness to make long-term investments.</td> <td>Stable shareholder structure, reducing the probability of major fluctuation in share price.</td> </tr> </tbody> </table>	Climate risk	Potential financial influence	Climate opportunity	Potential financial influence	Control of greenhouse gases emission volume and carbon trading system.	Limitation of production capacity expansion and increase in operating costs.	Participation in renewable energy projects and carbon trading market.	Purchase of renewable energy in early stages to expand production capacity smoothly.	Unstable water and electricity supplies.	Impact on product and increase in operating costs.	Enhancement of efficiency in water resource use and reuse of recoverable water.	Strengthening of resistance toward climate change to reduce the probability of operation interruption and potential losses.	Increase in costs of greenhouse gas emissions.	Installation of carbon reduction equipment and increase in operational costs.	Obtaining rewards from and collaboration with government agencies.	Collection of carbon right for later use.	Typhoons, floods and draughts.	Impact on product and increase in operating costs.	Enhancement for resistance to natural disasters.	Strengthening of resistance to climate change to reduce the impact on production caused by disasters.	Rise of climate temperature.	Increase in electricity use, costs and carbon emission.	Promotion of low carbon and green production.	Electricity conservation and reduction of costs.	Impact on company image.	Inability to meet stakeholders' expectations, causing damage to company reputation and image.	Facilitation of investors' willingness to make long-term investments.	Stable shareholder structure, reducing the probability of major fluctuation in share price.	No major deviation.
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(IV) Has the company measured its greenhouse gas emissions, water use and the total weight of waste generated for the past two years, and established policies pertaining to reduction in greenhouse gas emissions, reduction in water use, or management of waste disposal?	V		<p>(IV) The Company shall continue to promote energy management. The energy conservation, carbon reduction, greenhouse gas emissions and waste management strategies are as follows:</p> <ol style="list-style-type: none"> To conform with environmental protection policy and regulations, the Company performs greenhouse gas emission inspection and reporting of waste on a regular basis. By adjusting production procedures, utilizing energy conservation equipment (e.g. gas-fired boilers, switching to high-performance motors of IE3 level or higher) and other measures, the Company seeks to reduce its greenhouse gas emissions. By controlling the optimal air-fuel ratio, using clean fuel, lowering sludge moisture content etc., the Company seeks to meet waste reduction targets and develop toward green production. Gradual replacement of air compressors. August 2022 (50HP) → performance level was D = 25; May 2023 (50HP) → performance level was D = 30, which is currently the highest level. The fully automated residue separation and recovery machine can quickly separate waste residue, reduce and save treatment costs, and improve social responsibility and image to enhance product value. <p>For the greenhouse gas emission, water use, and waste generated by all Tycoons Taiwan plants in 2023 and 2024, please see the table below:</p> <p style="text-align: right;">Unit: Metric ton CO2e/year</p> <table border="1"> <thead> <tr> <th></th> <th>2024</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Direct greenhouse gas emissions (Scope 1)</td> <td>1472.5058</td> <td>1288.6203</td> </tr> <tr> <td>Indirect greenhouse gas emissions(Scope 2)</td> <td>7868.9260</td> <td>9003.4560</td> </tr> <tr> <td>Total greenhouse gas emissions</td> <td>9341.4318</td> <td>10292.0763</td> </tr> <tr> <td>Emission volume for unit product (CO2 emission in metric tonnes/finished goods volume in metric tonnes)</td> <td>0.1180</td> <td>0.1671</td> </tr> <tr> <td>Emissions per unit of revenue (tons CO2e/NTD million)</td> <td>6.5784</td> <td>11.3976</td> </tr> </tbody> </table> <p>(Note) The data for 2023 and 2024 have undergone external verification by DNV with report issued.</p> <p>Greenhouse gas emissions in 2024 from companies within the Group (excluding the parent company in Taiwan)</p> <p style="text-align: right;">Unit: Metric ton CO2e/year</p> <table border="1"> <thead> <tr> <th></th> <th>Companies within the Group</th> </tr> </thead> <tbody> <tr> <td>Direct greenhouse gas emissions (Scope 1)</td> <td>22473.636</td> </tr> <tr> <td>Indirect greenhouse gas emissions(Scope 2)</td> <td>35641.406</td> </tr> <tr> <td>Total greenhouse gas emissions</td> <td>58115.042</td> </tr> </tbody> </table>		2024	2023	Direct greenhouse gas emissions (Scope 1)	1472.5058	1288.6203	Indirect greenhouse gas emissions(Scope 2)	7868.9260	9003.4560	Total greenhouse gas emissions	9341.4318	10292.0763	Emission volume for unit product (CO2 emission in metric tonnes/finished goods volume in metric tonnes)	0.1180	0.1671	Emissions per unit of revenue (tons CO2e/NTD million)	6.5784	11.3976		Companies within the Group	Direct greenhouse gas emissions (Scope 1)	22473.636	Indirect greenhouse gas emissions(Scope 2)	35641.406	Total greenhouse gas emissions	58115.042	No major deviation.
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IV. Social issues																																			
(I) Has the company developed its policies and procedures in accordance with laws and the International Bill of Human Rights?	V		<p>(I) As a citizen enterprise in the steel industry, the Company abides by the RBA (Responsible Business Alliance Code of Conduct) and fulfills its corporate social responsibility to protect the basic human rights of all employees. In accordance with labor laws and regulations, the Company recognizes and complies with international human rights conventions such as the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the United Nations International Labor Organization, to eliminate any human rights violations and abuses, and to establish various work rules and management measures, including work rules, occupational safety and health codes of practice, sexual harassment prevention measures, complaint and disciplinary measures, measures to prevent workplace violence, and human rights policies. Meanwhile, the Company has also established the Sustainable Development Best Practice Principles to ensure the basic human rights of all employees, customers and stakeholders, so as to protect the welfare of the society.</p> <p>The human rights management policy and concrete measures of the Company are summarized as follows:</p> <table border="1"> <thead> <tr> <th>Human rights management policy</th> <th>Concrete measure</th> </tr> </thead> <tbody> <tr> <td>Provision of a safe and healthy work environment.</td> <td>Please see this table, “IV. Social issues (III)”.</td> </tr> <tr> <td>Prohibition of forced labor to comply strictly with the government labor regulations.</td> <td>Implementation of a leave system, encouraging employees to focus on work-life balance.</td> </tr> </tbody> </table>	Human rights management policy	Concrete measure	Provision of a safe and healthy work environment.	Please see this table, “IV. Social issues (III)”.	Prohibition of forced labor to comply strictly with the government labor regulations.	Implementation of a leave system, encouraging employees to focus on work-life balance.	No major deviation.																									
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	Yes	No	Summary description	
(II) Has the company established and implemented reasonable employee benefit measures (including salary, leave and other benefits), reasonably reflecting the operating results in employee salary?	V		<p>(II) <u>Employee compensation and welfare</u></p> <p>By conforming to the Labor Standards Act and the related regulations, the Company has established the human resource and working protocols and regulated the employee benefit measures (including salary, leave and other benefits). Of which, the performance assessment and year-end bonus procedures depend on the yearly performance assessment. By considering the yearly operating performance and employee yearly appraisal, the Company shall disburse the bonus, sharing its earnings with all employees. Please see “Section IV. Operational Highlights, subsection 5, Labor-capital relations” in the annual report for more details.</p> <p><u>Diversity and equality in workplace</u></p> <p>To realize equal pay and promotion opportunities for both male and female employees, the Company has maintained more than 11% female supervisors to promote the economic growth of sustainability and inclusion. In 2024, female employees constituted, on average, 40.35%, whilst female supervisors constituted, on average, 14.04%.</p>	No major deviation.
(III) Does the company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?	V		<p>(III) To provide a safe and healthy working environment for employees, the Company has established the following measures:</p> <ol style="list-style-type: none"> 1. Labor working environment monitoring <p>By paying close attention to the labor working environment and evaluating the operating environment that operators are exposed to, the Company devises a plan for labor working environment monitoring. According to the plan, the Company samples, monitors and analyzes the evaluation. Labor working environment monitoring is performed twice a year to effectively reduce the hazards that operators are exposed to and gain understanding of what operators are exposed to every year.</p> 2. Industrial safety performance <ol style="list-style-type: none"> (1) The industrial safety unit and the auditing unit perform regular checks every three months and consolidate the recommendations for improvement derived from the checks to various units for reference. At meetings held by the Occupation, Safety and Health Committee, weaknesses are reviewed. (2) The Company holds occupational safety and health training for new recruits and existing employees, and also has the occupational safety and health unit organize awareness campaigns from time to time to enhance the safety awareness of operators. (3) The target of occupational hazard management is zero occurrences. Apart from strengthening awareness of work safety and inspection, the Company requires employees to use protective gear correctly, and perform regular inspection of machinery and equipment to avoid injury from occurring. In the most recent two years, the number of occupational incidents is as follows: In 2023, there were one occupational incidents involving machinery (constituted 0.90% per total employees as of the end of 2023); in 2024, there was no occupational incident involving machinery. 3. Fire fighting safety <p>To maintain the workplace safety, the Company performs checks and reports on the fire fighting equipment every year, and assigns employees into fire fighting groups. Fire extinguishing, notification</p> 	No major deviation.

Item promoted	Implementation status			Deviations and causes of the deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>and fire drills are held at least once every half year to get employees familiarized with the importance of fire fighting safety and how to avoid fire hazard. There was no fire incident in 2024.</p> <p>4. Access control To enter the mills, employees are required to wear their staff badges. Vendors and visitors are required to register by indicating the units they are visiting and reasons of their visits in order to get visitor passes before they can access the mills.</p> <p>5. Employee welfare Apart from providing labor and health insurance for employees, the Company also purchases group insurance for employees (including foreign employees) and provides lunch to employees at the cafeterias to take care of their diet. Every year, medical check-ups are also organized for employees and their families.</p> <p>6. In accordance with the frequency of medical professionals providing on-site medical services stipulated by the Labor Health Protection Act, Article 4, the Company arranged two on-site visits by doctors in 2024, and two on-site visits by nurses every month. The Company also arranges for service items stipulated in the Labor Health Protection Act, Article 10 to be provided to employees.</p>	
(IV) Has the company implemented an effective training program that helps employees develop skills over the course of their career?	V		(IV) The Company's Management Division collects information pertaining to the training that the employees require in the following year at the end of every year. The Management Division then devises the yearly training program and supervises the employees in attending the training as per the program. All trainings are recorded and filed. The training program aims to enhance the employees' capabilities and serves as a reference for their promotions. In 2024, a total of 388 people completed career training, with a total of 425 hours.	No major deviation.
(V) Pertaining to the health and safety of customer when using the company's products and services, consumer privacy, marketing and labeling, does the company comply with the relevant regulations and international standards, and establish relevant policies on consumer protection and complaint procedures?	V		(V) As per ISO 9001 on quality management, the Company regulates the management of products and customers. The Company also provides a window for communication and e-mail addresses pertaining to its products on the Company website. The Company has also established a stakeholder section for customers to file their queries and complaints. Adhering to the principle of integrity, the Company handles the correspondences appropriately and provides feedback. Meanwhile, the Company has also established the "CSR Procedures" and "Business Integrity Procedures and Behaviors" to protect customer interests.	No major deviation.
(VI) Has the company established policy on supplier management, demanding suppliers to observe codes of conduct pertaining to environmental protection, labor safety and health or labor rights, and monitoring their	V		(VI) To ensure suppliers conform with the regulations, the Company has taken the following measures: 1. In order to understand the implementation of suppliers in terms of corporate social responsibility, the Company conducted a survey on environmental, social and corporate governance by sending questionnaires, which will be used as one of the references for selecting suppliers and contractors. On September 13, 2023, the questionnaire collection was completed, with a total of 38 questionnaires received. The amount of raw materials purchased in 2024 accounted for more than 96% of the total amount of raw materials purchased in the year, and the questionnaire on raw materials suppliers focused	No major deviation.

Item promoted	Implementation status			Deviations and causes of the deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
implementation?			<p>on the environmental aspect of the survey. For the quality of products related to its manufacturing process, raw materials suppliers have obtained ISO9001 quality management system certification and valid factory registration certificate issued by local government according to business category and ISO14001 environmental management system certification. Suppliers and contractors have implemented and improved labor and human rights policies for the social questionnaires, and 88% of the corporate governance questionnaire has implemented ethical codes of conduct (anti-corruption, anti-bribery, confidentiality clauses, etc.).</p> <ol style="list-style-type: none"> 2. As of December 2024, 55 suppliers and contractors have signed the "Code of Conduct and Corporate Social Responsibility Commitment for Suppliers and Contractors," committing to creating a friendly workplace and environment and upholding the corporate ethics of ethical corporate management. 3. Before entering the mills for construction, the Company shall convey the hazard notification to the vendors. The vendors also have to take part in hazard training (23 sessions were held in 2024) and sign the "Notification and Confirmation Checklist of Important Occupation, Safety and Health Hazard Matters" before they can start the construction. 4. If a current supplier is involved in actual or expected major environmental protection, labor law and human rights violations, or social incidents, the Company shall require the supplier to make improvements or terminate the contract with supplier. 	
V. Does the company refer to universal standards or guidelines for report preparation when preparing for CSR report and other non-financial disclosure reports? Has the company obtained the confirmation or affirmation opinion from third-party certification body for the aforementioned reports?		V	In the preparation of the Company's 2024 Sustainability Report, for the greenhouse gas inventory, we have been conducting statistical studies and sending them to third-party certification units for verification. It is expected to issue a sustainability report and disclose the greenhouse gas verification report on August 30, 2025, and make it public on our website (https://www.tycons.com.tw/).	It is expected to issue a sustainability report before August 30, 2025.
VI. If the Company has established integrity management principles in accordance with "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies", please describe the current practices and any deviations from the Best Practice Principles: The Company has established the "Sustainable Development Procedures" to promote the implementation of social responsibilities. The actual implementation does not have major deviations from the procedures. The sustainability reports prepared in 2024 have been prepared in accordance with GRI criteria.				
VII. Other information relevant to understanding the implementation of CSR: (I) The Company has uploaded the sustainability report on its website to assist others in understanding the implementation of CSR. (II) To conform with government regulations, apart from providing jobs to local residents, the Company also hires people with disabilities to protect their right to employment. The Company has exceeded the quota stipulated in hiring people with disabilities.				

Note 1: For implementation status, if an item is checked, please describe in detail important policies, strategies and measures adopted, and the implementation status; if an item is unchecked, please describe the deviation and causes of deviation under the section, "Status of promoting sustainable development and deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies". Furthermore, describe the policies, strategies and measures in planning for future adoption. However, in relation to the promotion of items 1 and 2, TWSE/TPEX Listed Companies shall describe the governance and supervisory framework for sustainable development, including but not limited to the management approach, strategy and objectives, and review measures, etc. It shall also describe the Company's risk management policies or strategies on environmental, social and corporate governance issues related to operations, and its assessment.

Note 2: The materiality principle refers to environmental, social and corporate governance issues that have a major influence on investors and other stakeholders.

2. Climate-related information for TWSE/TPEX Listed Companies

(1) Implementation of climate related information

Project	Status of implementation
1. State the Board's managers oversight and governance of climate related risks and opportunities.	In order to effectively integrate and promote sustainable development, the Company has designated the management department as the implementation unit for sustainable development. It is responsible for the formulation of company-wide sustainable development strategies and performance monitoring, as well as compiling sustainability reports and regularly reporting to the board of directors. In order to implement the execution and management of corporate sustainable development, the Company has established a "Sustainable Development Promotion Team" under the board of directors. The Sustainable Development Promotion Team is responsible for formulating the directions and promotion plans of corporate sustainable development strategies, monitoring the implementation, and reporting to the board of directors on the annual implementation results of corporate sustainable development. In addition, the Committee has formulated the "Risk Management Policy," with the board of directors serving as the highest decision-making body for risk management. The Company strengthens the management of climate-related risks, establishes relevant management systems and regulations, and sets climate risk monitoring indicators for supervision. The audit office reports to the audit committee and the board of directors on the implementation of climate-related risk management.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finance (short-term, medium-term and long-term) of the enterprise.	The Company pays close attention to the trend of global climate change, incorporates climate change into the sustainable development, and conducts identification of risks and opportunities of climate change related issues. These include identification and assessment of impacts of the extreme climate, as well as risks and opportunities of regulations, technologies, market, resource efficiency, and new energy on the Company's operating activities. The assessment results are integrated in the management measures to strengthen the Company's climate change governance, and to reduce risks and grasp business opportunities. The contents of the Company's identification and assessment of climate change issues in 2024 are compiled into the following 4 risks according to the length of their impacts:

Project	Status of implementation			
	Term	Risks	Impacts	Countermeasures
	Short and med-term	Damages to plants to products caused by flooding	Flooding or water shortage caused by extreme weather leads to either damages to plants or products or decreases in prices of self-owned properties, which in turn affects the Company's profit or loss, resulting in a decline in revenue or assets.	The factors of flooding caused by climate changes are taken into account for the management of business bases and self-owned properties.
	Mid-term	Operation disruption of investees caused by extreme weather	Extreme weather causes property losses of the investee or business interruption, thereby leading to a decline in the Company's assets.	Improve understanding of the resilience of business partners against extreme weather.
	Mid-term	Costs regarding industrial green energy and environmental protection transformation	The investee may incur additional costs for transformation.	Pay continuous attention to the market demand for low-carbon transformation, and assist our investees in the low-carbon transformation.
Long-term	Carbon reduction policies and regulations in response to more stringent laws may incur additional carbon reduction costs for investees.	Pay continuous attention to the trend of international carbon tax and carbon-related laws and regulations.	Enhance the engagement with investees with high carbon emissions.	
3. Describe the financial impacts of extreme weather events and transformational actions.	The Company's financial assessment on climate change risks and the countermeasures in 2024 are as follows:			
Climate risk	Potential financial influence	Climate opportunity	Potential financial influence	Countermeasures in 2024
Control of greenhouse gases emission volume and carbon trading system.	Limitation of production capacity expansion and increase in operating costs.	Participation in renewable energy projects and carbon trading market.	Purchase of renewable energy in early stages to expand production capacity smoothly.	Continuous negotiated purchase of renewable energy.
Unstable water and electricity supplies.	Impact on product and increase in operating costs.	Enhancement of efficiency in water resource use and reuse of recoverable water.	Strengthening of resistance toward climate change to reduce the probability of operation interruption and potential losses.	Water resources recycling rate >10%

Project	Status of implementation												
	Increase in costs of greenhouse gas emissions.	Installation of carbon reduction equipment and increase in operational costs.	Obtaining rewards from and collaboration with government agencies.	Collection of carbon right for later use.	Improvement of equipment performance and implementation of carbon reduction.								
	Typhoons, floods and draughts.	Impact on product and increase in operating costs.	Enhancement for resistance to natural disasters.	Strengthening of resistance to climate change to reduce the impact on production caused by disasters.	Improving water resource management and reducing unnecessary waste.								
	Rise of climate temperature.	Increase in electricity use, costs and carbon emission.	Promotion of low carbon and green production.	Electricity conservation and reduction of costs.	Improving the efficiency of air-conditioning equipment.								
	Impact on company image.	Inability to meet stakeholders' expectations, causing damage to company reputation and image.	Facilitation of investors' willingness to make long-term investments.	Stable shareholder structure, reducing the probability of major fluctuation in share price.	Enhancing green innovation and manufacturing capabilities.								
<p>4. Describe how the climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>In order to foster the stable operation and sustainable development of the Company, as well as to establish a sound risk management mechanism, the board of directors approved the establishment of the Regulations for Risk Management on August 11, 2021. These Regulations serve as the foundation for the Company's risk management. These Regulations aim to effectively identify, analyze, measure, control, address, and continuously monitor various risks, as well as to enhance the risk awareness of all employees, in order to control risks within tolerable levels and achieve the goals of risk control.</p> <p>The Company's climate risk management process comprises three main steps: climate risk identification, assessment, and reporting, as described below:</p> <table border="1" data-bbox="651 1042 2092 1382"> <thead> <tr> <th data-bbox="651 1042 1028 1086">Management process</th> <th data-bbox="1028 1042 2092 1086">article</th> </tr> </thead> <tbody> <tr> <td data-bbox="651 1086 1028 1198">Identification of climate risks</td> <td data-bbox="1028 1086 2092 1198">In line with the operational planning schedule, the Company identifies climate risks and opportunities each year based on the business characteristics and with reference to climate risk reports from international institutions.</td> </tr> <tr> <td data-bbox="651 1198 1028 1302">Assessment of climate risks</td> <td data-bbox="1028 1198 2092 1302">The Company assesses the impact and the degree of impact of each risk based on the business characteristics. The scope of assessment includes the impact path, the time and geographical scope of impact, impact on our position in the value chain, and financial impact.</td> </tr> <tr> <td data-bbox="651 1302 1028 1382">Reporting on climate risks</td> <td data-bbox="1028 1302 2092 1382">The status of various risk indicators are reported to the audit committee and the board of directors on a regular basis.</td> </tr> </tbody> </table>					Management process	article	Identification of climate risks	In line with the operational planning schedule, the Company identifies climate risks and opportunities each year based on the business characteristics and with reference to climate risk reports from international institutions.	Assessment of climate risks	The Company assesses the impact and the degree of impact of each risk based on the business characteristics. The scope of assessment includes the impact path, the time and geographical scope of impact, impact on our position in the value chain, and financial impact.	Reporting on climate risks	The status of various risk indicators are reported to the audit committee and the board of directors on a regular basis.
Management process	article												
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Assessment of climate risks	The Company assesses the impact and the degree of impact of each risk based on the business characteristics. The scope of assessment includes the impact path, the time and geographical scope of impact, impact on our position in the value chain, and financial impact.												
Reporting on climate risks	The status of various risk indicators are reported to the audit committee and the board of directors on a regular basis.												

Project	Status of implementation
<p>5. If situational analysis is used to assess the resilience to climate change risks, describe the contexts, parameters, assumptions, analysis factors, and key financial implications.</p>	<p>Following the TCFD objective of climate risk quantification and referring to industry risk assessments and economic analysis reports issued by well-known domestic and foreign institutions, the Company takes environmental and social risk factors of each industry into consideration for the risk level of each industry, including impacts of emerging environmental or social factors on industrial trends, cost of climate transition risks, and industry entry barriers. There is no scenario analysis conducted at the moment.</p>
<p>6. If there is a transformation plan for managing climate related risks, describe the plan and the metrics and targets used to identify and manage physical and transformation risks.</p>	<p>The Company conducts greenhouse gas inventory in accordance with ISO 14064-1 and begins to engage third-party certification organizations to conduct effective verifications and obtain the Statement of Conformity. At the same time, we look for possible reduction opportunities during the inventory process and implement the promotion projects for carbon neutrality sequentially. In response to the policy requirements for comprehensive carbon reduction within the iron and steel industry on a yearly basis, the Company integrates clear environmental goals in the short-term, mid-term and long-term strategic planning of the organization, highlighting the goal of environmental sustainability to be achieved through the implementation of low-carbon production and resource recycling within the green supply chain.</p> <p>In 2024, the carbon emission was reduced by 9.24% compared with the previous year, and we will continue to move towards our goal of reducing carbon emissions by 8% in 2029.</p> <p>The emission volume in 2024 was reduced by 950.6445 tons CO₂e/year compared to 2023. In terms of greenhouse gas emission density, the figure for 2024 declined by 0.0491 (tons CO₂e/finished goods produced) compared to 2023.</p>
<p>7. If internal carbon pricing is used as a planning tool, the basis for the pricing should be described.</p>	<p>Internal carbon pricing has not yet been implemented, but we will keep timely monitoring on the development of domestic carbon fee-related laws and regulations and CBAM, continuously promote the greenhouse gas management, and enhance our efforts in carbon reduction. With strengthened management by independent directors and senior executives of each subsidiary, we will work together to instill a belief in environmental sustainability of carbon reduction into the daily operations of every employee, as well as establish an adjustment mechanism in line with domestic and international trends in carbon reduction and the Company's carbon reduction goals. In the future, we will continue to make rolling adjustments based on the overall science-based targets initiative and international trends of carbon pricing, as well as gradually connect with operating strategies to expand the scope of application, thereby steadily aligning with the international context of sustainability.</p>
<p>8. If climate related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be stated; and if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs) should be stated.</p>	<p>The Company sets the Group's short-, medium-, and long-term greenhouse gas reduction targets at intervals of two years. The phased targets are reduction of 2%, 4%, and 6% by 2023, 2025, and 2027, respectively. The carbon reduction targets for Category 1 and Category 2 include the electricity consumption for production at our business bases. Through the implementation of energy-saving equipment and annual third-party verification of carbon emissions in compliance with the ISO14064-1 greenhouse gas inventory standard, a carbon reduction of 24.59% was achieved in 2023.</p>

Project	Status of implementation
9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies, and concrete action plans (indicated in 1-1 and 1-2 separately)	Indicated in Tables 1-1 and 1-2 separately.

(1-1) Greenhouse gas inventory and assurance status in the most recent 2 years

(1-1-1) Information on greenhouse gas inventory

Describe the greenhouse gas emission volume (tons CO2e), intensity (tons CO2e/ton), and data coverage for the most recent two years.					
Inventory interval	Scope of inventory: Tycoons Group Enterprise Co., Ltd.				
	Direct greenhouse gas emissions (Category 1)	Energy indirect emissions (Category 2)	Total greenhouse gas emissions (Category 1 + Category 2)	Emission intensity for unit product	Other indirect emissions (Category 3)
2023/01/01~2023/12/31	1288.6203 (tons CO2e/year)	9003.4560 (tons CO2e/year)	10292.0763 (tons CO2e/year)	0.1671 (tons CO2e/finished goods produced)	1274.2148 (tons CO2e/year)
2024/01/01-2024/12/31	1472.5058 (tons CO2e/year)	7868.9260 (tons CO2e/year)	9341.4318 (tons CO2e/year)	0.1103 (tons CO2e/finished goods produced)	2912.4702 (tons CO2e/year)

(1-1-2) Information on greenhouse gas assurance

Describe the status of assurance in the most recent 2 years up to the date of publication of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinions.
In 2022, the Company implemented inventory of greenhouse gas emission from Category 1 to 6 and underwent third-party verification for the first time in accordance with ISO 14061-1:2018, so 2022 is used as the base year.

<p>I. Scope of verification All emission sources within the reporting boundary of the Company's Plants I, II, and III in Gangshan, Taiwan.</p> <p>II. Principles for verification activities (I) Regulations for Management of Greenhouse Gas Inventory (ISO 14064.1-2018)</p> <p>III. Level of verification and assurance The assurance level for the verification of the Company's greenhouse gas Category 1 and Category 2 in 2024 is at a reasonable level of assurance. Categories 3 to 6 underwent limited verification in accordance with the agreed-upon procedure between the two parties. On February 6, 2024, the Company conducted internal verification planning, execution, recording, and tracking on the supporting information for the inventory list and activity data.</p> <p>IV. The 2024 external verification was conducted by an independent third party, DNV Business Assurance Co., Ltd., to enhance the reliability of the Company's greenhouse gas inventory information. In 2024, Tycoons' Plants I, II, III in Gangshan separately underwent on-site document review on February 6, Stage 1 on-site emission source confirmation and emission data verification on February 6 and 7, and Stage 2 verification conducted via video conference on February 25, in order to ensure that the greenhouse gas inventory information complies with the ISO 14064-1:2018 standard. The reliability of the information on direct greenhouse gas emissions and indirect emissions from purchased energy in the report has been subjected to reasonable assurance. The information on other indirect greenhouse gas emissions has been verified and tested at a limited level of assurance.</p> <p>V. The 2024 external verification was conducted by an independent third party, DNV Business Assurance Co., Ltd., to enhance the reliability of the Company's greenhouse gas inventory information. In 2024, Tycoons' Plants I, II, III in Gangshan separately underwent on-site document review on February 5, Stage 1 on-site emission source confirmation and emission data verification on February 6, and Stage 2 verification conducted via video conference on March 5, in order to ensure that the greenhouse gas inventory information complies with the ISO 14064-1:2018 standard.</p> <p>VI. Complete greenhouse gas assurance has been obtained from 2022 to 2024.</p>
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(1-2) Greenhouse gas reduction targets, strategies, and concrete action plans

<p>Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, and concrete action plans, as well as the achievement of the reduction targets.</p> <ol style="list-style-type: none"> 1. The Company has set 2022 as its base year for greenhouse gas reduction. The total greenhouse gas emissions in 2022 amounted to 13,648.7316 (tons of CO₂e/year). 2. The Company sets the Group's short-, medium-, and long-term greenhouse gas reduction targets at intervals of two years. The phased targets are reduction of 2%, 4%, and 6% by 2023, 2025, and 2027, respectively. The carbon reduction targets for Category 1 and Category 2 include the electricity consumption for production at our business bases. Through the implementation of energy-saving equipment and annual third-party verification of carbon emissions in compliance with the ISO14064-1 greenhouse gas inventory standard. 3. We look for possible reduction opportunities during the inventory process and implement the promotion projects for carbon neutrality sequentially. in line with the policy of the steel industry, which is to reduce carbon annually. 4. The Company shall continue to promote energy management. The energy conservation, carbon reduction, greenhouse gas emissions and waste management strategies are as follows: To conform with environmental protection policy and regulations, the Company performs greenhouse gas emission inventory and reporting of waste on a regular basis. By adjusting production procedures, utilizing energy conservation equipment (e.g. gas-fired boilers, switching to high-performance motors of IE3 level or higher, energy-saving LED lighting, and a fully automated residue separation and recovery machine that can quickly separate waste residue, reduce and save treatment costs, and improve social responsibility and image to enhance product value) and other measures, the Company seeks to reduce its greenhouse gas emissions. 5. In 2023 and 2024, carbon emissions were reduced by 19.99% and 9.24%, respectively, compared to the previous year, and we will continue to move towards our goal of reducing carbon emissions by 8% in 2029.
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(VI) The state of the company’s performance in the area of ethical corporate management, any deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation

Assessment item	Progress (Note)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Establishment of corporate conduct and ethics policy and implementation measures				
(I) Has the company established a corporate conduct and ethics policy that is approved by the board of directors and documented such policy and procedure, as well as ensured the commitment of the board and management team in the implementation of the policy thereof, in the bylaws and publicly available documents?	V		(I) The Company has established the “Ethical Corporate Management Best Practice Principles” and “Business Integrity Procedures and Behaviors”, which have been resolved by the board of directors and disclosed on MOPS and the Company website. Integrity management serves as the bedrock of the Company. When the management and board members conduct business activities, they are compelled to conduct themselves according to the principles of integrity management and responsible in supervising its implementation, so as to create a business environment for sustainable development.	No major deviation.
(II) Has the company established a risk assessment mechanism for unethical conduct, analyzed and evaluated activities that contain a higher risk of unethical conduct in the scope of operations on a regular basis, and established measures for the prevention of unethical conduct that at least cover the business activities prescribed in the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”, Article 7, Paragraph 2?	V		(II) In the “Business Integrity Procedures and Behaviors”, the Company has concretely laid out the important items to pay attention to when conducting business activities, the punishment for violations and the complaint system. The Company has also implemented internal audit to reduce the occurrence of unethical behavior. By applying the risk assessment mechanism for unethical conduct to evaluate the scope of business, the Company analyzes and assesses operating activities with relatively higher unethical conduct. The Company then devises preventive measures and reviews their propriety and effectiveness. The preventive measures cover at least the following behavior: 1. giving out and receiving bribery; 2. making illegal political contribution; 3. making illegal donations or sponsorships; 4. leaking trade secrets; 5. involvement in unfair competition and harming stakeholders’ interests.	No major deviation.
(III) Has the Company established relevant policies which are duly enforced to prevent unethical conduct, and provided and implemented operating procedures, behavioral guidelines, penalties for violations and an appeal system in such policies?	V		(III) In the “Business Integrity Procedures and Behaviors”, the Company has concretely laid out the important items to pay attention to when conducting business activities, including stipulating various operating procedures and behavioral guidelines. The Company has also established the “Procedures for Handling Reports on Illegal or Unethical Conduct” to encourage reporting on illegal or unethical conduct. Depending on the seriousness of the conduct, the Company shall give out rewards and punishment. For injustices or improprieties, employees may file a complaint in accordance with the “Procedures for Undertaking of Employee Complaint”. Meanwhile, to implement integrity management, the President’s Office is responsible for promoting and overseeing the execution of the integrity	No major deviation.

Assessment item	Progress (Note)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			policy and preventive measures. It also reviews and amends the aforementioned guidelines and procedures on a regular basis.	
II. Implementation of integrity management				
(I) Does the company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	V		(I) Before fostering new business relationships, the Company has to evaluate the legality and misconduct records of the transaction counterparties. After the evaluation, the Company shall assess the necessity of the relationship. If necessary, the contract shall stipulate the rights and obligations of both parties, terms and conditions of the transactions and the ethical commitment clauses.	No major deviation.
(II) Does the company task a unit that reports directly to the board of directors with promoting ethical standards, making periodical updates (at least once a year) to the board on business integrity management policy, as well as the supervision of measures for the prevention of unethical conduct?		V	(II) The President's Office concurrently promotes integrity management, whereby it assists the board of directors and the management in devising and overseeing the implementation of integrity management policies and preventive measures. The implementation of the Ethical Corporate Management Best Practice Principles must be supervised and shall be reported to the board at least once a year. On November 13, 2024, the President's Office reported to the board of directors on the implementation of ethical corporate management as of the 3rd quarter of 2024. Upon assessment, there was no significant deviation from the relevant provisions of "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies:" 1. Establishment of systems and regulations related to ethical corporate management: ① Ethical Corporate Management Best Practice Principles ② Business Integrity Procedures and Behaviors ③ Operating Procedures for Management of Ethical Conduct ④ Procedures for the Management of Internal Material Information and Prevention of Insider Trading 2. Implementation of integrity management: ① Supplier management: As of December 2024, 55 suppliers and contractors have signed the "Code of Conduct and Corporate Social Responsibility Commitment for Suppliers and Contractors," committing to creating a friendly workplace and environment and upholding the corporate ethics of ethical corporate management. ② Education and training: From time to time, the Company sends employees to take part in internal and external integrity management training. A total of 70 people received training in the current period and completed a total of 119 training hours. ③ Whistle-blowing system: The Company has established an employee whistle-blowing mailbox and established a whistle-blowing channel for stakeholders on the Company's internal website, encouraging both internal and external personnel to report unethical or improper behaviors. As of the end of October 2024, there were	The Company shall maintain the current setup and not establish new designated units.

Assessment item	Progress (Note)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>no internal or external whistleblowing incidents.</p> <p>④ Regular review: To support the board of directors and management in conducting audits and assessments, and to ensure the effective operation of preventive measures established for ethical corporate management, the Audit Office regularly compiles reports on the assessment and compliance of relevant procedures. It also conducts reviews of procedures for business activities with higher risks, reporting findings to management to ensure the continuous effectiveness of the system's design and implementation. According to the review of the internal control system implementation outlined in the 2024 audit plan, a total of 36 reports were completed and presented to the Chairman for review as of October 31, 2024.</p>	
(III) Does the company have any policies to prevent conflicts of interests and channels to facilitate the reporting of conflicting interests?	V		(III) To avoid conflicts of interests, the "Rules and Procedures of Board of Director Meetings", "Procedures for Management of Ethical Conduct", "Ethical Corporate Management Best Practice Principles", "Business Integrity Procedures and Behaviors" and other related regulations stipulate and implement a recusal policy. A specific section for communication with external stakeholders is established on the Company website to receive information, recommendations, complaints and reports. Specific personnel is designated to oversee and respond to issues raised. There were no whistle-blowing incidents in 2024.	No major deviation.
(IV) Has the company implemented effective accounting and internal control systems for the purpose of maintaining business integrity, and has the internal audit unit devised relevant audit planning according to the risk assessment results of unethical conduct? Are these systems reviewed by internal or external auditors on a regular basis?	V		(IV) The Company has established an effective accounting system and prepared financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IFRSs. According to the results of risk assessment, internal auditors shall devise and execute the yearly audit plan. The audit report generated is then submitted to the Audit Committee and board of directors. Furthermore, various departments of the Company conduct self-assessment on their respective internal control system every year, before the internal auditors conduct the related assessment and audit work. The practice is to ensure that the design and execution of the system remains effective.	No major deviation.
(V) Does the company conduct internal and external ethical training programs on a regular basis?	V		(V) The Company distributes working regulations to new recruits and conducts training for them to promote awareness on the Ethical Corporate Management Best Practice Principles. To prevent misconduct, in 2024, the Company held integrity management related training courses. 77 people received training and completed a total of 155 training hours.	No major deviation.
III. Implementation of the whistle-blowing system				
(I) Does the company provide incentives and means for employees to report malpractice, and implement an accessible whistle-	V		(I) The Company's board of directors has approved the "Procedures for Handling Reports on Illegal or Unethical Conduct" to actively prevent unethical behavior and the "Procedures for Handling Employee Complaints." We encourage external parties to report unethical or	No major deviation.

Assessment item	Progress (Note)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
blowing channel? Does the company dedicate personnel to investigate the reported malpractice?			<p>improper behaviors. The whistleblower may report to the spokesperson or the deputy spokesperson. Internal personnel, customers, suppliers, and contractors are encouraged to report to the audit supervisor. In addition, the Company's website also has a correspondence mailbox for whistleblowers to report illegal activities. No internal or external whistle-blowing incidents occurred in 2024.</p> <p>The information on the Company's whistle-blowing channels is as follows:</p> <ul style="list-style-type: none"> - The Company's whistleblowing mailbox: tycoons@mail.tycons.com.tw; or mailing to the spokesperson or the Internal Audit Office of the Company at No. 79-1, Xinle Street, Gangshan District, Kaohsiung City. - The effective communication mailbox for all stakeholders is published on the Company's website. - Whistle-blowing acceptance unit: the Company's spokesperson or Internal Audit Office. 	
(II) Has the company implemented any standard procedures or confidentiality measures for handling reported malpractices?	V		(II) As per the "Procedures for Handling Reports on Illegal or Unethical Conduct" and "Business Integrity Procedures and Behaviors" and "Procedures for Handling Employee Complaints", depending on the seriousness of the conduct, the Company shall give out reward and punishment. For serious misconduct, the Company may terminate the employment of the persons involved. Meanwhile, the identity and the content of the report are kept confidential. The report, investigation process and results are documented on paper or in electronic files. The Company is responsible for properly maintaining the records.	No major deviation.
(III) Does the company assure malpractice reporters that they will not be mistreated for making such reports?	V		(III) As per the "Procedures for Handling Reports on Illegal or Unethical Conduct" and "Business Integrity Procedures and Behaviors", the Company handles the whistleblowing in confidentiality and uses independent channels to fully protect the whistle-blowers. The identity and the content of the report are kept confidential to ensure that the whistle-blowers do not receive any retaliation. No internal or external whistle-blowing incidents occurred in 2024.	No major deviation.
IV. Strengthening information disclosure Has the company disclosed relevant CSR principles and implementation on its website and the Market Observation Post System?	V		The Company has disclosed relevant CSR principles and implementation on the Company website (www.tycons.com.tw) and MOPS.	No major deviation.
<p>V. If the company has established business integrity policies in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies", please describe its current practices and any deviations from the Best Practice Principles:</p> <p>The Company has established the "Ethical Corporate Management Best Practice Principles" to foster a corporate culture of integrity management that can thrive. The actual practice does not have major deviations from the Company procedures.</p>				

Assessment item	Progress (Note)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
VI. Other information relevant to understanding the company's business integrity: (e.g. review of Ethical Corporate Management Best Practice Principles)				
(I)			To concretely regulate the important items to pay attention to when conducting business activities, the Company has established the "Ethical Corporate Management Best Practice Principles" and "Business Integrity Procedures and Behaviors", which have been disclosed on MOPS and the Company website.	
(II)			The Company has established the "Procedures for the Management of Internal Material Information and Prevention of Insider Trading", stipulating that directors, managers and employees exercise the due care of good administrators and principle of integrity when conducting business. For significant matters that require confidentiality, they are required to sign confidentiality agreements.	
(III)			The Company has established the "Rules and Procedures of Board of Director Meetings". For conflicts of interests concerning the directors or the legal persons they represent, they should inform the board meeting of the conflict of interest. If the interest of the Company may be harmed, they are not allowed to take part in the discussion and voting. Furthermore, they should recuse themselves from the discussion and voting, and shall not represent other directors in the voting.	

(Note) Regardless of ticking "Yes" or "No", please provide more information in the summary description column.

(VII) Other material information that may enhance the understanding of the status of corporate governance of the company shall also be disclosed:

1. Apart from the corporate governance section on MOPS, for significant matters, the Company shall immediately inform the investors on material information by way of notification.
2. The Company organizes two institutional investor conferences in 2024. The related information is made available on the Company website and MOPS.
3. From 2024/01/01 to 2025/03/31, the managers of the company have participated in internal and external education and training related to corporate governance. The number of persons for further education is 36, and the number of training hours is 125.5 hours.

(VIII) Implementation of internal control systems:

1. Statement of Internal Control System

For detailed information, please visit the "Internal Control Statement Announcement on the MOPS website at <https://mops.twse.com.tw/mops/#/web/t06sg20>

2. When hiring an accountant to audit the company's internal control system, the audit report prepared by the CPAs shall be disclosed: Nil.

(IX) For the most recent year and up to the publication date of the annual report, major resolutions and implementation by the shareholders' and board meetings:

1. Major resolutions of the Shareholders Meeting

Date of meeting	Resolutions	Implementation
2024.05.29	Ratification for business report and financial statements for 2023.	Resolution passed and announced on MOPS.
	Ratification for proposal for distribution of 2023 profits.	The 2023 earnings distribution was as follows: Cash dividends: a total of NT\$67,433,628 distributed (NT\$0.2 per share). Ex-dividend date: July 3, 2024. Distribution of cash dividend: July 22, 2024.

2. During the most recent year and as of the date of publication of the Annual Report, the Board of Directors held 7 sessions and the major resolutions are summarized as followed:

Date of meeting	Resolutions
2024.03.13	<ol style="list-style-type: none">1. Resolution passed for the 2024 business plan.2. Resolution passed for budget for 2024.3. Resolution passed for resolution of Remuneration Committee.4. Resolution passed for appointment of the chief internal auditor of the Company.5. Resolution passed for "Efficacy Assessment of Internal Control Systems" and "Statement of Internal Control System" for 2023.6. Resolution passed for financial statements, consolidated financial statements and business report for 2023.7. Resolution passed for distribution of remuneration to directors and employees for 2023.8. Resolution passed for distribution of 2023 profits.9. Resolution passed for evaluation of the independence and suitability of certified public accountants.10. Resolution passed for engagement of certified public accountants and their service fees for 2024.11. Resolution passed for disposal of equity interests in the holding companies, Tycoons Group International Co., Ltd. and Tycoons Group (Samoa) Holding Ltd.12. Resolution passed for proposal for determining matters pertaining to the convening of shareholders' meetings for 202413. Resolution passed for determining matters pertaining to the reception of shareholders' written proposals for the shareholders' meetings for 202414. Resolution passed for setting the ceiling of funds lent to Fastbolt International Pte. Ltd. NT\$1 million.15. Resolution passed for setting the ceiling of short-term advance payments to NT\$1 million for the subsidiary Tycoons Worldwide Group (Thailand) Public

Date of meeting	Resolutions
	Co., Ltd. 16. Resolution passed for amendments to the Company's internal control system
2024.05.14	<ol style="list-style-type: none"> 1. Resolution passed for the purchase of a parcel of land currently under court auction from a related party, Huang Ho, Jui-Nu 2. Resolution passed for the bank loan limit. 3. Resolution passed for appointment of the chief information security officer of the Company. 4. Resolution passed for consolidated financial statements for the first quarter of 2024.
2024.06.07	<ol style="list-style-type: none"> 1. Resolution passed for change of certified public accountants and their service fees. 2. Resolution passed for evaluation of the independence and suitability of certified public accountants. 3. Resolution passed for non-assurance services to be provided by Ernst & Young and its associate company. 4. Resolution passed for payment of remunerations for directors and managerial officers.
2024.08.12	<ol style="list-style-type: none"> 1. Resolution passed for consolidated financial statements for the second quarter of 2024. 2. Resolution passed for ESG report. 3. Resolution passed for the bank loan limit.
2024.11.13	<ol style="list-style-type: none"> 1. Resolution passed for the audit plan for 2025. 2. Resolution passed for the bank loan limit. 3. Resolution passed for amendments to the Company's internal control system. 4. Resolution passed for renewal of land lease from a related party, Huang, Ping-Lun 5. Resolution passed for consolidated financial statements for the third quarter of 2024. 6. Resolution passed for setting the ceiling of funds lent to JU GU CONSTRUCTION CO., LTD. to NT\$60 million.
2025.01.10	<ol style="list-style-type: none"> 1. Resolution passed for general re-election of Directors (including three Independent Directors). 2. Resolution passed for determining matters related to the convening of the 2025 Annual General Meeting of Shareholders of the Company. 3. Resolution passed for determining matters pertaining to the reception of shareholders' written proposals and nomination for the shareholders' meetings for 2025. 4. Resolution passed for the 2025 business plan. 5. Resolution passed for budget for 2025. 6. Resolution passed for resolution of Remuneration Committee. 7. Resolution passed for setting the ceiling of funds lent to JU GU CONSTRUCTION CO., LTD. to NT\$50 million. 8. Resolution passed for setting the ceiling of funds lent to Tycoons Worldwide Group (Thailand) Public Co., Ltd. to US\$10 million.
2025.03.10	<ol style="list-style-type: none"> 1. Resolution passed for list of nominees for Directors (including Independent Directors). 2. Resolution passed for lifting the non-competition restrictions for new Directors and other representatives. 3. Resolution passed for "Efficacy Assessment of Internal Control Systems" and "Statement of Internal Control System" for 2024. 4. Resolution passed to recognize an impairment loss on long-term investment. 5. Resolution passed for financial statements, consolidated financial statements and business report for 2024. 6. Resolution passed for proposal for offsetting accumulated losses for 2024. 7. Resolution passed for evaluation of the independence and suitability of certified public accountants. 8. Resolution passed for engagement of certified public accountants and their service fees for 2025. 9. Resolution passed for non-assurance services to be provided by Ernst & Young

Date of meeting	Resolutions
	<p>and its associate company.</p> <p>10. Resolution passed for amendments to the Company's "Articles of Incorporation".</p> <p>11. Resolution passed for amendments to the Company's internal control system.</p> <p>12. Resolution passed for capital increase to the subsidiary JU GU CONSTRUCTION CO., LTD.</p> <p>13. Resolution passed for setting the ceiling of funds lent to JU GU CONSTRUCTION CO., LTD. to NT\$70 million.</p> <p>14. Resolution passed for setting the ceiling of funds lent to Fastbolt International Pte. Ltd. NT\$1 million.</p> <p>15. Resolution passed for setting the ceiling of short-term advance payments to NT\$1 million for the subsidiary Tycoons Worldwide Group (Thailand) Public Co., Ltd.</p> <p>16. Resolution passed for the bank loan limit.</p> <p>17. Resolution passed for proposal for financial derivatives transaction undertaken by the Company.</p>

- (X) For the most recent year and up to the publication date of the annual report, important resolutions passed by the board of directors to which directors or supervisors had dissenting opinions and of which there are records or written statements: Nil.

IV. Audit Fees

(I) Audit Fees

Amount unit: NT\$ thousand

Accounting firm	Independent auditor	Accountant audit period	Audit fee	Non-audit fee	Subtotal	Remarks
Baker Tilly Clock & Co.	Lin Chi-Ping	2024/01/01	330	20	350	Non-audit fees are fees for reviewing the shareholders' meeting annual report
	Wu, Hsin-Liang	~ 2024/03/31				
Ernst & Young	Chen, Cheng-Chu	2024/04/01 ~ 2024/12/31	3,250	700	3,950	<p>1. In compliance with management needs and the group's overall strategic development, the company re-selected the CPA in the second quarter of 2024.</p> <p>2. Non-audit fees refer to fees paid for services such as tax attestation and transfer pricing reports.</p> <p>3. In the first quarter of 2024, the Company disposed of its equity interest in its holding company, Tycoons Group International Co., Ltd., and transitioned to a direct shareholding structure. Accordingly, the audit fees of sub-subsidiaries, which were previously recognized by Tycoons Group International Co., Ltd., are now recognized as expenses by the Company.</p>
	Lee, Fang-Wen					

- (II) Non-audit fees paid to independent auditors, accounting firms, and affiliated companies, thereof that amount to more than 1/4 of the audit fees: Nil.

(III) If an accounting firm is changed and the audit fees paid in the year of change are less than the audit fees in the year before the change, the amount, proportion and reasons for the decrease in audit fees should be disclosed: Nil.

(IV) If the public audit fees decrease by more than 10% compared with the previous year, the amount, proportion and reasons for the decrease in audit fees should be disclosed: Nil.

V. For the last two fiscal years and the period afterward, changes in independent auditors:

(I) Former certified public accountants

Date of change	2024.06.07		
Reasons and explanation	In compliance with management needs and the group's overall strategic development.		
State whether the Appointment is Terminated or Rejected by the Consignor or CPAs	Client	CPA	The Company (Consigner)
	Appointment terminated automatically		V
	Appointment rejected (discontinued)		
The Opinions other than Unmodified Opinion issued in last two years and the reasons for the said Opinions	None		
Any disagreements in opinion with the issuer	Yes		Accounting principle or practice
			Disclosure of financial report
			Auditing scope or procedures
			Others
	No	V	
	Explanation		
Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)	None		

(II) Successor certified public accountants

Name of the accounting firm	Ernst & Young
Name of the CPAs	Chen, Cheng-Chu, Lee, Fang-Wen
Date of engagement	2024.06.07
Prior to the formal engagement, any inquiry or consultation on the accounting treatment or accounting principles for specific transactions, and the type of audit opinion that might be rendered on the financial report	None
Written opinions from the successor CPAs that are different from the former CPA's opinions	None

(III) The former accountant's response regarding Item 1 and Item 3 of Subparagraph 1 of Paragraph 6 of Article 10 of this standard: Not applicable.

VI. Any of the company's chairperson, president, or managers responsible for financial or accounting affairs employed by the auditor's firm or any of its affiliated companies in the most recent year: Nil.

VII. For the most recent year and up to the publication date of the annual report, transfers of equity interest and changes in stock pledges of directors, supervisors, managers and shareholders with stakes of 10% or more:

(I) Transfer of equity interest and change in stock pledge of directors, supervisors, managers and shareholders:

Title	Name	2024		Current fiscal year up to March 31, 2025	
		Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares
Chairman	Bo Tian Investment Co., Ltd.	0	0	0	0
	Representative: Huang, Wen-Sung	(4,000,000)	0	0	0
Director and President	Lu, Yen-Chuan	0	0	0	0
Independent Director	Wei, Gong-Ao	0	0	0	0
Independent Director	Wu, Zhong-Xin	0	0	0	0
Independent Director	Huang, Qun-Kai	0	0	0	0
Vice President	Chang, Jui-Fu	0	0	0	0
Senior Manager	Chang, Hsin-Yueh	0	0	0	0
Accounting Officer	Chou Pi-Wan	0	0	0	0
Financial Officer	Chang, Wen-Hui	0	0	0	0
Corporate Governance Officer	Wang, Min-Hua	0	0	0	0

(II) Information showing the counterparty of the share-transferring is the interested party:
None ◦

(III) Information showing the counterparty of the share-in-pledge is the interested party:
None ◦

VIII.Shareholding percentage of top 10 shareholders and their mutual affiliations

Name	In person Shareholding		Shares held by spouse and minor child(ren)		Total shares held under other people's names		Names and relationships of spouse or other relatives within two degrees of consanguinity who are also among the Company's top 10 largest shareholders		Remarks
	Shares held	Shareholding percentage	Shares held	Shareholding percentage	Shares held	Shareholding percentage	Title (or name)	Relationship	
Yi Sheng Investment Co., Ltd.	28,140,523	8.35%	-	-	-	-	Nil	Nil	
Representative of Yi Sheng Investment Co., Ltd.: Huang, Chen-Hsuan	-	-	-	-	-	-	Nil	Nil	
Heng Xie Investment Co., Ltd.	25,785,022	7.65%	-	-	-	-	Nil	Nil	
Representative of Heng Xie Investment Co., Ltd.: Li, Tsui-Chuan	-	-	-	-	-	-	Nil	Nil	
Shou Fu Investment Co., Ltd.	16,841,743	4.99%	-	-	-	-	Nil	Nil	
Representative of Shou Fu Investment Co., Ltd.: Huang, Shao-Wei	-	-	-	-	-	-	Nil	Nil	
Bo Tian Investment Co., Ltd.	14,906,234	4.42%	-	-	-	-	Nil	Nil	
Representative of Bo Tian Investment Co., Ltd.: Huang, Wen-Sung	336,835	0.10%	-	-	-	-	Huang, Ping-Lun	Father and son	
Ju Yuan Investment Co., Ltd.	9,330,384	2.77%	-	-	-	-	Nil	Nil	
Representative of Ju Yuan Co., Ltd.: Lu, Yen-Chuan	4,207,397	1.25%	-	-	-	-	Huang, Ping-Lun	Mother and son	
Lu, Yen-Chuan	4,207,397	1.25%	-	-	-	-	Ju Yuan Investment Co., Ltd.	Director	
							Huang, Ping-Lun	Mother and son	
Huang, Ping-Lun	3,125,048	0.93%	-	-	-	-	Huang, Wen-Sung	Father and son	
							Lu, Yen-Chuan	Mother and son	
Pan, Jin-lai	2,256,368	0.66%	-	-	-	-	Nil	Nil	
Citibank as a custodian of Berkeley Capital SBL/PB investment account	2,140,650	0.64%	-	-	-	-	Nil	Nil	
Welfare Co., Ltd.	1,833,824	0.54%	-	-	-	-	Nil	Nil	

IX. Number of shares and consolidated shareholding percentages of investee companies held by the company, directors, supervisors and managerial officers of the company, and entities in which the company has direct or indirect controlling interest

March 31, 2025 Unit: Shares; %

Investees (Note1)	Invested by the Company		Held by directors, supervisors, managers, and directly/indirectly controlled entities		Aggregated investment	
	Shares held	Shareholding percentage	Shares held	Shareholding percentage	Shares held	Shareholding percentage
Hurco Automation, Ltd.	4,207,707	35%	—	—	4,207,707	35%
Tycoons Worldwide Group(Thailand) Public Co., Ltd.	188,462,477	31.58%	—	—	188,462,477	31.58%
Green Engineering Holding Co., Ltd.	74,250	45%	90,750	55%	165,000	100%
Kingford International Limited	5,938,051	100%	—	—	5,938,051	100%
TY Steel Co., Ltd.	16,185,593	5.94%	52,950,032	19.43%	69,135,625	25.37%
Fastbolt International Pte. Ltd.	4,743,000	49.41%	4,557,000	47.47%	9,300,000	96.88%
JU GU CONSTRUCTION CO., LTD.	6,000,000	100%	—	—	6,000,000	100%

Note1: Investment that is accounted for using the equity method.

Three. Share issuance

I. Source of share capital

Month / Year	Issue price	Authorized share capital		Paid-in capital		Remarks		
		Shares held	Amount	Shares held	Amount	Source of capital	Property other than cash provided as capital contribution	Others
October 1991	10	20,140,000	201,400,000	20,140,000	201,400,000	Capitalization of retained earnings of NT\$11,400,000	—	—
December 1991	10	30,140,000	301,400,000	30,140,000	301,400,000	Cash capital increase of NT\$100,000,000.	—	—
October 1992	10	31,647,000	316,470,000	31,647,000	316,470,000	Capitalization of retained earnings of NT\$15,070,000	—	—
April 1993	10	36,710,520	367,105,200	36,710,520	367,105,200	Capitalization of capital reserve of NT\$15,823,500; capitalization of retained earnings of NT\$34,811,700	—	—
December 1993	10	41,210,520	412,105,200	41,210,520	412,105,200	Cash capital increase of NT\$45,000,000	—	—
July 1994	10	48,422,361	484,223,610	48,422,361	484,223,610	Capitalization of capital reserve of NT\$20,605,260; capitalization of retained earnings of NT\$51,513,150	—	—
June 1995	10	83,500,000	835,000,000	71,279,535	712,795,350	Capitalization of capital reserve of NT\$24,211,180; capitalization of retained earnings of NT\$62,949,070 Capitalization of employee bonus of NT \$1,411,490; cash capital increase of NT\$140,000,000	—	—
May 1996	10	135,689,366	1,356,893,660	135,689,366	1,356,893,660	Capitalization of capital reserve of NT\$71,279,540; capitalization of retained earnings of NT\$71,279,540 Capitalization of employee bonus of NT \$1,539,230; cash capital increase of NT\$500,000,000	—	—
December 1996	10	400,000,000	4,000,000,000	235,689,366	2,356,893,660	Cash capital increase of NT\$1,000,000,000	—	—
July 1997	10	400,000,000	4,000,000,000	259,258,302	2,592,583,020	Capitalization of capital reserve of NT\$235,689,360	—	—
March 1998	10	500,000,000	5,000,000,000	379,258,302	3,792,583,020	Cash capital increase of NT\$1,200,000,000	—	—
July 1998	10	530,000,000	5,300,000,000	424,769,298	4,247,692,980	Capitalization of capital reserve of NT\$379,258,300 Capitalization of retained earnings of NT\$75,851,660	—	—
December 2004	10	530,000,000	5,300,000,000	451,984,494	4,519,844,940	Overseas convertible bonds that exercised conversion right, totaling NT\$272,151,960	—	—
March 2005	10	530,000,000	5,300,000,000	455,008,404	4,550,084,040	Overseas convertible bonds that exercised conversion right, totaling NT\$30,239,100	—	—
June 2007	10	640,000,000	6,400,000,000	455,008,404	4,550,084,040	Increased authorized capital to NT\$6.4 billion	—	—
April 2008	10	640,000,000	6,400,000,000	511,563,845	5,115,638,450	Domestic convertible bonds that exercised conversion right, totaling NT\$565,554,410	—	—
September 2008	10	640,000,000	6,400,000,000	552,230,397	5,522,303,970	Domestic convertible bonds that exercised conversion right, totaling NT\$406,665,520	—	—
July 2010	10	640,000,000	6,400,000,000	358,820,726	3,588,207,260	Capital reduction to offset losses of NT\$1,934,096,710	—	—
November	10	640,000,000	6,400,000,000	483,820,726	4,838,207,260	Cash capital increase of NT\$1,250,000,000	—	—

Month / Year	Issue price	Authorized share capital		Paid-in capital		Remarks		
		Shares held	Amount	Shares held	Amount	Source of capital	Property other than cash provided as capital contribution	Others
2010								
April 2013	10	640,000,000	6,400,000,000	498,349,004	4,983,490,040	Domestic convertible bonds that exercised conversion right, totaling NT\$145,282,780	—	—
June 2013	10	640,000,000	6,400,000,000	500,745,229	5,007,452,290	Domestic convertible bonds that exercised conversion right, totaling NT\$23,962,250	—	—
May 2014	10	640,000,000	6,400,000,000	540,424,450	5,404,244,500	Domestic convertible bonds that exercised conversion right, totaling NT\$396,792,210	—	—
December 2014	10	640,000,000	6,400,000,000	544,591,116	5,445,911,160	Domestic convertible bonds that exercised conversion right, totaling NT\$41,666,660	—	—
April 2015	10	640,000,000	6,400,000,000	547,091,116	5,470,911,160	Domestic convertible bonds that exercised conversion right, totaling NT\$25,000,000	—	—
July 2018	10	640,000,000	6,400,000,000	379,751,976	3,797,519,760	Capital reduction to offset losses of NT\$1,673,391,400	—	—
December 2018	10	640,000,000	6,400,000,000	479,751,976	4,797,519,760	Cash capital increase from issuance of new shares of NT\$1,000,000,000	—	—
June 2019	10	700,000,000	7,000,000,000	479,751,976	4,797,519,760	Increased authorized capital to NT\$7.0 billion	—	—
July 2023	10	700,000,000	7,000,000,000	337,168,138	3,371,681,380	Capital reduction to offset losses of NT\$1,425,838,380	—	—

Share categories	Authorized share capital				
	Outstanding shares			Unissued shares	Total
	Listed	Non-listed	Total		
Registered ordinary shares	337,168,138	-	337,168,138	362,831,862	700,000,000

Information on shelf registration: Not applicable.

II. List of major shareholders

Name of major shareholder	Shares held	Shareholding percentage
Yi Sheng Investment Co., Ltd.	28,140,523	8.35%
Heng Xie Investment Co., Ltd.	25,785,022	7.65%
Shou Fu Investment Co., Ltd.	16,841,743	4.99%
Bo Tian Investment Co., Ltd.	14,906,234	4.42%
Ju Yuan Investment Co., Ltd.	9,330,384	2.77%
Lu, Yen-Chuan	4,207,397	1.25%
Wang, Pi-Chang	3,125,048	0.93%
Pan, Jin-lai	2,225,368	0.66%
Citibank as a custodian of Berkeley Capital SBL/PB investment account	2,140,650	0.64%
Welfare Co., Ltd.	1,833,824	0.54%

III. Dividend Policy and Implementation Status

1. Dividend policy:

As the Company is undergoing a transformative stage, the consideration of dividend policy shall take into account the investment capital requirements, financial structure, earnings and other circumstances of the Company. The Board of Directors shall prepare the earning distribution proposal and submit it to the shareholders' meeting for a resolution.

In the event of profit after tax, the Company shall appropriate the profit to offset the following:

- (I) Tax payments.
- (II) Accumulated losses.
- (III) Legal capital reserve at 10% of the undistributed earnings other than profit after tax for the period.
- (IV) Special reserve required to be appropriated as stipulated by the law and regulations. The reversal of special reserve shall be integrated into the undistributed earnings before distribution as stipulated by the law and regulations.
- (V) After appropriating the aforementioned items from (I) to (IV), for the remaining earnings of the fiscal year, together with any accumulated undistributed earnings of the previous year and the adjustment of undistributed earnings of the fiscal year, the Company shall appropriate at least 50% to 100% as stock dividend. The remaining amount shall be reserved as the balance of undistributed earnings for the fiscal year. Of this, the cash dividend appropriated shall not be less than 10% of the total shareholder dividend distributed for the fiscal year.

For the aforementioned dividend distribution principles, the Company shall take into account the changes in the internal and external business environment. The board of directors shall prepare the distribution proposal and submit it to the shareholders' meeting for adjustment and resolution.

2. Proposal to appropriate cash dividend at the shareholders' meeting: No appropriation of cash dividend was proposed at this shareholders' meeting.

IV. The impact on the operating performance of the Company and EPS posed by the proposal of the shareholders' meeting to issue bonus shares

N/A

V. Employee, director and supervisor remuneration

1. Employee, director and supervisor remuneration policies as stated in the Articles of Incorporation:

For a profitable fiscal year (a profitable fiscal year refers to the annual profit before tax before deducting the remunerations of employees and Directors), the Company shall appropriate 2% to 5% of the profit as employee remuneration and not more than 1% as Director remuneration. However, in the event of accumulated losses, the Company shall reserve a sufficient amount to offset the losses.

The Company shall distribute the employee remuneration in the form of stocks or cash to eligible employees who fulfill certain requirements. The Board of Directors is authorized to resolve the requirements.

The disbursement of the employee and Director remunerations shall be passed by the Board of Directors via a special resolution.

2. The estimation basis of the compensation for employee, director and supervisor for the current period, the computation basis for the number of shares issued as stock dividend serving as employee compensation, and accounting treatments for any discrepancies between the amounts estimated and the amounts disbursed:

Since the current year is a net loss before tax, it is not planned to distribute employee remuneration and directors' remuneration. In accordance with the Company's Articles of Incorporation, if the estimated amount differs from the actual distributed amount, the discrepancies will be considered an accounting estimation and adjusted in the annual report.

3. Remuneration proposals passed by the Board of Directors:

(1) Employee, director and supervisor remuneration will be distributed in cash or stocks: N/A

(2) If the amount is different than the estimated annual expense amounts, the discrepancy amount, reason, and disposal status shall be disclosed: There was no discrepancy with estimated annual expense amounts: N/A

(3) The amount of employee bonus to be paid in stocks out of the current company-level financial report in terms of the sum of net profit after tax and employee bonus: Not applicable as the Company has no plans on distributing employee stock dividends.

4. Actual disbursement of employee, director, and supervisor profit-sharing compensation for the preceding year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed). In circumstances where the actual distributed differs from the recognized amount, the difference, reasons and handling of such matter shall be stated:

Unit: NT\$

Item	Actual allocation amount	Board resolution (2024.03.13)	Difference
Director remuneration (cash)	770,043	770,043	0
Employee remuneration (cash)	1,540,087	1,540,087	0

VI. Share repurchase by the Company: Nil.

VII. Status of Issuance of Corporate Bonds, Preferred Shares, Global Depository Receipts, Employee Stock Warrants, New Restricted Employee Shares, Merger and Acquisition Activities (including mergers, acquisitions, and splits), and Implementation of Capital Utilization Plans:

- (I) Issuance of Corporate Bonds: Nil.
- (II) Preferred Shares: Nil.
- (III) Global Depository Receipts (GDR): Nil.
- (IV) Issuance of Employee Stock Warrants and New Restricted Employee Shares: Nil.
- (V) Issuance of New Shares for Merger or Acquisition of Other Companies: Nil.
- (VI) Implementation of Capital Utilization Plan:

The Company does not have any security issuance that was incomplete or completed over the past three years but not fully yielded the planned benefits.

Four. Operational Highlights

I. Business Activities

(I) Business Scope

1. Main businesses scope of the Group:

- (1) Trading of screws, nuts, washers, bolts, and trading of mechanical hardware, hand tools, automobile materials and components.
- (2) Spheroidization heat treatment, casting, trading and fabrication of steel wire, screws, nuts and other related metal items.
- (3) Manufacturing, fabrication, trading and exporting of socket wrench components, torque wrenches, screwdrivers, wire rods, iron bars and chains.
- (4) Manufacturing, fabrication, trading, exporting and leasing of machinery components, forming machines, tapping machines, heading machines, trimming machines, threading machines, packaging machines, heat treatment equipment and components of the aforementioned machines.
- (5) Manufacturing, fabrication, trading and exporting of various types of metal modules.
- (6) General import and export trading. (Except those subject to special approval)
- (7) H701020 Industrial Factory Development and Rental.
- (8) H701010 Housing and Building Development and Rental.
- (9) C801010 Basic Chemical Industrial.
- (10) F107100 Wholesale of Chemical Materials.
- (11) ZZ99999 All business items that are not prohibited or restricted by law, except those subject to special approval.

2. Revenue distribution of main products:

Unit: NT\$ thousand

Product item	Operating revenue for 2024	Percentage over total sales %
Wire rods	1,912,157	23.89
Wires	1,895,788	23.69
Screws	2,963,441	37.02
Fabrication	256,943	3.21
Steel bars	633,622	7.92
Others	341,859	4.27
Total	8,003,810	100.00

3. Current main products of the Company:

- (1) Spheroidized wires
- (2) Wire rods
- (3) Steel bars
- (4) Large screws and construction screws
- (5) Heat treatment of spheroidized wires and screws

4. Development of new products and services:

With existing products and technology, via the mills in Thailand, the Company provides advanced equipment and R&D technology to manufacture wire rods to cater to domestic customers.

- (1) Various specialized screws and car screws.
- (2) Strengthen the sales of strengthened and professional grade spheroidized wires.
- (3) Heat treatment, acid cleaning, surface treatment and wire drawing of alloy steel spheroidized wires.
- (4) Research and produce couplers, shear studs and TC bolts and other construction screws.
- (5) In the production process of rolled steel in Thailand, the automatic detection and automatic grinder for billets increases the grade of the rolled steel products, thus increasing the percentage of high-value products in the product portfolio.
- (6) Build inventory within the mills and explore the feasibility of automated warehouses in the future.

(II) Industry overview:

1. Current and future industry prospects

Screws and nuts are crucial fasteners for various sorts of equipment. In Europe and the US, these products have been widely used for decades. The affiliated industry produces machine tools, industrial machinery, electronics, electrical machines, transport vehicles, household appliances, furniture, construction tools and equipment. The applications are wide. Therefore, screws and nuts are an evident indicator of the level of industrial development of a country. The higher the degree of industrialization, the higher the demand.

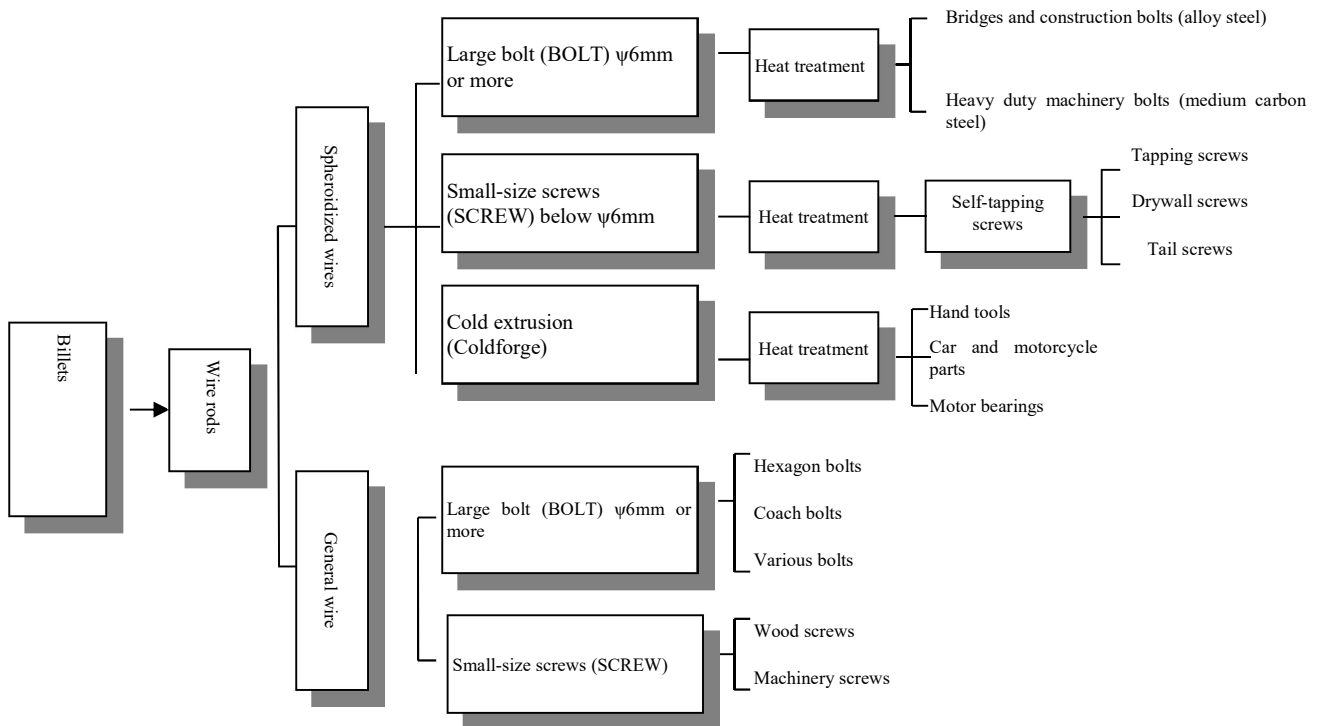
Our country has more than 40 years of history in the industrial development of screws and nuts. Due to the rapid development of industries, since the Taiwan Industrial Fasteners Institute was founded in 1969, there are more than 1600 screw factories in the country currently, many of which produce low carbon steel screws. Approximately 70% of the factories are located in the Tainan and Kaohsiung areas. The rest are located in the central and northern parts of the country. Of these, most of the mills are small enterprises that are mainly involved in the stabilized finish of the screw fabrication process. For the spheroidization of wires, surface machining and carburized heat treatment that require large investments in production equipment, they normally engage the services of other suppliers. As such, overall, in terms of operating scale, production technology, product development and international marketing capability, the usual small enterprises need to make frequent investments and introduce advanced R&D technology and equipment to increase their business operation. However, currently, for the product development of screws and nuts, the competitive advantages in terms of R&D and low production costs have made Taiwanese suppliers the main suppliers of Europe and the US, winning the title of “Screw Kingdom of the World”.

In recent years, the traditional screw manufacturing industry of Taiwan is facing stiff pricing competition from counterparts in Southeast Asian countries and Mainland China, who are gaining advantage rapidly. This has caused the domestic fastener manufacturers to transfer their low-end production lines elsewhere. As such, in the future, within the country, the market opportunity for the screw industry lies with higher end fastener products, including aerospace, motor vehicle and other industrial high-value fasteners. Furthermore, in the global fastener market, especially international fastener brands are practicing a global operating strategy in constructing a global division of labor to reduce management, manufacturing and sales costs. Apart from focusing on core businesses with internal resources, they expedite the transfer of midstream and downstream production and sales processes to regions with lower production costs. This trend has caused the competition of the future fastener industry not to localize in competition between enterprises, but in competition between supply chains, or even between industrial systems.

2. The connection of upstream, midstream and downstream industries

Screws are indispensable fastener components in industrial products. Their manufacturing process involves shaping billets into wire rods. The wire rods are then subject to acid cleaning and drawing to wire form or spheroidized wires. They are then further subjected to heading and threading and surface treatment to become screws. The subsequent heat treatment will turn them into screws with high hardness. The related upstream industries are of wire and wire rod fabrication. The affiliated industries are manufacturing of screw forming machines, electroplating and heat treatment systems, while the downstream industries

are the manufacturing of appliances, machinery, motor vehicles and construction. Therefore, as the economy grows and industrialization deepens, the demand for products and their upstream industries will grow accordingly.



3. Product development trends and competition

(1) Screws, nuts and bolts

Development trends: With the current machine-making technology in the country, the production capacity and precision have seen substantial improvements. Compounded by the fact that wire production has incorporated professional spheroidized heat treatment, the shortfall of screws and nuts initially brought by the quality of raw material has seen much improvement. As such, in the foreseeable future, we would still be the main supply source. As the technological and industrial structure is ever changing all over the world, the industries of advanced countries are becoming more cutting-edge and sophisticated. As developing and underdeveloped countries are playing catch-up in industrialization, they require the supply of large amounts of high quality and reasonably priced products. In the past 40 years, the domestic industry has been developing, making our country the main choice for many international markets. In the future, based on the current foundation, the manufacturers of our country shall combine different sorts of special steel and alloy steel to fabricate high-end products for military, motor vehicle, aerospace and other industries, in hopes of producing better quality and more value-adding products.

For screw and nut products, the US market is important to the Company, because it is the most important market for screw and nut products in the whole world. The Company has accumulated much reputation and acknowledgement in the US market.

Competition: Currently, our country is one of the main suppliers of screw and nut products for the global market, constituting 50% of the total exports. Therefore, the fastener export of our country is closely related to the US market. Our main competitors in the US market are businesses from Mainland China. Currently, the top five countries that the US mainly imports from are Mainland China, Taiwan, Canada, Japan and South Korea, which constitute approximately 90% of US imports.

(2) Spheroidized wires:

Development trends: According to the classification of China Steel, wire with a diameter of 14 mm or more is called bar in coil. For wire with a diameter of 5.5 mm to 14 mm, in the traditional screw and nut making process, the wire is directly used for fabrication. The final product has less ruggedness and safety. With the upgrade of the industry, domestic manufacturers are moving toward developing high-end screws with more added value. Whereas the spheroidized wires not only make better quality products, they also have better ductility, which is beneficial for the fabrication in downstream industries. As such, the development of spheroidized heat treatment is also growing. The vertical integration of the production processes of upstream and downstream industries has become the development trend.

Competition: Currently, the companies that possess the professional technology to produce spheroidized wires are China Steel Corporation, Chun Yu Group, Tycoons and Dragon Steel Co., Ltd. Apart from China Steel which performs spheroidized heat treatment on alloy steel, medium and low carbon steel are the ideal material for other manufacturers. The Company has new spheroidization equipment, in which the main equipment is the electric bell-type heat treatment furnace that can provide flexible production. The production process is computer-controlled and, therefore, the wire can undergo a more complete production treatment. As the R&D department of the Company's investee Tycoons Worldwide Group (Thailand) continues to make improvements on its existing equipment and basic materials, shortening production processes with effective management and cost reduction, the Company can gain more competitive advantages than its counterparts.

(3) Wire rods:

Development trends: Wire rods are made from small billets. Further processing of the wire rods can produce screws, nuts, steel wires and other downstream products. The wire rods are classified into high, medium and low carbon wire rods according to their carbon content. Of these, wire rods with a carbon content of 0.45% or more are high carbon wire rods, wire rods with a carbon content between 0.22% to 0.45% are medium carbon wire rods, and wire rods with a carbon content of 0.22% or less are low carbon wire rods.

Meanwhile, as per the understanding of Taiwanese manufacturers on material A, material K and material R, material A refers to killed steel that undergoes aluminum deoxidation. As the metallographic composition is dense and fine, the surface of the wire rods has impeccable quality. It can be directly used for forging the components of final products without heating and is usually used for making high-end screws. Material R refers to rimmed steel, a.k.a. semi-killed steel. For its production billet steel, which is commonly known as cogging, is usually used for the fabrication. It has the smooth surface of billet steel, which is commonly known as soft material. It is commonly used in nut making and classified as low carbon steel. As for K material, it refers to killed steel, i.e. killed steel that undergoes aluminum or silicon deoxidation. It is made using continuous casting and is commonly known as hard material. It is commonly used in making hardware (e.g. wire nails, wire gauze, etc.) and also classified as low carbon steel. Of these, the raw

material of material A wire rods is mainly made using small billets produced by blast furnace mills, whereas, the K and R materials are made from small billets produced by electric furnace mills. Therefore, the quality and unit sale price of A material wire rods are higher than K and R materials.

The price of raw material of wire rods, the billets, is subject to the international steel market. For the future development of the global steel and iron market, the supply side shall play a fairly important role. Currently, apart from Mainland China, it is difficult for other developed countries to increase their rough steel production. The speed of the capacity expected to be put into production and the corresponding demand of Mainland China are the largest impact on the global steel industry. The demand of steel in Mainland China fluctuates according to the macro-control of the government. As such, the steel policy of Mainland China and its supply and demand in the recent years have great impact on Taiwan.

Competition: As the production of wire rods is a capital intensive industry and the investment in equipment is substantial, the investment in wire rod production is largely made by large domestic manufacturers. The main manufacturers are China Steel Corporation, Yieh Hsing Enterprise Co., Ltd., Feng Hsin Steel Co., Ltd., Quintain Steel Co., Ltd. and Tycoons Worldwide Group (Thailand). Since the domestic market is open for import, wire rods from Mainland China have threatened the survival of domestic manufacturers and replaced part of the import from other foreign manufacturers. Apart from the import from Japan and Korea which is fairly steady, much of the import from other countries has fallen substantially.

(III) Technology and R&D:

1. Technology and R&D

The Company manufactures wire rods and wires, which are raw materials for the downstream screw production. The wire rods are manufactured by Tycoons Worldwide Group (Thailand). The R&D planning is made by the R&D team in Thailand. In recent years, due to the pricing competition posed by manufacturers from Southeast Asian countries and especially Mainland China, the Company has turned to manufacturing high-end products and the development of production technology, and has started to develop large screws and car parts to avoid low-end competitive convergence. Via the overall upgrade of technology and success in new product development, the Company has gained more competitive advantages in the screw market. The Company vertically integrates the upstream industry by investing in TY Steel to produce the raw material billets. The quality of the raw material is better controlled and the variety and stability of products can be increased.

2. R&D researchers and their qualifications: Nil.

The industry of the Company is one with mature technology. The main competitive advantages of the Company include its improved production technology which can better control product quality, the control of raw material sources and enhanced operating efficiency. Therefore, the Company currently has no designated specific personnel in its R&D department.

3. Successfully developed technologies or products:

(1) Foreign patents

The Company has obtained a U.S. invention patent for the "tapping screw," valid from April 19, 2022, to December 7, 2040.

(2) Domestic patents

- i. The Company currently holds an invention patent (No. I744688) for a "tapping screw," valid from November 1, 2021, to September 2, 2039.
- ii. The Company holds a national patent (No. I853674) for an "unloader of wire descaling equipment," valid from August 21, 2024 to August 16, 2043.

- iii. The Company holds a patent (No. I860045) for "wire descaling equipment and descaling process," valid from October 21, 2024 to August 16, 2043.
- iv. The Company holds a national patent (No. I867690) for a "preprocessing and vibration device of wire descaling equipment," valid from December 21, 2024 to August 16, 2043.
- v. The Company holds a national patent (No. I867691) for a "loader of wire descaling equipment," valid from December 21, 2024 to August 16, 2043.

Certificate authority of Tycoons Group Enterprise

Item	Content of certificate	Certification unit	Certificate number
1	ISO 9001 : 2015	SGS	TW14/10817
2	Studs for drawn arc stud welding - concrete anchor and shear connectors	Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs	Tai-Zheng-Zi No. 7407
3	ISO 14067:2018	DNV	C748170-2024-AP-TWN-DNV

Certificate authority of Tycoons Worldwide Group (Thailand)

Item	Content of certificate	Certification unit
1	ISO 9001:2015	UKAS
2	ISO 14001:2015	UKAS
3	ISO/IEC 17025	Thai Industrial Standards Institute (TISI)
4	EN 14566 、 EN 14592 、 EN 15048	CE
5	TIS 348-2559 、 TIS 24-2559 、 TIS 20-2559	Thai Industrial Standards Institute (TISI)
6	CFO 、 CFP	Thailand Greenhouse Gas Management Organization (TGO)
7	ISO 14064 、 ISO 14067	Bureau Veritas (BV)

4. Future R&D program:

No R&D program thus far. The Company shall continue to make improvements on production processes and implement ISO 9001:2015 and TAF certification on quality management systems to ensure the stability of quality and yield.

(IV) Short and long-term operating development plans:

1. Short-term operating development plans:

- (1) In the wire rod market, order intake remains strong. With the significant increase in production capacity following the expansion of the pickling line, the Company is well positioned to fully meet customer demand while also expanding its customer base and increasing wire rod shipments.
- (2) Following the replacement of outdated heat treatment furnaces, production capacity has significantly increased. With a rebound in market demand for screws, the Company is actively securing orders.
- (3) Driven by ongoing construction in the tech industry, urban renewal projects, and factory-office developments, domestic demand for shear studs is expected to remain stable in the short to medium term.

2. Long-term operating development plans:

(1) Develop sales market with diversification.

The Tycoons Group owns production and sales bases located in Taiwan, Thailand, and Mainland China. Our products include wire rods, wires, screws, bolts, and steel bars. The diversification and outstanding quality of the products and the vertical integration of production will bring the Group certain competitive advantages. The Company will actively respond to the market to develop flexible strategic cost management. The operating and sales department will stay close to different customers and set price according to their needs to facilitate the sales and order receiving.

(2) Adjustment to the production and sales portfolio will benefit the profitability of Tycoons Worldwide Group (Thailand) Public Co., Ltd.

The outflow of China's manufacturing capacity and the influx of low-priced products into the ASEAN market have caused a significant negative impact on ASEAN countries. The future development of Thailand's steel industry will largely depend on the Thai government's ability to effectively stimulate economic growth and curb the dumping of low-priced products from China. In a sluggish steel market, Tycoons Worldwide Group (Thailand) Public Co., Ltd. leverages its diverse product portfolio and timely adjustments to its production and sales portfolio to improve profitability.

(3) The Company shall adjust operating strategies and undertake vertical integration for its production model

Tycoons Taiwan has transformed itself into a professional wire rod manufacturer in recent years. It plans to expand its acid cleaning and heat treatment capacity to fully meet customer demand while expanding its customer base and increasing wire rod shipments. In the future, we will continue to strengthen the one-stop production service from wire rods trading to wire processing. The Group is currently upgrading its equipment to improve production line utilization rate and create new opportunities for the Company.

The Group owns production and sales bases located in Taiwan, Thailand, and Mainland China. Our products include wire rods, wires, screws, bolts, and steel bars, plus billets produced by the associate. In the future, we will leverage the synergy of vertical integration, from top-to-bottom production, to respond to the rapidly changing market trend through our domestic and overseas bases in Taiwan, Thailand, and Mainland China. It is believed that the diversity and excellent quality of products will bring the Group with competitive advantages.

(4) Rigorous planning, paying attention to details and fostering an optimization culture consistently

The Company seeks to focus on main business operation and internal control. For expense control, yield enhancement and customer service, the Company has undertaken rigorous planning on various details on these fronts. Furthermore, the management team has cultivated a good culture of paying attention to details, which is beneficial for enhancing management efficiency.

II. Market and sales overview

(I) Market analysis:

1. The sales regions for main products and services are as follow:

- (1) Wire rods: Wire rods are the main raw material for the spheroidized wires produced by the Company. They are mainly procured from Tycoons Worldwide Group (Thailand). The wire rods are then made into wires via roughing, spheroidization and annealing, acid cleaning and fine drawing before selling to downstream manufacturers within the country to make screws, nuts, hand tools and other hardware parts. Apart from taking the production capacity, market demand and inventory level reserved for spheroidized wire production into consideration, the Company also sells wire rods to customers directly, depending on the domestic market demand, to make up for the partial steel product supply gap in the country.

- (2) Spheroidized wires: The spheroidized wires of the Company are mainly supplied to the screw makers within the country.
- (3) Screws: Screws are usually made by subjecting wires to acid cleaning, wire drawing, heading, thread rolling, heat treatment and surface treatment before they become screws. The self-tapping screws of Tycoons are made by subjecting wires to heat treatment in bell-type furnaces to turn them into spheroidized wires. Via heat treatment fabrication, the internal structure of the steel is turned into a uniform spherical shape with a lower hardness. The self-tapping screws can be widely used for fastening in industrial machinery, electronics, appliances, furniture, construction, transportation equipment and many other industrial products. The screws of the Company are mainly exported to Europe and the US.
- (4) Steel bar products:
 - A. Deformed bars: Deformed bars refer to bars in which the surface contains transverse ribs and longitudinal ribs or gaps that can strengthen the adhesion between concrete and cement. For the product category of SD40 and SD50, the specification is divided into DB10, DB12, DB16, DB20 and DB25. The billets are heated and drawn into steel bars which are then cut into bars with a diameter between 10 to 12 meters with the clipper system.
 - B. Round bars: Round bars refer to bars which have a smooth surface (specification of RB6 - RB25)

Apart from providing the usual deformed bars that the market requires, the Company also manufactures wire rods. The customers can do their own cutting according to their own needs. This can reduce the attrition rate and lower the cost, while satisfying the customer needs. In 2018, with the steel bar production of the affiliated company, TY Steel Co., Ltd., the Company shall be able to provide and sell construction-use steel of all sizes under the TY brand name, thus rapidly expanding market share.

2. Market share:

- (1) Spheroidized wires:

Spheroidized wires are made by subjecting wires to spheroidized heat treatment in the bell-type furnace. They possess better ductility and can facilitate plastic working. They are mainly provided to make complicated and high value-added screws, and therefore have become an indispensable cold-headed steel. In recent years, they have replaced the usual rods and wires.

For the production of spheroidized wires, the Company possesses integrative production equipment for wire drawing, acid cleaning, spheroidized heat treatment furnace. Therefore, not only can the Company fully control the product quality of the spheroidized wires, it can also make continuous improvements and carry out R&D of the production process and equipment. Through the steel mill in Thailand, the Company is able to provide sophisticated equipment and R&D technology to produce wire rods that cater directly to domestic customers. Therefore, the Company is able to maintain its position among its counterparts. Based on the current market demand, the market share of the Company constitutes approximately 0.3% to 1%.
- (2) Wire rods:

Based on the demand of wires and the supply provided by other domestic manufacturer in Taiwan, the market share of the Company is not high and has room for improvement. Depending on the market demand, pricing and profitability in the Taiwanese and Thai markets, Tycoons Worldwide Group (Thailand) shall determine the sales regions for the wire rods it produces.
- (3) Screws: According to the export of screws, the market share of the Company amounts to approximately 1% to 2%.
- (4) Steel bars: The Company shall develop the ASEAN market, e.g. Myanmar, Laos and Cambodia, through wholesalers and traders.

3. Future market supply and demand, and growth:

Steel is the foundation of industrialization. It is the basic raw material of many infrastructures. The downstream industries include construction, motor vehicles, machinery, electrical appliances, personal computers, electromechanics and more. The usage is very wide. Therefore, the demand for steel is closely related to the global economy.

As the world is seeking to rebuild after the pandemic, demand from corporate investment and industrial production will increase. The number of industrialized countries is also growing. In the future, Africa, Asia and many more markets will have expanded potential. There shall be ample room for development.

4. Niche markets and targets for future revenue:

With existing products and technology, via the mills at Thailand, the Company shall provide:

(1) Technological niche:

The Company possesses sophisticated equipment and R&D technology in manufacturing wire rods to cater to domestic customers.

(2) Cost niche:

Through the integrated professional production of billets, wire rods, spheroidized wires, steel bars and screws, the Company is able to control costs and provide competitive price quotations to customers.

(3) Steady supply of materials:

The integrative upstream, midstream and downstream production enables the Company to produce steady product quality and quantity.

(4) Tycoons Group:

By making use of cost advantage by integrating the upstream and downstream production, the Company actively seeks to develop into a supplier of steel raw material.

(5) Expected sales volume:

Sales targets for 2025 are as follows:

Product name	Sales volume (metric ton)	%
Wire rods	111,443	31
Fabrication	108,600	30
Spheroidized wires	64,542	18
Screws	56,721	16
Steel bars	18,010	5
Total	359,316	100

5. Favorable and unfavorable factors in development prospect and countermeasures:

(1) Favorable factors:

A. Products are widely used and the market potential is high

Wires are the raw material for screws, hand tools, steel wires, and steel cables, while screws are indispensable fasteners for all sorts of equipment (for industrial, household and commercial use). The affiliated industries produce machine tools, industrial machineries, electronics, electrical machines, transport vehicles, household appliances, furniture, construction tools and equipment. They are widely used. Furthermore, the product has no replacement or product lifecycle issues. The demand for wires and screws will grow with the development of industries. The demand of industries can be fully catered to. Therefore, the future market has much room and potential for growth.

B. Build a flexible production system and develop the business

To effectively control supply stability, lower operating costs, increase quality and expand markets, the Company has located its operating base in Taiwan and established

a professional mill that integrates the upstream, midstream and downstream processes to manufacture billets, wire rods, spheroidized wires, steel bars and screws. According to customer demands, the Company is able to arrange for the globally collaborative division of labor of its domestic and international bases in a flexible manner. The Company is thus able to expand its international markets, increase global market share, build an international marketing network and create more profitability for domestic industry.

C. Infrastructure and industry upgrade of Thailand

In the middle of 2016, the Thai government launched an economic development program, Thailand 4.0, which is a blueprint for industry upgrade that covers a 20-year period from 2017 to 2036. It contains six major areas for development and ten popular industries. In the coming eight years, the Thai government is expected to invest well over THB 3 trillion in infrastructure. A substantial expansion in the networks of railways and expressways and other core infrastructure shall be undertaken, which aims to lower logistic costs, make it more attractive to investors, and develop the Eastern Economic Corridor (EEC), thus bolstering the competitiveness of the country.

Of these, EEC is the flagship program of the Thai government. In May 2017, the Thai government cited Thailand's Constitution of 2017, Section 44 and lifted certain restriction to accelerate the development of ECC. The items that were initiated at the end of 2018 included: U-Tapao International Airport, a bullet train that connects three international airports, the third container port of Laem Chabang Deep Sea Port, Map Ta Phut Third Industrial Port, six EEC double-track rails and Chonburi-Pattaya-Map Ta Phut expressway. Other projects include an airport in the east, U-Tapao's aircraft maintenance, repair and operating center and a bullet train network from Bangkok to Rayong. It is estimated that at the end of 2021, the construction of infrastructure shall begin. The demand for steel is expected to grow. The future economic growth of Thailand is expected to drive its steel market.

D. Thailand banned expansion of production capacity for billets/steel bars

To resolve the issues of excess capacity and financial loss of steel companies, on January 29, 2019, the Thai cabinet approved the draft legislation from the Ministry of Industry. According to the Factory Act B.E. 2535, for the next five years, Thailand has banned the construction or expansion of the production capacity of steel bars and the billets that are used to produce steel bars, in hopes that steel makers in the country can make internal adjustments and accelerate technological development. Under the act, the product prices of TY Steel for billets and steel bars shall stabilize. Furthermore, with adjustments made to production processes and improvements on production technology, the profitability of the Company is expected to increase. The legislation has taken effect since January 11, 2020.

E. Dumping and Capacity cut of China

As China's economic growth slowed down. In recent years, steel production capacity has been expanded too much, coupled with the China's government's policy to incentive exports, causing dumping of steel products from China to the world. Fortunately, China canceled its export tax rebate program for steel products in May 2021, greatly reducing the competitiveness of Chinese steel prices. In the future, under China's "Carbon Double" emission control target policy, China aims to peak emissions by 2030 and achieve carbon neutrality by 2060. It will continue to increase pressure on steel mills to reduce production and emissions. This will help stabilize supply and prices of the steel market in Asia in the future.

(2) Unfavorable factors and countermeasures:

A. Growing production cost every year:

Currently, the supply of labor is in shortage. Labor costs are presenting an upward trend. With the increase in oil prices, production costs are growing every year. The Company follows its budget tightly. All procurement costs are examined one by one to avoid unnecessary spending.

B. Dumping from Mainland China and elimination of production capacity

For the past few years, as the Chinese economy slows down, the production capacity of the steel industry in Mainland China has been worsening. Compounded by government policy that encourages exporting, steel products from Mainland China are sold in every corner of the world.

After three years, China has reduced 150 million metric tons of excess capacity. The China Iron and Steel Association indicated that in 2020, it shall promote differential treatment in terms of “limitation of production for environmental protection” and “staggered production” pertaining to steel mills in Mainland China, so as to expedite their transformation to establishments with low pollutant emissions and to improve the control measures on environmental protection classification. Meanwhile, to solidify the transformation at the supply side, the government has banned the new addition of production capacity and strictly enforcing the Catalogue for Guiding Industry Restructuring, whereby all backward stainless steel, tools and die steel produced by medium-frequency furnaces must be eliminated before June 2020.

C. New production capacity of neighboring countries

In 2018, Vietnam completed a new steel mill with a yearly production capacity of 7.1 million metric tons. In the first quarter of 2019, Alliance Steel from Malaysia also completed a new steel mill with a yearly production capacity of 5 million metric tons. In 2019, the excess capacity of these two countries led them to dump their products in Thailand, causing the local steel prices in Thailand to fall. The Company has collaborated with other manufacturers in the country to request the government to launch an anti-dumping investigation, so as to prohibit illegal low-price dumping behavior.

(II) Important use of main products:

1. Wire rods:

Wire rods are the main raw material of the Company in manufacturing wires. They are mainly procured from Tycoons Worldwide Group (Thailand). Apart from the Company's own production capacity needs, fluctuations in market demand and inventory level for self use, the rest are sold to serve existing customers.

2. Wires (including OEM services):

Wires are made by subjecting steel to spheroidizing and annealing. They have better ductility, which can facilitate the fabrication process of downstream industries. They are wire rods that have been subject to wire drawing, heat treatment and spheroidization. The wires are supplied to downstream manufacturers for producing screws, nuts, hand tools and other hardware parts.

3. Screws (including heat treatment processing):

Screws are usually made by subjecting wires to acid cleaning, wire drawing, heading, thread rolling, heat treatment and surface treatment before they become screws. The self-tapping screws of the Company are made by subjecting wires to heat treatment in bell-type furnaces to turn them into spheroidized wires. Via heat treatment fabrication, the internal structure of the steel is turned into a uniform spherical shape with a lower hardness. The self-tapping screws can be widely used for fastening in industrial machinery, electronics, appliances, furniture, construction, transportation equipment and many other industrial products.

4. Steel bars:

Construction steel bars, used in public constructions.

(III) Manufacturing process of main products:

1. Wire rods

(1) Examination of billets and straightening of production line:

After billets are straightened, steel shots are used to remove rust. The billets are then moved to a fluorescent magnetic particle flaw detector for examination of flaws. The flaws detected are marked.

(2) Grinding of billets:

Grinding wheels are used to remove flaws on the surfaces of billets. After thorough grinding, the billets are suitable to subject to cold heading, cold forging, cold drawing, cold twisting and other intensive fabrication processes that use billets as raw material and have high requirements in terms of quality.

(3) Heating furnace:

The billets are sent to the heating furnace for heating to the temperature required for hot rolling.

(4) Hot rolling production line:

The billets are sent to hot rolling mills (these mills include roughing mill, intermediate mill and finishing mill, totaling 18 mills). After hot rolling, the products go through bar reel for coiling. The products are then sent to the ventilation system for cooling. They are then turned into the finished products and known as “bar in coil”.

(5) Screw conveyor:

Afterward, if the steel material is subject to 10 wire finishing mills for rolling, the line winder equipment will turn the straight steel material into coils before sending them for cooling via the air-cooled conveyor belt. The coils are then sent to reshaping machine to form “wire rods”.

2. Spheroidized wires

(1) Roughing:

The wire rods go through machinery for rust removal, using dies for drawing to form wires with a smaller diameter.

(2) Spheroidization and annealing:

The wires that have undergone roughing are sent to a bell-type furnace to turn the internal structure of the steel into a uniform spherical shape.

(3) Acid cleaning and coating:

The spheroidized wires are subject to acid cleaning and coating with phosphate salt and metallic soap, which can serve as lubricant in the fine drawing of subsequent processing.

(4) Fine drawing:

Lastly, the wires are subject to skin pass processing for fine drawing to form spheroidized wires with the desired sizes.

3. Screws

(1) Heading and tapping:

The wires are sent to the molding mill and subject to heading and tapping machine.

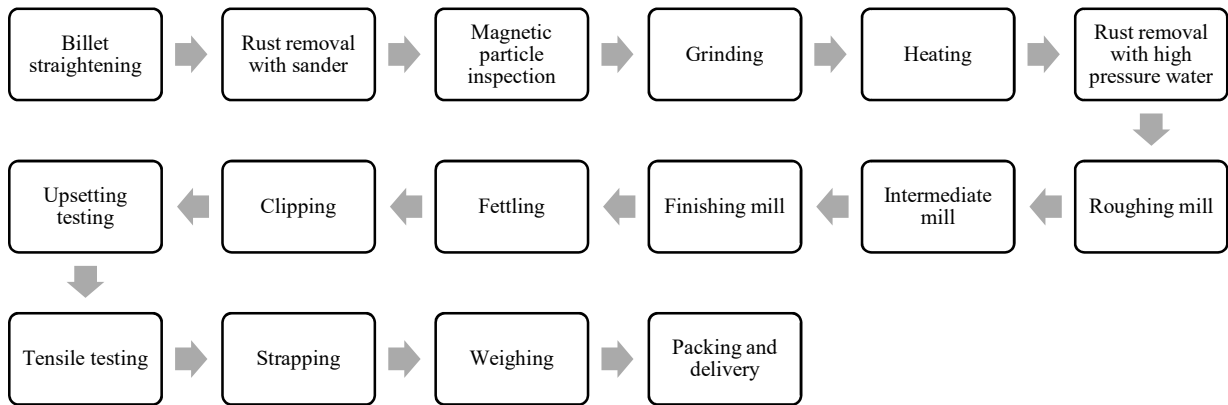
(2) Surface hardening:

After molding, the screws are subject to carbonization to improve their mechanical strength.

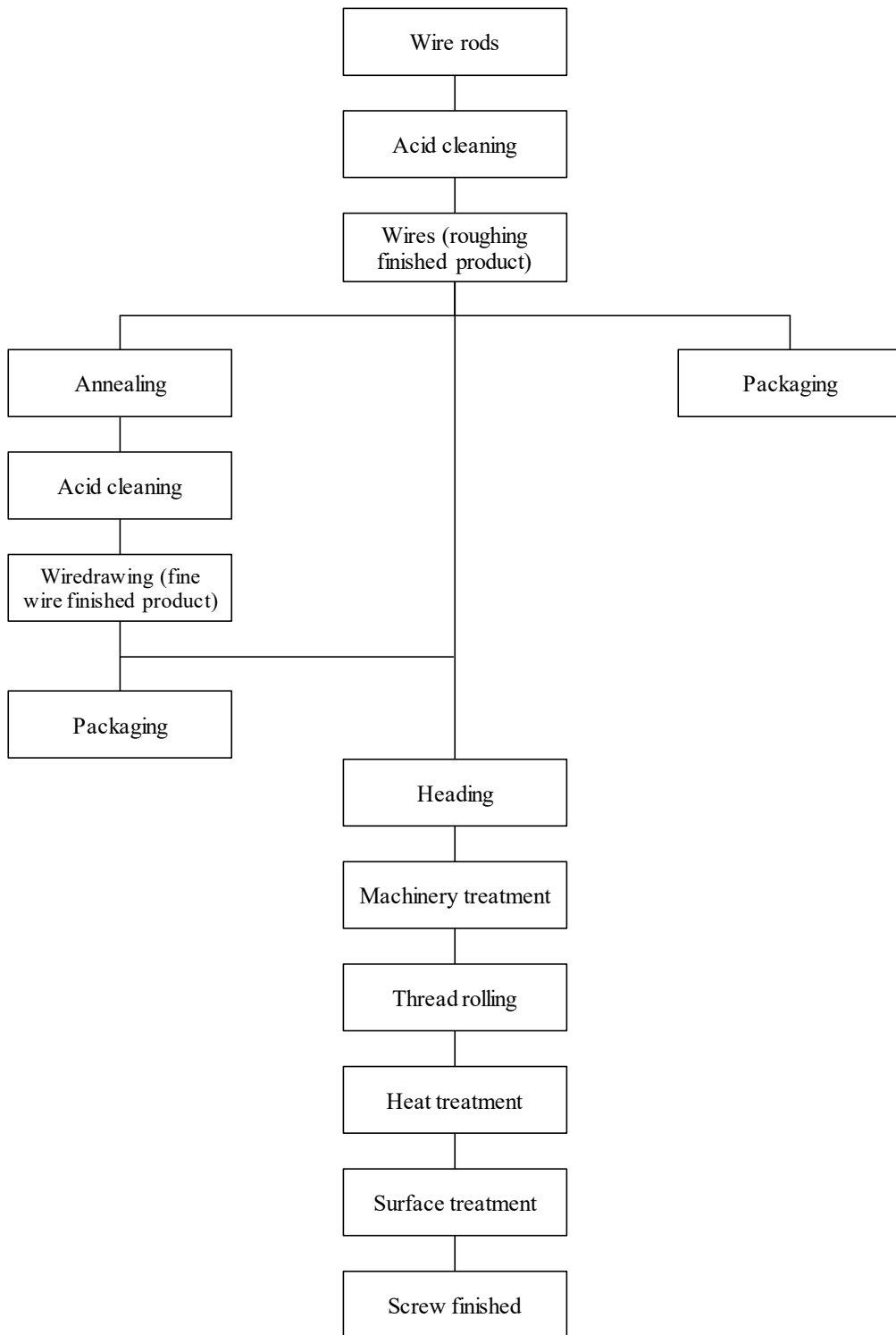
(3) Electroplating:

To avoid rusting and improve the exterior, the screws require surface treatment and coating. The surface treatment required depends on the customer needs, which may include phosphate coating, galvanization, dacromet and ruspert coating.

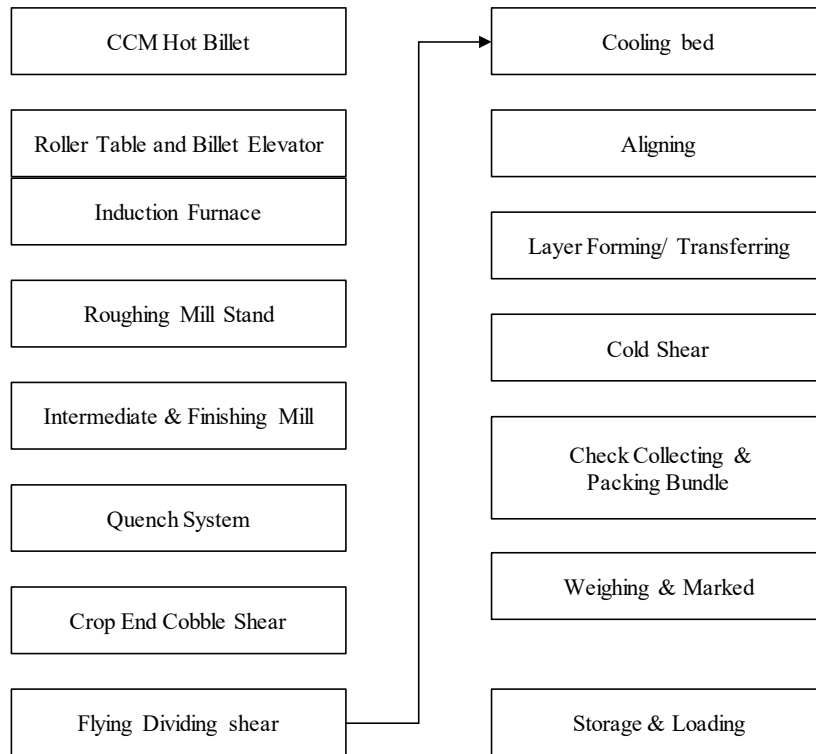
<<Wire rods production diagram:>>



<<Screw and wire rod production diagram>>



<<Steel bar production diagram>>



(IV) Supply status of main raw materials:

The main product of the Company (Tycoons Group Enterprise) is spheroidized wires. The raw material used is wire rods. The raw materials are mainly imported from overseas suppliers. Therefore, the material source is abundant and the quality is stable.

(V) List of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

1. Information on major customers for the most recent 2 fiscal Years

Unit: NT\$ thousand

Item	For the Year Ended December 31, 2024				For the Year Ended December 31, 2023			
	Company Name	Amount	Percent of Annual Net Sales (%)	Relation with the issuer	Company Name	Amount	Percent of Annual Net Sales (%)	Relation with the issuer
1	-	-	-	-	-	-	-	-
	Other	8,003,810	100.00		Other	8,420,093	100.00	
	Net sales	8,003,810	100.00		Net sales	8,420,093	100.00	

(1) Reason of changes: The Company's sales targets are less concentrated, and the amount sold per single target has not exceeded 10% in 2024 and 2023.

(2) The publication date of the Company's annual report is April 9, 2025. Therefore, the latest financial statements audited, certified, or reviewed by the CPAs are the 2024 statements.

2. Information on major suppliers for the most recent 2 years

Unit: NT\$ thousand

Item	For the Year Ended December 31, 2024				For the Year Ended December 31, 2023			
	Company Name	Amount	Percent of Annual purchases (%)	Relation with the issuer	Company Name	Amount	Percent of Annual purchases (%)	Relation with the issuer
1	A	1,105,015	16.52	Associate	A	1,451,513	26.23	Associate
2	B	819,267	12.25	None	-	-	-	-
	Other	4,762,847	71.23		Other	4,082,417	73.77	
	Net purchases	6,687,129	100.00		Net purchases	5,533,930	100.00	

(1) Reason of changes: Procurement plans were adjusted to adapt to the changes of the supply-demand situation and prices.

(2) The publication date of the Company's annual report is April 9, 2025. Therefore, the latest financial statements audited, certified, or reviewed by the CPAs are the 2024 statements.

III. Employees for the most recent two years and up to the publication of the annual report

Year		2023	2024	March 31, 2025
Number of employees	Management	96	91	91
	R&D staff	3	5	5
	Staff	252	240	244
	Operator	785	679	666
	Total	1,136	1,015	1,006
Average age		39.02	40.87	40.89
Average years of service		9.75	11.43	11.68
Distribution of academic qualifications	Master's degree	1%	1%	1%
	Bachelor's degree	19%	20%	20%
	High school	42%	41%	41%
	Below high school	38%	38%	38%

IV. Expenditure on environmental protection

The main scope of business of the Company includes the manufacturing, trading and fabrication of wire rods, screws and wires. This is not a highly polluting industry. The manufacturing involves performing wire drawing, acid cleaning, spheroidization and heat treatment of raw materials. For the prevention of pollution sources, the Company has installed a dust removal system, waste water and gas treatment facilities, exhaust equipment and other equipment. Furthermore, as per the Occupational Safety and Health Act, the Company has designated personnel to undertake pollution prevention measures depending on the on-site operations, and engaged inspection institutions approved by the Environmental Protection Administration to perform inspections from time to time. Therefore, with appropriate control engineering, the Company meets the emission standards stipulated by the Environmental Protection Administration.

For the permits for installing pollutant treatment facilities, pollutant emission permits, or payment of pollution control fees, or specific units and personnel responsible as per laws and regulations, please elaborate the status of permit applications, payments and designations:

In accordance with the law and regulations, the Company has applied for installation and operation permits for stationary air and water pollution control facilities, and paid air pollution control fees, soil and groundwater remediation fees, industrial and sewage pollution control fees, as well as designated specific personnel to take charge of gas emission, waste water and industrial waste management.

- (I) Losses and penalties imposed on the Company due to environmental pollution in the most recent year up to the publication date of this annual report:

The Company imposes tight control on the production process. All the waste produced in the process is controlled in accordance with the permits given. Therefore, in 2024, there was no loss or penalty imposed on the Company due to pollution.

- (II) Countermeasures and potential expenditures in the future:

1. Proposal for improvement measures:

- (1) Improvement program: The Company regularly performs maintenance on its equipment so that the equipment can work at the optimal level, in hopes of avoiding energy wastage and pollution due to old or broken machinery.

- (2) Environmental protection expenditure:

The machinery equipment invested by the Company for environmental protection and sustainability, specifically related to energy saving or green energy, are as follows:

- Replacement of propane-fired boilers with natural gas-fired boilers which have a lower emission factor.
- Purchase of 1 new low-temperature dryer (with an expenditure of USD 65,000) to reduce the generation of acid cleaning sludge.
- Purchase of 2 new centrifugal filters (with an expenditure of USD 30,450) to filter waste oil for reuse through centrifugal treatment.
- Purchase of 1 new hydraulic oil filter (with an expenditure of USD 11,600) to enable oil

reuse through filtering and distillation.

- (3) Potential expenditures in the future: Improving acid cleaning equipment with an expense of approximately NT\$5,000,000.
2. Countermeasures: The Company shall continue to provide training and hold awareness campaigns to educate employees and raise their awareness of environmental protection.

V. Labor-capital relations

- (I) The company's employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees:

1. Employee welfare measures:

(1) Labor and health insurance

A. From the first day of work, all employees take part in labor and health insurance in accordance with law.

B. The labor insurance includes premiums for accidents and occupational hazards, of which the Company has covered 70% of the premium for traffic accidents. The insured only has to pay 20% and the government subsidizes 10%. The premium for occupational hazards is covered entirely by the Company.

(2) Group insurance

From the first day of work, all employees are provided with group insurance. The premium is covered entirely by the Company.

(3) Education and training of employees

A. Every year, each department will list the training required for its employees according to the nature of their work. After approval is given, the yearly training program is prepared and the estimation of the expenditure is made.

B. After the budget is prepared, the training program is executed as scheduled. All information on training results is documented in the individual training record, which shall serve as a reference for future promotion.

(4) Year-end bonus: The Company shall take into consideration the yearly operating performance and determine the year-end bonus to be disbursed.

(5) Staff Benefit Committee

The Company has established the Staff Benefit Committee in accordance with the law and holds open election to select the committee members. The Company also appropriates funding for the committee as required by the law, holds staff retreats, sports and chess competitions, gives out birthday gifts, holds year-end parties and provides festival allowances.

(6) Stock bonus

A. The Company has appropriated employee compensation in accordance with the Articles of Incorporation and distributed remuneration in accordance with the earnings distribution procedures to thank the employees for their contribution to the Company.

B. When undertaking cash capital increase, the Company appropriates a certain percentage for the subscription by employees, so as to foster a harmonious labor-capital relationship.

2. Pension system:

(1) To care for the retirement lives of employees, and to promote labor-capital relations and work efficiency, the Company has established "Procedures for Employee Retirement".

(2) The Procedures for Employee Retirement are established in accordance with the Labor Standards Act, Article 53 and 54. In response to the Ministry of Labor's policy in hiring senior citizens, the Company has implemented the hiring regulations of middle-aged and elderly employees. For willing employees, the Company shall continue their employment after holding labor-capital negotiations.

(3) In accordance with the Labor Pension Act, the Company has established procedures for pension appropriation, which are applicable to employees with a Taiwanese nationality. Every month, the Company pays 6% of employees' salary to their individual accounts at the Bureau of Labor Insurance. A total of NT\$3,265,157 was appropriated in 2024.

3. Maternal health protection measures

The implementation of maternal health protection was supported through multiple dimensions such as organization, supervisors, and workplace culture. As for organization, a friendly workplace is

built with the support of the Company and senior executives, including a series of activities such as flexible working hours, gender equality, maternity leave, health promotion, and employee care and support. Understanding and support from supervisors, as well as assistance of labors in addressing challenges and conflicts within workplace, also play an important role. In terms of workplace culture, all employees need to be involved so that the Company, the employees themselves, and their peers can recognize the value of all workers and their roles, and understand the characteristics of gender differences in the workplace, thereby eliminating discrimination against female workers in childbirth.

4. Establishment of Regulations for Prevention and Management of Unlawful Infringement in the Performance of Duties

These Regulations aim to prevent employees of the Company from suffering unlawful infringement, whether physical or mental, in the workplace caused by their employers, supervisors, colleagues, service recipients, or other third parties, which may result in physical or mental injuries. Proper prevention and handling of unlawful infringement in workplace are adopted to ensure the physical and mental health of workers.

5. Establishment of Regulations for Preventing and Managing Ergonomic Hazards

In accordance with Subparagraph 1, Paragraph 2, Article 6 of the Occupational Safety and Health Act, employer shall adequately plan and adopt the necessary safety and health measures to prevent musculoskeletal disorders induced by repetitive operations and related works, as well as prevent musculoskeletal disorders caused by ergonomic hazards to maintain the safety, health, and welfare of its employees.

6. To improve public health and encourage the prevention of chronic diseases—such as obesity and the “three highs” (high blood sugar, high blood lipids, and high blood pressure)—the Company has implemented measures targeting employees at risk. On-site physicians and nurses conduct interviews and provide health education for individuals with obesity or the three highs, promoting dietary principles such as low oil, low salt, low sugar, and high fiber intake. They also encourage the consumption of appropriate amounts of fruits and natural foods, replacing sugary beverages with plain water, and engaging in physical activity for 30 minutes a day, totaling at least 150 minutes per week, to help reduce the risk of chronic disease.

(II) Losses incurred due to labor-capital disputes in the most recent year up to the publication date of this annual report:

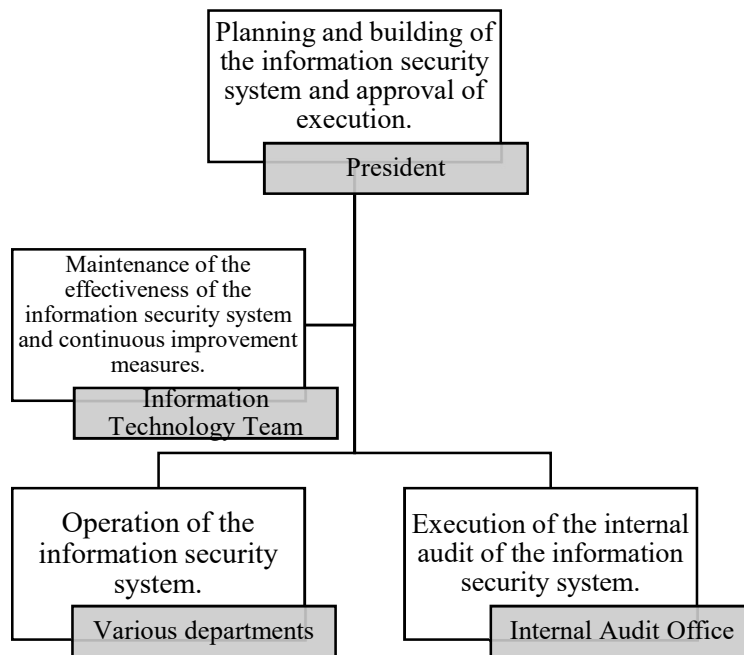
There were no major labor-capital disputes. For various welfare measures, the Company has conformed to the regulations governing labor insurance and established the Staff Benefit Committee to promote employee welfare. Labor-capital relations are harmonious and therefore no losses due to labor-capital disputes were incurred in the most recent two years.

(III) Current and future estimated losses and countermeasures: Nil.

VI. Information security management

(I) Risk management framework for information security

To effectively carry out information security work, the Information Technology Team is in charge of establishing the information security policy, planning information security measures and executing the related information security processes, as well as regularly reporting the information security governance status to the Board of Directors. On November 13, 2024, the Information Technology Team reported information security operation for 2024 to the Board of Directors meeting.



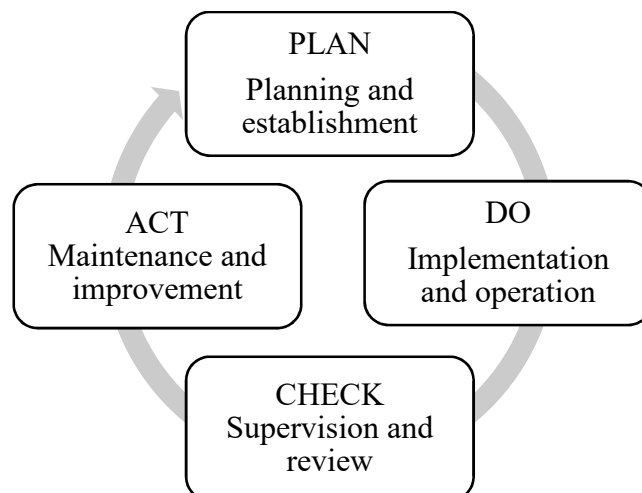
(II) Information security policy

1. Corporate information security management strategy and framework

- (1) Information security governance: Review and upgrade network infrastructure environment on a regular basis. Continue to fix the potential vulnerabilities of the internal system. Conduct training and education on information security for employees. Strengthen the overall defense foundation of information security.
- (2) System regulations: Establish the information security management system. Regularly review and examine the effectiveness of the internal control of information security. Conforming to international information security regulations, implementing the control mechanism of information security.
- (3) Technological applications: Continue to install information security equipment and technological applications. Keep informed on the anticipated information security risks. Heighten the defense and resilience of information security.

2. Corporate information security management and continuous improvement framework

Using the concept of continuous improvement represented by the plan-do-check-act cycle (PDCA) and due to internal and external changes in the environment in the process, the Internal Audit Office is responsible for continuously adjusting the evaluation of the management direction and providing improvement measures to maintain the information security system.



(III) Risk management measures

Type	Risk assessment	Existing control measure
Access management	Unauthorized access to information	<ul style="list-style-type: none"> ➤ Control and review of employee account access rights ➤ Regular count of employee account access rights
Access control	Insufficient control on access to internal and external systems and data transmission, causing data corruptions and leaks	<ul style="list-style-type: none"> ➤ For access to internal and external systems and data leaks, set up tighter control on access rights ➤ Perform logging analysis
External threats	Virus attacks on servers and PCs	<ul style="list-style-type: none"> ➤ Vulnerability detection of servers/PCs ➤ Anti-virus protection and detection of malware ➤ Regular updates of antivirus programs
Application system	When system and service are interrupted,	<ul style="list-style-type: none"> ➤ the monitoring and notification mechanism of the system or network availability status ➤ Initiation of emergency response measures ➤ Support of data backup, local or remote backup mechanism ➤ Disaster recovery drills on regular basis
E-mail system	Attacks on e-mails, spam	<ul style="list-style-type: none"> ➤ Installation of spam filter (implement spam filter system)
Due to insufficient awareness in information security,	employees may cause virus infections.	<ul style="list-style-type: none"> ➤ Strengthen awareness in information security and training ➤ Control software installation on PCs to prevent the use of unauthorized software

(IV) Resources invested into information security management

Year	Content	Resources invested
2024	<ul style="list-style-type: none"> - Update endpoint and gateway anti-virus software - Update backup server 	1,000,000
2025	<ul style="list-style-type: none"> - Update endpoint and gateway anti-virus software - Update backup server 	600,000 (Budget)

The Information Technology Team organized an Information Security Education and Training Course on August 15, 2024, with 20 participants and 20 hours of training. The important content is as follows:

1. Chronology of events and important regulations of new system
2. Case study of violations and description of conception
3. Whistle-blowing avenue to report information security violations

(V) Information security risks and countermeasures

1. The Company has established a comprehensive network and computer related information security protection measures. However, the Company is unable to guarantee shielding its control or maintenance of major corporate functions, such as the Company's production operation and accounting systems, from all third party cyber attacks that may paralyze the systems. The Company ensures the appropriateness and effectiveness of information security regulations and procedures via continuous review and assessment. However, it is unable to guarantee not be affected by new risks and attacks in the midst of the ever-changing information security threats.
2. The Company shall strengthen network firewall and control to prevent the spread of computer viruses cross-computer and cross-plant area; the Company shall install terminal anti-virus measures according to types of computers; the Company shall adopt advanced solutions to detect and dispose of malicious software; the Company shall design and develop information security software to strengthen for personal computers used by employees; the Company shall establish a comprehensive

automatic information security maintenance platform to give employees tests to help them remain alert on a regular basis.

- (VI) For the most recent year up to the publication date of the annual report, the total losses incurred by the company due to major information security incidents, potential influences and countermeasures. If an estimation cannot be made, the reason should also be disclosed:

In 2024, there was no major information security incident.

VII. Important contracts: Nil.

Five. Review of Financial Position, Business Performance and Risk Issues

I. Analysis of financial position

Unit: NT\$ thousand

Item \ Year	2024	2023	Difference	
	Amount	Amount	Amount	%
Current assets	4,674,853	4,603,600	71,253	2
Property, plant and equipment	3,539,300	3,172,411	366,889	12
Other non-current assets	991,606	1,135,073	(143,467)	(13)
Total assets	9,205,759	8,911,084	294,675	3
Current liabilities	2,223,379	1,693,174	530,205	31
Non-current liabilities	312,243	313,147	(904)	(0)
Total liabilities	2,535,622	2,006,321	529,301	26
Share capital	3,371,682	3,371,682	0	0
Capital reserve	112,693	129,054	(16,361)	(13)
Retained earnings	(150,774)	81,298	(232,072)	(285)
Total equity	6,670,137	6,904,763	(234,626)	(3)

Main reasons and future countermeasures for major fluctuation items (with changes of 20% or more between the start and end of the period, and the value of change amounts to NT\$10 million):

1. Current liabilities increased mainly due to the increase in short-term liabilities.
2. The change in retained earnings is due to the distribution of earnings and net loss after tax for the period.

II. Financial Performance

(I) Comparison analysis for operating performance

Unit: NT\$ thousand

Item	2024	2023	Increase /decrease	Change ratio (%)
Operating revenues	8,003,810	8,420,093	(416,283)	(5)
Operating costs	(7,340,970)	(7,232,718)	(108,252)	1
Gross profit from operations	662,840	1,187,375	(524,535)	(44)
Realized gross profit from operations	662,840	1,187,375	(524,535)	(44)
Operating expenses	(833,010)	(783,603)	(49,407)	6
Net operations income	(170,170)	403,772	(573,942)	(142)
Non-operating income and expenses	(278,859)	(33,033)	(245,826)	744
Income (loss) before income tax	(449,029)	370,739	(819,768)	(221)
Income tax expense	(44,955)	(27,655)	(17,300)	63
Profit (loss) from continuing operation	(493,984)	343,084	(837,068)	(244)
Loss from discontinued operations	0	(147,664)	147,664	(100)
Profit (loss)	(493,984)	195,420	(689,404)	(353)
Analysis of percentage changes: Gross profit: See table (2).				

(II) Analysis of gross profit fluctuation:

Unit: NT\$ thousand

Industry	Change in amount between the start and end of the period	Reasons for variance			
		Sales price variance	Cost-price variance	Cost-volume variance	Sales-volume variance
Gross profit from operations	(524,535)	(196,409)	(424,531)	336,773	(240,368)
Description	Due to factors such as the ongoing Russo-Ukrainian War, rising energy prices, inflation, and sluggish demand from end customers, downstream manufacturers experienced limited destocking, shrinking demand, and sluggish willingness to place orders. In addition, weak domestic demand in China and insufficient control over production capacity triggered price wars and unstable steel prices, which in turn lowered gross profit.				

III. Cash flow change analysis

(I) Liquidity analysis for the most recent two years

Item	Year	December 31, 2024	December 31, 2023	Change ratio
	Cash flow ratio		-17.61%	76.59%
Cash flow adequacy		112.06%	199.44%	-87.38%
Cash flow reinvestment ratio		-3.50%	10.09%	-13.59%

Analysis of percentage changes:

- (1) Cash flow ratio was lower than the previous period, mainly due to increase in net cash outflow from operating activities in the period.
- (2) Cash flow adequacy was lower than the previous period, mainly due to increase in net cash outflow from operating activities for the most recent five years, and distribution of cash dividend in the period.
- (3) Cash flow reinvestment ratio was lower than the previous period, mainly due to increase in net cash outflow from operating activities, and distribution of cash dividend in the period.

(II) Summary of cash flow change analysis in the most recent year :

Unit: NT\$ thousand

Cash balance at the beginning of period (1)	Estimated yearly net cash inflow from operating activities (2)	Estimated yearly net cash outflow (3)	Anticipated cash surplus (shortage) (1)+(2)-(3)	Remedies for expected cash shortage	
				Investment plan	Financing plan
879,861	900,000	1,603,000	176,861	-	-

1. Cash Flow Analysis:
 - (1) Operating activities: Mainly due to cash inflow from increase in profit before tax in the period and the sale of inventories.
 - (2) Investing and financing activities: Mainly due to the expected purchase of fixed assets and repayment of short-term borrowings, resulting in cash outflows.
2. Remedies for expected cash shortage and liquidity analysis: Not applicable.

IV. Impacts of major capital expenditures on financial performance in the most recent year: Nil.

V. Causes of profit or loss incurred on investments in the most recent year, and any improvement and future investment plans

Unit: NT\$ thousand

Description Item	Profit amount	Policy	Main reasons for profit or loss	Improvement plans	Other investment plans in the future
Tycoons Worldwide Group (Thailand) Public Co., Ltd.	(156,030)	Production, processing, and sales of wire rods, annealed wires, screws, bolts, and other related products	Due to the sluggish market demand, steel product sales declined, the destocking of steel materials slowed, and production volume declined, leading to an increase in unit costs and a decrease in gross profit. In addition, the recognition of an impairment loss from reinvestment during the current period resulted in an investment loss.	The company leverages the Group's advantages in vertically integrated production model, staying close to market demand, reducing costs, and actively expanding the market to improve profitability.	Depending on the development of the market and industry, the Company shall make evaluation when appropriate

VI. Risk management and assessment

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

Item	2024 (NT\$ thousand)
Interest expense	95,418
Gain on exchange difference	100,637

- (1) Impact of interest rate fluctuations on profit and loss of the Company and future countermeasures

The interest rate risk of the Company mainly comes from operating activities that give rise to short-term borrowings for purchase of materials and long-term loans. To mitigate the impact of interest rate fluctuations on the profit and loss of the Company, the borrowings of the Company are mainly long-term loans with lower interest rate fluctuations. The Company closely monitors interest rate fluctuations. If necessary, the Company shall engage in interest rate swaps (IRS) to lock on to a certain interest rate, so as to mitigate the risk.

- (2) Impact of foreign exchange fluctuations on profit and loss of the Company and future countermeasures

Most of the Company's raw materials are imported from abroad. Although the Company has some exports, the foreign currency collected can only cover a small part of the Company's demand of USD. The net USD demand remains substantial. The foreign exchange fluctuation of the USD and NTD has a major impact on the Company's costs and profit or loss. To mitigate the risk, the Company has taken the following measures:

- A. Maintain close contact with banks to obtain information on foreign exchange fluctuations and services so as to take timely actions.
- B. Use forward exchange contracts where appropriate to mitigate the risk of foreign exchange fluctuation.

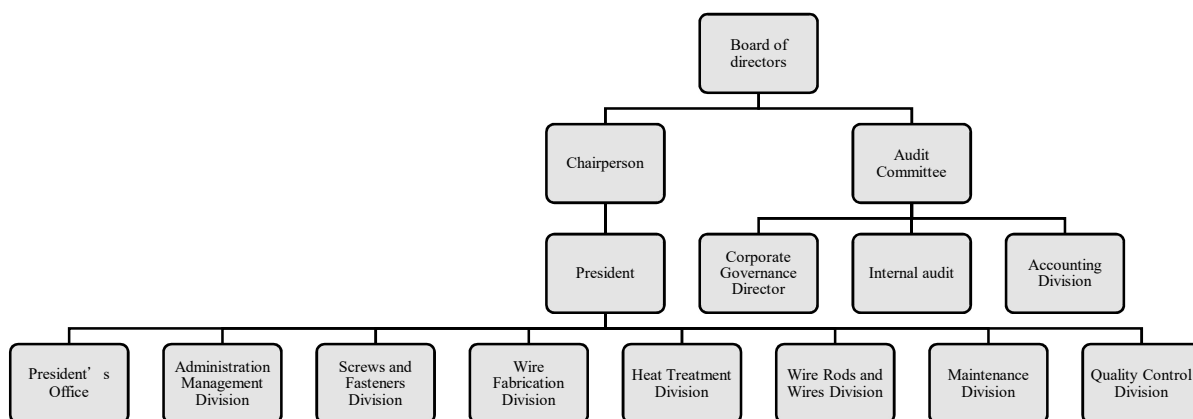
- (3) Impact of inflation on profit and loss of the Company and future countermeasures

Inflation has no major impact on the profit and loss of the Company.

- (II) Policies on transactions involving high risks, highly leveraged investments, lending of funds to others, endorsement or guarantee and derivatives, the main reasons for the profit or loss of these transactions and future countermeasures:

The Company has not engaged in high risks and highly leveraged investments in 2024, except for derivative transactions, lending of funds to others and endorsement or guarantee undertaken in accordance with the "Procedures for Acquisition or Disposal of Assets" and "Procedures for Lending Funds to Other Parties and Handling of Endorsement or Guarantee".

- (III) Future R&D projects and corresponding budget: Please see “Section Four. Operational Highlights, Technology and R&D” in the annual report.
- (IV) Effect on the company’s financial operations due to important policies adopted and changes in the legal environment at home and abroad, and the corresponding countermeasures: Nil
- (V) Effect on the company’s financial operations caused by developments in science and technology as well as industrial change, and the corresponding countermeasures: Nil
- (VI) Impact of change in corporate image on crisis management, and countermeasures: Nil
- (VII) Expected benefits from, risks relating to, and response to merger and acquisition plans: Nil
- (VIII) Expected benefits from, risks relating to, and response to factory expansion plans: Nil
- (IX) Risks relating to and response to excessive concentration of purchasing sources and excessive customer concentration:
 - (1) The Consolidated Company’s sales targets are less concentrated, and the amount sold per single target has not exceeded 10% in 2024.
 - (2) The largest raw material supplier of the consolidated company in 2024 was TY Steel, accounting for the highest proportion of total purchases. However, to ensure a stable source of raw materials, the consolidated company continues to maintain cooperative relationship with other suppliers to ensure a reliable and uninterrupted supply of raw material and reduce the risk associated with centralized procurement.
- (X) Effects of, risks relating to, and response to large share transfers or changes in shareholdings by directors, supervisors, or shareholders with shareholdings of over 10%: Nil
- (XI) Effects of, risks relating to, and response to the changes in management: Nil
- (XII) For litigation or non-litigation cases involving the company, directors, supervisors, general manager, actual persons in-charge or major shareholders with a stake of 10% or more and subordinate companies that have been concluded or are still pending, and which have material impact on the shareholders’ interests or security prices, disclosure should be made regarding the content of the cases, the sum of penalties or claims, the commencement dates of the cases, the parties involved and the status as of the publication date of the annual report: Nil.
- (XIII) Other important risks and countermeasures:
 - (1) Organization chart and functions of the risk management team



- A. Risk monitoring
Board of directors, Audit Committee, chairperson, president, internal audit, Corporate Governance Director and independent auditors are in charge of the supervision of major risks.
- B. Risk management routine
Segregation of duties by level. Each department must perform routine risk management assessments according to their duties. They practice segregation of duties by level as per the internal control procedures and seek to keep various risks to a minimum.

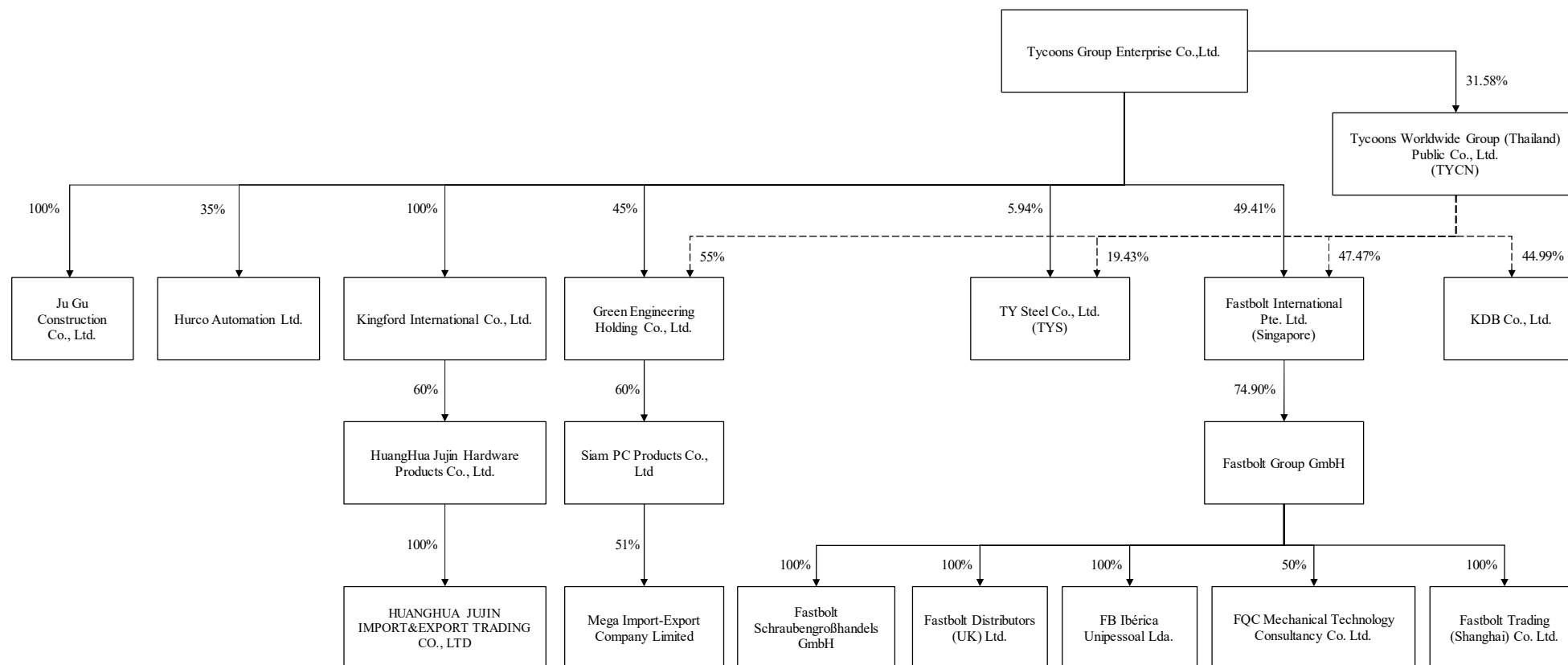
VII. Other Material Issues: Nil

Six. Special Disclosure

I. Summary of Affiliated Companies

(I) Consolidated business reports with affiliated enterprises:

(1) Affiliated enterprises chart (December 31, 2024)



(2) Basic information of affiliated enterprises

December 31, 2024

Name of company	Date of establishment	Address	Paid-in capital	Principle business or production
Hurco Automation, Ltd.	November 8, 1996	6F., No. 31, Xintai Rd., Zhubei City, Hsinchu County	NTD 120,220,200	Automated computer software systems Maintenance, purchase and sales, and distribution of computer equipment, circuit boards and computer peripherals
Tycoons Worldwide Group (Thailand) Public CO., Ltd.	September 9, 1996	No. 99 Moo1, Tumbon Nikompattana Amphur, Nikompattana, Rayong 21180 Thailand.	THB 4,475,616,750	Integrated production and sales of wire rods, wires and screws.
Huanghua Jujin Hardware Products Co., Ltd.	August 1, 2003	Jiuchengzhen Baizhuang, Huanghua City, Hubei Province	RMB 81,667,000	Production and sales of spheroidized wires, screws, bolts, hardware and other products.
Huanghua Jujin Trading Co., Ltd.	August 11, 2009	Jiuchengzhen Baizhuang, Huanghua City, Hubei Province	RMB 1,000,000	Import and export of spheroidized wires, screws, bolts, hardware and other products.
Kingford International Limited	April 8, 2003	Offshore Chambers, P.O.Box 217, Apia, Samoa.	USD 5,938,051	Overseas holding company
TY Steel Co., Ltd	September 14, 2011	99 Moo1, Tumbon Nikompattana Amphur, Nikompattana, Rayong 21180 Thailand.	THB 2,724,492,000	Overseas furnace factory, production and sales of billets
KDB Co., Ltd.	September 30 2021	98/245 Moo. 9 Tumbon Bangkaew, Amphur Bangphi, Samuthprakarn.	THB 269,636,000	Engage in real estate business
Fastbolt International Pte. Ltd.	July 19, 2021	100 Peck Seah Street #10-18 PS100 Singapore (079333)	EUR 9,600,000	Overseas holding company
Green Engineering Holding Co., Ltd.	June 6, 2023	No. 99 Moo 1, Tumbon Nikompattana, Amphur Nikompattana, Rayong 21180 Thailand	THB 165,000,000	Assets investment.
Fastbolt Group GmbH	February 2, 2012	Am Königsweg 4, 48599 Gronau, Germany	EUR 73,750	Overseas holding company.
Fastbolt Schraubengroßhandels GmbH	May 8, 1992	Am Königsweg 4, 48599 Gronau, Germany	EUR 255,645.94	Hardware trading of screw and fasteners
Fastbolt Distributors (UK) Ltd.	August 25, 1982	Sherbourne Drive, Tilbrook, Milton Keynes, Buckinghamshire, MK7 8AW, England	GBP 18,900	Hardware trading of screw and fasteners
FB Ibérica Unipessoal	December 17, 2012	Apartado 122, 3850-909 Albergaria-a-Velha,	EUR 50,000	Hardware trading of screw and fasteners

Name of company	Date of establishment	Address	Paid-in capital	Principle business or production
Lda.		Portugal		
FQC Mechanical Technology Consultancy Co. Ltd.	August 15, 2007	West Part, 1st Floor, Building 8. No. 67, Lane 1768 LiYue Road, PuJiang Town, MinHang District738 Shangcheng Road, Shanghai 200114, P.R. CHINA	EUR 400,000	Quality inspection.
Fastbolt Trading (Shanghai) Co. Ltd.	September 9, 2005	Room 709, Suncome Liauw's Plaza, 738 Shangcheng Road, Shanghai 200120, PR.CHINA	USD 110,000	International trade.
JU GU CONSTRUCTION CO., LTD.	August 21,2024	No. 79-1, Xinle St., Gangshan Dist., Kaohsiung City	NTD 30,000,000	Housing and building development and rental, as well as real estate trading
Siam PC Products Co., Ltd	July 19, 2022	No. 289 Moo 10, Nhong Heang, Panas Nikom, Chonburi 20140 Thailand	THB 250,000,000	Manufacture and distribution of PC wire and PC strand.
Mega Import-Export Company Limited	November 20, 2014	No. 289 Moo 10, Nhong Heang, Panas Nikom, Chonburi 20140 Thailand	THB 1,000,000	Import and export of rebar, wire rods, steel plates, and steel of various sizes.

(3) Information on the shareholders of the companies shall be concluded as the existence of the controlling and subordinate relation in accordance with Article 369-3 of the Company Act: Nil.

(4) Businesses covered by the overall affiliated companies:

The businesses covered by the Company and its affiliated companies include manufacturing, trading, fabrication, investment etc. Please refer to Item 2.

(5) Directors, supervisors and managers of affiliated companies:

Name of company	Position	Name or representative	Unit: NT\$ thousand; share; %	
			Number of shares (shares)	Shareholding percentage (%)
Hurco Automation, Ltd.	Chairperson	Representative of Tycoons Group Enterprise Company Limited: Huang, Wen-Sung	4,207,707	35
	Director	Representative of Tycoons Group Enterprise Company Limited: Huang, Ping-Lun		
	Director	Representative of Tycoons Group Enterprise Company Limited: Chang, Wen-Hui		
	Vice Chairperson	Representative of Hurco B.V.: Gregory S. Volovic	4,207,707	35
	Director	Representative of Hurco B.V.: Jonathon D. Volovic		
	Director	Representative of Hurco B.V.: Sonja K. McClelland		
	Director cum President	Bian, Ping-Yuan	961,687	8
	Director	Su, Hong-Ren	0	-
	Director	Chen, Chi-An	557,595	4.64
	Supervisor	Lu, Yen-Chuan	0	-
Supervisor	Bennett A Vaught	0	-	
Tycoons Worldwide Group (Thailand) Public Co., Ltd.	Chairperson	Huang, Wen-Sung	1	-
	Director	Lu, Yen-Chuan	1	-
	Director cum President	Huang, Ping-Lun	112,600	0.02
	Director	Huang, Feng-Mei	7,700	-
	Independent Director, Chairman of the Audit Committee	Navin Vongchankit	0	-
	Independent Director, Audit Committee	Jirawat Huang	0	-
	Independent Director, Audit Committee	Phiphat Wangphichit	0	-
Huanghua Jujin Hardware Products Co., Ltd.	Chairperson	Chen, Cheng-Li	0	-
	Vice Chairperson	Bai, Jen-Hao	0	-
	Director	Bai, Chih-Chi	0	-
	Director	Huang, Wen-Sung	0	-
	Director	Lu, Yen-Chuan	0	-
	President	Bai, Chih-Ying	0	-

Name of company	Position	Name or representative	Shares held	
			Number of shares (shares)	Shareholding percentage (%)
Huanghua Jujin Trading Co., Ltd.	Director	Representative of Huanghua Jujin Hardware Products Co., Ltd.: Chen, Cheng-Li	Capital amount RMB 1,000,000	100
Kingford International Limited	Chairperson	Representative of Tycoon Group Enterprise Co., Ltd.: Huang, Wen-Sung	Capital amount USD 5,938,051	100
TY Steel Co., Ltd	Director cum Chairperson	Wang, Pi-Chang	0	-
	Director cum President	Chen, Yi-Sung	0	-
	Director	Hsieh Li-Yun	0	-
	Director	Hsu Li-Hung	0	-
	Director	Lin Jiun-Liang	0	-
KDB Co., Ltd	Chairperson	Huang, Wen-Sung	74	0.03
	Director	Natthawat Thanapinyanun	148,167	54.95
	Director	Representative of Tycoons Worldwide Group (Thailand) Public Co., Ltd.: Hwang, Feng- Mei	121,321	44.99
Fastbolt International Pte. Ltd.	Director	Huang, Wen-Sung	0	-
	Director	Quek Siow Meng	0	-
Green Engineering Holding Co., Ltd.	Director	Natthawat Thanapinyanun	1	-
Fastbolt Group GmbH	Managing Director	Ekkehard Beermann	18,511	25.10
Fastbolt Schraubengroßhandels GmbH	Managing Director	Ekkehard Beermann	0	-
Fastbolt Distributors (UK) Ltd.	Managing Director	Amanda True	0	-
FB Ibérica Unipessoal Lda.	Geschäftsführer	Moisés Cardoso	0	-
	Geschäftsführer	Ekkehard Beermann	0	-
FQC Mechanical Technology Consultancy Co. Ltd.	General Manager	Eric Ni	0	-
	Chairman	Ekkehard Beermann	0	-
Fastbolt Trading (Shanghai) Co. Ltd.	General Manager	Eric Ni	0	-
	Chairman	Ekkehard Beermann	0	-
JU GU CONSTRUCTION CO., LTD.	Director cum President	Representative of Tycoon Group Enterprise Co., Ltd.: Huang, Wen-Sung	3,000,000	10
Siam PC Products Co., Ltd	Director	Representative of Tycoons Worldwide Group (Thailand) Public Co., Ltd.: Natthawat Thanapinyanan	0	-
	Director	Representative of Tycoons Worldwide Group (Thailand) Public Co., Ltd.: Lee Chao Rong	0	-
	Director	Piyachai Karnasut	0	-
	Director	Chanchai Lekvijittada	0	-
	Director	Wei Young	0	-

Name of company	Position	Name or representative	Shares held	
			Number of shares (shares)	Shareholding percentage (%)
Mega Import-Export Company Limited	Director	Representative of Siam PC Products Co., Ltd.: Natthawat Thanapinyanan	0	-
	Director	Wei Yue	2,400	24
	Director	Charnchai Iekvichittada	0	-

(6) Operational highlights of affiliated companies

December 31, 2024

Name of company	Currency	Capital amount	Total assets	Total liabilities	Net worth	Operating revenue	Operating income	Profit or loss for the current period (after tax)	After tax Earnings per share (NT\$)
Hurco Automation, Ltd.	NT\$ (thousand)	120,220	643,977	137,769	506,208	454,643	40,546	28,540	2.37
Tyoons Worldwide Group (Thailand) Co., Ltd.	THB	4,475,616,750	5,917,875,114	1,716,863,709	4,201,011,405	4,247,789,003	(234,040,590)	(289,477,852)	(0.47)
Huanghua Jujin Hardware Products Co., Ltd.	RMB	81,667,000	206,067,956	60,885,292	145,182,664	329,055,399	17,442,291	16,739,955	2.05
Huanghua Jujin Trading Co., Ltd.	RMB	1,000,000	1,956,441	1,056,995	899,446	4,436,107	(40,889)	25,983	0.26
Kingford International Limited	USD	5,938,051	12,515,465	68,637	12,446,828	0	(278,227)	1,043,331	0.18
TY Steel Co., Ltd	THB	2,724,492,000	4,702,951,632	4,070,124,087	632,827,545	3,188,869,051	(508,956,664)	(746,084,805)	(2.74)
KDB Co., Ltd	THB	269,636,000	315,105,032	53,064	315,051,968	0	(1,076,056)	(977,683)	(3.63)
Fastbolt International Pte. Ltd.	EUR	9,600,000	18,200,034	2,825	18,197,209	0	(26,854)	577,366	0.06
Green Engineering Holding Co., Ltd.	THB	165,000,000	156,296,084	26,050	156,270,034	0	(229,360)	(8,698,189)	(52.72)
Fastbolt Group GmbH	EUR	73,750	23,845,438	602,341	23,243,097	0	(62,474)	146,843	1.99
Fastbolt Schraubengroßhandels GmbH	EUR	255,646	28,621,746	8,618,306	20,003,440	29,126,706	1,863,491	1,209,586	4.73
Fastbolt Distributors (UK) Ltd.	GBP	18,900	4,058,970	2,086,066	1,972,904	5,258,430	(227,098)	(282,045)	(14.92)

Name of company	Currency	Capital amount	Total assets	Total liabilities	Net worth	Operating revenue	Operating income	Profit or loss for the current period (after tax)	After tax Earnings per share (NT\$)
FB Ibérica Unipessoal Lda.	EUR	50,000	1,688,952	1,077,034	611,918	1,644,271	(49,938)	(54,996)	(1.10)
FQC Mechanical Technology Consultancy Co. Ltd.	RMB	3,699,375	779,816	130,262	649,554	2,426,789	(32,168)	(22,770)	(0.06)
Fastbolt Trading (Shanghai) Co. Ltd.	RMB	869,772	13,637,920	5,548,715	8,089,205	15,909,735	2,047,759	1,978,063	22.74
JU GU CONSTRUCTION CO., LTD.	NTD	30,000,000	87,971,795	60,612,405	27,359,390	0	(2,578,476)	(2,640,610)	(0.88)
Siam PC Products Co., Ltd	THB	250,000,000	296,313,959	60,795,566	235,518,393	115,208,361	(14,142,272)	(14,399,412)	(5.76)
Mega Import-Export Company Limited	THB	1,000,000	474,036	94,873	379,163	2,062,056	25,747	(48,195)	(4.82)

(II) Consolidated financial statements of affiliated enterprises:

Declaration

The entities that are required to be included in the combined financial statements of the Company as of and for 2024 (from January 1, 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 included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, no separate set of combined financial statements is prepared.

To

Company name: Tycoons Group Enterprise Company Limited
Representative: Huang, Wen-Sung

(III) Affiliation reports: Nil.

II. For the most recent year and up to the publication date of the annual report, the private placement of securities: Nil.

III. Other Supplementary Information: Nil.

Seven. For the most recent year and up to the publication date of the annual report, matters affecting shareholders' equity stock price as prescribed in the Securities and Exchange Act, Article 36, Paragraph 3, Subparagraph 2: Nil.

TYCOONS GROUP ENTERPRISE CO., LTD.

Chairman: Huang, Wen-Sung

April 9, 2025