



東台精機股份有限公司  
Tongtai Machine & Tool Co., Ltd.

# 2024 | Annual Report

This annual report can be found on the following websites :

1. Taiwan Stock Exchange Market Observation Post System : <https://mops.twse.com.tw/mops/web/index>
2. Company Website : <https://www.tongtai.com.tw>

Printed on April 30, 2025







東台精機股份有限公司

Tongtai Machine & Tool Co., Ltd.  
Stock Code: 4526

# Tongtai Machine & Tool Co., Ltd.

## 2024 Annual Report (Translation)

### Notice to readers

*This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*

**Date: April 30, 2025**

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1. Taiwan Stock Exchange Market Observation Post System: <http://mops.twse.com.tw>
2. Company Website: <https://www.tongtai.com.tw/tw>

1. **Name, Title and Contact Details of Company's Spokesperson and Deputy Spokesperson:**

Spokesperson	Deputy Spokesperson
Name: Lu Yen	Name: : Lin Yen
Title: Vice President	Title: Manager
Telephone Number: 07-9761588	Telephone Number: 07-9761588
E-mail address: yenlu@tongtai.com.tw	E-mail address: lynn@tongtai.com.tw

2. **Address and Telephone Numbers of Company's Headquarters, Branches and Factories:**

Address	Telephone Number
Headquarter: No.3, Luke 3rd RD., Luzhu Dist., Kaohsiung City, Taiwan	07-9761588
Branch: No. 946, sec. 1, Zhongshan Rd., Hunei Dist., Kaohsiung City, Taiwan	07-6993721
Taoyuan Office: No.100, Jilin 2nd Rd., Zhongli Dist., Taoyuan City, Taiwan	03-4551399
Taichung Office: No.7, Jingke N. Rd., Nantung District, Taichung City, Taiwan	04-23589600

3. **Name, Address, Website and Telephone Number of the Share Registrar:**

Name: Taishin Securities stock transfer agency department  
Address: B1 No.96, Sec. 1, Jianguo N. Rd., Zhongshan Dist., Taipei City, Taiwan  
Website: <http://www.tssco.com.tw>  
Telephone Number: (02)2504-8125

4. **Names, Accounting Firm, Address, Website and Telephone Number of Independent Auditors in the Most Recent Year:**

Name: Jui-Hsuan Hsu and Chao-Chun Wang  
CPA Firm: Deloitte & Touche  
Address: 3F., No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan  
Website: <http://www.deloitte.com.tw>  
Telephone Number: (07)530-1888

5. **Overseas Securities Exchange:** None

6. **Corporate Website:** <http://www.tongtai.com.tw>

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## I. Letter to Shareholders

Dear Shareholders,

In 2024, the global economy continued to be affected by high inflation, elevated interest rates, and geopolitical tensions, resulting in a cautious approach to both corporate investment and consumer spending. After experiencing strong growth over the previous two years, the manufacturing sector faced inventory reduction pressures in 2024, leading to a slowdown in overall demand for machine tools.

Nevertheless, from a long-term perspective, the global transition toward smart manufacturing has not slowed. Trends in digitalization, automation, and carbon neutrality continue to drive industrial upgrades, injecting new momentum into the machine tool industry.

In response to a dynamic and uncertain business environment, Tongtai remains focused on core technology development while steadily managing its presence in global markets. We are committed to providing advanced manufacturing equipment for metal cutting, electronic component processing, and metal additive manufacturing (3D printing), aiming to be a trusted solutions partner for our clients.

In 2024, consolidated revenue reached NTD 5.739 billion, representing a 25% decline compared to 2023. However, we have already initiated efforts to optimize our product mix and adjust market strategies, with a focus on expanding in Southeast Asia and the Americas, to capture opportunities arising from future industry recovery and global supply chain restructuring.

### Outlook for 2025

Looking ahead to 2025, Tongtai will continue to position smart manufacturing solutions at the core of its strategy. Building on 56 years of manufacturing expertise and industry experience, we aim to provide customers with comprehensive system solutions—from standalone machines to entire production lines and factory-wide integrations.

In response to growing global demands for energy-saving, carbon reduction, production efficiency, and smart manufacturing, we will emphasize the development of intelligent software functions and automation modules to help customers optimize operations and enhance value.

Additionally, we will further strengthen our capabilities in customization and modular design, developing versatile equipment tailored to specific industry needs. Efforts will also be made to promote product standardization and enhance our global after-sales service network, thereby improving overall service quality and customer loyalty.

Tongtai firmly believes that innovation grounded in stability is the key to standing out in a highly competitive and uncertain environment. We will continue to uphold the principles of professionalism, integrity, and innovation, working hand in hand with our shareholders, employees, and global customers to advance into a new stage of sustainable growth.

## 1. 2024 Operating Result

### (I) Achievements of business plan

The operating results for 2024 were mainly affected by factors such as global inflation, sluggish economic prosperity, weak demand for various terminals, geopolitical and economic tensions, the ongoing war between Russia and Ukraine, and risks of unblocking in mainland China. The consolidated revenue for 2024 representing 25% decline compared to 2023. The consolidated gross profit margin was 20%, and the after-tax loss per share was NT\$3.56 .

#### (1) Revenue:

Net revenue for parent company only for 2024 was NT\$1,930,708 thousand, representing 20% decrease year over year. Net consolidated revenue for 2024 was NT\$5,739,349 thousand, representing 25% decrease year over year.

#### (2) Income (loss):

Net loss attributable to shareholders of the parent for 2024 was NT\$906,836 thousand, with a decrease amounted of NT\$956,967thousand compared to 2023 NT\$50,131 thousand.

#### ● Parent only (in Thousands of New Taiwan Dollars)

Item	2024	2023	YoY amount	YoY %
Net operating revenue	1,930,708	2,420,047	(489,339)	(20%)
Realized gross profit	(136,015)	537,665	(673,680)	(125%)
Operating expenses	710,133	712,728	(2,595)	0%
Profit (loss) from operations	(846,148)	(175,063)	(671,085)	(383%)
Profit (loss) before income tax	(987,717)	11,111	(998,828)	(8990%)
Net profit (loss) for the year	(906,836)	50,131	(956,967)	(1909%)

#### ● Consolidated (in Thousands of New Taiwan Dollars)

Item	2024	2023	YoY amount	YoY %
Net operating revenue	5,739,349	7,620,510	(1,881,161)	(25%)
Gross profit	502,704	1,554,354	(1,051,650)	(68%)
Operating expenses	1,573,123	1,710,661	(137,538)	(8%)
Profit (loss) from operations	(1,072,613)	(156,307)	(916,306)	(586%)
Profit (loss) before income tax	(992,224)	93,136	(1,085,360)	(1165%)
Net profit (loss) for the year	(910,311)	121,487	(1,031,798)	(849%)
Net profit (loss) attributable to shareholders of the parent	(906,836)	50,131	(956,967)	(1909%)

### (II) Budget implementation



We did not make any financial forecast for 2024.

### (III) Profitability analysis

Item		2024	2023
Financial Structure	Liabilities to assets ratio (%)	64.05	59.70
	Long-term capital to property, plant and equipment ratio (%)	392.32	329.15
Profitability	ROA (%)	-6.49	1.69
	ROE (%)	-19.12	2.26
	Profit before tax to capital stock (%)	-38.94	3.65
	Net profit rate (%)	-15.86	1.59
	EPS (NT\$)	-3.56	0.2

### (IV) Research and development (R&D) status

In 2024, Tongtai Machine & Tool advanced with three key strategic focuses:

Expanding into new industry applications and markets,

Promoting smart manufacturing, and

Integrating internal resources to enhance overall synergy.

The Machine Tool Division centered its efforts on delivering smart manufacturing solutions, while the Electronics Equipment Division focused on high-end PCB applications and penetrating the semiconductor supply chain.

#### Machine Tool Division

In response to market demands in the wheel manufacturing industry, Tongtai launched the second-generation TVW-26/28DTII, which offers greater price competitiveness, and is planning a complete product line expansion for future wheel processing needs.

To address challenges brought by population decline and labor shortages, Tongtai developed the TMS-1800S turn-mill multitasking machine, building on the experience of the first generation. This new model offers user-friendly, collision-free, and confidence-inspiring operation. The machine is integrated with various in-house developed smart software, including the Tioperator interface, which simplifies machine operation.

To enhance safety and usability, the machine incorporates digital twin technology to enable virtual-physical collision prevention—empowering users to operate complex machines without

fear. Additionally, leveraging the wave of AI advancement, the TMS-1800S features the T-Bot AI assistant, which provides real-time machine status updates and guides users through troubleshooting.

#### Electronics Equipment Division

Amid increasing demand for advanced PCB applications and rising precision requirements, the division is driving equipment development toward refinement, intelligence, and low-carbon solutions.

The TCDM/TCRM-620CL multi-axis CCD-controlled drilling/forming machines are tailored for high-precision back drilling and via drilling in AI server boards. These machines are also well-suited for high-end substrate processing and contour shaping, with the ability to integrate automation systems for 24/7 continuous production.

Tongtai also applies its core strengths in cutting, grinding, and polishing to semiconductor equipment development. Key offerings include:

TWG-1H0612/TWG-2H0612: Single-station and multi-station wafer substrate grinders, featuring in-house developed hydrostatic spindles and table drive systems that are stable and consumable-free. These are ideal for processing third-generation semiconductors like silicon carbide and other hard and brittle materials.

TFC-1H0612: A planarization machine designed for advanced packaging processes, capable of achieving precise flatness for stacked composite materials, enhancing feasibility for multi-layer packaging applications.

Tongtai continues to update and iterate its PCB and semiconductor equipment, striving to meet evolving customer demands in precision and efficiency for advanced material processing.

## **2. 2024 Business plan overview**

### **(I) Business objectives**

- (1) Increase profitability
- (2) Enhance product competitiveness
- (3) Establish sustainable management capabilities

### **(II) Sales forecast and sales policy**

Based on past sales performance, the company will also pay close attention to the development trends of various industries, customer capital expenditure plans, emerging industry development trends, and new energy plans and policies in 2024, and grasp business opportunities to increase sales. Overall, the outlook for future operations is positive, and sales in 2024 are expected to increase compared to 2023.

### **(III) Important production and marketing strategies for future development**

Integrating Machinery and Technical Services to Become the Best Solutions Provider for Customers Advancing into Smart Manufacturing.

#### **(1) Production Strategy**

- 1-1 Enhance production efficiency, reduce manufacturing costs, and ensure quality assurance.
- 1-2 Strengthen data management and build capabilities for data application.
- 1-3 Integrate existing key materials and adopt modular design to enable component sharing across multiple models, thereby optimizing inventory management.

## (2) Sales and Marketing Strategy

- 2-1 Provide comprehensive solutions tailored to customer needs and pain points.
- 2-2 Focus on core product sales while exploring new application industries and potential business opportunities.
- 2-3 Expand presence in the new energy vehicle (NEV), semiconductor, and substrate industries.
- 2-4 Increase the sales ratio of customized and smart-featured machines for China and Taiwan markets
- 2-5 Maintain existing customer relationships and actively develop new clients in the Asian market.
- 2-6 Promote high value-added models in response to European and American market demands.

## (3) Product Strategy

- 3-1 Continue developing around the "Five Transformations and Two Innovations" strategy—multi-functionality, intelligence, decarbonization, automation, servicization, and new processes, new industries. Strengthen product and technology integration capabilities to provide customers with more competitive solutions.
- 3-2 Continue expanding investment in AI technologies and smart software development to enhance integration capabilities in the smart manufacturing domain.

## 3. Strategies for Future Developments

Our vision is to be the best partner who can assist industries to reach success; our mission is to be the machinery equipment's leading provider of integrated solutions.

The company actively promotes digital transformation and the cultivation of key talents, promotes modular design and intelligent elements for the company's product development, and integrates the overall product lines. This strategy quickly provides for customized needs and differentiated functions in the hope that it can become a processing tool in the future. The provider of manufacturing solutions has become the best partner that customers can trust.





#### **4. The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions**

##### **(I) International exchange rate fluctuations**

The Company adopts natural hedging, and uses spot foreign exchange transactions and forward foreign exchange contracts to avoid exchange rate risks within the scope permitted by the policy.

##### **(II) International economic situation**

The international economic landscape in 2024 was marked by complexity and volatility. Global supply chain disruptions, geopolitical tensions, and slower growth in emerging markets continued to exert pressure on the global economy. While developed economies adopted monetary and fiscal policies to stimulate growth, some emerging markets struggled with inflation and debt issues.

In this environment, international cooperation and structural reforms have become essential drivers for fostering economic recovery and long-term growth. Amidst both challenges and opportunities, countries must work together to address shared concerns and promote global economic stability and sustainable development.

Chairperson: Jui-Hsiung Yen

## II. Corporate Governance Report

### 2.1 Information of Directors, Supervisors, General Manager, Vice Presidents, Assistant Vice Presidents, Officers of Departments and Branches

#### 2.1.1 Information of Directors

2025.04.15

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Current Shareholding of Spouse & Minor Children		Shareholding In the Name of Others		Experience and Education	Current positions at Tongtai or other companies	Other Officers, Directors or Supervisors who are the Spouse or a Relative Within Two Degrees of Kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Jui Hsiu Investment Co., Ltd.	-	2023.06.14	3	2014.06.18	8,118,693	3.19	8,118,693	3.19	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	R.O.C.	Representative : Jui-Hsiung Yen	M 61~70	2023.06.14	3	1990.04.25	-	-	5,480,200	2.15	316,103	0.12	0	0	General Manager, Tongtai Machine & Tool Co., Ltd. B.S. in Mechanical Engineering, National Cheng Kung University	Note 2	Director Representative Director	Hwa-Chou Yen	Brother	Note1
Director	R.O.C.	San Shin Co., Ltd.	-	2023.06.14	3	2005.06.14	7,987,080	3.13	12,326,080	4.84	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	R.O.C.	Representative : Hwa-Chou Yen	M 71~80	2023.06.14	3	2008.06.13	0	0	918,030	0.36	103,775	0.04	0	0	Chairman, San Shin Co., Ltd. B.S. in Clivi Engineering, Chung Yuan Christian University	Note 2	Chairman Representative Director Representative Director	Jui-Hsiung Yen Cheng Yen Lu Yen	Brother Son Daughter	
	R.O.C.	Representative : Cheng Yen	M 41~50	2023.06.14	3	2017.06.20	0	0	99,640	0.04	0	0	0	0	General Manager, San Shin Co., Ltd. M.S. in Industrial Engineering, Columbia University	Note 2	Representative Director Representative Director	Hwa-Chou Yen Lu Yen	Father Sister	
Director	R.O.C.	Jui Hsiu Investment Co., Ltd.	-	2023.06.14	3	2014.06.18	8,118,693	3.19	8,118,693	3.19	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	R.O.C.	Representative : Tsan-Jen Chen	M 51-60	2023.06.14	3	2021.06.22	0	0	0	0	0	0	0	0	Factory Manager, Innolux Corporation M.S. in Mechanical Engineering, National Taiwan University of Science and Technology	Note 2	N/A	N/A	N/A	
Director	R.O.C.	Tsan Ying Investment Co., Ltd.	-	2023.06.14	3	2020.06.09	5,639,530	2.21	5,639,530	2.21	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	R.O.C.	Representative : Lu Yen	F 41-50	2023.06.14	3	2014.06.24	0	0	36,061	0.01	0	0.00	0	0.00	Vice President, Tongtai Machine & Tool Co., Ltd. M.S. in Integrated Marketing, Northwestern University	Note 2	Representative Director Representative Director	Hwa-Chou Yen Cheng Yen	Father Brother	

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Current Shareholding of Spouse & Minor Children		Shareholding In the Name of Others		Experience and Education	Current positions at Tongtai or other companies	Other Officers, Directors or Supervisors who are the Spouse or a Relative Within Two Degrees of Kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	Yang-Kuang Tung	M 71-80	2023.06.14	3	2017.06.20	2,209,526	0.87	2,209,526	0.87	303,359	0.12	0	0.00	Supervisor, Tongtai Machine & Tool Co., Ltd. Department of Veterinary Medicine, National Pingtung University of Science and Technology	N/A	N/A	N/A	N/A	
Director	R.O.C.	Wei Ling Investment Ltd.	-	2023.06.14	3	2023.06.14	4,759,609	1.87	4,759,609	1.87	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	R.O.C.	Representative : Weichung Ooi	M 41-50	2023.06.14	3	2023.06.14	0	0	29,000	0.01	0	0	0	0	Director, Contrel Technology Co., Ltd. Ph.D. Physics and Astronomy, University of California Los Angeles	N/A	N/A	N/A	N/A	
Director	R.O.C.	Hong Mai Co., Ltd.	-	2023.06.14	3	2020.06.09	4,308,622	1.69	4,308,622	1.69	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	R.O.C.	Representative : Jun-Liang Kuo	M 51-60	2023.06.14	3	2020.06.09	0	0	3,312,426	1.30	0	0.00	0	0.00	Chairman, Agein Media & Communications Ltd. Co M.S. in Executive Master of Business Administration Global Entrepreneur, National Chengchi University	Note 2	N/A	N/A	N/A	
Director	R.O.C.	U-yuan Investment Ltd.	-	2023.06.14	3	2020.06.09	1,233,120	0.48	1,233,120	0.48	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	U.S.A.	Representative : Eugene Chuang	M 51-60	2023.06.14	3	2020.06.09	0	0	0	0.00	0	0.00	0	0.00	General Manager, Logicom Inc.M.S. in Financial Analysis from MIT Sloan School of Management	Note 2	N/A	N/A	N/A	
Independent Director	R.O.C.	Po-Han Wang	M 41-50	2023.06.14	3	2017.06.20	0	0.00	0	0.00	0	0.00	0	0.00	Chairman, Shineway Limited Partnership Accounting Firm M.S. in business management from National Sun Yat-sen University	Note 2	N/A	N/A	N/A	
Independent Director	R.O.C.	Shin Fann	M 61-70	2023.06.14	3	2020.06.09	0	0.00	0	0.00	0	0.00	0	0.00	General Manager, TECO ELECTRIC & MACHINERY CO., LTD. PhD in Mechanical Engineering from University of Michigan	Note 2	N/A	N/A	N/A	
Independent Director	R.O.C.	Shing-Yun Tsai	M 71-80	2023.06.14	3	2023.06.14	0	0.00	0	0.00	0	0.00	0	0.00	Chairman of Athena Innovation Investment and Service Company PhD Mechanical Engineering, University of Wisconsin-Madison Campus	Note 2	N/A	N/A	N/A	
Independent Director	R.O.C.	Cheng-Hsin Chen	M 51-60	2023.06.14	3	2023.06.14	0	0.00	0	0.00	0	0.00	0	0.00	Chairman, Gallant Precision Machining Co., Ltd. M.Sc.,Department of Mechanical and ElectroMechanical Engineering from National Sun Yat-sen University	Note 2	N/A	N/A	N/A	



Note 1 : Jui-Hsiung Yen is the Chairman and General Manager because the Company's business is currently highly complex, and successors who combine practice and technology are still being actively cultivated. Therefore, it is reasonable and necessary for him to serve as the General Manager. The Company's response measures are that of the board of directors, more than half of the directors do not concurrently serve as employees or managers of the company.

Note 2 : Current positions of the directors at the Company or other companies:

Name	Current positions at other companies			
Jui-Hsiung Yen	Chairman	: Contrel Technology Co., Ltd. (Representative) TONGFONG AUTO TECH CO., LTD. Suzhou Tongyu Machine Tool Co., Ltd (Suzhou) TongTai Seiki Vietnam Co., Ltd	、 Asia Pacific Elite Corp. 、 F.S.E CORPORATION(Representative) 、 Tong-Yu Machine Tool Co., Ltd (Shanghai) 、 Tongtai Machine &Tool Japan Co, Ltd.	、 Quick-Tech Machinery Co., Ltd. 、 EVER LUMIN INCORPORATION(Representative) 、 Great Pursuit Limited 、 TONG-YEH PRECISION INDUSTRY CO., LTD. (Representative) 、 Hantop Intelligence Tech. Co., Ltd (Representative) 、 Hao-Tern-Shin Electronic Co., Ltd (Shenzhen) (Executive Director) 、 Tongtai Machine Tool (SEA) Sdn Bhd
	Director/ Executive Director	: Honor Seiki Company Limited (Representative) Tong-Tai-Shin Trading Co., Ltd (Shanghai) (Executive Director) Tongtai Europe B.V. Tongtai Machine Tool (MFG) Sdn Bhd	、 YEOU SHENG MACHINE CO., LTD. 、 Printin3d DigiTech Co., Ltd. (Representative) 、 TongTai Machinery Co., Ltd 、 Union Top Industrial (SAMOA) Limited	、 Tong Ying Investment Co., Ltd. 、 Hao-Tern-Shin Electronic Co., Ltd (Shenzhen)
	Supervisor	: San Shin Co., Ltd (Representative)	、 San Shin Investment Co., Ltd (Representative)	、 Tong Ying Investment Co., Ltd.
	General Manager	: Tongtai Machine & Tool Co., Ltd.	、 Asia Pacific Elite Corp.	、 Hao-Tern-Shin Electronic Co., Ltd (Shenzhen)
	Others	: Taiwan Machine Tool & Accessory Builders' Association Honorary Chairman	、 Taiwan Aerospace Industry Association Director	
Hwa-Chou Yen	Chairman	: SYSCO Machinery Corporation	、 San Shin Co., Ltd.	、 San Shin Investment Co., Ltd.
	Director	: Contrel Technology Co., Ltd. (Representative) )	、 Sheng Li Machine Industry Co., Ltd.	
	Supervisor	: YEOU SHENG MACHINE CO., LTD. (Representative)	、 LONG POWER MACHINERY CORPORATION (Representative)	
Cheng Yen	Chairman	: Tsan Ying Investment Co., Ltd.	、 POTZU CO., LTD. (Representative)	
	Director	: Contrel Technology Co., Ltd. (Representative) San Shin Co., Ltd. (Representative)	、 LONG POWER MACHINERY CORPORATION (Representative) 、 San Shin Investment Co., Ltd. (Representative)	、 YUKEN HYDRAULICS(T.W.) CO. LTD. (Representative)
	Supervisor	: Quick-Tech Machinery Co., Ltd.	、 SYSCO Machinery Corporation (Representative)	、 IAMECH TECHNOLOGY INC.
	General Manager	: San Shin Co., Ltd.		
Tsan-Jen Chen	Chairman	: IAMECH TECHNOLOGY INC.		
	Director	: Contrel Technology Co., Ltd.	、 F.S.E CORPORATION (Representative)	、 EVER LUMIN INCORPORATION (Representative)

Name	Current positions at other companies			
	General Manager	Ningbo Qijie Trading Co., Ltd. (Representative) : Contrel Technology Co., Ltd.	、 Contrel Holdings Limited 、 F.S.E CORPORATION	、 Far Technology Co., Ltd. 、 EVER LUMIN INCORPORATION
Lu Yen	Chairman Director    Supervisor	: TTGroup France : Tongtai Machine Tool (MFG) Sdn Bhd Mbi-group Beteiligung GmbH Honor Seiki Company Limited F.S.E CORPORATION(Representative) : Suzhou Tongyu Machine Tool Co., Ltd (Suzhou)	、 The Hex Co., Ltd. (Representative) 、 TONGTAI MEXICO, S.A. DE C.V. 、 Tongtai Europe B.V. 、 Asia Pacific Elite Corp. 、 POTZU CO., LTD. (Representative) 、 Precision Machinery Research Development Center	、 TONGAN GmbH 、 Contrel Technology Co., Ltd. (Representative) 、 RUEI YANG CORP. Tong-Yu Machine Tool Co., Ltd (Shanghai)
Jun-Liang Kuo	Chairman Director	: Agein Media & Communications Ltd. Co. DEN DA ENTERPRISE CO., LTD : Contrel Technology Co., Ltd. (Representative)	、 Hong Mai Co. Ltd.	、 Rehoboth Digital Marketing Co.
Eugene Chuang	Chairman / General Manager Director Supervisor	: Logicom Inc. : U-min Investment Ltd. : FAR EAST MACHINERY CO., LTD.	、 U-yuan Investment Ltd.	、 FATEK Factory Automation Tech. Co., Ltd.
Weichung Ooi	Director Supervisor	: Contrel Technology Co., Ltd. (Representative) : F.S.E CORPORATION(Representative)	、 TTGROUP AMERICA, INC. 、 EVER LUMIN INCORPORATION(Representative)	
Po-Han Wang	Chairman Independent Director Director Supervisor Compensation Committee Member Audit Committee Member	: Rui Sheng Financial Advisory Services Co., Ltd. : China Ectotek Corporation : Wan Chao Consulting Ltd. : Chu Shen Energy Co., Ltd. : Tongtai Machine & Tool Co., Ltd. : Tongtai Machine & Tool Co., Ltd.	、 Shineway Limited Partnership Accounting Firm 、 China Ectotek Corporation. 、 China Ectotek Corporation	
Shin Fann	Director Compensation Committee Member Audit/ Compensation Committee Member	: Safe & Green Energy Company : Tongtai Machine & Tool Co., Ltd. : Tongtai Machine & Tool Co., Ltd.		
Shing-Yusn Tsai	Chairman Director	: Athena Innovation Investment and Service Company : IP Venture Investment and Management Company		

Name	Current positions at other companies			
	Compensation Committee Member	:	Tongtai Machine & Tool Co., Ltd.	
	Audit Committee Member	:	Tongtai Machine & Tool Co., Ltd.	
	Independent Director	:	KINIK COMPANY	
Cheng-Hsin Chen	Chairman	:	Gallant Precision Machining Co., Ltd.	
			、 APEX-I INTERNATIONAL CO., LTD.	
	General Manager	:	Gallant Precision Industries (Suzhou) CO., Ltd.	
	Director	:	C SUN MFG. LTD.	
		:	、 Shinyu Light CO., LTD	
				Gallant Precision Industries (Suzhou) CO., Ltd.
				Gallant-Rapid Corporation Limited(Representative)
			ESGWD	
	Compensation Committee Member	:	Tongtai Machine & Tool Co., Ltd.	
	Audit Committee Member	:	Tongtai Machine & Tool Co., Ltd.	
	Vice Chairman	:	TEEIA	
			、 TAIROA	



**A. List of Main Shareholders of the Directors that are Institutional Shareholders**

**2025.04.15**

Name of Institutional Shareholders	Main Shareholders of Institutional Shareholders	
San Shin Co., Ltd.	Jui Hsiu Investment Co., Ltd.	14.54%
	Se Cheng Lu Investment Ltd.	13.14%
	Tsan Ying Investment Co., Ltd.	11.59%
	San Shin Investment Co., Ltd.	8.28%
	Wen Lan Investment Ltd.	8.07%
	Chuan Lin Investment Ltd.	5.78%
	Chien-Chuan Cheng	4.00%
	Chan Yao Investment Co., Ltd.	3.83%
	Hui-Lan Su	3.19%
	Hsueh-Fen Lin	3.00%
Tsan Ying Investment Co., Ltd.	Jui Hsiu Investment Co., Ltd.	29.75%
	Se Cheng Lu Investment Ltd.	21.72%
	Cheng Yen	10.06%
	Wei Ling Investment Ltd	8.82%
	Min Yeh Investment Ltd	8.82%
	Hui-Jen Yen	6.57%
	Chi-Jui Yang	2.73%
	Se Yen	2.40%
	Lu Yen	2.40%
	Chih-Hsiang Yang	2.24%
Jui Hsiu Investment Co., Ltd.	Chan Fu Investment Co., Ltd.	19.40%
	Jui Lin Investment Co., Ltd.	16.42%
	Tien Wei Investment Co., Ltd.	16.42%
	Lin Yen	16.75%
	Wei Yen	16.75%
	Hsiu-Hui Lin	7.46%
	Fu Yen	4.72%
	Jui-Hsiung Yen	2.08%
Hong Mai Co., Ltd.	Jun-Liang Kuo	50%
	Ling-Li Kuo	50%
U-yuan Investment Co., Ltd.	Kuo-Chin Chuang	70%
	Ulysses Chuang	10%
	Eugene Chuang	10%
	Jeanne Chuang Reynolds	10%

**B. List of Main Shareholders of the Institutional Shareholders Whose Main Shareholders are Institutional Holders**

**2025.04.15**

Institutional Shareholder	Main Shareholder of Institutional Shareholder	
Se Cheng Lu Investment Ltd.	Se Yen Cheng Yen Lu Yen Yen Se Investment Ltd. Yen Cheng Investment Ltd. Yen Lu Investment Ltd. Hwa-Chou Yen Li-Hui Cheng	18.40% 18.40% 18.40% 9.20% 9.20% 9.20% 8.60% 8.60%
San Shin Investment Co., Ltd.	Tsan Ying Investment Co., Ltd. Jui Hsiu Investment Co., Ltd. Wen Lan Investment Ltd. Se Cheng Lu Investment Ltd. Chuan Lin Investment Ltd. San Shin Co., Ltd. Chan Yao Investment Co., Ltd. Hui-Jen Yen Hui-Min Yen Chien-Chuan Cheng	13.80% 13.09% 11.48% 11.38% 8.36% 8.28% 5.53% 2.56% 2.56% 2.34%
Tsan Ying Investment Co., Ltd.	Jui Hsiu Investment Co., Ltd. Se Cheng Lu Investment Ltd. Cheng Yen Wei Ling Investment Ltd Min Yeh Investment Ltd Hui-Jen Yen Chi-Jui Yang Se Yen Lu Yen Chih-Hsiang Yang	29.75% 21.72% 10.06% 8.82% 8.82% 6.57% 2.73% 2.40% 2.40% 2.24%
Wen Lan Investment Ltd.	Ya-Chih Cheng Ya-Sui Cheng Jen-Tzu Cheng Hui-Lan Su Po-Wen Cheng	38.83% 18.53% 41.56% 0.54% 0.54%
Chuan Lin Investment Ltd.	Hsueh-Fen Lin Yu-Hsiao Cheng Chien-Chuan Cheng	27.18% 66.30% 6.52%
Chan Yao Investment Co., Ltd.	Chung-Jung Yen Chi-Lun Yen Tsung-Ho Yen Chao-Chun Yen	25.00% 25.00% 25.00% 25.00%
Chan Fu Investment Co., Ltd.	Fu Yen	99.9%

Institutional Shareholder	Main Shareholder of Institutional Shareholder	
	Hsiu-Hui Lin	0.01%
Jui Lin Investment Co., Ltd.	Lin Yen	100%
Tien Wei Investment Co., Ltd.	Wei Yen	100%
Wei Ling Investment Ltd.	Wei Ling Ooi	46.15%
	Weichung Ooi	23.08%
	Hsin-Yi Lee	23.08%
	Hui-Jen Yen	7.69%
Min Yeh Investment Ltd.	Chih-Hsiang Yang	36.21%
	Chi-Jui Yang	36.21%
	Fu-Tzu Yang	26.80%
	Yuan-Hsun Yang	0.39%
	Hui-Min Yen	0.39%

**C. Professional qualifications of Directors (including Independent Directors) and independence information disclosure of Independent Directors**

**2025.04.11**

Qualifications Name	Professional qualifications and experience	Independence	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent director
Jui Hsiu Investment Co., Ltd.: Jui-Hsiung Yen	Have more than five years of work experience required for company business, currently serve as the chairman of the board of directors of the company, and do not have any of the conditions specified in Article 30 of the Company Act.	<ol style="list-style-type: none"> <li>1. Not a professional individual who, or an owner, partner, director, supervisor, or president of a sole proprietorship, partnership, company, or institution that, provides auditing and commercial, legal, financial, accounting services or consultation that does not exceed NT\$500,000 in remuneration over the last two years to the Company or to any affiliate of the Company, or a spouse thereof.</li> <li>2. Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act.</li> </ol>	None
San Shin Co., Ltd. Representative: Hwa-Chou Yen	Have more than five years of work experience required for company business, currently serve as the chairman of San Shin Co., Ltd., and have no one of the circumstances of Article 30 of the Company Act.	<ol style="list-style-type: none"> <li>1. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.</li> <li>2. Not a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.</li> <li>3. Directors, supervisors or employees of other companies or institutions that are not the same person or spouse as the chairman, president or equivalent positions of the Company.</li> <li>4. Not a professional individual who, or an owner, partner, director, supervisor, or president of a sole proprietorship, partnership, company, or institution that, provides auditing and commercial, legal, financial, accounting services or consultation that does not exceed NT\$500,000 in remuneration over the last two years to the Company or to any affiliate of the Company, or a spouse thereof.</li> </ol>	None



Qualifications Name	Professional qualifications and experience	Independence	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent director
San Shin Co., Ltd. Representative: Cheng Yen	With more than five years of work experience required for company business, he is currently the General Manager of San Shin Co., Ltd. and has not one of the conditions in Article 30 of the Company Law.	<ol style="list-style-type: none"> <li>1. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.</li> <li>2. Not a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.</li> <li>3. Directors, supervisors or employees of other companies or institutions that are not the same person or spouse as the chairman, president or equivalent positions of the Company.</li> <li>4. Not a professional individual who, or an owner, partner, director, supervisor, or president of a sole proprietorship, partnership, company, or institution that, provides auditing and commercial, legal, financial, accounting services or consultation that does not exceed NT\$500,000 in remuneration over the last two years to the Company or to any affiliate of the Company, or a spouse thereof.</li> </ol>	None
Jui Hsiu Investment Co., Ltd.: Tsan-Jen Chen	With more than five years of work experience required for the company's business, he is currently the general manager of Contrel Technology Co., Ltd. and has not met one of the conditions in Article 30 of the Company Act.	<ol style="list-style-type: none"> <li>1. Not a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.</li> <li>2. Directors, supervisors or employees of other companies or institutions that are not the same person or spouse as the chairman, president or equivalent positions of the Company.</li> <li>3. Not directors, supervisors, managers, or shareholders holding more than 5% of shares of a specific company or organization that is in financial or business dealings with the Company.</li> <li>4. Not a professional individual who, or an owner, partner, director, supervisor, or president of a sole proprietorship, partnership, company, or institution that, provides auditing and commercial, legal, financial, accounting services or consultation that does not exceed NT\$500,000 in remuneration over the last two years to the Company or to any affiliate of the Company, or a spouse thereof.</li> <li>5. Not having a marital relationship, or a relative within the second degree of</li> </ol>	None

Qualifications Name	Professional qualifications and experience	Independence	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent director
		kinship to any other director of the Company.	
Tsan Ying Investment Co., Ltd. Representative: Lu Yen	With more than five years of work experience required by the company's business, she is currently the company's VP and has no one of the circumstances of Article 30 of the Company Act.	<ol style="list-style-type: none"> <li>1. Not a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.</li> <li>2. Not a professional individual who, or an owner, partner, director, supervisor, or president of a sole proprietorship, partnership, company, or institution that, provides auditing and commercial, legal, financial, accounting services or consultation that does not exceed NT\$500,000 in remuneration over the last two years to the Company or to any affiliate of the Company, or a spouse thereof.</li> </ol>	None
Yang-Kuang Tung	Have more than five years of work experience required for company business, have served as a supervisor of the company, are currently a director of the company, and have not met any of the conditions in Article 30 of the Company Act.	<ol style="list-style-type: none"> <li>1. Not an employee of the Company or any of its affiliates.</li> <li>2. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.</li> <li>3. Not a manager in (1) or not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of personnel in (2).</li> <li>4. Not directors, supervisors or legal shareholders who directly hold more than 5% of the total issued shares of the Company, in the top five for shareholdings, or appointed a representative as a director or supervisor of the Company in accordance with Paragraph 1 or 2, Article 27 of the Company Act (except for those who concurrently serve as independent directors established by the Company and its parent company, subsidiary, or subsidiary of the same parent company in accordance with this law or local laws and regulations).</li> <li>5. Not a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.</li> <li>6. Directors, supervisors or employees of other companies or institutions that are not the same person or spouse as the chairman, president or equivalent positions of the Company.</li> </ol>	None

Qualifications Name	Professional qualifications and experience	Independence	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent director
		<ol style="list-style-type: none"> <li>7. Not directors, supervisors, managers, or shareholders holding more than 5% of shares of a specific company or organization that is in financial or business dealings with the Company.</li> <li>8. Not a professional individual who, or an owner, partner, director, supervisor, or president of a sole proprietorship, partnership, company, or institution that, provides auditing and commercial, legal, financial, accounting services or consultation that does not exceed NT\$500,000 in remuneration over the last two years to the Company or to any affiliate of the Company, or a spouse thereof.</li> <li>9. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.</li> <li>10. Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act.</li> </ol>	
Weichung Ooi	With more than five years of work experience required for business, finance and corporate business. He is currently the director of Contrel Technology Co., Ltd., and has not one of the conditions of Article 30 of the Company Act.	<ol style="list-style-type: none"> <li>1. Not a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.</li> <li>2. Directors, supervisors or employees of other companies or institutions that are not the same person or spouse as the chairman, president or equivalent positions of the Company.</li> <li>3. Not directors, supervisors, managers, or shareholders holding more than 5% of shares of a specific company or organization that is in financial or business dealings with the Company.</li> <li>4. Not a professional individual who, or an owner, partner, director, supervisor, or president of a sole proprietorship, partnership, company, or institution that, provides auditing and commercial, legal, financial, accounting services or consultation that does not exceed NT\$500,000 in remuneration over the last two years to the Company or to any affiliate of the Company, or a spouse thereof.</li> <li>5. Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act.</li> </ol>	None

Qualifications Name	Professional qualifications and experience	Independence	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent director
Hong Mai Co., Ltd. Representative: Jun-Liang Kuo	With more than five years of work experience required for the company's business, he is currently the chairman of Agein Media & Communications Ltd. Co. and has not one of the conditions in Article 30 of the Company Act.	<ol style="list-style-type: none"> <li>1. Not an employee of the Company or any of its affiliates.</li> <li>2. Not a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.</li> <li>3. Directors, supervisors or employees of other companies or institutions that are not the same person or spouse as the chairman, president or equivalent positions of the Company.</li> <li>4. Not directors, supervisors, managers, or shareholders holding more than 5% of shares of a specific company or organization that is in financial or business dealings with the Company.</li> <li>5. Not a professional individual who, or an owner, partner, director, supervisor, or president of a sole proprietorship, partnership, company, or institution that, provides auditing and commercial, legal, financial, accounting services or consultation that does not exceed NT\$500,000 in remuneration over the last two years to the Company or to any affiliate of the Company, or a spouse thereof.</li> <li>6. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.</li> </ol>	None
U-yuan Investment Ltd. Eu-Gene Chuang	Have more than five years of work experience required for company business, currently serve as a director of Logicom Inc., and have no one of the circumstances of Article 30 of the Company Act.	<ol style="list-style-type: none"> <li>1. Not an employee of the Company or any of its affiliates.</li> <li>2. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.</li> <li>3. Not a manager in (1) or not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of personnel in (2).</li> <li>4. Not a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.</li> <li>5. Directors, supervisors or employees of other companies or institutions that are not the same person or spouse as the chairman, president or equivalent positions of the Company.</li> </ol>	None

Qualifications Name	Professional qualifications and experience	Independence	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent director
		6. Not directors, supervisors, managers, or shareholders holding more than 5% of shares of a specific company or organization that is in financial or business dealings with the Company. 7. Not a professional individual who, or an owner, partner, director, supervisor, or president of a sole proprietorship, partnership, company, or institution that, provides auditing and commercial, legal, financial, accounting services or consultation that does not exceed NT\$500,000 in remuneration over the last two years to the Company or to any affiliate of the Company, or a spouse thereof. 8. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.	
Po-Han Wang	With more than five years of work experience required for corporate business, he has worked as the manager of Deloitte, and currently serves as the director of Shanwei United Certified Public Accountants.	1. Not an employee of the Company or any of its affiliates. 2. Not a director or supervisor of the company or any of its affiliates. 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.	2
Shin Fann	With more than five years of work experience required for company business, he currently serves as the general manager of TECO Electric Co., Ltd. and has not met one of the conditions in Article 30 of the Company Law.	4. Not a manager in (1) or not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of personnel in (2) and (3). 5. Not directors, supervisors, managers, or shareholders holding more than 5% of shares of a specific company or organization that is in financial or business dealings with the Company.	None
Shing-Yusn Tsai	With more than five years of work experience required for the company's business, he has served as the chief financial officer of MediaTek (stock), and currently serves as the vice chairman of Aegis (stock) company and has not one of the conditions in Article 30 of the Company Law.	6. Not a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company. 7. Directors, supervisors or employees of other companies or institutions that are not the same person or spouse as the chairman, president or equivalent positions of the Company. 8. Not directors, supervisors, managers, or shareholders holding more than 5% of shares of a specific company or organization that is in financial or business dealings with the Company.	2

Qualifications Name	Professional qualifications and experience	Independence	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent director
Cheng-Hsin Chen	With more than five years of work experience required for company business, he currently serves as the general manager of Gallant Precision Machining Co., Ltd. and has not met one of the conditions in Article 30 of the Company Law.	9. Not a professional individual who, or an owner, partner, director, supervisor, or president of a sole proprietorship, partnership, company, or institution that, provides auditing and commercial, legal, financial, accounting services or consultation that does not exceed NT\$500,000 in remuneration over the last two years to the Company or to any affiliate of the Company, or a spouse thereof. 10. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. 11. Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act. 12. In compliance with independence regulation according to Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	

## D. Diversity and Independence of the Board of Directors

Based on the policy of diversification and strengthening of corporate governance, the company promotes the development of the composition and structure of the board of directors. To measure professional background, integrity or relevant professional qualifications, etc., after the resolution of the board of directors is passed, it will be sent to the shareholders' meeting for election. The composition of the board of directors should not exceed one-third of the number of directors who also serve as managers of the company, and formulate an appropriate diversification policy based on its own operation, business model and development needs, including but not limited to the following two standards:

- (1) Basic conditions and values: gender, age, nationality and culture.
- (2) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

The members of the board of directors shall generally possess the knowledge, skills and qualities necessary to perform their duties. In order to achieve the ideal goals of corporate governance, the board of directors as a whole should have the following capabilities:

- (1) Operational judgment.
- (2) Accounting and financial analysis skills.
- (3) Operation and management ability.
- (4) Crisis handling capacity.
- (5) Industry knowledge.
- (6) International market view.
- (7) Leadership.
- (8) Decision making.

The current board of directors of the Company consists of 13 directors, including 4 independent directors, 1 female directors and 2 directors with employee status (accounting for 31%, 8% and 15% of all directors, respectively). Among the directors, 4 are between the ages of 41 and 50, and the rest are all over the age of 51.

The specific management objectives and achievement of the board diversity policy are as follows:

Management goals	Achievement
Directors who also serve as company managers should not exceed one-third of the number of directors	Achieved
Pay attention to gender equality in the composition of the board of directors, including at least 1 female director	Achieved
The term of independent directors has not exceeded 3 terms	Achieved
Adequately diversified professional knowledge and skills and professional background	Achieved



Diversified Core  Name		Basic component										Industry experience					Professional knowledge and skills					
		Country of Citizenship	gender	employ ee	Age					Length of tenure of independent directors		mecha nical	Information and Technology	finance	Accou nting	Market ing	Operational Judgment	Manage ment	leadership decision- making	crisis management	Industry knowledge	international market view
					31-40	41-50	51-60	61-70	71-80	3 years or less	3-9 years											
Director	Jui-Hsiung Yen	R.O.C.	Male	v				v				v	v	v			v	v	v	v	v	v
Director	Hwa-Chou Yen	R.O.C.	Male						v			v		v			v	v	v	v	v	v
Director	Cheng Yen	R.O.C.	Male			v						v	v	v			v	v	v	v	v	v
Director	Tsan-Jen Chen	R.O.C.	Male				v					v	v	v			v	v	v	v	v	v
Director	Lu Yen	R.O.C.	Female	v		v						v	v	v		v	v	v	v	v	v	v
Director	Yang-Kuang Tung	R.O.C.	Male						v			v		v			v	v	v	v	v	v
Director	Weichung Ooi	U.S.A.	Male			v						v	v	v			v	v	v	v	v	v
Director	Jun-Liang Kuo	R.O.C.	Male				v					v	v			v	v	v	v	v	v	v
Director	Eugene Chuang	U.S.A.	Male			v						v	v	v			v	v	v	v	v	v
Independent director	Po-Han Wang	R.O.C.	Male			v					v	v		v	v		v	v	v	v	v	v
Independent director	Shin Fann	R.O.C.	Male				v			v		v	v	v			v	v	v	v	v	v
Independent director	Shing-Yusn Tsai	R.O.C.	Male						v			v	v	v			v	v	v	v	v	v
Independent director	Cheng-Hsin Chen	R.O.C.	Male				v			v		v	v	v			v	v	v	v	v	v

### 2.1.2 Board Independence

There are currently 13 members of the board of directors of the company, including 4 independent directors and 2 directors with employee status (accounting for 31% and 15% of all directors). As of the end of 2024, all independent directors were in compliance with the regulations of the Securities and Futures Bureau of the Financial Supervisory Commission on independent directors, and there were no matters 3 and 4 stipulated in Article 26-3 of the Securities and Exchange Act between the directors and independent directors. The board of directors of the company Independent (please refer to page 15 of this annual report - information disclosure of directors' professional qualifications and independence of independent directors), each director's educational background, gender and work experience (please refer to page 7 of this annual report - director information).

### 2.1.3 Information Regarding Management Team

2025.04.15

Title	Nationality	Name	Gender	On-board Date	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangement		Education & Selected Past Positions	Current Positions at Other Companies	Officers who are the Spouse or a Relative Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
General Manager (Note 1)	R.O.C.	Jui-Hsiung Yen	M	2015.08.31	5,480,200	2.15	316,103	0.12	0	0	Refer to page 7	Refer to page 9	None		
Vice President	R.O.C.	Feng-Hui Chiou	M	2020.01.03	234,894	0.09	2,532	0	0	0	Senior Manager, Tongtai Machine & Tool Co., Ltd. Department of Mechanical Engineering, Nanya Institute of Technology	General Manager and Director of Suzhou Tongyu Machine Tool Co.,Ltd	None		
Vice President	R.O.C.	Lu Yen	F	2020.01.03	36,061	0.01	0	0	0	0	Refer to page 7	Refer to page 9	None		
Director	R.O.C.	Wen-Peng Tseng	M	2020.01.03	17,867	0.04	0	0	0	0	M.S. in Institute of Control Engineering, National Chiao Tung University; Director at Industrial Technology Research Institute	Supervisor of Printin3d DigiTech Co., Ltd. and TONGFONG AUTO TECH CO., LTD.	None		
Finance Officer	R.O.C.	Pei Zhen Guo	F	2024.04.07	240	0	0	0	0	0	Assistant Manager at Tongtai Department of Finance, Pingtung University	None	None		
Accounting Officer	R.O.C.	Hsiu Wen Hsiao	F	2024.03.13	0	0	0	0	0	0	Specialest at Tongtai Department of Accounting, Feng Chia University	None	None		

Note 1 : Please refer to page 9 for the explanation that Jui-Hsiung Yen serves as Chairman and General Manager.

## 2.2 Remuneration of Directors, Supervisors, GENERAL MANAGER and Vice President

### 2.2.1 Remuneration for Directors and Independent Director

2024Y; Units: NT\$ in thousands/%

Title	Name	Directors' remuneration								Total Remuneration (A+B+C+D) as a percentage of net income after tax (%)		Remuneration from concurrent position as employee								Total Compensation (A+B+C+D+E+F+G) as a percentage of net income after tax (%)		Remuneration Received from Invested Companies other than the Company's Subsidiary or from Parent Company
		Base Compensation (A)		Severance Pay and Pensions (B)		Compensation to Directors (C)		Allowances (D)				Base Compensation, Bonuses, and Allowances (E)		Severance Pay and Pensions (F)		Profit distribution for employee remuneration (G)						
		Tongtai	From All Consolidated Entities	Tongtai	From All Consolidated Entities	Tongtai	From All Consolidated Entities	Tongtai	From All Consolidated Entities	Tongtai	From All Consolidated Entities	Tongtai	From All Consolidated Entities	Tongtai	From All Consolidated Entities	Tongtai		From All Consolidated Entities		Tongtai	From All Consolidated Entities	
																Cash	Stock	Cash	Stock			
Chairman	Jui Hsiu Investment Co., Ltd Representative:Jui-Hsiung Yen	0	0	0	0	0	0	30	30	30 0.00%	30 0.00%	2,092	2,092	0	0	0	0	0	0	2,122 -0.23%	2,122 -0.23%	0
Director	San Shin Co., Ltd Representative: Hwa-Chou Yen	0	0	0	0	0	0	30	30	30 0.00%	30 0.00%	0	0	0	0	0	0	0	0	30 0.00%	30 0.00%	0
Director	San Shin Co., Ltd Representative: Cheng Yen	0	0	0	0	0	0	30	30	30 0.00%	30 0.00%	0	0	0	0	0	0	0	0	30 0.00%	30 0.00%	0
Director	Hong Mai Co., Ltd. Representative: Jun-Liang Kuo	0	0	0	0	0	0	45	45	45 0.00%	45 0.00%	0	0	0	0	0	0	0	0	45 0.00%	45 0.00%	0
Director	U-Yuan Investment Ltd. Representative: Eugene Chuang	0	0	0	0	0	0	55	55	55 -0.01%	55 -0.01%	0	0	0	0	0	0	0	0	55 -0.01%	55 -0.01%	0
Director	Jui Hsiu Investment Co., Ltd Representative: Tsan-Jen Chen	0	0	0	0	0	0	25	25	25 0.00%	25 0.00%	0	0	0	0	0	0	0	0	25 0.00%	25 0.00%	0
Director	Tsan Ying Investment Co., Ltd Representative: Lu Yen	0	0	0	0	0	0	30	30	30 0.00%	30 0.00%	1,798	1,798	103	103	0	0	0	0	1,931 -0.21%	1,931 -0.21%	0
Director	Yang-Kuang Tung	0	0	0	0	0	0	25	25	25 0.00%	25 0.00%	0	0	0	0	0	0	0	0	25 0.00%	25 0.00%	0
Director	Wei Ling Investment Ltd. Representative: Weichung Ooi	0	0	0	0	0	0	30	30	30 0.00%	30 0.00%	0	0	0	0	0	0	0	0	30 0.00%	30 0.00%	0
Independent Director	Po-Han Wang	420	420	0	0	0	0	50	50	470 -0.05%	470 -0.05%	0	0	0	0	0	0	0	0	470 -0.05%	470 -0.05%	0
Independent Director	Shin Fann	420	420	0	0	0	0	45	45	465 -0.05%	465 -0.05%	0	0	0	0	0	0	0	0	465 -0.05%	465 -0.05%	0
Independent Director	Shing-Yusn Tsai	420	420	0	0	0	0	70	70	490 -0.05%	490 -0.05%	0	0	0	0	0	0	0	0	490 -0.05%	490 -0.05%	0
Independent Director	Cheng-Hsin Chen	420	420	0	0	0	0	70	70	490 -0.05%	490 -0.05%	0	0	0	0	0	0	0	0	490 -0.05%	490 -0.05%	0

- Please state the policy, system, standard and structure of remuneration paid to Independent Directors and the correlation between factors such as responsibilities and risks assumed as well as time contributed and the amount of payment:  
Remuneration is determined based on the Articles of Incorporation. The Compensation Committee would evaluate the involvement of Directors in the business operation of the Company and their contributions to the Company with reference to the remuneration standard of the industry. Due to the loss in 2024, the average remuneration of each director also decreased compared with the previous year, which is still reasonable.
- Except for information disclosed above, remuneration paid for services rendered by Directors of the Company to all consolidated entities (e.g., being a nonemployee consultant) in the most recent year: None.

## 2.2.2 Remuneration for General Manager and Vice Presidents

2024Y; Units: NT\$ in thousands/%

Title	Name	Salary (A)		Severance Pay and Pensions (B)		Bonuses and Allowances (C)		Employee remuneration from profit distribution (D)				Total Compensation (A+B+C+D) as a percentage of net income after tax (%)		Remuneration Received from Invested Companies other than the Company's Subsidiary or from Parent Companies
		Tongtai	From All Consolidat ed Entities	Tongtai	From All Consolidat ed Entities	Tongtai	From All Consolidat ed Entities	Tongtai		From All Consolidated Entities		Tongtai	From All Consolidated Entities	
								Cash	Stock	Cash	Stock			
General Manager	Jui-Hsiung Yen	1,901	1,901	0	0	191	191	0	0	0	0	2,092 -0.23%	2,092 -0.23%	0
Vice President	Lu Yen	1,649	1,649	103	103	148	148	0	0	0	0	1,900 -0.21%	1,900 -0.21%	0
Vice President	Feng-Hui Chiou	1,457	1,457	117	117	117	117	0	0	0	0	1,691 -0.19%	1,691 -0.19%	0
Vice President	Yu-Pin Chen	1,665	1,665	106	106	150	150	0	0	0	0	1,921 -0.21%	1,921 -0.21%	0

## 2.2.3 Remuneration for Top 5 management

2024Y; Units: NT\$ in thousands/%

Title	Name	Salary (A)		Severance Pay and Pensions (B)		Bonuses and Allowances (C)		Employee remuneration from profit distribution (D)				Total Compensation (A+B+C+D) as a percentage of net income after tax (%)		Remuneration Received from Invested Companies other than the Company's Subsidiary or from Parent Companies
		Tongtai	From All Consolidated Entities	Tongtai	From All Consolidated Entities	Tongtai	From All Consolidated Entities	Tongtai		From All Consolidated Entities		Tongtai	From All Consolidated Entities	
								Cash	Stock	Cash	Stock			
General Manager	Jui-Hsiung Yen	1,901	1,901	0	0	191	191	0	0	0	0	2,092 -0.23%	2,092 -0.23%	0
Vice President	Lu Yen	1,649	1,649	103	103	148	148	0	0	0	0	1,900 -0.21%	1,900 -0.21%	0
Vice President	Feng-Hui Chiou	1,457	1,457	117	117	117	117	0	0	0	0	1,691 -0.19%	1,691 -0.19%	0
Vice President	Yu-Pin Chen	1,665	1,665	106	106	150	150	0	0	0	0	1,921 -0.21%	1,921 -0.21%	0
Director	Wen-Peng Tseng	1,356	1,356	93	93	136	136	0	0	0	0	1,585 -0.17%	1,585 -0.17%	0

#### 2.2.4 Employees' Remuneration Paid to Management

The Company had a net loss after tax in 2024 and did not estimate employee compensation, so this is not applicable.

#### 2.2.5 Comparison of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, President and Vice Presidents

1. **Analysis of remuneration and compensation paid to Directors, Supervisors, President and Vice Presidents by the Company and all consolidated entities in last 2 years as a percentage of net income in the parent company only or individual financial statements:**

Statements.				
<div>Year</div> <div>Percentage of Net Income After Tax</div>	2024		2023	
Item	Tongtai	From All Consolidated Entities	Tongtai	From All Consolidated Entities
Director	-0.65%	-0.65%	12.33%	12.33%
General Manager 、 Vice President	-0.84%	-0.84%	16.20%	16.20%

Note: The remuneration above includes travel allowance, base compensation, compensation from profit sharing and other compensations.

2. **Remuneration policy, standards and composition, procedures and the correlation with operation performance and future risks:**

- (1) Compensation to Director: Remuneration is determined based on the Articles of Incorporation. The Compensation Committee would evaluate the involvement of Directors in the business operation of the Company and their contributions to the Company with reference to the remuneration standard of the industry. The company regularly evaluates the remuneration of directors in accordance with the "Measures for the Performance Evaluation of the Board of Directors", and the relevant performance evaluation and the reasonableness of the remuneration are reviewed by the Remuneration Committee and the Board of Directors.
- (2) Compensation to President, Vice President and Director: The board has approved "the rules of Compensation and Performance Evaluation of Managers". The compensation is paid according to the policy, and the earning sharing is based on the position and responsibilities at the Company and the contribution to the Company's operating goals. The procedures for determining remuneration include not only the overall operating performance of the Company, but also the achievement rate of individual and departmental performance and the degree of important contribution to the Company, so as to provide reasonable remuneration.

- (3) The Company's remuneration policy is to link responsibilities and performance results, and has a positive correlation with operating performance, and discloses the payment amount in accordance with laws and regulations, and future risks should be limited.

## 2.3 Corporate Governance

### 2.3.1 Board of Directors

The board of directors held 5 meetings in 2024 (A), attendance status of directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) B/A	Remarks
Chairman	Jui Hsiu Investment Co., Ltd Representative: Jui-Hsiung Yen	5	0	100%	
Director	San Shin Co., Ltd. Representative: Hwa-Chou Yen	5	0	100%	
Director	San Shin Co., Ltd. Representative: Cheng Yen	5	0	100%	
Director	Jui Hsiu Investment Co., Ltd Representative: Tsan-Jen Chen	5	0	100%	
Director	Tsan Ying Investment Co., Ltd Representative: Lu Yen	5	0	100%	
Director	Yang-Kuang Tung	4	0	80%	
Director	Hong Mai Co., Ltd. Representative: Jun-Liang Kuo	5	0	100%	
Director	U-Yuan Investment Ltd. Representative: Eugene Chuang	5	0	100%	
Director	Wei Ling Investment Ltd. Representative: Weichung Ooi	5	0	100%	
Independent Director	Po-Han Wang	5	0	100%	
Independent Director	Shin Fann	5	0	100%	
Independent Director	Shing-Yusn Tsai	5	0	100%	
Independent Director	Cheng-Hsin Chen	5	0	100%	

#### Other Disclosures:

- If any of the following circumstances occurred during the operation of the Board of Directors, the meeting dates, and proposal details, opinions of all independent directors, and the Company's responses to such opinions should be specified:
  - Items listed in Article 14-3 of the Securities and Exchange Act: Please refer to the operation of the Audit Committee in this annual report. All the independent directors agreed all the proposals.
  - Except for the preceding items, written or otherwise recorded resolutions in which an independent director had a dissenting opinion or qualified opinion not included in the aforementioned item: None.
- Status of the Recusals of Directors due to conflicts of interests, the name of the directors, proposal details, the reasons for recusal, and the voting result should be specified: Please refer to page 64~70.



3. The self-evaluation of the performance of the Board of Directors for 2021 is as follows,

Evaluation Cycle	Once a year
Evaluation Period	From Jan. 1 2024 to Dec. 31, 2024
Evaluation Scope	The Board, the Board members, and the functional committees
Evaluation Method	Internal self-evaluation of the Board and self-evaluation of the Board members
Evaluation Indexes	<ol style="list-style-type: none"> <li>1. Self-evaluation of performance of the Board: Participation in the operation of the company; Improvement of the quality of the board of directors' decision making; Composition and structure of the board of directors; Election and continuing education of the directors; and Internal control.</li> <li>2. Self-evaluation of performance of the Board members (for themselves): Alignment of the goals and missions of the company; Awareness of the duties of a director; Participation in the operation of the company; Management of internal relationship and communication; The director's professionalism and continuing education; and Internal control.</li> <li>3. Self-evaluation of performance of the functional committees: Participation in the operation of the company; Awareness of the duties of the functional committee; Improvement of quality of decisions made by the functional committee; Makeup of the functional committee and election of its members and internal control.</li> </ol>
Evaluation Result	<ol style="list-style-type: none"> <li>1. Self-evaluation of performance of the Board: Good. Average score is 4.84 points out of 5.</li> <li>2. Self-evaluation of performance of the Board members (for themselves): Good. Average score is 4.73 points out of 5.</li> <li>3. Self-evaluation of performance of the functional committees: Good. Average score is 5 points out of 5.</li> </ol>

4. Objectives of strengthening the functionality of the Board of Directors in the current year and the most recent year and evaluation of the execution thereof:

- 1、The operation of the Company's board of directors is performed in accordance with laws and regulations, the Company's articles of association, and the resolutions of the shareholders' meeting. All directors, in addition to the professional knowledge, skills and accomplishments necessary for performing their duties, are based on the principle of loyalty and good faith and duty of care. Shareholders create maximum benefits.
- 2、In order to establish a good governance system for the board of directors of the Company, improve supervision functions and strengthen management functions, the Company has established rules of board meeting procedures in accordance with Article 26-3 of the Securities and Exchange Act, including the main content of the discussion, execution of operations, and minutes of proceedings.

- 3 、 The Company has approved the "Code of Ethical Conduct", "Code of Integrity Management", "Code of Practice for Corporate Governance", and "Code of Practice for Corporate Social Responsibility" in the board of directors to strengthen the functions of the board of directors and enhance information transparency.
- 4 、 In addition to regular self-inspection of the operation of the board of directors and strengthening the functions of the board of directors, internal auditors also make audit reports on the operation of the board of directors to comply with the regulations of the competent authority.
- 5 、 The Audit Committee and Compensation Committee were established under the authority of the board of directors of the Company to assist the board of directors in fulfilling their supervisory duties. Both committees are composed of three independent directors. The chairman of the committee regularly reports its activities and resolutions to the board of directors.
- 6 、 The Company pays attention to the diversity of directors. In addition to the principle of gender equality, it also considers the management capabilities, international outlook, financial and accounting expertise of directors and other aspects. When the directors were re-elected on June 14, 2023, 1 female director was elected.
- 7 、 The company has insured the D&O Insurance to diversify directors' legal liability risks and enhance corporate governance capabilities.
- 8 、 The Company arranges corporate governance and management courses for directors every year, and provides other course information from time to time.
- 9 、 The company continues to update the Company's relevant financial business information on the Company's website and simultaneously disclose it in Chinese and English to enhance information transparency. In addition, at least one press release will be held every year from time to time so that investors can keep abreast of Company information in a timely manner.

### 2.3.2 Audit Committee or Supervisor Participation in Board of Directors

In order to establish a good audit committee system, improve supervision functions and strengthen management functions, the Company established an Audit Committee in accordance with Article 14-4 of the SEC on June 20, 2017. At present, the members of the committee are composed of 4 independent directors, and all members mutually recommend Po-Han Wang independent director as the convener and chairman of the meeting, representing the committee externally.

#### 1. Duties of Audit Committee

##### (1) Main duties

The audit committee aims to assist the board of directors in supervising the quality of the Company's implementation of the accounting, internal auditing, and financial reporting processes.

##### (2) Annual tasks of the Audit Committee in 2022:

The Audit Committee of the Company held 5 meetings in 2024, the auditing issues are mainly as follows:

- a. Review financial reports.
- b. Review the internal control system and related procedures.
- c. Assesses the effectiveness of the internal control system.
- d. Material asset transactions or derivatives trading.
- e. Material loans of funds, provision of endorsements or guarantees.
- f. The appointment, discharge and compensation of a certified public accountant.
- g. The appointment or discharge of a financial and accounting officer.

■ **Review financial reports**

The board of directors prepared the Company's 2024 annual business report, financial statements, and loss appropriation proposals, among which the financial statements have been audited by Deloitte & Touch. The above-mentioned business report, financial statement and earning distribution have been reviewed by the Audit Committee and determined to be correct by the Audit Committee.

■ **Assesses the effectiveness of the internal control system**

The Audit Committee evaluated the effectiveness of the Company's internal control system and procedures (including financial, operational, risk management, information security, compliance with laws and regulations, and other control measures), and reviewed the Company's internal audit and regular reports by CPA. The Audit Committee believed that the Company's internal control system is effective.

■ **The appointment, discharge and compensation of a certified public accountant**

In order to ensure the independence of the certified public accountant firm, the Audit Committee refers to the contents of Article 47 of the Accountants Act and No. 10 "Integrity, Fairness, Objectivity and Independence" of the Public Accountants Code of Ethics, regarding the independence, professionalism and competence of accountants. The 4th times Audit Committee of the 3rd session on March 11, 2024 and the 5<sup>th</sup> times Board of Director meeting of the 3<sup>rd</sup> session on March 13, 2024 reviewed and approved the accountants Yu-Shiang Liu and Lee-Yuan Kuo of Deloitte & Touch meet the independence assessment standards, and are qualified to serve as the Company's CPA.

■ **Material investment, loans of funds, provision of**

### **endorsements or guarantees**

The Audit Committee reviews major investment, loan of funds, and endorsement proposals, and in addition to confirming their necessity, they also review whether they are in compliance with laws and regulations.

## **2. Operations of Audit Committee**

The Audit Committee held a total of 5 meetings (A) in 2024, attendance status of independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) B/A	Remarks
Independent Director	Po-Han Wang	5	0	100%	
Independent Director	Shin Fann	5	0	100%	
Independent Director	Shing-Yusn Tsai	5	0	100%	
Independent Director	Cheng-Hsin Chen	5	0	100%	

#### **Other Disclosures:**

1. If any of the following circumstances occurred during the operation of the Audit Committee, the date, session number, proposal details, Contents of independent directors' objections, reservations or major proposals resolutions made by the Audit Committee, and the Company's responses to the opinions of the Audit Committee should be specified:
  - (1) Matters referred to in Article 14-5 of the Securities and Exchange Act: Please refer to page 65– page 71.
  - (2) Other matters which were not approved by the Audit Committee but were approved by two thirds or more of all directors: None.
2. Independent director recusals due to proposals involving matters with conflict of interest. The name of the independent directors, proposal details, the reason for recusal, and the voting result should be specified: None
3. Independent director communication with Internal Audit Officer and CPAs (which should include the material items, measures, and results of the audits on the corporate finance and/or operations, etc.)
  - (1)The Chief Internal Auditor of the Company reports to the Audit Committee at least quarterly and submits the audit reports by the end of each month. The communication channel between the independent directors and the internal audit officer functioned well.
  - (2)The independent auditors report to the Audit Committee regarding the audit or review results on the financial reports as well as other required communications in accordance with related regulations via conference meeting or physical meeting at least twice a year. In 2024, there was no special situation mentioned

above. The communication channel between the independent directors and the independent auditors functioned well.

### 2.3.3 Corporate Governance Implementation Status and Differences from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Assessment Item	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Explanation	
1. Does the Company establish and disclose its corporate governance practices in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company referred to Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and drew up Corporate Governance Best Practice Principles, which has been approved by the Board of Directors for publication and disclosed on the Company's website.	No material differences
2. Shareholding Structure & Shareholders' Rights (1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes, and litigation matters? If so, has these procedures been implemented accordingly?	V		(1) The Company has specific person such as spokespersons or acting spokespersons and related departments including investor relations, stock matters and in house legal to deal with the shareholders opinions or disputes.	No material differences
(2) Does the Company possess a list of major shareholders and beneficial owners of these major shareholders?	V		(2) The Company keeps watching any increase or decrease in the shareholding of the top ten shareholders and directors. The Company reports the change status to the relevant authorities every month.	No material differences
(3) Has the Company built and implemented a risk control system and firewall between the Company and its affiliates?	V		(3) The Company has "Operations Supervision of Subsidiaries" and "Related Party Transaction Management". The Company establishes enforcement controls through the internal control system and related practices, and the internal auditors also monitor the performance regularly.	No material differences
(4) Has the Company established internal rules prohibiting insider trading on undisclosed	V		(4) The Company has the "Administrative and Practice Procedures to Prevent Insider". In addition to	No material differences

Assessment Item	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Explanation	
information?			providing the promotional materials or handouts to the board of directors, managers and employees, but also provide training courses on prevention of insider trading.	
3. Composition and Responsibilities of the Board of Directors	V	V	(1) The Company established the policy on diversity in the Corporate Governance Best Practice Principles and implement pursuant to the policy. Please refer to pages 22 of this annual report.	No material differences
(1) Has the Board of Directors established a diversity policy for the composition of its members and has it been implemented accordingly?			(2) There are no functional committees other than Audit committee and the Compensation Committee.	Will set up other functional committees if necessary.
(2) Other than the Compensation Committee and Audit Committee which are required by law, has the Company voluntarily established other functional committees?			(3) The Company drew up the "Self-Evaluation or Peer Evaluation of the Board of Directors" and assessment measures of the performance of the Board of Directors, which has been passed by the Board of Directors for publication and disclosed on the Company's website. The Company conducts performance assessment regularly every year based on the assessment measures that the Company drew up. The assessment result has not only been reported to the Board of Directors but also submitted to Compensation Committee as a reference for director performance assessment and remuneration. The Company has finished the Self-Evaluation for	No material differences
(3) Has the Company established a method of evaluating the performance of its Board of Directors and has the performance evaluation been implemented annually and submitted to its Board of Directors as a reference for individual director's remuneration and renewal nomination?				



Assessment Item	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Explanation	
(4) Does the Company regularly evaluate the independence of its CPAs?	V		<p>2024 in February, 2025 and reported to the Board in March, 2024.</p> <p>(4) The Audit Committee of the Company regularly evaluates the independence of the certified accountants every year, and then reports the evaluation results to the Board of Directors. After the latest assessment was approved by the Audit Committee on March 11, 2024 and March 11, 2025, it was submitted to the Board of Directors for approval on March 13, 2024 and March 14, 2025. The evaluation criteria are set out in section 47 of the Accountants Act and in the Bulletin No. 10 of the Code of Ethics of Accountants.</p> <p>■ The evaluation mechanism mainly includes:</p> <ol style="list-style-type: none"> <li>Whether there is no direct or significant indirect financial interest relationship with the Company or related enterprises.</li> <li>Whether there are no non-audit service items provided to the Company that may directly affect the audit work</li> <li>Whether the certified public accountant and the directors and managers of the Company are not related parties</li> <li>Whether to handle the rotation of certified accountants in accordance with the regulations</li> <li>Whether the independent statement issued by the accountant has been obtained.</li> </ol>	No material differences

Assessment Item	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Explanation	
			<p>f. The board of directors refers to audit quality indicators (AQIs) including professional indicators, quality control indicators, independence, supervision and innovation capabilities, etc.</p> <p>■ The evaluation result: Except for the independence statement issued by CPA, the Company has assessed that the accountants and the Company have no other financial interests or business relationship except for the expenses of the financial and taxation cases, and the accountants' family members have no relationship with the Company, no violation of independence, and all meet the above independence and fitness assessment criteria.</p>	
4. Has the Company assigned competent and appropriate personnel and designated corporate governance officer to be in charge of matters related to corporate governance (including but not limited to providing information required by directors and supervisors related to business operations, handling matters relating to Board of Directors' meetings and General Shareholders' Meetings pursuant to the laws, handling corporate registration and amendment registration, and recording minutes of the Board of Directors' meetings and General Shareholders' Meetings)?	V		1. The Company currently assigned the finance and accounting department in charge of matters related to corporate governance. On May 6, 2021, the Board of Directors approved the appointment of the Company's corporate governance supervisor to (a) Handling of matters relating to board of directors meetings and shareholders meetings in compliance with law; (b) Preparation of minutes of the board of directors meetings and shareholders meetings; (c) Assistance in onboarding and continuing education of the directors; (d) Provision of information required for performance of duties by the directors; (e) Assistance in the directors' compliance of law, and	No material differences

Assessment Item	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Explanation	
			<p>other matters described or established in the Articles of Incorporation or under contract and so on.</p> <p>2. Chi-Jui Yang, is currently the Head of Corporate Governance. He has more than three years of experience as a Head of Stock Affairs of a public company and meets the statutory qualifications as the head of corporate governance.</p> <p>3. The Head of Corporate Governance, arranged courses related to execution of duties in accordance with the regulations and has completed the following courses :</p> <p>a. July 3, 2024: Cathay Pacific Sustainable Finance and Climate Change Summit (6 hours)</p> <p>b. January 9, 2025: Strengthening the internal control defense function and board operation mechanism and fraud case analysis (6 hours)</p> <p>c. January 10, 2024: Analysis of the Internal Control Management Practice of "Greenhouse Gas Inventory"</p>	
5. Has the Company established a means of communication with its stakeholders (including but not limited to shareholders, employees, customers, and suppliers) or created a stakeholder section on the Company's website? Does the Company respond appropriately to stakeholders' questions on major issues of corporate social responsibility?	V		The Company has set up a "stakeholder area" on the Company's website, where the relevant department is responsible for two-way communicating with stakeholders, investors, employees, customers and vendors. The communication status is reported to Board of Directors yearly.	No material differences

Assessment Item	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Explanation	
6. Has the Company appointed a professional registrar for its General Shareholders' Meetings?	V		The Company has appointed the Stock Agency Department, Taishin International, to handle matters related to General Shareholders' Meetings.	No material differences
7. Information Transparency				
(1) Has the Company established a corporate website to disclose information regarding its financial, business, and corporate governance status?	V		(1) The Company has set up a website ( <a href="https://www.tongtai.com.tw">https://www.tongtai.com.tw</a> ) under the investor section to disclose the financial reports and board resolutions.	No material differences
(2) Does the Company use other information disclosure channels (e.g., maintaining an English website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investor conferences etc.)?	V		(2) The Company has an English-language website; there are staffs responsible for the collection and disclosure of Company information; and the spokesman and the acting spokesperson are in good working condition.	No material differences
(3) Does the Company perform public announcement and registration of annual consolidated financial reports within two months after the end of fiscal year and also publicly announces and registers the quarterly financial reports of the first, second, third quarter and monthly operating status within the prescribed period?	V		(3) The Company makes an announcement and reports its annual and quarterly financial statements according to the regulations.	No material differences
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices? (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, implementation of risk management policies and criteria for risk evaluation, implementation of	V		(1) Employee Rights and interests: The Employee Union holds regular meetings of the supervisors and labor unions. On major labor issues, the general manager and the Employee Union will consult to reach a consensus to ensure harmonious labor relations.	No material differences

Assessment Item	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Explanation	
customer relation policies, and the purchase of liability insurance for directors and supervisors)?			<p>(2) Employee care: Provide a safe working environment, perform periodic health checks for employees, and add additional health care programs for special staff and senior staff. In addition, encourage and assist employees to form associations and engage in beneficial physical and psychological activities.</p> <p>(3) Investor Relations: The Company's spokesperson and acting spokesman and is the communication channel between the Company and shareholders. The Company also has an investor section on its website to provide information about investors.</p> <p>(4) Supplier Relations: The Company has a supply chain system, and many domestic suppliers have used this platform to quote, orders, deliveries, etc.</p> <p>(5) Interest in Related party: The Company values the interests of shareholders, customer, suppliers and employees and seeks to protect and balance the rights of each and every interest in Related party.</p> <p>(6) Directors' continuing education: The Company encourages Directors to pursue further studies and recommends appropriate courses to Directors for their reference.</p> <p>(7) Manager's continuing education: The manager of the Company is a responsive person and further education is required.</p>	

Assessment Item	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Explanation	
			<p>(8) Implementation of risk management policies and risk metrics: For details, please refer to "VII. Review of financial situation and financial performance analysis and risk issues".</p> <p>(9) D&amp;O insurance: The Company has provided the D&amp;O insurance for all directors, and the insured company is the Taiwan branch of Amex Products Insurance Company Limited, with an amount of US\$110 million and was reported to the Board of Directors on May 10<sup>th</sup>, 2024.</p> <p>(10) Succession planning for key management: In planning a succession plan, our successors need to have superior management and professional skills, values that are in line with the Company, and personality qualities that include integrity, innovation, mobility, etc., to build management capacity as a senior executive.</p>	
<p>9. Company improvements in corporate governance based on the assessment items stipulated in the Corporate Governance Evaluation Results issued in the most recent year by the Corporate Governance Center of the TWSE, and priority measures for items requiring further improvement.</p> <p>The Company ranked in the top 66% to 80% in the 11<sup>th</sup> Corporate Governance Evaluation of Taiwan Stock Exchange Corporate. Improvements matters are as follows,</p> <p>(1) Treating Shareholders Equitably:</p> <ul style="list-style-type: none"> <li>➢ Implement insider trading prevention management: At least once a year, conduct education and publicity on the " Administrative and Practice Procedures to Prevent Insider Trading ", "Operational Procedures for Handling Major Internal Information" and related laws and regulations for current directors, managers and employees.</li> </ul> <p>(2) Enhancing Board Composition and Operation:</p> <ul style="list-style-type: none"> <li>➢ Independent communication between independent directors and internal audit and accountants: Independent directors hold meetings (excluding the board of directors) or symposium with the head of internal audit and accountants at least twice a year.</li> </ul>				

Assessment Item	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Explanation	
<div>(3) Increasing Information Transparency: to convene the press release as least twice a year.</div> <div>(4) Putting Corporate Social Responsibility (promote sustainable development) into Practice:<div><div>a. At least once a year, the ESG Committee reports to the Board of Directors on the promotion of sustainable development, and discloses it in the annual report of the shareholders' meeting and the company's official website.</div><div>b. Establish and expose on the official website a reporting system for illegal (including corruption) and unethical behaviors.</div><div>c. In addition to being prepared in accordance with GRI standards, the sustainability report also discloses relevant ESG information with reference to SASB standards, and obtains third-party verification.</div></div></div>				

### 2.3.4 Composition and Operation of the Compensation Committee

#### 1. Current Members of the Compensation Committee:

Title	Qualifications\ Name	Professional qualifications and experience	Independence	Number of other public companies in which the member also serves as a member of their Remuneration Committee
Independent Director (Convener)	Po-Han Wang	Please refer to Page 20 disclosed information about director qualification and independence.	The qualifications of the independent directors of the Company meet Article 6 regarding independence regulations of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange: <ul style="list-style-type: none"> <li>● I, my spouse and relative within the second degree of kinship do not serve as the director, supervisor or employee of the Company or its affiliated companies;</li> <li>● I, my spouse and relative within the second degree of kinship (or under other's name) do not hold any percentage or number of issued shares of the Company;</li> <li>● Do not serve as a director, supervisor or employee of the Company that has a special relationship with the Company;</li> <li>● Do not provide commercial, legal, financial, accounting or related services to the Company or any affiliate.</li> </ul>	1
Independent Director	Shin Fann			None
Independent Director	Shing-Yusn Tsai			1
Independent Director	Cheng-Hsin Chen			None



## 2. Duties of the Compensation Committee:

In order to implement corporate governance and improve the Company's director and manager's salary and remuneration policy, the Company has established a Compensation Committee in accordance with relevant laws and regulations. The members of the Company's Compensation Committee have faithfully performed the following functions and powers with the attention of good managers:

- (1) Formulate and regularly review the policies, systems, standards and structures of the performance evaluation and remuneration of the directors and managers of the Company.
- (2) Regularly evaluate and determine the individual salary and remuneration of the director and manager of the Company.

## 3. Operations of the Compensation Committee:

- (1) There are 4 members of the Compensation Committee and is composed of 4 independent directors.
- (2) The Compensation Committee was re-elected on June 14, 2023. The new term for Compensation Committee is from June 14, 2022 to June 13, 2026. The Compensation Committee held 2 times in 2024 (A).

Attendance status of independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) B/A	Remarks
Convener	Po-Han Wang	2	0	100%	
Member	Shin Fann	2	0	100%	
Member	Shing-Yusn Tsai	2	0	100%	
Member	Cheng-Hsin Chen	2	0	100%	

### Other required disclosure:

1. In case where the Board of Director decides not to take on or modify recommendations of the Compensation Committee, the Board of Director shall specify the date, term number, content of proposal and resolution of the item of the Board of Director Meeting where the above decision is made, and how the Company handles the feedback from the Compensation Committee (for instance, if the remunerations resolved by the Board of Directors is better than those recommended by the Compensation Committee, the Board of Director is obliged to specify the difference and reasons herein): All proposals were approved by Board of Directors, please refer to page 66 – page 71.
2. If any members object or hold back the recommendation resolved by the Compensation Committee, and have records or written statements, the Compensation Committee meeting date, term number, content of proposal, opinions of all members and how they handled the member's objection, shall be specified herein: All proposals were approved by Board of Directors, please refer to page 66 – page 71.

**2.3.5 The Company's implementation of sustainable development, differences from the practices of TWSE/TPEX Listed Companies, and reasons for the differences**

Assessment Item	Implementation			Discrepancy with "Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Explanation	
1. Does the company establish exclusively (or concurrently) dedicated units to implement sustainable development, and does the Board of Directors appoint executive level positions with responsibility for sustainable development to supervise the status of the implementation to the Board of Directors?	V		In 2022, the Company established the "ESG sustainable Development Committee" by various departments, with General Manager as the convener, to evaluate environmental, social or corporate governance issues related to the Company's operations and compile relevant information to prepare a sustainability report, and report the execution results to the Board of Directors on a regular or irregular basis.	No material differences
2. Does the Company evaluate the risk of environmental, social and corporate governance issues related to business operations according to the material principle and establish risk management policies or strategies?	V		The Company conducts relevant risk assessments on important issues among the environmental, social and corporate governance issues related to operations, and has a significant impact on the Company's investors and other stakeholders. The Company formulates relevant risk management policies or strategies based on the assessed risks, details of which are set out in Table 1. For more details, please refer to the Company's 2023 Corporate Social responsibility Report.	No material differences
3. Environmental Issues				
(1) Has the Company set an environmental management system designed to industry characteristics?	V		<p>1. The Company has passed ISO 14001 certification since 2000, formulates regulations and standard operating procedures in accordance with the environmental management system, continuously improves with PDCA method, implements environmental protection work, and meets the requirements of relevant environmental protection laws and regulations.</p> <p>2. The Company has passed the verification of ISO 14001:2015 by the Metal technology R&amp;D Center, and the validity period of the certificate is from January 9, 2024 to January 8, 2027.</p>	No material differences

Assessment Item	Implementation			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Explanation	
(2) Is the company committed to improving the energy utilization efficiency and using recycled materials with low impact on environmental load?	V		The company sets energy-saving goals and energy-saving improvement action plans every year, and actively participates in the energy efficiency improvement plan organized by the government to improve energy efficiency; and promotes the source reduction policy of material packaging materials and the recycling of waste packaging materials to reduce the impact of waste on the environment.	No material differences
(3) Does the Company evaluate the current and future potential risks and opportunities of climate change and take corresponding measures for climate related issues?	V		<p>The Company has developed a strategy to reduce the impact of its operations on climate change by developing energy-efficient carbon reduction and greenhouse gas reduction strategies. In addition, the Company is committed to reducing the environmental impact on the production process.</p> <p>A. Carbon reduction target: Tongtai has installed the roof solar power generation system in 2018. Annual carbon reduction can reach about 12 Daan Forest Park. Tongtai was selected as the Best Contribution Award for Solar Photonics in the Science Park, which was publicly awarded by the Minister of Science and Technology at the 2020 Operation Press Conference of Science Park.</p> <p>B. Energy saving objective: In addition to obtaining the energy management ISO 50001:2018 certification, Tongtai also completes external audits every year. The certificate is valid from 2025.2.11 to 2028.2.10. Tongtai sets an annual energy saving target of 5% and an energy saving target of 8% in 2024, setting an energy saving target of 10% in 2025</p> <p>C. Energy-saving measures:  (a) The lighting equipment in the factory is changed to energy-saving LED lights</p>	No material differences

Assessment Item	Implementation			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons												
	Yes	No	Explanation													
			(b) Monitor and adjust the best setting control of air-conditioning temperature (c) Install energy-saving frequency converters in air-conditioning boxes of the whole plant (d) Replace the cooling fins and cooling fans of the air conditioning cooling tower with lightweight FRP materials													
(4) Does the Company collect and calculate relevant data on greenhouse gas, water consumption and the total weight of waste over the past two years and set policies for energy saving and carbon emission reduction, greenhouse gas reduction, water consumption reduction and other waste management?	V		<div>■ Greenhouse gas:</div> <div>➤ Greenhouse gas emissions in the last two years (covering the operation boundary located at NO. 3, LUKE 3rd. Road).</div> <table><tr><th>Year</th><th>Scope 1 (CO2e-t)</th><th>Scope 2 (CO2e-t)</th><th>Unit product emissions (CO2e-t)</th></tr><tr><td>2023</td><td>236.90</td><td>2,692.25</td><td>0.81</td></tr><tr><td>2024</td><td>213.81</td><td>2,000.28</td><td>0.64</td></tr></table> <div>➤ Management policies and results: In order to continue to achieve the reduction trend required by international requirements, the Company collects greenhouse gas emission data every year, formulates energy conservation improvement action plans, and sets an annual greenhouse gas reduction of 1% as the Company's carbon reduction target. Reduce total emissions by 22.4% in 2024 compared to 2023, meeting the set target.</div> <div>■ Water consumption:</div> <div>➤ Water consumption in the last two years (covering</div>	Year	Scope 1 (CO2e-t)	Scope 2 (CO2e-t)	Unit product emissions (CO2e-t)	2023	236.90	2,692.25	0.81	2024	213.81	2,000.28	0.64	No material differences
Year	Scope 1 (CO2e-t)	Scope 2 (CO2e-t)	Unit product emissions (CO2e-t)													
2023	236.90	2,692.25	0.81													
2024	213.81	2,000.28	0.64													

Assessment Item	Implementation			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons																		
	Yes	No	Explanation																			
			<p>the operation boundary located at NO. 3, LUKE 3rd. Road).</p> <table><tr><th>Year</th><th>Total water use (million L)</th><th>Water use per unit area (million L/m2)</th></tr><tr><td>2023</td><td>22.083</td><td>0.006143277</td></tr><tr><td>2024</td><td>19.454</td><td>0.005411914</td></tr></table> <p>➤ Management policies and results: Our company saves water by adjusting the air conditioning drainage conductivity setting and using water-saving label equipment and other management policies.</p> <p>■ <b>Wastes:</b></p> <p>➤ The amount of hazardous waste and non-hazardous waste in the last two years (covering the operation boundary located at NO. 3, LUKE 3rd. Road).</p> <table><tr><th>Year</th><th>Industrial waste (ton)</th><th>Unit product waste amount (t/unit t)</th></tr><tr><td>2023</td><td>69.22</td><td>0.019256334</td></tr><tr><td>2024</td><td>100.673</td><td>0.028967622</td></tr></table> <p>➤ Management policies and results: Our company continues to implement the concept of life cycle management by reducing the amount of packaging materials and enforcing a waste packaging recycling policy to decrease waste</p>	Year	Total water use (million L)	Water use per unit area (million L/m2)	2023	22.083	0.006143277	2024	19.454	0.005411914	Year	Industrial waste (ton)	Unit product waste amount (t/unit t)	2023	69.22	0.019256334	2024	100.673	0.028967622	
Year	Total water use (million L)	Water use per unit area (million L/m2)																				
2023	22.083	0.006143277																				
2024	19.454	0.005411914																				
Year	Industrial waste (ton)	Unit product waste amount (t/unit t)																				
2023	69.22	0.019256334																				
2024	100.673	0.028967622																				

Assessment Item	Implementation			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Explanation	
			disposal volume. In 2024 (Year 113 of the ROC calendar), in accordance with the regulations set by the competent authority, wastewater sludge (D-0104) was classified as managed waste, resulting in a 45% increase in total waste disposal compared to 2023. However, excluding the newly regulated item, waste governed under the original regulations only increased by 2% in 2024 compared to 2023..	
4. Social Issues				
(1) Does the Company set related management policies and procedures in compliance with regulations and internationally recognized human rights treaties?	V		The Company has established the "Employee Handbook", "Code of Conduct" in accordance with relevant labor laws and regulations. The rights and obligations of employees and management are in conformity with labor regulations and elimination of employment discrimination in gender, sexual orientation, race, age, religion, political parties, etc., to ensure we have proper management over our human resource policy.	No material differences
(2) Does the Company set employee benefit measures, including but not limited to remuneration, leave and other benefits and reasonably reflected the business performance or results in the employee remuneration?	V		The Company refers to the market salary level and price index to set reasonable remuneration. The results of the staff performance appraisal and the annual reward and punishment records are clearly and effectively reflected in the staff remuneration policy.	No material differences
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	V		Protecting the health of employees and providing a safe working environment is the most basic commitment of Tongtai. The company has passed the Department of Occupational Safety and Health Management (OSH) ISO 45001" is recognized as the driving force for safety management and is integrated with ISO9001 and ISO14001 system to improve document management and to continue to target safety and health facilities and	No material differences

Assessment Item	Implementation			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Explanation	
			protection against workplace disasters. In addition, the Company has set up the Environmental and Occupational Safety and Health Committee to review the results of the implementation of the monitoring of the working environment on a regular basis, tool protection, education, health promotion results, etc.	
(4) Has the Company established effective career development training plans?	V		We conduct language courses to encourage employees to pursue foreign language skills. There is also a Job mobility application rules, which provides an opportunity for an employee to be assigned abroad. In addition, an overall company-wide and departmental-level education and training programs have been developed according to the different K (knowledge), S (Skills), and A (Attitude) to respond to the different functions of each department.	No material differences
(5) Does the Company comply with the regulations and international standards in the customers’ health, safety and privacy, marketing and labeling of its products and services and establish customer rights protection policies and appeal procedures?	V		We follow the relevant rules for the labeling of our products. In order to ensure the effective communication and processing of customer feedback, the Company has provided a customer service mailbox in addition to a client service mailbox in the Related Party section of the Company's website to ensure that the customer's opinions are properly addressed.	No material differences
(6) Does the Company establish supplier management policies and request suppliers to comply with environment, occupational safety and health or labor human rights related regulations and the status of implementation?	V		Supplier management policies are subject to ISO standards. Environmental and occupational safety and health or labor human rights issues for new suppliers are also required to be filled in basic information questionnaire when new suppliers are established.	No material differences
5. Does the Company prepare sustainability reports to disclose non-financial information of the Company with reference to the internationally accepted standards and guidelines? Has the aforesaid reports received assurance or certification from a third-party accreditation institution?	V		The preparation content of the 2023 ESG Sustainability Report complies with the core options of the GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Reporting Association and refers to relevant international standards (Climate-	No material differences

Assessment Item	Implementation			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Explanation	
			related Financial Disclosure Standards (TCFD), the United States Standards issued by the Sustainability Accounting Standards Board (SASB) strengthen the information disclosed in sustainability reports, please refer to the ESG section of the company's official website.	
<p>6. If the Company has established its sustainable development principles based on Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the Company’s operational status and differences from the principles:</p> <p>The Company has referred to the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies, and established the Corporate Social Responsibility Best Practice Principles in 2016. The Corporate Social Responsibility Best Practice Principles was approved by the Board of Directors and disclosed on the Company website, there is no material difference between the principles and the operational status.</p>				
<p>7. Other important information to facilitate better understanding of the Company’s sustainable development practices:</p> <p>In 2022, the Company established the "ESG sustainable Development Committee" by various departments, with General Manager as the convener, to evaluate environmental, social or corporate governance issues related to the Company's operations and compile relevant information to prepare a sustainability report, and report the execution results to the Board of Directors on a regular or irregular basis.</p> <p>A. Main duties of the CSR Task Force:</p> <ol style="list-style-type: none"> <li>(1) Coordinate the Company's corporate social responsibility and sustainable development goals.</li> <li>(2) Regularly supervise and control various departments in accordance with their scope to promote the fulfillment of corporate social responsibility and other matters.</li> <li>(3) Prepare a CSR report by compiling relevant data.</li> <li>(4) Report the execution results to the Director meeting regularly or irregularly</li> </ol> <p>B. Concretely promote the plan and implementation results:</p> <ol style="list-style-type: none"> <li>(1) ESG Report : For the 2023 ESG Report, please refer to the "ESR" section of the Company's website. In addition, the 2024 Sustainable Report will be issued by the end of September 2025.</li> <li>(2) Policies and implementation status for environmental protection, safety and health: In order to reduce the impact on the surrounding environment, the Company should properly manage various environmental factors to provide all employees and nearby residents with a safe, healthy, and suitable working and living environment quality, which is jointly determined by all members of the Environmental Management System Committee. The environmental policies including, (a) Comply with environmental protection laws and regulations, (b) Committed to pollution prevention, (c) Active participation of all employees, (d) Continuous improvement.</li> </ol>				



Assessment Item	Implementation			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Explanation	
<p>In August 2014, the Company was awarded the "Environmental Sustainability Award" created by the leading international certification brand SGS. Tongtai has implemented ISO14001 for more than 20 years, and there has been no master defect in the past three years, and it has continuously improved its environmental management system to represent the company. It can be truly implemented internally at all levels of environment and safety.</p> <p>(3) Community participation, social contribution, social service, social welfare:</p> <p>(a) Social service and Community participation: Starting from 2011, Tongtai started a series of local care activities, such as cooperating with charity foundations and the Happy Learning Association of the Republic of China to continue caring for children and teenagers from disadvantaged families</p> <p>(b) Group visit: Encourage schools and other groups to visit Tongtai, understand the current situation of the industry and cultivate the corresponding abilities of students, and increase the employment opportunities for students after graduation. The visit activities are combined with further short-term summer work-study activities, hoping to expand students' horizons and understanding through actual participation. Since the company moved the site to the new Luke factory, the number of visitors has reached more than 7,000 people.</p> <p>Please refer to the Company's official website/Facebook for the latest company developments.</p>				

Table 1

Major issues	Risk Assessment Items	Risk Management Policy or Strategy
Environment	Carbon Emission	Luke No. 1 Plant has completed the greenhouse gas inventory in 2019, obtained the ISO14064-1 inspection statement and has completed the CNC drilling machine SD-620 product carbon footprint emission verification, and obtained the ISO14067 carbon footprint verification statement, verifying the CNC drilling machine SD-620 product carbon footprint emissions Quantity: 25.13 tonCO <sub>2</sub> e/each.
	Environmental Protection	The Company has obtained ISO 50001 Energy Management System (EnMS) international standard certificate to improve energy efficiency and reduce energy consumption costs. Air pollution, waste and wastewater discharge treatment are all carried out in accordance with the law, and the Company continues to avoid environmental hazards.
Social	Occupational Safety	Appoint full-time "Occupational Safety/Hygiene Managers and Occupational Safety and Health Administrators" and "Occupational Safety and Health Nurses".
		Implement the occupational safety and health management plan in accordance with the law, and carry out work such as protection, disaster reduction, maintenance, response, and recovery of the working environment.

Major issues	Risk Assessment Items	Risk Management Policy or Strategy
	Product Safety	The Company has complete logistics safety management standards from raw material purchase, warehousing, production, shipment and delivery, and export. Assist customers to quickly receive Tongtai's products and improve their production efficiency through specifications, while achieving the goals of optimizing logistics service quality and maintaining supply chain security.
Economic	Supply Chain Management	The Company's purchases are all aimed at diversifying supplier risks, actively developing new sources, and purchasing raw materials from different regions and suppliers to avoid insufficient supply chain materials and monopoly by a few suppliers.
		The Company establishes supply chain safety policies, implements the promotion of supply chain safety education, and implements the Supplier Evaluation Management Measures and qualified brand and qualified manufacturer evaluation meetings.
		Encourage suppliers to develop raw materials and processes that reduce environmental impact or can be recycled and reused.
	Information Security Risk	The Company establishes various rules of the computer information system cycle as the basis and inspection of information security.
		The Company uses in-depth management and control from the gateway-side firewall to the endpoint protection. Different protections are differentiated at each stage to prevent intrusions and viruses.
		The Company uses the Anti-SPAM-->MSE process to prevent spam from entering, conduct mail audit and backup, and strengthen the heterogeneous three anti-virus detection mechanism.
		Information security education and training are held regularly every year, and monthly information security advocacy is held irregularly.
	Economic and Legal Compliance	The Company's management and related staff always pay attention to important domestic and foreign policy and legal changes. The senior staff and external professional units provide suggestions and take relevant measures.
Corporate Governance	Strengthen Director functions and implement Director responsibilities	Plan training courses for directors every year, and provide latest regulations, system developments and policies from time to time to directors.
		Insuring D&O insurance to provide protection for Director's performance of duties.
	Stakeholder communication	Establish various communication channels and actively communicate.

### 2.3.6 1 Climate-related information implementation status

Item	Execution situation
1. Describe board and management oversight and governance of climate-related risks and opportunities °	The company reported to the board of directors in 2022 to establish the ESG Sustainability Committee. It has a corporate sustainability office responsible for promoting sustainability-related planning, and is divided into E. Environmental Protection and Energy Saving Group, S. Employee Relations and Social Participation Group and G. Corporate Governance Group. , regularly report to the board of directors on the implementation progress of climate change management policies and goals. The Office of Corporate Sustainability plans to obtain guidance from the Nanjing Administration of Science and Technology in the preparation of climate-related financial disclosure reports (TCFD) in 2024, and has been notified of the selection.
2. Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short-term, medium-term, long-term).	The company has completed the identification and assessment of risks and opportunities related to climate change, including how climate risks and opportunities affect the company's business, strategy and finance (short-term, medium-term and long-term). Come up with countermeasures.
3. Describe the financial impact of extreme climate events and transition actions.	Based on the physical risks and transformation risks of climate change, the company estimates the financial impact on the company's

	operations, assets and finances, and formulates relevant response plans.
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	The company has integrated the climate change risk identification process and response plan with the overall corporate risk control mechanism, incorporated climate change risk identification into the corporate risk management process, and will subsequently improve the establishment and supervision of the management system.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be described.	According to the TCFD recommended guidelines, the worst-case scenario (The Worst-case Scenario) faced by the two risk types of transformation and entity is used to incorporate the analysis results into the strategic resilience assessment. Physical risks refer to data from the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and the National Disaster Prevention and Protection Technology Center, and the temperatures from 2020 to 2040 are estimated for RCP4.5 and other scenarios. Rise and rainfall conditions, relevant information is disclosed in the sustainability report.
6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks.	The issue of climate change is one of the environmental issues that the United Nations, governments, society and the business community are currently concerned about. Tongtai formulates its corporate governance, strategy, risk management and indicator goals in accordance with the "Task Force on Climate-related Financial Disclosures Recommendation (TCFD)" formulated by the International Financial Stability Board in 2019.

<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p>	<p>The Company has not yet planned internal carbon pricing and will continue to evaluate domestic and foreign carbon pricing rules and mechanisms.</p>
<p>8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, annual achievement progress and other information should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the information should be explained. Source and quantity of offset carbon reduction credits or quantity of renewable energy certificates (RECs).</p>	<p>In 2019, the company independently completed the ISO 14064-1:2006 greenhouse gas inventory at the headquarters of Luke Factory No. 1, including the inventory and verification of Category 1 and Category 2. The inventory is completed every year and the reduction performance in 2018, the base year of comparison, is calculated to 30 in 2023. %, and it is stipulated that the parent company and consolidated statement subsidiaries will complete the ISO 14064-1:2018 greenhouse gas inventory and verification in batches starting from 2024. The first batch is for the parent company's 3 factories and 3 domestic subsidiaries, and has already Launches 3/22.</p>
<p>9. Greenhouse gas inventory and confirmation, reduction targets, strategies and specific action plans (fill in 1-1 and 1-2 separately).</p>	<p>Detailed Attachment 1-1 of Greenhouse Gas Inventory and Confirmation Situation</p> <p>Detailed Appendix 1-2 of reduction goals, strategies and specific action plans</p>

## 1-1 Company greenhouse gas inventory and confirmation status in the last two years

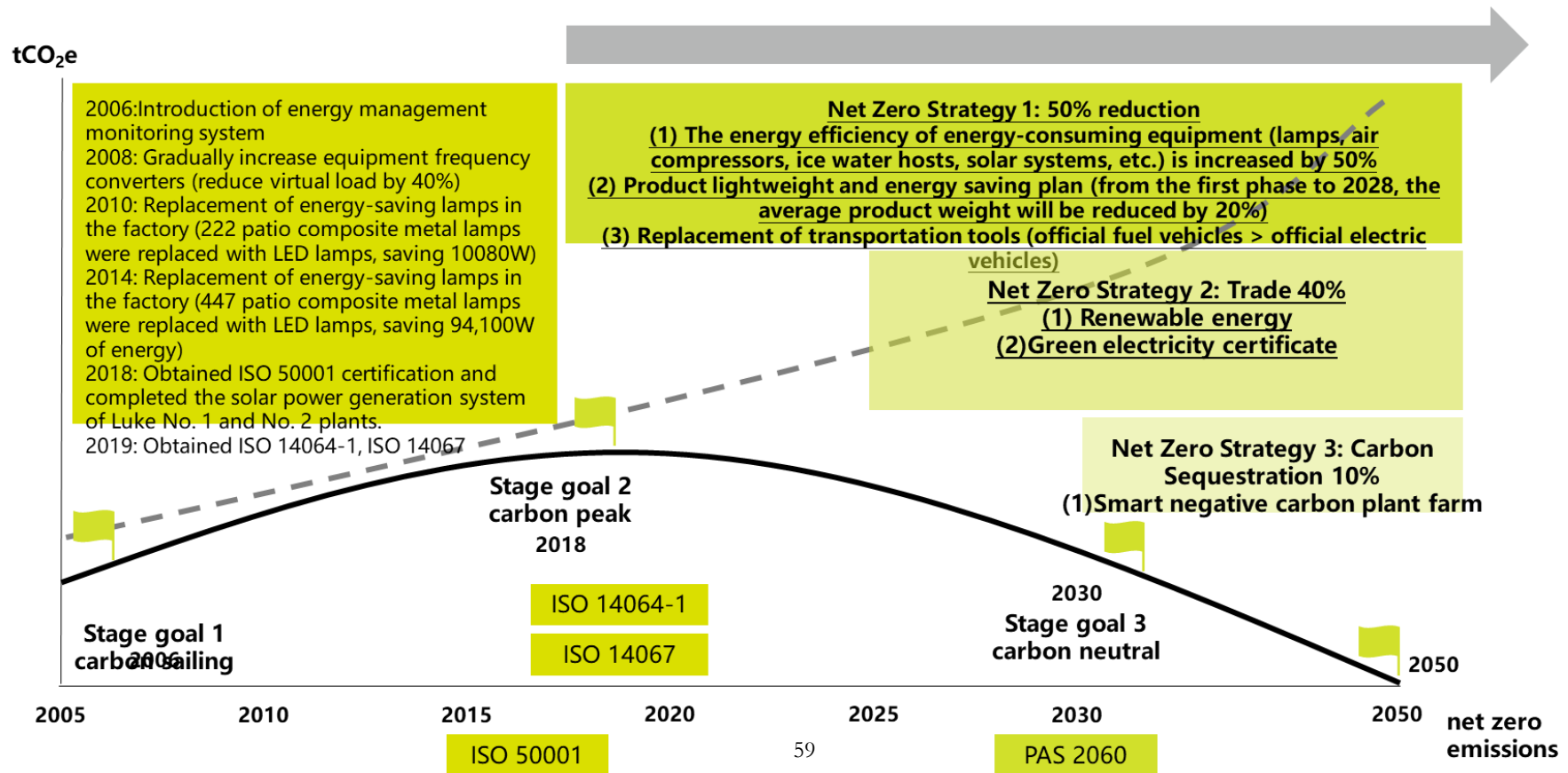
### 1-1-1 Greenhouse gas inventory information

Year	2018	2019	2020	2021	2022	2023	2024
Greenhouse gas emissions							
Category 1	232.332	218.455	243.512	241.314	263.073	269.609	213.810
Category 2	3,984.513	3,456.314	3,227.060	3,183.490	2,904.296	2,686.815	2,000.280
Category 1+2	4,216.845	3,674.768	3,470.572	3,424.803	3,167.369	2,956.424	2,214.090
Reduction performance (base year: 2018)	-	-13%	-18%	-19%	-25%	-30%	-47%
Emission intensity (ton CO2e/million)	0.65	0.68	1.00	0.81	0.98	1.22	0.91
Emission intensity reduced by %(base year: previous year)	-	4%	48%	-19%	21%	24%	25%

### 1-1-2 Greenhouse Gas Confirmation Information

No external confirmation has been made in the past two years

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



### 2.3.7 Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Assessment Item	Implementation Status			Differences from the Ethical Corporate Management Best- Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Explanation	
1. Establishment of Ethical Management Policies and Programs	V		(1) Establishment of Ethical Management Policies and Programs	
(1) Does the Company establish the ethical management policy which is approved by the Board of Directors, and address its ethical management policies and measures and the committed implementation of such policies by the Board of Directors and the top management in its regulations and publicly available documents?	V		(1) As set forth in the Rules of work, an employee shall not use his or her powers to benefit himself or others; an employee shall not accept hospitality or be given gifts for any act in his or her role or for any breach of his or her duties. Kickbacks or other unlawful benefits.	No material differences
(2) Has the Company established a risk assessment mechanism against unethical conduct, and analyzed and assessed on a regular basis business activity within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly. The prevention programs shall at least include preventive measures against the conducts prescribed in Paragraph 2, Article 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?	V		(2) On 17 March 2016, the Code of Practice on good faith was established and staff members were trained and educated to understand the determination of the Company to conduct good faith and the consequences of the breach of good faith.	No material differences
(3) Does the Company establish prevention programs to prevent from unethical conduct with clearly stipulated in the program regards to the implementation procedures, guidelines, disciplinary actions for violations, and reporting			(3) Effective internal control has been established to ensure honest business internal auditors also regularly checks compliance with the above-mentioned regime.	No material differences



Assessment Item	Implementation Status			Differences from the Ethical Corporate Management Best- Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Explanation	
systems and review and modify the measurements periodically?				
(2) Implementation of Ethical Management			2. Implementation of Ethical Management	
(1) Does the Company evaluate the ethical track record of whom it has business relationship with and include clauses of business conduct and ethics related in the business contracts?	V		(1) The Company will, prior to its business dealings, credit the business transaction object, exclude those who have a record of bad faith and express the terms of good faith conduct in the business contract.	No material differences
(2) Has the Company established a dedicated ethical corporate management unit that reports the ethical management policy and programs to prevent unethical conducts directly to the Board of Directors on a regular basis (at least once a year)?	V		(2) At present, there is no dedicated ethical corporate management unit. Through the compliance with the Internal control system and the internal audit to prevent unethical conducts.	No material differences
(3) Has the Company established and implemented policies that prevent conflicts of interests and provide appropriate channels for communication and complaint?	V		(3) The management of the Company shall be subject to the liability of the manager for damages to the Company; the Company website shall have a contact box to provide a means of making representation.	No material differences
(4) Has the Company established effective accounting and internal control systems to implement ethical corporate management, and did the internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and examined accordingly on the compliance with the prevention programs, or CPA was authorized to carry out the audit?	V		(4) Internal auditors check regularly, quarterly and reported to the Board of Directors, and there are no anomalies.	No material differences
				No material differences

Assessment Item	Implementation Status			Differences from the Ethical Corporate Management Best- Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Explanation	
(5) Does the Company provide internal and external ethical conduct training programs on a regular basis?			(5) Through new hired training, regular internal meetings to promote ethical business conduct and ethical behavior. Guidelines and articles related to integrity and ethical conduct are posted on the Company's internal website Advocacy. Total related training hours was 4,477.5 hours with 1,496 persons in 2024.	
3. Has the Company established and implemented policies that prevent conflicts of interests and provide appropriate channels for communication and complaint?	V			
(1) Has the Company established a concrete whistle-blowing and reward system, set up conveniently accessible whistle-blowing channel, and designate responsible individuals to handle the reports received?	V		(1) If any report cases can be submitted via the mail box, no disciplinary action has been made against the integrity of the business, and if found to be substantiated, the case will be dealt with on a project basis.	No material differences
(2) Has the Company established standard operating procedures for the acceptance and investigation of whistle-blowing reports, follow-up measures to be adopted after investigations are completed, and mechanisms to ensure confidentiality?	V		(2) The Company accepts the report in accordance with the standard operating procedures of the investigation and the relevant confidentiality mechanism.	No material differences
(3) Has the Company adopted proper measures to protect the whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing?			(3) If a report is received, the informants' information is strictly protected against unfair treatment.	No material differences
4. Enhanced Information Disclosure (1) Does the Company disclose relevant and reliable information regarding its ethical corporate management	V		The Company publicly discloses its policies and regulations related to corporate ethical management on the Company's website.	No material differences

Assessment Item	Implementation Status			Differences from the Ethical Corporate Management Best- Practice Principles for TWSE/TPEX Listed Companies and Their Reasons
	Yes	No	Explanation	
policies and their implementation on its website and the Market Observation Post System website of the Taiwan Stock Exchange?				
5. If the Company has established its ethical corporate management code of practice pursuant to the Ethical Corporate Management Best-Practice Principle for TWSE/TPEX Listed Companies, please describe the Company's operational status and deviations from the principles:  The Company established its Ethical Corporate Management Best Practice Principles by referencing the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies in 2016. The Ethical Corporate Management Best Practice Principles have been reviewed and passed by the Board of Directors of the Company and disclosed on the Company website. There is no material difference from the Ethical Corporate Management Best-Practice Principle for TWSE/TPEX Listed Companies in actual practice.				
6. Other important information to facilitate better understanding of the Company's ethical corporate management (For example, the review and amendment of the Company's Ethical Corporate Management Best Practice Principles): None.				

### 2.3.8 If the Company has established corporate governance code of practice and regulations, disclose the means of accessing this information

The Company's Corporate Governance Best Practice Principles, Corporate Social Responsibility Best Practice Principles, Ethical Corporate Management Best Practice Principles and relevant regulations are disclosed on the Company website.

### 2.3.9 Internal Control System and Implementation Status

#### A. Statement on Internal Control

Tongtai Machine & Tool Co., Ltd.  
Statement on Internal Control

Date: March 13, 2025

Based on the results of a self-assessment, the Company states the following with regard to its internal control system during the year 2024:

1. The Company acknowledges and understands that establishing, operating and maintaining an internal control system are the responsibilities of its Board of Directors and management, and such a system has been established. The internal control is a process designed to provide reasonable assurance that the following objectives are achieved: the effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets); reliability, timeliness, transparency, and regulatory compliance of reporting; and compliance with applicable laws, regulations, and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes of environment or circumstances. Nevertheless, the Company's internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
3. The Company assesses the design and operating effectiveness of its internal control system based on the criteria set forth in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter the "Regulations"). The criteria adopted by the Regulations identify five key components of internal control based on the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component further contains several items. Please refer to the Regulations for details.
4. The Company has assessed the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the results of the assessment, the Company believes that, as of December 31, 2023, its internal control system (including the supervision and management of its subsidiaries) was effective to provide reasonable assurance that the control objectives were achieved, including the effectiveness and efficiency of operations; reliability, timeliness, transparency, and regulatory compliance of reporting; and compliance with applicable laws, regulations, and bylaws.

6. This Statement is an integral part of the annual report and prospectus of the Company and will be released to the public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This Statement was passed in the Board of Directors' meeting held on March 13, 2025, with none of the 13 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.
- Tongtai Machine & Tool Co., Ltd.  
Chairman and General Manager : Jui-Hsiung Yen

- B. If CPA was engaged to conduct a special audit of internal control system, provide its audit report: None.

**2.3.10 In the most recent year and up to the date of publication of this report, where the Company and its internal personnel were penalized according to laws or the Company had punished its personnel for violating the provisions of the internal control system, and the result of the penalty might have significant impacts on shareholders' rights or securities prices. Therefore, the content of the penalty, the major deficiencies and the improvements shall be stated:**

None.

**2.3.11 Major Resolutions of the General Shareholders' Meetings, and the Board of Directors' Meetings in the Most Recent Year and as of the Date of this Annual Report**

**A. Major Resolutions of General Shareholders' Meetings**

Date	Major Resolutions	Implementation Status
2024.06.13	1. Passed and ratified the 2023 Annual Accounting Final Reports and Financial Statements of the Company.	Approved by the shareholders' meeting.
	2. Passed and ratified the 2023 profit compensation proposal.	
	3. Approved the release of Directors from non-compete restrictions.	July 22, 2024 was set as the ex-dividend record date, and August 12, 2024 was set as the cash dividends issuance date, and total NT\$ 50,965,292 was distributed. Approved by the shareholders' meeting.

**B. Major Resolutions of Board of Director, Audit Committee and Compensation Committee**

Date of Board Meeting	Major Resolutions	The date and resolution of Audit Committee or Compensation Committee	The Company's response to the opinion of Audit Committee or Compensation Committee
2023.03.14 (The 14 <sup>th</sup> time of the 18 <sup>th</sup> )	1. Approved the remuneration of 2022 to employees' and directors.	Approved unanimously by Compensation Committee members on the 11 <sup>th</sup> time of the 4 <sup>th</sup> meeting dated Mar. 13, 2023.	None
	2. Approved of 2022 business report and financial statements. 3. Approved the distribution of 2022 earnings. 4. Approved the release of shares of Honor Seiki Co., Ltd. 5. Approved of 2023 renewal and addition of credit line of financial institutions. 6. Approved new and release of the endorsement/guarantees to some subsidiaries. <b>Recusal of Directors and voting situation of Board of Director:</b> <b>Recusal of Directors:</b> Director Jui-Hsiung Yen, Lu Yen, Cheng Yen have direct personal interest conflicts and blood relatives within the second degree of Directors Hwa-Chou Yen, Hui-Jen Yen. <b>Voting situation:</b> Except for directors who recused themselves from the discussion and resolution, all the rest attendance directors agreed and approved the proposal. 7. Approved new and release the loan funds to some subsidiaries. <b>Recusal of Directors and voting situation of Board of Director:</b> <b>Recusal of Directors:</b> Director Jui-Hsiung Yen, Lu Yen, have direct personal interest conflicts and blood relatives within the second degree of Directors Hwa-Chou Yen, Hui-Jen Yen, Cheng Yen. <b>Voting situation:</b> Except for directors who recused themselves from the discussion and resolution, all the rest attendance directors agreed and approved the proposal. 8. Approved the significant account receivables overdue more than 3 months were not loaning of funds. 9. Approved appointment of Acting Spokesperson and Financial Officer. 10. Approved the change of CPA starting from the 1st quarter of 2023. 11. Approved the evaluation of the independence and suitability of the CPA of 2023. 12. Approved effectiveness of the internal control system and internal control system statement of 2022. 13. Approved the amendments to some internal control regulations. 14. Approved release restriction of Competitive Behavior of Newly-appointed Directors and Their Representatives.	Approved unanimously by Audit Committee members on the 13 <sup>th</sup> time of the 2 <sup>nd</sup> meeting dated March 13, 2023.	None
	15. Approved of 2023 business plan	-	-

Date of Board Meeting	Major Resolutions	The date and resolution of Audit Committee or Compensation Committee	The Company's response to the opinion of Audit Committee or Compensation Committee
	16. Re-election of directors 17. List of nominated directors (including independent directors) candidates. 18. Approved convening the 2023 Annual Shareholders' Meeting. 19. Approved of accepting the proposal for discussion at a regular shareholders' meeting proposed by shareholder(s). 20. The general meeting of shareholders accepts the matters related to the nomination of directors (including independent directors) nominated by shareholders	-  -	-  -
2024.03.13 (19th Term, 6th Meeting)	1. Approved the employee remuneration and director remuneration cases deliberated by the Salary and Compensation Committee in 2023.	Approved unanimously by Compensation Committee members on the 3 <sup>rd</sup> time of the 5 <sup>th</sup> meeting dated Mar. 11, 2024	None
	2.Approved ratification of the appointment of acting spokesperson, financial officer and accounting officer	Approved unanimously by Audit Committee members on the 4 <sup>th</sup> time of the 3 <sup>rd</sup> meeting dated March 11, 2024.	None
	3. Approved 2023 business report and financial statements.		
	4. Approved the distribution of 2023 earnings.		
	5. Approved of 2024 renewal and addition of credit line of financial institutions.		
	6.Approved lifting and new endorsement/guarantees to subsidiaries.		
	7. Approved lifting and adding new loans to subsidiaries.		
	<b><u>Recusal of Directors and voting situation of Board of Director:</u></b> <b><u>Recusal of Directors:</u></b> Director Jui-Hsiung Yen, Lu Yen have direct personal interest conflicts and blood relatives within the second degree of Directors Hwa-Chou Yen, Cheng Yen. <b><u>Voting situation: Except for directors who recused themselves from the discussion and resolution, all the rest attendance directors agreed and approved the proposal.</u></b>		
	8.Approved of the significant account receivables overdue more than 3 months were not loaning of funds.		
	9. Approved the company changed its visa accountant since the first quarter of 2024.		
	10. Approved the evaluation of the independence and suitability of the CPA of 2024.		
	11. Approved effectiveness of the internal control system and internal control system statement of 2023.		
	12. Approved released of the director from non-compete restrictions.		
	13. Approved of 2024 business plan		
	14.Approved of convening the 2024 Annual Shareholders' Meeting.		
	15.Approved of accepting the proposal for discussion at a regular shareholders' meeting proposed by shareholder(s).		

Date of Board Meeting	Major Resolutions	The date and resolution of Audit Committee or Compensation Committee	The Company's response to the opinion of Audit Committee or Compensation Committee
May 10, 2024 (19th Term, 6th Meeting)	<p>1. Approval of the Company's consolidated financial statements for the first quarter of 2024.</p> <p>2. Approval of the proposal to increase credit limits with financial institutions.</p> <p>3. Approval of the proposal to increase the guarantee limit for bank borrowings by subsidiaries.</p> <p>4. Approval of the proposal to extend new intercompany loans to subsidiaries.</p> <p>5. Approval of the list of major accounts receivable overdue by more than three months as of March 31, 2024, not classified as intercompany loans.</p> <p>6. Approval of the SAP upgrade project.</p> <p>7. Approval by the Audit Committee of the 2024 IESBA policy pre-approval list.</p>	May 7, 2024 (3rd Term, 5th Meeting) Unanimous approval by all attending members of the Audit Committee.	None
August 9, 2024 (19th Term, 7th Meeting)	<p>1. Approval of the Company's 2023 Board of Directors' cash remuneration distribution. Conflict of interest and voting status: Recusal: Directors Yen Jui-Hsiung, Chen Tsan-Jen, Yen Hua-Chou, Yen Cheng, Yen Lu, Tung Yang-Kuang, Kuo Chun-Liang, Chuang Yu-Chieh, and Huang Wei-Tsung recused themselves due to personal interests and did not participate in the discussion or voting. Voting: The proposal was unanimously approved by the remaining attending directors with no conflicts of interest.</p> <p>2. Approval of the appointment of members to the Sustainability Development Committee and the 2023 Sustainability Report.</p> <p>3. Approval of the Organizational Regulations of the Sustainability Development Committee.</p> <p>4. Approval of the Company's consolidated financial statements for the second quarter of 2024.</p> <p>5. Approval of the Company's investment in the establishment of a new subsidiary in Taiwan.</p> <p>6. Approval of increased credit lines with financial institutions for 2024.</p> <p>7. Approval of an increase in the guarantee limit for bank borrowings by subsidiaries. Conflict of interest and voting status: Recusal: Directors Yen Jui-Hsiung, Yen Lu, and Yen Cheng recused themselves due to personal interests, and Director Yen Hua-Chou recused due to being a blood relative within the second degree; none participated in the discussion or voting. Voting: The proposal was unanimously approved by the remaining attending directors with no conflicts of interest.</p> <p>8. Approval of the cancellation and addition of intercompany loans to subsidiaries. Conflict of interest and voting status: Recusal: Director Yen Lu recused due to personal interest, while Directors Yen Hua-Chou and Yen Cheng recused due to being</p>	<p>August 7, 2024 (5th Term, 4th Meeting) Unanimous approval by all attending members of the Compensation Committee.</p> <p>August 7, 2024 (3rd Term, 6th Meeting) Unanimous approval by all attending members of the Audit Committee.</p>	<p>None</p> <p>None</p>



Date of Board Meeting	Major Resolutions	The date and resolution of Audit Committee or Compensation Committee	The Company's response to the opinion of Audit Committee or Compensation Committee
	<p>second-degree blood relatives; they did not participate in the discussion or voting. Voting: The proposal was unanimously approved by the remaining attending directors with no conflicts of interest.</p> <p>9.Approval of major accounts receivable overdue by more than three months as of June 30, 2024, not classified as intercompany loans.</p> <p>10.Approval by the Audit Committee of the 2024 IESBA policy pre-approval list.</p>		
October 30, 2024 (19th Term, 8th Meeting)	1. Approval of the Chairman to handle matters related to the real estate of Luke Plant No. 2	October 30, 2024 (3rd Term, 7th Meeting) Unanimous approval by all attending members of the Audit Committee	None
November 13, 2024 (19th Term, 9th Meeting)	<p>1.Approval of the Company's consolidated financial statements for the third quarter of 2024.</p> <p>2.Approval of the disposal of the real estate of the Luku Second Plant.</p> <p>3.Approval of the establishment of a holding company in France and a capital contribution of EUR 5 million in cash.</p> <p>4.Approval of the acquisition of equity in Puzih Precision Enterprise Co., Ltd.</p> <p>5.Approval of the release and addition of endorsement and guarantee limits for bank loans to subsidiaries. Recusal situation: Director Yen Lu has a personal interest, and Directors Yen Huazhou and Yen Cheng are related within the second degree of kinship; therefore, they recused themselves from discussion and voting in accordance with the law. Voting result: The proposal was unanimously approved by the remaining directors present who had no conflicts of interest.</p> <p>6.Approval of the release and addition of intercompany loan amounts to subsidiaries. Recusal and voting situation: Recusal situation: Directors Yen Jui-Hsiung and Yen Lu have personal interests, and Directors Yen Huazhou and Yen Cheng are related within the second degree of kinship; therefore, they recused themselves from discussion and voting in accordance with the law. Voting result: The proposal was unanimously approved by the remaining directors present who had no conflicts of interest.</p> <p>7.Approval of major accounts receivable overdue for more than three months as of September 30, 2024, not classified as intercompany loans.</p> <p>8.Approval of the addition of the Company's operational policy titled "Sustainable Information Management Guidelines."</p> <p>9.Approval of the Internal Audit "Audit Plan for 2025."</p>	November 11, 2024 (3rd Term, 8th Meeting) Unanimous approval by all attending members of the Audit Committee	None

Date of Board Meeting	Major Resolutions	The date and resolution of Audit Committee or Compensation Committee	The Company's response to the opinion of Audit Committee or Compensation Committee
January 17, 2025 (19th Term, 10th Meeting)	1.Approval of the regular review of the Company's policies, systems, standards, and structure for performance evaluation and compensation of managerial personnel.	January 14, 2025 (5th Term, 5th Meeting) Unanimous approval by all attending members of the Compensation Committee.	None
	2.Approval of the bonus distribution plan for the Company's managerial personnel. Recusal situation: Director Yen Lu has a personal interest, and Directors Yen Huazhou and Yen Cheng are related within the second degree of kinship; therefore, they recused themselves from discussion and voting in accordance with the law. Voting result: The proposal was unanimously approved by the remaining directors present who had no conflicts of interest.		
	3.Approval of the due diligence process for the proposed investment target company.	January 14, 2025 (3rd Term, 9th Meeting) Unanimous approval by all attending members of the Audit Committee	None
	4.Ratification of the Company's 2024 credit line increase with Chang Hwa Bank and renewal of the 2025 export-import bank credit line.		
	5.Approval of the release and addition of endorsement and guarantee limits for bank loans to subsidiaries.		
	6.Approval of the release and addition of intercompany loan amounts to subsidiaries.		
	7.Approval of major accounts receivable overdue for more than three months as of December 31, 2024, not classified as intercompany loans.		
March 13, 2025 (19th Term, 11th Meeting)	1.Approval of the Company's 2024 Business Report and Financial Statements.	March 13, 2025 (3rd Term, 10th Meeting) Unanimous approval by all attending members of the Audit Committee	None
	2.Approval of the 2024 deficit compensation plan.		
	3.Approval of the 2025 Business Plan.		
	4.Approval of the extension of credit lines (including derivatives) with various financial institutions for 2025.		
	5.Approval of the release of endorsement and guarantee limits for bank loans to subsidiaries. Recusal and voting situation: Recusal situation: Directors Yen Jui-Hsiung and Yen Cheng have personal interests, and Directors Yen Huazhou and Yen Lu are related within the second degree of kinship; therefore, they recused themselves from discussion and voting in accordance with the law. Voting result: The proposal was unanimously approved by the remaining directors present who had no conflicts of interest.		
	6.Approval of the release and addition of intercompany loan amounts to subsidiaries. Recusal and voting situation: Recusal situation: Directors Yen Jui-Hsiung and Yen Lu have personal interests, and Directors Yen Huazhou and Yen Cheng are related within the second degree of kinship; therefore, they recused themselves from discussion and voting in accordance with the law. Voting result: The proposal was unanimously approved by the remaining directors present who had no conflicts of interest.		
	7.Approval of the evaluation and appointment of the 2025 signing CPA's independence and suitability.		

Date of Board Meeting	Major Resolutions	The date and resolution of Audit Committee or Compensation Committee	The Company's response to the opinion of Audit Committee or Compensation Committee
	8.Approval of the 2024 internal control system effectiveness assessment and the "Internal Control System Declaration."		
	9.Approval of matters related to convening the 2025 Annual General Shareholders' Meeting.		
	10.Matters regarding the acceptance of shareholder proposals for the 2025 Annual General Shareholders' Meeting.		
	11.Proposed approval of amendments to the "Articles of Incorporation."		
	12.Approval of the appointment of members to the Sustainability Development Committee.		

**2.3.12 Written or Otherwise Recorded Dissenting Opinions Made by Directors or Supervisors Regarding Important Resolutions Made in Board of Directors' Meetings in the Most Recent Year and as of the Date of this Annual Report:**

None.

**2.4 CPA Service Fees**

Unit: NT\$ in thousands

CPA Firm	Name of CPA	Audit Period	Non-Audit Fees			
			Audit Fee	Non-Audit Fee	Subtotal	
Deloitte & Touche	Yu-Shiang Liu and Lee-Yuan Kuo Wei-Chu Chang	2024.01.01-2024.12.31	5,490	675	6,165	Typing and printing and traveling
Deloitte & Touche	Yung-Fa Lai	2024.01.01-2024.12.31	-	262	262	Tax related service, typing and printing

**3.5.1 If the Company changes its CPA firm and the audit fees paid for the year in which the change takes place are lower than those in the previous year, the audit fee reduction amount and the reason for the decrease in fees shall be disclosed:**

Not applicable.

**3.5.2 If audit fees have decreased by over 10% compared to the previous year, the audit fee reduction amount proportion and the reason for the decrease shall be disclosed:**

Not applicable.

**2.5 Change of CPA**

### 3.6.1 Predecessor CPA

Replacement Date	January 3, 2024		
Replacement reasons and explanations	In compliance with independence of CPA and internal job rotation, the engagement partner has changed. Lee-Yuan Kuo and co-signer partner Chao-Chun Wang were replaced by Yu-Shiang Liu and Lee-Yuan Kuo starting from the 1 <sup>st</sup> quarter of 2024.		
Describe whether the Company terminated or the CPA did not accept the appointment	Parties	CPA	The Company
	Status	N/A	
	Termination of appointment		
	No longer accepted (continued) appointment		
Other issues (except for unqualified issues) in the audit reports within the last two years	None		
Differences with the Company	Yes		Accounting principles or practices
			Disclosure of Financial Statements
			Audit scope or steps
			Others
	No	V	
	Remarks/specify details: Not applicable		
Other Revealed Matters (Should be disclosed according to item 1-4~7, subparagraph 6, article 10 of Regulations Governing Information to be Published in Annual	None		

### 3.6.2 Successor CPA

Name of accounting firm	Deloitte Touche
Name of CPA	Yu-Shiang Liu and Lee-Yuan Kuo
Date of appointment	January 3, 2024
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the Company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

### 3.6.3 Reply by predecessor CPA regarding Article 10, Subparagraph 6, Item 1 and Item 2-3 of Regulations Governing Information to be Published in Annual Reports of Public Companies:

None.

**2.6 The name and title of any Company Chairman, General Manager, and Officers of Finance or Accounting who have held positions at the appointed CPA firm or its affiliates in the past year shall be disclosed along with their tenure period at said CPA firm or affiliates:**

None.

**2.7 Changes in Shareholding and Pledge of Stock Rights of Directors, Supervisors, Officers, and Major Shareholder Holding More Than 10% of the Shares**

**2.7.1 Changes in shares holding and shares pledged of Directors, Officers, and Major Shareholders**

Unit: in shares

Title	Name	2024		As of April 15, 2025		Remarks
		Increase (Decrease) in Number of Shares Held	Increase (Decrease) in Number of Shares Pledged	Increase (Decrease) in Number of Shares Held	Increase (Decrease) in Number of Shares Pledged	
Chairman	Jui Hsiu Investment Co., Ltd	0	0	0	0	
Chairman (representative) and General Manager	Jui-Hsiung Yen	0	0	0	0	
Corporate Director	San Shin Co., Ltd.	0	0	0	0	
Board Director (representative)	Hwa-Chou Yen	4,339,000	0	0	0	
Board Director (representative)	Cheng Yen	0	0	0	0	
Corporate Director	Jui Hsiu Investment Co., Ltd	0	0	0	0	
Board Director (representative)	Tsan-Jen Chen	0	0	0	0	
Corporate Director	Tsan Ying Investment Co., Ltd	0	0	0	0	
Board Director (representative) and VP	Lu Yen	0	0	0	0	
Corporate Director	Wei Ling Investment Ltd.	0	0	0	0	
Board Director (representative)	Weichung Ooi	(35,000)	0	(8,000)	0	
Director	Yang-Kuang Tung	0	0	0	0	
Corporate Director	Hong Mai Co., Ltd.	0	0	0	0	
Board Director (representative)	Jun-Liang Kuo	0	0	0	0	
Corporate Director	U-Yuan Investment Ltd.	0	0	0	0	
Board Director (representative)	Eugene Chuang	0	0	0	0	
Independent Director	Po-Han Wang	0	0	0	0	

Title	Name	2024		As of April 15, 2025		Remarks
		Increase (Decrease) in Number of Shares Held	Increase (Decrease) in Number of Shares Pledged	Increase (Decrease) in Number of Shares Held	Increase (Decrease) in Number of Shares Pledged	
Independent Director	Shin Fann	0	0	0	0	
Independent Director	Shing-Yusn Tsai	0	0	0	0	
Independent Director	Cheng-Hsin Chen	0	0	0	0	
Vice President	Feng-Hui Chiou	0	0	0	0	
Vice President	Yu-Pin Chen	(5,000)	0	NA	NA	2025.03.20 Dismissal
Director	Wen-Peng Tseng	(91,000)	0	0	0	
Financial Officer	Pei Zhen Guo	0	0	0	0	
Accounting Officer	Hsiu Wen Hsiao	(2,244)	0	0	0	
Corporate Governance Officer	Chi-Jui Yang	0	0	0	0	
Financial and Accounting Manager	An-Chia Chin	0	0	0	0	2024.02.07 Dismissal

### 2.7.2 Stock transfers with related parties: None

### 2.7.3 Stock pledges with related parties: None

## 2.8 Relationships of Related Party, Spouse, Kinships within the Second Degree among the Top Ten Shareholders:

Units: shares; % / At April 15, 2025

Name	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Names and Relationship of Top 10 Shareholders who are Related Parties, Spouses or within Second-Degree of Kinship to Each Other		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	NONE
San Shin Investment Co., Ltd Representative: Hwa-Chou Yen	16,298,889 918,030	6.40 0.36	N/A 103,775	N/A 0.04	N/A 0	N/A 0	Shiou-Huei Lin San Shin Co., Ltd Jui-Hsiung Yen Li-Huei Jeng	Relatives of the Chairman Same Chairman Relatives of the Chairman, Supervisor Spouse of the Chairman	None
San Shin Co., Ltd Representative: Hwa-Chou Yen	12,326,080 918,030	4.84 0.36	N/A 103,775	N/A 0.04	N/A 0	N/A 0	San Shin Investment Co., Ltd Shiou-Huei Lin Jui-Hsiung Yen Li-Huei Jeng	Same Chairman Relatives of the Chairman Relatives of the Chairman, Supervisor Spouse of the Chairman	None
Jui Hsiu Investment Co., Ltd Representative: Shiou-Huei Lin	8,118,693 316,103	3.19 0.12	N/A 5,480,200	N/A 2.15	N/A 0	N/A 0	Hwa-Chou Yen 、Li-Huei Jeng Jui-Hsiung Yen	Relatives of the Chairman Spouse of the Chairman	None
Yu Ming Investment Co., Ltd Representative: Kuo-Chin Chuang	5,694,522 768,635	2.23 0.3	N/A 879,683	N/A 0.35	N/A 0	N/A 0	None	None	None
Tsan Ying Investment Co., Ltd Representative: Cheng Yen	5,639,530 99,640	2.21 0.04	N/A 0	N/A 0	N/A 0	N/A 0	Hwa-Chou Yen 、Li-Huei Jeng	Relatives of the Chairman	None
Jui-Hsiung Yen	5,480,200	2.15	316,103	0.12	0	0	San Shin Investment Co., Ltd Hwa-Chou Yen 、Li-Huei Jeng Shiou-Huei Lin San Shin Co., Ltd	Supervisor Relatives of the Chairman Spouse of the Chairman Supervisor	None
Se Cheng Lu Investment Co., Ltd Representative: Li-Huei Jeng	5,310,603 103,775	2.08 0.04	N/A 918,030	N/A 0.36	N/A 0	N/A 0	Hwa-Chou Yen Jui-Hsiung Yen 、Shiou-Huei Lin	Spouse of the Chairman Relatives of the Chairman	None
Wei Ling Investment Co., Ltd Representative: Hui-Jen Yen	4,759,609 590,047	1.87 0.23	N/A 0	N/A 0	N/A 0	N/A 0	Jui-Hsiung Yen 、Shiou-Huei Lin 、 Hwa-Chou Yen 、Li-Huei Jeng	Relatives of the Chairman	None

Name	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Names and Relationship of Top 10 Shareholders who are Related Parties, Spouses or within Second-Degree of Kinship to Each Other		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	NONE
Hong Mai Co., Ltd Representative: Jun-Liang Kuo	4,308,622 3,312,426	1.69 1.30	N/A 0	N/A 0	N/A 0	N/A 0	None	None	None
Control Technology Co., Ltd. Representative: Jui-Hsiung Yen	3,834,259 5,480,200	1.50 2.15	0 316,103	0 0.12	0 0	0 0	San Shin Investment Co., Ltd Hwa-Chou Yen 、 Li-Huei Jeng Hui-Jen Yen	Supervisor Relatives of the Chairman	None



**2.9 The number of shares of One Enterprise held by the Company, the Directors, Supervisors, Officers of the Company and the Enterprise directly or indirectly controlled by the Company**

December 31, 2024; Units: shares; %

Investee Enterprise (Note 1)	Investment by the Company		Investments by the Directors, Supervisors, Officers, and Enterprise Directly or Indirectly Controlled by the Company		Total Shareholding	
	Shares	%	Shares	%	Shares	%
TONGFONG AUTO TECH CO., LTD.	1,500,000	100.00	—	—	1,500,000	100.00
ASIA PACIFIC ELITE CORP.	14,515,634	99.83	—	—	14,515,634	99.83
Quick-Tech Machinery Co., Ltd.	11,896,891	99.14	—	—	11,896,891	99.14
Honor Seiki Company Limited	22,108,109	54.47	—	—	22,108,109	54.47
TONG-YEH PRECISION INDUSTRY CO., LTD.	1,659,790	94.58	—	—	1,659,790	94.58
Union Top Industrial (SAMOA) Limited	16,465,400	100.00	—	—	16,465,400	100.00
Tong-Yu Machine Tool Co., Ltd (Shanghai)	—	—	N/A (Note 2)	100.00	N/A (Note 2)	100.00
Suzhou Tongyu Machine Tool Co., Ltd (Suzhou)	—	—	N/A (Note 2)	100.00	N/A (Note 2)	100.00
Tong-Tai-Shin Trading Co., Ltd (Shanghai)	—	—	N/A (Note 2)	100.00	N/A (Note 2)	100.00
Great Pursuit Limited	—	—	N/A (Note 2)	55.00	N/A (Note 2)	55.00
Hao-Tern-Shin Electronic Co., Ltd (Shenzhen)	—	—	N/A (Note 2)	100.00	N/A (Note 2)	55.00
Tongtai Machine & Tool Japan Co., Ltd.	889	100.00	—	—	889	100.00
SKTD Co., Ltd.	—	—	780	98.73	780	98.73
TongTai Machinery Co., Ltd.	999,998	100.00	1	—	999,999	100.00
TongTai Seiki Vietnam Co., Ltd	631,080	100.00	—	—	631,080	100.00
Tongtai Machine Tool (SEA) Sdn Bhd.	520,000	52.00	—	—	520,000	52.00
Tongtai Machine Tool (MFG) Sdn Bhd.	8,500,000	100.00	—	—	8,500,000	100.00
Tong-tai Seiki USA, INC.	100	100.00	—	—	100	100.00
TTGROUP AMERICA, INC.	100	100.00	—	—	100	100.00
Tongtai Mexico, S.A. DE C.V.	65,999	100.00	—	—	65,999	100.00

Investee Enterprise (Note 1)	Investment by the Company		Investments by the Directors, Supervisors, Officers, and Enterprise Directly or Indirectly Controlled by the Company		Total Shareholding	
	Shares	%	Shares	%	Shares	%
PCI-SCEMM	999,999	100.00	1	—	999,999	100.00
TTGroup France	—	—	30,000	100.00	30,000	100.00
CERIMATEC	—	—	300,000	100.00	300,000	100.00
Tongtai Europe B.V.	9,000	100.00	—	—	9,000	100.00
Tongan GmbH	35,000	100.00	—	—	35,000	100.00
Mbi-group Beteiligung GmbH	—	—	N/A (Note 2)	100.00	N/A (Note 2)	100.00
Anger Machining GmbH	—	—	N/A (Note 2)	100.00	N/A (Note 2)	100.00
Anger Machining Inc.	—	—	60,000	100.00	60,000	100.00
Anger Service Deutschland GmbH	—	—	N/A (Note 2)	100.00	N/A (Note 2)	100.00

Note 1 : Long Term Investment under the Equity method adopted by the Company.

Note 2 : N/A. No shares issued of these investees.

## III. Capital Raising

### 3.1 Capital and Shares

#### 3.1.1 Source of Capital

##### A. History

Unit: thousand shares; NT\$ thousand

Year & Month	Issue Price (NT\$)	Authorized Capital		Capital Stock		Remarks			
		Shares	Amount	Shares	Amount	Sources of Capital (Shares)		Capital Increase by Assets Other than Cash	Others
2002.08	10	110,000	1,100,000	66,226	662,256	Earnings capitalization Employee bonuses capitalization	4,573 686	None	Note 1
2003.09	10	110,000	1,100,000	72,186	721,857	Earnings Capitalization Employee bonuses capitalization	5,298 662	None	Note 2
2004.05	10	110,000	1,100,000	83,247	832,470	Corporate Bond Conversion	11,061	None	
2004.06	10	110,000	1,100,000	84,821	848,210	Corporate Bond Conversion	1,574	None	
2004.09	10	110,000	1,100,000	99,135	991,345	Earnings Capitalization Employee bonuses capitalization	12,723 1,590	None	Note 3
2005.09	10	140,000	1,400,000	118,652	1,186,516	Earnings Capitalization Employee bonuses capitalization	17,349 2,169	None	Note 4
2005.12	10	140,000	1,400,000	130,652	1,306,516	Paid-in Capital	12,000	None	Note 5
2006.06	10	200,000	2,000,000	145,350	1,453,499	Earnings Capitalization Employee bonuses capitalization	13,065 1,633	None	Note 6
2007.08	10	200,000	2,000,000	161,702	1,617,018	Earnings Capitalization Employee bonuses capitalization	14,535 1,817	None	Note 7
2008.01	10	200,000	2,000,000	171,702	1,717,018	Paid-in Capital	10,000	None	Note 8
2008.08	10	200,000	2,000,000	190,877	1,908,774	Earnings Capitalization Employee bonuses capitalization	17,045 2,131	None	Note 9
2009.08	10	250,000	2,500,000	206,902	2,069,023	Earnings capitalization Employee bonuses capitalization	14,181 1,844	None	Note 10
2011.04	10	250,000	2,500,000	205,650	2,056,503	Treasury stock reduction	-1,252	None	Note 11
2011.08	10	250,000	2,500,000	222,059	2,220,587	Earnings capitalization	16,409	None	Note 12
2012.07	10	250,000	2,500,000	226,500	2,264,999	Earnings capitalization	4,441	None	Note 13
2013.08	10	250,000	2,500,000	231,030	2,310,299	Earnings capitalization	4,530	None	Note 14
2015.01	10	300,000	3,000,000	251,030	2,510,299	Paid-in Capital	20,000	None	Note 15
2015.08	10	300,000	3,000,000	256,026	2,560,265	Earnings capitalization	4,996	None	Note 16
2016.10	10	300,000	3,000,000	254,826	2,548,265	Treasury stock reduction	-1,200	None	Note 17
2019.06	10	400,000	4,000,000	254,826	2,548,265	-	-	None	Note 18

Note 1 : Approved by the Securities and Futures Bureau of the Ministry of Finance MOF (91) I No. 0910136462.

Note 2 : Approved by the Securities and Futures Bureau of the Ministry of Finance MOF (92) I No. 0920128785.

Note 3 : Approved by the Financial Supervisory Commission, FSC No. 0930132017.

Note 4 : Approved by the Financial Supervisory Commission, FSC No. 0940127303.

Note 5 : Approved by the Financial Supervisory Commission, FSC No. 0940154204.

Note 6 : Approved by the Financial Supervisory Commission, FSC No. 0950127327.

Note 7 : Approved by the Financial Supervisory Commission, FSC No. 0960032752.

Note 8 : Approved by the Financial Supervisory Commission, FSC No. 0960053821.

Note 9 : Approved by the Financial Supervisory Commission, FSC No. 0970033412.

Note 10 : Approved by the Financial Supervisory Commission, FSC No. 0980032644.

Note 11 : Approved by the Southern Taiwan Science Park Bureau, STSPB No. 1000008014.

Note 12 : Approved by the Southern Taiwan Science Park Bureau, STSPB No. 1000019557.

Note 13 : Approved by the Southern Taiwan Science Park Bureau, STSPB No. 1010018701.  
Note 14 : Approved by the Southern Taiwan Science Park Bureau, STSPB No. 1020019544.  
Note 15 : Approved by the Southern Taiwan Science Park Bureau, STSPB No. 1040000030.  
Note 16 : Approved by the Southern Taiwan Science Park Bureau, STSPB No. 1040020110.  
Note 17 : Approved by the Southern Taiwan Science Park Bureau, STSPB No. 1050025994.  
Note 18 : Approved by the Southern Taiwan Science Park Bureau, STSPB No. 1080016749.

## B. Type of shares

2025.04.15; Unit: thousand shares

Type of Shares	Authorized Capital			Remarks
	Outstanding shares (listed shares)	Unissued shares	Total	
Common stock	254,826	145,174	400,000	None

## C. Shelf Registration: None.

### 3.1.2 List of Major Shareholders

2024.04.15

Shares	Shareholding	Percentage (%)
Name of Major Shareholders		
San Shin Investment Co., Ltd	16,298,889	6.40%
San Shin Co., Ltd	12,326,080	4.84%
Jui Hsiu Investment Co., Ltd	8,118,693	3.19%
Yu Ming Investment Co., Ltd	5,694,522	2.23%
Tsan Ying Investment Co., Ltd	5,639,530	2.21%
Jui-Hsiung Yen	5,480,200	2.15%
Se Cheng Lu Investment Co., Ltd	5,310,603	2.08%
Wei Ling Investment Co., Ltd	4,759,609	1.87%
Hong Mai Co., Ltd	4,308,622	1.69%
Contrel Technology Co., Ltd.	3,834,259	1.50%

### 3.1.3 Dividend Policy and Implementation Status

#### 1. Dividend Policy

Under the Company's Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis

for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

The Company's dividend policy takes into consideration the entire corporate environment, the growth of industry, long-term financial planning for sustainable development, and stable business development. In the planning of dividend distribution, the Company performs the following steps:

- 1) Determine the best capital budget.
- 2) Determine the need for capital loan to satisfy the best capital budget.
- 3) Determine how much capital could be raised from retained earnings.
- 4) Determine the funds needed to maintain the profitable operations of the Company. After the operations are funded, dividends could be distributed to shareholders. In principle, cash dividends should not be less than 50% of the total dividends distributed.

**2. Proposal for dividend distribution:**

The Company incurred a net loss in 2024, and therefore the Board of Directors proposes not to distribute dividends.

**3. Explanation of anticipated major changes in the dividend policy:**

Not applicable.

**3.1.4 Impact to business performance and earnings per share resulting from stock dividend distribution:**

Not applicable.

**3.1.5 Compensation of Employees, Directors and Supervisors**

**1. The percentage or range of compensation to employees and remuneration to directors in the Articles of Incorporation is as follows :**

The Articles of Incorporation of the Corporation stipulated the Company to distribute employees' compensation and remuneration of directors at the rates no less than 1% and no higher than 5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors.

**2. The estimation basis of compensation to employees and remuneration to directors, calculation basis for number of shares distributed as employee compensation and accounting treatments for difference between estimated and actual payment amount:**

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the difference is recorded as a change in accounting estimate.

**3. Board Resolution for the Distribution of Remuneration:**

The Company did not plan to distribute any profits due to losses in 2024, so this is not applicable.

- 4. The actual distribution of remuneration to employees, directors and supervisors (including the number of distributed shares, amount, and share price) in previous year, and whose differences (if any) with the recognized remuneration to employees, directors and supervisors should be disclosed along with the differences, reasons and status:**

In 2024, the company actually distributed NT\$258 thousand of directors' remuneration and NT\$853 thousand of employee remuneration in cash in 2023, which is no different from the amount recognized by the company in 2023.

**3.1.6 Buy-back of Treasury Stock: None.**

**3.2 Corporate Bond**

None.

**3.3 Preferred Stocks**

None.

**3.4 Global Depository Receipts**

None.

**3.5 Employee Stock Options (including the status of employee restricted stock awards)**

None.

**3.6 Status of New Shares Issuance in Connection with Mergers and Acquisitions**

None.

**3.7 Financing Plans and Implementation**

None.

## IV. Operational Highlights

### 4.1 Business Activities

#### 4.1.1 Business Scope

##### A. Main areas of business operations

- (1) Machinery and Tool manufacturing.
- (2) Computer Numerical Control Precision Lathe, High Speed Machining Center and PCB Processing Machine Manufacturing.
- (3) Aircraft and Parts Manufacturing, Automobiles, Motor Vehicles and Parts Manufacturing.
- (4) Parts and Die Manufacturing.
- (5) Photographic and Optical Equipment and parts manufacturing.
- (6) Additive Manufacturing Equipment manufacturing.
- (7) Concurrently with the aforementioned products related to international trade.

##### B. Revenue distribution

Units: NTD in thousands / %

Item \ Year	2024	
	Amount	%
Machining Center	2,653,480	46
CNC Lathe	1,158,905	20
PCB Processing Machine	260,832	5
Special Purpose Machine	552,058	10
Others	87,328	2
Component Manufacturer	51,896	1
Maintenance and rebuilding revenues	974,850	16
<b>Total</b>	<b>5,739,349</b>	<b>100</b>

##### C. Main products

Main products	Applications
Special Purpose Machine	In response to the mass production function of parts, with special structure, spindle box and fixture device, it can be used for drilling, tapping, boring, broaching and other functions. It is mainly used for high-precision, large-volume parts processing.
CNC Lathe	With numerical control unit and tool changer, turret and other devices, it can be used for turning, middle hole drilling, boring, tapping and even turning-milling composite functions. This product is mainly used for high-precision metal parts processing

Main products	Applications
Machining Center	It is equipped with automatic tool change system, tool magazine and other devices under numerical program control, which can be used for milling, drilling, boring, tapping and other functions. This product is mainly used for high-precision metal parts processing, and can quickly cut high-precision metal parts.
PCB Processing Machine	The numerical control unit is combined with high-speed spindle, automatic clamping, automatic tool change, automatic detection and other mechanical components, which can be used for drilling/forming of printed circuit boards. This product is suitable for high-efficiency processing of small apertures of high-level printed circuit boards due to its high structural rigidity, fast speed and good stability.
Additive Manufacturing Equipment	Additive manufacturing is a manufacturing method in which metal powder is melted through a laser and stacked layer by layer. It is also called "3D printing". 3D digital graphics files can be directly realized as three-dimensional parts, which can produce what cannot be produced by traditional methods. Complex shapes bring more design possibilities and reflect the designer's ideas, such as high-strength lightweight structures or complex waterway designs, etc.
Laser Machine	The numerical control system combines the human-machine interface, rapid positioning system, optical and image processing system, and transport mechanism. The laser source is used to focus on the printed circuit board to vaporize and remove the material to achieve functions such as drilling, cutting, and engraving. Suitable for high-efficiency addition of small multi-layer printed circuit boards with small apertures, etc.
PCB Processing Machine	The numerical control unit is combined with high-speed spindle, automatic clamping, automatic tool change, automatic detection and other mechanical components, which can be used for drilling/forming of printed circuit boards. This product is suitable for high-efficiency processing of small apertures of high-level printed circuit boards due to its high structural rigidity, fast speed and good stability.

#### D. New products development

Item	Products
1	<b>Brand-New Vertical Machining Center – TMB Series</b> Featuring enhanced chip evacuation capabilities and a wider machining area. Even with the addition of 4-axis or 5-axis rotary tables, it retains excellent dynamic performance.
2	<b>Second Generation TVW Series</b> This is the second-generation wheel machining machine from Tongtai. It offers improved performance while maintaining competitive market pricing.



3	<b>Horizontal Machining Center – THA Series</b> Designed to integrate and expand Tongtai’s horizontal machining center product line to accommodate larger-scale machining demands.
4	<b>Wafer Thinning Equipment – TWG Series</b> Developed as multi-station equipment to enhance overall production efficiency.
5	<b>Tongtai Intelligent Manufacturing System (TIMS)</b> Leveraging the powerful edge computing capabilities of the TIMS system, Tongtai continues to develop operator-friendly software—such as adaptive cutting systems that automatically adjust feed rates, stabilize motor loads, increase machining efficiency, and extend tool life.
6	<b>Tongtai Digital Twin Technology</b> Development of offline digital twin systems for turn-mill and lathe applications, compatible with FANUC, Siemens, and Mitsubishi platforms.

#### 4.1.2 Industry Overview

##### 1. Status and development of the industry

###### (1) Overview of the global machine tool market in 2024

In 2024, the global machine tool market maintained a moderate growth trend. According to various research institutions, the global machine tool market is expected to experience steady mid- to long-term growth. Demand for manufacturing equipment remains strong across industries such as automotive, aerospace, and electronics. The Asia-Pacific region continues to dominate the global market, with particularly strong demand in China and India, while North America and Europe remain stable.

Smart manufacturing, multi-axis machining, and automation are driving demand for high-end equipment, while hybrid technologies such as additive manufacturing are also gaining attention. However, major challenges to the industry include ongoing disruptions in the supply chain due to the U.S.-China trade war, the Russia-Ukraine war, and the Red Sea crisis.

In the Taiwan market, machine tool exports declined by 14.8% year-on-year in 2024, marking the second consecutive year of decline. Nevertheless, emerging markets such as India and Turkey have shown significant growth. Looking ahead, as global manufacturing gradually

recovers, the machine tool industry is expected to rebound starting from 2025.

According to export declaration data from Taiwan's Customs Administration (Ministry of Finance), compiled by the Taiwan Machine Tool & Accessory Builders' Association (TMBA), the top ten export destinations for Taiwan's machine tools from January to December 2024, ranked by export value, were: China (including Hong Kong), the United States, Turkey, India, Vietnam, Thailand, Germany, the Netherlands, Japan, and South Korea. Total exports reached approximately USD 2.218 billion, a 14.8% decrease compared to the same period last year.

Of this, metal cutting machine tool exports totaled USD 1.834 billion, down 16.8% year-on-year, while metal forming machine tool exports totaled USD 383 million, down 3.7% year-on-year.

From January to December 2024, the main export types of metal cutting machine tools were:

Machining centers, with export value of USD 658 million, down 24.5% year-on-year.

Lathes, ranking second, with export value of nearly USD 534 million, down 18.1% year-on-year.

For metal forming machine tools:

Forging and stamping machines had export value of USD 310 million, representing a 2.3% decline compared to the same period last year.

#### ■ Taiwan Machine Tools Export by Product in 2024

Machine Type	Quantity	Amount (in USD thousand)	% of Amount
EDM, Laser Machines Cutting M/C, etc.	3,939	158,109	7.1%
Machining centers	6,858	658,305	29.7%
Lathes	11,765	533,628	24.1%
Drilling, Boring, Milling M/C	20,629	157,078	7.1%
Grinding machines	78,479	214,630	9.7%
Shaping, Sawing, Gearing M/C	50,810	112,866	5.1%
<b>Subtotal for Metal Cutting Machine</b>	<b>172,480</b>	<b>1,834,616</b>	<b>82.7%</b>
Presses & Shearing machines	8,917	309,627	14.0%
Other Metal Forming machine tools	3,075	73,698	3.3%

Subtotal for Mental Forming Machine	12,622	383,325	17.3%
Total Machine Tools	185,102	2,217,942	100%

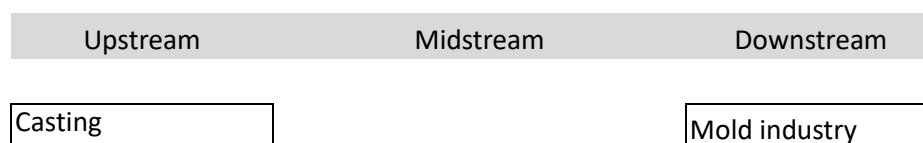
## (2) Main export markets of Taiwan's machine tools in 2024:

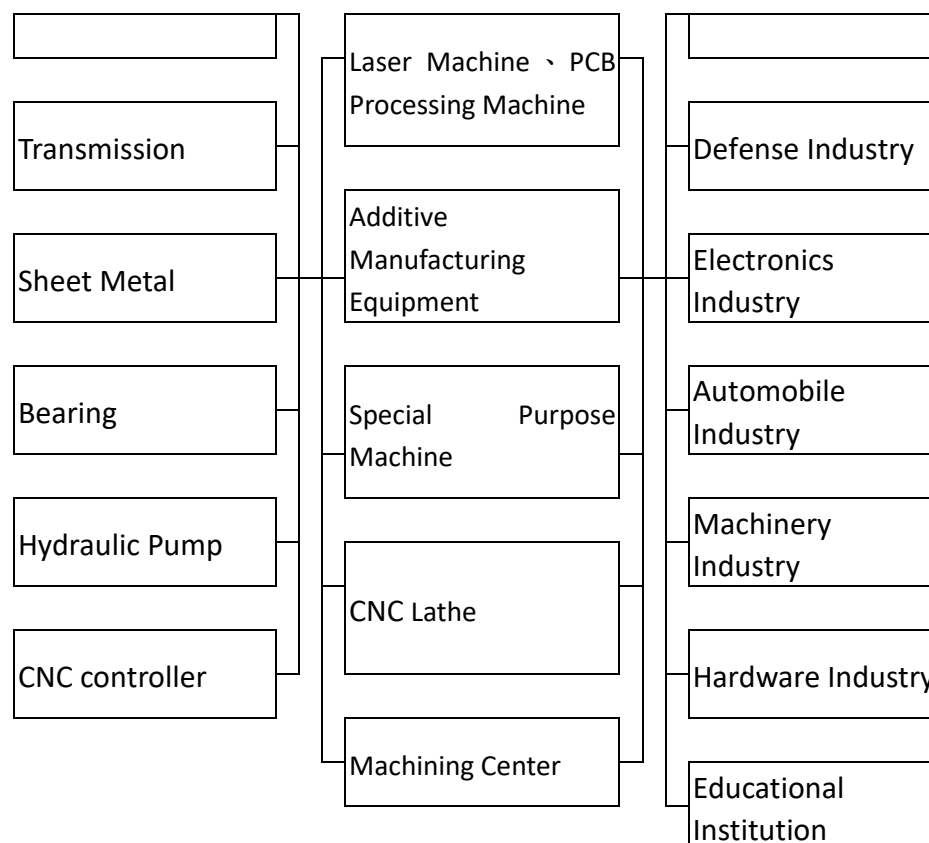
Based on the analysis of exporting countries (regions), the top ten countries (regions) to which Taiwan's machine tools will be exported from January to December 2024 are: China (including Hong Kong), the United States, Turkey, India, Vietnam, Thailand, Germany, the Netherlands, Japan and South Korea. Among them, Taiwan's machine tool exports to mainland China (including Hong Kong) amounted to US\$631 million, a decrease of 11.5% from the same period last year, accounting for 28.4% of total exports; the second largest export market was the United States, with exports of nearly US\$341 million, a decrease of 9.7% from the same period last year, accounting for about 15.4% of total exports; Turkey ranked third, with exports of approximately US\$192 million, a decrease of 33.6% from the same period last year, accounting for 8.7% of total exports..

## 2. Relationship between the Industry Upstream, Midstream, and Downstream:

The upstream, midstream and downstream of the machinery industry have extremely close relations. Because the processing process is relatively complicated, and there are many types of parts and components required, the manufacturing process of the machinery is usually integrated in a professional division of labor through the production process such as the processing and manufacturing of the parts through the cooperation of the third-party manufacturers. The required raw materials include castings, hardware parts, controllers, motors and bearings, etc., while the defense industry, automobile industry, aerospace industry, electronics industry, machinery industry, etc. are its downstream industries.

The company's upper, middle and downstream relationship diagrams are as follows





### 3. Development trends of the product

In response to global manufacturing trends shifting toward smart production, customization, high-mix low-volume manufacturing, and zero-carbon transformation, Tongtai's machine tool products and integrated hardware-software technologies are evolving in alignment with market demands. Future development directions include intelligence (smart manufacturing solutions for standalone machines, production lines, and entire factories), multi-functionality (engineering integration), automation, decarbonization, and advanced processing technologies (such as ultrasonic-assisted machining and additive manufacturing). Tongtai is committed to providing customers with comprehensive and flexible solutions to help optimize process efficiency and ensure stable production of high-yield products.

With the semiconductor industry continuing to experience rapid growth, Tongtai Machine & Tool is leveraging the group's technological strengths and global distribution network to actively develop dedicated equipment for semiconductor applications. For both front-end and back-end wafer processes, Tongtai offers high-precision, high-stability machining

equipment. In addition, professional solutions have been introduced for critical components required in mid-end processes, enabling Tongtai to penetrate the semiconductor supply chain and achieve tangible results..

#### **4. Competition in the industry:**

##### **(1) Whole plant, whole line and special machine:**

- A. Competition Status: Due to the heavy investment in manpower, technology R&D, and equipment required for the production of the entire plant, the entire line and the special machine, there are very few domestic manufacturers that can undertake the entire plant, the entire line and the special machine from a major factory, and the main competitors of this equipment mostly based on Germany, the United States, and Japan.
- B. Our Advantage: Tongtai has excellent design capabilities, process experience and a complete supply chain, which can fully meet customer budgets and needs, and through teamwork, quickly provide solutions that meet customer process and quality requirements. In recent years, Tongtai has introduced virtual and real integrated manufacturing technologies, including equipment simulation, processing simulation, automation simulation, etc., which can point out and eliminate the problem before manufacturing and reduces the probability of problems, manpower and material resources and other warranty costs, and competes relatively superior to peers.

##### **(2) PCB Drilling Machine / Routing Machine /Laser Drilling Machine/ Laser Processing Machine:**

- A. Competition Status: The market requires high-precision, high-speed, and sufficient stability for PCB drilling machines. The needs of users can only be met through strong industrial experience, mechanical R&D strength, and manufacturing foundation. In addition, the industry's purchase of equipment is mainly from reputation, so whether the relevant machinery can meet the capacity and quality requirements of the customer's individual production line is the focus of future competition for PCB processing machines
- B. Our Advantage: According to the above-mentioned industrial environment, Tongtai introduced Japanese drilling machine technology decades ago, and after repeated research and improvement, mass production began in 1999. Compared with

domestic counterparts, Tongtai has the advantage of relatively leading technology. The sales number of PCB drilling machines, molding machines, laser drilling machines, laser processing equipment, etc. has exceeded 9,000 units, and Tongtai is also the only manufacturer with a laser drilling product line in Taiwan.

**(3) CNC Lathe:**

- A. Competition Status: The field of CNC Lathe is fiercely competitive. The more influential competitors are from Japanese and Korean. The relatively competitive domestic manufacturers include Taichung Seiki, Roundtop, Goodway, Takisawa, etc.
- B. Our Advantage: Tongtai continues to put effort in R&D, not only to improve the accuracy of turning, but also to enhance the added value of products through automation and compounding, and maintain the leading position in the field of high-precision lathes. In addition, Tongtai also has excellent customization capabilities. When facing the changing needs of customers in the field of CNC Lathe, Tongtai can respond in the shortest time and provide the best service, so Tongtai is more competitive than the same industry.

**(4) Machining Center:**

- A. Competition Status: The most competitive countries in the global market for machining center are Japan, South Korea, and Germany. Among them, Japan is more influential in Taiwan. As for some of the more competitive domestic manufacturers include Yongjin, Dali, Roundtop, and Taichung Seiki.
- B. Our Advantage: Tongtai can meet the needs of customers at different levels in the industry. Whether it is high-precision, high-stability precision machinery, a small number of diversified composite machinery, or automated fixture products and other customized needs and services, Tongtai can respond to customers at different levels and different industries. Demand, provide a complete solution.

**(5) Additive Manufacturing Equipment:**

- A. Competition Status: Additive manufacturing, commonly known as 3D printing, is an emerging manufacturing method in recent years. It can quickly realize ideas and shorten development time.

It is very suitable for complex shapes, high-strength lightweight structures that are difficult to handle with traditional methods. According to the Ministry of Science and Technology, 3D printing is an innovative application technology. According to a report from the market research agency IDC, the global output value is estimated to reach US\$22.7 billion by 2022. Applications include manufacturing and healthcare industry, education, professional services, and personal consumption. Our main competitors are German EOS, 3D System and other companies.

- B. Our Advantage: The additive manufacturing field that Tongtai has entered is metal additive manufacturing and sand mold additive manufacturing with higher thresholds and significantly increased demand. Tongtai is the only metal 3D printing equipment manufacturer in Taiwan. The products have also won the National Yushan Award and the Taiwan Excellence Gold Award. In addition, Tongtai also provides product trial production services to assist customers in evaluating the 3D printing process and counseling transformation and upgrading.

#### 4.1.3 Research and Development

##### 1. The Group R&D Expenses during the Current Fiscal Year up to the Date of Publication of the Annual Report

Unit: NT\$ in thousands /%

Item	2023	2024
Total R&D Expense	264,404	230,697
Less: Government Subsidy	25,636	10,430
Net R&D Expense	238,768	220,267
Percentage of R&D Expenses to Operating Revenue	3.47%	4.02%

##### 2. Successful Development of New Products:

Item	Type	Machine Name
1	TMS-1800S	Turn-Mill Multi-Tasking Machine
2	TD-2000YBC(1M)	Turn-Mill Multi-Tasking Machine
3	HS-1200	Horizontal CNC Lathe
4	M1500	Horizontal CNC Lathe
5	TVW-26DTHII	Vertical CNC Lathe
6	TWG-1H0612	Wafer Thinning Machine

7	TFC-1H0612	Planarization Machine for Packaging Process
8	<b>Tongtai Intelligent Manufacturing System (TIMS)</b>	3D Collision Avoidance Function
9		FlexJet Flexible Chip Evacuation Control System
10		AI FlexJet Flexible Chip Evacuation Control System
11		CutRec Cutting Image Monitoring System
12	<b>Tongtai Line Management System (TLM)</b>	Operator Performance Function and Tool Compensation Record
13	<b>Tongtai Cyber-Physical System (CPS) – Digital Twin Technology</b>	Tongtai Offline Digital Twin – Milling/Five-Axis Version (Compatible with FANUC / Siemens / Mitsubishi)

#### 4.1.4 Long-term and Short-term Development

##### A. Short-term business development plan

Tongtai is deepening its SOI (Standard, Optimization, Integration & Intelligent) product strategy to align with global manufacturing trends, which are shifting toward smart production, customization, high-mix low-volume manufacturing, and zero-carbon transformation. The company is also expanding its digital marketing and customer engagement activities, enhancing development in the semiconductor and emerging industries, and accelerating digital integration of production and sales information to improve operational efficiency and resilience.

##### (1) Marketing Strategy:

Tongtai will continue to strengthen its existing customer base while focusing on high-growth markets such as semiconductors, electronics, and medical industries. Marketing efforts will emphasize content marketing, leveraging the official website and social media platforms to expand the digital footprint, increase brand exposure, and drive business conversion. Additionally, Open House events will be held at regional T-TAC centers to precisely target potential customers, deepen product experience, and promote technical engagement, strengthening customer interaction and loyalty.

##### (2) Product Strategy:

The SOI product strategy focuses on three pillars:



- **S (Standard Machine):** Continue optimizing performance and delivery lead time of standard models.
- **O (Optimization):** Develop specialized equipment for semiconductor, 5G, and medical industries.
- **I (Integration & Intelligent):** Promote automation and smart manufacturing solutions for entire lines and plants to enhance overall customer productivity. Meanwhile, Tongtai is expanding its capabilities in high-precision and intelligent machining technologies for emerging industries to strengthen its market positioning.

### **(3) Production Strategy:**

Accelerate the full implementation of the SAP system to integrate sales, materials, manufacturing, and delivery data, enabling real-time monitoring of production and sales dynamics and improving operational agility. Combined with process management platforms, the company aims to enhance quality consistency, delivery accuracy, and cost control, establishing an efficient and transparent production system.

### **(4) Business Management:**

Actively promote digital operational transformation by strengthening opportunity management systems and process integration. Build pre-sales data infrastructure and allocate appropriate resources early to improve proposal success rates. Continue to develop professional talent with a focus on digital competencies and technical knowledge transfer to support the company's future growth.

## **B. Long-term business development plan**

Tongtai's long-term development is anchored on DX (Digital Transformation) and GX (Green Transformation) as dual transformation strategies. The company aims to deepen its SOI product roadmap, focus on the semiconductor and high-tech sectors, integrate digital and experiential marketing, and continuously advance smart manufacturing upgrades to drive global sustainable growth.

### **(1) Marketing Strategy:**

Building on its existing customer base, Tongtai will expand into the semiconductor, electronics, and new energy vehicle sectors, while continuing to cultivate existing relationships and explore new markets. Marketing will undergo digital transformation with a focus on content marketing and marketing automation to broaden brand reach and boost conversion rates. Regular Open House and customer experience events at T-TAC regional centers will offer live demonstrations and technical sharing to strengthen customer engagement, enhance market penetration, and build brand loyalty.

(2) Product Strategy:

Continue advancing the SOI product roadmap:

S (Standard Machine): Optimize standard models to improve modularity and standardization, supporting efficient customer production.

O (Optimization): Focus on key industries and develop specialized equipment for their applications.

I (Integration & Intelligent): Enhance intelligent manufacturing solutions across production lines and plants by integrating AIoT and data analytics to meet digital transformation needs.

At the same time, accelerate the R&D of emerging technologies such as additive manufacturing and ultrasonic-assisted machining to establish a foundation in advanced manufacturing fields.

(3) Production Strategy:

Fully implement the SAP system and smart manufacturing management platforms to integrate supply chain and production information, improving responsiveness and production flexibility. Continue integrating MES and ERP to achieve process transparency, traceability, and real-time optimization, thereby boosting production efficiency and quality competitiveness. Strengthen supply chain resilience by increasing the in-house development of critical components and building a robust global supply system.

(4) Business Management:

Driven by data-centric operations, Tongtai will further enhance digital operations by optimizing process integration and decision-making mechanisms. The company will implement ESG (Environmental, Social, Governance) policies and proactively pursue net-zero carbon and circular economy initiatives to build a resilient and sustainability-driven corporate structure.

At the same time, the company will focus on developing professional talent, advancing capabilities in digital manufacturing, smart manufacturing, and international operations, injecting new momentum for long-term corporate growth.

## 4.2 Market and Sales Overview

### 4.2.1 Market Analysis

#### A. Sales (Service) Region

Unit: NT\$ in thousands /%

Year Region	2023		2024	
	Sales Amount	%	Sales Amount	%
Taiwan	890,972	11.69	860,902	15.00
China	2,574,837	33.79	2,066,166	36.00
Europe	2,103,662	27.61	1,549,624	27.00
Asia	1,611,275	21.14	1,033,083	18.00
Others	439,764	5.77	229,574	4.00
<b>Total</b>	<b>7,620,510</b>	<b>100.00%</b>	<b>5,739,349</b>	<b>100.00%</b>

#### B. Market Share (%) of Major Product Categories in the Last Two Years

According to Taiwan's Customs Administration, the total export value of Taiwanese machine tools—including machining centers, lathes, and other metalworking machines—was approximately USD 2.218 billion in 2024, representing a 14.8% decrease from 2023. Within this, metal-cutting machine tools accounted for USD 1.834 billion (down 16.8% YoY), and metal-forming machine tools totaled USD 383 million (down 3.7% YoY).

This marks the second consecutive year of decline, primarily due to factors such as inflation, rising material and logistics costs, monetary tightening by major economies, and geopolitical uncertainties.

Looking ahead, despite current challenges, the global trend toward automation and digital transformation—driven by aging populations and labor shortages—is expected to generate new opportunities for the machine tool industry. The Taiwan Machine Tool & Accessory Builders' Association (TMBA) remains cautiously optimistic about a potential recovery in 2025, although external risks persist.

As one of Taiwan's major machine tool manufacturers, Tongtai Machine & Tool reported consolidated revenue of NTD 5.739 billion (approximately USD 190 million) in 2024. The company faced headwinds from weak domestic demand and the restructuring of its European subsidiary, leading to a notable revenue drop compared to 2023. Tongtai also excluded Rong Tian Machinery from consolidated reporting to focus on its core machine tool operations.

In terms of exports, Tongtai's foreign sales reached USD 150 million, accounting for about 7% of Taiwan's total machine tool exports in 2024. Its flagship products—machining centers and CNC lathes—represented approximately 5% and 9%, respectively, of Taiwan's export value in these categories. Overall, Tongtai ranks among the top machine tool exporters in Taiwan, distinguished by a comprehensive product line and active international presence, making its performance highly representative of the industry.

#### **C. The future supply and demand situation and growth of the market**

From 2025 to 2030, the global machine tool market is expected to grow steadily. Key drivers for this growth include:

The shift in manufacturing toward lightweight materials and advanced processes

Rising demand for high-precision machining in high-tech sectors like semiconductors and medical care

Increased investment in renewable energy (e.g., wind and solar), requiring large precision machines

Expansion in the aerospace and defense sectors, boosting demand for advanced multi-tasking and five-axis machines

Furthermore, the global market is trending toward smart automation, digitalization, and multi-functional integration. Manufacturers increasingly favor machines capable of automation and production line integration to meet efficiency and customization needs.

Despite ongoing economic uncertainty, the industry outlook remains cautiously optimistic. While growth in major economies may slow, emerging markets and new industries continue to show strong momentum, creating new business opportunities for machine tool manufacturers.

#### **D. Competitive niche**

From a group perspective, Tongtai Group has focused on emerging application markets and smart manufacturing solutions in recent years. It has strengthened internal integration to improve synergy:

The Machine Tool Division is investing in digital and green transformation under its "5 Transformations and 2 Innovations" initiative.

The Electronics Division focuses on applications in PCB and semiconductor-related industries.

Through internal collaboration:

Rong Tian Machinery specializes in large machines for wind energy, aerospace, rail, and hydrogen energy, with strong orders from Europe, the U.S., and India.

APEC is deeply rooted in the aerospace sector, undertaking major projects in Korea, Japan, and India, providing full factory solutions.

European subsidiaries PCI and Anger offer comprehensive solutions for EV battery casings and frames.

Key competitive advantages:

**Complete Product Line & Versatile Applications:** Covering dedicated machines, standard machines, multi-tasking machines, five-axis machines, high-end PCB and semiconductor processing, laser, and additive manufacturing. Strong automation and system integration capabilities cater to diverse industries (semiconductors, aerospace, EVs), enhancing market flexibility and resistance to downturns.

**Global Presence & Localized Service:** Subsidiaries and T-TAC centers in Europe, the U.S., Japan, and ASEAN provide real-time support and customized solutions, outperforming local competitors that rely on distributor models.

**Flexible Pricing & Customization:** More cost-effective than Japanese/European brands with the ability to deliver customized line solutions—appealing to mid-sized and developing markets.

**Comprehensive Group Integration:** Collaboration with Honor Seiki, APEC, PCI, and ANGER allows the group to offer system-level solutions across large workpieces, EVs, and aerospace production lines.

#### **E. Advantages and disadvantages of development prospects and countermeasures**

##### **(1) Advantages**

A. Growing demand for semiconductor, aerospace, and electric vehicle (EV) equipment machining:

The surge in demand for the machining of components related to advanced processes, electric drive systems, and composite materials is creating structural growth opportunities for mid- to high-end machine tools.

B. Transformation to smart manufacturing and equipment replacement cycles: Global factory upgrades are driving demand for full-line and full-plant solutions. Tongtai is well-prepared with smart integration capabilities (the “I” in its SOI strategy), enabling it to offer comprehensive implementation services.

C. Global supply chain restructuring and manufacturing relocation:

The “China+1” strategy and increased investment in India and ASEAN have significantly boosted demand for Taiwanese machine tools. With overseas

subsidiaries and flexible shipping capabilities, Tongtai can offer real-time support and fast delivery.

D. Deepening of domestic and international strategic alliances:

Strategic cooperation with Buffalo Machinery to expand in the European market and contract development for international semiconductor equipment leaders will help Tongtai enter high-end supply chains and elevate its brand positioning.

## (2) Disadvantages

A. Dual competitive pressure from both upstream and downstream:

Tongtai faces strong competition from Japanese and European brands in the high-end market, while also being challenged by low-cost Chinese products in the mid- to low-end segments.

B. Rising international political and economic uncertainties:

Trade tensions (e.g., U.S.-China trade war), geopolitical conflicts (e.g., Russia-Ukraine), currency volatility, interest rate policies in Europe and the U.S., and regional market restrictions may affect order stability.

C. Accelerating pace of technological innovation widening the gap:

Rapid advancements in digital twin, AI machining, and integrated multi-tasking technologies may outpace companies with insufficient R&D investment, reducing their competitiveness.

D. Talent and technology gap pressure:

A noticeable shortage of experienced R&D and technical talent may limit future product development progress and quality assurance if knowledge transfer and talent cultivation are insufficient.

## (3) Countermeasures

To enhance corporate resilience and upgrade value, Tongtai will promote a four-dimensional strategy of:

Strengthening Technical Core × Building an International Brand × Optimizing Operational Resilience × Deepening Talent Development

A. Strengthening the technical core:

Form deep technical partnerships with third-party vendors, focus on niche high-value products, and invest in smart manufacturing technologies to enhance product value and differentiation.

B. Building an international brand:

Enhance branding through storytelling and customer success case marketing. Develop technical white papers in English, industry application guides, and

utilize T-TAC open houses and online video demonstrations to establish technical credibility. Strengthen customer relationships through overseas offices and integrate distributor and direct sales resources.

C. Optimizing operational resilience:

Diversify order sources across industries to mitigate risks. Adopt lean production and modular design to reduce part variety and inventory. Implement appropriate financial hedging strategies to manage external risks.

D. Deepening talent development:

Collaborate with universities and technical training centers to recruit and train qualified personnel. Establish project-based talent pools and external consultant networks to bring in industry know-how and integrate it into internal product development.

## 4.2.2 Applications and Production Process of Main Products

### 1. Main Applications

Main Products	Main Applications
Special Purpose Machine	With customer-specified functions such as drilling, tapping, boring, and broaching, it is used for high-precision, high-volume parts processing.
CNC Lathe	With turning, middle hole drilling, boring, tapping and other high-precision metal parts processing functions, it can quickly cut metal/non-metal circular workpieces.
Machining Center	With functions such as milling, drilling, boring, tapping, etc., suitable for high rigidity, heavy cutting processing, high-speed contour processing.
PCB Processing Machine	Drilling or cutting of printed circuit boards, suitable for high-efficiency processing of small apertures of printed circuit boards.
Laser Machine	The material is vaporized and removed by laser to achieve functions such as drilling or cutting. Perform high-speed drilling, blind hole processing, etc., suitable for high-efficiency processing of small multi-layer printed circuit boards with small apertures.
Additive Manufacturing Equipment	Additive manufacturing is a manufacturing method in which metal powder is melted through a laser and stacked layer by layer. It is also called "3D printing". 3D digital graphics files can be directly realized as three-dimensional parts, which can produce what cannot be produced by traditional methods. Complex shapes bring more design possibilities and reflect the designer's

Main Products	Main Applications
	ideas, such as high-strength lightweight structures or complex waterway designs, etc.

## 2. Process Flow

### (1) Special Purpose Machine:

Customer's requirement → Planning & Quotation → Contract signed  
→ Detailed drawing design → Parts production & purchase → Assembly and test run → Installation → Acceptance.

### (2) CNC Lathe, Machining Center, PCB Drilling Machine, Routing Machine, Laser Drilling Machine and Additive Manufacturing Equipment:

Market research and evaluation → Machine SPEC confirmed  
→ Development Design → Trial production test → Mass production plan  
→ Material preparation and assembly production → Precision inspection.

## 4.2.3 Supply Status of Main Materials

NO.	Major Raw Materials	Major Suppliers	Supply Status
1.	CNC CONTROLLER	FANUC 、 MITSUBISHI 、 SIEMENS 、 HEIDENHAIN	Stable
2.	BALL SCREW	NSK 、 THK 、 HIWIN 、 PMI 、 TSUBAKI	Stable
3.	LINEAR GUIDE	NSK 、 THK 、 Rexroth 、 PMI 、 HIWIN 、 IKO 、 CPC	Stable
4.	BEARING	SKF 、 NSK 、 NACHI 、 NTN	Stable
5.	TURRET	LIO SHING 、 GSA 、 SAUTER	Stable
6.	HYDRAULIC CHUCK	KITAGAWA 、 HOWA 、 AUTO STRONG 、 CHANDOX 、 AUTOGRIP	Stable
7.	HYDRAULIC PUMP 、 SOLENOID VALVE	SANSHIN 、 PAO CHENG HANG 、 ANSON	Stable
8.	ELECTRICAL ACCESSORIES	SINTEK 、 JIDIEN 、 HOHLI 、 SHUYO 、 TONGFONG	Stable
9.	CASTING	JEA-SHENG 、 YANG GANG 、 YUANG SHING 、 WINSON 、 DEI-WU 、 YING QUAN	Stable
10.	SHEET METAL	JINYON 、 TIENDING 、 KEYARROW 、 SHIANG JEN 、 SAITAI	Stable



#### 4.2.4 The Purchases (Sales) Amount and Percentage of Suppliers and Customers Accounting for More than 10% of the Total Purchases (Sales) Amount in the Past Two Fiscal Years:

##### A. Major Suppliers in the Last Two Calendar Years

Unit: NT\$ in thousands

No.	2023				2024			
	Name	Amount	Percentage of Total Purchases (%)	Relationship with the issuer	Name	Amount	Percentage of Total Purchases (%)	Relationship with the issuer
1	Company A	156,101	3.72	None	Company A	86,709	2.34	None
2	Others	4,039,475	96.28		Others	3,626,434	97.66	
	Net Purchases	4,195,576	100.00		Net Purchases	3,713,143	100.00	

##### B. Major Clients in the Last Two Calendar Years

No revenue from any individual customer exceeds 10% of the Company and its subsidiaries' total revenues for the years ended December 31, 2024 and 2023.

### 4.3 Human Resources

2025.03.31

Year		2023	2024	As of 2025.03.31
Number of Employees	Manufacturing	835	706	740
	Sales and After-sales	280	230	243
	Administration	343	239	245
	R&D	211	152	152
	Total	1,669	1,327	1,380
Average Age		39.50	40.2	40.2
Average Years of Service		8	10.46	10.46
Education	Doctorate	0.29%	0.30%	0.29%
	Masters	11.1%	13.19%	12.46%
	College or University	50.56%	49.89%	51.45%
	High School	36%	29.54%	29.42%
	Below High School	2.05%	7.08%	6.38%

## 4.4 Environmental Protection Expenditure

None.

## 4.5 Labor Relations

### 4.5.1 Employee Welfare

#### 1. Employee Welfare :

In order to take care of the daily life of colleagues, in addition to providing a safe and warm working environment, the company also provides various welfare measures and various activities organized by the Welfare Committee to allow colleagues to relax physically and mentally outside of work, so as to eliminate the busyness and tension of work which makes life full and comfortable, and make more harmonious in relationships.

#### (1) Company welfare, employee welfare

Welfare provided by the Company	Welfare provided by the Welfare Committee
<ol style="list-style-type: none"><li>1. Holiday system: two days off per week.</li><li>2. Overtime regulations: in accordance with the Labor Standards Act.</li><li>3. Labor and health insurance: Comply with the Labor Standards Act.</li><li>4. Labor Pension: In accordance with the Labor Standards Act, a 6% labor pension will be allocated every month.</li><li>5. Health check-up: Annual employee health check-up.</li><li>6. Bonus/rewards: year-end bonus and generous employee profit-sharing bonus system.</li><li>7. Meals: Lunch allowance and free overtime.</li></ol>	<ol style="list-style-type: none"><li>1. Hold Regular domestic tours.</li><li>2. Foreign travel subsidies.</li><li>3. Educational scholarships and grants for employees and their children.</li><li>4. New Year gifts.</li><li>5. Employee birthday gift box.</li><li>6. Subsidies for club activities.</li><li>7. Marriage and funeral, injury and sickness, childbirth subsidies and emergency relief.</li><li>8. Year-end dinner and lottery activities.</li></ol>

#### (2) Employee health promotion and activities

- A. Employees who have worked for one full year are entitled to an annual health examination. For those with over 10 years of service and for managerial-level staff, more comprehensive checkup

packages are provided. In compliance with regulations, employees in high-risk operations (e.g., noise, dust, manganese, nickel exposure) receive mandatory specialized health checks, with annual follow-ups. In 2024 (ROC Year 113), the Gangshan facility arranged for a mobile gynecological clinic and used prize incentives to encourage female participation—seven employees completed gynecological screenings. Additional free screenings included oral mucosal checks (8 participants), fecal occult blood tests (29 participants), and HIV screening in collaboration with Luzhu Public Health Center (230 participants). The overall health checkup completion rate reached 99.68%, covering 620 employees.

- B. A dedicated on-site medical room and a full-time occupational health nurse are in place to oversee health management and promotion. Health data is categorized into three levels (mild/moderate/severe), with priority given to severe cases. High-risk groups—including pregnant employees, those with abnormal workloads, and ergonomic hazards—receive individualized occupational physician consultations and health guidance upon consent, including medical follow-ups and health education.
- C. Tongtai has contracted with Sheng Shun Health Enterprise Co., Ltd., whose occupational medicine specialist provides 3-hour monthly on-site consultations. Services cover specialized medical checkups, health consultations, overwork, maternal protection, ergonomic hazards, return-to-work assessments, and respiratory protection, totaling 105 sessions. Additionally, three awareness seminars were held (on noise-induced hearing protection, hypertension and hyperlipidemia prevention, and diabetes management), and one on-site noise assessment in the machining department was conducted, providing professional improvement recommendations.
- D. In 2024, Tongtai participated in the **“Go Healthy at Work”** cancer screening campaign promoted by the Kaohsiung City Health Bureau. A total of **54 employees and family members** from Kaohsiung took part in free five-cancer screenings, earning recognition from the health authorities.
- E. A total of 167 employees participated, with personal goals of 550,000 steps and a total carbon reduction goal of 5,500 kg. 116 employees met their goals and received the “Carbon Reduction Champion”

award. The campaign achieved a total of 118,107,082 steps, equivalent to a carbon emission reduction of 16,771.2 kg, exceeding the target by 3.05 times.

- F. “Tongtai 5 Moves to Slim” Weight Loss Competition (2024):  
This voluntary health and weight management initiative saw 234 participants achieve weight loss results. Combined weight loss totaled 535 kg, with the top three achievers reducing between 17.1–23.2 kg, or 19.64–21.84% of body weight
- G. In compliance with Taiwan’s Gender Equality in Employment Act Article 23, Tongtai established a lactation room in 2015. The room provides a private, comfortable, and hygienic environment for breastfeeding mothers, with online reservation available. It has been recognized with the “Outstanding Lactation Room” Award by Kaohsiung City.
- H. Tongtai hires visually impaired massage therapists, offering them employment opportunities while providing employees with stress-relief massage services to promote physical and mental well-being.
- I. Employee smoking rates from 2018 to 2024 have ranged from 15.25% to 21.17%, consistently higher than the national average of 13–14%. For six consecutive years, Tongtai has actively implemented workplace tobacco control measures. In collaboration with the Kaohsiung City Health Bureau’s smoking cessation program, 23 employees were referred to cessation clinics and 24 to the quitline, earning the 2024 “Outstanding Tobacco-Free Workplace Award”.
- J. Two influenza vaccination sessions were held in March and November 2024, with 140 participants. COVID-19 vaccinations (Moderna) were also offered, with 92 participants. All employees were encouraged to get vaccinated to enhance overall immunity.
- K. The company conducted on-site inspections for mosquito breeding sources. Larvicide powder was applied in high-risk areas to disrupt mosquito breeding and reduce health risks to employees.
- L. Tongtai assigns one first-aid responder per 50 employees and organizes annual CPR+AED re-training. Automated External Defibrillators (AEDs) are installed throughout the facility for emergency use.

(3) Club activities

Tongtai encourages and supports employees in forming clubs to engage in physical and recreational activities. Participation in competitions is promoted to help employees maintain health and develop interests outside of work. Clubs can be formed with 30 or more members, and current examples include a softball club.

Clubs receive funding and resources in accordance with the Employee Welfare Committee's Club Management Guidelines. Club members regularly practice and occasionally represent the company in community competitions such as the Tainan Mayor's Cup, Tainan Association Cup, and Southern Taiwan Science Park Softball Tournament since the softball club's founding in July 2012.

(4) Staff travel

Employee travel is an important annual event. The Welfare Committee organizes domestic tours and provides financial subsidies for overseas travel, allowing flexible travel arrangements based on individual preferences. These trips strengthen employee bonding and promote family participation, enhancing work-life balance.

**2. Employee Conduct and Ethics Code :**

- (1) Articles 66 and 69 of the company's Work Rules prohibit employees from abusing authority for personal or others' gain, or engaging in actions inconsistent with their job duties, including accepting entertainment, kickbacks, or any illicit benefits.
- (2) Articles 67 and 68 stipulate that without written consent from the company, employees may not engage in work or business that is of a competing nature, either for themselves or third parties. Employees are also prohibited from serving as partners, shareholders with unlimited liability, board members, or executives in competing businesses.

**3. Staff education and training system**

Tongtai and its subsidiaries offer a wide range of external training and seminar opportunities, as well as internal programs for:

- New employee orientation
- On-the-job professional skills training
- Managerial and leadership development
- Environmental and occupational safety training
- In-house professional instructor development

In 2024 (Year 113), the group invested approximately NTD 211,317 in education and training. Programs were categorized into six major types, with detailed course classifications and implementation outlined separately.

(1)

COURSE CATEGORY	CLASSES	PEOPLE	HOURS
Management	20	39	204.5
Language (Note)	14	55	26
Profession	71	634	3,042
Environmental safety and hygiene	11	67	38
New staff training and professional training	15	688	1,137
Total	10	13	30

Note: In order to encourage employees to improve their language skills, language allowance subsidy method has been formulated.

(2) The training of personnel related to financial information transparency are as follows:

TITLE	NAME	DATE	ORGANIZER	COURSE	HOURS
Internal Audit Manager	Chien-Hung Cheng	2024.1.11	The Institute of Internal Auditor;- Chinese Taiwan	Analysis of common internal control management deficiencies in enterprises and practical cases	6
Internal Audit Manager	Chien-Hung Cheng	2024.7.10	The Institute of Internal Auditor;- Chinese Taiwan	New Challenges for Internal Auditors: Analysis of Sustainable Information Disclosure and Management Policies and Related Audit Points	6

#### 4. Retirement system and implementation :

The company's retirement system is handled in accordance with the Labor Standards Law and Labor Pension Regulations.

(1) The provisions and circumstances of pension provision are as follows :

- A. The "Labor Standards Law" pension shall be allocated monthly labor retirement reserves within the range of 2%~15% of the total monthly salary of the employees in accordance with the income tax law. The allocation standard shall be set by the Board of Directors, and also at the time of revision. The retirement reserve shall be supervised by the employee and the company jointly organized by the Labor Retirement

Reserve Supervision Committee. As of December 31, 2024, the cumulative amount of labor retirement reserves was NT\$194,297 thousand.

- B. The pension under the "Labor Pension Regulations" is based on the monthly wage grading table of the labor pension, with a monthly contribution of 6%. The amount allocated for the year 2024 was NT\$20,921 thousand.

(2) The provisions for pension payments are as follows :

- A. Those who choose to apply the Labor Standards Law pension system (old system) :

- a. Two base figures are given for each full year of working experience. However, for working years of more than fifteen years, a base is given for every full year, and the maximum total is limited to forty-five bases. Those who are less than half a year are counted as half a year, and those who are half a year are counted as one year.
- b. According to the second paragraph of Article 4, the forced retirement of workers whose mental loss or physical disability is caused by the performance of their duties shall be increased by 20% in accordance with the provisions of the preceding paragraph.
- c. If an employee encounters an involuntary legal transfer necessary for the company's business operations, his or her working years in the original business unit under the "Labor Standards Law" will be retained and counted, and pensions will be awarded according to the "Labor Standards Law" standards. After transferring to a new business unit, the "Labor Pension Regulations" shall apply, and the years of transfer to each business unit are included in the total working years of the employee.
- d. Pension base refers to the average salary for one month at the time of approved retirement. The calculation of average wages shall be handled in accordance with the relevant provisions of the Labor Standards Law.
- e. After the retirement fund application is signed by the director and deputy director of the labor retirement reserve supervision committee, it shall be paid by the retirement reserve. Actuaries are also appointed every year to submit actuarial reports to ensure full allocation to protect the rights and interests of employees.

- B. Those who choose the pension system (new system) applicable to the Labor Pension Regulations :

The working years before the application of the regulations shall be retained; the retirement pension for the reserved working years shall be calculated in accordance with the first paragraph of this article, and the working years after the application of the new system shall be calculated in accordance with the provisions of the new system.

## **5. Agreement between labor and management :**

- (1) The company organizes industrial labor unions in accordance with the company law. All employees of the company become members of the labor union from the day they enter the factory, and receive the protection of the rights and interests of the union members and enjoy the various benefits provided by the labor union.
- (2) Participate in trade union congresses, board of directors and supervisors' meetings, and hold labor-management meetings on a regular basis to establish a labor-management consultation mechanism.
- (3) Formulate work rules to clearly stipulate the rights and obligations of labor and management and management matters, so that employees can fully understand and protect their rights and interests.
- (4) In accordance with the labor safety and health laws and regulations, conduct regular physical health inspections for employees, set up labor safety and health personnel, and formulate various labor safety and health management rules to avoid accidents and disasters to maintain employee safety.
- (5) The company's labor and management have always lived in harmony. Problems between labor and management are communicated and resolved through appropriate and adequate channels to reduce labor disputes. In the future, we will also adhere to the concept and practice of labor and management coexistence, co-prosperity and growth to avoid unnecessary dispute between labor and management.

## **6. Situation of various employee rights measures**

The company employs employees in accordance with its operating strategy and abides by government regulations regardless of race, gender, age, religion, nationality and other factors, it recruits outstanding talents from all parties through multiple channels. In various items such as the "Employee Handbook" and "Work Rules", it is clearly stated to protect the human rights of employees, including basic legal requirements, freedom of employment, humane treatment, prohibition of improper discrimination and sexual harassment, establish a diversified and effective communication mechanism, improve salary and benefits and training and development opportunities and course selection. The company prohibits the employment of child labor, and strictly prohibits forced or compulsory labor and underage employees to engage in hazardous work. It also promotes freedom of employment. All work is voluntary. Even if the position changes due to changes in operations, it is subject to the direct supervisor negotiated with the employee a few weeks ago and announced the change when the employee agreed to the job change. The relevant working conditions shall be handled at least in accordance with the relevant provisions of the Labor Standards Law.

The company abides by various labor laws and human rights regulations. Except for the working conditions of functional employees in accordance with the employment contract, all formal employees are treated fairly, including:

- (1) Establish working conditions in accordance with government labor-related laws and regulations.
- (2) Provide equal job opportunities to all job seekers.



- (3) Provide channels for complaints when employees' legal rights and interests are  
Infringed or improperly handled and cannot be resolved reasonably.
- (4) Set up "Personnel Appraisal Committee" to handle appraisal when employees' receive major rewards and punishments from the company.
- (5) Complaint channel is set up, including telephone, fax and e-mail in order to provide a working environment where employees and job applicants are free from sexual harassment

## **7. Protective measures for working environment and employees' personal safety**

### **(1) Safety Culture and Responsibility**

Guaranteeing the health of employees and providing a safe working environment are the most basic promises of Tongtai to employees. The company has passed the "Occupational Safety and Health Management System (ISO45001)" certification as the promotion of safety management standards, and combined with ISO9001 and ISO14001 systems to make documents management more complete; continuous improvement of various safety and health facilities and safety protection to achieve zero accidents in the workplace.

For factory safety, the Environmental Safety Office conducts plant fire inspection and maintenance declarations, handles fire drills, and related safety education and publicity every year. Teaches colleagues the notification and handling measures that should be done when hazards occur to ensure the safety of the plant and employees. Regarding safety management of the workplace, in addition to the basic factory inspections, regular (annual/monthly/daily) inspections of facilities and equipment in the factory are carried out, personnel who operate dangerous machinery and equipment are assisted in obtaining acquisitions in accordance with laws and regulations. Operating regular retraining of relevant licenses and licenses.

Perform follow-up management tracking of flaw projects in the factory. The company has set up an environmental and "Occupational Safety and Health Committee", which is held quarterly. In addition to reviewing work progress and discussing environmental protection, safety and health matters, the labor safety and health committee has a total of 28 colleagues, including 11 labor representatives, accounting for 40% of the number of committee members. The acting employer will serve as the chairman and give rulings and instructions on the company's environmental, safety and health-related issues.

### **(2) The scope of the committee's business includes :**

- A. Make suggestions on the occupational safety and health policies formulated by the employer.
- B. Coordinate and recommend occupational safety and health management plans.
- C. Review the implementation plan of safety and health education and training.
- D. Review the work environment monitoring plan, monitoring results, and measures taken.

- E. Review health management, occupational disease prevention and health promotion matters.
- F. Review various safety and health proposals.
- G. Review automatic inspections and safety and health audits of business department.
- H. Review preventive measures against machinery, equipment, raw materials, and material hazards.
- I. Review the occupational disaster investigation report.
- J. Assess on-site safety and health management performance.
- K. Review the safety and health management of the contracted business.
- L. Other matters related to occupational safety and health management.

**(3) Environmental supervision and measurement**

The company implements operating environment monitoring for the work area of the factory every six months. Based on the results of the operating environment monitoring, it controls the operating activities that may have a significant impact on the health of the employees, evaluates and tracks the improved environmental performance to ensure the safety of the employees' operating environment and the community. Residents' quality of life and compliance with environmental regulations. For those with a high risk of hazard in the work environment measurement results, the Environmental Safety Room will assist in improving and purchase qualified and effective safety protection equipment and guide employees to wear to achieve effective protection; those with abnormal operating environment measurement results will be tracked by the Environmental Safety Room and discuss in the Safety and Health Committee meeting to seek effective management or improvement plan, continuing to track until improvement. Regular work environment monitoring items include harmful physical and chemical factors in the work place, drinking water quality, discharge water quality, etc.

Conduct special health checks for high-risk operating workers. The result of the health check is the second-level, the professional nurse arranges individual consultation and care and health education guidance by the professional doctor. If the workers reach the third-level, arrange occupational disease specialist outpatient clinics for re-judgment. After returning to the factory, the occupational nurses will arrange individual consultation and care and health education guidance for occupational doctors. Arrange to participate in various relevant safety and health education and training courses in a timely manner.

**4.5.2 Losses incurred by labor disputes (including labor inspection results found in violation of the Labor Standards Act, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions) in recent years as of the Date of this Annual Report, potential disputes and appropriate countermeasures :**

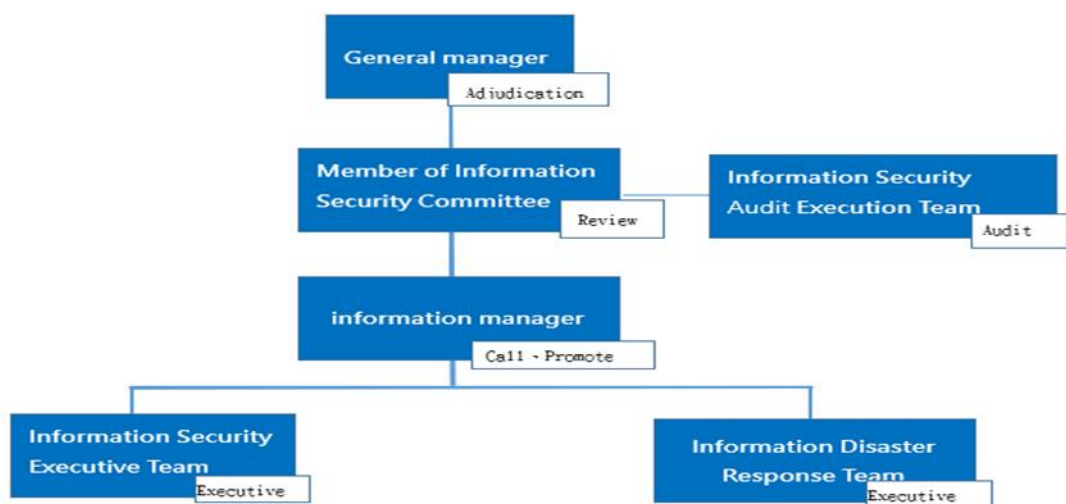
None.

## 4.6 Information security management

**4.6.1 State the information security risk management structure, the information security policy, the specific management plan and the resources invested in the security management of the information, etc.:**

### 1. Information Security Policy, Organization and Objectives :

To ensure the company's operation and business sustainable development, formulate information security management policies and procedures, ensure the confidentiality, integrity and availability of the company's important information assets, comply with the requirements of relevant laws and regulations, and continuously monitor and review management performance to implement information security. The concept of management and business continuity is free from risks such as leakage, destruction or loss, thereby protecting the rights and interests of the Company and employees. The "East Taiwan Information Security Management Review Committee" was established to review the overall information security strategy and information security evaluation indicators, and to supervise the Company's information security management operations. In addition to regular communication and review of the Company's information security management plan and incident response, the information security promotion status is reported to the Board of Directors yearly.



### 2. Information Security Risk and Control :

The company formulates relevant risk control measures and practices in accordance with the cycle of the internal control computer information system to ensure the continuous operation of the system.

(一) safety Information security threat management and control	(二) Confidentiality Access rights control	(三) Availability Strain and recovery mechanisms	(四) Promotion and verification
<ul style="list-style-type: none"> <li>Information security policy announcement implementation</li> <li>Intrusion prevention control</li> <li>Anti-virus protection: computer system and data virus detection reminder</li> <li>Network service usage control</li> <li>System security update management and control</li> <li>Email filtering audit control</li> <li>Data backup mechanism</li> <li>Website security vulnerability detection</li> <li>Remote login control</li> <li>Network traffic monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Access account and password control</li> <li>System access rights: Apply for access rights based on functions and perform regular inventory</li> <li>The transferred personnel have their original permissions revoked</li> <li>Equipment scrapping process control</li> <li>System development and maintenance</li> <li>Access security control</li> <li>Unauthorized software control</li> <li>Data access encryption records</li> <li>System hierarchical protection and control</li> </ul>	<ul style="list-style-type: none"> <li>Critical system availability</li> <li>Regularly review business continuity operations and contingency plans</li> <li>Regular annual system recovery drills</li> <li>Establish system backup mechanism and implement off-site backup</li> <li>Regularly review computer network security control measures</li> <li>Test system security and intrusion prevention</li> </ul>	<ul style="list-style-type: none"> <li>Comply with laws and regulations</li> <li>Promote and announce information security information at any time to enhance employee security awareness</li> <li>Regular annual security training</li> <li>Email social engineering training</li> <li>Carry out information security inspections and notifications</li> <li>Board of Directors Security Report</li> <li>Review by Information Security Management Review Committee</li> <li>Official website reveals information security strategy</li> </ul>

## (1) Security: Information Security Threat Control

Risk\Control	Defense Mechanism
<b>Hacking</b>	Firewall principle control, intrusion prevention control (IPS), endpoint protection (EPP, EDR), web page security rating, network traffic monitoring, host web page weak scan VA, packet detection PI, penetration testing PT, information security event analysis and repair. (0 major information security incidents in 2024)
<b>Email Phishing Attacks</b>	Spam filtering (Anti-SPAM), email storage and auditing (eMail Archive/Audit), social engineering drills (Social Engineering), SPF sender policy framework verification, DKIM domain verification emails, DMARC rejection policy.
<b>System Vulnerability Attack</b>	Regular system updates (Update Weaknesses and vulnerabilities), compliance endpoint access control (NAC/NAP).
<b>Data Security</b>	Prohibition of the use of unauthorized software, authorized software control, identity verification MFA promotion, account permission checking, compliance software use (unauthorized software is strictly prohibited), information asset management and control, backup and restore drills and inspections.
<b>Device Security</b>	Information computer room access control monitoring records, power supply/air conditioning/fire monitoring, equipment network availability monitoring, USB/BYOD control.

## (2) Confidentiality: Access Rights Control

Risk\Control	Defense Mechanism
<b>Alert leaks</b>	Account and password control, file access control, account permissions inventory, and application segmentation control inside and outside the network.
<b>Leaving theft</b>	Management and control of account permissions for retired and transferred personnel (removal of account permissions), external storage device/BYOD management and control, and remote access control.
<b>Equipment failure</b>	Equipment scrapping process management and control.

## (3) Viability: Response and Recovery Mechanisms

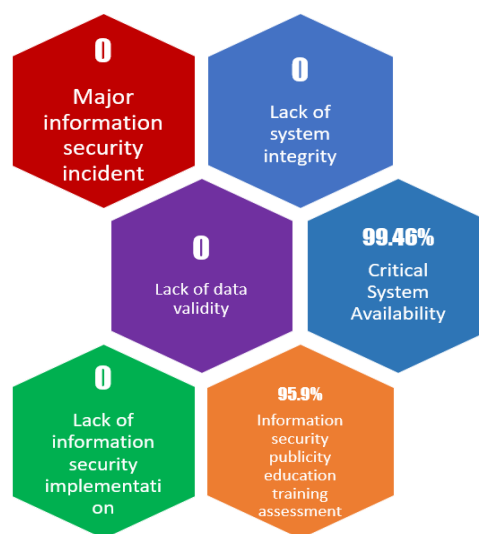
Risk\Control	Defense Mechanism
<b>Information system exception</b>	Infrastructure HA construction, important system availability monitoring (internal monitoring statistical availability in 2024 is 99.7%), continuous operation plan and contingency drills.
<b>system data lost</b>	Computer hard drive encryption protection, disaster response drills, and data off-site backup (according to the 3-2-1 rule) restoration.

## (4) Promotion and inspection

Risk\Control	Defense Mechanism
<b>endpoint intrusion</b>	Information security education and training (the participation rate of lectures in 2024 is 87%, and the average information security test score is 95.8), social engineering drills (social engineering drills in 2024, more than 2,804 verifications, risk Critical<1%), information security promotion announcement.
<b>Information implementation</b>	Audit verification (internal audit, AEO, accountant, supply chain rating, information security and health inspection), information security management meeting to supervise the implementation of information security policies (held annually).
<b>Information Security Team Meeting</b>	According to the information security committee organization, the human resource security execution team (4 people) and the disaster response team (4

	people) are responsible for analyzing possible loopholes in the company's phenomena such as SP-ISAC information and TWCERTCC information every week to repair and improve them as appropriate. The announcement reminds company colleagues to be aware.
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Total Sent (Emails)	Directly Deleted	Opened (Previewed)	Clicked Link	Opened Attachment	Entered Username/Password
2084	71.3%	25.7%	3.9%	3%	0.27%



### 3. Information Security Management Solutions and Resources :

The company is located in the Southern Taiwan Science Park (Kaohsiung Lujhu Campus) and benefits from the comprehensive information resources promoted by the science park. Tongtai has proactively and successfully become a member of the Science Park Information Sharing and Analysis Center (SP-ISAC). Through the SP-ISAC system, the company receives daily updates on the latest cybersecurity threats and incident intelligence.

Additionally, SP-ISAC provides cybersecurity education and training services, offering park-based enterprises optimal defense mechanisms and enhanced response capabilities. This enables Tongtai to promptly access real-time attack information, evaluate the threat, and update its gateway defense database to block potential intrusions.

Tongtai has also successfully applied to become a member of the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC), allowing the company to access consultation and coordination services for corporate cybersecurity incidents..

#### (1) Implement Plan :

<b>Information Security Program\ resource</b>	<b>Information Security Technology</b>	<b>Resource/ benefit</b>
<b>Zero Trust-Identity Verification Control</b>	Promote zero trust-identity verification control (multi-factor authentication MFA) mechanism every year to strengthen external connection authentication.	1. Build multi-factor authentication service 2. Promotion of external connection control 3. Information security budget preparation
<b>Information security health check</b>  <b>Information Security Rating</b>	The Company implemented the external inspection of [information security health inspection]: system weak scan, network packet inspection... and other health inspection tests and improvements.	1. List of information security inspection results and improvement of importance level evaluation 2. Handling by dedicated information security personnel: regular returns 3. Supply chain information security resources
<b>Intelligent machine Non-toxic shipment program</b>	We will promote the measures of [certificate of non-toxic delivery of smart machines] to ensure the information security quality and goodwill of the company's smart machines.	1. Intelligent machines operate independently on the network 2. Ensure the security of access environment 3. Dedicated personnel (delivery department) update/scan virus/review each unit
<b>Endpoint Protection EDR Promotion</b>	Promote the EDR (Endpoint Detection and Response) protection endpoint information system to reduce the risk of ransomware attacks.	1. Enable protection for important information systems 2. Monitoring and verification by information security personnel 3. Information security budget preparation

## **(2) Information security implementation and protection**

In order to ensure the sustainable operation of operations and important businesses, and to avoid the risk of unsustainable services for important information systems due to major disasters, the Company conducts disaster recovery drills on a regular basis every year. The exercise plans include:

- A. Disaster Recovery Exercise Plan: Key Objectives, Scope, Timing, People.
- B. Disaster Recovery Exercise Planning: Exercise Implementation Steps and Processes, Required Resources.

C. Disaster Recovery Drill Impact Analysis: Risk Management for Drills.

D. Difficult-to-recover exercise report: Post-drill review and improvement report.

Based on the process and records of the exercise, ensure that the Company exerts its ability to respond to disasters and ensure that when information security incidents occur, there are appropriate management procedures for colleagues to follow to reduce information security risks.

In order to ensure the use of information systems and information security defense capabilities, the Company regularly conducts information security health diagnosis operations every year, such as vulnerability scanning and penetration testing, to confirm that the information system and network environment meet security standards, and timely respond to major external information security attacks. Hold information technology exchanges and emergency response meetings to ensure that the information systems of group members are secure enough to resist attacks and build a complete protection network for information security.

**4.6.2 List the losses, possible impacts and countermeasures of major information security incidents in the most recent year and up to the date of publication of the annual report. If it cannot be reasonably estimated, the facts that cannot be reasonably estimated shall be stated:**

As of the publication date of the annual report, the company has not discovered any major cyber-attacks or incidents that may have a material adverse impact on the company's business and operations, nor has it been involved in any related legal cases or regulatory investigations.



## 4.7 Material Contracts

Contract Classification	Contract Company	Contract Duration	Main Contents	Term Limits
Land Lease	Southern Taiwan Science Park Bureau	2007.06.01~ 2027.05.31	Land Lease	None
Land Lease	Southern Taiwan Science Park Bureau	2019.06.12~ 2039.06.11	Land Lease	None
Land Lease	Southern Taiwan Science Park Bureau	2023.03.15~ 2043.03.14	Land Lease	None
Long-term loan agreement	Bank of Taiwan	2024.06.21~ 2027.06.21	Long-term loan agreement	None
Long-term loan agreement	Chang Hwa Commercial Bank	2025.01.03~ 2032.01.03	Long-term loan agreement	None
Long-term loan agreement	The Export-Import Bank of the Republic of China	2024.09.24~ 2029.09.24	Long-term loan agreement	None

## V. Review of Financial Conditions, Financial Performance, and Risk Management

### 5.1 Analysis of Financial Status (Consolidation)

Unit: NT\$ in thousands

Item \ Year	2024.12.31	2023.12.31	Difference	
			Amount	%
Current Assets	7,713,199	7,959,377	(246,178)	(3.09%)
Property, Plant and Equipment	1,537,912	1,900,770	(362,858)	(19.09%)
Intangible Assets	37,017	44,000	(6,983)	(15.87%)
Other Assets	3,018,936	2,748,244	270,692	9.85%
Total Assets	12,307,064	12,652,391	(345,327)	(2.73%)
Current Liabilities	6,273,582	6,396,001	(122,419)	(1.91%)
Non-Current Liabilities	1,609,499	1,157,455	452,044	39.05%
Total Liabilities	7,883,081	7,553,456	329,625	4.36%
Shareholders' Equity Attributable to Shareholders of the Parent	4,422,397	5,094,664	(672,267)	(13.20%)
Capital Stock	2,548,265	2,548,265	-	-
Capital Surplus	1,220,665	1,220,665	-	-
Retained Earnings	412,204	1,353,113	(940,909)	(69.54%)
Other Equity	241,263	(27,379)	268,642	(981.20%)
Non-controlling Interests	1,586	4,271	(2,685)	(62.87%)
Total Equity	4,423,983	5,098,935	(674,952)	(13.24%)

Analysis of deviation:

1. Current assets, property, plant and equipment, and total assets decreased compared to the same period last year, primarily due to a reduction in consolidated entities.
2. Total liabilities increased compared to the same period last year, mainly due to an increase in long-term bank borrowings.
3. In 2024, retained earnings decreased by NT\$940,909 thousand and the reduction in consolidated entities resulted in a decrease in equity of NT\$674,952 thousand compared to last year.

These differences are due to operational changes and have no significant impact on the company's financial position

## Analysis of Financial Performance (Consolidation)

### 5.2.1 Analysis of Financial Performance

Unit: NT\$ in thousands

Item \ Year	2024	2023	Difference	%
Operating Revenue	5,739,349	7,620,510	(1,881,161)	(24.69%)
Gross Profit	500,510	1,554,354	(1,053,844)	(67.80%)
Profit (loss) from Operations	(1,072,613)	(156,307)	(916,306)	586.22%
Non-operating Income and Expenses	80,389	249,443	(169,054)	(67.77%)
Profit (loss) before Income Tax	(992,224)	93,136	(1,085,360)	(1,165.35%)
Income Tax Expense (Benefit)	(81,913)	(28,351)	(53,562)	188.92%
Net Profit (loss) for the Year	(910,311)	121,487	(1,031,798)	(849.31%)
Other Comprehensive Loss for the Year	286,324	(742)	287,066	(38,688.14%)
Total Comprehensive Income for the Year	(623,987)	120,745	(744,732)	(616.78%)

#### Analysis of deviation:

##### 1. Operating income, gross profit and operating profit:

Operating revenue in 2024 decreased by 24.69% compared to 2023, mainly due to unresolved global inflation, a sluggish economy, the lack of recovery in various end-user demands, geopolitical tensions, the Russia-Ukraine war, and the reduction in consolidated entities. As for the gross profit margin, it declined by 11% compared to 2023, primarily due to changes in the product shipment mix and provisions for inventory write-downs. The decrease in operating income was attributable to lower-than-expected revenue and increased costs.

##### 2. Non-operating income and expenses: The increase in non-operating income in 2023 compared to 2024 by NT\$169,054 thousand was mainly due to gains from the disposal of property, plant and equipment, as well as rental income.

##### 3. Total comprehensive income for the period:

As a result of the above factors, the total comprehensive income for 2024 decreased by NT\$744,732 thousand compared to 2023.

### 5.2.2 Expected Sales Volume and its Basis

Please refer "Letter to Shareholders" on page 1.

### 5.2.3 The possible effects and the countermeasures regarding the Company's financial outlook

In order to ensure sustainable competitiveness, the Group continues to develop new customers and new markets in the automotive (including electric vehicles, EV), aerospace, 5G and semiconductor industries. In addition, it continues to pay attention to the external competitive environment, regulatory environment and overall business environment for the company. If there is a major change, a response plan will be made in time. As of the first quarter of 2024, there are no major abnormal fluctuations in finance and business, so it is unnecessary to propose response plan.

## 5.2 Analysis of Cash Flow

### 5.2.1 Cash Flow Analysis for the Current Year

Unit: NT\$ in thousands

Cash balance at the beginning of the year	Annual net cash flows from operating activities	Annual net cash flows from investing activities	Annual net cash flows from financing activities	Effect of exchange rate changes	Cash at the end of the year	Remedial measures for cash deficit	
						Investment plan	Financing plan
919,787	236,373	(215,215)	(33,713)	(41,732)	865,500	—	—

- Analysis of changes in cash flow:
  - Net cash inflows generated from operating activities amounted of NT\$236,373 thousand were mainly from receivables and inventory reduction.
  - Net cash inflows generated from investing activities amounted of NT\$ 215,215 thousand were mainly from the capital expenditure and increase of other financial assets.
  - Net cash outflows used in financing activities amounted of NT\$ 33,713 thousand were mainly from loan repayments.
- Improvement plan for insufficient liquidity: None.

## 6. Remedy for Cash Deficit and Liquidity Analysis

Unit: NT\$ in thousands

Cash balance at the beginning of the year <sup>①</sup>	Estimated annual net cash provided by operating activities <sup>②</sup>	Estimated annual cash outflow <sup>③</sup>	Estimated cash surplus (deficit) ①+②-③	Remedial measures for cash deficit	
				Investment plan	Financing plan
865,500	500,000	500,000	865,500	—	—
1. Analysis of estimated cash flow:					

It is estimated that there will be no major capital expenditures in 2025. It is estimated that the cash inflows generated from operating activities will be used to meet the required cash expenditures and maintain a certain level of cash position.

2. Remedial measures for estimated cash deficit and liquidity analysis: None.

#### **5.4 Major Capital Expenditure Items**

There were no major capital expenditures in 2024, only routine machinery and equipment purchases and plant expansion expenditures. Capital expenditures were mostly paid with cash generated from operations and had no significant impact on the Company's finance and business.

#### **5.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year**

The company's investment policy is to increase the core competitiveness of the Group as the main consideration, and then carry out investment activities in related upstream and downstream industries. In 2024, due to factors such as unresolved global inflation, sluggish economic prosperity, weak demand for various terminals, geopolitical and economic tensions, the uninterrupted war between Russia and Ukraine, and the risk of unblocking mainland China, the operating conditions of the reinvestment company were not good. In addition, for those subsidiaries that are still suffering from operating loss, Tongtai will continue to monitor and rectify, so as to enable them to achieve the expected benefits. In response to globalization and vertical or horizontal integration, Tongtai will continue to evaluate the benefits of potential investment mergers and acquisitions.

## 5.6 Analysis of Risk Management

### 5.6.1 Impacts of any fluctuation of interest rates and exchange rates and inflation on Company's profit (loss) and the future countermeasures:

#### 1. Fluctuation of Interest Rates

The Group maintains appropriate flexible scheduling adjustments at all times in response to cash positions required for operating activities to reduce the impact of interest rate fluctuation. In the future, we will continue to pay close attention to interest rate trends, use low-interest financing instruments and adopt favorable interest rate conditions to maintain low financing cost. The impact on interest rate changes is not significant.

#### 2. Fluctuation of Exchange Rates

The company pays attention to changes in international economic events at any time, in order to grasp exchange rate trends, in addition to reviewing the company's capital situation for the best allocation, and timely operation of derivative products (including forward contracts, SWAP, CCS and so on) to reduce the impact of exchange rate changes.

#### 3. Inflation status

The Group has not experienced any significant impact on profit or loss as a result of inflation as of now.

### 5.6.2 Policies on high-risk, highly leveraged investments, lending funds to other parties, endorsements, guarantees, and financial derivative transactions, main reasons for the profits or losses generated thereby, and future response measures to be undertaken:

The Group has adopted conservative strategies and has not taken part in any high-risk and highly leveraged investment. The Group has formulated internal management guidelines and operating procedures on the basis of robust financing and operation according to the relevant laws and regulations of Securities and Futures Bureau, Financial Supervisory Commission (FSC), which include "Procedures for Lending Funds to Other Parties", "Procedures for Making Endorsements and Guarantees", and "Procedures for Acquisition or Disposal of Assets". The Company will continue to strictly follow these procedures and protocols and all transactions are conducted in accordance with the relevant regulations.

### 5.6.3 Future R&D plans and projected investment schedules and R&D expenses

#### 5.6.3.1 Future R&D projects:

Please refer to I. Letter to Shareholders → (IV) Research and development (R&D) status and V. Operating Highlights → 5.1.1 Business Scope → D. New products development.

#### 5.6.3.2 Expected R&D expenses:

In 2024, R&D expenses are NT\$220,267 thousand, accounting for approximately 4% of revenue. It is estimated that the R&D expenditure in 2025 will be about NT\$250,000 thousand.

#### 5.6.4 The changes of domestic and overseas important policies and laws and its impact on the Company's financial operations, and the countermeasures:

The management and related staff always pay attention to important domestic and foreign policy and legal changes. The senior staff and external professional units provide suggestions and take relevant countermeasures.

#### 5.6.5 Potential Impacts of Disruptive Technology and Industry Change on Corporate Finance and Business and Their Countermeasures:

1. The company has long been setting up R&D centers and subsidiaries in Japan, a leading country in machine tool technology, in order to learn from them and obtain cutting-edge technologies, quickly obtain high-precision key components, and improve product quality and accuracy to meet the high-tech industry demand. The company also uses technology and innovative concepts to increase the added value of products, establish brand awareness, and ensure the value of the company's products.
2. Combine the resources of industry, government, education and research to jointly develop to avoid the monopoly of key technologies and loss of competitive advantage.

#### 5.6.6 Potential Impacts of Changes in Corporate Image on Corporate Crisis Management and Their Countermeasures:

The company has always adhered to the business philosophy and corporate image of "guaranteeing quality, creating profits, and sustainable management" and fulfilling social and environmental responsibilities.

#### 5.6.7 Anticipated Benefits and Potential Risks of Mergers and Acquisitions and Their Countermeasures:

None.

#### 5.6.8 Anticipated Benefits and Potential Risks of Capacity Expansion and Their Countermeasures:

None.

#### 5.6.9 Potential Risks of Concentrated Procurement and Sales, and Countermeasures

There is no concentration of procurement or sales of products amid the Group.



**5.6.10 Potential Impacts and Risks of the Sales or Transfers of Significant Numbers of Shares by the Company's Directors, Supervisors, or Major Shareholders Holding More Than 10% of Outstanding Shares and Their Countermeasures:**

None.

**5.6.11 Potential Impacts and Risks of Changes of Management Right and The Countermeasures:**

None.

**5.6.12 Litigations and Non-Litigated Incidents:**

None.

**5.6.13 Other Material Risks and Countermeasures:**

None.

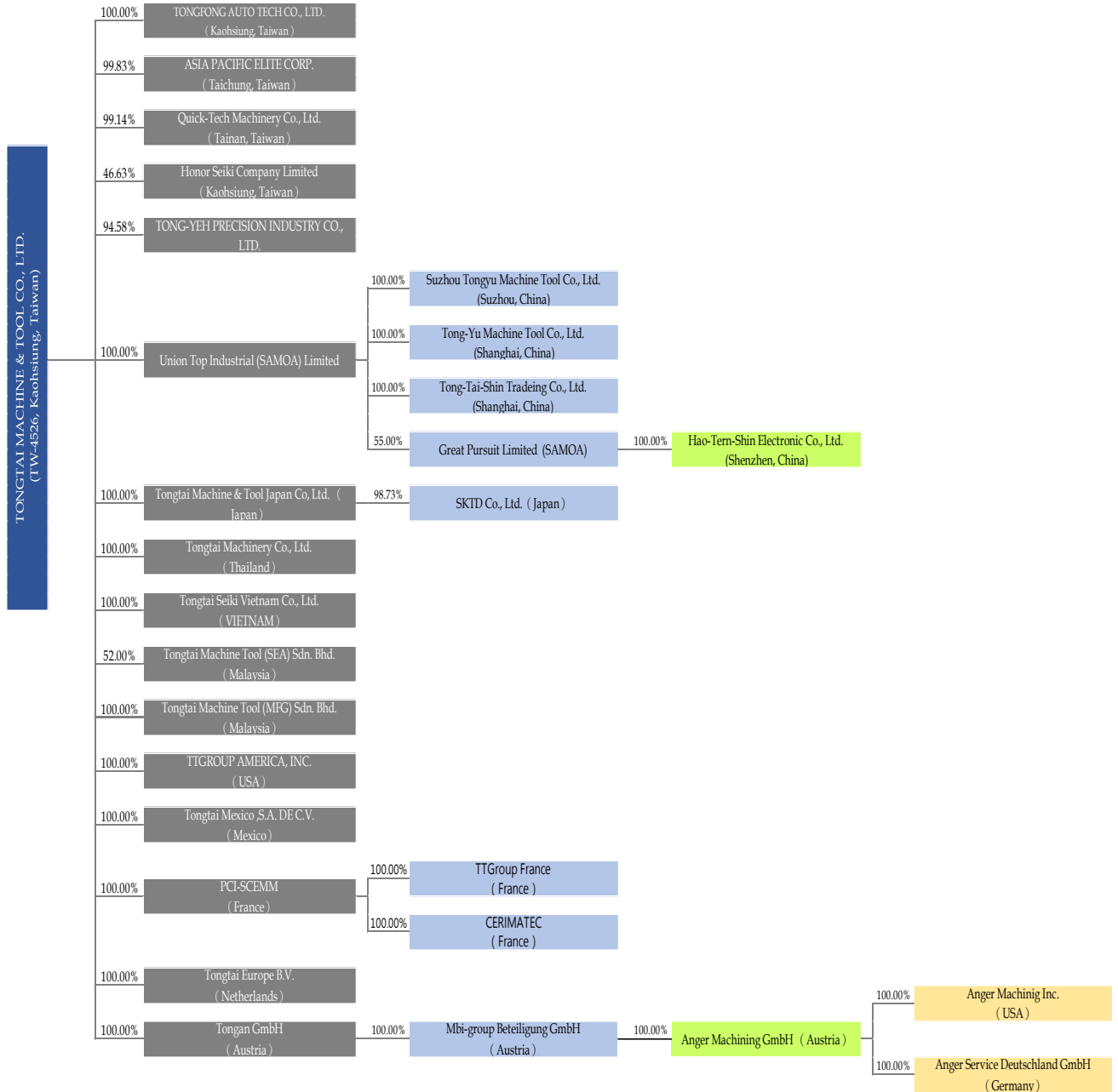
**5.7 Other Significant Matters**

None.

## VI. Special Disclosures

### 6.1 Summary of Affiliated Companies

#### 6.1.1 Affiliated Organizational Chart (2024.12.31)



### 6.1.2 Basic information of Affiliated Companies (2024.12.31)

Company	Date of Incorporation	Address	Share Capital (in thousands)	Business Activities
TONGFONG AUTO TECH CO., LTD.	1999.06.09	No. 946, Zhongshan Road, Huanai District, Kaohsiung City	NTD 15,000	Sales of electric automation equipment
ASIA PACIFIC ELITE CORP.	2003.01.03	No.7, Jingko North Road, Wenshan, NanTuen District, Taichung City	NTD 145,397	Sales and manufacturing of equipment
Quick-Tech Machinery Co., Ltd.	1996.10.16	No.35, Yantian Lane Technology Road, Annan District, Tainan City	NTD 120,000	Sales and manufacturing of equipment
Honor Seiki Company Limited	1987.05.21	No. 658, Zhongshan Road, Huanai District, Kaohsiung City	NTD 356,047	Sales and manufacturing of equipment
TONG-YEH PRECISION INDUSTRY CO., LTD.	1998.02.09	No. 946, Zhongshan Road, Huanai District, Kaohsiung City	NTD 17,548	Manufacturing and processing of metal part
Union Top Industrial (SAMOA) Limited	2003.05.19	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	NTD 535,919 ( USD 16,465 )	General investment
Tong-Yu Machine Tool Co., Ltd (Shanghai)	1998.05.27	No. 188 Chundong Road, Xinzhuang Industrial Zone, Minhang District, Shanghai	NTD 80,269 ( USD 2,408 )	Sales and maintenance of machine tools
Suzhou Tongyu Machine Tool Co., Ltd (Suzhou)	2003.10.17	No. 555 Huhong Road, Wujiang Economic and Technological Development Zone, Jiangsu Province	NTD 746,740 ( USD 25,000 )	Manufacturing of digital control machine and system
Tong-Tai-Shin Trading Co., Ltd (Shanghai)	2004.05.18	Room 308, building a, 169 Tai Ku Road, Free Trade Test Zone, China (Shanghai)	NTD 6,863 ( USD 200 )	International trade
Great Pursuit Limited	2010.09.10	Offshore Chambers, P.O. Box 217 Apia, Samoa	NTD 72,825 ( USD 2,500 )	General investment
Hao-Tern-Shin Electronic Co., Ltd (Shenzhen)	2011.03.28	1F, building 2, Fujikang Science and Technology Park, Yanchuan YanLuo Road, Songgang Street, Baoan District, Shenzhen	NTD 72,825 ( USD 2,500 )	Sales and manufacturing of printed circuit board

Company	Date of Incorporation	Address	Share Capital (in thousands)		Business Activities
Tongtai Machine & Tool Japan Co, LTD	2011.01.05	6F, 1307 Matsudo, Matsudo City, Chiba Prefecture, Japan	NTD	27,931	Sales of machine tools
			( JPY	88,900 )	
SKTD Co., Ltd.	2016.07.22	6F, 1307 Matsudo, Matsudo City, Chiba Prefecture, Japan	NTD	24,530	Design and development of machine tools
			( JPY	79,000 )	
TongTai Machinery Co., Ltd.	1993.02.03	36/30 Moo 7 Bangphli Yai Bangphli, Samutprakarn 10540	NTD	10,018	Sales and maintenance of machine tools
			( THB	10,000 )	
TongTai Seiki Vietnam Co., Ltd	2013.06.04	D14 Lane 17T10 Nguyen Thi Dinh, Trung Hoa Ward, Cau Giay Dist, Hanoi, Vietnam	NTD	9,054	Sales and maintenance of machine tools
			( USD	300 )	
Tongtai Machine Tool (SEA) Sdn Bhd	2012.12.21	No 7, Jalan Para U8/103, Metropolitan Business Park. U8. 40150 Bukit Jelutong, Shah Alam, Selangor, Malaysia	NTD	9,822	Sales and maintenance of machine tools
			( RM	1,000 )	
Tongtai Machine Tool (MFG) Sdn Bhd	2012.12.21	No 7, Jalan Para U8/103, Metropolitan Business Park. U8. 40150 Bukit Jelutong, Shah Alam, Selangor, Malaysia	NTD	71,952	Sales and manufacturing of equipment
			( RM	8,500 )	
Tong-Tai Seiki USA, INC.	2004.01.02	1532 14TH STREET, Columbus, IN, 47201, USA	NTD	0	Sales and maintenance of machine tools
			( USD	0 )	
TTGROUP AMERICA, INC.	2023.11.02	251 Little Falls Drive Wilmington, DE 19808	NTD	33,163	Sales and maintenance of machine tools
			( USD	1,000 )	
Tongtai Mexico, S.A. DE C.V.	2018.12.07	LA CIUDAD DE SAN LUIS POTOSI, Mexico	NTD	10,155	Sales and maintenance of machine tools
			( USD	330 )	
PCI-SCEMM	1940.10.28	Le Rond Point Rue Copernic 42100 Saint-Etienne, France	NTD	203,981	Sales, manufacturing and maintenance of machine tools
			( EUR	6,000 )	
TTGroup France	2018.01.22		NTD	1,076	Sales of machine tools

Company	Date of Incorporation	Address	Share Capital (in thousands)	Business Activities
		Le Rond Point Rue Copernic 42000 Saint-Etienne, France	( EUR 30 )	
CERIMATEC	2022.12.30	Rue de la Mécanique 27400 Louviers	NTD 9,816 (EUR 300)	Sales, manufacturing and maintenance of machine tools
Tongtai Europe B.V.	2005.04.28	Vloelveld 16, 5126 RG GILZE, The Netherlands	NTD 3,723 ( EUR 90 )	Sales of machine tools
Tongan GmbH	2015.05.19	Zaunermühlstraße 3, 4050 Traun, Austria	NTD 1,215 ( EUR 35 )	General investment
Mbi-group Beteiligung GmbH	2005.10.07	Zaunermühlstraße 3, 4050 Traun, Austria	NTD 583,534 ( EUR 16,735 )	General investment
Anger Machining GmbH	1972.01.21	Zaunermühlstraße 3, 4050 Traun, Austria	NTD 13,467 ( EUR 388 )	Sales, manufacturing and maintenance of machine tools
Anger Machining Inc.	2011.04.27	4630 Freedom Drive, Ann Arbor, MI 48108	NTD 120 ( USD 4 )	Sales and maintenance of machine tools
Anger Service Deutschland GmbH	2011.01.26	Wilhelm-Maybach-Str. 11 72108 Rottenburg am Neckar, Germany	NTD 867 ( EUR )	Sales and maintenance of machine tools

#### 6.1.3 Shareholders in Common of the Company and Its Affiliates with Deemed Control and Subordination

None.

#### 6.1.4 Business Scope of the Company and its Affiliates

- (a) The Company's affiliates are involved in machine tools manufacturing, moelectronics design and manufacturing, investment and trade.
- (b) The Company has subsidiaries in China, France, Austria, the Netherlands, Japan, Thailand, Malaysia, Vietnam, the United States and Mexico, providing instant business or technical services to customers worldwide. On the whole, the business operations of the company's affiliated companies are related to each other, through the mutual support of technology, marketing and services, in order to maximize the competitiveness of the group.

### 6.1.5 List of Directors, Supervisors, and Presidents of the Company's affiliates

2024.12.31

Company	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	Holding % (Investment Holding %)
TONGFONG AUTO TECH CO., LTD.	Director	Tongtai Machine & Tool Co., Ltd. ("Tongtai")	1,500,000	100%
	Director (representative), Chairman and General Manager	Jui-Hsiung Yen	—	—
	Supervisor	Jia-Fu Su	—	—
ASIA PACIFIC ELITE CORP.	Director	Tongtai Machine & Tool Co., Ltd.	14,515,634	99.83%
	Director (representative), Chairman and General Manager	Jui-Hsiung Yen	—	—
	Director (representative)	Lu Yen	—	—
	Director (representative)	Chih-Wei Chang	—	—
	Supervisor	Wen-Peng Tseng	—	—
Quick-Tech Machinery Co., Ltd.	Chairman	Jui-Hsiung Yen	—	—
	Director	Tongtai Machine & Tool Co., Ltd.	11,896,891	99.14%
	Supervisor	Cheng Yen	—	—
Honor Seiki Company Limited	Director	Fu Ying Investment Co., Ltd.	6,136,647	17.79%
	Director (representative), Chairman and General Manager	Song-Tian Chen	155,232	0.38%
	Director	Tongtai Machine & Tool Co., Ltd.	16,088,893	46.63%
	Director (representative)	Jui-Hsiung Yen	58,129	—
	Director (representative)	Lu Yen	—	—
	Director (representative)	Lin Yen	9,339	—
	Director	Chengfen Investment Co., Ltd.	4,175,053	10.29%

Company	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	Holding % (Investment Holding %)
	Director (representative)	Cheng-Chun Chen	123,000	—
	Independent Director	Hung-Sen Yen, Wen-Pin Wu, Chun-Yung Hung, Chia-Hsiang Li	—	—
TONG-YEH PRECISION INDUSTRY CO., LTD.	Director	Tongtai Machine & Tool Co., Ltd.	1,659,790	94.58%
	Chairman and General Manager	Jui-Hsiung Yen	66,680	3.80%
	Supervisor	Lin Wen Wang	—	—
Union Top Industrial (SAMOA) Limited (Union Top)	Director	Jui-Hsiung Yen	—	—
			Tongtai holds 16,465,400 shares	100%
Tong-Yu Machine Tool Co., Ltd (Shanghai)	Chairman	Jui-Hsiung Yen	—	—
	Director	Feng-Hui Chiou	—	—
	Director	Lu Yen	—	—
			( Union Top's investment USD 2,408,000 )	(100%)
Suzhou Tongyu Machine Tool Co., Ltd (Suzhou)	Chairman	Jui-Hsiung Yen	—	—
	Director and General Manager	Feng-Hui Chiou	—	—
	Director	Fu-Cai Yao	—	—
	Director	Lu Yen	—	—
			( Union Top's investment USD 25,000,000 )	(100%)
	Managing Director	Jui-Hsiung Yen	—	—

Company	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	Holding % (Investment Holding %)
Tong-Tai-Shin Trading Co., Ltd (Shanghai)			( Union Top's investment USD 200,000 )	(100%)
Great Pursuit Limited	Chairman	Jui-Hsiung Yen	—	—
	Director	Su-Zhu Huang	—	—
			( Union Top's investment USD 1,375,000 )	(55%)
Hao-Tern-Shin Electronic Co., Ltd (Shenzhen)	Managing Director and General Manager	Jui-Hsiung Yen	—	—
	Director	Ru-Ping Li	—	—
			( Great Pursuit Limited's investment USD 2,500,000 )	(55%)
Tongtai Machine & Tool Japan Co, LTD	Chairman(representative)	Jui-Hsiung Yen	—	—
			Tongtai holds 889 shares	100%
SKTD Co., Ltd.	Chairman(representative)	Kaneda Masahiro	6	0.76%
	Director	Miyasato Yako	4	0.50%
			Tongtai Machine & Tool Japan Co, LTD holds 780 shares	98.73%
TongTai Machinery Co., Ltd	Director	Jui-Hsiung Yen	1	—
	Director	Chih-Wei, Chung	1	—



Company	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	Holding % (Investment Holding %)
			Tongtai holds 999,998 shares	100%
TongTai Seiki Vietnam Co., Ltd.	Chairman	Jui-Hsiung Yen	— Tongtai holds 631,080 shares	— 100%
Tongtai Machine Tool (SEA) Sdn Bhd	Director	Jui-Hsiung Yen	—	—
	Director and General Manager	Tien-Kuei Lin	310,000	31%
	Director	Hsin-Ju Chen	50,000	5%
			Tongtai holds 520,000 shares	52%
Tongtai Machine Tool (MFG) Sdn Bhd	Director	Jui-Hsiung Yen	—	—
	Director	Lu Yen	—	—
	Director	Yung-Cheng Chen	—	—
	Director	Tien-Kuei Lin	—	—
			Tongtai holds 8,500,000 shares	100%
Tong-Tai Seiki USA, INC.	Chairman	Jui-Hsiung Yen	—	—
	Director	Lu Yen	—	—
			Tongtai holds 100 shares	100%
TTGROUP AMERICA, INC.	Chairman	Weichung Ooi	Tongtai holds 100 shares	100%
PCI-SCEMM	Chairman	Jui-Hsiung Yen	—	—

Company	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	Holding % (Investment Holding %)
	General Manager	Chung-Kuang Lin	Tongtai holds 999,999 shares	100%
TTGroup France	Chairman	Lu Yen	—	—
	Director	Chung-Kuang Lin	—  PCI-SCEMM holds 30,000 shares	—  100%
CERIMATEC	Chairman	Chung-Kuang Lin	—  PCI-SCEMM holds 300,000 shares	—  100%
Tongtai Europe B.V.	Director	Jui-Hsiung Yen	—	—
	Director and General Manager	Chung-Kuang Lin	—	—
	Director	Lu Yen	—  Tongtai holds 9,000 shares	—  100%
Tongtai Mexico, S.A. DE C.V.	Director	Lu Yen	—  Tongtai holds 65,999 shares	—  100%
Tongan GmbH	Director	Lu Yen	—  Tongtai holds 35,000 shares	—  100%
	Director	Lu Yen	—	—

Company	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	Holding % (Investment Holding %)
Mbi-group Beteiligung GmbH (Mbi)	Director	Chung-Kuang Lin	—  ( Tongan GmbH's investment EUR 16,735,000 )	—  (100%)
Anger Machining GmbH (Anger)	Director and General Manager	Chung-Kuang Lin	—  ( Mbi's investment EUR 17,088,000 )	—  (100%)
Anger Machining Inc.	Director	Chung-Kuang Lin	—  Anger holds 60,000 shares	—  100%
Anger Service Deutschland GmbH	Director	Chung-Kuang Lin	—  ( Anger's investment EUR 25,000 )	—  (100%)

### 6.1.6 Operational Highlights of Affiliated Companies (2024.12.31)

Units: NTD in thousands/Earnings (loss) per Share in NTD

Company	Paid-in Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Income (Loss)	Net Income (Loss) After Tax	Earnings (Loss) Per Share After Tax
TONGFONG AUTO TECH CO., LTD.	15,000	60,130	32,656	27,474	78,248	(7,456)	(8,256)	(5.50)
ASIA PACIFIC ELITE CORP.	145,397	1,164,127	968,989	195,138	1,013,068	45,094	48,187	3.31
Quick-Tech Machinery Co., Ltd.	120,000	116,501	10,381	106,120	66,542	12,428	15,908	1.33
TONG-YEH PRECISION INDUSTRY CO., LTD.	17,548	32,337	51,689	(19,352)	59,135	(37,628)	(50,689)	(28.89)
Union Top Industrial (SAMOA) Limited	535,919	1,285,047	316,466	968,581	0	(44)	(46,618)	(0.87)
Suzhou Tongyu Machine Tool Co., Ltd (Suzhou)	746,380	2,293,910	1,211,199	1,082,711	1,392,117	(37,032)	(9,332)	NA
Tong-Yu Machine Tool Co., Ltd (Shanghai)	80,269	82,123	587	81,536	0	(3,565)	(5,591)	NA
Tong-Tai-Shin Trading Co., Ltd (Shanghai)	4,990	10,015	1	10,014	0	(105)	(87)	NA
Hao-Tern-Shin Electronic Co., Ltd (Shenzhen)	72,825	14,876	28,982	(14,106)	0	(15)	(16)	NA
Tongtai Machine & Tool Japan Co, LTD.	27,931	26,558	1,648	24,910	21,699	465	2,913	1.04
SKTD Co., Ltd.	24,530	29,909	10,676	19,233	29,215	3,385	2,593	1.06
TongTai Machinery Co., Ltd	10,019	68,182	39,980	28,202	26,774	2,819	1,315	1.31
TongTai Seiki Vietnam Co., Ltd	9,054	27,342	4,301	23,041	19,607	1,523	1,119	1.24
Tongtai Machine Tool (SEA) Sdn Bhd	9,822	76,274	44,497	31,777	44,538	(5,488)	(2,015)	(2.05)
Tongtai Machine Tool (MFG) Sdn Bhd	71,951	38,249	30	38,219	0	(1,327)	(78)	(0.01)

Company	Paid-in Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Income (Loss)	Net Income (Loss) After Tax	Earnings (Loss) Per Share After Tax
Tong-Tai Seiki USA, INC.	1,000	14,309	18,878	(4,569)	21,079	(5,538)	(7,215)	(72.15)
Tongtai Mexico, S.A. DE C.V.	10,155	2,771	(13)	2,784	1,431	(1,258)	(1,238)	(1.22)
PCI-SCEMM	203,981	723,992	789,800	(65,808)	663,983	(180,079)	(252,892)	(12.40)
TTGroup France	1,076	61,573	62,260	(687)	113,801	(1,152)	970	9.01
Tongtai Europe B.V.	3,723	22,107	94,492	(72,385)	39,116	(4,120)	(16,013)	(43.01)
Tongan GmbH	1,215	(71,721)	102	(71,823)	0	(54)	(33,764)	(277.94)
Mbi-group Beteiligung GmbH	583,598	7,188	35,156	(27,968)	1,125	1,032	(35,237)	NA
Anger Machining GmbH	595,786	859,221	873,345	(14,124)	531,461	(24,481)	(33,733)	NA
Anger Machining Inc.	120	277	(22,839)	23,116	2,670	(4,806)	8,543	711.94
Anger Service Deutschland GmbH	868	9,595	4,764	4,831	25,980	1,642	1,233	NA
CERIMATEC	9,816	232,008	217,491	14,517	285,084	2,391	3,184	3.24

#### **6.1.7 Consolidated Financial Statements of Affiliated Companies:**

Consolidated Financial Statements of Affiliated Companies: Refer to the Annual Report.

**6.1.8 The Company has disclosed the derivative products trading information, making endorsement and guarantees, and fund lending information of all the affiliated companies in the consolidated financial statements. Affiliate companies not listed did not engage in relevant activities.**

#### **6.2 Private Placement Securities in the Most Recent Years**

None.

#### **6.3 Other Supplementary Notes:**

None.

### **VII. Other Issues**

#### **7.1 Events Regulated in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act That Have Impacts on Shareholders' Equity or the Price of Securities during the Current Fiscal Year up to the Date of Publication of the Annual Report:**

None.

**Tongtai Machine & Tool Co., Ltd.**

**Chairman: Jui-Hsiung Yen**



# Tongtai Machine & Tool Co., Ltd.

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## Headquarters

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🔍 Tongtai

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