Stock Code: 1506

RIGHT WAY INDUSTRIAL CO.,LTD.

2024 Annual Report

Published on May 9, 2024

The Annual Report is disclosed at:	**1. MOPS (https://mops.twse.com.tw)**
	2. The "Investors" on the Company's website (https://www.rightway.com.tw)

I. Name, job title, contact telephone, and email address of the Spokesperson as well as the Deputy Spokesperson:

Spokesperson	Deputy Spokesperson
Name: Lo, Shih-I	Name: Huang, Chun-Ta
Job Title: General Manager	Job Title: Assistant Vice President, Finance Dept.
Telephone: (06) 266-4101	Telephone: (06) 266-4101
E-mail：Russel.Lo@rightway.tw	E-mail：Don.Huang@rightway.tw

II. Address and phone number of the headquarters, branch offices and factories:

Headquarters	Address: No. 1015, Zhongzheng W. Rd., Dajia Neighborhood, Rende Dist., Tainan City 717-44 Tel. No.: (06) 266-4101 Fax No.: (06) 266-4015、(06) 266-4374

III. Name, address, website and telephone of shareholders service agency:

Name: Shareholder Services Agency Department of Yuanta Securities Co., Ltd.

Address: B1, No. 210, Sec. 3, Chengde Rd., Taipei City 103

Telephone: (02) 2586-5859

Website: https://www.yuanta.com.tw/eyuanta/agent

IV. Name, firm name, address, website, and Tel. No. of external auditor certifying the latest financial statements:

External auditors: Lee, Chi-Chen & Wu, Chang-Chun

Name of CPA Firm: Deloitte of Touche

Address: 13F, No. 189, Sec. 1, Yongfu Rd., West Central Dist., Tainan City 700019

Telephone: (06) 213-9988

Website: https://www.deloitte.com.tw

V. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: None.

VI Company website: https://www.rightway.com.tw

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One. Letter to Shareholders

To All Shareholders:

In 2023, due to the impact of the global economic downturn, customer inventory adjustments, and sluggish demand, operating revenue for our main metal processing products was equivalent to that of the preceding year. In addition, the new business of system furniture is in the initial stage, and the Company has recorded initial achievements in exploring customers for the system furniture business. However, it requires time to gain contributions to operating revenue.

For gross profit, benefited from the appreciation of the USD exchange rate in 2023, the profit margin of metal processing products has increased compared to last year. On the other hand, the new system furniture business is still in the initial stage of small-volume production, which has affected the partial performance of gross profit; however, the profit margin remained stable in general. With respect to operating expenses, due to strict control of expenses and expenditures, the amount or ratio has decreased compared to the same period last year. Therefore, our net profit after tax in 2023 was NT$87 million, equivalent to that of the preceding year.

Looking forward to 2024, for metal processing, the operating revenue of the Taiwan Plant is expected to grow moderately, and it will continue to record steady profits. Due to the transfer of orders in Mainland China, certain customers have transferred their orders to Southeast Asia for production; therefore, the operating revenue and profit of the Malaysia Plant will increase.

Right Way will continue to focus on core products, jointly develop products with customers leveraging its professional capacity of aluminum alloy die casting and forging and strengthen outsourcing integration to provide the "One-Stop-Solution" that satisfies customers. In addition, the new business of system furniture is in its initial stage, and we have been securing customers extensively through team efforts. It is expected that the growth in 2024 will be much higher than that in 2023. Therefore, the overall operating performance of Right Way in 2024 is expected to be better than the previous year.

The Company's business overview and plans in the past year are stated as following:

I. 2023 Business Overview:

1. Business plan implementation results:

Unit: In Thousands of New Taiwan Dollars

Items	2022	2023	Difference	Growth rate (%)
Operating revenue	1,141,618	1,140,720	(898)	(0.1%)
Gross profit	202,618	184,736	(17,882)	(8.8%)
Net operating profit (loss)	16,480	58,946	42,466	257.7%
Net profit (loss) before tax	103,304	100,592	(2,712)	(2.6%)
Net profit (loss)	91,915	88,549	(3,366)	(3.7%)

2. Budget implementation status: N/A (No financial forecast was prepared by the Company in 2022)
3. Analysis on financial revenue & expense and profitability:

The Company's annual consolidated operating revenue was NT$1,140,720 thousand in 2023, decreasing by 0.1% from NT$1,141,618 thousand in the previous year. The profit after tax was NT$88,549 thousand, and earnings per share NT$0.29, less than the profit after tax and earnings per share, NT$91,915 thousand and NT$0.43, in the previous year.

The Company's gross profit margin was 16% in 2023, and 18% in the previous year. The operating profit ratio was 5% in 2023 and the net operating loss ratio was 1% in the previous year. The net income margin was 8%, which was the same as the previous year's after-tax net profit rate of 8%.

II. Status on research and development:

The Company's consolidated R&D expenditures were NT$18,086 thousand and NT$10,966 thousand in 2022 and 2023, *i.e.*, 2% and 1% of the consolidated operating revenue, respectively. The Company always believes that only R&D can lead to the sustainability and create the Company's value. Therefore, the Company spares no efforts to invest capital in new products or technologies, in order to expand the Company's business scale.

III. Summary of 2024 business plan:

(I) Management philosophy:

1. Improve shareholders' satisfaction relying on stable operating revenue and increasingly growing income.
2. Upgrade customers' satisfaction relying on zero customer complaint, competitive cost and timely delivery.
3. Improve employees' satisfaction relying on safe and comfortable working environment and robust skill training and talent training system.

(II) Business policy:

1. Continue to build ability in self-making of gravity casting and aluminum alloy forging.
2. Maintain and develop new business lines and customers at home and abroad.
3. Promote the project management system to expressly define the responsibilities and division of labor to demonstrate the high ability in integration.
4. Committed to minimizing the defective rate in development, production, packaging and logistics.
5. Optimize the development and production process, promote VA/VE and stock control mechanism, and reduce the time spent in changeover and defects in trial production.
6. Committed to achieving zero occupational accidents and preventing pollution, conserving energy, reducing carbon, promoting clean production, and establishing sound and safe working environment and management system.

7. Improve education and training, make everyone do his best, and give reward and punishment impartially.

(III) 2024 business objectives:

Looking forward to 2024, the Company will focus on the development of business lines including SUVs, industrial products and automobiles/motorcycles. The Company will improve its involvement in development of the existing customers. Meanwhile, OE will focus on the fields of industry and SUVs and AM on the after-sale market of pistons in North America (cars/snow cars/water motorcycles/heavy motorcycle). In the meantime, the Company also makes every endeavor to develop new customers and focus on vehicles (SUVs/electric cars), medical care and industry. For product positioning, the Company will focus on core products, e.g. aluminum recasting and aluminum forging related products, and also improve its ability in outsourcing and integration, such as the related products including pistons/cast iron/die-casting/steel forging, other than the Company's self-made products. In the future, the Company will, relying on its existing foundation, continue to take various corrective actions to satisfy customers' needs. The equipment has been installed for the new system furniture business. Currently, the Company is actively exploring new customers. It is expected that orders will increase from 2024 onwards, which will bring new energy and new growth momentum to Right Way Group.

(IV) Sales volume forecast and the basis thereof:

The Company engages in the balanced development in the fields of SUVs, industrial products and automobiles/motorcycles, and is diversified across industry type to disperse the Company's business risk and reduce the sales proportion of one single industry. The system furniture business explores the market in southern Taiwan and mainly focuses on construction companies/distribution companies/interior design companies.

(V) Important production and marketing policy:

1. As a professional manufacturer of industrial parts and the metal processing business of the Company with the ability of ODM, primarily targeting the market of export sales. The Company's strategy focuses on development of the SUVs rather than traditional vehicles, and industry customers. Its product lines cover the pistons/connecting rods for engines and extend to other related aluminum casting and aluminum forging parts. Domestically, the Company continues to maintain the close partnership with In the domestic market, it continues to maintain close partnerships with China Motor Corporation and Yulon Motor Co., Ltd.
2. On the basis of the existing product portfolio, the Company will develop similar products of higher technical level and with more added value, in order to satisfy the different needs from higher rank international customers and market the Company's fine-quality products to world-class companies.
3. The Company will also continue to increase its involvement in the markets in North America, Japan and Europe, and develop products related to the leisure industry as the focus of the Company's work to develop markets.
4. The Company will continue to develop new products to satisfy OEM customers' needs. For the AM market, it will provide parts with the equivalent quality provided by the original manufacturers, and also continue to develop new customers, practice the diversified sales policy, and combine the parent company's ability in development of technologies with overseas subsidiaries' production capacity and business locations to integrate resources to backup for each other and strive for business opportunities.
5. Relying on the abilities in design of technologies and outsourcing generated in the past years, the Company is committed to developing pistons and connecting rods for engines and related casting and forging parts, and marketing the pistons tied with connecting rods as packaged products, in order to satisfy customers' needs for a "one-stop solution" and develop the co-marketing of diversified products to improve the sales performance.

6. The Company will also send its sales representatives to work with technicians and QA staff to visit customers overseas, in order to help customers solve technical and quality problems, strive for the customers' trust in the Company and authorize the development of new products to improve the sales performance.

IV. The Company's future development policy

1. Invest sufficient R&D expenses and manpower to provide high-quality casting and forging parts, as a part of its complete product development and manufacturing services ranging from engineering design to mass production.
2. Uphold the spirit of "Honor, Innovation and Sustainability," when engaging in the technological cooperation with international enterprises, in order to pursue high quality and develop new products proactively.
3. Continue to expand the facilities to increase its production capacity, reduce costs and shorten the delivery period.

V. Impact of the competitive environment, regulatory environment, and macroeconomic environment:

The company's metal processing business supplies goods primarily to OEM customers. By the same token, the Company also provides the same professional services to customers in the after-sale service market. The Company's after-sale service is always proud of providing OE-level quality products to the independent product agents in the after-sale market. Relying on the solid foundation laid by the Company's efforts in developing the automobile and motorcycle industry over several decades, the Company has been definitively capable of working as an ODM. For the time being, the Company is working as a manufacturer of complex and high-tech parts for cars, ATV, snow cars, motorcycles, private yachts, vessels and gasoline/diesel trucks in the world. So far, the Company has an output of millions of casting or forging parts needed by pistons, connecting rods, and steering and suspension systems for its customers. In addition, the system furniture business is a new business introduced by the Company in recent years. Apart from strengthening the management of technology and material consumption, the Company is actively exploring markets in central and southern Taiwan in order to create more operating revenue and profits for the Company.

The Company's products primarily consist of casting and forging parts. With respect to the impact probably posed to the overall environment by waste, wasted and toxic substances and energy consumption, the Company always applies the concrete management program based on the environmental protection laws and regulations to practice its risk management, continue improving the equipment, protect employees' life and safety, promote educational training and employees' health, and benefit employees' welfare.

In the future, the Company will strengthen its corporate governance, perform corporate social responsibility, improve the business performance and pursue R&D innovation. Meanwhile, the Company strongly believes that, with the leadership of the outstanding management team and support from all shareholders, the Company's business will grow stably if the Company continues to uphold the ethical and sustainable management philosophy consistently, so as to create higher long-term value for all shareholders. We sincerely hope that all of you can continue to provide us with support, encouragement, assistance and guidance.

Finally, we hereby represent all of the Company's staff to extend our appreciation to you for taking time out of your busy schedules to attend the shareholders' meeting. We wish all of you good health and all the best.

Chairman: Hsieh, Li-Yun General Manager: Lo, Shih-I

Two. Company Overview

I. Company Profile

(I) Date of incorporation: March 13, 1965

(II) Address and phone number of the headquarters, branch offices and factories

Item	Address	Tel. No.
Headquarters and factory	No. 1015, Zhongzheng W. Rd., Dajia Neighborhood, Rende Dist., Tainan City 717-44	(06) 266-4101
Malaysia Factory	LOT 20 & 21 HICOM INDUSTRIAL ESTATE,SECTION 26, SECTOR B,40000 SHAH ALAM, SELANGOR DARUL EHSAN, MALAYSIA P. O. Box 7165	60351912022

(III) Business activities:

1. Metal Forging
2. Other Metal Products Manufacturing
3. Surface Treatments
4. Mechanical Equipment Manufacturing
5. Other Machinery Manufacturing
6. Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
7. Motor Vehicles and Parts Manufacturing
8. Motorcycles and Parts Manufacturing
9. Bicycles and Parts Manufacturing
10. Mold and Die Manufacturing
11. Wholesale of Hardware
12. Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
13. Manufacture of Wood-based Panels
14. Furniture and Decorations Manufacturing
15. Indoor Decoration

II. Company History:

1965: Right Way Industrial Co., Ltd. was established at No. 216, Jianguo Rd., Tainan City, with the capital amounting to NT$1.5 million and Su, Cheng-Ming as the Chairman.

1966: Increase capital to NT$4 million, and re-appoint Liu, Hau-Chi as the Chairman.

1967: Relocate the company address to No. 45, Renhe Rd., Tainan City, in order to increase capital for installation of additional processing machine units. Work with Japan ART to produce pistons upon approval of the Ministry of Economic Affairs.

1969: Capital increase to NT$7 million.

1970: Set up branches in Taipei, Taichung and Kaohsiung. Increase capital to NT$10 million.

1971: Capital increase by NT$11 million The pistons under Right Way brand and T.W.Art brand were awarded the CNS market certificate by Bureau of Standards, Metrology and Inspection, M.O.E.A..

1972: Increase the bicycle assembly and sales business. Increase capital to NT$18 million.

1973: Work with Japan ART to produce automobile transmission parts upon approval of the Ministry of Economic Affairs. Increase capital to NT$30 million, and work with Japan ART granted the 555 logo to produce automobile steering tie rods and suspension ball joints.

1975: Complete the construction of Rende Plant and start the production of automobile transmission parts. Increase capital to NT$50 million.

1975: Capital increase to NT$70 million Work with Japan ART to produce wear ring pistons upon approval of the Ministry of Economic Affairs.

1977: Capital increase to NT$73 million.

1978: Capital increase to NT$90.60 million.

1979: Capital increase to NT$113.25 million.

1980: Capital increase to NT$165 million Listed on TWSE on August 11.

1981: Capital increase to NT$236.5 million.

1982: Capital increase to NT$254.24 million.

1983: Capital increase to NT$264.40 million.

1984: Capital increase to NT$360 million.

1985: Capital increase to NT$370.80 million.

1987: Relocate the headquarters to Rende Plant, and rename Renhe Plant to Renhe Division.

1988: Capital increase to NT$407.88 million.

1989: Capital increase to NT$535 million, and invest capital in Malaysia and incorporate Right Way Industrial (Malaysia) Sdn. Bhd., of which 74% equity is owned by the Company (equivalent to MYR7.4 million).

1990: Capital increase to NT$645.05 million.

1991: Capital increase to NT$677.3 million.

1994: Former Chairman and also the Founder, Liu, Hua-Chi, retired when approaching the retirement age, re-appointed as Honorary Chairman, and succeeded by Ku, Ta-Kang. Pistons, connecting rods, steering system parts and wheels for vehicles have been certified and registered under the ISO-9002 quality assurance system by the Bureau of Standards, Metrology and Inspection, M.O.E.A..

1995: Capital increase to NT$747.74 million.

1996: Establish EXCELLENT GROWTH INVESTMENTS LIMITED (BVI), which invested capital in China to incorporate Right Way Auto Parts (Fuzhou) Co., Ltd. on behalf of the Company. Invest in Fu An Investment (HK) Co., Ltd. (BVI) and acquire 45% thereof, indirectly succeeding to Shanghai Moshida Shang Xia Co., Ltd. already investing in China. Invest in Right Way Global Co., Ltd. to acquire 99.875% of its equity. Invest in PHOENIX MOTOR CORPORATION to acquire 10% of its equity, and receive QS9000 certification.

1997: Capital increase to NT$822.52 million.

1998: Increase capital to NT$102.252 million, and invest in Right Way International Technology Co., Ltd. to acquire 51% of its equity, and invest in Bless Way (Malaysia) Sdn. Bhd. to acquire 100% of its equity.

1998: Former Chairman Ku, Ta-Kang resigned as the juristic-person representative was re-appointed, who was succeeded to by Chen, Kuo-Hsiung.

1999: 1st Production Dept. relocated the piston processing line at Renhe Plant to the headquarters. The plant-office integration reduced the production cost effectively and improve the management functions.

2000: Invest in Right Way Auto Parts (Fuzhou) Co., Ltd.; 1st-stage construction project was initiated in September and scheduled to be completed in May 2001.

2001: The investee, Right Way Auto Parts (Fuzhou) Co., Ltd., completed the mass production in June 2001.

2002: Passed the ISO-14001 environmental management system certification in September

2003: Reelection of directors and supervisors.

2004: Passed ISO/TS16949:2002 certification.

2005: Pass ISO-14001:2004 re-issue and revision certification in September; execute the technological cooperation contract with S KOLBENSCHMIDT GmbH, a Germany-based company; receive the FORD “Outstanding Supplier Golden Award.”

2006: Elect the directors and supervisors of 19th Board of Directors, and receive the two major awards, Excellent Supplier and Excellent Resale Supplier 2005, from China Motor Corporation.

2007: Honored by the “BRP 2007 Supplier Recognition Program” award.

2008: Honored by the Export Sales Quality Excellence Award 2007 from China Motor Corporation.

2009: Elect the directors and supervisors of 20th Board of Directors.

2010: Elect the directors and supervisors of 21st Board of Directors, honored by the routine management excellence award from Sanyang Motor, 2009~2010 Excellent Supplier Award from ROTAX, 2010 Quality Excellence Supplier form BRP, and 2010 Quality Progress Award from China Motor Corporation. Reduce capital by NT$300 million to cover losses and increase capital in cash through private placement by 30 million shares to solicit for strategic partners. Capital as NT$1.02251 billion. By-election of the directors and supervisors of 21st Board of Directors, and Lu, Ming-Kuang elected as the new Chairman.

2011: Honored by Excellent Supplier Award from Yulon Motor Co., Ltd. and China Motor Corporation, and Harmonious Labor-Management Relations Excellence Business Unit Award from Tainan City Government.

2012: Honored by the Excellent Supplier Award by China Motor Corporation. Increase the capital in cash by 20 million shares and capital amounting to NT$1.223 billion.

2013: Honored by Excellent Supplier Award and Quality Excellence Award from "Jasper Engines & Transmissions.

2014: The former principal shareholder, Actron Technology Corporation, quit the management team, and Kuo, Chien-Ting was appointed as the new Chairman. Mayor Lai, Ching-Te visited the headquarters to celebrate the Company's 50th anniversary.

2015: Honored by 2015 Routine Performance Appraisal Award from Sanyang Motor and Silver Award and Zero Quality Award from Arctic Cat; issued domestic 1st convertible corporate bonds to raise the capital amounting to NT$700 million.

2016: Invest in construction of the aluminum alloy forging plant, with TPM management system implemented by BICS.

2018: TS 16949 converted to IATF 16949 2015; ISO 14001 2004 converted to ISO 14001 2015.

2019: Election of the directors of 24th Board of Directors

2020: Capital increase and capital amounting to NT$1.63162 billion

2021: Honored by the Harmonious Labor-Management Relations Excellence Business Unit Award from Tainan City Government.

2021: Cash capital increase in private placement, and capital amounting to NT$1.79162 billion.

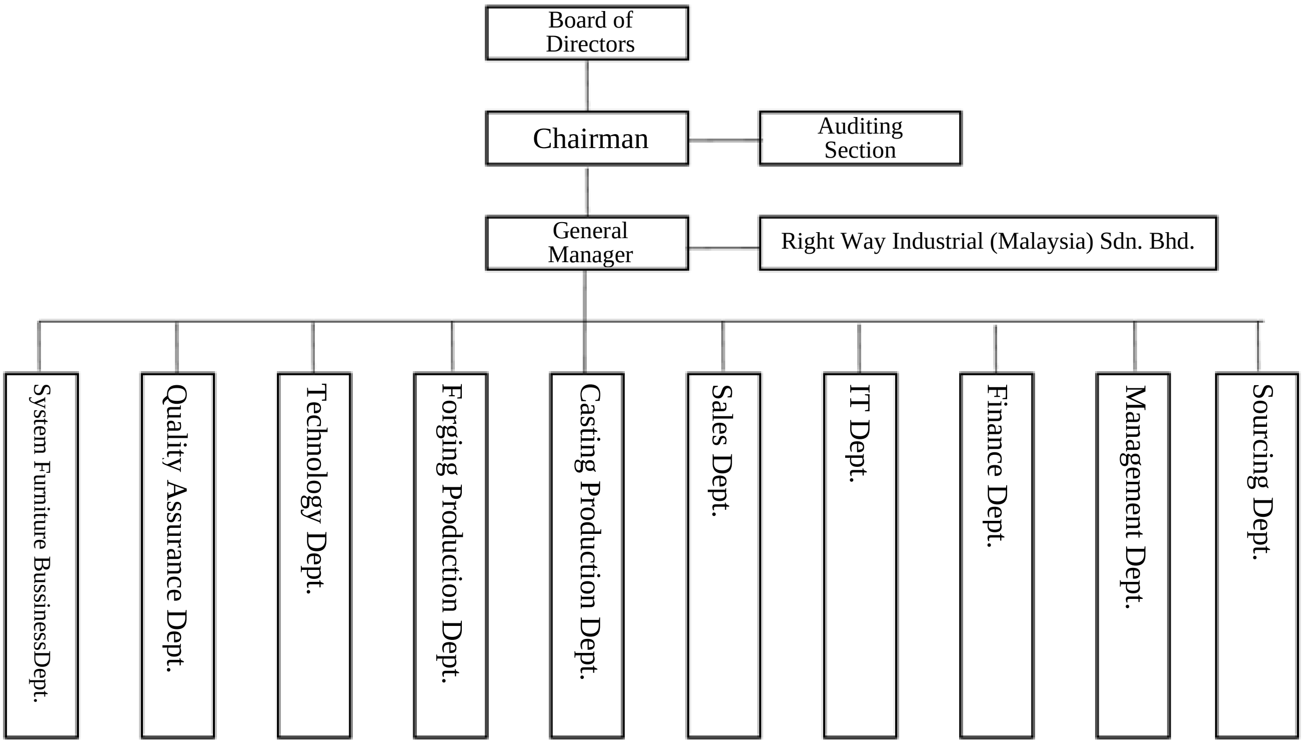
2022: Election of the directors of 25th Board of Directors

2022: Cash capital increase in private placement, and capital amounting to NT$2.78777 billion. The principal shareholder, Kuo, Chien-Ting, quit the management team. Brighton-Best International (Taiwan) Inc. (Ta Cheng Steel Group) joined the management team.

2023: Cash capital increase in private placement, and capital amounting to NT$3.00310 billion.

Three. Corporate Governance Report

I. 2024 Organizational Chart:



Department	Department's functions
General Manager	Follow the decisions made by the Board of Directors, responsible for the Company's operations per instruction given by the Chairman, take charge of the overall planning on the development and supervision of each department's business, execute plans, preside over management meetings and resolve various motions proposed at meetings.
Sales Dept.	Marketing and promotion at the customer end, PR communications inside and outside the Company, and sales at home and abroad.
Quality Assurance Dept.	Responsible for planning, promoting, executing and confirming quality matters.
Technology Dept.	Responsible for new product valuation, production technology, maintenance of machine and equipment, product development and mold design, etc.
Production Dept.	Casting production: The Independent Cost Center is responsible for manufacturing and processing pistons and gravity casting parts, facility management, and quality and cost control.

	Forging production: The Independent Cost Center is responsible for manufacturing forging parts, facility management, and quality and cost control. System furniture: The Independent Cost Center is responsible for manufacturing the system furniture, facility management, and quality and cost control.
Management Dept.	Responsible for the management system and planning of various management regulations, HR, education and training, general affairs, safety at factory premises, legal contracts, labor safety and environmental safety, etc.
Finance Dept.	Responsible for shareholders service, financial scheduling, cash cashier, accounting treatment, taxation/financial settlement and cost analysis, shareholders' meeting matters, and matters related to the Board of Directors (including Audit Committee and Remuneration Committee).
Sourcing Dept.	Responsible for materials & supplies, finished goods inventory management, procurement, production scheduling planning and logistics.
IT Dept.	Responsible for computer hardware and access to networks in the factory, information security, computer system maintenance & support, modification of system programs, process improvement and streamlining, etc.

II. Profile of Directors, General Managers, Deputy General Managers, Assistant Vice Presidents, and heads of departments and branches:

(I) Directors

April 13, 2024 Unit: share; %

Title	Nationality/ registration place	Name	Gender and age	Election / Appointment Date	Term Duration	Initial Elected Date	Number of Shares Held at Time of Election		Number of Shares Currently Held		Shareholding of Spouse and Minor Children		Shares Held in the Name of Others		Main Work Experience or Education Background	Concurrent Position in the Company or other Companies	Other managers, directors of supervisors who are spouse or blood relatives within the second degree			Remark (Note 10)
							Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relation ship	
Chairman	Republic of China	Brighton-Best International (Taiwan) Inc.	Not applicable	2022/06/20	3 years	2022/06/20	53,540,000	17.84%	53,540,000	17.82%	– -	–	–	–	–	–	–	–	–	None
	Republic of China	Representative: Hsieh, Li-Yun	Female 71~80 years old	2022/06/20	3 years	2010/07/28	–	–	–	–	–	–	–	–	Department of Banking, Tatung Institute of Technology Ta Chen International, Inc. Chairman of the Company Brighton-Best International (Taiwan) Inc. Chairman	Note 1	Director	Kuo Jui-Tsai	Couple	None
Director	Republic of China	Brighton-Best International (Taiwan) Inc.	Not applicable	2022/06/20	3 years	2022/06/20	53,540,000	17.84%	53,540,000	17.82%	–	–	–	–	–	–	–	–	–	None
	Republic of China	Representative: Lo, Shih-I	Male 71~80 years old	2022/06/20	3 years	2017/11/16	–	–	280,000	0.09%	–	–	–	–	Department of Business Administration, NTU American Express Bank, Taipei Branch Vice President	Note 2	–	–	–	None
Director	Republic of China	Brighton-Best International (Taiwan) Inc.	Not applicable	2022/06/20	3 years	2022/06/20	53,540,000	17.84%	53,540,000	17.82%	–	–	–	–	–	–	–	–	–	None
	Republic of China	Representative: Li, Chien-Te	Male 51~60 years old	2022/06/20	3 years	2022/06/20	–	–	–	–	–	–	–	–	Graduate Institute of Business Administration, Tunghai University Brighton-Best International (Taiwan) Inc. Financial Manager LOTES CO., LTD. Financial Manager	Note 3	–	–	–	None
Director	Republic of China	Brighton-Best International (Taiwan) Inc.	Not applicable	2022/06/20	3 years	2022/06/20	53,540,000	17.84%	53,540,000	17.82%	–	–	–	–	–	–	–	–	–	None
	Republic of China	Representative: Chiu, Sheng-Tien	Male 41~50 years old	2022/06/20	3 years	2022/06/20	–	–	–	–	–	–	–	–	Department of Accounting, National Cheng Kung University Assistant Manager of Auditing Office, Brighton-Best International (Taiwan) Inc. Financial Assistant Vice President, Ta Chen Lung Mei Home Life Co., Ltd.	Note 4	–	–	–	None
Director	Republic of China	Kuo, Jui-Tsai	Male 71~80 years old	2022/06/20	3 years	2022/06/20	–	–	–	–	–	–	–	–	Department of Financial Management, Tatung Institute of Technology Sales Assistant Vice President, Ta Chen International, Inc. Head of Huiyuan Enterprise Director of Ta Cheng (Changshu)	Note 5	Chairman	Hsieh Li-Yun	Couple	None
Director	Republic of China	Chen, Po-Han	Male 31~40 years old	2022/06/20	3 years	2022/06/20	–	–	–	–	–	–	–	–	Department of Public Finance, NCCU Internal Auditing Manager, Ta Chen Lung Mei Home Life Co., Ltd.	Note 6	–	–	–	None
Independent Director	Republic of China	Shen, Ming-Chang	Male 71~80 years old	2022/06/20	3 years	2012/06/06	–	–	–	–	–	–	–	–	Department of Business Administration, Fu Jen Catholic University Senior Assistant Vice President, Core Pacific Securities Co., Ltd. Manager of Securities Finance Dept., Union Bank of Taiwan Co., Ltd. Director, Entie Securities Finance Co.	Note 7	–	–	–	None
Independent Director	Republic of China	Wang, Kuan-Hsiang	Male 71~80 years old	2022/06/20	3 years	2017/06/19	–	–	–	–	–	–	–	–	NTU Administrative Leadership Program (40 credits for three school years) Director General of Department of General Affairs, Ministry of Finance	Note 8	–	–	–	None
Independent Director	Republic of China	Yeh, Yen-Hsiu	Male 71~80 years old	2022/06/20	3 years	2022/06/20	–	–	–	–	–	–	–	–	Department of Business Administration, Fu Jen Catholic University Director, Tung Ying Industrial Co., Ltd. Sales Assistant Vice President, Tung Ying Industrial Co., Ltd.	Note 9	–	–	–	None

Note 1: Chairman of EXCELLENT GROWTH INVESTMENTS LIMITED;Chairman of Right Way Industrial (Malaysia) Sdn. Bhd.; Chairman of TRIM-Telesis Engineering Sdn Bhd.; Chairman of Ta Chen International, Inc.; Chairman of Ta Chen (B.V.I.) Holding Ltd.;Chairman of Shijiazhuang Tachen Jitai Machinery Co., Ltd. ; Chairman of Ta Chen (Boye) Machinery Co., Ltd.; Director of Brighton-Best International (UK), Limited.; Director and also General Manager of Brighton-Best International (Canada), Inc; Director of Brighton-Best International (AU), Pty Ltd.; Director of Brighton-Best International (NZ), Limited; Chairman of Wei Mei Roller Blind Co., Ltd.; Director of Brighton-Best International Inc. (Cayman); Director of Cheng Rong (Shanghai) International Trade Ltd.; Chairman of Ta Chen Empire Co., Ltd.; Chairman of Yi Rong (Shanghai) Investment Management Ltd.; Chairman of Ta Chen (Hong Kong) Limited; Chairman of Ta Chen Lung Mei Home Life Co., Ltd.; Chairman of Brighton-Best International (Hong Kong) ,Limited; Chairman of Wei Mei Hsin Shu Interior Decoration Co., Ltd.; Chairman of Hupao Technology Co., Ltd.; Chairman of Noei Geeng Enterprise Co., Ltd.; Chairman of Xie Xin Enterprise Co., Ltd.; Director of Clarke St. Property Holding, LLC..

Note 2: General Manager of the Company; Director of EXCELLENT GROWTH INVESTMENTS LIMITED; Director of RIGHT WAY NORTH AMERICA INC.; Director of Right Way Industrial (Malaysia) Sdn. Bhd.; Director of TRIM-Telesis Engineering Sdn Bhd.

Note 3: Financial Manager, Brighton-Best International (Taiwan) Inc.
Note 4: Financial Assistant Vice President, Ta Chen Lung Mei Home Life Co., Ltd.
Note 5: Sales Assistant Vice President, Ta Chen International, Inc.
Note 6: Internal Auditing Manager, Ta Chen Lung Mei Home Life Co., Ltd.
Note 7: Audit Committee and Remuneration Committee Member of the Company, Independent Director/Audit Committee and Remuneration Committee Member of Ta Chen International, Inc.; Independent Director/Audit Committee and Remuneration Committee Member of Brighton-Best International (Taiwan) Inc.
Note 8: Audit Committee and Remuneration Committee Member of the Company; Independent Director/Audit Committee and Remuneration Committee Member of Ta Chen International, Inc.
Note 9: The Company's Audit Committee Member and Remuneration Committee Member
Note 10: If the Company's Chairman and General Manager or equivalent (supreme managerial officer) are the same person, or spouse or relative within 1st degree of kinship to the other, the reason, rationality, necessity and relevant information of the corresponding measures should be explained. None

1. Principal shareholder of juristic-person shareholder

Book closure date: April 13, 2024

Name of Juristic-Person Shareholder	Principal shareholder of juristic-person shareholder
Brighton-Best International (Taiwan) Inc.	Ta Chen Stainless Pipe Co., Ltd.,(42.72%)、Jinn Her Enterprise Co., Ltd. (6.58%)、Chao Sheng Co. Ltd. (2.99%)、Tong Yi Investment Co., Ltd. (2.86%)、Hsieh, Pei-Jung(2.25%)、Lin, Fang-Kuan(2.17%)、GAINS Investment Corporation(2.12%) , Xie, Han Yin(2.07%), De Tend Investment Co., Ltd. (1.71%), Sanbao Wangyue Co., Ltd. (1.52%)

2. Principal shareholder of the juristic-person shareholder's principal shareholder who is a juristic person

Book closure date: April 13, 2024

Name of the juristic person	Principal shareholder of the juristic person
Ta Chen Stainless Pipe Co., Ltd.	Brighton-Best International (Taiwan) Inc. (6.87%)、Ta Chen Empire Co., Ltd. (5.06%)、Yuanta Taiwan Dividend Plus ETF (4.64%)、Da Ying Cheng Investiment Co. Ltd. (3.91%)、Xie, Han-Yin (3.10%)、Hsieh, Pei-Jung (2.70%)、Tong Yi Investment Co., Ltd. (1.74%)、Shieh, Rung-Kun (1.67%)、Jinn Her Enterprise Co., Ltd.(1.54%)、Divine Pacific Enterprise Limited (1.30%)
Jinn Her Enterprise Co., Ltd.	Tsai, Yung-Yu(20.92%)、Chen, Xi-Hui (17.99%)、Tsai, XiongTian (14.43%)、Tsai, Rong-Tai (12.13%)、Tsai, Jung-Hsien (name changed from Tsai, Song-Han) (9.32%)、De Tend Investment Co., Ltd. (6.63%)、Zhen Jiang Investment Co., Ltd. (6.63%)、Xie Tai Assets Management Co., Ltd. (6.63%)、Tsai, Yong-Quan (2.78%)、Tsai Zang, Xiu-Xiang (2.24%)
Chao Sheng Co. Ltd.	Tsai, Sheng-Han (13.34%)、Tsai, Chao-Chin (6.67%)、Tsai, Chao-Sheng (6.67%)、Tsai, Chao-Song (6.67%)、Tsai, Chao-Fang (6.67%)、Tsai, Chao-Chin (6.67%)、Tsai, Ming-Zhi (6.67%)、Tsai, Bing-Yao (6.67%)、Tsai, Zhe-Di (6.67%)、Tsai, Ming-Xuan (6.67%)
Tong Yi Investment Co., Ltd.	Tsai, Hung-Chiuan (40.00%)、Tai Chen, Su-Gan (20.00%)、Tsai, Jen-Rung(20.00%)、Tsai, Jia- Yan (20.00%)
GAINS Investment Corporation	China Steel Corporation (99.9988%)、Wang, Chung-Yu (0.0002%)、Chen, Chen-Jung (0.0002%)、Tsou, Jo-Chi (0.0002%)、Cheng, Kuo-Hua (0.0002%)、Chung, Le-Min (0.0002%)、Hu, Li-Jen (0.0002%)
De Tend Investment Co., Ltd.	Tsai, Yung-Yu (90.00%)、Chen, Xi-Hui (10.00%)
Sanbao Wangyue Co., Ltd.	Onion Family International Co. Ltd (54.18%)、Ou, I-Lan (25.32%)、Lin, Yu-Chih (6.61%)、Ou, Wei-Lun(6.61%)、Wang, Shih-Yu (6.62%)、Lin, Yu-Hsi (0.66%)

3. Disclosure of information on the professional qualifications of directors and independence of independent directors:

May 9, 2024

Conditions / Name	Professional qualifications and experience	Independence	Number of other public companies in which concurrently serving as an independent director
Chairman Hsieh, Li-Yun	(1) The Company's Chairman, with the expertise in business management and financial management. (2) Free from any conditions defined in Article 30 of the Company Act.	-	-
Director Lo, Shih-I	(1) The Company's General Manager, with expertise in business management, financial management and sales & marketing. (2) Free from any conditions defined in Article 30 of the Company Act.	-	-
Director Li, Chien-Te	(1) The Company's director, and also financial manager of Brighton-Best International (Taiwan) Inc., with expertise in financial management. (2) Free from any conditions defined in Article 30 of the Company Act.	-	-
Director Chiu, Sheng-Tien	(1) The Company's director, and also Financial Assistant Vice President of Ta Chen Lung Mei Home Life Co., Ltd., with expertise in financial management. (2) Free from any conditions defined in Article 30 of the Company Act.	-	-
Director Kuo, Jui-Tsai	(1) The Company's director, and also Sales Assistant Vice President of Ta Chen International, Inc., with expertise in sales and marketing. (2) Free from any conditions defined in Article 30 of the Company Act.	-	-
Director Chen, Po-Han	(1) The Company's director, and also Internal Auditing Manager of Ta Chen Lung Mei Home Life Co., Ltd., familiar with the Company's internal control and specialized in internal audit. (2) Free from any conditions defined	-	-

	in Article 30 of the Company Act.		
Director Shen, Ming-Chang	(1) The Company's current independent director, and also Remuneration Committee and Audit Committee Member. (2) Former positions: Assistant Vice President of Core Pacific Securities Co., Ltd.; Former Manager of Securities Finance Dept., Union Bank of Taiwan; Former Director of Entie Securities Finance Co., with the expertise in financial accounting. (3) Free from any conditions defined in Article 30 of the Company Act.	Independent Director Shen Ming-Chang's compliance with the independence requirements: 1. None of them, including he or his spouse or relatives within 2nd degree of kinship, serves as director, supervisor or employee in the Company or any of its affiliates; 2. The number and percentage of the Company's shares held in their own name or in the name of their spouse, or relative within 2nd degree of kinship (or proxy shareholder) are both 0%; 3. Independent Director of Ta Chen International, Inc. and Brighton-Best International (Taiwan) Inc., but according to Paragraph 2, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," independent directors of parent company and subsidiaries may serve as independent director for each other concurrently. 4. No amount of remuneration has been received in the last two years for providing	2

		commercial, legal, financial, accounting or other professional services to the Company and its affiliates.	
Director Wang, Kuan-Hsiang	(1) The Company’s current independent director, and also Remuneration Committee and Audit Committee Member. (2) Former positions: Director General of Department of General Affairs, Ministry of Finance; Supervisor of Financial Information Service Co., Ltd.; Director of BankTaiwan SECURITIES Co., Ltd.; Director of Taiwan Business Bank, Ltd.; Standing Supervisor of Small & Medium Enterprise Credit Guarantee Fund of Taiwan; Supervisor of Farmers Bank of China; Director General of Department of General Affairs, the Directorate General of Budget, Accounting and Statistics (DGBAS) of Executive Yuan; Inspector/Director/Division Chief/Senior Executive Officer/Chief Secretary of Department of Finance, Taipei City Government; Tax Assistant/Tax Collector/Section Chief/Auditor of Taipei City Revenue Service Have work experience in the field of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company for five years (3) Free from any conditions defined in Article 30 of the Company Act.	Independent Director Wang Kuang-Hsiang’s compliance with the independence requirements: 1. None of them, including he or his spouse or relatives within 2nd degree of kinship, serves as director, supervisor or employee in the Company or any of its affiliates; 2. The number and percentage of the Company's shares held in their own name or in the name of their spouse, or relative within 2nd degree of kinship (or proxy shareholder) are both 0%; 3. Independent Director of Ta Chen International, Inc., but according to Paragraph 2, Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” independent directors of parent company and subsidiaries may serve as independent director for each other concurrently. 4. No amount of remuneration has been received in the	1

		last two years for providing commercial, legal, financial, accounting or other professional services to the Company and its affiliates.	
Director Yeh, Yen-Hsiu	(1) The Company's current independent director, and also Remuneration Committee and Audit Committee Member. (2) Former Director of Tung Ying Industrial Co., Ltd.; Former Sales Assistant Vice President of Tung Ying Industrial Co., Ltd. Have work experience necessary for the business of the Company for five years (3) Free from any conditions defined in Article 30 of the Company Act.	Independent Director Yeh Yen-Hsiu's compliance with the independence requirements: 1. None of them, including he and his spouse and relatives within 2nd degree of kinship, serves as director, supervisor or employee in the Company or any of its affiliates 2. The number and percentage of the Company's shares held in their own name or in the name of their spouse, or relative within 2nd degree of kinship (or proxy shareholder) are both 0%; 3. Never served as director, supervisor, or employee in any entity that has certain relationship with the Company (please refer to the subparagraphs 5~8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies) 4. No amount of remuneration has been received in the	0

		last two years for providing commercial, legal, financial, accounting or other professional services to the Company and its affiliates.	

4. Diversity and independence of the Board of Directors:

(I) Diversity of the Board of Directors: The Company advocates and respects the Board diversity policy, in order to strengthen the corporate governance and urge the robust development of the composition and structure of the Board of Directors. The Company believes that the diversity policy would help improve the Company's overall performance. The appointment of the Board members is based on their merits and diversified complementary abilities across industries, including basic composition (e.g. age, gender and nationality, etc.). Each of them has the industrial experience and related skills (e.g. financial accounting, marketing and audit, etc.), in addition to the abilities including business judgement, business administration, leadership & decision making and crisis management, etc.. In order to improve the Board of Directors' functions and achieve the corporate governance targets, the Company's Board of Directors shall have the following abilities: 1. the ability to make business judgment; 2. the ability to analyze accounting and financial issues; 3. the ability to manage business; 4. the ability to manage crisis; 5. industrial knowledge; 6. international market perspective; 7. leadership; 8. the ability to make decision.

The Company’s existing Board member diversity policy and implementation status thereof:

Diversity core / Name of Director	Basic composition										Industrial experience						Expertise		
	Nationality	Gender	Serving as an employee concurrently	Age					Seniority and term of office as an independent director		Professional service and marketing	Finance and banking	Bank and insurance	Commerce and supply	Information and technology	Metal and machinery	Laws	Accounting	Risk management
				31—40 years old	41—50 years old	51—60 years old	61—70 years old	71—80 years old	Less than 3 years	3—6 years									
Hsieh, Li-Yun	Republic of China	Female						√			√	√	√	√	√	√	√	√	√
Lo, Shih-I		Male	√					√			√	√	√	√	√	√	√	√	√
Li, Chien-Te		Male				√					√	√	√	√	√	√	√	√	√
Chiu, Sheng-Tien		Male			√						√	√	√	√	√		√	√	√
Kuo, Jui-Tsai		Male						√			√	√	√	√	√	√	√	√	√
Chen, Po-Han		Male		√								√	√	√				√	√
Shen, Ming-Chang		Male						√	√			√	√	√	√	√	√	√	√
Wang, Kuan-Hsiang		Male						√	√			√	√	√	√		√	√	√
Yeh, Yen-Hsiu		Male						√	√			√	√	√	√		√	√	√

Specific management objectives of the Company’s Board diversity policy and implementation status:

A. Specific management objectives:

a. At least five of the Board members shall possess any of the abilities referred to in said table.

b. Individual directors shall possess at least five abilities referred to in said table.

B. Status: All of the Board members have achieved the goals under the diversity policy so far.

(1) The Company’s directors have held the term of office for five years on average. None of the

independent directors has held the term of office for more than three times consecutively. All of the directors are native Taiwanese, including 3 independent directors, i.e. 33%, and 1 director is concurrently an employee, i.e. 11%. In terms of the directors' age, 1 director has attained the age of 31~40 years old, 1 director is at the age of 41~50 years old, 1 director is at the age of 51~60 years old, and 6 directors are at the age of 71~80 years old. Meanwhile, the Company also values gender equality in the composition of the Board. The current Board of Directors includes one female member, accounting for 11% of the Board seats. In the future, we will strive to increase the proportion of female directors.

(2) The goals for the Board diversification, complementarity and implementation status have been achieved and maintained. In the future, the Company will develop the policy of diversity based on the Company's business operations, operating dynamics, and development needs, including but not limited to, the two general standards, basic requirements and values & professional knowledge and skills, in order to ensure that the Board members have the knowledge, skills, and experience necessary to perform their duties.

(II) Independence of the Board of Directors: The Company's 9 directors include 3 independent directors, i.e. 33%. Except Chairman Hsieh, Li-Yun and Director Kuo, Jui-Tsai, who are relatives within the 2nd degree of kinship of each other, no other such relationship, such as spousal or relative within 2nd degree of kinship, exists among the other 7 directors. Therefore, the Company is held to be satisfying Paragraph 3, Article 26-3 of the Securities and Exchange Act.

(1) The Company's comments on the independence of the board:

The Company always believes that the independence of directors should be judged subject to circumstances. The Board is committed to continually assessing the independence of directors by taking into account the relevant factors including, whether the relevant directors may continue to raise constructive questions for the management and other directors, whether the views expressed by them are independent of those of the management or other directors, and whether they speak and behave appropriate inside and outside the Board of Directors. The Company's independent directors usually behave in line with expectations under appropriate circumstances, through their demonstration of said characteristics. Upon taking into account all circumstances referred to herein, the Company believes that all of the independent directors act independently of the Company's staff. For the resume of all directors, including (if any) the relationship with the other members, please refer to the preceding paragraph and MOPS.

(II) Profile of General Managers, Deputy General Managers, Assistant Vice Presidents, and heads of departments and branches

Book closure date: April 13, 2024

Title (Note 1)	Nationality	Name	Gender	Election / Appointment Date	Shareholding		Shareholding of Spouse and Minor Children		Shares Held in the Name of Others		Main Work Experience or Education Background (Note 2)	Concurrent Position in Other Companies	Managerial officers who are Spouse or Blood Relatives Within the Second Degree			Notes (Note 3)
					Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relationship with the Company	
General Manager	Republic of China	Lo, Shih-I	Male	2010.6.25	280,000	0.09%	-	-	-	-	Department of Business Administration, NTU Vice President, American Express Bank, Taipei Branch	Director, EXCELLENT GROWTH INVESTMENTS LIMITED Chairman, RIGHT WAY NORTH AMERICA INC. Director, Right Way Industrial (Malaysia) Sdn. Bhd.	-	-	-	None
General Manager, Right Way Industrial (Malaysia) Sdn. Bhd.	Malaysia	Ooi, Ai Lee	Female	2015.6.1	-	-	-	-	-	-	Deputy General Manager, Right Way Industrial (Malaysia) Sdn. Bhd.	Director, Right Way Industrial (Malaysia) Sdn. Bhd. Director, TRIM-TELESIS ENGINEERING SDN BHD	-	-	-	None
Deputy General Manager, Manufacturing Dept., Right Way Industrial (Malaysia) Sdn. Bhd.	Republic of China	Chen, Hsin-Ping	Male	2015.6.11	-	-	-	-	-	-	National Taipei University of Technology (formerly known as National Taipei Institute of Technology) Manager, SAN YES AUTOMOTIVE TECHNOLOGY CO., LTD.	None	-	-	-	None
Financial Officer	Republic of China	Huang,Chun-Ta	Male	2016.10.6	90,000	0.03%	-	-	-	-	National Cheng Kung University AMBA Assistant Audit Manager,KPMG	None	-	-	-	None

Note 1: Including the information about General Manager, Deputy General Manager, Assistant Vice President, and heads of departments and branches, and the information about persons who hold positions equivalent to a General Manager, Deputy General Manager or Assistant Vice President to be disclosed mandatorily.

Note 2: Previous work experiences relating to their current roles; if the person works in the external auditor's firm or its affiliated company during the said-noted time period, the job title and responsibilities must be provided.

Note 3: If the Company's Chairman and General Manager or equivalent (supreme managerial officer) are the same person, or spouse or relative within 1st degree of kinship to the other, the reason, rationality, necessity and relevant information of the corresponding measures should be explained (e.g., the number of independent directors should be increased, or more than half of the directors should not serve as employees or managers concurrently, etc.):None

(III) Remuneration paid to Directors, General Manager, and Deputy General Manager in the most recent year

(1) Compensation to Directors and Independent Directors (disclosure of individual director's name and compensation)

Unit: NTD Thousand

Title	Name	Directors' remuneration								Total Remuneration (A+B+C+D) as a % of the Net Income		Remuneration for concurrent position as an employee								Total Compensation (A+B+C+D+E+F+G) as a % of the Net Income		Compensation from investees other than subsidiaries, or parent company
		Base Compensation (A)		Severance Pay and Pensions (B)		Compensation to Directors (C)		Allowances for Operations (D)				Base Compensation, Bonuses, and Allowances (E)		Severance Pay and Pensions (F)		Employees' Profit Sharing Bonus (G)						
																The Company		All Companies in the Financial Report				
		The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	Amount of Cash	Amount of stock	Amount of Cash	Amount of stock	The Company	All Companies in the Financial Report	
Chairman	Hsieh, Li-Yun	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90
Director	Lo, Shih-I	-	-	-	-	-	-	-	-	-	-	3,420	3,420	108	108	-	-	-	-	3,528 4.0710%	3,528 4.0710%	None
Director	Li, Chien-Te	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,177
Director	Chiu, Sheng-Tien	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	None
Director	Kuo, Jui-Tsai	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,468
Director	Chen, Po-Han	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	None
Independent Director	Shen, Ming-Chang	480	480	-	-	-	-	-	-	480 0.5539%	480 0.5539%	-	-	-	-	-	-	-	-	480 0.5539%	480 0.5539%	2,406
Independent Director	Wang, Kuan-Hsiang	480	480	-	-	-	-	-	-	480 0.5539%	480 0.5539%	-	-	-	-	-	-	-	-	480 0.5539%	480 0.5539%	960
Independent Director	Yeh, Yen-Hsiu	480	480	-	-	-	-	-	-	480 0.5539%	480 0.5539%	-	-	-	-	-	-	-	-	480 0.5539%	480 0.5539%	None

1. Please state the policy, system, standards and structure of remuneration payments to independent directors, and describe the relationship between the responsibility, risk, time committed to the organization and other factors and the amount of remuneration to them:
The remuneration to the Company's independent directors is handled in accordance with the "Regulations Governing Distribution of Remuneration to Directors." Irrespective of the Company's operating profit or loss, or the responsibilities or risks borne by, or time in engagement spent by, the independent directors, the Company shall pay each independent director NT$40,000 per month. The Remuneration Committee shall submit the proposal to the Board of Directors for resolution.
2. In addition to the disclosure shown in the above table, the remuneration received by the directors for their service provided to all companies listed in the financial reports in the most recent fiscal year: None.

Remuneration Grade Table

Remuneration Paid to Directors	Name of Director			
	Total Remuneration from the First Four Items (A+B+C+D)		Total Remuneration from the First Seven Items (A+B+C+D+E+F+G)	
	The Company	All Companies in the Financial Report H	The Company	All Companies in the Financial Report I
Below NT$1,000,000	Hsieh, Li-Yun, Lo, Shih-I, Li, Chien-Te, Chiu, Sheng-Tien, Kuo, Jui-Tsai, Chen, Po-Han, Shen, Ming-Chang, Wang, Kuan-Hsiang, Yeh, Yen-Hsiu	Hsieh, Li-Yun, Lo, Shih-I, Li, Chien-Te, Chiu, Sheng-Tien, Kuo, Jui-Tsai, Chen, Po-Han, Shen, Ming-Chang, Wang, Kuan-Hsiang, Yeh, Yen-Hsiu	Hsieh, Li-Yun, Li, Chien-Te, Chiu, Sheng-Tien, Kuo, Jui-Tsai, Chen, Po-Han, Shen, Ming-Chang, Wang, Kuan-Hsiang, Yeh, Yen-Hsiu	Hsieh, Li-Yun, Lo, Shih-I, Li, Chien-Te, Chiu, Sheng-Tien, Kuo, Jui-Tsai, Chen, Po-Han, Shen, Ming-Chang, Wang, Kuan-Hsiang, Yeh, Yen-Hsiu
1,000,000 (inclusive) to 20,000,000 (exclusive)	–	–	–	–
2,000,000 (inclusive) to 3,500,000 (exclusive)	–	–	–	–
3,500,000 (inclusive) to 5,000,000 (exclusive)	–	–	Lo, Shih-I	Lo, Shih-I
5,000,000 (inclusive) to 10,000,000 (exclusive)	–	–	–	–
10,000,000 (inclusive) to 15,000,000 (exclusive)	–	–	–	–
15,000,000 (inclusive) to 30,000,000 (exclusive)	–	–	–	–
30,000,000 (inclusive) to 50,000,000 (exclusive)	–	–	–	–
50,000,000 (inclusive) to 100,000,000 (exclusive)	–	–	–	–
100,000,000 or above	–	–	–	–
Total	9 persons	9 persons	9 persons	9 persons

*The basis of compensation disclosed above is different according to the basis of the Income Tax Act. Therefore, the above table has been prepared solely for information disclosure, and not for tax purpose.

(2) Compensation to General Manager and Deputy General Managers

Unit: In Thousands of New Taiwan Dollars

Title	Name	Salary (A)		Severance Pay and Pensions (B)		Bonuses and Allowances (C)		Employees' Profit Sharing Bonus (D)				Total Remuneration (A+B+C+D) as a % of the Net Income		Compensation from investees other than subsidiaries, or parent company
		The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company		All Companies in the Financial Report		The Company	All Companies in the Financial Report	
								Amount of Cash	Amount of stock	Amount of Cash	Amount of stock			
General Manager	Lo, Shih-I	2,779	2,779	108	108	641	641	-	-	-	-	3,528 4.0710%	3,528 4.0710%	None
General Manager of Malaysia Factory	Ooi, Ai-Lee	-	1,742	-	-	-	-	-	-	-	-	-	1,742 2.0101%	None
Deputy General Manager of Malaysia Factory	Chen, Hsin-Ping	-	1,742	-	-	-	-	-	-	-	-	-	1,742 2.0101%	None

*Disclosure is mandatory for persons who hold positions equivalent to a General Manager or Deputy General Managers (e.g. president, CEO, and director, etc.).

Remuneration Grade Table

Remuneration Paid to the General Manager and Deputy General Manager	Name of General Manager and Deputy General Managers	
	The Company	All Companies in the Financial Report
Below NT$1,000,000	-	-
1,000,000 (inclusive) to 20,000,000 (exclusive)	-	Ooi, Ai-Lee, Chen, Hsin-Ping
2,000,000 (inclusive) to 3,500,000 (exclusive)	-	-
3,500,000 (inclusive) to 5,000,000 (exclusive)	Lo, Shih-I	Lo, Shih-I
5,000,000 (inclusive) to 10,000,000 (exclusive)	-	-
10,000,000 (inclusive) to 15,000,000 (exclusive)	-	-
15,000,000 (inclusive) to 30,000,000 (exclusive)	-	-
30,000,000 (inclusive) to 50,000,000 (exclusive)	-	-
50,000,000 (inclusive) to 100,000,000 (exclusive)	-	-
100,000,000 or above	-	-
Total	1 person	3 persons

Compensation to Top 5 senior managers (disclosure of individual name and compensation) :

Title	Name	Salary (A)		Severance Pay and Pensions (B)		Bonuses and Allowances (C)		Employees' Profit Sharing Bonus (D)				Total Remuneration (A+B+C+D) as a % of the Net Income		Compensation from investees other than subsidiaries, or parent company
		The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company		All Companies in the Financial Report		The Company	All Companies in the Financial Report	
								Amount of Cash	Amount of stock	Amount of Cash	Amount of stock			
General Manager	Lo, Shih-I	2,779	2,779	108	108	641	641	-	-	-	-	3,528 4.0710%	3,528 4.0710%	None
General Manager of Malaysia Factory	Ooi, Ai-Lee	-	1,742	-	-	-	-	-	-	-	-	-	1,742 2.0101%	None
Deputy General Manager of Malaysia Factory	Chen, Hsin-Ping	-	1,742	-	-	-	-	-	-	-	-	-	1,742 2.0101%	None
Assistant Vice Presiden of Finance Department	Huang, Chun-Ta	1,215	1,215	74	74	202	202	-	-	-	-		1,491 1.7205%	None
Assistant Manager of Technical Department	Chen, Shu-Wei	817	817	50	50	102	102	-	-	-	-		969 1.1181%	None

*The basis of compensation disclosed above is different according to the basis of the Income Tax Act. Therefore, the above table has been prepared solely for information disclosure, and not for tax purpose.

(3) Names of managerial officers who are assigned employee remuneration and the status of assignment

Book closure date: April 13, 2024

	Title	Name	Amount of stock	Amount of Cash	Total	Total as % of the Net Income
Managerial officers	General Manager	Lo, Shih-I	0	0	0	0.00
	Assistant Manager & Technology Supervisor	Chen, Shu-Wei				
	Assistant Vice President/Accounting & Financial Manager	Huang, Chun-Ta				

(IV) Amount of compensation paid in the last 2 years by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, general managers, and deputy general managers, and the respective proportion of such compensation to the income after tax referred to in the parent company only financial statements, as well as the policies, standards, and packages by which it was paid, the procedures through which the compensation was determined, and its association with business performance and future risks:

(1) Amount of compensation paid in the last 2 years by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, general managers, and deputy general managers:

Unit: NT$Thousand

Items	2022		2023	
	The company	The consolidated financial statement	The company	The consolidated financial statement
Director’s total remuneration	12,437	12,437	4,968	4,968
Ratio of director’s total remuneration to net income after tax	13.06%	13.06%	5.73%	5.73%
President and vice president’s total remuneration	8,527	16,091	3,528	7,012
Ratio of president’s and vice president’s total remuneration to net income after tax	8.96%	16.90%	4.07%	8.09%

The total remuneration of the Managing Director and Vice Presidents in 2023 has decreased compared to that of the previous year as one Vice President and one President of the overseas plant stepped off on June 30, 2022 and January 31, 2023, respectively, and no appointment has been made.

(2) The policies, standards, and packages for the payment of remuneration, the procedure for determining the remuneration, and its linkage to operating performance and future risks:

A. Directors:

The remuneration of Directors for performing their duties is determined by the Board based on the level of participation of individual Directors and the value of their contribution with reference to the general standards within the industry. Furthermore, if the Company records profits for the year, according to Article 31 of the Articles of Incorporation, the Board shall resolve to appropriate no more than 1.5% as the remuneration of Directors, and the proposal for the distribution of remuneration of Directors shall be reported to the shareholders’ meeting, provided that the profit must first be taken to offset against the Company’s cumulative losses, if any, and then the remuneration to Directors may be allocated subject to the proportions referred to in the preceding paragraph. The profit in 2023 shall be used to offset the losses of the previous years. No remuneration is distributed to the Directors. In addition, the Directors did not receive any traffic allowance or attendance fees. As the Independent Directors, who are members of the Audit Committee and the Remuneration Committee, assume the duties of participating in the discussions and resolutions of committee meetings, each Independent Director receives a monthly remuneration of NT$40,000.

B. President, Vice Presidents, and managers:

The appointment, dismissal and remuneration of the Company's President, Vice Presidents and managers are subject to the Company's requirements. The remuneration of the Company's President and Vice Presidents includes salaries, bonuses and employee bonuses. It is determined based on the position assumed, the responsibility undertaken, and the contributions to the Company with reference to the standards within the industry, and has been reviewed by the Remuneration Committee and submitted to the Board for approval before the implementation. Subject to the profit sought for the current year, the Company shall allocate 0.1%~3% of the profit as remuneration to employees. The Board of Directors may resolve to distribute the remuneration in the form of stock or in cash, and the recipients of such stock dividends or cash dividends shall include employees of associated companies that meet certain conditions. The proposals for the distribution of the remuneration to employees shall be reported to the shareholders’ meeting, provided that the profit must first be taken to offset against the Company’s cumulative losses, if any, and then the remuneration to employees may be allocated subject to the proportions referred to in the preceding paragraph.

C. Linkage to operating performance and future risks

The salaries and remuneration of the Company's managers include fixed remuneration and variable remuneration. The fixed remuneration is determined based on the position held, educational background, and professional seniority with reference to the standards within the industry and is positively related to the operating performance. In addition, the Company has appropriate control over future risks; therefore, the linkage between the remuneration policy and future risks is relatively low. Variable remuneration is determined based on the Company's annual operating performance, financial position, and individual performance. The measurement standards include the Company's business objectives (i.e., operating revenue and profit indicators), and relevant non-financial strategic performance targets (i.e., technical development or customer service management indicators) are also included in the scope of evaluation as a reference for the distribution of managers' bonuses.

D. Policies for the remuneration of the senior management that links to ESG-related performance evaluations

The Company has its "Remuneration Committee" in place to regularly examine the performance evaluation of Directors and managers, as well as the remuneration policy, system, standard and structure to ensure the effective operation of sustainable management by optimizing corporate governance and the remuneration management functions of the Board. The remuneration to the senior management is determined based on their positions, responsibilities and contributions to the Company with reference to the standards within the industry. Furthermore, ESG and sustainable development are also included in the overall performance evaluation and are extended to directors that they supervise for implementation. The ESG performance of the senior management is connected to individual corporate bonuses and the total remuneration of employees based on the connecting factor coefficient set for the year, and the connecting factor coefficient is increased on a yearly basis to reinforce the connection between ESG performance and variable remuneration. ESG-related performance evaluation accounts for 10% of the remuneration of the senior management of Right Way.

III. Implementation of corporate governance

(I) Operation of the Board of directors

(1) Information about operation of the Board of directors:

The Company completed the re-election of directors to elect the directors of 25th Board of Directors on June 20, 2022. The Board of Directors convened a total of 5 (A) meetings in 2023. Attendance is stated as following:

Title	Name	Attendance in person (or as observer) (times) (B)	Attendance by proxy	Percentage of attendance in person (or as observer) (%) (B/A)	Notes
Chairman	Representative of Brighton-Best International (Taiwan) Inc.: Hsieh, Li-Yun	4	1	80	
Director	Representative of Brighton-Best International (Taiwan) Inc.: Lo, Shih-I	5	0	100	
Director	Representative of Brighton-Best International (Taiwan) Inc.: Li, Chien-Te	5	0	100	
Director	Representative of Brighton-Best International (Taiwan) Inc.: Chiu, Sheng-Tien	5	0	100	
Director	Kuo, Jui-Tsai	4	1	80	
Director	Chen, Po-Han	5	0	100	
Independent Director	Shen, Ming-Chang	5	0	100	
Independent Director	Wang, Kuan-Hsiang	5	0	100	
Independent Director	Yeh, Yen-Hsiu	5	0	100	

Other issues to be recorded:

I.For Board of Directors meetings that meet any of the following descriptions, state the date, session, contents of the motions, independent directors' opinions and how the Company has responded to such opinions:

(I)Matters specified in Article 14-3 of the Securities and Exchange Act

Session and Date of the Board of Directors	Content of Motions	Independent directors' opinions and how the Company has responded to such opinions
2023/1/6	1.For the pricing of the 2023 1st issuance of common stock in private placement by the Company, selection of subscribers,	Approved by all independent

6th meeting of the 25th Board of Directors	and change in expected quantity of each offering.	directors unanimously.
2023/3/13 7th meeting of the 25th Board of Directors	1.The Company's 2022 business report, parent company only financial statements and consolidated financial statements 2.The Company's 2022 earnings distribution plan. 3.Director and employee remuneration distribution plan. 4.For the effectiveness of the Company's 2022 internal control system and the Statement on Internal Control System. 5.For the evaluation on the independence and competence of the external auditors certifying the Company's financial statements. 6.For the amendments to certain provisions of the "Articles of Incorporation." 7.For establishment of the branch. 8.For the Group's adoption of the "GHG Accounting and Verification Schedule Planning." 9.For the date of convening the Company's 2023 annual general meeting, and related matters.	Approved by all independent directors unanimously.
2023/5/11 8th meeting of 25th Board of Directors	1. The Company's consolidated financial statements of Q1 2023. 2. For the proposal to terminate the issuance of common stock in private placement passed by the 2022 shareholders' meeting. 3. For the plan to cancel the limit of loans granted to Fuzhou Assured Brake Systems Co., Ltd.. 4. For the determination of the record date for capital increase out of issuance of new shares for the Company's employee stock warrants in Q2 2023.	Approved by all independent directors unanimously.
2023/8/11 9th meeting of 25th Board of Directors	1.The Company's consolidated financial statements of Q2 2023. 2. Proposal for the addition of corporate governance-related regulations. 3. The proposal for the related party transaction is submitted for ratification.	Approved by all independent directors unanimously.
2023/11/9 10th meeting of 25th Board of Directors	1. For the Company's consolidated financial statements of Q3 2023. 2. For the Company's 2024 internal audit plan. 3. For the Company's 2024 budget plan. 4. For loaning to the subsidiary, Right Way Industrial (Malaysia) Sdn. Bhd.. 5. For review on the Company's determination of the salary & bonus to directors and managerial officers, and the year-end bonus to the Company's directors, existing managerial officers and employees. 6. For the determination of the record date for capital increase out of issuance of new shares for the Company's employee stock warrants in Q3 2023.	Approved by all independent directors unanimously.

(II) Any other resolution(s) by the Board of Directors meetings passed but with independent directors voicing opposing or qualified opinions on the record or in writing: None

II. For directors' avoidance of motions which involves conflict of interest, the names of directors, contents of the motions, reasons of the recusal for conflict of interest, and participation in voting must be disclosed:

All directors recused themselves from the discussion and voting on the motions related to their salary and remuneration.

III. TWSE/TPEx-listed companies shall disclose the evaluation cycle and period, scope of evaluation, method and contents of evaluation of the Board of Directors' self (or peer) performance evaluation, and specify the status of the evaluation conducted by the Board of Directors.

(1) Execution of evaluation on the Board by an external expert:

A. In order to implement corporate governance, improve the functions of the Board, and establish performance targets to strengthen the efficiency of the Board, the Company has formulated the "Regulations for Performance Evaluations of the Board" and carried out the performance evaluation of the year at the end of each year based on the evaluation procedures and evaluation indicators specified in the "Regulations for Performance Evaluations of the Board." In addition, it engages an external professional and independent institution or external expert and scholar team to execute the evaluation once every three years.

B.Evaluation period: January 1, 2023 to December 31, 2023.

C.Evaluation institution: Qin En Management Consulting Co., Ltd.

D.Scope of evaluation: The Board, Audit Committee, Remuneration Committee, and individual Directors

E.Evaluation method: The overall evaluation is conducted in accordance with the internal regulations and documentation related to corporate governance, as well as the responses of all Directors to questionnaires and the results of interviews with the Chairman, conveners of functional committees, President, chief corporate governance officer, and chief auditor of Right Way.

F.Date of report to the Board: March 12, 2024

G.Evaluation content and items:

Examine the Board operations of Right Way based on five major aspects, including the Board's level of participation in the operation of the Company, improvement of the quality of the Board's decision-making, composition and structure of the Board, election and continuing education of Directors, and internal control.

Examine the level of participation of Directors of Right Way based on six major aspects, including Directors' alignment with 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.

Examine the operation of Right Way's functional committees based on five major aspects, including the level of participation in the operation of the Company, awareness of the duties of the functional committee, quality of decisions made by the functional committee, composition of the functional committee and election of its members, and internal control.

H.Overall evaluation result: The Board of Right Way has formulated relevant policies and procedures in accordance with relevant laws and regulations and domestic corporate governance indicators. The Board of Right Way is composed of Directors with relevant expertise and capabilities. Appropriate work assignments are made based on their experience for the effective operation of relevant functions of the Board and functional committees. The overall evaluation result was excellent.

(2) Execution of evaluation on Board of Directors:

Evaluation cycle	Evaluation period	Scope of evaluation	Assessment methods	Assessment contents
Once per year	January 1, 2023~December 31, 2023	Board of Directors, Audit Committee, Remuneration Committee, and Board members	Internal self-assessment on the Board of Directors, internal self-assessment on Audit Committee and Remuneration Committee, and self-assessment on the Board members	(1) Performance appraisal on the Board of Directors: 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. (2) Performance appraisal on individual members: The 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. (3) Performance appraisal on functional committees: The participation in the operation of the Company, awareness of the duties of the functional committee, quality of decisions made by the functional committee, composition of the functional committee and election of its members, and internal control.

(3) The performance assessment scores: 5 stands for Extremely Excellent (Strongly Agree); 4 stands for Excellent (Agree); 3 stands for Moderate (Ordinary; 2 stands for Poor (Disagree); 1 stands for extremely poor (Strongly Disagree); the final scores are the average of the sum multiplying by 20.
(4) The performance assessment results are stated as following, which were already reported to the Board of Directors on March 12, 2024.

Scope of evaluation	Weighted scores
Board of Directors	97
Board members	96
Functional committee - Audit Committee	93
Functional committee - Remuneration Committee	93

The performance assessment results of the Company’s Board of Directors, Audit Committee, Remuneration Committee and individual Board members were all more than 80 scores, showing that the overall operations of the Company's Board of Directors satisfy the corporate governance requirements.

IV. Enhancements to the functionality of the Board of Directors in the current and the most recent year, and evaluation on the implementation status thereof (e.g. establishment of an Audit Committee, and improvement of information transparency, etc.):

1. The Company has adopted the "Regulations Governing Procedure of Board of Directors' Meetings." All of the parliamentary matters related to the Board of Directors shall be executed in accordance with the Regulations. Meanwhile, the information about the directors' attendance at the Board of Directors' meetings shall be entered into the MOPS periodically.
2. In order to enhance the corporate governance and improve the Board of Directors' functions, the Company has had 3 independent directors form the Remuneration Committee in accordance with Article 14-2 of the Securities and Exchange Act to help the Board of Directors perform its functions in reviewing the fairness and reasonableness of the various remuneration management policies.

(II) Information regarding Audit Committee operation:

The Company completed the re-election of directors on June 20, 2022. The Audit Committee convened a total of 5(A) meetings in 2023. Attendance of the independent directors is stated as following:

Title	Name	Actual Attendance in Person (B)	Attendance by Substitution	Actual Attendance Rate (%) (B/A)	Notes
Independent Director	Shen, Ming-Chang	5	0	100	
Independent Director	Wang, Kuan-Hsiang	5	0	100	
Independent Director	Yeh, Yen-Hsiu	5	0	100	

Other issues to be recorded:

I. For the Audit Committee meetings that meet any of the following descriptions, state the date, session, contents of motion, independent directors' opposing opinions, reservations or key recommendations, Audit Committee's resolutions, and how the Company has responded to Audit Committee's opinions.

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

Date of the Meeting / Session	Content of Motions	Audit Committee's resolutions	How the Company has responded to Audit Committee's opinions
2023/1/6 6th meeting of the 4th Committee	1.For the pricing of the 2023 1st issuance of common stock in private placement by the Company, selection of subscribers, and change in expected quantity of each offering.	Unanimously approved as proposed.	Approved by all present directors unanimously
2023/3/13 7th meeting of the 4th Committee	1. The Company's 2022 business report, parent company only financial statements and consolidated financial statements 2. The Company's 2022 earnings distribution plan. 3. For the effectiveness of the Company's 2022 internal control system, and the Statement on Internal Control	Unanimously approved as proposed.	Approved by all present directors unanimously

	System. 4. For the evaluation on the independence and competence of the external auditors certifying the Company’s financial statements. 5. For the amendments to certain provisions of the “Articles of Incorporation.” 6. For establishment of the branch. 7. The company passed the "Pre-approval Audit Measures for Providing Uncertain Services".		
2023/5/11 8th meeting of the 4th Committee	1. The Company’s consolidated financial statements of Q1 2023. 2. For the proposal to terminate the issuance of common stock in private placement passed by the 2022 shareholders’ meeting. 3. For the plan to cancel the limit of loans granted to Fuzhou Assured Brake Systems Co., Ltd.. 4. For the determination of the record date for capital increase out of issuance of new shares for the Company’s employee stock warrants in Q2 2023.	Unanimously approved as proposed.	Approved by all present directors unanimously
203/8/11 9th meeting of the 4th Committee	1. The Company’s consolidated financial statements of Q2 2023. 2. Proposal for the addition of corporate governance-related regulations. 3. The proposal for the related party transaction is submitted for ratification.	Unanimously approved as proposed.	Approved by all present directors unanimously
2023/11/9 10th meeting of the 4th Committee	1. For the Company’s consolidated financial statements of Q3 2023. 2. For the Company’s 2024 internal audit plan. 3. For loaning to the subsidiary, Right Way Industrial (Malaysia) Sdn. Bhd.. 4. For the determination of the record date for capital increase out of issuance of new shares for the Company’s employee stock warrants in Q3 2023.	Unanimously approved as proposed.	Approved by all present directors unanimously

(II) Except for the abovementioned matters, others which have not been passed by the Audit Committee but have been approved by more than two-thirds of all directors: Not this situation.

II. For the recusal of independent directors due to conflicts of interest, please state the name of the independent director, the content of motion, the reason for recusal and the participation in voting: None.

III. Communication between independent directors and internal auditing managers and CPAs (material communications, methods and results of the Company's financial and business conditions).

(I) Policy on communication between independent directors and internal auditing officers and CPAs

1. Independent directors meet with the CPAs periodically each year. CPAs will report to the independent directors on the Company's financial position, overall operations and internal audit at the Audit Committee meeting, and communicate with the independent directors about the effect to the account entries by important adjusting journal entries or amendments to laws and regulations, if any. In the event of any significant abnormal situation, a meeting may be convened at any time.
2. The internal auditing officer shall meet with the independent directors once per quarter to report on the internal audit execution status and internal control practices. In the event of any significant abnormal situation, a meeting may be convened at any time.

(II) Summary of the communication history between independent directors and CPAs

Date	Key points
2023/03/13	1. The CPA's explanation on 2022 consolidated financial statements and parent company only financial statements. 2. The CPA discussed and communicated with the participants about the questions raised by the participants. 3. Independent directors' suggestions: No comment.
2023/11/9	1. The CPA explained the audit planning regarding the 2023 consolidated financial statements and parent company only financial statements and communicated the key audit matters. 2. The CPA discussed and communicated with the participants about the questions raised by the participants. 3. Independent directors' suggestions: No comment.

(III)Summary of the communication history between independent directors and internal auditing managers

Date	Key points
2023/03/13	1. Report on execution of the audit on business in Q4 2022. 2. Independent directors' suggestions: No comment.
2023/05/11	1. Report on execution of the audit on business in Q1 2023. 2. Independent directors' suggestions: No comment.
2023/08/11	1. Report on execution of the audit on business in Q2 2023. 2. Independent directors' suggestions: No comment.
2023/11/9	1. Report on execution of the audit on business in Q3 2023. 2. Independent directors' suggestions: No comment.

Audit Committee's focus of work

The Company's Audit Committee consists of 3 independent directors, aiming to assist the Board of Directors to perform its obligation to supervise the quality and creditability of the Company's accounting & financial reporting process and audits, in order to improve the efficiency of corporate governance, and to communicate with CPAs and internal auditors on significant events about the Company's business and finance.

The 2023 review is outlined as following:

1. Establishment of or amendments to the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
2. Appraisal on the effectiveness of the internal control system.
3. Establishment of or amendments to the procedures for handling the important business and financial activities, including acquisition or disposal of assets, derivatives trading, loaning to others and making of endorsements/guarantees for others, in accordance with Article 36-1 of the Securities and Exchange Act.
4. Matters involving directors' personal interest.
5. Significant assets or derivatives trading.
6. Significant loaning or making or endorsements or guarantees.
7. Offering, issuance or private placement of equity securities.
8. Appointment/dismissal of, remuneration to, competence, independence and performance of the external auditors.
9. Appointment/dismissal of financial, accounting or internal auditing managers.
10. Review on, and discussion with the external auditors on, the annual financial reports and quarterly financial reports required by the competent authority at home.
11. Any other significant events prescribed by the Company or competent authority.

(III) Status of corporate governance implementation and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons:

Issues to be Assessed	Implementation Status (Note 1)			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
I. Does the Company follow “Corporate Governance Best Practice Principles” to establish and disclose its corporate governance practices?	Yes		The Company adopted the “Corporate Governance Best Practice Principles” upon approval of the Board of Directors, and released the same on the Company’s website (https://www.rightway.com.tw/).	No difference.
II. Shareholding structure and shareholders' equity (I) Does the Company have the internal procedures regulated to handle shareholders’ proposals, doubts, disputes, and litigation matters, and have the procedures implemented accordingly?	Yes		(I) The Company’s Rules for Procedure of Shareholders’ Meetings expressly state that shareholders’ suggestions will be responded to at annual general meetings, and by the spokesperson or deputy spokesperson the company’s spokesperson or deputy spokesperson usually. Meanwhile, no dispute has arisen between the Company and shareholders in the most recent year.	(I) No difference.
(II) Does the Company possess the list of the Company’s major shareholders of ultimate controllers, and the list of the ultimate controllers of the major shareholders?	Yes		(II) The Company entrusts a professional stock affairs agency to handle related matters, and the dedicated personnel are responsible for relevant matters; therefore, the Company has a list of major shareholders who actually control the Company.	(II) No difference.
(III) Does the Company establish and implement the risk control and firewall mechanism with its affiliated companies?	Yes		(III) The Company has established the "Rules Governing Financial and Business Matters with Related Parties" to establish a risk control mechanism and appropriate firewall between the Company and its affiliates.	(III) No difference.

Issues to be Assessed	Implementation Status (Note 1)			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
(IV) Does the Company adopt internal rules prohibiting the Company's insiders from trading securities using information not disclosed to the market?	Yes		(IV) The Company has established its Procedures for Handling Material Inside Information and Prevention of Insider Trading and Code of Ethical Conduct which contain the relevant requirements that prohibit the Company's insiders from trading securities based on the non-public information.	(IV) No difference.
III. Composition and responsibilities of the Board of directors (I) Does the Board of Directors have member diversity policies and specific management goals regulated and implemented substantively?	Yes		(I) (1)Diversity of the Board of Directors: The Company advocates and respects the Board diversity policy, in order to strengthen the corporate governance and urge the robust development of the composition and structure of the Board of Directors. The Company believes that the diversity policy would help improve the Company's overall performance. The appointment of the Board members is based on their merits and diversified complementary abilities across industries, including basic composition (e.g. age, gender and nationality, etc.). Each of them has the industrial experience and related skills (e.g. financial accounting, marketing and audit, etc.), in addition to the abilities including business judgement, business administration, leadership & decision making and crisis management, etc.. In order to improve the Board of Directors' functions and achieve the corporate governance targets, the Company's Board of Directors shall have the following abilities: 1. the ability to make business judgment; 2. the ability to analyze accounting and financial issues; 3. the ability to manage business; 4. the ability to manage crisis; 5. industrial knowledge; 6. international market perspective;	(I) No difference.

<table>
<tr><th rowspan="2">Issues to be Assessed</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>7. leadership;
8. the ability to make decision.

The Company’s directors have held the term of office for five years on average. None of the independent directors has held the term of office for more than three times consecutively. All of the directors are native Taiwanese, including 3 independent directors, i.e. 33%, and 1 director is concurrently an employee, i.e. 11%. In terms of the directors’ age, 1 director has attained the age of 31~40 years old, 1 directors are at the age of 41~50 years old, 1 directors are at the age of 51~60 years old, and 6 directors are at the age of 71~80 years old. Meanwhile, the Company also values gender equality in the composition of the Board. The current Board of Directors includes one female member, accounting for 11.11% of the Board seats. In the future, we will strive to increase the proportion of female directors.
The Company’s existing Board member diversity policy and implementation status thereof:
The basic composition is as follows:</td><td></td></tr>
</table>

Diversity core / Name of Director	Basic composition									
	Nationality	Gender	Serving as an employee concurrently	Age					Seniority and term of office as an independent director	
				31—40 years old	41—50 years old	51—60 years old	61—70 years old	71—80 years old	Less than 3 years	3—6 years
Hsieh, Li-Yun		Female						√		

Issues to be Assessed	Implementation Status (Note 1)			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	

Lo, Shih-I	Republic of China	Male	√					√		
Li, Chien-Te	Republic of China	Male				√				
Chiu, Sheng-Tien	Republic of China	Male			√					
Kuo, Jui-Tsai	Republic of China	Male						√		
Chen, Po-Han	Republic of China	Male		√						
Shen, Ming-Chang	Republic of China	Male						√	√	
Wang, Kuan-Hsiang	Republic of China	Male						√	√	
Yeh, Yen-Hsiu	Republic of China	Male						√	√	

Professional knowledge and skills are as follows:

Diversity core / Name of Director	Industrial experience						Expertise		
	Professional service and marketing	Finance and banking	Bank and insurance	Commerce and supply	Information and technology	Metal and machinery	Laws	Accounting	Risk management
Hsieh, Li-Yun	√	√	√	√	√	√	√	√	√

Issues to be Assessed	Implementation Status (Note 1)			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	

Lo, Shih-I	√	√	√	√	√	√	√	√	√
Li, Chien-Te	√	√	√	√	√	√	√	√	√
Chiu, Sheng-Tien	√	√	√	√	√		√	√	√
Kuo, Jui-Tsai	√	√	√	√	√	√	√	√	√
Chen, Po-Han		√	√	√				√	√
Shen, Ming-Chang		√	√	√	√	√	√	√	√
Wang, Kuan-Hsiang		√	√	√	√		√	√	√
Yeh, Yen-Hsiu		√	√	√	√		√	√	√

(2)Specific management objectives of the Company's Board diversity policy and implementation status:

A.Specific management objectives:

a.At least five of the Board members shall possess any of the abilities referred to in said table.

b.Individual directors shall possess at least five abilities referred to in said table.

B.Status: All of the Board members have achieved the goals under the diversity policy so far.

The goals for the Board diversification, complementarity and implementation status have been achieved and maintained. In the future, the Company will develop the policy of diversity based on the Company's business operations, operating dynamics, and development needs, including but not limited to, the two general standards, basic requirements and values & professional knowledge and skills, in order to ensure that the Board members have the knowledge, skills, and experience necessary to perform their duties.

Issues to be Assessed	Implementation Status (Note 1)			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
(II) Does the Company, in addition to setting up the Remuneration Committee and Audit Committee lawfully, have other functional committees set up voluntarily?		No	(II) The Company has established the Remuneration Committee and the Audit Committee which are required by law. Meanwhile, it will set up other functional committees subject to business needs in the future.	(II)Apart from the establishment of a remuneration committee and an audit committee in accordance with the law, the FSC does not mandate the establishment of other functional committees of the Company.
(III) Does the Company establish a set of policies and assessment methods to evaluate the Board of Directors' performance, conduct the performance evaluation regularly at least on an annual basis, and submit the results of performance assessments to the Board of Directors and use them as reference in determining remuneration for individual directors, and their nomination for additional office term? .	Yes		(III) The Company has established a set of policies and assessment methods to evaluate the Board of Directors' performance, conduct performance evaluations regularly, at least on an annual basis, and submit the results of performance assessments to the Board of Directors and use them as reference in determining remuneration for individual directors, and their nomination for additional terms of office.	(III) Compliance with the regulations.

<table>
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<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>(IV) Does the Company regularly evaluate its external auditors’ independence?</td><td>Yes</td><td></td><td>(IV) The Company's Audit Committee evaluates the independence and adequacy of CPAs once a year and submits the result to the Board for resolution. In addition to requiring CPAs to provide a "Declaration of Independence" and "Audit Quality Indicator Report (AQI Report)," the Company also carried out the evaluation based on the standards in the notes and 13 AQIs with reference to the transparency report voluntarily published by Deloitte & Touche in the most recent years. It has been confirmed that CPAs have no other financial interests or business relationships with the Company, except for the fees for audit and taxation cases, and that their family members have not violated the independence requirements. With reference to the AQI information, the Company confirmed that the audit quality of the CPAs and the CPA’s firm is in compliance with the Company's requirements. The evaluation results for the most recent year were discussed and approved by the Audit Committee on March 12, 2024, and reported to and approved by the Board as a resolution on the same day. All CPAs of the Company have complied with the Company's independence and adequacy criteria (Note) and are legible to be CPAs of the Company.
(Note) Independence and adequacy evaluation criteria for CPAs
<table>
<tr><th>Issues to be Assessed</th><th>Yes</th><th>No</th></tr>
<tr><td>1. The external auditors have no direct or significant indirect financial interests with the Company.</td><td>✓</td><td></td></tr>
<tr><td>2. The external auditors have no close business relationships with the Company.</td><td>✓</td><td></td></tr>
<tr><td>3. The CPAs have no potential employment relationships with the Company during the audit on the Company.</td><td>✓</td><td></td></tr>
<tr><td>4. The external auditors have no financing activities with the Company.</td><td>✓</td><td></td></tr>
<tr><td>5. The external auditors do not receive any valuable gift or present from the Company or any of the Company’s directors, supervisors or managers</td><td>✓</td><td></td></tr>
</table></td><td>(IV) No difference.</td></tr>
</table>

Issues to be Assessed	Implementation Status (Note 1)			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			(valuing beyond the general social etiquette standards). 6. The external auditors have not provided the Company with the audit services for seven consecutive years. ✓ 7. The external auditors do not hold any shares of the Company. ✓ 8. None of the external auditors *per se* or their spouses or dependents, or audit team members currently serves as a director, supervisor or manager of the Company or holds the position that would renders significant influence over the audit cases of the Company during the audit period or in the past two years, and during the future audit period. ✓ 9. Whether the external auditors satisfy the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10, and whether the Company has received the "Statement of Independence" issued by the external auditors. ✓	
IV. Does the TWSE/TPEx listed company assign the adequate number of competent corporate governance officers, and appoint the chief corporate governance officer responsible for the corporate governance affairs (including but not limited to, provision to directors/supervisors the information needed by them to perform their	Yes		The Company's Board of Directors resolved on November 11, 2022 to appoint the Company's chief corporate governance officer. Assistant Vice President of Finance Dept., Huang, Chun-Ta, was appointed to serve as the chief corporate governance officer responsible for the corporate governance practices. 1. Functions: (1) Organization of the Board of Directors meetings and shareholders' meetings pursuant to laws (2) Preparation of the Board of Directors meeting and shareholders' meeting minutes	No difference.

Issues to be Assessed	Implementation Status (Note 1)			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
duties, assistance to directors/supervisors in legal compliance, organization of the Board of Directors meetings and shareholders' meetings pursuant to laws, and preparation of the Board of Directors meeting and shareholders' meeting minutes, etc.)?			(3) Assistance to directors and supervisors in holding office and continuing education. (4) Provision to directors/supervisors the information needed by them to perform their duties (5) Assistance to directors/supervisors in legal compliance 2.2023 business implementation status (1)Organized Board meetings and shareholders' meetings pursuant to laws (2)Assisted in matters related to the continuing education of Directors (the continuing education of Directors has been reported to the MOPS) (3)Examined whether the Company meets the scoring requirements for corporate governance evaluation indicators (4)Amended the internal regulations related to corporate governance in accordance with the latest laws and regulations related to the Company's business field and corporate governance and submitted them to the Board for resolution. 3.The chief corporate governance officer's continuing education program is stated as following: (1) Course name: Global Economic Outlook and Investment Strategies Date: March 13, 2023 Organization: Taiwan Securities Association Course hours: 3 (2) Course name: Workshop for Practices of Directors and Supervisors (Including Independent Directors) and Chief Corporate Governance Officer Date: February 21, 2023~February 22, 2023 Organization: Securities and Futures Institute Course hours: 12 (3) Course name: Sustainable Development Practice Seminar	

<table>
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<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>Date: October 27, 2023
Organization: Securities and Futures Institute
Course hours: 3
(4) Course name: Global Economic Outlook and Investment Strategies
Date: Novemenber 6, 2023
Organization: Taiwan Securities Association
Course hours: 3
(5) Course name: New Global Economic Outlook and Investment Strategies
Date: May 9, 2024
Organization: Taiwan Securities Association
Course hours: 3</td><td></td></tr>
<tr><td>V. Does the Company establish a communication channel for the stakeholders (including but not limited to, shareholders, employees, customers and suppliers), set up the stakeholder section on the Company’s website, and respond to the stakeholders regarding their concerns over important corporate social responsibilities?</td><td>Yes</td><td></td><td>The Company examined the stakeholders' connection to the Right Way and discussed and analyzed it at the stakeholder and material issue analysis meeting. In 2023, four types of material stakeholders were identified, including customers, employees, shareholders, and competent authorities. The communication with material stakeholders was reported to the Board on November 9, 2023, as follows:
The material issues of concern of material stakeholders and communication (response) methods in 2023 are as follows:
<table>
<tr><th>Type of stakeholder</th><th>Material issues of concern</th><th>Communication (response) method</th></tr>
<tr><td>Customer</td><td>• Product quality
• Business ethics
• Hazardous substance management
• Information security</td><td>• Customer satisfaction survey
• Customer Audit</td></tr>
</table></td><td>No difference.</td></tr>
</table>

<table>
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<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Employee</td><td>• Product quality
• Financial performance
• Talent development
• Talent attraction and retention
• Diversity, inclusion and equal rights</td><td>• Employee Welfare Committee
• Performance interview
• Education and Training
• Labor-management meeting
• Announce the employee complaint mailbox/Employee Welfare Committee mailbox on the intranet or via internal e-mail</td></tr>
<tr><td>Shareholders</td><td>• Product quality
• Financial performance
• Information security
• Talent attraction and retention</td><td>• Investor conference
• Annual shareholders’ meeting
• MOPS/announcements on the Company's website</td></tr>
<tr><td>Competent authority</td><td>• Business ethics
• Information security
• Product quality
• Sustainable supply chain</td><td>• Announcements on MOPS
• Correspondence</td></tr>
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<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>The stakeholder communication frequency, communication status, and communication channels in 2023 are as follows:

<table>
<tr><th>Type of stakeholder</th><th>Communication frequency and communication status</th><th>Communication channel</th></tr>
<tr><td>Customer</td><td>• Annually
• From time to time</td><td>Business executives: Benjamin.lin benjamin.lin@rightway.tw</td></tr>
<tr><td>Employee</td><td>• Quarterly, five times in 2023
• Bi-annually, two times in 2023
• From time to time, new employee training and internal auditor educational training for IATF 16949 and ISO 14001
• Quarterly, four times in 2023
• From time to time</td><td>TEL：06-2664101 extension 3118(labor union) kiwi.chen@rightway.tw</td></tr>
<tr><td>Shareholders</td><td>• From time to time, held in December 2023
• Annually, held on June 9, 2023
• From time to time</td><td>Acting Spokesperson： Don.Huang Don.Huang@rightway.tw</td></tr>
<tr><td>Competent authority</td><td>• From time to time
• From time to time</td><td>Acting Spokesperson： Don.Huang Don.Huang@rightway.tw</td></tr>
</table></td><td></td></tr>
</table>

Issues to be Assessed	Implementation Status (Note 1)			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			The Company has appointed the Spokesperson and Deputy Spokesperson, who may engage in two-way communication via phone, fax or interview, if necessary. Besides, the Company's website (https://www.rightway.com.tw/) has also set up the Stakeholder Section to respond to the stakeholders regarding their concerns over important corporate social responsibilities.	
VI. Has the Company commissioned a professional shareholders service agent to handle shareholders affairs?	Yes		For the time being, the Company has appointed Shareholders Service Agency Dept., Yuanta Securities to handle the shareholders' meetings on behalf of the Company.	No difference.
VII. Information disclosure				
(I) Has the Company set up a website to disclose the Company's business, finance and corporate governance information?	Yes		(I) The Company has set up the website (https://www.rightway.com.tw/) to introduce the Company's overview and business activities, disclose related information about business, finance and corporate governance on the website, and also enter the same to the MOPS for reference by the public per the competent authority's requirement.	(I) No difference.
(II) Does the Company adopt other information disclosure methods (e.g., establishing an English website, designating dedicated persons for collecting and disclosing information of the Company, practicing the spokesperson system, posting the investor	Yes		(II) The Company has set up webpages in English and designated dedicated personnel to collect the information about the Company and disclose the same according to facts. Meanwhile, the Company has also appointed a Spokesperson and Deputy Spokesperson. The Company is invited to attend the industry conference organized by Yuanta Securities periodically each year. For the details on business and finance, please visit the List of Investor Conferences or the Investor Conferences on the MOPS.	(II) No difference.

Issues to be Assessed	Implementation Status (Note 1)			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
conference on the Company's website, etc.)? (III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating status for each month before the specified time limit?	Yes		(III) The Company publishes and reports its annual financial report within three months after the end of a fiscal year, and publishes and reports its financial reports for the first, second, and third quarters as well as its operating status for each month before the specified time limit.	(III) No difference.
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to, employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors/supervisors, implementation of risk	Yes		(I) Employees' rights and interests 1. Employees may reflect their opinions on personal rights and interests, welfare, management and working environment to the Company at any time, and the reflection channel includes director supervisors and the Management Department. 2. The Company has various welfare programs and also provides employee bonuses and year-end bonuses. (II) Employee care The Company has organized relevant matters of employee welfare and encourages employees to participate in health/leisure activities so as to adjust employees' body and mind and improve their cohesion. (III) Investor relations 1. The Company discloses its financial and operational information on the "MOPS" in accordance with relevant laws and regulations to ensure the basic rights and interests of investors.	No difference.

Issues to be Assessed	Implementation Status (Note 1)			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
management policies and risk measurements, implementation of customer policy, and insuring against liabilities of the Company's directors and supervisors)?			2. To optimize the Company's system, it actively strengthened the functions of Directors and supervisors to improve the transparency of the Company's operations and protect shareholders' rights and interests. 3. The Company has a website and a spokesperson and deputy spokesperson system to provide investors with financial and business information of transparency. (IV) Supplier relations 1. Regularly examine the product cost structure and profit margin achievements to ensure the reasonableness of the purchase price. 2. Maintain unblocked communication channels with suppliers and protect the rights and interests of both parties on the basis of mutual trust and mutual benefits. (V) Rights of stakeholders 1. The Company respects intellectual property rights, and there has been no infringement on intellectual property rights. 2. The Company attaches great attention to the media coverage of relevant laws and regulations on a daily basis to ensure that it obtains the latest laws and regulations in a timely manner. 3. The Company discloses the implementation of social responsibility in the annual report for the shareholders' meeting. (VI) Continuing education of Directors All Directors of the Company have conducted training in accordance with the "Samples of the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" during the year. (VII) Implementation of risk management policies and risk measurement standards The Company has established its internal control system, audit system, and self-evaluation procedures that render healthy control. (VIII) Implementation of customer policies The Company has established its Procedures for Handling Customer	

Issues to be Assessed	Implementation Status (Note 1)			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			Complaints to duly determine the issues and the responsibility attribution of customer complaints,adopt prompt and effective countermeasures, and propose preventive and corrective measures to prevent the recurrence of similar incidents. (IX) Liability insurance purchased by the Company for Directors The Company has purchased liability insurance for Directors.	
IX. Please explain improvements that have been made as well as priorities to improve the results of the Corporate Governance Evaluation issued by the Taiwan Stock Exchange Corporate Governance Center. (Not required, if the Company is not one of the evaluated subjects.) The Company has adopted the Corporate Governance Best Practice Principles and appointed the Chief Corporate Governance Officer upon approval on November 11, 2022. The Company also plans to strengthen the preparation of the ESG report as the first priority. 1. According to the results of the previous Corporate Governance Evaluation, the improvements are as follows: (1) The Company simultaneously uploaded the English meeting notice 30 days prior to the annual shareholders' meeting. 2. The priority enhancements and improvement measures for the year are as follows: (1) The Company recorded the material content of shareholders' questions and its responses in the minutes of the annual shareholders' meeting. (2) Uploaded uninterrupted audio and video throughout the shareholders' meeting after the meeting.				

Note 1: Always provide explanations in the summary description column, regardless of whether the status is ticked "Yes" or "No."

Note 2: The corporate governance self-assessment report refers to the report on the Company's current operation and execution of various self-assessment indicators as assessed and explained by the Company independently.

(IV) Composition and operations of the Remuneration Committee:

The Remuneration Committee consists of the whole independent director, operating in accordance with the Company's Articles of Association for Remuneration Committee. Its main job responsibilities include:

1. Stipulate and regularly review the performance of the directors and managerial officers, as well as the compensation policies, systems, standards and structure.
2. Regularly evaluate and stipulate the remuneration to directors and managerial officers.

(1) Information on members of the Remuneration Committee:

May 9, 2024

Identity	Name	Professional qualifications and experience	Number of other publicly listed companies in which concurrently serving as a remuneration committee member
Independent Director	Shen, Ming-Chang	Please refer to Pages 14~18. Disclosure of information about professional qualifications of directors and independence of independent directors	2
Independent Director	Wang, Kuan-Hsiang		1
Independent Director	Yeh, Yen-Hsiu		0

(2) Operations of the Remuneration Committee

1. The Remuneration Committee consists of 3 members.
2. Term of office to be held by the current (5th) Committee: June 20, 2022~June 19, 2025.
   The 5th Remuneration Committee convened 2(A) meetings.
   Details of members' eligibility and attendance are stated as follows:

Title	Name	Actual Attendance in Person (B)	Attendance by Substitution	Actual Attendance Rate (%) (B/A)	Notes
Convener	Shen, Ming-Chang	2	0	100	
Committee member	Wang, Kuan-Hsiang	2	0	100	
Committee member	Yeh, Yen-Hsiu	2	0	100	

Other issues to be recorded:

Date, session, contents of motion and resolutions of meetings held by the Remuneration Committee in the most recent year, and how the Company has responded to Remuneration Committee's opinions

Date and session of the meeting	Content of Motions	Remuneration Committee's resolutions	How the Company has responded to Remuneration Committee's opinions
2023/3/13 3th meeting of the 5th Committee	Review on director and employee remuneration distribution plan.	Approved by all of the Committee members unanimously	Approved by all present directors unanimously
2023/11/9 4th meeting of the 5th Committee	For review on the Company's determination of the salary & bonus to directors and managerial officers, and the year-end bonus to the Company's directors, existing managerial officers and employees.	Approved by all of the Committee members unanimously	Approved by all present directors unanimously

Should the Board reject or modify the suggestions from the Remuneration Committee, state the date, session, contents of the motions, resolution made by Board meeting and results thereof, and how the Company has responded to the Remuneration Committee’s opinions (describe the differences and reasons, if any, should the Board of Directors approve a solution that was more favorable than the one proposed by the Remuneration Committee): Not this situation. Should any resolution(s) by the Remuneration Committee be passed but with any member voicing opposing or qualified opinions on the record or in writing, please describe the date and session of the meeting, contents of the motion, the entire members' opinions, and how their opinions are addressed: Not this situation.

(3) Information about the members and operations of the Nomination Committee: N/A.

(V) Status of promotion of sustainable development and the differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons:

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
I. Has the Company established a governance structure to promote sustainable development, and set up a dedicated (or one holding concurrent positions) unit to promote sustainable development, with the board authorizing the senior management to manage the organization which is supervised by the board?	Yes		1. The Board has authorized the President to promote various matters of sustainable development. As the dedicated unit to promote sustainable development, the Finance Department assists the President in formulating policies and coordinating the implementation of sustainability-related issues with relevant departments. 2. In 2023, the Company's main initiatives for sustainable development were GHG inventory, establishment of sustainable development best practice principles, and sustainable development action plans. As of the end of 2023, the Company planned the timetable for matters related to GHG inventory and formulated the Sustainable Development Best Practice Principles and sustainable development action plans. The verification was completed in May 2024. 3. The Finance Department has made the plan and progress of the quarterly GHG inspections in 2023 and has subsequently reported the implementation progress to the Board (dates: March 13, 2023, May 11, 2023, August 11, 2023, and November 9, 2023). It also reported the implementation of ethical corporate management, the promotion of the "Sustainable Corporate Development Action Plan," the "risk management" status under corporate governance, and the "communication with stakeholders" under corporate governance in 2023 (date: November 9, 2023). The Board examines relevant issues, provides opinions when necessary, and provides the management team with recommendations for improvement.	No difference
II. Has the Company conducted risk assessments on environmental, social and corporate governance	Yes		The risk evaluation boundary refers to the Company, including the locations in Taiwan and Malaysia, and subsidiary Right Way Industrial (Malaysia) Sdn Bhd. is included in the scope based on its relevance to the main business and	No difference

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
issues related to the Company's operations in accordance with the materiality principle, and formulated relevant risk management policies and strategies?			the level of impact on material topics.It also conducted the evaluation on the environmental, social and corporate governance issues related to the operations, subject to the principle of materiality and the results of communication with internal/external stakeholders. The management policy on the related risk issues is specified as follows: (I) Environmental issues: 1. Climate change-related risk: The Company keeps watching the temperature control of air conditioners at the business place and office premises, air conditioner and uses energy effectively, hoping to achieve the goal of energy conservation and carbon reduction. Meanwhile, it also improves the internal and external risk communications with respect to the environmental safety and health practices, follow up the government’s news in a timely manner, distribute correct information internally, improve the knowledge about epidemic prevention, and respond to the government’s epidemic prevention and promotion practices. (II) Social Issues: 1. Supply chain risk: Avoid excessive concentration of sources of procurement, and expand the supplier lineup proactively, in order to adjust the procurement quantity and items from time to time and mitigate the disturbance that might be caused by any single supplier’s contingency, if any. 2. Information security risk: The Company practices various information security management mechanisms, engages in the training and promotion of various information security programs from time to time, prepares the backup of key systems and databases regularly and stimulates and tests various information security incidents, in order to ensure the security controls by the information systems and users.	

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			(III) Corporate Governance Report 1. Foreign exchange rate risk: The Company sends the dedicated personnel to execute the controls, collect the information on changes in the foreign exchange rates and forecast on the trends. Additionally, in order to mitigate the foreign exchange rate risk, the Company's adopts the specific improvement measures to cover the payment for procurement with the sales revenue denominated in the same currency to achieve the effect of natural hedging and also continues to improve the foreign exchange hedging operating model. 2. Financing costs: The Company, based on Taiwan as the corporate business center, controls its subsidiaries' finance and capital. It provides the subsidiaries with more lenient credit terms and conditions, and also provide financing subject to the subsidiaries' business development needs, in order to reduce their dependence on local financial institutions, and considers the interest spreads in various countries in terms of the Group's overall interest to reduce the financing costs.	
III. Environmental issues (I) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	Yes		(I) The Company has established the ISO 14001 environmental management system. Meanwhile, it continues to pass third-party assurances. (valid from July 11, 2023 to July 10, 2026), and it conducts annual GHG inventory in accordance with ISO 14064-1 to track the emissions reduction achievements, which are disclosed in the Sustainability Report and on the Company's website. The greenhouse gas inventory is expected to be verified in May 2024.	(I) No difference.

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
(II) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	Yes		(II) The Company fulfills its corporate responsibility towards environmental protection and the safety and health of colleagues, which is based on the awareness of environmental protection, the management requirements for pollution control, and the social responsibility of environmental protection. The Company is committed to environmental protection and pollution reduction. It classifies and collects various wastes and engages qualified suppliers for treatment or reuse. It also improves the reusability of raw materials to maximize the use of renewable energy, communicates the recycling and reuse of printing paper, and requires employees to use e-mails to reduce paper consumption and, in turn, reduce the environmental load and achieve the purpose of recycling and reuse. In 2023, the achievements of our commitments to improving energy consumption efficiency are as follows: In 2023, the Company continued to implement energy-saving measures to change working hours and reduce the operation of the furnace by one day. In 2023, intensive work of the die-casting furnace saved approximately 784,204 kWh of electricity and 76,153 m^3 of gas consumption. The lighting in the periphery of the plant was replaced by LED lighting, which saved approximately 47,240.08 kWh of power. The air compressor pipeline was reconfigured to eliminate air leakage, and the power consumption per unit product of the Casting Section was reduced by 0.04 kWh. The energy-saving items filed to the Bureau of Energy was an average annual energy conservation of 1.3%. The energy used by the Company mainly includes purchased electricity and liquefied natural gas (LNG). The purchased electricity is primarily purchased from the Taiwan Power Company. Energy consumption in 2023: electricity	(II) No difference.

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			164,441.74 GJ, liquefied petroleum gas 6,985.89, total energy consumption during the reporting period 24,092.03 GJ, energy consumption intensity 25.68 GJ/thousand revenue, a decrease of 19.6% compared with 2022, optimized production lines for some products By increasing the hourly output, the converted energy consumption intensity is significantly reduced, demonstrating the implementation of energy conservation. The solar power generation unit was installed on the roof 7 years ago and 3 years ago based on the lease. The solar power generation unit installed 7 years ago adopts the fixed monthly rent, so no power generation statistical data are available. The capacity of the solar power generation unit installed 3 years ago was 1,489.2KW, with the total power generation in 2022 and 2023 as 1,926,931 kWh and 1,904,403 kWh, respectively. In the future, Right Way Industrial will re-evaluate the area where solar energy equipment may be installed, and consider the mode of power generation for self-use. The energy used by the Company mainly includes purchased electricity and liquefied natural gas (LNG). The purchased electricity is primarily purchased from the Taiwan Power Company. Energy consumption in 2023: electricity 164,441.74 GJ, liquefied petroleum gas 6,985.89, total energy consumption during the reporting period 24,092.03 GJ, energy consumption intensity 25.68 GJ/thousand revenue, a decrease of 19.6% compared with 2022, optimized production lines for some products By increasing the hourly output, the converted energy consumption intensity is significantly reduced, demonstrating the implementation of energy conservation. The achievements of using recycled supplies with low impacts on the environmental load in 2023 are as follows: The Company continues to carry out the corrective action to reduce waste output and disposal costs. Currently, the main projects in progress at the site are specified as follows:	

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			1. Lubricating oil for static recovery and increasing the turnover rate to reduce the cost of lubricating oil disposal and treatment; 2. Iron and aluminum impurities in waste oil are treated separately and reused after filtration. Aluminum cutting oil is then squeezed to purify the oil; 3. Leftover composted for reuse; 4. The Cleaning naphtha is left for the sedation of impurities before being reused so as to reduce the procurement volume; 5. The consumables and collected dust and wood chips of plate suppliers are recycled by recycling suppliers. After recycling, they are processed and reproduced as energy materials that are usable.	
(III) Does the Company assess the current and future potential risks and opportunities that climate change may present to enterprises and adopt related responsive measures?	Yes		(III) With reference to the "Recommendations of the Task Force on Climate-related Financial Disclosures" issued by the Task Force on Climate-related Financial Disclosures (TCFD), the Company collected and analyzed foreign and domestic discussions on climate change issues to reinforce its response and management of climate change issues. In 2023, we implemented internal climate change risk and opportunity assessment procedures in accordance with the Company's internal climate change risk and opportunity assessment procedures with reference to the TCFD's recommended disclosure practices. The increasingly stringent climate change-related reporting requirements, the increase in disclosure items, the impact of steel-related industries of the carbon border tax, the imposition of carbon fees on major carbon emission companies, the replacement of existing products with low-carbon products in the market, changes in customers’ behaviors due to low-carbon consumption requirements, and the increase in raw material	(III) No difference.

<table>
<tr><th rowspan="2">Items to be promoted</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>(IV) Does the Company maintain statistics on GHG emission, water consumption, and total waste volume in the last two years, and implement policies aiming at energy conservation and reduction of GHG, water consumption or other wastes?</td><td>Yes</td><td></td><td>cost due to the course of low-carbon transformation are issues with higher risks. Meanwhile, it assessed the climate physical risks related to low-frequency typhoons with increased intensity. The relevant departments of the Company are responsible for promoting response plans for the risks and opportunities identified in 2023.

(IV) The Company maintain statistics on GHG emission, water consumption, and total waste volume in the last two years as follow:
Greenhouse Gas Inventory InformationDescribe the emission volume (metric tons CO_2e), intensity (metric tons CO_2e/NT$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.
<table><tr><th>Year</th><th>Direct Scope 1 (tCO_2e)</th><th>Indirect from energy Scope 2 (tCO_2e)</th><th>Other indirect Scope 3 (tCO_2e)</th><th>Intensity (tCO_2e/NT$ million)</th></tr><tr><td>2022</td><td>1,715.1667</td><td>6,413.9272</td><td>No statistical data is available</td><td>7.1183</td></tr><tr><td>2023</td><td>1,484.8907</td><td>5,749.0115</td><td>No statistical data is available</td><td>6.3400</td></tr></table>Water consumption and total weight of waste:
<table><tr><th>Year</th><th>Water consumption</th><th>Total weight of waste (unit: ton)</th></tr><tr><td>2022</td><td>13,093</td><td>842.06</td></tr><tr><td>2023</td><td>13,295</td><td>428.18</td></tr></table>GHG reduction policy:
The company is an energy user, and 99% of the GHG emissions come from the electricity and natural gas purchased. Each year, the Company saves 1% of electricity according to the energy-saving targets established by the energy user and the execution plan. The ISO14064-1:2018 was introduced in 2023 to conduct the first GHG emission inventory of Right Way in 2022. We established the basic capacity of emission source identification, quantification, and management and had a better understanding of our GHG</td><td>(IV) No difference.</td></tr>
</table>

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			management status. The certification is expected to be conducted in May 2024. In the future, we plan for the target of GHG reduction by 1% each year in accordance with the energy-saving target. Waste management policy: The Company continues to carry out the corrective action to reduce waste output and disposal costs based on its waste management policy. The main projects are specified as follows: 1.Lubricating oil for static recovery and increase in the turnover rate to reduce the cost of lubricating oil disposal and treatment; 2.Iron and aluminum impurities in waste oil are treated separately and reused after filtration. Aluminum cutting oil is then squeezed to purify the oil; 3.Leftover composted for reuse; 4.The stain removal oil is allowed to stand to precipitate impurities before being reused, thus reducing the amount of purchases. 5.After the consumables and dust-collected wood chips from the panel factory are recycled through the recycling plant, the recycling plant processes and then produces usable energy materials. Water consumption reduction policy: 1. Use faucets with water-saving functions. 2. Put up water-saving labels to remind employees to save water. 3. Install water-saving valves in toilets to reduce water supply and fix the water leakage of toilets or water pipes at the workplace as soon as practicable. 4. Set up water recycling and reuse measures and strengthen the recycling rate.	
IV. Social Issues (I) Does the Company develop its policies and procedures in	Yes		(I) The Company provides the protection of employees' basic interests and rights in accordance with the Labor Standards Act, organizes the	(I) No difference.

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
accordance with laws and International Bill of Human Rights?			Worker Welfare Committee pursuant to the relevant laws and regulations governing worker welfare, contributes welfare funds as required for employee welfare practices, and establishes a fair communication channel between labor and management. In order to protect and safeguard the basic human rights of employees, the Company supports and follows the spirit of human rights protection and basic principles disclosed in international human rights conventions such as the "Universal Declaration of Human Rights by the United Nations" and the "ILO Convention"; it has also formulated its human rights policy. The company formulates and discloses human rights protection policies and specific management plans: 1. Regarding the implementation of human rights risk mitigation measures: There are "Complaint and Punishment Measures for Sexual Harassment and Stalking Prevention Measures". 2. Education and training: The Company organized relevant education and training courses with a total of 68 participants.	

Date	Course name	Hours	No. of participants
2023/7/26	Unlawful Infringement Education and Training	1	24
2023/8/23.8/30. 9/13	Gender Equality and Sexual Harassment Prevention	4	10
2023/12/8	Practical	2	34

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			<table><tr><td></td><td>Analysis of Gender Equality in Employment and Sexual Harassment at the Workplace</td><td></td><td></td></tr></table>	
(II) Does the Company adopt and implement reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.), and reflect the operating performance or results to the remuneration to employees adequately?	Yes		(II) 1. The Company's current employee work rules are established in accordance with the Labor Standards Act. In terms of remuneration, the Company has established relevant remuneration, bonuses and performance evaluation regulations to effectively link work performance with individual remuneration. The implementation of business performance reflected in employees' remuneration is as follows: (1) Year-end bonus system: Year-end bonuses are distributed to all employees based on the estimated operating results of the year by taking employees' seniority and the annual performance evaluation into account to provide incentives to all employees to jointly make efforts for the Company's targets. Also, the Articles of Incorporation stated that if the Company has profits for the year, it shall appropriate 0.1% to 3% as the remuneration of employees, which shall be distributed to all employees based on the annual performance evaluation. provided that the profit must first be taken to offset against the Company's cumulative losses, if any, and then the remuneration to employees may be allocated subject to the proportions referred to in the preceding paragraph. (2) Annual salary adjustment: The annual raise is set subject to the business performance and individual performance. The more outstanding performance there is, the	(II) No difference.

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			higher the raise is in order to achieve the incentive effect. The average raise was approximately 6% in 2023. (3) Employee share options The Company has established the Regulations for Issuance and Subscription of Employee Stock Warrants. The number of shares available for subscription is approved according to the employee's job level and work performance to attract and retain professional talents required by the Company and improve employees' cohesion and sense of belonging. 2,300 units of employee stock warrants were issued (another 1,300 units remained unissued) in 2023, and employees subscribed for 537,750 shares in 2023. (4) Capital increase in cash The company also has an employee stock subscription plan for executing a capital increase in cash. The number of shares available for subscription is approved according to the employee's job level and work performance to improve employees' cohesion so as to achieve the purpose of talent retention. 2. In addition to labor insurance, National Health Insurance, and the leave system, other employee welfare includes welfare activities from time to time (i.e., employee gatherings), and the fixed welfare measures include domestic/overseas company trips, bonuses and gifts for the three major Chinese festivals, birthday gifts, marriage, bereavement, and childbirth subsidies organized by the Company's welfare committee. 3. Provide free organic vegetarian Chinese meals. 4. The Company continues to promote workplace diversification and equal opportunities for promotion. In 2023, the average proportion of female employees will be 33.95%, and the average proportion of female senior managers will be 26.14%.	

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	Yes		(III)The Company provides employees with a health checkup withoutcharge each year and delegates labor safety staff to train all employees about safety and health education. Meanwhile, it is committed to reducing hazards to employees' safety and health, preventing potential occupational hazards and also providing the nursing personnel residing at the factory premises with necessary first aid equipment and measures. Meanwhile, the Company already executed the cooperation agreement with Kuo General Hospital, under which the Hospital shall send the physicians recognized by the central competent authority to provide healthcare counseling, medical consultation and medical referral services to the employees at the Company's premises at the designated time on a monthly basis during the term of the agreement. In order to prevent the employees from occupational accidents, the Company is committed to promoting the related safety education, and also implements various protection measures as below: 1. Workers engaged in grinding pistons shall wear protective goggles. 2. Workers driving forklifts shall wear safety helmets and seat belts, and drive the forklifts at the speed limit of no more than 25 kilometers, and no passengers are allowed. 3. Workers working in high temperature environments shall wear protective gloves. 4. Workers working in a noisy working environment shall wear earplugs. Occupational Safety and Health Policy The Company complies with the Occupational Safety and Health Act, and the policies established by related groups. Meanwhile, the Company respects the interested groups' occupational safety and health requirements, in order to construct a healthy and happy workplace. The Company upholds the disaster preparedness and prevention as the core concept, applies appropriate management tools, matures technology and available resources, integrates occupational safety and health issues at the	(III) No difference.

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			factory premises, proposes effective countermeasures, continues to improve and promote occupational safety culture, and also improves the operating personnel protection management. Meanwhile, it invests resources to improve the prevention of occupational diseases and create a zero disaster environment. Further, the Company also establishes the quantitative indicators, expands the occupational safety and health activities to products and related services, improves the entire occupational safety and health performance, and controls risks effectively. The disability injury frequency rate was 21.03 in 2023.There were 11 occupational accidents involving 11 workers (4% of the total employees at the end of 2023). Thus, the Company failed to achieve the target for 0 occupational accident. Upon thorough review in the countermeasures, the Company revised the automatic inspection indicators, inspected the machine safety interlocking components and reiterated the Company's safety and survival clauses, as well as activating the management's care for the physical and mental state of employees to ensure the employees' safety at work. Labor Operating Environment Monitoring In order to protect workers from hazardous substances in the workplace and provide workers with a comfortable and healthy working environment, the Company executes the monitoring of the working environment 4 times a year to understand the workers' exposure to the working environment physically. Labor Safety Inspection The Company has established the annual labor safety inspection team's work plan. The general manager serves as the general convener. The inspection reports are applied by the labor safety inspection team in the "labor safety inspection system," in order to register the suggested	

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			improvements and improvement of deficiencies as reference for all units online. The inspection is conducted once per month, and time to time at factory premises. Subject to the suggested improvements, the labor safety inspection team meeting will discuss the deficiencies each month. <u>Equipment Safety Management</u> The Company determines the grading of equipment, lists and controls dangerous machine and equipment pursuant to laws, and conducts thorough inspection to ensure the safe operation of the equipment. In 2023, the Company's machinery has undergone regular inspections in accordance with "Occupational Safety and Health Management Act" and "Occupational Safety and Health Facility Rules" to ensure the safety of equipment and facilities. <u>Education and Training</u> The Company provides the designated personnel with various professional courses and education & training for the prescribed hours, in accordance with the "Rules for Occupational Safety and Health Education and Training," in order to communicate various safety and health requirements and emergent response policies to the workers. <u>The Company's Labor Safety Education, Training and Promotion in the Most Recent Three Years</u> Year / Persons attended the education and training sessions / Man hours (H) for the education and training sessions 2021 / 246 / 1,378 2022 / 267 / 1,473 2023 / 270 / 1,485 <u>Certification by the Company</u> The Company's factory premises have established the ISO 45001 system.	

Year	Persons attended the education and training sessions	Man hours (H) for the education and training sessions
2021	246	1,378
2022	267	1,473
2023	270	1,485

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			<u>The number of fire incidents, the number of casualties, the ratio of the number of casualties to the total number of employees, and relevant improvement measures in response to fire incidents:</u> Number of fire incidents during the year: 0 Number of casualties: 0 The ratio of the number of casualties to the total number of employees: Not applicable Relevant improvement measures in response to fire incidents: The Company has established various risk assessment standards and emergency response operations (i.e., fire and flood emergency response and drills in accordance with the Organizational Situation Analysis and Management Procedures and Emergency Response Procedures under IATF16949.	
(IV) Does the Company have an effective career capacity development training program established for employees?	Yes		(IV) Right Way Industrial has a well-established human resource management system upholding “screening, selecting, educating, using, and retaining” principles. It selects suitable talents according to the job description sand provides them with sufficient training to enable them to exert their strengths and help us retain good talents. We have established a dedicated education and training unit. New recruits must undergo the orientation training. On-the-job training will be based on the needs of the job and the successor training plan. Education and training on job functions and operational management will be combined with job development to explore the potential of each person. We aim to make the best use of our talents for the effective operation of the organization and the improvement of customer service quality. HR conducts annual education and training needs survey, job function inspections, special skills and professional certification retro-training each year, and arranges the education and training plan for next year for implementation. It is expected that employees will be able to perform better after receiving sufficient and appropriate	(IV) No difference.

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			education and training. Therefore, we also strive to provide employees with learning motivation to link education and training with the evaluation and promotion systems. The training materials are also improved based on actual business needs. For example, the HR Committee has added the annual important topics to the education and training materials based on the experience in conducting audit against international automakers.Some professional operations require professional licenses, such as X-RAYs, cranes, forklifts, environmental safety, labor safety and occupational nurses, etc. We arrange annual plans for professional technicians to receive regular training. Meanwhile, Right Way Industrial organizes business administration-related courses especially for grassroots officers, in order to cultivate their problem analysis and improvement planning capabilities, as well as strengthen internal communication and teamwork cohesion, and achieve sustainable corporate development. We believe that each employee has the most suitable career development. Combining the interests and functions of employees and working with the Company's business development goals, we create a learning culture and stimulate the potential of individuals and the organization. Employees in different professional fields can receive appropriate training to strengthen their professional skills and improve their abilities. Through a variety of learning channels and abundant training resources, each employee can improve their professional capabilities and enjoy self-growth. Due to the impact posed by the pandemic for the recent three years, in order to avoid cluster infection, it would decrease education and training courses held to avoid the risk of cluster infection. The total number of hours of classes in 2023 was 405 hours, and the training expenditure totaled NT$444,475.	

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
(V) Does the Company comply with laws and international standards with respect to customers' health, safety and privacy, marketing and labeling in all products and services offered, and implement consumer or customer interest protection policies and grievance procedures?			(V) 1.The Company primarily engages in the production of metal processing products, which are ultimately applied to equipment or important automotive and motorcycle parts. Before mass production of such products, they would go through the test per the product specifications and customers' requirement. The services related to the products strictly comply with customers' instruction and related laws and regulations. The Company's official website also provides the contact mailbox to accept relevant grievances. 2. The plates/raw materials of the Company's system furniture products are E0 environmental products, with the highest international level, imported from European factories to meet the different requirements of customers.	(V) No difference
(V) Does the Company adopt any specific supplier management policy demanding that the suppliers comply with the related regulations governing environmental protection, occupational safety and health or labors' human rights, and how is the policy implemented?			(VI) 1. The Company has established its "Supplier's Code of Conduct" to allow suppliers to understand and comply with the Company's social, environmental, and ethical requirements in terms of labor rights and interests, health and occupational safety and health, environmental protection, ethical specifications, and management systems. 2. The management practices for suppliers are as follows: (A) "Supplier's Code of Conduct": The Company established its "Supplier's Code of Conduct," which is observed by suppliers. (B) "Assessment on product, environmental and social responsibility, and human rights of suppliers": The Company has established the "Supplier Management Procedures"	(VI) No difference

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			to evaluate products, environmental and social responsibility, and human rights. Right Way Industrial conducts the evaluation primarily based on the quality management system. The selection process consists of the evaluation on product conformity, uninterrupted supply of goods, and related quality and delivery performance, and fulfillment of the corporate social responsibility of the Company and suppliers. If the supplier has the IATF 16949 quality certification system, ISO 14001 environmental management system, ISO 45001 occupational safety and health management system and other contributions to the environment, they may be listed as qualified suppliers. Evaluated as Grade B or above. (C) Newly developed supplier screening mechanism Newly developed suppliers shall go through the documentary review and approval. Meanwhile, a supplier development team shall be established. The procurement unit serves as the convener, and the members shall consist of personnel from the quality assurance, technical, industrial safety and other units to conduct the on-site assessment on new suppliers. The supplier evaluation form consists of nine major assessment indicators, including quality assurance, process control, engineering management, material supply control, resolution of abnormality in quality, education and training, finished goods shipping management, environmental considerations, and HSE management. An order may be placed only after the new suppliers pass the supplier evaluation. A total of 4 new suppliers selected in 2023 have gone through the on-site evaluation and were held satisfying the safety and environmental protection requirements. (D) Audit on Supplier To ensure that the products and services provided by the suppliers meet the requirements, QA personnel arrange supplier manufacturing process audit plans every year according to the Operating Standards for Engineering Monitoring. One to two audits are conducted per month, and	

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			engineering monitoring and audit as well as product audits are carried out. Meanwhile, the annual evaluation on suppliers' QA system is conducted against the suppliers with average monthly amount of procurement dependence exceeding NT$200,000, and also key suppliers selected as the targets of annual supplier evaluation. The evaluation is organized by the QA personnel each year, which, together with the procurement and technical units, shall conduct the supplier evaluation from September to December, and notify the suppliers within 10 days prior to the evaluation. Auditors conducting the annual supplier evaluation shall understand the supplier's process technology and product requirements and have the competence of second-party auditors. The evaluation shall be implemented item by item based on the second-party audit method and spirit. The evaluation results are recorded in the annual supplier evaluation score sheet for each item. The evaluation results are divided into five grades, namely AA, A, B, C and D. In the annual supplier's total scores, 40% for the total scores of the supplier performance assessment, 10% for exemption from inspection, 10% for the number of deliveries, 10% for acquisition of ISO 9001 or IATF 16949 certification, 15% for the delivery achievement rate, and 15% for the cost matching rate. The annual evaluation is a plus/minus item, with AA grade +3 points, A grade +2 points, B grade +1 point, C grade -1 point, and D grade -2 points. For suppliers rated as D, they will be asked to apply stricter quality control and receive counseling services in the next 6 months. If the suppliers' performance still does not meet the Company's requirements and the suppliers fail to improve it, the procurement personnel shall apply for approval of termination of the transactions upon evaluation. (E) The on-site construction audits Due to the impact posed by the pandemic in 2023, Right Way Industrial conducted the on-site construction audits against 24 suppliers and annual evaluation on 15 suppliers, for a total of 39 suppliers. With a total	

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			annual evaluation score of 80.6, a total of 63 suppliers were evaluated, and no negative environmental impacts from the supply chain were found. There are no risks related to human rights, such as freedom of association, child labor, and forced labor. In 2023, a total of 63 suppliers were included in the annual general supplier evaluation with an overall average score of 80.6. None of the suppliers with a grade of D, and the suppliers of grade C will also be counseled, such as reviewing process technical problems to overcome product quality non-conformity, or on-site process monitoring to confirm process stability in order to improve. (F) Supplier Counseling A visit is paid to the supplier's site to verify the forging equipment, mold problems, forging temperature and time control, hardness and impurities, and gradually improve and pass the OE customer's engineering monitoring before the transfer. The defective rate at the initial stage of mass production was 30%~50%. After continuous feedback of problems, the rate has been improved as less than 5%. In the future, we also hope to communicate with different process suppliers, constantly review the processing procedures and optimize the process, such as reducing the carrier for rework and rework or fine-grained process arrangement, in order to complete products that meet the standards at one time, meet customers' needs and gradually reduce the number of enterprise's carbon emissions and move towards sustainable supply chain management.	
V. Does the Company prepare the corporate ESG report or any report of non-financial information based on international reporting standards or guidelines? Have the abovementioned reports obtained the	Yes		2022 Sustainability Report based on the GRI Standards published by the Global Reporting Initiative (GRI) as the reference disclosure standards, it conducts the management procedures for material sustainability issues. The company has adopted the Sustainability Accounting Standards Board (SASB) and TCFD as the core topic of the Report to prepare the Report. In 2023, it appointed Legendary & Steadfast Accountancy (LSA) to provide	No difference.

Items to be promoted	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
verification or assurance opinions from third-party certification organizations?			the limited assurance in accordance with the “ISAE 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information.”	

VI. If the Company has established its own ethical management principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe the current practices and any deviations thereof from such principles: The Company has established its "Sustainable Development Best Practice Principles" to continuously strengthen the implementation of sustainable corporate development. The actual operation is no different from the Company's Principles.

VII. Other important information for facilitating the understanding of sustainable development and its implementation:

The systems and measures adopted by the Company for environmental protection, community involvement, social contributions, social services, social welfare, consumer rights and interests, human rights, safety and health, and other social responsibility activities and their implementation:

(I) Environmental protection

1. The waste generated by the Company is treated by a dedicated unit in accordance with environmental protection regulations, and the domestic garbage is centrally managed and classified.
2. The Company complies with the government's relevant environmental protection laws and regulations and conserves various resources in order to implement the environmental protection campaign.

(II) Community involvement, social contribution, social services and social welfare: The Company supports the activities of disadvantaged groups in society from time to time and actively participates in activities related to building friendships with neighbors.

(III) Consumer rights and interests: The Company values product quality, safety and innovation, responds to customer complaints in a timely manner, and provides customers with comprehensive product information to protect consumer rights and interests.

(IV) Human rights

1. The Company's personnel regulations comply with the Labor Standards Act, and dedicated personnel are in place to handle employee-related matters to protect the basic rights and interests of employees.
2. The Company shall not offer different treatments due to gender in the recruitment, interview, promotion, performance evaluation or promotion of job candidates or employees; the Company has also stipulated relevant requirements.

(V) Safety and health: The Company provides employees with necessary safety and health education and disaster prevention and response training measures based on their work to ensure the safety of the working environment.

(VI) Others: None.

Climate-Related Information of TWSE/TPEx Listed Company

1. Implementation of Climate-Related Information

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td>1.Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</td><td>(1)The Board approved the “Risk Management Regulations” of the Company on November 11, 2022 in order to establish a comprehensive risk management system and stable business operations to move toward the goal of sustainable development. The scope of risk management covers financial risk, operational risk, information security risk, environmental risk, and other risks, and emerging risks that may have direct and indirect economic impacts on stakeholders and the economy (i.e., climate change) are also included for identification and management.

(2) The board of directors is the highest decision-making unit for risk management, and the director of corporate governance serves as the person in charge of risk management promotion.The Company's climate change governance structure allocates authority and responsibilities in accordance with the existing risk management organizational structure. Each business unit shall be the direct unit for initial risk discovery, assessment and control. The financial department shall coordinate, manage, and report the operation of risk management to the Board on a regular basis.</td></tr>
<tr><td>2.Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</td><td>Based on the results of the identification and assessment of climate risks and opportunities in 2023, we concluded the main risk and opportunity factors that may cause short-, mid-, and long-term impacts. After internal and external discussions, 7 main risks and 1 possible opportunity were summarized. Extreme weather events may cause impacts on the Company as follows:

<table>
<tr><th>Transformation risk</th><th>Risk factor</th><th>Financial impact</th><th>Response strategies and plans</th></tr>
<tr><td>Short-term
(0-1 years)</td><td>■ The reporting requirements for climate change have become more stringent, and the number of disclosure items has increased</td><td>Increase in indirect costs</td><td>■ External lecturers have been invited to conduct education and training on GHG inventory and TCFD so that employees can improve their awareness of climate change.</td></tr>
<tr><td>Mid-term
(1-3 years)</td><td>■ Carbon border tax affects the iron and steel-</td><td>Increase in direct cost</td><td>■ Customers may focus on the location of suppliers. The proportion of our products</td></tr>
</table></td></tr>
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	related industries ■ Imposition of carbon fees on large companies with major carbon emissions		exported to the EU is relatively low. In the future, the Company will continue to focus on the relevant mechanisms of exporting countries. ■ Continue to upgrade the old and obsolete equipment in the plant and pay attention to the latest technologies related to process equipment to improve the energy consumption of processes.
Long-term (3-5 years)	■ Low-carbon products continue to replace existing products ■ The low-carbon consumption requirements change customer behavior ■ Rising raw material costs due to low-carbon transformation	Increase in direct cost	■ Based on the development trend of electric vehicles, Right Way has assisted customers in reducing energy consumption with lightweight products. In addition, the sales of cylinders may be affected; however, the proportion of sales of cylinders is small. ■ The raw material prices of upstream suppliers will be reflected in the selling prices of products in accordance with market conditions.
Physical risk	Risk factor	Financial impact	Response strategies and plans

	Long-term (3-5 years)	■ Fewer typhoons with increased intensity	Decrease in income due to the decrease in production capacity	■ In response to heavy rainfalls that cause insufficient drainage, the cross-sectional area of the discharge outlet has been changed to increase the flow rate; automatic liquid level alarms and manual gates are used to control the direction of flooding, and the floor height of the plant is raised. There has been no equipment damage due to flooding arising from heavy rain. ■ Due to the government's water restrictions (forced water conservation) during periods of water shortage, the current storage capacity of water towers is sufficient to buffer the water consumption of the process for two to three days. In addition, the plant conducts water shortage emergency response drills every two years to respond to possible future changes.
	Transformation opportunity	Opportunity factor	Financial impact	Ways to realize the opportunity
	Short-term (0-1 years)	■ Change to more efficient production processes	Reduce indirect costs	■ Right Way is an energy user, and it saves 1% of electricity according to the energy-saving targets established by the energy user and the execution plan. At present, the Company has implemented the replacement of fixed frequency air compressors with inverter air compressors, the replacement of

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<tr><td></td><td></td><td></td><td>halogen lamps with LED lamps, and other measures. In the future, the Company will continue to adopt high-efficiency equipment in response to the low-carbon transformation to reduce energy costs and strengthen production stability.</td></tr>
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</td>
</tr>
<tr>
<td>3. Describe the financial impact of extreme weather events and transformative actions.</td>
<td>The financial impact of extreme weather events

The Company compiles the information about risks over floods, storms, or shortage of water/electricity under the extreme climate change, based on the simulation information from the "Climate Change Disaster Risk Adaptation Platform" of the National Science and Technology Center for Disaster Reduction, "Taiwan Scientific Report on Climate Change 2017" and "Tainan City Climate Change Adaptation Plan 2020-Revised Version" and other research information. Based on the assessment on potential risks and upon the internal discussion, the impact posed on the Company’s overall operations (e.g. shutdown and damage to equipment, etc.), upstream suppliers’ supply pricing and supply chain’s transportation is considered insignificant.

Financial impact posed by transformation initiatives

In reference to the "Taiwan 2050 Net-Zero Emission Roadmap and Strategy" of the National Development Council, the "Corporate Governance 3.0 - Sustainable Development Roadmap" of the FSC, the "Climate Change Response Act" of the Ministry of Environment, the Carbon Border Adjustment Mechanism of the EU, and industrial trends, the Company identifies risk and opportunity factors that may be associated with the Company's low-carbon transformation in the future. The Company will continue to promote energy conservation and carbon reduction measures, replace and update outdated power-consuming equipment, and seek the supply sources of raw materials emitting lower carbon in order to provide low-carbon products to customers. The initial stage of the process will increase the financial expenditure in replacement of equipment, which will be amortized and recovered over the years subsequently.</td>
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<tr>
<td>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management</td>
<td>The Company's Finance Department discusses the TCFD structure through cross-department meetings and analyzes the company's policies, regulations, technologies, market, urgency, and long-term climate risks on an item-by-item basis. It also examines the identification from time to time to ensure that the identification results comply with the current status. Based on the results of climate risk identification, response plans are</td>
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</table>

system.	formulated. Relevant departments develop continuous improvement measures and carry out follow-up reviews and implementation in accordance with the “Risk Management Regulations.” Relevant management implementation status and risk control measures will be reported to the board of directors to supervise and track implementation results.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The transformation risk mainly considers the 2050 Net-Zero scenario, and the physical risk mainly considers the SSP-8.5 scenario. In the future, the Company will further integrate the international standards and connect the General Requirements for Disclosure of Sustainability under IFRS by adopting them directly. In the future, the low-carbon transformation process will be affected by more stringent regulations and policies and the increase in energy costs, thereby resulting in the increase in the manufacturing costs of the supply chain and boosting the price of raw materials and end consumption. Meanwhile, the Company will optimize the method by which the risk assessment should be analyzed to proceed with the planning and disclosure for financial quantitative assessment.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	In order to respond to global climate change and connect to international low-carbon trends, the Company will have discussions about the transformation plans of climate-related risks and conduct an analysis for the level of effect and probability. The Company is an energy user, and 99% of the GHG emissions come from the purchased electricity and natural gas. Each year, the Company saves 1% of electricity according to the energy-saving targets established by the energy user and the execution plan. It actively introduced ISO14064-1:2018 in 2023 to conduct the first GHG emission inventory of the Company in 2022. We established the basic capacity of emission source identification, quantification, and management and had a better understanding of our GHG management status.And it is scheduled to complete the external verification of greenhouse gas emissions in 2023 in 2024. In the future, we will also follow the target of GHG reduction by 1% each year in accordance with the plan content and targets.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company does not use internal carbon pricing as a planning tool. Subsequently, policies, customers or external trends will be comprehensively evaluated as a reference for whether to promote carbon pricing in the future.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets,	Please refer to the descriptions in 1-1 and 1-2 below.

the source and quantity of carbon credits or RECs to be offset should be specified.	
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	Please refer to the descriptions in 1-1 below.

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

1-1-1 Greenhouse Gas Inventory InformationDescribe the emission volume (metric tons CO_2e), intensity (metric tons CO_2e/NT$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

Year	Direct Scope 1 (tCO_2e)	Indirect from energy Scope 2 (tCO_2e)	Other indirect Scope 3 (tCO_2e)	Intensity (tCO_2e /NT$ million)
2022	1,715.1667	6,413.9272	No statistical data is available	7.1183
2023	1,484.8907	5,749.0115	No statistical data is available	6.3400

1-1-2 Greenhouse Gas Assurance Information

Items/Year	2022	2023
The scope of assurance	No assured	Scope 1 & Scope 2
Assurance institutions	No assured	SGS Taiwan Limited
Assurance standards	N/A	ISO 14064-1:2018
Assurance opinion	N/A	The physical inspection of the factory site was completed in May 2024. Formal assurance report to be obtained.

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

The Company is an energy user under control, and 99% of the GHG emissions come from the electricity and natural gas purchased. Each year, the Company saves 1% of electricity according to the energy-saving targets established by the energy user and the execution plan. The ISO14064-1:2018 was introduced in 2023 to conduct the first GHG emission inventory of Right Way in 2022. We established the basic capacity of emission source identification, quantification, and management and had a better understanding of our GHG management status. The GHG external certification is expected to be conducted for the first time in the mid-2024. In the future, we plan for the target of GHG reduction by 1% each year in accordance with the energy-saving target. In order to avoid possible environmental pollution caused by pollutants during factory operations, energy conservation and carbon reduction, waste disposal, pollution prevention equipment, etc., are evaluated and included in the environmental protection expense item. In 2023, a budget has been prepared for the implementation of the greenhouse gas inventory plan, including further improving the replacement of high-energy-consuming equipment, improving process efficiency and increasing efficiency, and reducing carbon emissions. Proactively integrate the ISO 14001 environmental management system with the GHG inventory business to continue improving the activities.

(VI) Status of the Company's practice of ethical corporate management and differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons:

(1) Practice of ethical management

Issues to be Assessed	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies
	Yes	No	Summary description	
I. Establish corporate conduct and ethics policy and implementation measures.				
(I) Does the Company establish ethical management policies approved by the Board and state in its regulations or external correspondence about the ethical management polices and practices and the commitment of the Board of Directors and senior management to actively implement the operating policies?	Yes		(I) The Company has established its own “Ethical Management Best Practice Principles” and “Operating Procedure for Ethical Management and Guidelines for Ethical Conduct,” which were already approved by the Board of Directors. Meanwhile, it states in its regulations or external correspondence about the ethical management polices and practices, and the commitment of the Board of Directors and senior management to actively implement the operating policies.	(I) No difference.
(II) Does the Company establish the assessment mechanism about unethical conduct to	Yes		(II) The Company expressly states in the “Operating Procedure for Ethical Management and Guidelines for Ethical Conduct” that any unethical conduct is prohibited, and also discloses therein that it complies with laws and policies.	(II) No difference.

Issues to be Assessed	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies
	Yes	No	Summary description	
analyze and assess the operating activities with higher risk of unethical conduct in the scope of business periodically, and adopt the unethical conduct prevention program based on the mechanism, which shall at least cover the prevention measures referred to in the subparagraphs of Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”?				
(III) Does the Company expressly state the SOP, guidelines for conduct and reward & punishment and grievance systems in the unethical conduct prevention program,	Yes		(III) The Company expressly defines the scope and responsible unit of such program in the “Operating Procedure for Ethical Management and Guidelines for Ethical Conduct,” and reviews periodically whether it is necessary to amend said program.	(III) No difference.

Issues to be Assessed	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies
	Yes	No	Summary description	
implement the same precisely, and review amendments to said program?				
II. Practice ethical operations (I) Does the Company evaluate the ethical record of all counterparts it has business relationships with? Are there any ethical management clauses in the agreements it signs with business partners? (II) Does the Company establish a unit dedicated to promoting ethical corporate management under supervision of the Board of Directors which shall be responsible for reporting the status of implementation of the ethical management	Yes Yes		(I) Before engaging in any business transactions, the Company will consider the trading counterparts' legitimacy and unethical conduct record, in order to avoid engaging in transactions with anyone with unethical record. Meanwhile, the Company will expressly state the compliance with the ethical management clauses in the contract. (II) The Finance Department is a dedicated unit for the promotion of ethical corporate management. It is responsible for the formulation and supervision of the implementation of ethical corporate management policies and preventive plans. The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Corporate Management and Guidelines for Conduct," which have been approved by the Board. The implementation status of ethical corporate management in 2023 is as follows (approved by the Board on November 9, 2023):	(I) No difference. (II) No difference.

<table>
<tr><th rowspan="2">Issues to be Assessed</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>policy and unethical conduct prevent program to the Board of Directors periodically (at least for once per year)?</td><td></td><td></td><td><table>
<tr><td>Personnel training</td><td>1. A total of 72 new employees were recruited in 2023, with a training rate of 100%.
2. Communicated with 9 Directors regarding regulations related to Directors when they were elected.
3. A total of 3 managers and employees participated in the "Discussion of the New Positioning of Finance and Accounting Personnel through Case Study of Corporate Crimes and Violation of Ethics - Intersection of Ethics and Law" and "Legal Responsibilities and Case Analysis of Corporate Insiders’ Illegal ‘Insider Trading’" and "Legal Responsibilities of Crimes of Corporate Financial Misstatement and Judicial Unit's Investigation and Evidence Litigation" for a total of 9 hours.</td></tr>
<tr><td>Integrity promotion</td><td>1. Utilize important meetings to promote the principles of ethical management from time to time and require proper implementation.
2. Whistleblowing system - The whistleblowing mailbox and hotline are established and announced on the Company's website for internal and external personnel’s use. There has been no whistleblowing in 2023 and up to today.</td></tr>
</table></td><td></td></tr>
</table>

Issues to be Assessed	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies
	Yes	No	Summary description	
(III) Does the Company have any policy that prevents a conflict of interest and channels that facilitate the report of conflicts of interest, and implement the same precisely?	Yes		(III) The Company's "Operating Procedure for Ethical Management and Guidelines for Ethical Conduct" expressly states the relevant regulations requiring the stakeholders' recusal from resolution. The Company's employees may apply the smooth grievance channel to file any grievance directly or via their immediate supervisors.	(III) No difference.
(IV) Does the Company fulfill the ethical management by establishing an effective accounting system and internal control system, and have an internal audit unit research and adopt related audit plans based on the unethical conduct risk assessment result and conduct audits on the status of compliance with the unethical conduct prevention program, or appoint a CPA to conduct the audits?	Yes		(IV) The Company has established the effective and sound accounting system and internal control system to promote the ERP information system comprehensively, and to connect the five major management functions, including business, finance, human resources, R&D and production and sourcing, to each other via the information system to check the abnormality hierarchically and manage the abnormality. Further, the Company also established the professional and independent internal audit framework to audit the compliance with the system periodically and submit the audit report to the Board of Directors.	(IV) No difference.

Issues to be Assessed	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies
	Yes	No	Summary description	
(V) Does the Company provide internal and external ethical conduct training programs on a regular basis?	Yes		(V) The Company has the Management Dept. organize the internal training program to promote the laws and regulations governing ethical management on a regular basis. Meanwhile, HR Office will explain the work rules and ethical management requirements to new employees after the new employees report for duty. It will also send employees to attend related external programs, if any, form time to time.	(V) No difference.
III. Operations of the Company's grievance reporting system				
(I) Does the Company have a specific report and reward system stipulated, a convenient whistle-blowing channel established, and a responsible staff designated to deal with the accused party?	Yes		(I) Article 23 of the "Ethical Corporate Management Best Practice Principles" and Article 21 of the "Procedures for Ethical Corporate Management and Guidelines for Conduct" are related to the whistleblowing system. The personnel of the Company shall actively report unethical conduct to Independent Directors, managers, chief internal auditor or other appropriate personnel.	(I) No difference.
(II) Does the Company define the standard operating procedure, followup measures to be taken upon completion of the investigation, and nondisclosure mechanism toward the	Yes		(II) The Company has established standard operating procedures and relevant confidentiality mechanisms for the investigation of whistleblowing matters in Article 23 of the "Ethical Corporate Management Best Practice Principles" and Article 21 of the "Procedures for Ethical Corporate Management and Guidelines for Conduct."	(II) No difference.

<table>
<tr><td rowspan="2">Issues to be Assessed</td><td colspan="3">Implementation Status</td><td rowspan="2">Differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies</td></tr>
<tr><td>Yes</td><td>No</td><td>Summary description</td></tr>
<tr><td>investigation of reported cases as accepted?

(III) Does the Company take proper measures to protect the whistle-blowers from suffering any consequence when reporting an incident?</td><td>

Yes</td><td></td><td>

(III) The Company has established relevant protection measures in Article 23 of the "Ethical Corporate Management Best Practice Principles" and Article 21 of the "Procedures for Ethical Corporate Management and Guidelines for Conduct."</td><td>

(III) No difference.</td></tr>
<tr><td>IV. Enhance information disclosure
Does the Company disclose the contents of its ethical management best practice principles and the result of implementation at its official website and MOPS?</td><td>Yes</td><td></td><td>The Company has a website to announce relevant financial and operating information to facilitate investors' understanding of the Company's operations, and it discloses such information on MOPS.
The Company’s website (https://www.rightway.com.tw/), and also the “MOPS” (URL: https://mops.twse.com.tw/) where the Company’s information is also made available.</td><td>No difference</td></tr>
<tr><td colspan="5">V. If the Company has established its own ethical management best practice principles in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies,” please describe the current practices and any deviations thereof from such principles: The Company upholds the principles of ethical corporate management in cooperating with all suppliers and organizations and has established the "Ethical Corporate Management Best Practice Principles," which has been approved by the Board of Directors. The operation is not different from the Company's best practice principles.</td></tr>
<tr><td colspan="5">VI. Other important information to facilitate better understanding of the Company’s ethical management practices (such as reviewing and amending the Company’s existing Ethical Management Best Practice Principles): None.</td></tr>
</table>

(2) Implementation of ethical management and measures adopted therefor: Please access the MOPS or the Company’s website (https://www.rightway.com.tw) for the other information that may facilitate better understanding of the information related to the Company.

(VII) If the Company has established corporate governance principles and other relevant guidelines, the access to such principles must be disclosed:

Please visit the MOPS or the Company’s website (https://www.rightway.com.tw).

(VIII) Other material information that will provide a better understanding of the state of the Company's implementation of corporate governance:

Please visit the MOPS or the Company’s website (https://www.rightway.com.tw).

(IX) Status of implementation of the Internal Control System:

1. Statement on Internal Control:

Right Way Industrial Co., Ltd.

Statement on Internal Control:

Date: March 12, 2024

Based on the findings of a self-assessment, the Company states the following with regard to its internal control system during the year of 2023:

I. The Company acknowledges and understands that the establishment, implementation and maintenance of the internal control system are the responsibility of the board and managerial officers, and that such a system has been implemented within the Company. The purpose of this system is to provide reasonable assurance in terms of business performance, efficiency (including profitability, performance, asset security etc), reliable, timely and transparent financial reporting, and regulatory compliance.

II. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes of environment and circumstances. However, internal control system of the Company features a self-monitoring mechanism that enables immediate rectification of deficiencies upon discovery.

III. The Company has assessed the effectiveness of the internal control system design and implementation in accordance with the criteria provided in the “Regulations Governing the Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as “the Regulations”). The criteria introduced by the Regulations consisted of five major elements, each representing a different stage of internal control: 1. Control environment; 2. Risk assessment; 3. Control operation; 4. Information and communication; and 5. Supervision. Each component has its own items. Please see the Regulations for details.

IV. The Company has adopted said criteria to validate the effectiveness of its internal control system design and execution thereof.

V. Based on the assessment result referred to in the preceding paragraph, the Company believes that the design and implementation of the internal control system (including monitoring and management on subsidiaries) as of December 31, 2023, including the achievement rate of effectiveness and efficiency of operations and reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws, are effective and may reasonably ensure the achievement of aforementioned goals.

VI. The Statement will be an integral part of the Company’s annual report and prospectus, and will be made public. Any falsehood, concealment or other illegality in the content made public will entail legal liability under Article 20, 32, 171 and 174 of the Securities and Exchange Act.

VII. The Statement was approved by the Board of Directors’ meeting held on March 12, 2024, with none of the 9 directors present expressing dissenting opinions, and the remainder all affirming the contents of the Statement.

Right Way Industrial Co., Ltd.

Chairman: Hsieh, Li-Yun

General Manager: Lo, Shih-I

2. CPA's review report on internal control system, if any: None.

(X) Punishments received by the Company and its internal personnel pursuant to laws and punitive actions issued by the Company against its internal employees in violation of the internal control system provisions for the latest year until the date of publication of the Annual Report, major deficiency and correction status: None.

(XI) Important resolution of the shareholders' meeting and Board of Directors for the latest year until the date of publication of the Annual Report:

Date	Session	Key Resolutions
2023/1/6	6th meeting of the 25th session Board of Directors	1.Passes the pricing of the 2023 1st issuance of common stock in private placement by the Company, selection of subscribers, and change in expected quantity of each offering.
2023/3/13	7th meeting of the 25th session Board of Directors	1.Passed the Company's 2022 business report, parent company only financial statements and consolidated financial statements. 2.Passed the Company's 2022 earnings distribution plan. 3.Passed director and employee remuneration distribution plan. 4.Passed the effectiveness of the Company's 2022 internal control system and the Statement on Internal Control System. 5. Passed the evaluation on the independence and competence of the external auditors certifying the Company's financial statements. 6.Passed the amendments to certain provisions of the "Articles of Incorporation." 7.Passed the establishment of the branch. 8.Passed the Group's adoption of the "GHG Accounting and Verification Schedule Planning." 9.Passed the date of convening the Company's 2023 annual general meeting, and related matters.
2023/5/11	8th meeting of the 25th session Board of Directors	1.Passed the Company's consolidated financial statements of Q1 2023. 2.Passed the proposal to terminate the issuance of common stock in private placement passed by the 2022 shareholders' meeting. 3.Passed the plan to cancel the limit of loans granted to Fuzhou Assured Brake Systems Co., Ltd.. 4.Passed the determination of the record date for capital increase out of issuance of new shares for the Company's employee stock warrants in Q2 2023.
2023/6/9	2023 Annual General Meeting	Ratification Topics: 1.Ratification of 2022 financial statements 2.Ratification of 2022 earnings distribution plan Discussion Topics: 1.Passed the amendments to certain provisions of the Company's "Articles of Incorporation." **Implementation status:** The registration thereof has already been approved by the Ministry of Economic Affairs and posed on the Company's website on July 6, 2023.

Date	Session	Key Resolutions
2023/8/11	9th meeting of the 25th session Board of Directors	1.Passed the Company’s consolidated financial statements of Q2 2023. 2. Passed the proposal for the addition of corporate governance-related regulations. 3. Passed the proposal for the related party transaction is submitted for ratification.
2023/11/9	10th meeting of 25th session Board of Directors	1.Passed the Company’s consolidated financial statements of Q3 2023. 2.Passed the Company’s 2024 internal audit plan. 3.Passed the Company’s 2024 budget plan. 4.Passed loaning to the subsidiary, Right Way Industrial (Malaysia) Sdn. Bhd.. 5.Passed review on the Company’s determination of the salary & bonus to directors and managerial officers, and the year-end bonus to the Company’s directors, existing managerial officers and employees. 6. Passed the determination of the record date for capital increase out of issuance of new shares for the Company’s employee stock warrants in Q3 2023.
2024/3/12	11th meeting of 25th session Board of Directors	1.Passed the Company’s 2023 business report, parent company only financial statements and consolidated financial statements. 2.Passed the Company’s 2023 earnings distribution plan. 3.Passed director and employee remuneration distribution plan. 4.Passed the effectiveness of the Company’s 2023 internal control system and the Statement on Internal Control System. 5.Passed the evaluation on the independence and competence of the external auditors certifying the Company’s financial statements. 6.Passed the determination of the record date for capital increase out of issuance of new shares for the Company’s employee stock warrants. 7.Passed the amendments to certain provisions of the Company’s “Rules of Procedure for Board of Directors Meetings”. 8. Passed the amendments to certain provisions of the Company’s “Audit Committee Charter”. 9. Passed the date of convening the Company’s 2024 annual general meeting, and related matters.
2024/5/9	12th meeting of 25th session Board of Directors	1.Passed the Company’s consolidated financial statements of Q1 2024.

(XII) The main contents of important resolutions of the Board passed but with directors or supervisors voicing opposing opinions on the record or in writing during the most recent year and up to the date of publication of the annual report: None.

(XIII) Summary of resignation/dismissal of the Company's related personnel (including Chairman, General Manager, accounting manager, financial manager, chief internal auditing officer, chief corporate governance officer or chief R&D officer) in the most recent year and as of the date of publication of the annual report: None.

IV. Audit fee of independent auditors

(I) If a change of CPA firm resulted in a lower audit fee for that year compared to the previous year, the amount and reason of the reduction before and after the change must be disclosed: : None.

(II) If the audit fee was reduced by more than 10% from the previous year, the actual amount, proportion, and reasons for the reduction must be disclosed: None

(III) Breakdown of CPA Professional Fee

Unit: NTD Thousand

Name of Accounting Firm	Name of Accountant	Audit Period	Audit Service	Non-Audit Service	Total	Notes
Deloitte of Touche	Lee, Chi-Chen	2023.01.01~ 2023.12.31	4,020	546	4,566	Non-Audit Service: Transfer pricing 200 Commercial & industrial registration 113 Business traveling allowance 148 Others(Typing fee) 85
	Wu, Chang-Chun					

V. Information on change of auditors:None

VI. If the chairman, general manager and managerial officers in charge of the Company's finance and accounting operations held any positions within the Company's external auditor firm or its affiliates during the past one year: None.

VII. Changes in the transfer or pledge of shares by directors, supervisors, managerial officers, and shareholders holding over 10% of the outstanding shares in the previous year and by the date of publication of the annual report:

Changes in shareholding of directors, managerial officers, supervisors and principal shareholders

<table>
<tr><th rowspan="2">Title</th><th rowspan="2" colspan="2">Name</th><th colspan="2">2023</th><th colspan="2">Until May 9, 2024</th></tr>
<tr><th>Increase (decrease) in the number of shares held</th><th>Increase (decrease) in the number of pledged shares</th><th>Increase (decrease) in the number of shares held</th><th>Increase (decrease) in the number of pledged shares</th></tr>
<tr><td>Juristic-person director/ principal director</td><td colspan="2">Brighton-Best International (Taiwan) Inc.</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Chairman</td><td rowspan="4">Brighton-Best International (Taiwan) Inc.</td><td>Hsieh, Li-Yun</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Director</td><td>Lo, Shih-I</td><td>90,000</td><td>190,000</td><td>(90,000)</td><td>0</td></tr>
<tr><td>Director</td><td>Li, Chien-Te</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Director</td><td>Chiu, Sheng-Tien</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Director</td><td colspan="2">Kuo, Jui-Tsai</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Director</td><td colspan="2">Chen, Po-Han</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Independent Director</td><td colspan="2">Shen, Ming-Chang</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Independent Director</td><td colspan="2">Wang, Kuan-Hsiang</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Independent Director</td><td colspan="2">Yeh, Yen-Hsiu</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>General Manager</td><td colspan="2">Lo, Shih-I</td><td>90,000</td><td>190,000</td><td>(90,000)</td><td>0</td></tr>
<tr><td>Financial Assistant Vice President</td><td colspan="2">Huang, Chun-Ta</td><td>90,000</td><td>0</td><td>(9,000)</td><td>0</td></tr>
<tr><td>Technology Manager</td><td colspan="2">Chen, Shu-Wei</td><td>20,000</td><td>0</td><td>(6,000)</td><td>0</td></tr>
</table>

Remark: Said information about changes in equity was prepared based on the number of shares reported to the competent authority.

Transfer of equity:

Any relationship, such as counterpart of the transfer of equity, among directors, supervisors, managerial officers and the top ten shareholders: None.

Information about pledge of equity:

Name	Cause of changes in the pledge	Date of change	Trading counterpart	Relationship between trading counterparts and the Company and its directors, supervisors, managerial officers and top ten shareholders:	Number of Shares	Shareholding Percentage	Pledge ratio	Amount of pledged (redeemed) loan
Lo, Shih-I	pledge	2023/9/30	Mega International Commercial Bank	N/A	190,000	0.09%	67.86%	-

VIII. Relationship Information, If Among the Company's 10 Largest Shareholders Anyone is a Related Party or a Relative of Spouse or Within the Second Degree of Kinship of Other

Book closure date: April 13, 2024
Units: Shares; %

Name	Shares held by the Principle		Shares held by the spouse or the minority		Total shares held utilizing others' names		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Notes
	Shares	%	Shares	%	Shares	%	Name	Relations	
Brighton-Best International (Taiwan) Inc.	53,540,000	17.82	0	0.00	0	0.00	None	None	None
Representative: Hsieh, Li-Yun	0	0.00	0	0.00	0	0.00	None	None	None
WIN POWER E and T CO., LTD.	16,000,000	5.33	0	0.00	0	0.00	Note 1	Note 1	None
Representative: Lin, Ting-Chia	0	0.00	0	0.00	0	0.00	None	None	None
YU PAO SYSTEM CABINET CO., LTD.	16,000,000	5.33	0	0.00	0	0.00	None	None	None
Representative: Lin, Yun-Man	0	0.00	0	0.00	0	0.00	None	None	None
SHING HWANG CO., LTD.	15,600,000	5.19	0	0.00	0	0.00	Note 2	Note 2	None
Representative: Lin, Ting-Chia	0	0.00	0	0.00	0	0.00	None	None	None
GREEN SYSTEM CO., LTD.	13,000,000	4.33	0	0.00	0	0.00	None	None	None
Representative:Chen, Shih-Wen	1,000,000	0.33	0	0.00	0	0.00	None	None	None
Hsiao, Chia-Sung	12,655,213	4.21	0	0.00	0	0.00	None	None	None
Feng, Leng-Chih	8,028,088	2.67	0	0.00	0	0.00	None	None	None
Jie Wei Te Investment Limited	7,000,000	2.33	0	0.00	0	0.00	None	None	None
Representative: Chen, Yen-Chieh	3,063,000	1.02	0	0.00	0	0.00	None	None	None
CHUAN MAI ENTERPRISE CO.	6,000,000	2.00	0	0.00	0	0.00	None	None	None
Representative: Yen, Hsiu-Lien	3,000,000	1.00	0	0.00	0	0.00	None	None	None
Cai Jin Investment Co., Ltd.	5,400,000	1.80	0	0.00	0	0.00	None	None	None
Representative: Kuo, Chien-Ting	310,000	0.10	0	0.00	0	0.00	None	None	None

Note 1: Same as the responsible person of SHING HWANG CO., LTD.
Note 2: Same as the responsible person of WIN POWER E & T CO., LTD.

IX. The total number of shares and total equity stake held in any single investee by the Company, its directors and supervisors, managerial officers, and any enterprises controlled either directly or indirectly by the Company:

<u>Total equity stake</u>

Unit: Thousand shares; %

Investee (Note)	Ownership by the Company		Investment by directors, supervisors, managerial officers and any enterprises controlled either directly or indirectly by the Company		Total Ownership	
	Number of Shares	Percentage of ownership	Number of Shares	Percentage of ownership	Number of Shares	Percentage of ownership
Right Way Industrial (Malaysia) Sdn. Bhd.	28,666	80%	-	-	28,666	80%
Right Way North America	-	100%	-	-	-	100%
Excellent Growth Investments Limited	20,073	100%	-	-	20,073	100%

Note: The investment accounted for using the equity method.

Four. Financing Activities

I. Notes to capital and shares

(I) Source of capital

Year and Month	Issue Price	Authorized Share Capital		Paid-in Capital		Notes		
		Number of Shares (Thousand Shares)	Amount (in thousand)	Number of Shares (Thousand Shares)	Amount (in thousand)	Source of capital	Capital Increase by Assets Other than Cash	Others
1964.11	1,000	1.5	1,500	1.5	1,500	Investment in cash by NT$1.5 million	None	—
1966.04	1,000	4	4,000	4	4,000	Cash capital increase by NT$2.5 million	None	—
1967.07	1,000	5	5,000	5	5,000	Cash capital increase by NT$1 million	None	—
1969.06	1,000	7	7,000	7	7,000	Cash capital increase by NT$1.25 million, and capital increase out of earnings by NT$750,000 in 1968	None	—
1970.07	100	100	10,000	100	10,000	Cash capital increase by NT$1.641, and capital increase out of earnings by NT$1.359 million in 1969	None	Change of the par value
1971.04	100	110	11,000	110	11,000	Capital increase out of earnings by NT$1 million in 1970	None	—
1972.07	100	180	18,000	180	18,000	Cash capital increase by NT$3.37 million, and capital increase out of earnings by NT$3.63 million in 1971	None	—
1973.07	100	300	30,000	300	30,000	Cash capital increase by NT$5.16 million, and capital increase out of earnings by NT$5.04 million and capital increase out of capital surplus by NT$1.8 million in 1972	None	—
1975.07	100	500	50,000	500	50,000	Cash capital increase by NT$2.87 million, and capital increase out of earnings by NT$14.277 million and capital increase out of capital surplus by NT$2.853 million in 1973 and 1974	None	—

Year and Month	Issue Price	Authorized Share Capital		Paid-in Capital		Notes		
		Number of Shares (Thousand Shares)	Amount (in thousand)	Number of Shares (Thousand Shares)	Amount (in thousand)	Source of capital	Capital Increase by Assets Other than Cash	Others
1976.05	100	700	70,000	700	70,000	Capital increase out of earnings by NT$6.82 million, capital increase out of capital surplus by NT$1.735 million, and capital increase out of assets appreciation reserves by NT$11.445 million in 1975	None	—
1977.12	100	730	73,000	730	73,000	Cash capital increase by NT$3 million	None	—
1978.05	100	839.5	83,950	839.5	83,950	Capital increase out of earnings by NT$10.95 million in 1976 and 1977	None	—
1978.12	100	906	90,600	906	90,600	Cash capital increase by NT$6.65 million	None	—
1979.08	10	15,000	150,000	15,000	150,000	Cash capital increase by NT$36.75 million	None	—
1980.01	10	16,500	165,000	16,500	165,000	Capital increase out of earnings by NT$15 million in 1979	None	—
1981.09	10	23,650	236,500	23,650	236,500	Cash capital increase by NT$55 million, and capital increase out of earnings by NT$16.5 million in 1980	None	—
1982.09	10	25,423.75	254,237.5	25,424	254,237	Capital increase out of capital surplus by NT$17.7375 million	None	—
1983.08	10	26,440.70	264,407	26,441	264,407	Additional paid-in capital NT$10.1695 million	None	—
1984.09	10	36,000	360,000	36,000	360,000	Cash capital increase by NT$85.01672 million, and capital increase out of earnings by NT$10.57628 million	None	—
1985.01	10	37,080	370,800	37,080	370,800	Capital increase out of capital surplus by NT$10.8 million	None	—
1988.07	10	40,788	407,880	40,788	407,880	Cash capital increase by NT$29.664 million and capital increase out of capital surplus by	None	—

Year and Month	Issue Price	Authorized Share Capital		Paid-in Capital		Notes		
		Number of Shares (Thousand Shares)	Amount (in thousand)	Number of Shares (Thousand Shares)	Amount (in thousand)	Source of capital	Capital Increase by Assets Other than Cash	Others
						NT$7.416 million in 1986 and 1987		
1989.09	10	53,500	535,000	53,500	535,000	Cash capita increase by NT$74.0956 million, and capital increase out of earnings by NT$53.0244 million	None	—
1990.08	10	64,505	645,050	64,505	645,050	Cash capital increase by NT$40.5 million, capital increase out of earnings by NT$53.50 million and capital increase out of capital surplus by NT$16.05 million	None	—
1991.07	10	67,730	677,302.5	67,730	677,302	Additional paid-in capital NT$32.2525 million	None	—
1995.07	10	100,000	1,000,000	74,774	747,742	Capital increase out of earnings by NT$35.21973 million in 1984 Capital increase out of capital surplus by NT$35.21973 million	None	—
1997.07	10	103,000	1,030,000	82,252	822,516	Capital increase out of earnings by NT$37.3871 million and capital increase out of capital surplus by NT$37.3871 million in 1996	None	—
1998.02	10	103,000	1,030,000	102,252	1,022,516	Cash capital increase by NT$200 million	None	—
2010.08	10	103,000	1,030,000	72,252	722,516	Capital reduction to compensate the loss, NT$300 million	None	—
2010.09	**12**	**103,000**	**1,030,000**	**102,252**	**1,022,516**	**Cash capital increase by 30 million shares at the par value of NT$10 per share (in private placement)**	**None**	**—**
2012.12	17.22	160,000	1,600,000	122,252	1,222,516	Cash capital increase by 200 million shares	None	-
2015.03	24.18	160,000	1,600,000	122,256	1,222,558	Domestic 1st convertible corporate bonds converted to	None	-

Year and Month	Issue Price	Authorized Share Capital		Paid-in Capital		Notes		
		Number of Shares (Thousand Shares)	Amount (in thousand)	Number of Shares (Thousand Shares)	Amount (in thousand)	Source of capital	Capital Increase by Assets Other than Cash	Others
						common stock totaling 4,135 shares		
2018.04	12	248.5	2,485	122,504	1,225,043	Employees' exercise of stock options to apply for issuance of new shares in 2015	None	-
2019.04	12	351.25	3,513	122,856	1,228,555	Employees' exercise of stock options to apply for issuance of new shares in 2015	None	-
2020.04	12	306	306	123,161	1,231,618	Employees' exercise of stock options to apply for issuance of new shares in 2015	None	—
2020.05	10	40,000	400,000	163,161	1,631,618	Cash capital increase by 40 million shares	None	-
2021.12	**9.24**	**16,000**	**160,000**	**179,161**	**1,791,618**	**Cash capital increase by 16 million shares at the par value of NT$10 per share (in private placement)**	**None**	**-**
2022.05	**11.32**	**84,000**	**840,000**	**263,161**	**2,631,618**	**Cash capital increase by 84 million shares at the par value of NT$10 per share (in private placement)**	**None**	**-**
2022.09	13.50	615	61,500	263,777	2,637,768	Employees' exercise of stock options to apply for issuance of new shares in 2019	None	-
2022.12	**15**	**15,000**	**150,000**	**278,777**	**2,787,768**	**Cash capital increase by 15 million shares At par value of NT$10 per share (in private placement)**	**None**	**-**
2023.02	**15**	**21,000**	**210,000**	**299,777**	**2,997,768**	**Cash capital increase by 21 million shares At par value of NT$10 per share (in private placement)**	**None**	**-**
2023.07	13.3~13.5	334.75	3,347.5	300,111.5	3,001,115	Employees' exercise of stock options to apply for issuance of new shares in 2019	None	-
2023.12	13.30	199	1,990	300,310.5	3,003,105	Employees' exercise of stock options to apply for issuance of new shares in 2019	None	-

Year and Month	Issue Price	Authorized Share Capital		Paid-in Capital		Notes		
		Number of Shares (Thousand Shares)	Amount (in thousand)	Number of Shares (Thousand Shares)	Amount (in thousand)	Source of capital	Capital Increase by Assets Other than Cash	Others
2024.04	13.30	78	780	300,388.5	3,003,885	Employees' exercise of stock options to apply for issuance of new shares in 2019	None	-

Note: The capital increase shall also mark the effective date (date of approval) and approval No..

1972.07 Effective date (date of approval) for the capital increase: May 8, 1971, Approval No.: (60) (5) (8) Jian-Zi No. 40637.

1973.07 Effective date (date of approval) for the capital increase: January 8, 1974, Approval No.: (63) (1) (11) Jian-Zi No. 2130.

1973.07 Effective date (date of approval) for the capital increase: September 23, 1975, Approval No.: Jing (64) Shang 23024.

1976.05 Effective date (date of approval) for the capital increase: August 30, 1976, Approval No.: Jing (65) Shang 23866.

1977.12 Effective date (date of approval) for the capital increase: March 20, 1978, Approval No.: Jing (67) Shang 07817.

1978.12 Effective date (date of approval) for the capital increase: February 14, 1979, Approval No.: Jing (68) Shang 04550.

1979.04 Effective date (date of approval) for the capital increase: July 30, 1979, Approval No.: Jing (68) Shang 23368.

1979.08 Effective date (date of approval) for the capital increase: October 18, 1979, Approval No.: Jing (68) Shang 34741.

1980.01 Effective date (date of approval) for the capital increase: November 13, 1980, Approval No.: Jing (69) Shang 39260.

1982.09 Effective date (date of approval) for the capital increase: October 18, 1982, Approval No.: Jing (71) Shang 38060.

1983.08 Effective date (date of approval) for the capital increase: September 23, 1983, Approval No.: Jing (72) Shang 39267.

1984.09 Effective date (date of approval) for the capital increase: November 29, 1984, Approval No.: Jing (73) Shang 46588.

1985.01 Effective date (date of approval) for the capital increase: October 3, 1985, Approval No.: Jing (74) Shang 43379.

1988.07 Effective date (date of approval) for the capital increase: September 3, 1988, Approval No.: Jing (77) Shang 26861.

1989.09 Effective date (date of approval) for the capital increase: December 23, 1989, Approval No.: Jing (78) Shang 136446.

1990.08 Effective date (date of approval) for the capital increase: December 14, 1990, Approval No.: Jing (79) Shang 125414.

1991.07 Effective date (date of approval) for the capital increase: October 2, 1991, Approval No.: Jing (80) Shang 120694.

1995.07 Effective date (date of approval) for the capital increase: September 8, 1995, Approval No.: Jing (84) Shang 113732.

1997.07 Effective date (date of approval) for the capital increase: September 2, 1997, Approval No.: Jing (86) Shang 115652.

1998.02 Effective date (date of approval) for the capital increase: January 13, 1998, Approval No.: Jing (87) Shang 100319.

2010.09 Effective date (date of approval) for the capital increase: September 24, 2010, Approval No.: Jing-Shou-Shang-Zi No. 09901215860. (in private placement)

2012.12 Effective date (date of approval) for the capital increase: December 17, 2012, Approval No.: Jing-Shou-Shang-Zi No. 10101256090.

2014.12 Domestic 1st secured convertible corporate bond: December 29, 2014, Approval No.: Jin-Guan-Zheng-Fa-Zi No. 1030049952.

2018.04 Date of approval for 2015 employees' exercise of the stock options to apply for issuance of new shares: April 20, 2018, Approval No.: Jing-Shou-Shang-Zi No. 10701038580.

2019.04 Date of approval for 2015 employees' exercise of the stock options to apply for issuance of new shares: April 15, 2019, Approval No.: Jing-Shou-Shang-Zi No. 10801042390.

2020.04 Date of approval for 2015 employees' exercise of the stock options to apply for issuance of new shares: April 20, 2020, Approval No.: Jing-Shou-Shang-Zi No. 10901063910.

2020.05 Effective date (date of approval) for the capital increase: May 28, 2020, Jing-Shou-Shang-Zi No. 10901078490.

2021.12 Effective date (date of approval) for the capital increase: December 28, 2021, Jing-Shou-Shang-Zi No. 11001235370. (in private placement)

2022.05 Effective date (date of approval) for the capital increase: May 12, 2022, Jing-Shou-Shang-Zi No. 11101071720. (in private placement)

2022.09 Date of approval for 2019 employees' exercise of the stock options to apply for issuance of new shares: September 12, 2022, Approval No.: Jing-Shou-Shang-Zi No. 11101176140.

2022.12 Effective date (date of approval) for the capital increase: December 28, 2022, Approval No.: Jing-Shou-Shang-Zi No. 11101071720. (in private placement)

2023.02 Effective date (date of approval) for the capital increase: February 9, 2023, Approval No.: Jing-Shou-Shang-Zi No. 11230012250. (in private placement)

2023.07 Date of approval for 2019 employees' exercise of the stock options to apply for issuance of new shares: July 6, 2023, Approval No.: Jing-Shou-Shang-Zi No. 11230115450.

2023.12 Date of approval for 2019 employees' exercise of the stock options to apply for issuance of new shares: Dec. 18, 2023, Approval No.: Jing-Shou-Shang-Zi No. 11230233840.

2024.04 Date of approval for 2019 employees' exercise of the stock options to apply for issuance of new shares: Apr. 19, 2024, Approval No.: Jing-Shou-Shang-Zi No. 11330053560.

(II) Capital and Shares

Type of Shares	Authorized Share Capital			Notes
	Shares outstanding (Note)	Un-issued Shares	Total	
Common stock	300,388,501	199,611,499	500,000,000	Shares outstanding, including the number of shares in private placement instead of public offering, 166,000,000 shares

Note: Please specify whether the stock is that issued by a TWSE listed company or a TPEx listed company (please specify, if it is restricted from trading on TWSE or TPEx).

(III) Information on the shelf registration: None.

(IV) Composition of Shareholders:

Composition of Shareholders

Book closure date: April 13, 2024

Composition of Shareholders / Quantity	Government Agencies	Financial Institutions	Other Legal Persons	Domestic Natural Persons	Foreign Institutions and Natural Persons	Total
Number of People	0	1	191	30,552	33	30,777
Number of Shares Held	0	2,834	143,463,985	155,946,275	975,407	300,388,501
Percentage of ownership	0	0.00%	47.76%	51.91%	0.33%	100.00%

(V) Diversification of equity:

Diversification of equity

Par value of NT$10 per share April 13, 2024

Shareholder Ownership	Number of Shareholders	Number of Shares Held	Ownership (%)
1~999	25,169	1,974,029	0.66
1,000~5,000	3,752	8,080,347	2.69
5,001~10,000	696	5,707,319	1.90
10,001~15,000	249	3,269,284	1.09
15,001~20,000	211	3,951,147	1.32
20,001~30,000	181	4,727,769	1.57
30,001~40,000	105	3,796,918	1.26
40,001~50,000	65	3,025,013	1.01
50,001~100,000	156	11,447,126	3.81
100,001~200,000	82	11,380,056	3.79
200,001~400,000	46	12,753,979	4.25
400,001~600,000	17	8,807,355	2.93
600,001~800,000	9	6,534,529	2.18
800,001~1,000,000	6	5,680,955	1.89
1,000,001 or above	33	209,252,675	69.65
Total	30,777	300,388,501	100

Preferred stock: None.

(VI) Name list of principal shareholders:

List of Main Shareholders

April 11, 2023

Shares / Name of Main Shareholders	Number of Shares Held	Percentage of ownership
Brighton-Best International (Taiwan) Inc.	53,540,000	17.82%
WIN POWER E and T CO., LTD.	16,000,000	5.33%
YU PAO SYSTEM CABINET CO., LTD.	16,000,000	5.33%
SHING HWANG CO., LTD.	15,600,000	5.19%
GREEN SYSTEM CO., LTD.	13,000,000	4.33%
Hsiao, Chia-Sung	12,655,213	4.21%
Feng, Leng-Chih	8,028,088	2.67%
Jie Wei Te Investment Limited	7,000,000	2.33%
CHUAN MAI ENTERPRISE CO.	6,000,000	2.00%
Cai Jin Investment Co., Ltd.	5,400,000	1.80%

(VII) Market price, net worth, earnings, and dividends per share and related information for the last 2 years:

Information relating to market price, net worth, earnings and dividends per share

Items \ Year			2022	2023	2024/1/1~2024/3/31
Market Price Per Share (Note 1)	Highest		21.40	23.55	17.65
	Lowest		16.80	20.35	15.85
	Average		16.70	19.67	16.59
Net Worth Per Share (Note 2)	Before distribution		8.36	9.07	9.18
	After distribution		Not applicable	Not applicable	Not applicable
Earnings per share	Weighted Average Shares		219,225,148	299,344,158	300,388,303
	Earnings per share (Note 3)		0.43	0.29	0.04
Dividends Per Share	Cash dividends		0.00	0.00	0.00
	Bonus Share	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
	Dividends in Arrears (Note 4)		0.00	0.00	0.00
Analysis of Return on Investment	Price/Earnings Ratio (Note 5)		38.84	67.82	414.76
	Price/Dividends Ratio (Note 6)		0.00	0.00	0.00
	Cash Dividends Yield (Note 7)		0.00	0.00	0.00

Note 1: Please identify the highest and lowest market price per share of common stock for each fiscal year and calculate each fiscal year's average market price based on the trading value and trading volume of each year.

Note 2: Please apply the number of the outstanding issued shares at the end of year as the basis and specify it based on the distribution resolved by the shareholders' meeting of next year.

Note 3: If retroactive adjustment is needed due to allocation of stock bonus, please identify the earnings per share before and after the adjustment.

Note 4: If the equity securities issue terms and conditions require that the stock dividends undistributed in the year may be accumulated and distributed until the year in which earnings are generated, please disclose the stock dividends accumulated and undistributed until the end of the year separately.

Note 5: Price/Earnings ratio = Average closing price per share / Earnings per share of the year.

Note 6: Price/Dividends ratio = Average closing price per share / Cash dividends per share of the year.

Note 7: Cash dividends yield = Cash dividend per share / Average closing price per share of the year.

Note 8: The information about net worth per share and earnings per share shall refer to the information available during the most recent quarter until the date of publication of the annual report, which has been audited (reviewed) by the CPA, while the other sections shall specify the information available in the current year until the date of publication of the annual report.

(VIII) Dividend policy and the implementation status:

1.Dividend policy:

(1) Dividend policy in the Articles of Incorporation:

Subject to the profit sought for the current year, the Company shall allocate 0.1%~3% of the profit as the remuneration to employees. The Board of Directors may resolve to distribute the remuneration in the form of stock or in cash, and the recipients of such stock dividends or cash dividends shall include employees of associated companies that meet certain conditions. The Company may have its Board of Directors resolve to allocate no more than 1.5% of said profit as the remuneration to directors. The proposals for distribution of the remuneration to employees and directors shall be reported to a shareholders' meeting, provided that the profit must first be taken to offset against the Company's cumulative losses, if any, and then the remuneration to employees and directors may be allocated subject to the proportions referred to in the preceding paragraph.

If there is a surplus after account settlement of the fiscal year, the Company shall pay applicable taxes pursuant to laws and make up for any accumulated losses, followed by the allocation of 10% of the remainder as legal reserve, unless such legal reserve amounts to the paid-in capital, and the remainder, if any, is appropriated for special reserve or reversed as special reserve. If there is still a balance, it will be pooled up with the undistributed earnings carried forward from previous years for distribution as shareholder dividend and bonus under a proposal prepared by the Board of Directors subject to the resolution made by a shareholders' meeting.

The Company adopts the dividend policy in response to the current and future development plans and by taking into account the investment environment, funding needs and domestic/foreign competition overview, as well as shareholders' interest. The shareholder dividends may be distributed in stock and in cash per the earnings distribution plan prepared by the Board of Directors. Among the other things, the cash dividend shall be no less than 50% of the total dividends.

(2) The distribution of dividends proposed (resolved) this year

The 2023 net income has already applied to compensate the deficit and, therefore, no dividends would be distributed to shareholders.

2. The effects of bonus shares on the Company's business performance and earnings per share for the last two years: The Company never distributed bonus shares for the last two years.

(IX) The impact of bonus shares proposed by this shareholders' meeting on the Company's business performance and earnings per share:

No proposal for distribution of bonus shares was presented at this shareholders' meeting.

(X) Remuneration to employees, directors and supervisors:

1. The percentages or ranges with respect to employees' and directors' remuneration specified in the Articles of Incorporation:

Subject to the profit sought for the current year, the Company shall allocate 0.1%~3% of the profit as the remuneration to employees. The Board of Directors may resolve to distribute the remuneration in the form of stock or in cash, and the recipients of such stock dividends or cash dividends shall include employees of associated companies that meet certain conditions. The Company may have its Board of Directors resolve to allocate no more than 1.5% of said profit as the remuneration to directors. The proposals for distribution of the remuneration to employees and directors shall be reported to a shareholders' meeting, provided that the profit must first be taken to offset against the Company's cumulative losses, if any, and then the remuneration to employees and directors may be allocated subject to the proportions referred to in the preceding paragraph.

2. The basis for the estimation of remunerations to employees and directors in current period, basis of estimation for share-based employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure: According to the 2023 business results, the net profit after tax was NT$88,549 thousand, which was used to cover the accumulated losses from the previous years. Therefore, no distribution of dividends and remuneration to employees was resolved this year. In the future, if there are distributable earnings remaining after the losses are covered, the Company will estimate the possible employee bonus and remuneration to directors based on the remuneration to directors distributed in the past. The discrepancy, if any, between the actual distributed amount and the estimated figure is to be treated as a change in accounting estimates and stated as income for next year.
3. Remuneration distribution plan approved by the Board of Directors: The Company's operating results until the end of 2023 show accumulated losses; therefore, no distributable earnings may afford for the distribution of employee bonus.
4. Actual payment of the remuneration to employees/directors in the previous year (including the number of shares allocated, the sum of cash paid, and the price at which shares were issued), and any discrepancies from the figures estimated (explain the amount, the cause, and treatment of such discrepancies): The Company's operating results until the end of 2023 show accumulated losses; therefore, no distributable earnings may afford for the distribution of employee bonus/remuneration and remuneration to directors.

(XI) The Company's buyback of the Company's shares: None

II. Issuance of corporate bonds: None

III. Issue of preferred stocks: None

IV. Issuance of overseas depository receipts: None

V. Status of employee stock warrant plan:

1. Employee stock warrants unexpired:

Type of employee stock warrant	2019 employee stock warrant
Effective date of report and Total Number of units issued	2019/01/03 and 3,600units
Date of issuance (offering)	2019/01/07
Number of units issued	2,300 units (Others 1,300 units not issued)
Number of units still available	0 unit
Quantity of shares subscribable as a percentage of the total quantity of shares issued	0.77%
Duration of subscription for shares	5 years
Contract performance method	Issuance of new shares

Restricted subscription time period and ratio (%)	25%, upon expiration of two years 55%, upon expiration of three years 100%, upon expiration of four years
Number of shares executed	1,226,750shares
Subscription amount executed	NT$16,447,975
Number of shares that have not yet been executed	0 shares (1,073,250 shares expired)
Subscription price per share for those having not yet executed the stock options	-
Quantity of shares that have not yet been executed as a percentage of the total quantity of shares issued (%)	-
Effect to the shareholders’ equity	The Company's stock options holders may exercise their stock options per the schedule referred to in the Company’s Regulations Governing Issuance of Employee Stock Warrants and Subscription for Stock only upon expiration of two years after they are granted the employee stock warrants. Therefore, no substantial dilution can be caused to the shareholders’ equity within two years after the issuance. The employee stock options expired on January 6, 2024.

3. Names and subscription status of managerial officers who have obtained employee stock warrants and of employees who rank among the top ten in terms of the number of shares to which they have subscription rights through employee stock warrants acquired until the date of publication of the annual report

May 9,2024

	Title	Name	Quantity of subscribable shares acquired	Quantity of subscribable shares acquired as a percentage of the total quantity of shares issued	Executed (Note 2)				Unexecuted (Note 2)			
					Quantity of shares subscribed	Subscription price	Subscription amount	Quantity of shares subscribed as a percentage of the total quantity of shares issued	Quantity of shares subscribed	Subscription price	Subscription amount	Quantity of shares subscribed as a percentage of the total quantity of shares issued
Managerial officers	General Manager	Lo, Shih-I	710.75 thousand shares	0.24%	660.75 thousand shares	13.5 13.4 13.3	NT$ 8,865 thousand	0.22 %	-	-	-	-
	General Manager of Malaysia Factory	Ooi, Ai-Lee										
	Deputy General Manager of Malaysia Factory	Chen, Hsin-Ping										
	General Manager of Fuzhou Factory	Cheng, Hao(Note 1)										
	Accounting Manager	Huang, Chun-Ta										
	Technology Manager	Chen, Shu-Wei										
Employee	Employee	Hsieh, Chia-Hung	320 thousand shares	0.11%	320 thousand shares	13.5 13.4 13.3	NT$4,283 thousand	0.11%	-	-	-	-
	Employee	Tsai, Fang-Man										
	Employee	Ling, Ching-Pin										
	Employee	Lin, Shih-Chiang										
	Employee	Chen, Chi-Wei										
	Employee	Liu, Kun-Lin										
	Employee	Chen, Hu-Fan										
	Employee	Yang, Hui-Chun										
	Employee	Huang, Shih-Fen										
	Employee	Huang, Hung-Wen										

Note 1: Discharged on January 31, 2023

VI. Restricted stock award and merg er & acquisition (including merger, acquisition and split-up): None.

VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII. Financing plans and implementation:None.

Five. Overview of Operations

I. Description of Business

(I) Scope of business:

1. Main contents

(1) Casting, forging, processing, manufacturing, trading and import/export of engines, motorcycles, automobiles and parts thereof, pistons, piston rings, piston shafts and accessories thereof, steering system parts, crankshafts, chain rods, camshafts, machine, tools and parts thereof, bicycles and parts thereof.
(2) Metal and non-metal casting, forging and production.
(3) Metal and non-metal surface treatment.
(4) Manufacturing, processing and trading of mold and die.
(5) Import/export and agency of said products.
(6) Processing and sales of system furniture and trading of plates and hardware accessories.

2. Percentage of operation:

Unit: In Thousands of New Taiwan Dollars

Business lines	2023 turnover	Percentage of operation (%)
Automotive parts and components	1,102,696	96.67%
System cabinet	38,024	3.33%
Total	1,140,720	100.00%

3. The Company's current product lines:

(1) Pistons, connecting rods and engine brackets for engines, and tie rod joints and side rod assemblies for automobiles.
(2) Ball joints of chassis, steering system parts, balance beam and other forging parts for automobiles.
(3) Spare parts for industry, such as refrigeration compressor components and outboard motor-related components, etc.
(4) System furniture-related products, such as tall cabinets, low cabinets, and TV cabinets.

4. New products planned to be developed:

(1) Use the high-temperature strength characteristics of NASA materials, develop internal combustion engine products proactively, such as casting and forging of pistons.
(2) Components related to refrigeration compressors.
(3) Continued development of parts related to outboard engines.
(4) Development of aluminum forging parts related to suspension/steering systems.

(II) Industry overview:

I. Foreword

Automakers:

As a capital-intensive and technology-intensive traditional industry, the supply chain system in the automobile industry covers a wide range and demonstrates the obvious division of labor model under the Center-Satellite system. A car is made of about 8,000 to 15,000 parts depending on the grade and specifications. These parts involve a wide professional field covering multiple important industries, such as electronics, steel, plastics and petrochemicals. The economic effect produced therefor makes a great contribution to Taiwan's automobile industry.

Taiwan's auto parts manufacturing can be divided into two major parts. One refers to the OEM supply chain system, and the other refers to the parts market focusing on AM after-sale maintenance services. Most of the manufacturers operating as OEM focus on the domestic market and, therefore, are more likely to be affected by the economy in the domestic automobile market and usually work with automakers closely. Notwithstanding, a few of them transform to the ODM (Original Design Manufacturer) supply chain system dedicated to design and manufacturing at the same time, as their abilities in development and production have improved increasingly and they inherit the design level commissioned by the original manufacturer. The suppliers engaged in AM tend to adopt the export-oriented model and target the USA as the main export country. The suppliers' business performance relies on the quantity of orders from foreign countries.

System furniture industry:

In the early phase in Taiwan, house purchases, house changes, and renovation were not popularized. Therefore, when selecting the designs and furniture, wooden works were used for decoration. Wooden work decoration accounted for a large proportion of household decoration in the past. The wooden work decoration in the early phase has the problem of a longer construction period and formaldehyde in the decoration environment. Formaldehyde (or formalin) is a colorless and irritating gas that can cause adverse effects on human health. With the rise of Taiwanese people's awareness of environmental protection, coupled with the beginning of the customization services of household decoration, the system furniture was born. System furniture is fast in construction, diverse in specifications, cleaner in the construction environment, and stable in quality, and the results can be known in advance through the design. System furniture has gradually become the mainstream in the household decoration market. Customers can visit stores for simple renovations on their own or commission store designers to design and visit the site for measurements, and the household renovation can be completed in a short period after contract signing and deposit payment.

II. Review 2023

Automakers:

With the efforts spent by the suppliers for so many years, the quality of Taiwan's automakers has approached the level in some advanced countries. With the huge capital invested in R&D in recent years, the automakers launched differentiated products that satisfy local consumers' needs and committed to improving customers' service satisfaction, the cars made in Taiwan have been recognized nationally, and the percentage of cars made in Taiwan in the total market was increasing, attaining 87.2%, a new high, in 2004. Since 2005, the percentage of cars made in Taiwan in the total market has declined year by year, between January~December 2022 is 51.78%. Expansion of the domestic demand market for cars is not an easy job in Taiwan. Suppliers have proactively joined the international division of labor system to expand export sales, and also invested capital to establish factories in Southeast Asia, so as to break through the bottleneck for survival and development.

System furniture industry:

In recent years, demand for Taiwan's furniture industry has increased. In addition, many consumers have begun to value aesthetics, functional style, and environmental attributes. As a result, the furniture industry has moved toward personal and customized services, which made customized furniture enter the furniture market and led to the transformation of and changes in the furniture industry. According to statistics from the Department of Statistics, Ministry of Economic Affairs, the total sales value of the furniture industry in Taiwan in 2023 was approximately NT$82.7 billion, representing a slight decrease of 9.6% compared to 2022.

III. Outlook 2024

Automakers:

In recent years, the automobile industry has oriented its business development towards automatic driving, Internet of vehicles, electric power and sharing services increasingly. However, the electric car market became sluggish due to the outbreak of pandemic in Wuhan in 2020. In 2020, as the epidemic was mitigated in Wuhan, the economy recovered, and the car market grew remarkably. The two leading automakers, BMW and Mercedes-Benz, also launched new electric vehicle models and, therefore, opened the new generation traffic flow.

Looking forward to 2024, as various automakers have found the way to deal with the unstable supply chain, the production capacity of new car models is expected to grow step by step. Besides, the production of chips is likely to be delivered in a timely manner. The industry expects that the sales volume of new car models will recover in 2024 from 2023. Notwithstanding, it is still impossible to get rid of the issues, such as inflation and economic recession. The soaring car price is likely to suppress the industry's recovery. Given the recovery of new car model supply momentum in 2024, the sales volume of new car models will grow slightly from 2023.

System furniture industry:

The features of the system furniture are based on the characteristics of different components, and a variety of assembly modes may be produced. Hardware hinges, pull-board drawers, handles, and trimmed panels allow the diverse functions of system furniture. The planning and design are also based on the needs of consumers at present to satisfy consumers' living functions. In recent years, traditional wooden furniture has gradually been replaced by system furniture, awareness of environmental protection has increased, and green building industry concepts have also been adopted for plates and raw materials. The development of the furniture in the future is promising.

IV. Conclusion

Taiwan's major competitiveness in the electric vehicle industry does not reside in the finished products but the supply chain of components and parts. At the very beginning when Tesla was established, the Taiwan-based suppliers including Chroma and FUKUTA have supplied the key components and parts to Tesla. Meanwhile, there are other suppliers who also have supplied goods to international leading manufacturers.

For the time being, Taiwan has the electric car platform led by Foxtron (co-founded by Foxconn and Yulon), which is dedicated to supplying the complete components and parts, including power control modules, power batteries, motors, and smart car electrical systems. Taiwan's strengths reside in its high compatibility, excellent technologies, and rapid product development. It has remarkable strengths in the field of electric vehicles. Meanwhile, due to the environment protection issue, the development of electric cars has become a vested trend. Though Taiwan's ability in finished products is weaker, Taiwan is still expected to become one part of the global electric components and parts supply system, in consideration of the complete supply chain and customers' recognition of the products, as same as the development model in the ICT industry.

With the changes in the environment and the increasing advancement of technologies, coupled with the rise of consumers' awareness of environmental protection, consumers' behaviors are forced to change. Therefore, the future design of system furniture will emphasize comfort, environmental protection, and intelligence while taking into account the perspectives of customers so as to understand the features of system furniture required by customers and provide comprehensive products and services to services. By doing so, we can create and improve a broader blue ocean market for system furniture and create better system furniture designs for customers.

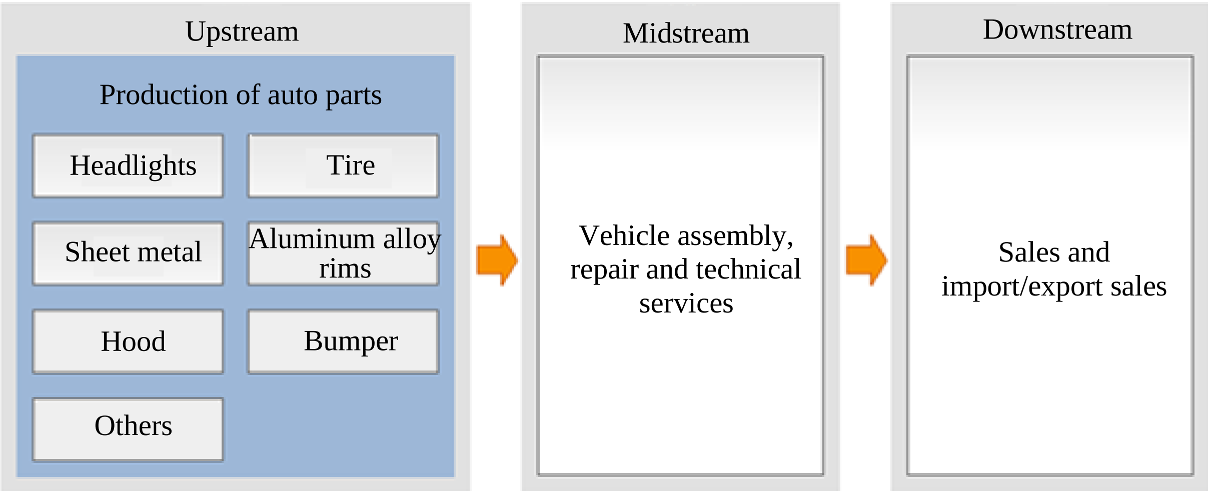
V. Company outlook

The Company has been experienced in development of technologies for more than five decades. The product series extend from pistons at the very beginning to the connecting rods and then industrial products. The R&D team always can provide complete product development services. Many of the end users of the Company's products are world-renowned manufacturers. Therefore, the Company expects to strive for orders placed for electric cars, based on the existing strength in customers, so as to facilitate its transformation. The new business of system furniture is in its initial stage, and we have been securing customers extensively through team efforts to render more favorable overall operating performance.

(III) Relations between upstream, midstream and downstream segments of the industry

Automakers:

As the automobile industry is a capital-intensive and technology-intensive traditional industry, its industry chain is quite huge. A car is made of about 30,000 parts, covering the different industries including steel, plastic, rubber, glass, machinery, electrical engineering, electronics and services and the relevant talents with the expertise and skill in R&D, manufacturing, procurement, marketing, management and warranty, that are integrated to form the complete automobile industry. The upstream segment of the industry chain primarily consists of the manufacturers of related components and parts, the mid-stream segment consists of assembly plants and assembly, repair and technical service providers, and the downstream segment consists of importers, agents and sale & service locations. The relations between upstream, midstream and downstream segments of the industry are stated as following:



Source of data: TPEX; IEK; compiled by Right Way

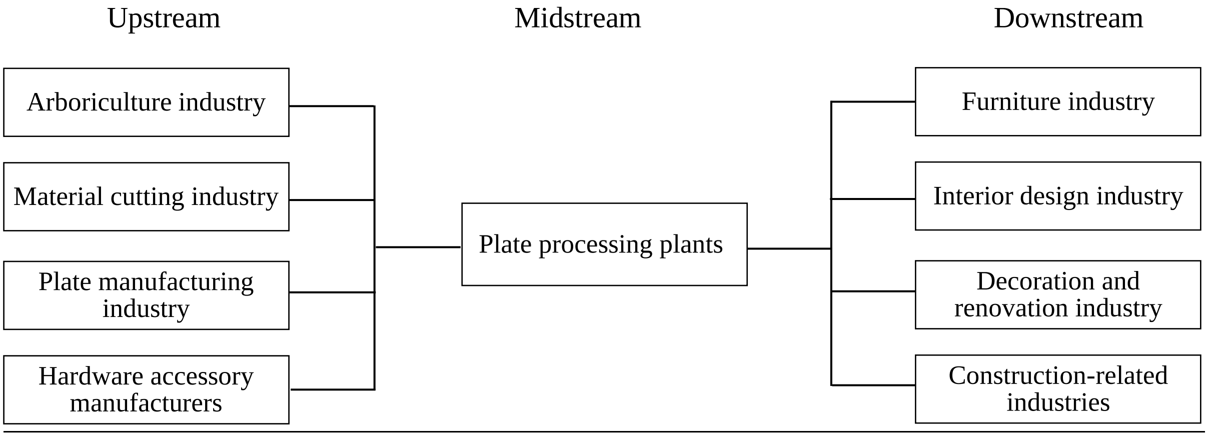
System furniture:

After purchasing plates from domestic and foreign plate suppliers, Right Way undergoes in-house processing according to the model specified in customer orders and then delivers the products to customers. It also accepts orders with multiple models (i.e., processing on order or cooperation with peer companies for one-stop services from design, processing, and to the final on-site assembly) to satisfy the needs of customers to the greatest extent.

Upstream: Plate manufacturers and hardware accessory suppliers. Plates are mainly produced from treetops, bark, sawdust, wood cores, wood blocks, tailings and bonding resins.

Midstream: Wood material processing plants that cut, drill, and wash the plates according to customer orders and assemble and deliver goods according to customer needs. The Company is in this line of business.

Downstream: Mainly the furniture industry, interior design companies, interior design companies, decoration and renovation companies, construction-related industries, and end consumers (individual or corporation)



Source of data: Compiled by Right Way

(IV) Overview of technologies and R&D:

1. R&D results for the most recent three years:

No.	R&D project	Target	Purpose	Result
1	Development of the leisure industry aluminum casting parts	Implementation of development and production in response to OEM customers' needs	Leisure industry aluminum casting parts to expand the types of aluminum casting parts which the Company may undertake.	Complete samples and provide the same to customers for testing
2	Build the in-plant aluminum forging process capability	Build the basic capability and inspection for in-plant aluminum forging process	Expand and improve aluminum forging production technology and quality inspection	Complete the construction of production line and FPT equipment of the aluminum forging plant Deliver finished products to automakers or customers, and continue to increase the mass production models
3	R&D of new forging piston products	1. Update on and market share of types of pistons 2. Satisfy customers' needs to improve products manufactured under different models	1. High-intensity pistons for special needs used in racing car engines 2. Increase the manufacturing ability for new market orders and demands	Deliver finished products to automakers or customers, and continue to increase the mass production models
4	Development of aluminum casting parts	Increase the in-plant types of products to meet customers' needs and create sales performance	Make customer's parts through casting, and satisfy customer needs with casting parts	Deliver the finished samples and implement mass production parts

No.	R&D project	Target	Purpose	Result
5	New product and process forging, processing, production and R&D	Production in response to the implementation of customers' parts	Expand the materials and types of the forging parts which the Company may undertake	Compete the testing and trial assembly of parts, implement them in mass production, e.g. control arm and knuckle arm, etc.
6	Casting, production and R&D of cylinder liner special alloy centrifugal	Localization and implementation of production of parts with OEM customers	Expand the types of products which the Company may undertake	Already complete parts, and implementin mass product

2. Future R&D plans:

No.	R&D project	Target	Purpose	Progress	Expected expenses to be incurred until the end of 2023
1	Special performance aluminum alloy forging piston production & R&D	Expansion of the demand for engines for purpose of racing in new production process	High-end competitive vehicle engine through special alloy forging	Compete the testing and trial assembly of parts, implement them in mass production	Single model: Mold & die NT$200,000 Inspection & fixture NT$150,000 Development fees NT$200,000
2	Production and R&D of steel forging parts	Implementation of production of parts with OEM customers	Expand the types of forging parts which the Company may undertake	Compete the testing and trial assembly of parts, implement them in mass production	Single model: Mold & die NT$500,000 Inspection & fixture NT$300,000 Development fees NT$350,000
3	Continued R&D on the appearance and surface treatment of SUVs	Meet the parts appearance & surface treatment standards required by customers	Expand the types of products which the Company may undertake	Trial production of multiple models for customers' confirmation per customers' needs, and implementation of mass production	Development fees NT$500,000
4	Production and R&D of forging aluminum alloy parts	Implementation, design, analysis, manufacturing and production in response to new	Expand the types of forging aluminum alloy parts which the Company may undertake	Trial production of multiple models for customers' confirmation per customers' needs, and	Single model: Mold & die NT$500,000 Inspection & fixture NT$400,000

No.	R&D project	Target	Purpose	Progress	Expected expenses to be incurred until the end of 2023
		customers' needs for parts		implementation of mass production	Development fees NT$300,000
5	Production and R&D of parts made of casting iron and casting aluminum	Implementation, manufacturing and production in response to new customers' needs for parts	Expand the types of casting iron and casting aluminum parts which the Company may undertake	Trial production of multiple models for customers' confirmation per customers' needs, and implementation of mass production	Single model: Mold & die NT$300,000 Inspection & fixture NT$250,000 Development fees NT$300,000

3. R&D expenditure for the most recent three years:

Year	Expenditure	Notes
2021	NT$27,957 thousand	Including the salary of R&D personnel, R&D expenditure including the expenses in creation and modification of materials, equipment and fixture.
2022	NT$18,086 thousand	
2023	NT$10,966 thousand	

(V) Long-term, mid-term and short-term business development plans:

1. Long-term and short-term business development plans
   (1) Development of new products for aluminum casting/recasting and aluminum forging parts.
   (2) Shorten the development and sample delivery time to win customers' willingness to entrust new product development and improve performance.
   (3) Continue to expand the cooperation with traders, and develop markets at home and abroad.
   (4) Work with foreign TIER 1 manufacturers, and launch into the foreign industrial OEM factories or SUV OEM factories or passenger car OEM factories directly.
   (5) Promote the high value-added pistons, such as anodized pistons, transfer printing pistons, and pistons with wear ring coils.
   (6) Develop broken connecting rod technology proactively, in response to the market demand.
   (7) The Company is actively exploring markets in central and southern Taiwan for system furniture to create operating income.

2. Long-term business development plan
   (1) Development of industrial compressor parts and vessel engine parts
   (2) Active marketing of the combination of piston and connecting rod to major international manufacturers, and cooperation with domestic upstream suppliers to strive for co-marketing business opportunities.
   (3) Train professional technical R&D personnel, and develop aluminum parts and steel products and assembly thereof.
   (4) The Company continues to explore markets beyond central and southern Taiwan for system furniture to set a foundation for stable growth.

II. Markets, production, and marketing:

(I) Territories where the main products are sold:

Territory	Sales ratio (%)	Territory	Sales ratio (%)
Domestic market	18.4%	America	50.5%
Asia	14.6%	Other territories	16.5%

(II) Future supply and demand of the market:

Unit of quantity: Thousand pcs

Items	Total demand	Expected supply	Difference between supply and demand
Automotive parts and components	10,875	10,875	None
System cabinet	452	452	None
Total	11,327	11,327	None

(III) Factors advantageous and disadvantageous to the development prospect:

1. Advantageous factors:
   (1) The IATF quality management system certification, ISO-14001 environmental management certification, and implementation of ROHS clean production are helpful for upgrading the Company's image, and striving for the orders placed by the advanced countries, such as Europe and the USA.
   (2) The stable quality and improved co-development momentum benefit the solicitation fro orders from OEM for pistons, connecting rods, and steeling/chassis system parts.
   (3) Application of NASA or special materials.
   (4) The environmental issues of system furniture are of concern worldwide. The adoption of system furniture is environmentally friendly, convenient, fast, and free of dust on the site. It can also reduce the risk of cancer caused by formaldehyde residues and improve environmental and household health quality. The prospect of industry, in the long run, is optimistic.
2. Disadvantageous factors:
   (1) The electric car industry continues to develop, at the cost that has satisfied consumers' needs increasingly. In the long run, the development of internal combustion engines within enterprises will be affected inevitably.
   (2) Competitors from China and Southeast Asia countries have kept improving their quality. Besides, they have the pricing advantages and, therefore, will produce significant pressure gradually.
   (3) Domestic OEMs reduce the development of engine parts, thus affecting the domestic business development.
   (4) In addition to actively developing new businesses during the initial expansion period of system furniture, the Company also continues to optimize and improve the procedures. Talents of different stages are required to satisfy the requirements of system furniture.

(IV) Purpose of main products:

1. Pistons and connecting rods for automotive and motorcycle engines.
2. Pistons and connecting rods for various internal combustion engine power equipment.
3. Pistons and connecting rods for compressors.
4. Car engine mount.

5. Cylinder liners for various engines.
6. Automotive chassis suspension and steering system parts.
7. Various steel products processing parts.
8. Various aluminum alloy processing parts.
9. Aluminum casting, aluminum forging, iron casting and steel forging components for various automobiles, motorcycles and SUVs.
10. System furniture processing products.

(V) Production process of main products:

1. Production process of pistons:
   Raw materials and supplies> melting > casting > heat treatment > surface sand blasting > processing engineering > surface treatment > rinse > quality assurance inspection > assembly and packaging > finished product storage
2. Production process of forging:
   Raw materials and supplies> cutting> heating> forging engineering> heat treatment> shaping> surface sand blasting> processing engineering> surface treatment> quality assurance inspection> assembly and packaging> finished product storage.
3. System furniture manufacturing process:
   Plate > Cutting > Edge Treatment > Drilling > Molding > Assembly and Packaging > Finished Product Storage.

(VI) Supply status of main raw materials:

1. Raw materials applied in bulk: The international quotation for aluminum alloy fluctuates drastically. In order to purchase materials at reasonable price, the Company negotiates with the main suppliers for the price each month. The Company also asks the suppliers to act in response to the Company’s inventory management, in order to help control over stable quality and procurement cost, delivery period and inventory management. Further, in addition to China Steel Corporation, there are still multiple steel suppliers available to the Company, so as to increase the room for bargaining and help reduce the procurement cost.
2. For procurement of materials, supplies and parts, the Company inspects key suppliers and improves the supply chain to ensure uninterrupted supply. All spare parts or outsourced processing and processes are handled by the relevant service providers working with the Company permanently. Supplier evaluation is performed through the quality assurance procedure, so that new development cases may be promoted successfully. In order to avoid stockpile and backlog of funds, the Company adopted the resilient principle for “Order in Bulk and Deliver in Batches” to control the preparation of materials.
3. In order to avoid stockpile and backlog of funds, the Company adopted the resilient principle for “Order in Bulk and Deliver in Batches” to control the preparation of materials. Some suppliers chose to shorten the leading time before the supply, and the procurement unit also adjusted the procurement cycle, so that inventories may be controlled effectively.
4. Place orders with qualified suppliers only, comply with related laws and contracts at the time of procurement, and ensure the uninterrupted supply; confirm that the product satisfies environmental protection requirements, in response to the customers’ requirements on environmental protection for their products.

(VII) Top ten buyers/suppliers for the most recent two years

1. Information about main clients in the last two years

Unit: In Thousands of New Taiwan Dollars

	2022				2023				2024 1st quarter			
Items	Title	Amount	Percentage of the net sales f the year (%)	Relationship with the Company	Title	Amount	Percentage of the net sales f the year (%)	Relationship with the Company	Title	Amount	To the annual net sales amount until the previous quarter (%)	Relationship with the Company
1	Thermo king Corporation	430,137	37.68	None	Thermo king Corporation	448,961	39.36	None	Thermo king Corporation	72,933	29.27	None
	Others	711,481	62.32	None	Others	691,759	60.64	None	Others	176,254	70.73	None
	Net Sales	1,141,618	100.00	-	Net Sales	1,140,720	100.00	-	Net Sales	249,187	100.00	-

Explanation on major changes: There have been no major changes in the main sales customers, and the increase or decrease ratio is still acceptable.

2. Information about main suppliers in the last two years

Unit: In Thousands of New Taiwan Dollars

	2022				2023				2024 1st quarter			
Items	Title	Amount	Percentage of the net purchase of the year (%)	Relationship with the Company	Title	Amount	Percentage of the net purchase of the year (%)	Relationship with the Company	Title	Amount	To the annual purchase ales amount until the previous quarter (%)	Relationship with the Company
1	SUMIMETAL INDUSTRIES (MALAYSIA) SDN BHD	76,395	13.30	None	Al Forge Tech Co., LTD.	60,284	12.61	None	Al Forge Tech Co., LTD.	24,160	19.48	None
2	Al Forge Tech Co., LTD.	72,100	12.55	None	CHUNG MING ENTERPRISE	57,774	12.09	None	SUMIMETAL INDUSTRIES (MALAYSIA) SDN BHD.	9,568	7.72	None
3	CHUNG MING ENTERPRISE	55,416	9.65	None	SUMIMETAL INDUSTRIES (MALAYSIA) SDN BHD.	53,881	11.27	None	CHUNG MING ENTERPRISE	8,848	7.14	None
	Others	370,513	64.50	None	Others	306,054	64.03	None	Others	81,432	65.67	None
	Purchase Net	574,424	100	-	Purchase Net	477,993	100.00	-	Purchase Net	124,008	100.00	-

Explanation on major changes: Right Way Group adopted the joint procurement policy for the raw material, aluminum. Notwithstanding, if the aluminum may be procured locally at a lower price, the Company will procure the same locally. Further, the range of decrease in the amount paid for procurement of aluminum by Malaysia Plant from SUMIMETAL is considered adequate.

(VIII) Output value/volume for most recent two years:

List of output value/volume for the most recent two years

Unit of production capacity/volume: Thousand pcs; unit of output value: NT$ Thousand

Year / Production quality / Main Products	2022			2023		
	Production capacity	Output volume	Output value	Production capacity	Output volume	Output value
Automotive parts and components	11,713	3,680	776,036	7,495	2,442	622,041
System cabinet	-	-	-	35	21	79,010
Total	11,713	3,680	776,036	7,530	2,463	701,501

(IX) Sales value/volume for the most recent two years:

List of sales value/volume for the most recent two years

Unit of production capacity/volume: Thousand pcs;
Unit of output value: NT$ Thousand

Year / Sales quality / Main Products	2022				2023			
	Domestic marketing		Export sales		Domestic marketing		Export sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Automotive parts and components	2,864	501,196	2,559	640,422	1,586	420,809	2,325	681,939
System cabinet	-	-	-	-	411	37,973	-	-
Total	2,864	501,196	2,559	640,422	1,997	458,782	2,325	681,939

III. Statistics about employees for the most recent two years:

Information about employees for the most two recent years and until the date of publication of the annual report

Year		2022	2023	Until March 31, 2024
Number of Employees	Production	274	280	274
	Sales	12	14	21
	Administration	54	69	70
	Total	340	363	365
Average Age		41.5	41.5	42.0
Average Service Tenure		12.0	11.5	11.0
Distribution of Educational	Doctoral degree	-	-	-
	Master’s degree	1.8	1.7	1.6
	College/University	31.8	33.6	35.1
	Senior high School	32.9	34.4	34.0
	Below senior high school	33.5	30.3	29.3

IV. Environmental protection expenditure:

In the most recent year and as of the date of publication of the annual report, losses due to environmental pollution (including compensation and environmental protection audit results that violate environmental protection laws and regulations, the date of punishment, the scope of the punishment, the violation of the provisions of the regulations, the contents of the violation of the regulations, the contents of the punishment), and disclose the current and future estimated amount and corresponding measures; if it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be stated:

1. Losses due to environmental pollution: None.

2. The corrective action plan to be adopted in the future and estimated expenditure: An alteration application may be required for the permit of the air pollution equipment of the die casting plant due to the increase in die casting equipment. In terms of waste, the waste clearance plan is required to be altered due to the additional product items on the plant registration license; it is estimated that the expenses will be NT$300 thousand.

3. In order to practice the environmental protection philosophy and fulfill the social responsibility, the Company practices and complies with the environmental protection laws and regulations, in accordance with the emission standards required under related local government laws and regulations.

4. Future capital expenditure in environmental protection

   (1) Pollution control equipment to be purchased or contents of the improvement: Review on the documents including the relevant regulations governing waste water treatment equipment at new factory premises, asphalt road paving and improvement at factory premises and environmental protection from time to time.

   (2) Annual fixed expenditure in environmental protection: Garbage and waste disposal and transportation fees, fixed inspection on air, water and waste control equipment, personnel and drug expenditure, etc.

   (3) Expected expenditure: NT$2,000 (thousand)

   (4) Effect of improvement: Satisfy the environmental protection requirements.

<u>Quality and environmental certification system</u>

1. The Company passed IATF16949 2016 quality system certification.
2. The Company passed ISO14001 2015 quality system certification.

V. Labour Relations:

(I) Employee benefit plans, continuing education, training, retirement systems and the status of their implementation, as well as the status of labor-management agreements and measures for preserving employees' rights and interests:

1. Employee benefit plans and implementation status:

(1) Organize the Worker Welfare Committee in accordance with the worker welfare laws and regulations, and contribute the welfare fund for employee welfare practices pursuant to requirements.
(2) All employees are entitled to labor insurance, national health insurance, labor pension and group insurance.
(3) Provide high-quality and inexpensive lunch, and free meals during overtime work.
(4) The Worker Welfare Committee grants gift vouchers/gift money for Dragon Boat Festival, Moon Festival, and Lunar Year Holidays.
(5) Year-end bonus at the end of year.
(6) Gift money for marriage, funeral, ceremony and celebration.
(7) Worker Welfare Committee organizes employees' travels and subsidizes the traveling allowance.
(8) Birthday gifts of each month.
(9) Social activity.
(10) Free parking.
(11) Free health checkup for employees each year.
(12) Employee stock warrants.

2. Retirement system and implementation status:

In order to take care of the employees' retirement life, facilitate the harmony between labor and management, and improve employees' work efficiency, the Company adopted its own regulations governing retirement of employees in accordance with the Labor Standards Act, and also established the Pension Supervision Committee to contribute 7.5% of the total salary to the exclusive pension account on a monthly basis according to laws. In response to the implementation of the Labor Pension Act, as of July 1, 2005, for employees who choose to apply the new system, 6% of their monthly salary shall be appropriated to the personal pension account at the Bureau of Labor Insurance.

3. Labor-management agreement and maintenance measures for various employee rights:

The Company has established the Labor Union (Fu-Lao-Zi-Huan-Zi No. 1000412577). Meanwhile, the Company will appoint representatives of labors and the management to convene the labor-management meeting periodically pursuant to the Labor Standards Act, and have the Union's members and the management engage in irregular two-way communication meeting. Meanwhile, each employee has executed the indefinite labor contract. The labors and management have executed the collective bargaining agreement (Tainan City Government's approval No.: Nan-Shi-Lao-Zi-Zi No. 1121706151) on December 25, 2023.

Since the Labor Union was established on June 25, 1994, it has been organizing team leaders and cadres training and labor education training from time to time to strengthen the union's organization and labor awareness. Members' proposals or labor-management-related issues are discussed at the meeting. The Company organizes labor education and training for the union members in March and April of each year to strengthen their knowledge of labor issues. It also organizes the union membership meeting in July and August of each year, reviews the execution of the collective bargaining agreement in November and December each year, and makes adjustment based on laws, union's and labor's opinion, and practices. When there is a dispute over the rights and interests of the Company and the union, and both parties fail to reach agreement through negotiation, the union may convene a special meeting. After a majority of the members approve the strike, there must be a cooling-off period of 60 days before the actual strike. 99.57% of the company employees are unionized. Employees who are not unionized are also entitled to the conditions under the collective bargaining agreement.

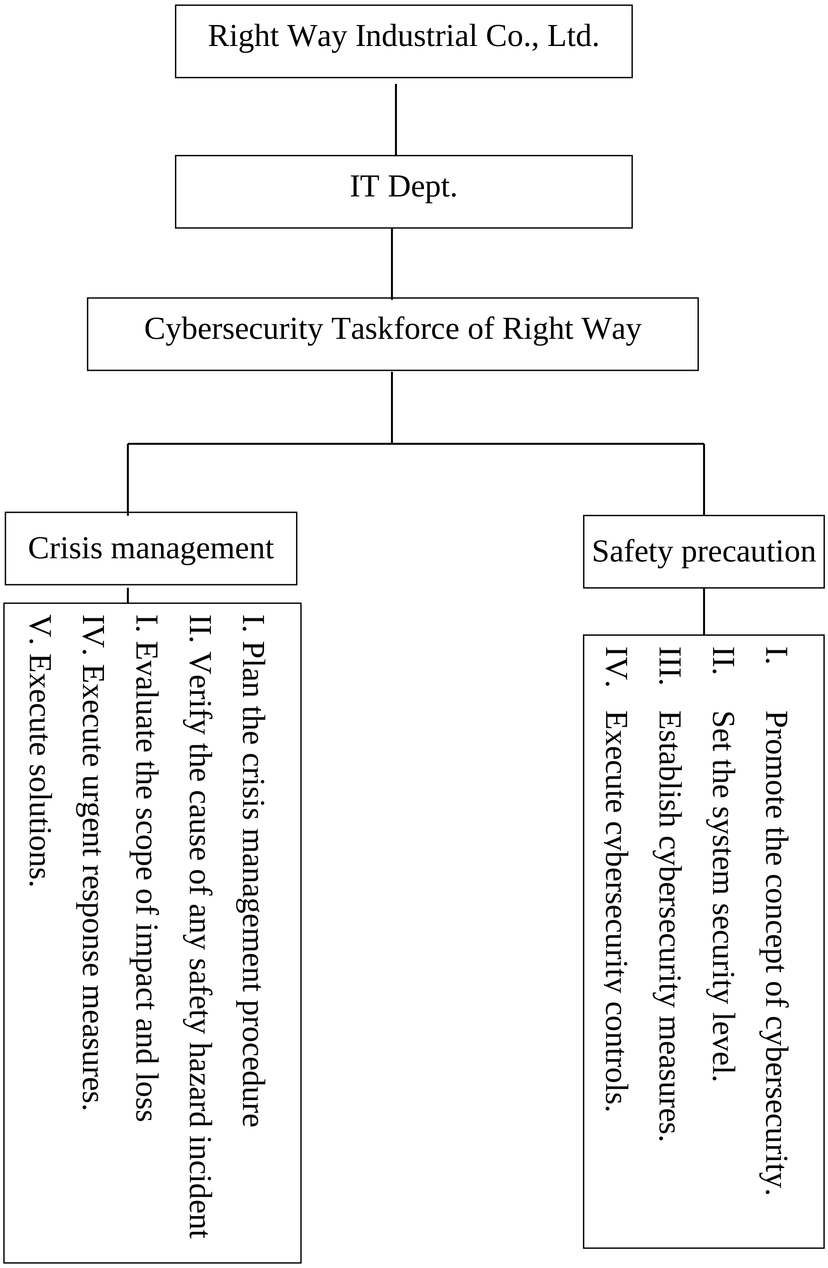
(II) In the most recent year and as of the date of publication of the annual report, losses due to labor-management disputes (including labor inspection results that violate the Labor Standards Act, the date of punishment, the scope of the punishment, the violation of the provisions of the regulations, the contents of the violation of the regulations, the contents of the punishment), and disclose the current and future estimated amount and corresponding measures; if it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be stated: The following items were found to be in violation of the Labor Standards Act as a result of the labor inspection in 2023

Punishment date	Punishment No.	Violation of legal provisions	Violation of laws and regulations	Punishment content	Countermeasures
2023/06/17	Nan-Shi-Lao-An-Zi N0.1120780376	Labor Standards Act Article 32, Paragraph 2	Extending working hours beyond what is prescribed by law	Suspended fine of NT$50,000	Strengthen publicity to avoid working hours exceeding legal requirements

VI. Cybersecurity management:

(I) Cybersecurity risk management framework

1. The Company adopted the Cybersecurity Urgent Response Plan and Operation Procedure according to the regulations governing urgent response.
2. The Company established the normal task group, "Cybersecurity Taskforce," of Right Way. The Chief Information Security Officer shall serve as the convener of the Taskforce. The Taskforce members consist of the information staff. One contact person for an emergency is appointed, who is primarily responsible for executing cybersecurity prevention and urgent response measures.
3. Organizational Framework and Functions of "Cybersecurity Taskforce" of Right Way



(II) The Company’s cybersecurity policy

1. Establish the information security management regulations in line with laws and customers’ needs.
2. Protect the confidentiality, completeness and availability of the Company’s and customers’ information.
3. Include the common sense that information security is everyone's responsibility into the Company's culture.
4. Provide a safe information operating environment to ensure the Company’s sustainable operation.

(III) The Company’s concrete management programs, and investments in resources for cyber security management

1. Adopt the multi-layer network architecture design and install various information security protection systems (firewalls) to improve the overall information environment security, and also execute the maintenance contract on a yearly basis.
2. Install the center-control version of the anti-virus system, update the latest version of the virus code periodically and schedule virus scanning on a weekly basis, and also execute the maintenance contract on a yearly basis.
3. Conduct the information system restoration drill at least once each year, and subject it to the approval of General Manager.
4. Follow the factory’s standard operating procedure for data processing to control and review the personnel’s authority of access to accounts.
5. Send personnel to attend external educational training courses periodically each year, in order to improve the information personnel’s information security knowledge and professional skills, and promote the information security practices to all employees periodically.

(IV) No losses have been suffered by the Company due to significant cybersecurity incidents by the date of publication of the annual.

(V) The Company’s ID Dept. will analyze and manage the provisions in the operating procedure on the “event risk assessment” subject to the organization’s condition each year, and produce the IT Dept.’s event risk assessment report and submit the same to the General Manager for approval. The report includes the analysis on “potential risk events” and “corresponding risk control measures.”

VII. Important contracts:

Important contracts

Nature of Contract	Counterparty	Contract Period	Important Information	Restrictive clause
Technological support royalty contract	Executed with PAC MATERIALS, LLC	Executed on February 23, 2006	Agreement related to the royalty payable for the materials, NASA-398, NASA-388 and NASA-358, about the Company’s pistons	None

Six. Overview of Financial Status

I. Condensed balance sheets and statements of comprehensive income for the last five fiscal years

Condensed Consolidated Balance Sheets - IFRSs

Items \ Year		Financial information for the past five fiscal years (Note 1)					Financial information until March 31, 2024 (Note 2)
		2023	2022	2021	2020	2019	
Current assets		1,188,741	1,090,231	1,154,898	977,664	1,057,687	1,153,335
Property, plant and equipment		1,119,112	1,118,423	934,406	1,086,343	1,313,226	1,115,625
Intangible assets		-	-	-	7,752	4,720	-
Other assets		870,067	614,219	342,859	218,124	353,826	817,415
Total assets		3,177,920	2,822,873	2,432,163	2,289,883	2,729,459	3,086,375
Current liabilities	Before distribution	306,835	337,352	779,860	865,931	1,205,328	259,117
	After distribution	-	-	-	-	-	-
Non-current liabilities		79,655	84,737	566,717	521,112	642,201	80,059
Total Liabilities	Before distribution	386,490	422,089	1,346,577	1,387,043	1,847,529	339,176
	After distribution	-	-	-	-	-	-
Equity attributable to the parent		2,723,441	2,331,973	1,033,650	853,637	795,282	2,678,249
Capital		3,004,063	2,787,878	1,791,618	1,631,618	1,231,618	3,003,885
Capital surplus		424,479	317,088	130,134	139,516	139,739	424,736
Retained earnings	Before distribution	(564,916)	(655,851)	(750,756)	(793,236)	(457,863)	(551,921)
	After distribution	-	-	-	-	-	-
Others		(140,185)	(117,142)	(137,346)	(124,261)	(115,212)	(198,451)
Treasury stock		-	-	-	-	-	-
Non-controlling interests		67,989	68,811	51,936	49,203	86,648	68,950
Total equity	Before distribution	2,791,430	2,400,784	1,085,586	902,840	881,930	2,747,199
	After distribution	-	-	-	-	-	-

Note 1: The financial information for each year has been audited and certified by the CPA.
Note 2: Review completed by CPA.

Condensed Parent Company Only Balance Sheets – IFRSs

Items \ Year		Financial information for the past five fiscal years (Note 1)					Financial information until March 31, 2024
		2023	2022	2021	2020	2019	
Current assets		969,830	829,696	786,937	585,770	561,312	Not applicable
Property, plant and equipment		914,080	878,273	525,024	568,423	612,870	
Intangible assets		-	-	-	-	-	
Other assets		1,136,147	966,192	758,141	713,901	871,975	
Total assets		3,020,057	2,674,161	2,070,102	1,868,094	2,046,157	
Current liabilities	Before distribution	219,001	257,451	476,459	528,570	677,728	
	After distribution	-	-	-	-	-	
Non-current liabilities		77,615	84,737	559,993	485,887	573,147	
Total Liabilities	Before distribution	296,616	342,188	1,036,452	1,014,457	1,250,875	
	After distribution	-	-	-	-	-	
Capital		3,004,063	2,787,878	1,791,618	1,631,618	1,231,618	
Capital surplus		424,479	317,088	130,134	139,516	136,739	
Retained earnings	Before distribution	(564,916)	(655,851)	(750,756)	(793,236)	(457,863)	
	After distribution	-	-	-	-	-	
Others		(140,185)	(117,142)	(137,346)	(124,261)	(115,212)	
Treasury stock		-	-	-	-	-	
Total equity	Before distribution	2,723,441	2,331,973	1,033,650	853,637	795,282	
	After distribution	-	-	-	-	-	

Note 1: The financial information for each year has been audited and certified by the CPA.

Condensed Consolidated Statement of Comprehensive Income - IFRSs

Items \ Year	Financial information for the past five fiscal years (Note 1)					Financial information until March 31, 2024 (Note 2)
	2023	2022	2021	2020	2019	
Operating revenue	1,140,720	1,141,618	1,064,137	844,889	1,176,513	249,187
Gross profit	184,736	202,618	154,025	49,638	72,962	40,027
Net operating profit (loss)	58,946	16,480	(30,693)	(144,496)	(275,556)	6,708
Non-operating income and expenses	41,646	86,824	68,726	(62,670)	(92,819)	9,995
Net profit (loss) before tax	100,592	103,304	38,033	(207,166)	(368,375)	16,703
Profit (loss) for the period from continuing operations	88,549	91,915	35,099	(210,195)	(367,129)	13,141
Gains from discontinued operations	-	-	13,948	(160,166)	-	-
Profit (loss) for the year	88,549	91,915	49,047	(370,361)	(367,129)	13,141
Other comprehensive income (profit [loss] after tax) of the period	(21,479)	22,846	(16,919)	(11,506)	(19,496)	20,575
Total comprehensive income	67,070	114,761	32,128	(381,867)	(386,625)	33,716
Profit (loss) attributable to owners of the parent	86,662	95,215	42,881	(329,985)	(309,482)	12,995
Profit (loss) attributable to non-controlling interests	1,887	(3,300)	6,166	(40,376)	(57,647)	146
Total comprehensive income attributable to shareholders of the parent entity	67,892	115,109	29,395	(336,592)	(327,459)	(45,271)
Total comprehensive income attributable to non-controlling interests	(822)	(348)	2,733	(45,275)	(59,166)	961
Basic earnings (loss) per share	0.29	0.43	0.26	(2.19)	(2.52)	0.04

Note 1: The financial information for each year has been audited and certified by the CPA.

Note 2: Review completed by CPA.

Condensed Parent Company Only Statement of Comprehensive Income – IFRSs

Items \ Year	Financial information for the past five fiscal years (Note 1)					Financial information until March 31, 2024
	2023	2022	2021	2020	2019	
Operating revenue	938,054	921,898	831,065	662,650	864,603	Not applicable
Gross profit	146,891	192,950	135,053	64,562	128,423	
Net operating profit (loss)	40,853	58,529	30,062	(53,518)	(25,248)	
Non-operating revenue and expenses	53,742	48,051	15,695	(273,572)	(276,830)	
Net profit (loss) before tax	94,595	106,580	45,757	(327,090)	(302,078)	
Profit or loss from continuing operation	86,662	95,215	42,881	(329,985)	(309,482)	
Profit or loss from discontinued operation	-	-	-	-	-	
Profit (loss) for the year	86,662	95,215	42,881	(329,985)	(309,482)	
Other comprehensive income (profit [loss] after tax) of the period	(18,770)	19,894	(13,486)	(6,607)	(17,977)	
Total comprehensive income	67,892	115,109	29,395	(336,592)	(327,459)	

Note 1: The financial information for each year has been audited and certified by the CPA.

Names and audit opinions of external auditors for the last 5 years:

Year	Name of Accounting Firm	Name of CPA	Opinion
2019	Deloitte of Touche	Cheng, Ching-Tsung, Chao, Yong-Hsiang	An unqualified opinion and other matters
2020	Deloitte of Touche	Cheng, Ching-Tsung, Chao, Yong-Hsiang	An unqualified opinion and other matters
2021	KPMG Taiwan	Lien, Shu-Ling, Wu, Chao-Jen	An unqualified opinion and other matters
2022	Deloitte of Touche	Lee, Chi-Chen, Wu, Chang-Chun	An unqualified opinion and other matters
2023	Deloitte of Touche	Lee, Chi-Chen, Wu, Chang-Chun	An unqualified opinion and other matters

II. Financial analysis for the past five years

Analysis on Consolidated Financial Statements - IFRSs

Items to be analyzed	Year (Note 1)	2023	2022	2019	2018	2019	Until March 31, 2024 (Note 2)
Financial structure (%)	Debt to asset ratio	12.16	14.95	55.37	60.57	67.69	10.99
	Long-term fund to property, plant and equipment ratio	256.55	222.23	176.83	131.08	116.06	253.42
Solvency (%)	Current ratio	387.42	323.17	148.09	112.90	87.75	445.10
	Quick ratio	251.43	180.81	89.30	56.67	35.01	279.30
	Times interest earned	31.53	10.10	2.67	(7.01)	(9.75)	22.66
Operating performance	Receivables turnover rate (times)	4.93	4.41	4.56	3.38	3.52	1.20
	Days sales outstanding	74	83	80	108	104	76
	Average inventory turnover (times)	2.44	2.22	2.20	1.71	2.11	0.58
	Accounts payable turnover rate (times)	6.91	6.03	7.42	4.66	5.41	1.64
	Average inventory turnover days	150	164	166	213	173	157
	Property, plant and equipment turnover rate (times)	1.02	1.11	1.05	0.70	0.86	0.22
	Total assets turnover rate (times)	0.38	0.43	0.45	0.34	0.41	0.08
Profitability	ROA (%)	3.04	3.84	2.85	(13.93)	(11.87)	0.44
	ROE (%)	3.41	5.27	4.93	(41.50)	(34.29)	0.47
	Pre-tax income to paid-in capital (%)	3.35	3.71	2.12	(12.70)	(29.91)	0.56
	Net margin (%)	7.76	8.05	4.61	(43.84)	(31.20)	5.27
	Earnings per share (NT$)	0.29	0.43	0.26	(2.19)	(2.52)	0.04
Cash flow	Cash flow ratio	68.42	21.10	25.27	3.90	1.33	(0.57)
	Cash flow adequacy ratio	63.38	40.76	54.05	29.18	34.63	68.35
	Cash flow reinvestment ratio	5.37	2.02	6.21	1.05	0.50	(0.04)
Leverage	Operating leverage	4.47	15.04	(7.44)	(0.82)	(0.50)	8.37
	Financial leverage	1.06	3.21	0.57	0.85	0.89	1.13

Analysis on changes by more than 20% for the most recent two years:
Current ratio and return on assets: Relevant ratios improved compared to 2022 due to the capital increase in cash and employee share subscriptions during the year.
Times interest earned: Mainly due to the reduction of interest expenses by 71% from 2022 as Right Way no longer has borrowings.
Return on equity and earnings per share: Mainly due to the paid-in capital increase arising from the capital increase in cash and employee share subscriptions during the year.
Cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio: Mainly due to profit and recovery of amounts receivable upon the expiry during the year and the reduction of inventory purchases in response to the Group's operating policy.
Operating leverage and financial leverage: Mainly due to the increase in operating income by 258% from 2022, resulting from the reduction in the bonus appropriation under operating expenses.

Note 1: The financial information for each year has been audited and certified by the CPA.
Note 2: Review completed by CPA.

Analysis on Parent Company Only Financial Statements - IFRSs

Items to be analyzed / Year (Note 1)			2023	2022	2021	2020	2019	Until March 31, 2024 (Note 2)
Financial structure (%)	Debt to asset ratio		9.82	12.80	50.07	54.3	61.13	Not applicable
	Long-term fund to property, plant and equipment ratio		306.43	275.17	303.54	235.66	223.28	
Solvency (%)	Current ratio		442.84	322.27	165.16	110.82	82.82	
	Quick ratio		323.95	193.91	115.65	72.20	37.88	
	Times interest earned		10,511.56	15.48	4.12	(17.09)	(16.17)	
Operating performance	Receivables turnover rate (times)		5.44	4.66	4.92	4.96	5.46	
	Days sales outstanding		67	78	74	74	67	
	Average inventory turnover (times)		3.01	2.82	3.56	2.97	3.25	
	Accounts payable turnover rate (times)		6.74	5.86	7.19	5.84	5.43	
	Average inventory turnover days		121	129	102	123	112	
	Property, plant and equipment turnover rate (times)		1.05	1.31	1.52	1.12	1.39	
	Total assets turnover rate (times)		0.33	0.39	0.42	0.34	0.39	
Profitability	ROA (%)		3.04	4.26	2.77	(16.12)	(13.25)	
	ROE (%)		3.43	5.66	4.54	(40.02)	(32.39)	
	To paid-in capital (%)	Operating income	1.36	2.10	1.68	(3.28)	(2.05)	
		Pre-tax income	3.15	3.82	2.55	(20.05)	(24.53)	
	Net margin (%)		9.24	10.33	5.16	(49.80)	(35.79)	
	Earnings per share (NT$)		0.29	0.43	0.26	(2.19)	(2.52)	
Cash flow	Cash flow ratio		84.76	29.85	20.96	6.21	5.68	
	Cash flow adequacy ratio		64.52	45.35	95.14	50.23	44.57	
	Cash flow reinvestment ratio		5.47	2.55	4.42	1.67	1.94	
Leverage	Operating leverage		5.32	3.57	5.16	(2.01)	(6.88)	
	Financial leverage		1.00	1.14	1.95	0.75	0.59	

Analysis on changes by more than 20% for the most recent two years:
Debt to asset ratio, current ratio and quick ratio: Relevant ratios improved compared to 2022 due to the capital increase in cash and employee share subscriptions during the year.
Times interest earned: Interest expenses reduced by 100% from 2022 as the Group no longer has borrowings.
Property, plant and equipment turnover: Mainly due to the re-planning of the plant area and the purchase of related equipment in consideration of future operational needs.

Return on assets, return on equity, ratio of operating income to paid-in capital, and earnings per share: Mainly due to the paid-in capital increase arising from the capital increase in cash and employee share subscriptions during the year. Cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio: This is due to profit and recovery of amounts receivable upon the expiry of the year and the reduction of inventory purchases in response to the Group's operating policy. Operating leverage: The increase in operating leverage during the year from the rate of return in 2022 was primarily due to the decrease in sales income and operating income compared to 2022..

Note 1: The financial information for each year has been audited and certified by the CPA.
Note 2: Already audited by the CPA.
Note 3: The calculation formula for financial analysis is stated as following:
1. Financial structure
(1) Debt-to-asset ratio = Total liabilities / Total assets
(2) Long-term fund to property, plant and equipment ratio=(Total equity+non-current liabilities)/property, plant and equipment, net.
2. Solvency
(1) Current ratio = Current assets / Current liabilities
(2) Quick ratio = (Current assets - inventories - pre-paid expenses) / Current liabilities
(3) Times interest earned = Earnings before interest and taxes / Interest expenses
3. Operating performance
(1) Receivables (including accounts receivable and notes receivable due to business operation) turnover = Net sales / the balance of average receivables of different periods (including accounts receivable and notes receivable due to business operation).
(2) Days sales outstanding = 365 / Average collection turnover
(3) Average inventory turnover = cost of goods sold/Average inventory
(4) Payables (including accounts payables and notes payable due to business operation) turnover = Cost of goods sold / the balance of average payables of different periods (including accounts payables and notes payable due to business operation).
(5) Average inventory turnover days = 365 / Inventory turnover.
(6) Property, plant and equipment=Net sales/average property, plant and equipment, net
(7) Total asset turnover = Net sales/ Average total assets.
4. Profitability
(1) ROA = [Net income + Interest expenses (1 - tax rate)] / Average total assets.
(2) ROE=Income after tax/Average total equity
(3) Net margin = Net income / Net sales
(4) Earnings per share = (Income attributable to owners of the parent- Preferred stock dividend) / Weighted average number of shares outstanding.
5. Cash flow
(1) Cash flow ratio = Net cash from operating activities / Current Liabilities
(2) Cash flow adequacy ratio = Five-year sum of net cash flow from operations / Five-year sum of capital expenditures, increase in inventory, and cash dividend.
(3) Cash flow reinvestment ratio = (Cash flow from operating activities - cash dividends) / (Gross property, plant and equipment + long-term investments + other non-current assets + working capital).
6. Leverage:
(1) Operating leverage = (Net operating revenue - Variable operating costs and expenses) / Operating profit.
(2) Financial leverage = Operating profit / (Operating profit - Interest expense).

III. Audit Committee’s Report on 2023 Financial Statements:

Right Way Industrial Co., Ltd.

Audit Committee Report

The Company's 2023 financial statements, which were already audited by Deloitte Taiwan, earnings distribution plan and business report prepared and submitted by the Board of Directors have been audited by the Audit Committee. Based on the Audit Committee’s review, it found no inconsistency existing in said financial statements, earnings distribution plan and business report. The Report is presented in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Please review it accordingly.

For

2024 Annual General Meeting of Right Way Industrial Co., Ltd.

Audit Committee of Right Way Industrial Co., Ltd.

Independent Director: Shen Ming-Chang

Independent Director: Wang Kuan-Hsiang

Independent Director: Yeh Yen-Hsiu

March 12, 2024

IV. For the financial statements including the external auditor's report, two-year balance sheet, statement of comprehensive income, Statement of Changes in Equity, Statement of Cash Flows, and notes or schedules thereto, please refer to Page 147-211 of the annual report.

V. Parent company only financial statements audited and certified by CPAs for the most recent fiscal year. Exclusive of List of Major Accounting Items: Please refer to Page 212-269 of the annual report.

VI. If the Company or its affiliates have experienced financial difficulties in the most recent fiscal years or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the Company's financial situation: None.

Seven. Review and Analysis of the Financial Position and Performance and Risk Management

I. Overview of Finance:

Comparative and analysis list of financial performance

Unit: In Thousands of New Taiwan Dollars

Items \ Year	2022	2023	Difference	
			Amount	%
Current assets	1,090,231	1,188,741	98,510	9
Fund and long-term investment	-	-	-	-
Property, plant and equipment	1,118,423	1,119,112	689	0
Intangible assets	-	-	-	-
Other assets	614,219	870,067	255,848	42
Total assets	2,822,873	3,177,920	355,047	13
Current liabilities	337,352	306,835	(30,517)	(9)
Long-term liabilities	-	1,437	1,437	-
Other liabilities	84,737	78,218	(6,519)	(8)
Total Liabilities	422,089	386,490	(35,599)	(8)
Capital	2,787,878	3,004,063	216,185	8
Capital surplus	317,088	424,479	107,391	34
Accumulated profit or loss	(655,851)	(564,916)	90,935	(14)
Other shareholders' equity	(117,142)	(140,185)	(23,043)	20
Equity attributable to owners of the Company	2,331,973	2,723,441	391,468	17
Non-controlling interests	68,811	67,989	(822)	(1)
Total shareholders' equity	2,400,784	2,791,430	390,646	16

Analysis of percentage increase/decrease over 20%:

1.Other assets: Primarily a result of the subscription for the shares of Brighton-Best International (Taiwan) Inc..

5. Capital, capital surplus, equity attributable to owners of the Company, and total shareholders' equity: Primarily a result of the cash capital increase and employees subscribe for shares

3. Other shareholders' equity：Primarily a result of cumulative exchange of foreign operations due to the foreign exchange volatility.

4. Future Response Plan: The above changes have not materially adversely affected the Company, and there are no material abnormalities in the Company's overall performance, so there is no need to formulate a response plan.

II. Financial Performance:

(I) Comparison and analysis of operating results

Unit: NTD Thousand

Items \ Year	2022	2023	Increase (decrease) in amount	Variation %	Notes
Net revenue	1,141,618	1,140,720	(898)	0	
Operating costs	939,000	955,984	16,984	2	
Gross profit	202,618	184,736	(17,882)	(9)	
Operating expenses	186,138	125,790	(60,348)	(32)	Description 1
Operating income	16,480	58,946	42,466	258	Description 2
Non-operating income and expenses	86,824	41,646	(45,178)	(52)	Description 3
Net profit before tax from continuing operations	103,304	100,592	(2,712)	(3)	
Income tax gains (expenses)	(11,389)	(12,043)	(654)	6	
Profit after tax from continuing operations	91,915	88,549	(3,366)	(4)	
Losses on discontinued operations	-	-	-	-	
Other comprehensive income	22,846	(21,479)	(44,325)	(194)	Description 4
Total comprehensive income	114,761	67,070	(47,691)	(42)	Description 4

Analysis of percentage increase/decrease over 20%:

Description 1. Due to the decrease in expenses resulting from the control over internal fixed costs in 2023.

Description 2. The better performance of operating income is due to the increase in gross profit and the decrease in operating expenses in 2023.

Description 3. Primarily due to the disposal of subsidiaries and the non-current group held for sale in 2022 and the non-existence of such transactions in 2023.

Description 4. Mainly due to the recognition of investment valuation losses and losses on translation differences of financial statements of foreign operations in 2023.

(II) Sales volume forecast and the basis thereof:

Please refer to "One. Letter to Shareholders" on Pages 1~4 and "Markets, production, and marketing" on Page 119.

III. Analysis on Cash Flow:

Review and analysis of cash flows

Unit: In Thousands of New Taiwan Dollars

Balance of cash, beginning	Cash flow (net cash flow from operating activities) for the year	Cash outflow (net cash flow from investing activities/financing activities/effect of changes in foreign exchange rate) for the year	Cash surplus	Financing of cash deficit	
				Investment Project	Wealth Management Project
255,822	532,894	279,075	509,641	None	None

1. Analysis on changes in cash flow for the year:
   Operating activities: Mainly due to the profit in the current period.
   Investing activities: Primarily a result of the subscription for the shares of TUNG MUNG DEVELOPMENT CO., LTD. and Brighton-Best International (Taiwan) Inc.,and prices for disposal of related enterprises.
   Financing activities: Mainly due to the capital increase in cash.
2. Financing of cash deficit: None.
3. Cash flow analysis for the coming year:

Balance of cash, beginning	Cash inflow for the year	Cash outflow for the year	Cash surplus	Financing of cash deficit	
				Investment Project	Wealth Management Project
509,641	190,535	210,237	489,939	None	None

Explanation: No cash deficient will occur for the next year.

IV. Impact of major capital expenditures on business and finance during the latest fiscal year: None. ◦

V. Company's re-investment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year:

Unit: NT$ and foreign currency in thousand

Name of the investees	Investment policy	Investment gains (losses) recognized for the current period	Major causes for profit or loss thereof	Improvements	Investment plans for the next year
Right Way Industrial (Malaysia) Sdn. Bhd.	Manufacturing car and motorcycle pistons	10,225	Revenue increase	None	None
Excellent Growth Investments Limited	General investment	13,222	Disposal of Fuzhou Assured Brake Systems Co., Ltd.	None	None
Total		23,447	Note: Only the major investment projects which recognized investment gain and loss for the current period are identified.		

VI. Analysis and Assessment on Risk Management:

(I) Impact of changes in interest rates and currency exchange and inflation on the Company's profit and loss and the response measures to be taken in the future:

Items	Amount in 2023 (in thousand)	Items	Amount in 2023 (in thousand)
Interest income	6,554	Interest expenditure	3,295
Net exchange gains	20,465	Net exchange losses	19,494
Total	27,019	Total	22,789
Notes	The effects of the changes in interest rate and foreign exchange rate to the Company's income was NT$4,230 thousand in 2023.		

The Company evaluates the changes in interest rates periodically, and negotiates with correspondent banks to seek the most favorable financing rates in a timely manner to reduce financial expenditure. For the changes in foreign exchange rate, as the Company's import and export sales require foreign exchange, under the principles for operating foreign exchange, the revenue from foreign exchange, if any, shall be deposited into the foreign currency deposit account to satisfy the need for foreign exchange expenditure, if any. Meanwhile, the Company will assess the changes in foreign exchange to seek appropriate operations.

(II) Policies on high-risk and highly leveraged investments, loans to third parties, endorsements/guarantees, and derivatives trading, main causes of profit or loss incurred, and future responsive measures: The Company never engaged in high-risk and highly leveraged investments, derivatives trading, and endorsements/guarantees in 2023. The information ofloans to third parties please refer to Pages 206. For the main causes of profit or loss incurred in2022, please refer to the "Comparison and analysis of operating results" on Page 138.

(III) Future R&D plans and R&D expenses expected to be invested: For details, please refer to Page 117.

(IV) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response: Since execution of the trade agreement by the two sides of the Straits, the cooperation between the two sides has rapidly grown and thereby drove the automobile industry's growth significantly. China has become the world's largest automobile consumer market and also the world's largest automobile production base. In response to the local policy, and in order to strive for orders locally, local production has become the main business model. For this reason, the Company plans to expand the factory premises and production lines of Right Way Auto Parts (Fuzhou) Co., Ltd. and also continue to strengthen the management of local customers to strive for more OEM orders and fit the trend in the automobile industry. There is no change in important policy or law changes in Taiwan related to system furniture that has significant effects on the finances and business of the Company.

(V) Impact on the Company's business and finance due to technological changes, and responsive measures: The Company engages in the traditional industry and, therefore, no direct or significant impact has been posed by technological changes to the Company's business and finance.

(VI) Impact on crisis management in the event of a change in corporate identity, and responsive measures: None.

(VII) Expected benefits and possible risks of merger and acquisition, and responsive measures: The Company has no M&A plans.

(VIII) Expected benefits and possible risks of facilities expansion, and responsive measures: None.

(IX) Risks and responsive measures associated with concentrated sales or purchases: The Company has no concentrated sales or purchases. Meanwhile, in order to avoid excessive concentrated purchases, the Company upholds the principle for cooperation with two suppliers under its procurement policy for evading risks.

(X) Impact and risk on the Company due to major transfer or conversion of equity by directors, supervisors, or shareholders with more than 10% ownership interest, and responsive measures: According to Article 26 of the Securities and Exchange Act, the total shares of nominal stocks held by the entire body of either directors or supervisors of an issuer shall not be less than a specified percentage of its total issued shares. Therefore, the Company doesn't suffer any business risk arising from major transfer or conversion of equity by directors, supervisors, or shareholders with more than 10% ownership interest.

(XI) Impact and risks on the Company due to a change of the right of management, and responsive measures: None.

(XII) Litigations and non-contentious cases: None.

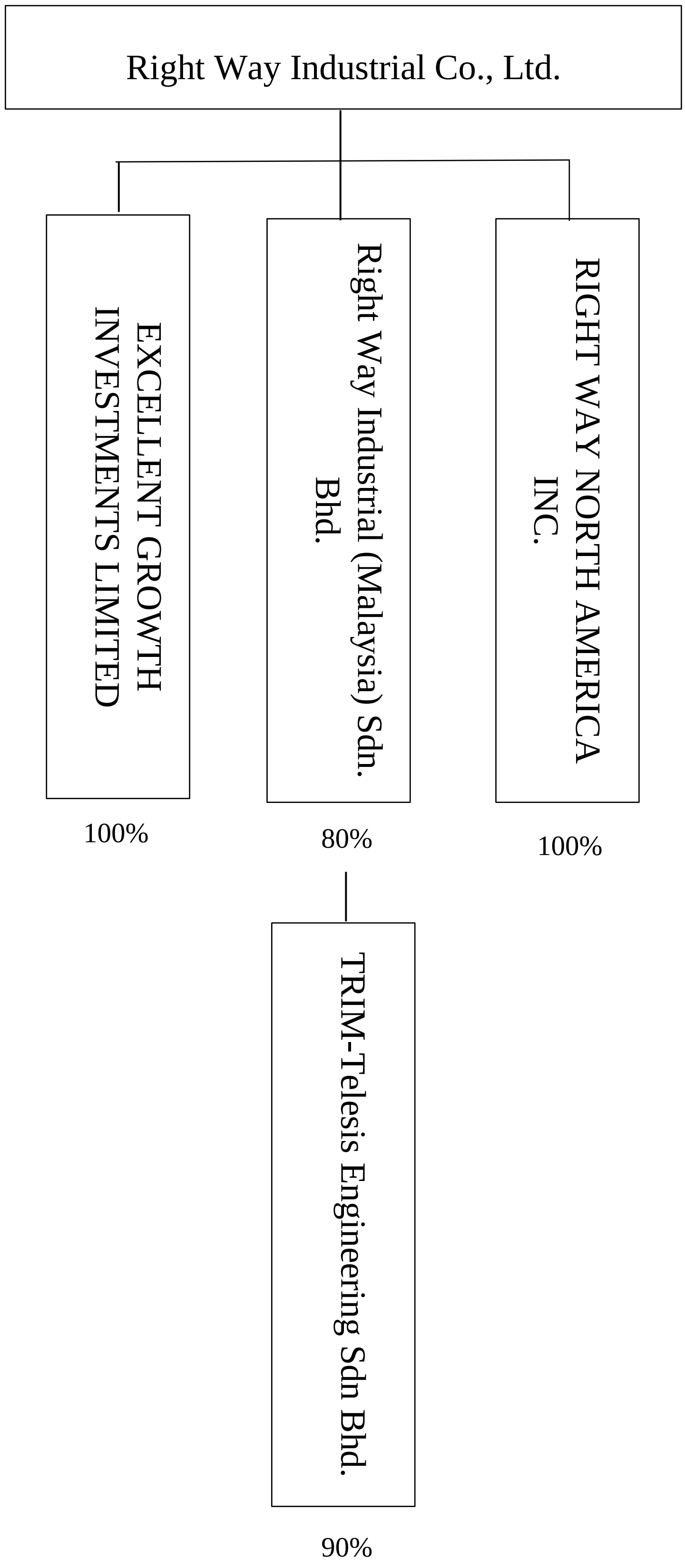
(XIII) Other important risks and responsive measures: For the information security risk assessment & analysis and responsive measures, in order to practice the information security management, the Company strictly controls the access to data and maintenance of the data security, and installs firewalls, spam filtering and anti-virus software to control and maintain the Company's normal operations. The Company's IT Dept. is responsible for establishing the information security policy and promoting the information security. It will also conduct the audit on information security to mitigate the Company's information security risk.

VII. Other important matters: None.

Eight. Special Matters to be Included

I. Information related to the Company's affiliates:

2023 Related Party Structure



(I) Information related to the Company's affiliates

Item	Date of Establishment	Address	Total amount of paid-in capital	Main business and products
Right Way Industrial (Malaysia) Sdn. Bhd.	1989.04.18	LOT 20 & 21 HICOM INDUSTRIAL ESTATE,SECTION 26, SECTOR B,40000 SHAH ALAM, SELANGOR DARUL EHSAN, MALAYSIA P. O. Box 7165	MYR36,822 thousand	Manufacturing car and motorcycle pistons
TRIM-Telesis Engineering Sdn Bhd	2001.4.17	LOT 28 & 29, Kaw. Perindustrian Ayer Keroh, 75450 Melaka. MALAYSIA	MYR10,000 thousand	Manufacturing of connecting rods
Excellent Growth Investments Limited	1995.8.16	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.	NTD 723,972 thousand	General investment
Right Way North America, Inc.	2010.10.01	150 West First Street, New Richmond, WI 54017, USA	NT$1,575 thousand	Car and motorcycle engines Trading of parts

(II) Information on the directors, supervisors and general manager of each affiliate

Company Name	Title	Name or Representative	Shareholding	
			Amount	Ownership (%)
Right Way Industrial (Malaysia)Sdn. Bhd.	Chairman	Right Way Industrial Co., Ltd. Representative: Hsieh, Li-Yun	MYR30,276	80
	Director and General Manager concurrently	Right Way Industrial Co., Ltd. Representative: Ooi, Ai-Lee		
	Director	Right Way Industrial Co., Ltd. Representative: Lo, Shih-I Representative: Li, Chien-Te		
TRIM-Telesis Engineering Sdn Bhd.	Chairman	Right Way Industrial (Malaysia)Sdn. Bhd. Representative: Hsieh, Li-Yun	MYR7,235	90
	Director	Right Way Industrial (Malaysia)Sdn. Bhd. Representative: Lo, Shih-I Representative: Ooi, Ai-Lee		
Excellent Growth Investments Limited	Chairman	Right Way Industrial Co., Ltd. Representative: Hsieh, Li-Yun	NTD723,972	100
	Director	Right Way Industrial Co., Ltd. Representative: Lo, Shih-I Representative: Li, Chien-Te		
Right Way North America, Inc	Director	Right Way Industrial Co., Ltd. Representative: Lo, Shih-I	NTD1,575	100

(III) Information on the controlling and subordinate companies presumably sharing the same shareholders: None.

(IV) Explanation about business operated by all affiliates: The Company and its affiliates engaged in the business activities including manufacturing and trading car and motorcycle parts.

(V) Financial overview and business results of affiliates

Unit: NT$ Thousand, except NT$ for the earnings (loss) per share Date: December 31, 2023

Company Name	Paid-in capital	Total assets	Total Liabilities	Net worth	Operating revenue	Operating income	Profit and loss for the period	Earnings per share
Right Way Industrial (Malaysia) Sdn. Bhd.	202,849	480,078	142,424	337,654	296,518	18,553	9,147	0.25
Excellent Growth Investments Limited	606,592	92	-	92	-	-	13,222	0.66
Right Way North America Inc.	1,535	13,312	7,717	5,595	10,791	11	9	Note 3
TRIM-Telesis Engineering Sdn Bhd.	48,475	303	34	269	-	(68)	(69)	(0.01)

Note 1. The shares issued are calculated at the part value, NT$10, of the capital.
2. The balance sheet titles and statement of income titles are converted based on the foreign exchange rate on the balance sheet date.
3. No earnings per share are calculated, as no shares are issued.

※Consolidated financial statements of affiliates: Please refer to Pages 147~211.

※Affiliation Report: Please refer to Page 148.

II. Status of private placement of securities during the most recent fiscal year and up to the date of publication of the annual report: None.

III. Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent fiscal year and up to the date of publication of the annual report: Not this situation.

IV. Other matters that require additional description: None.

Nine. Events that significantly impacted shareholders' equity or security price: None.

RIGHT WAY INDUSTRIAL CO., LTD. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2023 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

RIGHT WAY INDUSTRIAL CO., LTD.

By

LI-YUN SHIEH
Chairman
March 12, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
RIGHT WAY INDUSTRIAL CO., LTD.

Opinion

We have audited the accompanying consolidated financial statements of RIGHT WAY INDUSTRIAL CO., LTD. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the report of other auditors (refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the years ended December 31, 2023 and 2022. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2023 is as follows:

Authenticity of Revenue Recognition

As stated in Notes 4 (l) and 21, the Group's primary source of revenue is the manufacturing and sale of engine parts, pistons, and forging parts of automobiles and motorcycles. Due to the needs of particular customers, the Group stored a portion of the inventory at the hub warehouse designated by the customers. Revenue recognition relies on the statements provided by the custodian of the hub warehouse, where the revenue is recognized once the customers pick up the goods from the warehouse.

Since the Group does not directly manage the hub warehouse, the revenue recognition process usually involves manual work and significantly influences the financial reports. Therefore, the authenticity of revenue recognition from the hub warehouse is identified as a key audit matter.

Our audit procedures performed in respect of the above-mentioned key audit matter included the following:

1. We obtained an understanding of the design of the internal controls related to revenue from the hub warehouse and tested its operating effectiveness on a sample basis.

2. We obtained the bill of lading for the hub warehouse. To confirm the authenticity of the revenue, we sampled the sales from the shipment to the hub warehouse and checked them against the corresponding documents. We also verified whether the recipient of the goods is the same as the payee.

Other Matter

We have also audited the Standalone financial statements of Right Way Industrial Co. Ltd. as of and for the years ended December 31, 2023 and 2022, on which the other auditor and we have issued an unmodified opinion with other matter paragraph.

Among the subsidiaries included in the consolidated financial statements of the Group, Right Way Industrial (Malaysia) Sdn. Bhd. was not audited by us but was audited by other auditors. Thus, our opinion, insofar as it relates to the amounts and related information included for this subsidiary, is based solely on the reports of other auditors. As of December 31, 2023 and 2022, the total assets of this subsidiary amounted to NT $469,929 thousand and NT $469,744 thousand respectively, accounting for 14.79% and 16.64% of total consolidated assets, respectively. For the years ended December 31, 2023 and 2022, the net sales revenue was NT $209,239 thousand and NT $140,504 thousand, respectively, accounting for 18.34% and 12.31% of the consolidated net sales revenue, respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the

Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chi-Chen Lee and Chang-Chun Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2024

<u>*Notice to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 509,641	16	$ 255,822	9
Notes receivable (Notes 4, 9, and 21)	16,262	1	26,881	1
Accounts receivable, net (Notes 4, 9 and 21)	187,574	6	224,198	8
Account receivables from related parties (Notes 4, 9, 21, and 30)	7,437	-	-	-
Other receivables (Notes 4, 9 and 30)	3,975	-	17,897	1
Inventories (Notes 4 and 10)	351,572	11	430,448	15
Non-current assets held for sale (Note 11)	-	-	84,044	3
Other current financial assets - current (Notes 4, 8 and 31)	46,600	1	1,101	-
Other current assets (Note 15)	65,680	2	49,840	2
Total current assets	1,188,741	37	1,090,231	39
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income-non-current (Notes 4 and 7)	782,046	25	519,578	18
Property, plant and equipment (Notes 4, 14 and 31)	1,119,112	35	1,118,423	40
Deferred tax assets (Notes 4 and 23)	76,244	3	82,336	3
Refundable deposits	757	-	433	-
Net defined benefit liabilities (assets) (Notes 4 and 19)	2,447	-	-	-
Other non-current assets (Note 15)	8,573	-	11,872	-
Total non-current assets	1,989,179	63	1,732,642	61
TOTAL	$ 3,177,920	100	$ 2,822,873	100

	December 31, 2023		December 31, 2022	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 16 and 31)	$ 55,489	2	$ 52,830	2
Accounts payable (Notes 17 and 30)	124,834	4	151,727	5
Other payable (Note 18)	102,492	3	113,692	4
Current portion of long-term borrowings (Notes 4, 16 and 31)	374	-	6,529	-
Other current liabilities (Notes 18 and 21)	23,646	1	12,574	1
Total current liabilities	306,835	10	337,352	12
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4, 16, and 31)	1,437	-	-	-
Deferred tax liabilities (Notes 4 and 23)	78,215	2	76,990	3
Net defined benefit liabilities - non-current (Notes 4 and 19)	-	-	7,744	-
Guarantee deposits	3	-	3	-
Total non-current liabilities	79,655	2	84,737	3
Total liabilities	386,490	12	422,089	15
EQUITY ATTRIBUTED TO OWNERS OF THE COMPANY (Note 20)				
Ordinary shares	3,003,106	95	2,787,768	99
Advance receipts for ordinary shares	957	-	110	-
Total share capital	3,004,063	95	2,787,878	99
Capital surplus	424,479	13	317,088	11
Accumulated deficit	(564,916)	(18)	(655,851)	(23)
Other equity	(140,185)	(4)	(117,142)	(4)
Total equity attributable to owners of the Company	2,723,441	86	2,331,973	83
NON-CONTROLLING INTERESTS (Note 20)	67,989	2	68,811	2
Total equity	2,791,430	88	2,400,784	85
TOTAL	$ 3,177,920	100	$ 2,822,873	100

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

(With Deloitte & Touche auditors' report dated March 12, 2024)

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 21, and 30)	$ 1,140,720	100	$ 1,141,618	100
OPERATING COSTS (Notes 10, 22 and 30)	955,984	84	939,000	82
GROSS PROFIT	184,736	16	202,618	18
OPERATING EXPENSES (Notes 4, 9, 22, and 30)				
Selling and marketing expenses	25,749	2	33,709	3
General and administrative expenses	89,075	8	135,574	12
Research and development expenses	10,966	1	18,086	2
Expected credit loss (gain)	-	-	(1,231)	-
Total non-operating income and expenses	125,790	11	186,138	17
PROFIT (LOSS) FROM OPERATIONS	58,946	5	16,480	1
NON-OPERATING INCOME AND EXPENSES (Notes 13, 22, and 30)				
Interest income	6,554	1	2,215	-
Other income	22,254	2	38,444	4
Other gains and losses	16,133	1	59,669	5
Finance costs	(3,295)	-	(11,349)	(1)
Share of loss of associates	-	-	(2,155)	-
Total non-operating expenses	41,646	4	86,824	8
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	100,592	9	103,304	9
INCOME TAX EXPENSE (Notes 4 and 23)	12,043	1	11,389	1
NET PROFIT FOR THE YEAR	88,549	8	91,915	8
OTHER COMPREHENSIVE INCOME (LOSS) (Note 20)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	(14,978)	(1)	9,485	1
Remeasurement of defined benefit plans	5,341	-	(984)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(1,068)	-	197	-
	(10,705)	(1)	8,698	1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(12,790)	(1)	16,947	1

(Continued)

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
Income tax relating to items that may be reclassified subsequently to profit or loss	$ 2,016	-	$ (2,799)	-
	(10,774)	(1)	14,148	1
Other comprehensive income (loss) for the year, net of income tax	(21,479)	(2)	22,846	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 67,070	6	$ 114,761	10
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 86,662	8	$ 95,215	8
Non-controlling interests	1,887	-	(3,300)	-
	$ 88,549	8	$ 91,915	8
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 67,892	6	$ 115,109	10
Non-controlling interests	(822)	-	(348)	-
	$ 67,070	6	$ 114,761	10
EARNINGS PER SHARE (Note 24)				
Basic	$ 0.29		$ 0.43	
Diluted	$ 0.29		$ 0.43	

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

(With Deloitte & Touche auditors' report dated March 12, 2024)

(Concluded)

RIGHT WAY INDUSTRIAL CO., LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owner of the Company								
	Share Capital				Other Equity				
	Ordinary Shares	Advance Receipts	Capital Surplus	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2022	$ 1,791,618	$ -	$ 130,134	$ (750,756)	$ (137,346)	$ -	$ 1,033,650	$ 51,936	$ 1,085,586
Issuance of ordinary shares for cash (Note 20)	990,000	-	185,880	-	-	-	1,175,880	-	1,175,880
Issuance of ordinary shares under employee share options (Notes 20 and 25)	6,150	110	2,191	-	-	-	8,451	-	8,451
Disposal of subsidiaries (Note 20)	-	-	-	-	-	-	-	17,223	17,223
Net profit for the year ended December 31, 2022	-	-	-	95,215	-	-	95,215	(3,300)	91,915
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	(787)	11,196	9,485	19,894	2,952	22,846
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	94,428	11,196	9,485	115,109	(348)	114,761
Disposal of financial assets at fair value through other comprehensive income	-	-	-	477	-	(477)	-	-	-
Compensation cost of employee share options (Note 25)	-	-	(1,117)	-	-	-	(1,117)	-	(1,117)
BALANCE AT DECEMBER 31, 2022	2,787,768	110	317,088	(655,851)	(126,150)	9,008	2,331,973	68,811	2,400,784
Issuance of ordinary shares for cash (Note 20)	210,000	-	105,000	-	-	-	315,000	-	315,000
Issuance of ordinary shares under employee share options (Notes 20 and 25)	5,338	847	1,732	-	-	-	7,917	-	7,917
Compensation cost of employee share options (Note 25)	-	-	659	-	-	-	659	-	659
Net profit for the year ended December 31, 2023	-	-	-	86,662	-	-	86,662	1,887	88,549
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	4,273	(8,065)	(14,978)	(18,770)	(2,709)	(21,479)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	90,935	(8,065)	(14,978)	67,892	(822)	67,070
BALANCE AT DECEMBER 31, 2023	$ 3,003,106	$ 957	$ 424,479	$ (564,916)	$ (134,215)	$ (5,970)	$ 2,723,441	$ 67,989	$ 2,791,430

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

(With Deloitte & Touche auditors' report dated March 12, 2024)

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 100,592	$ 103,304
Adjustments for:		
Depreciation expenses	46,091	59,515
Expected credit loss (gain) recognized on trade receivables	-	(1,231)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	-	(14,234)
Finance costs	3,295	11,349
Interest income	(6,554)	(2,215)
Dividend income	(17,192)	-
Compensation cost of employee share options	659	(1,117)
Share of loss of associates	-	2,155
(Gain) loss on disposal of property, plant and equipment	(2,149)	30,844
Gain on disposal of subsidiaries	-	(59,710)
Gain on derecognized non-current assets held for sell groups	-	(37,774)
Impairment loss on property, plant, equipment	-	1,875
Gain on disposal of non-current assets held for sale	(13,030)	-
Write-down of inventories	21,446	8,245
Changes in operating assets and liabilities:		
Notes receivable	10,619	8,328
Accounts receivable	29,187	(3,679)
Other receivables	13,907	35,040
Inventories	57,430	(50,730)
Other current assets	(8,986)	(8,615)
Accounts payable	(26,893)	16,406
Other payables	(4,494)	(4,173)
Other current liabilities	11,072	(8,878)
Net defined benefit obligation	(5,918)	(4,240)
Cash generated from operations	209,082	80,465
Interest received	6,554	2,215
Interest paid	(3,295)	(11,349)
Income tax paid	(2,407)	(154)
Net cash generated from operating activities	209,934	71,177
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(277,446)	(434,511)
Purchases of financial assets at fair value through profit or loss	-	(10,619)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	73,977
Proceeds from sale of financial assets at fair value through profit or loss	-	90,037
Proceed from disposal of investments accounted for using equity method held for sale	97,074	-
Proceeds from disposal of subsidiaries	-	276,438
Acquisition of property, plant and equipment	(63,602)	(463,332)
Proceeds from disposal of property, plant and equipment	2,489	44,858

(Continued)

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
Increase in other financial assets	$ (45,823)	$ -
Decrease in other financial assets	-	18,863
Increase in other non-current assets	(2,641)	(34)
Dividend received	17,192	-
Net cash used in investing activities	(272,757)	(404,323)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	190,613	-
Decrease in short-term loans	(185,992)	(308,832)
Proceeds from long-term debt	-	230,000
Repayments of long-term debt	(4,578)	(757,220)
Decrease in other payables to related parties	-	(11,598)
Proceeds from issuing ordinary shares for cash	315,000	1,175,880
Proceeds from issuing ordinary shares under employee share options	7,917	8,451
Net cash generated from financing activities	322,960	336,681
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(6,318)	(1,321)
NET INCREASE IN CASH AND CASH EQUIVALENTS	253,819	2,214
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	255,822	253,608
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 509,641	$ 255,822

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

(With Deloitte & Touche auditors' report dated March 12, 2024)

(Concluded)

RIGHT WAY INDUSTRIAL CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

RIGHT WAY INDUSTRIAL CO., LTD. (the "Company") was incorporated in March 1965, and is mainly engaged in the manufacturing and retail sale of engine, parts of automobile and motorcycles, pistons, piston rings and its accessories, components for steering systems, crankshafts, chains, camshafts, machine tools and system cabinet.

The Company's shares were listed and have been trading on the Taiwan Stock Exchange since August 1980.

The consolidated financial statements of the Company and its subsidiaries, collectively referred to as the "Group", are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 12, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of the other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, net defined liabilities and net defined asset which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

Refer to Note 12 and Tables 4 and 5 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in a foreign currency and measured at historical cost are stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Company and its foreign operations (including subsidiaries in other countries that use currencies which are different from the currency of the Company) are translated into the New Taiwan dollar using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

f. Inventories

Inventories consist of raw material, work in progress, semi-finished goods, finished goods and merchandise. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of impairment loss shall be recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

h. Property, plant, and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment (including assets held under finance leases) is recognized using the straight-line method. Each significant part is depreciated separately. If the lease term is shorter than the assets' useful lives, such assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Impairment of property, plant and equipment

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When a sale plan would result in a loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale, regardless of whether the Group will retain a non-controlling interest in that subsidiary after the sale.

When the Group is committed to a sale plan involving the disposal of an investment or a portion of an investment in an associate or a joint venture, only the investment or the portion of the investment that will be disposed of is classified as held for sale when the classification criteria are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. If the Group ceases to have significant influence or joint control over the investment after the disposal takes place, the Group accounts for any retained interest that has not been classified as held for sale in accordance with the accounting policies for financial instruments.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Such assets classified as held for sale are not depreciated.

k. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are included in the initially recognized amount of the financial assets.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, accounts receivable including related parties, other receivables, refundable deposits including recognized in other current assets, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits and repurchase agreements collateralized by bonds with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

ii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers that internal or external information that shows the debtor is unlikely to pay its creditors as indication that a financial asset is in default (without taking into account any collateral held by the Group).

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

l. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from sale of goods

Revenue from the sale of goods comes from sales of automobile parts and system cabinets. Sales of goods are recognized as revenue when the conditions of sales are satisfied because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Revenue and accounts receivable are recognized concurrently. Advance receipts are recognized as a contract liability until trade terms have been reached.

2) Revenue from rendering of services

Revenue from the rendering of services is recognized as revenue when services are rendered. The Group recognizes contract assets over the period in which the services are performed. The contract assets are reclassified to trade receivables when the bills are issued. If the amount received for installation services exceeds the amount of revenue recognized, the difference is recognized as a contract liability.

m. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

For short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

n. Borrowing costs

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

p. Share-based payment arrangements

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of treasury shares transferred to employees is the date on which the board of directors approves the transaction.

At the end of each reporting period, the Group revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

q. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

There were no material uncertainties in the accounting policies, estimates and basic assumptions adopted by the Group after being evaluated by the management of the Group.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	**2022**
Cash on hand	$ 777	$ 1,950
Checking accounts and demand deposits	180,123	229,304
Cash equivalents (investments with original maturities of 3 months or less)		
Demand deposits	206,493	9,213
Repurchase agreements collateralized by bonds	122,248	15,355
	$ 509,641	$ 255,822

As of December 31, 2023 and 2022, the interest rate of demand deposits were 1.10%-5.35% and 4% per annum, respectively. As of December 31, 2023 and 2022, the interest rate of repurchase agreements collateralized by bonds were 1.03%-5.22% and 3.75% per annum, respectively.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	**2022**
Non-current		
Domestic investments		
Listed shares and emerging market shares	$ 782,046	$ 239,376
Unlisted shares	-	280,202
	$ 782,046	$ 519,578

Tung Mung Development Co., Ltd. has been listed and started trading on the Emerging Stock Board (ESB) in October 2023. On December 31, 2023, the shares held by the Group were classified from unlisted shares to emerging shares.

8. OTHER FINANCIAL ASSETS

	December 31	
	2023	**2022**
Current		
Domestic investments		
Time deposits with original maturities more than three months	$ 46,000	$ -
Pledged demand deposits (Note 31)	600	1,101
	$ 46,600	$ 1,101

As of December 31, 2023, the interest rate of the time deposits of bank was 1.45%-1.8% per annum.

9. NOTES RECEIVABLE, ACCOUNT RECEIVABLES (INCLUDING RELATED PARTIES) AND OTHER RECEIVABLE (INCLUDING RELATED PARTIES)

	December 31	
	2023	**2022**
Notes receivable		
At amortized cost - Gross carrying amount		
Operating	$ 16,262	$ 26,881
Accounts receivable (including related parties)		
At amortized cost - Gross carrying amount	$ 195,011	$ 224,198
Other receivables		
Loans to related parties	$ -	$ 12,367
Others	3,975	5,530
	$ 3,975	$ 17,897

Notes receivable

As of December 31, 2023 and 2022, the Group measured the expected credit losses on notes receivable based on the number of days overdue. No notes receivables are overdue; therefore, no expected credit loss has been recognized.

Account receivable (including related parties)

The average credit period of sales of goods was 30-120 days. No interest was charged on accounts receivable.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on accounts receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off an accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix:

December 31, 2023

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Expected credit loss rate	0.003%	0%-0.02%	-	
Gross carrying amount	$ 178,128	$ 16,883	$ -	$ 195,011
Loss allowance (Lifetime ECLs)	-	-	-	-
Amortized cost	$ 178,128	$ 16,883	$ -	$ 195,011

December 31, 2022

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Expected credit loss rate	0%-0.02%	0.15%-0.75%	1.56%-100%	
Gross carrying amount	$ 189,735	$ 34,273	$ 190	$ 224,198
Loss allowance (Lifetime ECLs)	-	-	-	-
Amortized cost	$ 189,735	$ 34,273	$ 190	$ 224,198

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31,	
	2023	2022
Balance at January 1	$ -	$ 65,204
Net remeasurement of loss allowance (Amount recovered)	-	(1,231)
Less: Amounts written off	-	(65,022)
Foreign exchange gains and losses	-	1,049
Balance at December 31	$ -	$ -

10. INVENTORIES

	December 31	
	2023	2022
Merchandise	$ 79,299	$ 108,632
Finished good	113,790	138,168
Work in process and semi-finished goods	97,888	121,941
Material	57,150	61,707
Inventory in transit	3,445	-
	$ 351,572	$ 430,448

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 was $955,984 thousand and $939,000 thousand, respectively. The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 included provisions for loss on inventories of $21,446 thousand and $8,245 thousand, respectively.

11. NON-CURRENT ASSETS HELD FOR SALE - DECEMBER 31, 2022

	December 31, 2022
Long term equity investments held for sale	$ 84,044

In December 2022, the Group signed a contract with the buyer and planned to sell all 31.66% of Right Way Auto Parts (Fuzhou) Co., Ltd. to non-related parties. Thus, the relevant assets were classified as non-current assets held for sale, and the sale price exceeded the carrying amount of the relevant net assets, so when classified as non-current assets held for sale, no impairment loss should be recognized. In March 2023, the equity transaction was completed with proceeds from disposal of $97,074 thousand, and a gain of $13,030 thousand was recognized (included in other gains and losses).

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

			Proportion of Ownership December 31		
Investor	**Investee**	**Nature of Activities**	**2023**	**2022**	**Remark**
The Company	Right Way Industrial (Malaysia) Sdn. Bhd.	Producer of quality pistons for motorcycles, commercial vehicles, automobiles, etc.	79.63%	79.63%	
	Excellent Growth Investments Limited	Investment business	100.00%	100.00%	
	Right Way North America Inc.	Trading of automobiles engine parts.	100.00%	100.00%	
	RIGHT WAY GLOBAL CO., LTD.	Trading of automobiles.	-	100.00%	Note
Right Way Industrial (Malaysia) Sdn. Bhd.	TRIM Telesis Engineering Sdn. Bhd.	Producer of connecting rod.	89.50%	89.50%	

Note: It dissolved on February 21, 2023, and the liquidation completed on October 6, 2023.

b. Details of subsidiaries that have significant non-controlling interests

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
Name of subsidiary	**December 31, 2023**	**December 31, 2022**
Right Way Industrial (Malaysia) Sdn. Bhd. and its subsidiaries	20.37%	20.37%

Refer to Tables 5 and 6 for the information on the places of incorporation and principal places of business.

Name of subsidiary	Profit (Loss) Allocated to Non-controlling Interests For the year ended December 31 2023	 2022
Right Way Industrial (Malaysia) Sdn. Bhd. and its subsidiaries	$ (822)	$ 21

Name of subsidiary	Accumulated non-controlling Interests December 31, 2023	 December 31, 2022
Right Way Industrial (Malaysia) Sdn. Bhd. and its subsidiaries	$ 67,989	$ 68,811

The following financial information of each subsidiary is prepared before intragroup eliminations:

<u>Right Way Industrial (Malaysia) Sdn. Bhd. and its subsidiaries</u>

	December 31 2023	 2022
Current assets	$ 274,959	$ 258,432
Non-current assets	205,032	240,150
Current liabilities	(144,877)	(161,531)
Non-current liabilities	(2,040)	-
Equity	$ 333,074	$ 337,051
Equity attribute to:		
Owner of the company	$ 265,085	$ 268,240
Non-controlling interests of Industrial (Malaysia) Sdn. Bhd.	67,824	68,631
Non-controlling interests of Industrial (Malaysia) Sdn. Bhd.'s subsidiaries	165	180
	$ 333,074	$ 337,051

	For the Year Ended December 31 2023	 2022
Revenue	$ 302,384	$ 294,338
Net profit(loss) for the year	$ 9,291	$ (18,968)
Other comprehensive income (loss) for the year	(13,268)	16,330
Total comprehensive income (loss) for the year	$ (3,977)	$ (2,638)

(Continued)

	For the Year Ended December 31	
	2023	2022
Profit (loss) attribute to:		
Owner of the company	$ 7,404	$ (15,668)
Non-controlling interests of Industrial (Malaysia) Sdn. Bhd.	1,894	(4,008)
Non-controlling interests of Industrial (Malaysia) Sdn. Bhd.'s subsidiaries	(7)	708
	$ 9,291	$ (18,968)
Total comprehensive income (loss) attributed to:		
Owner of the company	$ (3,155)	$ (2,659)
Non-controlling interests of Industrial (Malaysia) Sdn. Bhd.	(808)	(680)
Non-controlling interests of Industrial (Malaysia) Sdn. Bhd.'s subsidiaries	(14)	701
	$ (3,977)	$ (2,638)
Cash inflow (outflow) from:		
Operating activities	$ 8,674	$ 30,481
Investing activities	(8,409)	2,458
Financing activities	13,502	(30,159)
Net cash inflow	$ 13,767	$ 2,780

(Concluded)

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The information of associates that are not individually material is summarized below:

	December 31	
	2023	2022
The Group's share of:		
Total comprehensive income for the year	$ -	$ (2,155)

All associates mentioned above were accounted for using the equity method by the Group.

The Group reclassified investments accounted for using the equity method to non-current assets. Refer to Note 11 for further details.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery Equipment	Mold Equipment	Other Equipment	Construction in Progress	Total
Cost							
Balance at January 1, 2022	$ 380,863	$ 551,390	$ 1,247,403	$ 96,572	$ 181,166	$ 6	$ 2,457,400
Transfers out due to lossing control	-	(195,825)	(182,797)	(5,836)	(43,020)	-	(427,478)
Additions	395,927	752	8,677	565	3,431	59,577	468,929
Disposal	-	(5,912)	(327,297)	(16,465)	(33,461)	-	(383,135)
Effects of foreign currency exchange	5,748	8,580	28,240	126	2,167	-	44,861
Balance at December 31, 2022	$ 782,538	$ 358,985	$ 774,226	$ 74,962	$ 110,283	$ 59,583	$ 2,160,577
Accumulated Depreciation and impairment							
Balance at January 1, 2022	$ -	$ 284,338	$ 1,011,903	$ 81,981	$ 144,772	$ -	$ 1,522,994
Transfers out due to lossing control	-	(106,660)	(117,456)	(4,724)	(36,134)	-	(264,974)
Depreciation expenses	-	15,187	33,790	3,775	6,687	-	59,439
Impairment loss	-	-	1,875	-	-	-	1,875
Disposal	-	(2,716)	(263,380)	(16,202)	(25,135)	-	(307,433)
Effects of foreign currency exchange	-	4,334	23,942	97	1,880	-	30,253
Balance at December 31, 2022	$ -	$ 194,483	$ 690,674	$ 64,927	$ 92,070	$ -	$ 1,042,154
Carrying amount at December 31, 2022	$ 782,538	$ 164,502	$ 83,552	$ 10,035	$ 18,213	$ 59,583	$ 1,118,423
Cost							
Balance at January 1, 2023	$ 782,538	$ 358,985	$ 774,226	$ 74,962	$ 110,283	$ 59,583	$ 2,160,577
Additions	4,824	2,126	14,802	594	10,261	30,229	62,836
Disposal	-	(22,703)	(10,348)	(805)	(2,431)	-	(36,287)
Reclassification	190	24,614	12,167	102	38,812	(82,739)	(6,854)
Effects of foreign currency exchange	(4,702)	(3,577)	(16,754)	-	(804)	(552)	(26,389)
Balance at December 31, 2023	$ 782,850	$ 359,445	$ 774,093	$ 74,853	$ 156,121	$ 6,521	$ 2,153,883
Accumulated Depreciation and impairment							
Balance at January 1, 2023	$ -	$ 194,483	$ 690,674	$ 64,927	$ 92,070	$ -	$ 1,042,154
Depreciation expenses	-	10,760	24,597	2,884	7,850	-	46,091
Disposal	-	(22,702)	(10,009)	(805)	(2,431)	-	(35,947)
Effects of foreign currency exchange	-	(1,809)	(14,979)	-	(739)	-	(17,527)
Balance at December 31, 2023	$ -	$ 180,732	$ 690,283	$ 67,006	$ 96,750	$ -	$ 1,034,771
Carrying amount at December 31, 2023	$ 782,850	$ 178,713	$ 83,810	$ 7,847	$ 59,371	$ 6,521	$ 1,119,112

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	
Main buildings	20-50 years
Others	3-20 years
Machinery equipment	1-20 years
Molding equipment	2-35 years
Other equipment	2-21 years

The Group recognized impairment an loss that amounted to $1,875 thousand for the machinery equipment that is no longer operational in April 2022.

The Group held $7,483 thousand of agricultural land at Baojia Section, Rende District, Tainan City, as the factory building, which was registered under the name of the related party of the Group's chairman and was pledged as collateral by the Group.

The Group purchased the land located at Fuhai Section, Luzhu Dist., Taoyuan City that amounted to

$395,804 thousand from non-related parties in July 2022, and part of it was registered as agricultural and farmland. The Group had entered into a contract with the related party of the Group's chairman to use the related party's name for real estate registration. Since the land change was completed in August 2023, ownership has been returned and transferred to the Group by the registrant.

Refer to Note 31 for the amount of owner-occupied property, plant, and equipment that was pledged as collateral.

15. OTHER ASSETS

	December 31	
	2023	2022
Current		
Supplies	$ 14,270	$ 7,918
Prepayments	48,782	29,765
Input VAT	-	6,774
Prepayments for goods	2,628	5,044
Others	-	339
	$ 65,680	$ 49,840
Non-current		
Prepayments for equipment	$ 1,979	$ 7,919
Others	6,594	3,953
	$ 8,573	$ 11,872

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2023	2022
Secured borrowings (Note 31)		
Bank borrowings	$ 55,489	$ 52,830

The interest rate ranges of short-term borrowings at the end of December 31, 2023 and December 31, 2022 were 4.6%-6.95% and 3.25%-6.97%, respectively.

b. Long-term borrowings

The details of the Group's long-term borrowings were as follows:

	December 31, 2023			
	Currency	Interest rate interval	Date of maturity	Amount
Secured bank borrowings (Note 31)	MYR	2.44%	2028.8.30	$ 1,811
Less: Current portion				(374)
Long-term borrowings				$ 1,437

	December 31, 2022			
	Currency	Interest rate interval	Date of maturity	Amount
Secured bank borrowings (Note 31)	MYR	3.38%-4.59%	2023.10.20	$ 6,529
Less: Current portion				(6,529)
Long-term borrowings				$ -

17. ACCOUNTS PAYABLE (INCLUDING RELATED PARTIES)

Accounts payable were generated from operating activities. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. OTHER PAYABLES

	December 31	
	2023	2022
Current		
Other payables		
Payables for salaries or bonuses	$ 39,641	$ 36,295
Payables for outsourced manufacturing overhead	10,747	18,982
Payables for spares fee	4,900	6,306
Payables for annual leave	8,278	8,405
Labor and health insurance premiums payable	3,253	2,981
Maintenance fees	3,612	2,915
Payables for equipment	7,678	14,384
Accrued utilities	1,460	1,292
Payables for service cost	1,526	2,403
Freight payables	1,080	924
Others	20,317	18,805
	$ 102,492	$ 113,692

(Continued)

	December 31	
	2023	2022
Other current liabilities		
Contract liabilities	$ 18,535	$ 10,572
Others	5,111	2,002
	$ 23,646	$ 12,574

(Concluded)

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Group's domestic consolidated entities adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The Group's subsidiaries in China and Malaysia are members of a state-managed retirement benefit plan operated by each government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit plan.

b. Defined benefit plans

The defined benefit plans adopted by the Group in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Group contribute amounts equal to 5% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year.

The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans are as follows:

	December 31	
	2023	2022
Present value of defined benefit obligation	$ 94,672	$ 101,354
Fair value of plan assets	(97,119)	(93,610)
Net defined benefit (asset) liabilities	$ (2,447)	$ 7,744

Movements in net defined benefit liabilities (asset) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	$ 98,181	$ (87,181)	$ 11,000
Service cost			
Current service cost	31	-	31
Net interest expense (income)	614	(560)	54
Recognized in profit or loss	645	(560)	85
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(7,219)	(7,219)
Actuarial gain - changes in financial assumptions	(2,536)	-	(2,536)
Actuarial loss - experience adjustments	10,739	-	10,739
Recognized in other comprehensive income	8,203	(7,219)	984
Contributions from the employer	-	(4,325)	(4,325)
Benefits paid	(5,675)	5,675	-
Balance at December 31, 2022	101,354	(93,610)	7,744
Service cost			
Current service cost	37	-	37
Net interest expense (income)	1,394	(1,318)	76
Recognized in profit or loss	1,431	(1,318)	113
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(710)	(710)
Actuarial gain - changes in financial assumptions	1,040	-	1,040
Actuarial loss - experience adjustments	(5,671)	-	(5,671)
Recognized in other comprehensive income	(4,631)	(710)	(5,341)
Contributions from the employer	-	(4,963)	(4,963)
Benefits paid	(3,482)	3,482	-
Balance at December 31, 2023	$ 94,672	$ (97,119)	$ (2,447)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2023	2022
Operating costs	$ 103	$ 80
Operating expenses	10	5
	$ 113	$ 85

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the [government/corporate] bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2023	**2022**
Discount rate(s)	1.250%	1.375%
Expected rate(s) of salary increase	2.000%	2.000%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	**2022**
Discount rate(s)		
0.25% decrease	$ (2,063)	$ (2,332)
0.25% increase	$ 2,135	$ 2,417
Expected rate(s) of salary increase/decrease		
0.25% decrease	$ 2,080	$ 2,358
0.25% increase	$ (2,020)	$ (2,287)

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	**2022**
Expected contributions to the plans for the next year	$ 5,263	$ 4,495
Average duration of the defined benefit obligation	8.8 years	9.3 years

20. EQUITY

a. Ordinary shares

	December 31	
	2023	2022
Number of shares authorized (in thousands)	500,000	500,000
Shares authorized	$ 5,000,000	$ 5,000,000
Number of shares issued and fully paid (in thousands)		
Ordinary shares	300,311	278,777
Publicly traded shares	$ 1,343,106	$ 1,337,768
Privately issued shares	1,660,000	1,450,000
Shares issued and fully paid	$ 3,003,106	$ 2,787,768
Advance receipts for share capital	$ 957	$ 110

1) On January 13, 2023, the Company issued 21,000 thousand ordinary shares for cash through private placement with a premium price of $15 per share, in which the Company received a full share payment of $315,000 thousand, taking January 13, 2023 as the base date for capital increase. The application of the changing capital amount was approved by the Ministry of Economic Affairs.

2) For the year ended December 31, 2023, the Company's employees exercised 595 thousand employee share options with a price range of $13.3-$13.4 per share, which amounted to $7,917 thousand. Among them, the base dates for 324 thousand shares and 199 thousand shares were June 9, 2023 and November 20, 2023, respectively. As of December 31, 2023, the application for share capital alteration with the Ministry of Economic Affairs had been completed, whereas the alteration of the remaining 72 thousand shares had not been completed and was presented as advance receipts for share capital.

3) On April 15, 2022, the Company issued 84,000 thousand ordinary shares for cash through private placement with a premium price of $11.32 per share. The capital increase amounted to $950,880 thousand, taking April 15, 2022 as the base date. The aforementioned transaction and the application of registration have both been completed.

   On June 20, 2022, the Company's board of shareholders resolved and authorized the issuance of ordinary shares through private placement with the limit of three installments of not more than 100,000 thousand ordinary shares with a par value of $10. On December 5, 2022, the Company issued 15,000 thousand ordinary shares through private placement with a premium price of $15 per share, which amounted to $225,000 thousand. The aforementioned transaction and the application for registration have both been completed.

4) For the year ended December 31, 2022, the Company's employees exercised 626 thousand employee share options with a price of $13.5 per share, which amounted to $8,451 thousand. As of December 31, 2023, the exercise of employee share options for 615 thousand shares has been completed. The capital change registration application with the Ministry of Economic Affairs, with August 26, 2022 as the base date for capital increase, and the remaining 11 thousand shares have not been completed. The remaining part was presented as advance receipts for share capital. In subsequent years, the base date for capital increase was June 9, 2023, and the application for capital change registration has been completed with the Ministry of Economic Affairs.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Issuance of ordinary shares	$ 419,760	$ 313,028
Difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	2,842	2,842
May not be used for any purpose		
Employee share options	1,877	1,218
	$ 424,479	$ 317,088

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, 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 a legal reserve 10% of the remaining profit; however, once the legal reserve has reached the Company's paid-in capital, no further reserve shall be made, 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. Refer to Note 22 (g) Employees' compensation and remuneration of directors for the appropriation policy of employees and directors as set forth in the Articles.

In addition, as set forth in the Articles, the Company's dividends policy considers its operating environment, industry developments, and sustainable development as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the share or cash dividends to be paid, of which cash dividends shall not be less than 50% of the total dividends paid.

As the Company had accumulated deficits in both 2022 and 2021, on June 9, 2023 and June 20, 2022, the shareholders resolved that the Company shall make no appropriations.

d. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31 2023	2022
Balance at January 1	$ (126,150)	$ (137,346)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(8,065)	11,196
Balance at December 31	$ (134,215)	$ (126,150)

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31 2023	2022
Balance at January 1	$ 9,008	$ -
Recognized for the year		
Unrealized (loss) gain	(14,978)	9,485
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	-	(477)
Balance at December 31	$ (5,970)	$ 9,008

e. Non-controlling interests

	For the Year Ended December 31 2023	2022
Balance at January 1	$ 68,811	$ 51,936
Share in profit for the year	1,887	(3,300)
Other comprehensive income (loss) during the year		
Exchange differences on translating the financial statements of foreign operations	(2,709)	2,952
Disposal of subsidiaries	-	17,223
Balance at December 31	$ 67,989	$ 68,811

21. REVENUE

	For the Year Ended December 31 2023	2022
Revenue from contracts with customers		
Revenue from sale of goods	$ 1,140,720	$ 1,141,618

a. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable	$ 16,262	$ 26,881	$ 35,209
Accounts receivable	$ 195,011	$ 224,198	$ 231,595
Contract liabilities (presented under other current liabilities)	$ 18,535	$ 10,572	$ 8,326

b. Disaggregation of revenue

	For the Year Ended December 31	
	2023	2022
Automotive parts and components	$ 798,248	$ 816,484
Processing	47,713	73,519
System cabinet	33,790	-
Others	260,969	251,615
	$ 1,140,720	$ 1,141,618

22. PROFIT BEFORE INCOME TAX

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	$ 6,392	$ 1,408
Interest on loan from related parties	162	807
	$ 6,554	$ 2,215

b. Other income

	For the Year Ended December 31	
	2023	2022
Dividend income	$ 17,192	$ -
Litigation fees returned	-	2,437
Rental income	1,034	2,039
Mold designing income (Note 30)	-	6,400
Temporary credits recognized as income	172	6,312
Compensation income	-	7,525
Others	3,856	13,731
	$ 22,254	$ 38,444

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Gain (loss) on disposal of property, plant and equipment	$ 2,149	$ (30,844)
Gain on disposal of investments accounted for using equity method held for sale	13,030	-
Net foreign exchange gains and losses	971	27,077
Gain on disposal of subsidiaries	-	59,710
Gain on derecognized non-current held for sell groups (Note)	-	37,774
Gain on financial assets at fair value through profit or loss	-	14,234
Impairment loss on property, plant and equipment	-	(1,875)
Severance payments	-	(38,068)
Others	(17)	(8,339)
	$ 16,133	$ 59,669

Note: On August 23, 2022, the Group obtained a bankruptcy application ruling held by Admiral Skill Limited to invest in Shanghai Kunyi Precision Metal Forming Products Co., Ltd., and recognized the gain on disposal of $37,774 thousand.

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	$ 3,295	$ 11,218
Interest on loans from related parties	-	131
	$ 3,295	$ 11,349

e. Depreciation

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	$ 46,091	$ 59,439
Right-of-use assets	-	76
	$ 46,091	$ 59,515
An analysis of depreciation by function		
Operating costs	$ 39,715	$ 47,597
Operating expenses	6,376	11,918
	$ 46,091	$ 59,515

f. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Short-term benefits	$ 196,218	$ 234,693
Post-employment benefits		
Defined contribution plans	7,980	8,357
Defined benefit plans (Note 19)	113	85
	$ 204,371	$ 234,135
An analysis of employee benefits expense by function		
Operating costs	$ 143,139	$ 146,867
Operating expenses	61,232	96,268
	$ 204,371	$ 243,155

g. Employees' compensation and remuneration of directors

According to the Company's Articles, the Company accrues employees' compensation and remuneration of directors at rates from 0.1% to 3%, distributed in shares or cash by the resolution of the board of directors. The payment objects include employees of affiliated companies who meet certain conditions. According to the aforementioned profit, the Company shall allocate the remuneration of directors no higher than 1.5%. The employees' compensation and remuneration of directors shall be submitted to the report of the regular shareholders' meeting. However, if the Company still had an accumulated deficit, it shall first set aside the amount for offset of deficit, then allocate employee compensation and director compensation according to the aforementioned ratio. Since the Company had an accumulated deficit in both 2023 and 2022, no employees' compensation and remuneration of directors are accrued. Related information could be found at the Market Observation Post System of the Taiwan Stock Exchange.

h. Gains and losses on foreign currency exchange

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	$ 20,465	$ 41,989
Foreign exchange losses	(19,494)	(14,912)
Net gains	$ 971	$ 27,077

23. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31			
	2023		2022	
Current tax				
In respect of the current year	$	3,778	$	261
Deferred tax				
In respect of the current year		8,265		11,128
	$	12,043	$	11,389

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31			
	2023		2022	
Profit before tax	$	100,592	$	103,304
Income tax expense calculated at the statutory rate	$	20,118	$	20,661
Nondeductible expenses in determining taxable income		628		963
Tax-exempt income		(3,438)		(2,847)
Unrecognized liquidation losses of subsidiaries		(23,561)		(7,344)
Unrecognized loss carryforwards and deductible temporary differences		19,223		711
Controlled foreign corporation tax		2,644		-
Effect of different tax rates of group entities operating in other jurisdictions		(3,571)		(755)
	$	12,043	$	11,389

The corporate tax rate applicable to subsidiaries in China and Malaysia is 25% and 24%, respectively. Tax rates used by other entities of the Group operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Deferred tax assets and liabilities

For the year ended December 31, 2023

Deferred Tax Assets	**Opening Balance**	**Recognized in Profit or Loss**	**Exchange Differences**	**Closing Balance**
Temporary differences				
Defined benefit plans	$ 1,432	$ (986)	$ (446)	$ -
Unrealized investment loss	28,292	(28,292)	-	-
Exchange differences on translating the financial statements of foreign operations	31,537	-	2,016	33,553
Unrealized exchange losses	702	853	-	1,555
Unrealized gain on transactions with associate or joint ventures	-	332	-	332
Idle capacity	163	(151)	-	12
Others	3,989	(581)	-	3,408
	66,115	(28,825)	1,570	38,860
Tax losses	16,221	21,163	-	37,384
	$ 82,336	$ (7,662)	$ 1,570	$ 76,244
Deferred Tax Liabilities				
Temporary differences				
Land appreciation reserve	$ 76,990	$ -	$ -	$ 76,990
Defined benefit plans	-	-	622	622
Others	-	603	-	603
	$ 76,990	$ 603	$ 622	$ 78,215

For the year ended December 31, 2022

Deferred Tax Assets	**Opening Balance**	**Recognized in Profit or Loss**	**Exchange Differences**	**Closing Balance**
Temporary differences				
Defined benefit plans	$ 2,083	$ (848)	$ 197	$ 1,432
Unrealized investment loss	28,915	(623)	-	28,292
Exchange differences on translating the financial statements of foreign operations	34,336	-	(2,799)	31,537
Unrealized exchange losses	-	702	-	702
Idle capacity	-	163	-	163
Others	7,133	(3,144)	-	3,989
	72,467	(3,750)	(2,602)	66,115
Tax losses	23,599	(7,378)	-	16,221
	$ 96,066	$ (11,128)	$ (2,602)	$ 82,336

(Continued)

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
Temporary differences				
Land appreciation reserve	$ 76,990	$ -	$ -	$ 76,990

(Concluded)

c. Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2023	2022
Loss carryforwards of the Company		
Expiry in 2033	$ 101,526	$ -
Loss carryforwards of subsidiaries		
Expiry in 2024	$ -	$ 8,481
Expiry in 2026	-	19
Expiry in 2027	-	63
Expiry in 2028	-	63
Expiry in 2029	-	53
Expiry in 2030	-	51
Expiry in 2031	-	54
Expiry in 2032	-	75
	$ -	$ 8,859
Deductible temporary differences		
Unrealized loss of subsidiaries	$ 123,052	$ 151,623
Others	-	3,594
	$ 123,052	$ 155,217

d. Information on unused loss carryforwards

Loss carryforwards of the Company as of December 31, 2023 comprised:

Unused Amount	Expiry Year
$ 1,663	2027
46,740	2029
48,004	2030
192,043	2033
$ 288,450	

e. Income tax assessments

Tax returns of the Company and its domestic subsidiaries income through 2021 have been assessed by the tax authorities.

24. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2023	2022
Profit for the year attributable to owners of the Company	$ 86,662	$ 95,215

Shares

Unit: In Thousands of Shares

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	299,344	219,225
Effect of potentially dilutive ordinary shares:		
Bonuses for employees	267	196
Weighted average number of ordinary shares used in the computation of diluted earnings per share	299,611	219,421

25. SHARE-BASED PAYMENT ARRANGEMENTS

Qualified employees of the Company were granted 2,300 units of options in January 2019, where each option entitles the holder with the right to subscribe for 1,000 ordinary shares of the Company. The options granted are valid for 5 years and exercisable at certain percentages after the second year from the grant date. The options were granted at an exercise price of at least 75% of the closing price of the Company's ordinary shares listed on the Taiwan Stock Exchange at the grant date, during which the board of directors will decide the actual exercise price. In addition, the exercise price is adjusted accordingly for any subsequent changes in the Company's ordinary shares or when a cash dividend is being paid.

Options granted in January 2019 are priced using the Pseudo American Option pricing model, and the inputs to the model are as follows:

	January 2019
Grant-date share price	$ 21.30
Exercise price	15.98
Expected volatility	29.98%
Expected life (in years)	5
Expected dividend yield	-
Risk-free interest rate	0.54% - 0.73%

Expected volatility is based on the historical share price volatility in the past 5 years.

Information on employee share options was as follows:

	For the Year Ended December 31					
	2023			2022		
	Weighted-average Exercise Price ($)		Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)		Number of Options (In Thousands of Units)
Balance at January 1	$	13.4	655	$	14.79	1,505
Options granted		-	-		14.79	40
Options losses		-	-		13.49	(264)
Options exercised		13.3-13.4	(595)		13.53	(626)
Balance at December 31		13.3	60		13.4	655
Balance allowed for exercise of options at December 31		13.3	60		13.4	263

The compensation costs recognized in 2023 and 2022 were NT$659 thousand and NT$(1,117) thousand, respectively.

26. DISPOSAL OF SUBSIDIARY - RIGHTWAY AUTOPARTS (FUZHOU) CO., LTD.

The Group entered into a sales agreement on June 30, 2022 to dispose of 100% of the shares of Rightway Autoparts (Fuzhou) Co., Ltd., which manufactures the piston steering system for automobiles and motorcycles. The disposal was completed on June 30, 2022, on which date the control of the subsidiary transferred to the acquirer.

a. Consideration received from disposal

	Amount
Consideration received in cash	$ 276,338

b. Analysis of assets and liabilities on the date control was lost

	Amount
Current assets	$ 13,350
Accounts receivable and other receivables	
Inventory	27,868
Other current assets	4,364
Non-current assets	
Property, plant and equipment	162,504
Right-of-use assets	4,312
Guarantee deposits paid	4,444
Current liabilities	
Other payables	(242)
Net assets disposed of	$ 216,600

c. Gain on disposal of the subsidiary

		Amount
Consideration received	$	276,338
Net assets disposed of		216,600
Gain on disposal	$	59,738

d. Net cash inflow on disposal of the subsidiary

		Amount
Consideration received in cash	$	276,338

27. CASH FLOW INFORMATION

Non-cash transactions

The Group entered into the following non-cash investing activities:

	December 31			
		2023		2022
Increase in property, plant and equipment	$	62,836	$	468,929
Decrease (increase) in payables for equipment		6,706		(13,438)
(Decrease) increase in prepayments for equipment		(5,940)		7,841
	$	63,602	$	462,332

28. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged for 2023 and 2022.

The capital structure of the Group consists of net debt and equity of the Group. Key management personnel of the Group review the capital structure on annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the number of new shares issued.

29. FINANCIAL INSTRUMENTS

a. Fair value

The carrying amounts of the Group's financial instruments that are not measured at fair value, such as cash and cash equivalents, accounts receivable, refundable deposits, bank borrowings, and accounts payable, approximate their fair values.

b. Fair values of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity				
Listed securities	$ 450,819	$ -	$ -	$ 450,819
Emerging market securities	-	-	331,227	331,227
	$ 450,819	$ -	$ 331,227	$ 782,046

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity				
Listed securities	$ 239,376	$ -	$ -	$ 239,376
Unlisted securities	-	-	280,202	280,202
	$ 239,376	$ -	$ 280,202	$ 519,578

There were no transfers between Levels 1 and 2 in the current and prior years.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2023

	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2023	$ 280,202
Recognized in other comprehensive income	(2,881)
Purchase	53,906
Balance at December 31, 2023	$ 331,227

For the year ended December 31, 2022

		Financial Assets at FVTOCI
		Equity Instruments
Balance at January 1, 2022	$	149,559
Recognized in other comprehensive income		10,760
Reclassified		(477)
Purchase		193,860
Disposals		(73,500)
Balance at December 31, 2022	$	280,202

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of domestic emerging market shares and unlisted equity securities were determined using the market approach.

c. Categories of financial instruments

	December 31			
		2023		2022
Financial assets				
Financial assets at amortized costs (Note 1)	$	772,246	$	526,332
Financial assets at FVTOCI-equity instrument investments		782,046		519,578
Financial liabilities				
Financial liabilities measured at amortized cost (Note 2)		284,629		324,781

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, accounts receivable, other receivables, other current financial assets - current, and refundable deposits.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term loans, accounts payable, other payables, long-term loans (including long-term loans due in one year), and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposing to foreign currency risk at the end of the reporting period are set out in Note 33.

Sensitivity analysis

The Group is mainly exposed to the USD. The following table details the Group's sensitivity to an increase and decrease in the functional currency against the relevant foreign currencies. If the functional currency had weakened against 5% the relevant currency, the pre-tax profit would have increased by the following amounts:

	USD Impact For the Year Ended December 31	
	2023	**2022**
Profit or loss	$ 6,755	$ 11,158

This was mainly attributable to the outstanding exposure on foreign currency cash and cash equivalents, accounts receivable and accounts payable, which were not hedged at the end of the reporting period.

The Group's sensitivity to foreign currency decrease because the Group's sales in USD increased, which resulted in a decline in the accounts receivable in USD.

b) Interest rate risk

The Group is exposed to interest rate risk because the Group borrowed funds at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of floating rate borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial assets	$ 374,741	$ 24,568
Cash flow interest rate risk		
Financial assets	179,230	229,831
Financial liabilities	57,300	59,359

If interest rates had been 0.5% higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2023 and 2022 would have decreased/increased by $610 thousand and $852 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices had been 5% higher/lower, pre-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $39,102 thousand and $25,979 thousand, respectively.

The Group’s sensitivity to equity prices increased because the Group increased its investment in financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Group. As at the end of the reporting period, the Group’s maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The transaction objects of the Group are all corporate organizations with good credit, and no significant credit risk is expected. Also, the financial status of accounts receivable customers is also continuously evaluated.

The Group’s concentration of credit risk was mainly in the Group’s largest customer, which accounted for 22% and 39% of total trade receivables as of December 31, 2023 and 2022, respectively.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Group’s operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group's operating funds and acquired bank loan facilities are enough to cover future operating costs; therefore, there is no liquidity risk due to unable raise funds to fulfil contracts.

a) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following tables detail the Group’s remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are floating rate, the undiscounted amount was derived from the effective interest rates at the end of the reporting period.

December 31, 2023

	Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 114,029	$ 110,889	$ 2,408	$ 3
Floating interest rate bank loans	31,673	21,802	2,830	1,555
	$ 145,702	$ 132,691	$ 5,238	$ 1,558

December 31, 2022

	Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 115,580	$ 145,908	$ 3,931	$ 3
Floating interest rate bank loans	27,858	31,888	-	-
	$ 143,438	$ 177,796	$ 3,931	$ 3

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Financing facilities

The financing facilities of bank borrowings were as follows:

	December 31	
	2023	2022
Amount used	$ 57,300	$ 59,359
Amount unused	468,411	1,775,660
	$ 525,711	$ 1,835,019

30. TRANSACTIONS WITH RELATED PARTIES

The Company’s parent company is Brighton-Best International (Taiwan) Inc., which owned 17.82% and 19.20% of the ordinary shares of the Company as of December 31, 2023 and 2022, respectively. Also, after the re-election of the directors at the shareholders' meeting in June 2022, Brighton-Best International (Taiwan) Inc. had control of more than half of the directors' seats, giving it substantial control over the Company. The Company's ultimate parent and ultimate controlling party is Ta Chen Stainless Pipe Co., Ltd. By securing multiple seats on the board of directors of this company and having its representative elected as the chairman of the board, it holds substantial control over the company.

Details of transactions between the Group and other related parties are disclosed below:

a. Related party name and category

Related Party Name	Ultimate related Party Category
Ta Chen Stainless Pipe Co., Ltd.	Ultimate parent entity
Brighton-Best International (Taiwan) Inc.	Parent entity
Ta Chen Lung Mei Home Life Co., Ltd.	Fellow Subsidiary
KUO, CHIEN-TING	Chairman of the board until June 20, 2022 (Related party in substance, Note 2)
LEE, MING-HSIANG	Board of directors until June 20, 2022 (Related party in substance, Note 2)
CHEN, HAU	President of Subsidiary until June 30, 2022 (Related party in substance, Note 2)
Fuzhou Assured Brake System Co., Ltd.	Associate until February 8, 2023 (Note 2)
VICTOR, HSIEN	Related party in substance, director of ultimate parent entity since June 26, 2023 (Note 1)

Note 1: Refer to Note 14 about the land ownership registered under the related party's name.

Note 2: The transaction amount and account balance disclosed in this note are all generated when it is a related party.

b. Operating revenues 2023

Related Party Category/Name	For the Year Ended December 31, 2023
Ultimate parent entity	
Ta Chen Stainless Pipe Co., Ltd.	$ 815
Fellow Subsidiary	
Ta Chen Lung Mei Home Life Co., Ltd.	27,969
	$ 28,784

The sale prices and terms to related parties were not significantly different from those of non-related parties.

c. Net purchases

Related Party Category/Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Associate		
Right Way Auto Parts Fuzhou	$ -	$ 402
Ultimate parent entity		
Ta Chen Stainless Pipe Co., Ltd.	16,177	-
	$ 16,177	$ 402

The Group does not have identical products for comparison with the purchase price of the related party. The payment term for related parties is 30 days from the monthly settlement.

d. Loans from related parties

Interest expense - 2022

Related Party Category/Name	December 31, 2022
Related party in substance	$ 131

The Group obtained loans from related parties at rates comparable to market interest rates. The loans from the related parties are all unsecured.

e. Loans to related parties (including principal and interest)

Other receivables from related parties - December 31, 2022

Related Party Category/Name	December 31, 2022
Associate	
Fuzhou Assured Brake System Co., Ltd.	$ 12,367

Interest Income

Related Party Category/Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Associate		
Fuzhou Assured Brake System Co., Ltd.	$ 162	$ 807

The Group obtained loans from related parties at rates comparable to market interest rates. The loans from the related parties are all unsecured.

f. Receivables from related parties - December 31, 2023

Line Item	Related Party Category/Name	Amount
Account receivables from related parties	Fellow Subsidiary	
	Ta Chen Lung Mei Home Life Co., Ltd.	$ 7,437
Other receivables	Fellow Subsidiary	
	Ta Chen Lung Mei Home Life Co., Ltd.	325
		$ 7,762

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2023, no impairment losses were recognized for trade receivables from related parties.

g. Payables to related parties - December 31, 2023

Line Item	Related Party Category/Name	Amount
Accounts payable to related parties	Ultimate parent entity	
	Ta Chen Stainless Pipe Co., Ltd.	$ 6,575
	Fellow Subsidiary	
	Ta Chen Lung Mei Home Life Co., Ltd.	240
		$ 6,815

The outstanding trade payables to related parties are unsecured.

h. Acquisitions of property, plant and equipment

Related Party Category	Purchase Price 2023
Ultimate parent entity	
Ta Chen Stainless Pipe Co., Ltd.	$ 333
Fellow Subsidiary	
Ta Chen Lung Mei Home Life Co., Ltd.	844
	$ 1,177

i. Lease arrangements - 2023

Related Party Category	Amount
Interest expense	
Ultimate parent entity	
Ta Chen Stainless Pipe Co., Ltd.	$ 14,400
Parent entity	
Brighton-Best International (Taiwan) Inc.	13,200
	$ 27,600

The Group leased machinery equipment from its ultimate parent entity and parent entity in January 2023. The lease term of the contract was 1 years; the rental is based on similar asset's market rental rates and fixed lease payments are paid monthly.

j. Other transactions with related parties

Related Party Category/Name	Line Item	2023	2022
Ultimate parent entity			
Ta Chen Stainless Pipe Co., Ltd	Operating costs	$ 14	$ -
	Operating expenses	85	-
		$ 99	$ -
	Other income	$ -	$ 6,400
Fellow Subsidiary			
Ta Chen Lung Mei Home Life Co., Ltd.	Operating costs	$ 246	$ 197
	Operating expenses	348	-
		$ 594	$ 197

k. Remuneration of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	$ 4,367	$ 14,846
Share-based payment	1	-
Post-employment benefits	108	187
	$ 4,476	$ 15,033

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31	
	2023	2022
Restricted bank deposit (presented under other current financial asset-current)	$ 600	$ 1,101
Land	427,494	386,612
Property, plant and equipment, net (except land)	135,687	131,633
	$ 563,781	$ 519,346

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. Unused letters of credit for purchases

	December 31	
	2023	2022
Unused letters of credit	$ 851	$ 598

b. Notes payable on deposit guarantee for loan

	December 31	
	2023	2022
Notes payable on deposit guarantee	$ 337,300	$ 1,219,000

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 4,123	30.705 (USD:NTD)	$ 126,609
USD	963	4.5828 (USD:MYR)	29,574
USD	2	7.0961 (USD:RMB)	75
Financial liabilities			
Monetary items			
USD	23	30.705 (USD:NTD)	714
USD	666	4.5828 (USD:MYR)	20,443

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 8,173	30.71 (USD:NTD)	$ 250,995
USD	66	4.406 (USD:MYR)	2,026
USD	2	6.9669 (USD:RMB)	55

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial liabilities			
Monetary items			
USD	$ 193	30.71 (USD:NTD)	$ 5,915
USD	782	4.406 (USD:MYR)	24,011

(Concluded)

The Group is mainly exposed to the USD. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2023		2022	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	$ 219	1 (NTD:NTD)	$ 24,179
MYR	6.8351 (MYR:NTD)	752	6.7746 (MYR:NTD)	2,823
RMB	4.3956 (RMB:NTD)	-	4.4219 (RMB:NTD)	75
		$ 971		$ 27,077

34. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (None)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

9) Trading in derivative instruments (None)

10) Intercompany relationships and significant intercompany transactions (Table 3)

b. Information on investees (Table 4)

c. Information on investments in mainland China

Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 5)

d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 6)

35. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance is based on the geographical locations and the major products and services.

a. Segment revenue and results

	Taiwan	Eastern South Asia	China	Other Segments (Note)	Adjustments and Eliminations	Consolidated
Year ended December 31, 2023						
Revenue from external customers	$ 920,691	$ 209,239	$ -	$ 10,790	$ -	$ 1,140,720
Inter segment revenue	17,363	93,145	-	-	(110,508)	-
Segment revenue	$ 938,054	$ 302,384	$ -	$ 10,790	$ (110,508)	$ 1,140,720
Segment income	$ 40,853	$ 15,261	$ -	$ 10	$ 2,822	$ 58,946
Non-operating income and expenses						44,941
Finance costs						(3,295)
Income before income tax						$ 100,592
Year ended December 31, 2022						
Revenue from external customers	$ 901,492	$ 140,504	$ 81,672	$ 17,950	$ -	$ 1,141,618
Inter segment revenue	20,406	153,834	6,439	4,691	(185,370)	-
Segment revenue	$ 921,898	$ 294,338	$ 88,111	$ 22,641	$ (185,370)	$ 1,141,618
Segment income	$ 58,529	$ (15,972)	$ (21,854)	$ (8,410)	$ 4,187	$ 16,480
Non-operating income and expenses						98,173
Finance costs						(11,349)
Income before income tax						$ 103,304

Note: Includes discontinued segment.

Segment profit represented the profit earned by each segment without income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Since the chief operating decision maker makes decisions based on segment results, there is no information of assets and liabilities classified for assessment of different business performance and only the results of reportable segments are listed.

b. Revenue from major products

Refer to Note 21 for information of the Group's revenue from continuing operations from its major products and services.

c. Geographical information

The Group operates in four principal geographical locations - Taiwan, Malaysia, China and the United States.

The Group's revenue from continuing operations from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2023	2022	2023	2022
Taiwan	$ 209,933	$ 270,520	$ 922,653	$ 890,145
Malaysia	161,563	135,593	205,032	240,150
China	4,903	88,575	-	-
The United States	575,725	433,456	-	-
Others	188,596	213,474	-	-
	$ 1,140,720	$ 1,141,618	$ 1,127,685	$ 1,130,295

Non-current assets excluded those classified as financial instruments, investments accounted for using the equity method and deferred tax assets.

d. Information about major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2023	2022
Customer A	$ 448,961	$ 430,137

RIGHT WAY INDUSTRIAL CO., LTD AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 3)
													Item	Value		
0	The Company	Right Way Industrial (Malaysia) Sdn. Bhd.	Other receivables	Y	$ 48,638	$ 46,058	$ 38,381	5.0	1	$ 94,645	-	$ -	None	$ -	$ 94,645	$ 1,089,376
		Fuzhou Assured Brake Systems Co., Ltd.	Other receivables	N	17,780	-	-	7.0	2	-	Operating capital	-	None	-	408,516	1,089,376

Note 1: The No. column is denoted as follows:

1) Issuer is numbered 0.

2) Investees are numbered starting from 1.

Note 2: The nature of financing is numbered as follows:

1) Business transaction is “1”.

2) The need for short-term financing is “2”.

Note 3:

1) The need for short-term financing: 15% of the Company’s net worth in the most recent audited or reviewed financial statements; Business transaction: to the extent that it does not exceed the amount of business transactions between the two parties, in which the amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties.

2) Aggregate Financing Limit of the Company is 40% of its net worth in the most recent audited or reviewed financial statements.

Note 4: The transaction was eliminated when preparing the consolidated financial statement.

TABLE 2

RIGHT WAY INDUSTRIAL CO., LTD AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Listed shares - Brighton-Best International (Taiwan) Inc.	Parent entity	Financial assets at fair value through other comprehensive income - non-current	12,735,000	$ 450,819	1.23	$ 450,819	
	Listed shares - ROC Tung Mung Development Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	30,840,493	331,227	7.41	331,227	
	Unlisted shares -Phoenix Motor Corporation	None	Financial assets at fair value through profit or loss - current	600,000	-	-	-	The amount is already recognized as impairment losses

TABLE 3

RIGHT WAY INDUSTRIAL CO., LTD AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
0	Right Way Industrial Co., Ltd.	Right Way Industrial (Malaysia) Sdn. Bhd.	1	Purchase	$ 94,645	Based on general transaction price, payment 75 days after monthly closing	8.30
		Right Way Industrial (Malaysia) Sdn. Bhd.	1	Other receivables	44,522	-	1.39
		Right Way North America Inc.	1	Operating Revenue	12,572	Based on general transaction price, Received 180 days after monthly closing	1.10

Note 1: The No. column is denoted as follows:

1) 0 for Parent entity

2) Subsidiaries are numbered starting from 1

Note 2: The relationships with counterparties are as follows:

1) Parent to subsidiaries

2) Subsidiaries to parent

3) Subsidiaries to subsidiaries

Note 3: Regarding the ratio of transaction amount to consolidated total sales or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet account and based on accumulated balance to consolidated total sales for profit or loss accounts.

Note 4: Intercompany relationships and significant intercompany transactions that account for less than 1% of the total sales and total assets are not disclosed.

Note 5: The transaction above was eliminated when preparing the consolidated financial statement.

RIGHT WAY INDUSTRIAL CO., LTD AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
The Company	Right Way Industrial (Malaysia) Sdn. Bhd.	Malaysia	Automotive and motorcycle piston manufacturing	$ 202,849 (MYR 30,276)	$ 202,849 (MYR 30,276)	28,665,667	79.63	$ 262,048	$ 9,298	$ 10,225	Subsidiary
	Excellent Growth Investments Limited	British Virgin Islands	Investment	626,415	723,972	20,073,457	100	92	13,222	13,222	Subsidiary
	Right Way North America Inc.	USA	Automotive and motorcycle engine parts for sale	1,575	1,575	-	100	3940	9	9	Subsidiary
	Right Way Global Co., Ltd.	Taiwan	Automotive and motorcycle sales and purchases	-	259,300	-	-	-	(15)	(15)	Subsidiary (Note 2)
Right Way Industrial (Malaysia) Sdn. Bhd.	TRIM Telesis Engineering Sdn. Bhd.	Malaysia	Rod manufacturing	48,475 (MYR 7,235)	48,475 (MYR 7,235)	8,950,000	89.5	1,411	(69)	(62)	Subsidiary
Right Way Global Co., Ltd.	Taiwan Sangyong Co., Ltd.	Taiwan	Retail sale of motor vehicles	-	16,920	-	-	-	-	-	Associate (Note 1)

Note 1: Sold on January 19, 2023.

Note 2: Dissolved on February 21, 2023, the remaining shares were returned on July 26, 2023 and completed the liquidation on October 6, 2023.

Note 3: Subsidiaries were eliminated when preparing the consolidated financial reports.

Note 4: Refer to Table 5 for the information on the investee company in mainland China.

RIGHT WAY INDUSTRIAL CO., LTD AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 6)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022 (Note 6)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 (Note 6)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023	Remark
					Outward	Inward (Note 4)							
Fuzhou Assured Brake Systems Co., Ltd.	Automotive and motorcycle manufacture of mechanical brakes	$ 325,832 (CNY 75,302)	2.	$ 87,018 (USD 2,834)	$ -	$ 97,074 (USD 3,189)	$ -	$ -	-	$ (3)	$ -	$ -	Note 5

Name of Investment Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31,2023 (Note 6)	Investment Amount Authorized by Investment Commission, MOEA (Note 6)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Right Way	$ 521,831 (USD 16,995)	$ 521,831 (USD 16,995)	$ 1,634,065 (Note 3)

Note 1: Methods of investment are classified as follows:

1) Direct investment.

2) Investments through Excellent Growth Investments Limited.

3) Others.

Note 2: In the column of investment gain (loss):

If company is still in the preparatory stage with no investment gains or losses yet, it should be disclosed.
Basis of recognition of investment gains or losses should be disclosed for the following:

1) The financial statements were audited and attested by a certified public accounting firm with business relationship with an accounting firm in the Republic of China.

2) The financial statements were audited and attested by certified public accountants of Taiwan.

3) Others: The financial statements were not audited and attested by certified public accountants.

Note 3: Net equity x 60% = $2,723,441 x 60% = $1,643,065

Note 4: Besides inwards, related amounts were based on the average exchange rate of the Bank of Taiwan as of December 31, 2023 (NT$30.705 for US$1,NT$4.327 for RMB$1)

Note 5: The Company resolved in the board of directors' meeting in December 2022 to dispose of all of its shareholdings (31.66%) of Fuzhou Assured Brake Systems Co., Ltd. held by Excellent Growth Investment to a non-related party, the sale procedure was completed in March 2023, refer to Note 11.

Note 6: The Group indirectly invested in Fuzhou Assured Brake Systems Co., Ltd., and reported it to Investment Commission, MOEA for review on April 20, 2023. The investment amount was recovered in the amount of US$3,189 thousand, and the cancellation was approved on April 27, 2023.

RIGHT WAY INDUSTRIAL CO., LTD

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Brighton-Best International (Taiwan) Inc.,	53,540,000	17.82
Win Power E&T Co., Ltd.	16,000,000	5.33
Yu Pao System Cabinet Co., Ltd.	16,000,000	5.33
Shing Hwang Co., Ltd.	15,600,000	5.19

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the standalone financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Securities and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System.

RIGHT WAY INDUSTRIAL CO., LTD.

Standalone Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
RIGHT WAY INDUSTRIAL CO., LTD.

Opinion

We have audited the accompanying standalone financial statements of RIGHT WAY INDUSTRIAL CO., LTD. (the "Company"), which comprise the standalone balance sheets as of December 31, 2023 and 2022, and the standalone statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the standalone financial statements, including material accounting policy information.

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter paragraph) the accompanying standalone financial statements present fairly, in all material respects, the standalone financial position of the Company as of December 31, 2023 and 2022, and its standalone financial performance and its standalone cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the standalone financial statements for the years ended December 31, 2023 and 2022. The matter was addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The key audit matter of the Company's standalone financial statements for the year ended December 31, 2023 is as follows:

Authenticity of Revenue Recognition

As stated in Notes 4 (j) and 18, the Company's primary source of revenue is the manufacturing and sale of engine parts, pistons, and forging parts of automobiles and motorcycles. Due to the needs of particular customers, the Company stored portion of the inventory at the hub warehouse designated by the customers. Revenue recognition relies on the statements provided by the custodian of the hub warehouse, where the revenue is recognized once the customers pick up the goods from the warehouse.

Since the Company does not directly manage the hub warehouse, the revenue recognition process usually involves manual work and significantly influences the financial reports. Therefore, the authenticity of revenue recognition from the hub warehouse is identified as a key audit matter.

Our audit procedures performed in respect of the above-mentioned key audit matter included the following:

1. We obtained an understanding of the design of the internal controls related to revenue from the hub warehouse and tested its operating effectiveness on a sample basis.

2. We obtained the bill of lading for the hub warehouse. To confirm the authenticity of the revenue, we sampled the sales from the shipment to the hub warehouse and checked them against the corresponding documents. We also verified whether the recipient of the goods is the same as the payee.

Other Matter

Among the subsidiaries included in the standalone financial statements of the Company, some subsidiaries classified as investments accounted for using the equity method were not audited by us but were audited by other auditors. Thus, our opinion, insofar as it relates to the amounts of investments accounted for using the equity method and other comprehensive income included in the financial statements for these investees, is based solely on the reports of other auditors. As of December 31, 2023 and 2022, the balance of investments accounted for using the equity method of the aforementioned investees was NT$ 262,048 thousand and NT$ 262,382 thousand, respectively, accounting for 8.68% and 9.81% of the Company's total assets, respectively. For the years ended December 31, 2023 and 2022, the other comprehensive loss of the aforementioned investees was NT$10,225 thousand and NT$ (21,525) thousand, respectively, accounting for 15.06% and (18.07%) of the Company's total comprehensive income, respectively.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

Management is responsible for the preparation and fair presentation of the standalone financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of standalone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision, and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chi-Chen Lee and Chang-Chun Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2024

<u>*Notice to Readers*</u>

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

RIGHT WAY INDUSTRIAL CO., LTD.

STANDALONE BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 472,256	16	$ 228,096	9
Notes receivable (Notes 4, 9 and 18)	16,262	-	26,881	1
Accounts receivable, net (Notes 4, 9 and 18)	108,609	4	164,390	6
Accounts receivable due from related parties, net (Notes 4, 9, 18 and 26)	17,566	1	11,411	-
Other receivables (Notes 4 and 9)	2,709	-	860	-
Other receivables due from related parties (Notes 4, 9 and 26)	44,847	1	66,391	3
Current tax assets (Notes 4 and 20)	594	-	76	-
Current inventories (Notes 4 and 10)	226,045	7	297,914	11
Other current financial assets (Notes 4, 7 and 27)	46,600	2	1,101	-
Other current assets (Note 13)	34,342	1	32,576	1
Total current assets	969,830	32	829,696	31
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	782,046	26	519,578	19
Investments accounted for using the equity method (Notes 4 and 11)	266,080	9	351,972	13
Property, plant and equipment (Notes 4, 12 and 27)	914,080	30	878,273	33
Deferred tax assets (Notes 4 and 20)	76,244	3	82,336	3
Net defined benefit assets (Notes 4 and 16)	2,447	-	-	-
Other non-current assets (Notes 4 and 13)	9,330	-	12,306	1
Total non-current assets	2,050,227	68	1,844,465	69
TOTAL	$ 3,020,057	100	$ 2,674,161	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Accounts payable (Note 14)	$ 80,489	3	$ 97,624	4
Accounts payable to related parties (Notes 14 and 26)	18,958	-	37,259	1
Other payables (Note 15)	95,908	3	108,598	4
Other current liabilities (Notes 15 and 18)	23,646	1	13,970	1
Total current liabilities	219,001	7	257,451	10
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 20)	77,612	3	76,990	3
Net defined benefit liability - non-current (Notes 4 and 16)	-	-	7,744	-
Guarantee deposits received	3	-	3	-
Total non-current liabilities	77,615	3	84,737	3
Total liabilities	296,616	10	342,188	13
EQUITY ATTRIBUTED TO OWNERS OF THE COMPANY (Note 17)				
Ordinary shares	3,003,106	100	2,787,768	104
Advance receipts for ordinary shares	957	-	110	-
Total share capital	3,004,063	100	2,787,878	104
Capital surplus	424,479	14	317,088	12
Accumulated deficit	(564,916)	(19)	(655,851)	(25)
Other equity	(140,185)	(5)	(117,142)	(4)
Total equity attributable to owners of the Company	2,723,441	90	2,331,973	87
TOTAL	$ 3,020,057	100	$ 2,674,161	100

The accompanying notes are an integral part of the standalone financial statements.

(With Deloitte & Touche auditors' report dated March 12, 2024)

RIGHT WAY INDUSTRIAL CO., LTD.

STANDALONE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 18 and 26)	$ 938,054	100	$ 921,898	100
OPERATING COSTS (Notes 10, 19 and 26)	789,507	84	728,997	79
GROSS PROFIT	148,547	16	192,901	21
UNREALIZED PROFIT FROM SALES	(1,656)	(1)	-	-
REALIZED PROFIT FROM SALES	-	-	49	-
REALIZED GROSS PROFIT	146,891	15	192,950	21
OPERATING EXPENSES (Notes 9, 19, and 26)				
Selling and marketing expenses	18,076	2	17,059	2
General and administrative expenses	76,996	8	104,642	12
Research and development expenses	10,966	1	12,230	1
Expected credit loss (gain)	-	-	490	-
Total operating expenses	106,038	11	134,421	15
PROFIT FROM OPERATIONS	40,853	4	58,529	6
NON-OPERATING INCOME AND EXPENSES (Notes 19 and 26)				
Interest income	8,416	1	3,859	-
Other income	19,916	2	24,459	3
Other gains and losses	1,978	-	10,134	1
Finance costs	(9)	-	(7,362)	(1)
Share of profit or loss of subsidiaries and associates	23,441	3	16,961	2
Total non-operating expenses	53,742	6	48,051	5
INCOME BEFORE INCOME TAX	94,595	10	106,580	11
INCOME TAX EXPENSE (Notes 4 and 20)	7,933	1	11,365	1
NET PROFIT FOR THE YEAR	86,662	9	95,215	10
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 17 and 20)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	5,341	1	(984)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	(14,978)	(2)	9,485	1

(Continued)

RIGHT WAY INDUSTRIAL CO., LTD.

STANDALONE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023 Amount	2023 %	2022 Amount	2022 %
Income tax related to items that will not be reclassified subsequently to profit or loss	$ (1,068)	-	$ 197	-
	(10,705)	(1)	8,698	1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating of the financial statement of foreign operations	(10,081)	(1)	13,995	1
Income tax related to items may be reclassified subsequently to profit or loss	2,016	-	(2,799)	-
	(8,065)	(1)	11,196	1
Other comprehensive income (loss) for the year, net of income tax	(18,770)	(2)	19,894	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 67,892	7	$ 115,109	12
EARNINGS PER SHARE (New Taiwan Dollars; Note 23)				
Basic	$ 0.29		$ 0.43	
Diluted	$ 0.29		$ 0.43	

The accompanying notes are an integral part of the standalone financial statements.

(With Deloitte & Touche auditors' report dated March 12, 2024)

(Concluded)

RIGHT WAY INDUSTRIAL CO., LTD.

STANDALONE STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owner of the Company						
	Share Capital				Other Equity		
	Ordinary Shares	Advance Receipts	Capital Surplus	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2022	$ 1,791,618	$ -	$ 130,134	$ (750,756)	$ (137,346)	$ -	$ 1,033,650
Issuance of ordinary shares for cash (Note 17)	990,000	-	185,880	-	-	-	1,175,880
Issuance of employee share options (Note 17 and 22)	6,150	110	2,191	-	-	-	8,451
Net profit for the year ended December 31, 2022	-	-	-	95,215	-	-	95,215
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	(787)	11,196	9,485	19,894
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	94,428	11,196	9,485	115,109
Disposal of financial assets at fair value through other comprehensive income	-	-	-	477	-	(477)	-
Compensation cost of employee share options (Note 22)	-	-	(1,117)	-	-	-	(1,117)
BALANCE AT DECEMBER 31, 2022	2,787,768	110	317,088	(655,851)	(126,150)	9,008	2,331,973
Issuance of ordinary shares for cash (Note 17)	210,000	-	105,000	-	-	-	315,000
Issuance of employee share options (Notes 17 and 22)	5,338	847	1,732	-	-	-	7,917
Net profit for the year ended December 31, 2023	-	-	-	86,662	-	-	86,662
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	4,273	(8,065)	(14,978)	(18,770)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	90,935	(8,065)	(14,978)	67,892
Compensation cost of employee share options (Note 22)	-	-	659	-	-	-	659
BALANCE AT DECEMBER 31, 2023	$ 3,003,106	$ 957	$ 424,479	$ (564,916)	$ (134,215)	$ (5,970)	$ 2,723,441

The accompanying notes are an integral part of the standalone financial statements.

(With Deloitte & Touche auditors' report dated March 12, 2024)

RIGHT WAY INDUSTRIAL CO., LTD.

STANDALONE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 94,595	$ 106,580
Adjustments for:		
Depreciation expenses	30,320	30,230
Expected credit loss recognized (reversed) on trade receivables	-	490
Net loss (gain) on financial assets at fair value through profit or loss	-	(14,234)
Finance costs	9	7,362
Interest income	(8,416)	(3,859)
Dividend income	(17,192)	-
Compensation cost of employee share options	659	(1,117)
Share of loss (profit) of subsidiaries and associates	(23,441)	(16,961)
Loss (gain) on disposal of property, plant and equipment	(1,760)	22,220
Loss on disposal of subsidiaries	-	28
Impairment loss on property, plant and equipment	-	1,875
Write-down of inventories	2,819	-
Unrealized gain on the transaction with subsidiaries	1,656	-
Realized gain on the transaction with subsidiaries	-	(49)
Changes in operating assets and liabilities:		
Notes receivable	10,619	2,955
Accounts receivable (including related parties)	49,626	(13,345)
Other receivables (including related parties)	19,177	22,778
Inventories	69,050	(79,348)
Other current assets	(13,633)	(15,228)
Accounts payable (including related parties)	(35,436)	20,925
Other payables	(5,984)	9,416
Other current liabilities	9,676	4,172
Net defined benefit liabilities	(4,850)	(4,240)
Cash generated from operations	177,494	80,650
Interest received	8,416	3,859
Interest paid	(9)	(7,362)
Income tax paid	(271)	(309)
Net cash generated from operating activities	185,630	76,838
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(277,446)	(434,511)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	73,977
Purchase of financial assets at fair value through profit or loss	-	(10,619)
Proceeds from sale of financial assets at fair value through profit or loss	-	90,037
Proceeds from disposal of subsidiaries	-	186,773
Proceeds from disposal of investments accounted for using equity method	97,596	-

(Continued)

RIGHT WAY INDUSTRIAL CO., LTD.

STANDALONE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
Payments for property, plant and equipment	$ (55,364)	$ (440,273)
Proceeds from disposal of property, plant and equipment	2,098	38,218
Increase in other financial assets	(45,823)	-
Decrease in other financial assets	-	19,820
Increase in other non-current assets	(2,640)	(34)
Dividend received	17,192	-
Net cash used in investing activities	(264,387)	(476,612)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	49,869	-
Decrease in short-term loans	(49,869)	(219,960)
Proceeds from long-term debt	-	230,000
Repayments of long-term debt	-	(749,000)
Proceeds from issuance of ordinary shares	315,000	1,175,880
Proceeds from employee share options	7,917	8,451
Net cash generated from financing activities	322,917	445,371
NET INCREASE IN CASH AND CASH EQUIVALENTSATS	244,160	45,597
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	228,096	182,499
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 472,256	$ 228,096

The accompanying notes are an integral part of the standalone financial statements.

(With Deloitte & Touche auditors' report dated March 12, 2024)

(Concluded)

RIGHT WAY INDUSTRIAL CO., LTD.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

RIGHT WAY INDUSTRIAL CO., LTD. (the "Company") was incorporated in March 1965, and is mainly engaged in the manufacturing and retail sale of engine, parts of automobile and motorcycles, pistons, piston rings and its accessories, components for steering systems, crankshafts, chains, camshafts, system furniture and machine tools.

The Company's shares were listed and have been trading on the Taiwan Stock Exchange since August 1980.

The standalone financial statements of the Company are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF STANDALONE FINANCIAL STATEMENTS

The standalone financial statements were approved by the Company's board of directors and authorized for issue on March 12, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Company's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date of adoption of the financial statements, the Corporation is continuously assessing the possible impact that the application of the above standards and interpretations will have on the Corporation's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above New IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the standalone financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a.S tatement of compliance

The standalone financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The standalone financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

When preparing the standalone financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the standalone financial statements to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the standalone basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in the standalone financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the financial statements of each individual entity in the Company, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in a foreign currency and measured at historical cost are stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting the standalone financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries in other countries that use currencies which are different from the currency of the Company) are translated into the New Taiwan dollar using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

e. Inventories

Inventories consist of raw material, work in progress, semi-finished goods, finished goods and merchandise. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of4 the subsidiary. The Company also recognizes the changes in the Company's share of other equity of subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization) had no impairment loss been recognized in prior years.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the standalone financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the standalone financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

g. Property, plant, and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment (including assets held under finance leases) is recognized using the straight-line method. Each significant part is depreciated separately. If the lease term is shorter than the assets' useful lives, such assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Impairment of property, plant and equipment

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

i. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are included in the initially recognized amount of the financial assets.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, accounts receivable including related parties, other receivables including related parties, and refundable deposits including recognized in other non-current assets, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits and repurchase agreements collateralized by bonds with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

ii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Company always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company considers that internal or external information that shows the debtor is unlikely to pay its creditors as indication that a financial asset is in default (without taking into account any collateral held by the Company).

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

j. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of automobile parts and system furniture. Sales of goods are recognized as revenue when the conditions of sales are satisfied because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Revenue and accounts receivable are recognized concurrently. Advance receipts are recognized as a contract liability until trade terms have been reached.

2) Revenue from rendering the service

Revenue from the rendering of services is recognized as revenue when services are rendered. The Company recognizes contract assets over the period in which the services are performed. The contract assets are reclassified to trade receivables when the bills are issued. If the amount received for installation services exceeds the amount of revenue recognized, the difference is recognized as a contract liability.

k. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Company as lessee

For short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

l. Borrowing costs

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

m. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

n. Share-based payment arrangements

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of treasury shares transferred to employees is the date on which the board of directors approves the transaction.

At the end of each reporting period, the Company revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

o. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

There were no material uncertainties in the accounting policies, estimates and basic assumptions adopted by the Company after being evaluated by the management of the Company.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	$ 725	$ 1,830
Checking accounts and demand deposits	142,790	201,698
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	206,493	9,213
Repurchase agreements collateralized by bonds	122,248	15,355
	$ 472,256	$ 228,096

The interest rate of demand deposits as of December 31, 2023 and 2022 are 1.1-5.35% and 4% per annum, respectively. The interest rate of demand repurchase agreements collateralized as of December 31, 2023 and 2022 are 1.03-5.22% and 3.75% per annum, respectively.

7. OTHER FINANCIAL ASSETS

	December 31	
	2023	2022
Current		
Domestic investments		
Time deposits with original maturities more than three months	$ 46,000	$ -
Pledged demand deposits (Note 27)	600	1,101
	$ 46,600	$ 1,101

As of December 31, 2023, the interest rate of the time deposits of bank was 1.45%-1.8% per annum.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	2022
Non-current		
Domestic investments		
Listed shares and emerging stock market	$ 782,046	$ 280,202
Unlisted shares	-	239,376
	$ 782,046	$ 519,578

Tung Mung Development Co., Ltd has been listed and started trading on the Emerging Stock Board (ESB) in October 2023. On December 31, 2023, the shares held by the Company were classified from unlisted shares to emerging shares.

9. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE (INCLUDING RELATED PARTIES) AND OTHER RECEIVABLES

	December 31	
	2023	2022
Notes receivable		
At amortized cost		
Notes receivable - operating	$ 16,262	$ 26,881
Accounts receivable (including related parties)		
At amortized cost		
Gross carrying amount	$ 126,175	$ 175,801
Less: Allowance for impairment loss	-	-
	$ 126,175	$ 175,801

(Continued)

	December 31	
	2023	2022
Other receivables (including related parties)		
Loans to related parties	$ 38,381	$ 58,590
Purchase of equipment	3,900	7,801
Others	5,275	860
	$ 47,556	$ 67,251

(Concluded)

Notes receivable

As of December 31, 2023 and 2022, the Company measured the expected credit losses on notes receivable based on the number of days overdue. No notes receivables are overdue; therefore, no expected credit loss has been recognized.

Accounts receivable (including related parties)

The average credit period of sales of goods was 30-120 days. No interest was charged on accounts receivable. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry and considering GDP forecasts in which the debtor operates. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments except when the debtor shows signs of default, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Company writes off an accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Company's provision matrix:

December 31, 2023

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Expected credit loss rate	0.003%	0%-0.02%	-	
Gross carrying amount	$ 113,164	$ 13,011	$ -	$ 126,175
Loss allowance (Lifetime ECLs)	-	-	-	-
Amortized cost	$ 113,164	$ 13,011	$ -	$ 126,175

December 31, 2022

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Expected credit loss rate	0%-0.02%	0.15%-0.75%	1.56%-100%	
Gross carrying amount	$ 151,053	$ 24,558	$ 190	$ 175,801
Loss allowance (Lifetime ECLs)	-	-	-	-
Amortized cost	$ 151,053	$ 24,558	$ 190	$ 175,801

The movements of the loss allowance of accounts receivable were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ -	$ 10,032
Net remeasurement of loss allowance (Amount recovered)	-	490
Less: Amounts written off	-	(10,522)
Balance at December 31	$ -	$ -

10. INVENTORIES

	December 31	
	2023	2022
Merchandise	$ 74,833	$ 101,004
Finished good	52,275	75,128
Work in process and semi-finished goods	51,246	75,640
Material	45,746	46,142
Material	1,945	-
Inventory in transit		
	$ 226,045	$ 297,914

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 was $789,507 thousand and $728,997 thousand, respectively. The cost of sales in 2023 includes a provision for inventory devaluation and obsolescence losses of $ 2,819 thousand.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD – INVESTMENTS IN SUBSIDIARIES

	December 31			
	2023		2022	
	Amount	Percentage of Ownership (Note 1)	Amount	Percentage of Ownership (Note 1)
Right Way Industrial (Malaysia) Sdn. Bhd.	$ 262,048	79.63	$ 262,382	79.63
Excellent Growth Investments Limited (Note 2)	92	100	83,947	100
Right Way North America Inc.	3,940	100	5,588	100
Right Way Global Co., Ltd. (Note 3)	-	-	55	100
	$ 266,080		$ 351,972	

Note 1: The proportion of ownership and voting rights of the subsidiaries as of the balance sheet date.

Note 2:

a. In December 2022, the Company's board of directors approved to dispose of 31.66% of Right Way Auto Parts (Fuzhou) Co., Ltd., held by Excellent Growth Investments Limited, to non-related parties. Thus, the carrying amount of the investment accounted for using the equity method of $84,044 thousand is classified under non-current assets held for sale The equity transaction was completed in March 2023. Refer to Note 11 to the Company's consolidated financial statements for the year ended December 31, 2023 for further information.

b. The Company entered into a sales agreement in June 2022 to dispose of 100% of the shares of Right Way Auto Parts (Fuzhou) Co., Ltd., which manufactures the piston steering system for automobiles and motorcycles. The disposal was completed in June 2022, on which date the control of the subsidiary transferred to the acquirer. Refer to Note 26 to the Company's consolidated financial statements for the year ended December 31, 2023 for further information.

c. The Company's subsidiary, Excellent Growth Investments Limited., resolved at the board meeting on January 12, 2021, agreeing to dispose of 77% of the ordinary shares of Admiral Skill Limited and all of the preference shares of Joint Fortune Company. On August 23, 2022, the Group obtained a bankruptcy petition ruling for Shanghai Unimax Precision Metal Forming Products Co., Ltd., which Admiral Skill Limited invested in. Therefore, the Company derecognized the carrying amount of the disposal group held for sale. Refer to Note 22 to the Company's consolidated financial statements for the year ended December 31, 2023 for further information.

Note 3: Dissolved on February 21, 2023, and completed liquidation on October 6, 2023.

Refer to Table 4 and 5 for the details of the subsidiaries directly and indirectly held by the Company (including the locations and main businesses).

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery Equipment	Molding Equipment	Other Equipment	Property Under Construction	Total
Cost							
Balance at January 1, 2022	$ 265,194	$ 270,972	$ 458,208	$ 90,794	$ 104,698	$ 5	$ 1,189,871
Additions	395,927	752	8,296	565	3,430	36,822	445,792
Disposal	-	(5,068)	(120,624)	(16,396)	(18,021)	-	(160,109)
Balance at December 31, 2022	$ 661,121	$ 266,656	$ 345,880	$ 74,963	$ 90,107	$ 36,827	$ 1,475,554
Accumulated Depreciation and impairment							
Balance at January 1, 2022	$ -	$ 142,329	$ 363,902	$ 77,622	$ 80,994	$ -	$ 664,847
Depreciation expenses	-	8,942	13,488	3,438	4,362	-	30,230
Impairment loss	-	-	1,875	-	-	-	1,875
Disposal	-	(2,548)	(68,391)	(16,133)	(12,599)	-	(99,671)
Balance at December 31, 2022	$ -	$ 148,723	$ 310,874	$ 64,927	$ 72,757	$ -	$ 597,281
Carrying amount at December 31, 2022	$ 661,121	$ 117,933	$ 35,006	$ 10,036	$ 17,350	$ 36,827	$ 878,273
Cost							
Balance at January 1, 2023	$ 661,121	$ 266,656	$ 345,880	$ 74,963	$ 90,107	$ 36,827	$ 1,475,554
Additions	4,824	2,126	5,666	593	7,678	33,711	54,598
Disposal	-	(22,702)	(10,348)	(805)	(1,235)	-	(35,090)
Reclassifications	191	24,614	12,166	102	38,811	(64,017)	11,867
Balance at December 31, 2023	$ 666,136	$ 270,694	$ 353,364	$ 74,853	$ 135,361	$ 6,521	$ 1,506,929
Accumulated Depreciation and impairment							
Balance at January 1, 2023	$ -	$ 148,723	$ 310,874	$ 64,927	$ 72,757	$ -	$ 597,281
Depreciation expenses	-	8,987	11,133	2,884	7,316	-	30,320
Disposal	-	(22,702)	(10,009)	(805)	(1,236)	-	(34,752)
Balance at December 31, 2023	$ -	$ 135,008	$ 311,998	$ 67,006	$ 78,837	$ -	$ 592,849
Carrying amount at December 31, 2023	$ 666,136	$ 135,686	$ 41,366	$ 7,847	$ 56,524	$ 6,521	$ 914,080

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	20-46 years
Other	3-20 years
Machinery Equipment	2-40 years
Molding Equipment	2-35 years
Other Equipment	2-20 years

The Company recognized an impairment loss that amounted to $1,875 thousand for the machinery equipment that is no longer operational in April 2022.

The Company held $7,483 thousand of agricultural land at Baojia section, Rende Dist., Tainan City, as the factory building, which was registered under the name of the related party of the Company's chairman and was pledged as collateral by the Company.

The Company purchased the land located at Fuhai Section, Luzhu Dist., Taoyuan City that amounted to $395,804 thousand from non-related parties in July 2022, and part of it was registered as agricultural and farmland. The Company had entered into a contract with the related party of the Company's chairman to use the related party’s name for real estate registration. However, following the completion of the land transfer in August 2023, the registration has been returned from the nominee to the company.

Refer to Note 27 for the amount of owner-occupied property, plant, and equipment that was pledged as collateral.

13. OTHER ASSETS

	December 31	
	2023	2022
Current		
Supplies	$ 14,270	$ 7,918
Prepayments	16,791	7,939
Input VAT	-	6,774
Prepayments for goods	2,629	5,044
Others	652	4,901
	$ 34,342	$ 32,576
Non-current		
Prepayments for equipment	$ 1,979	$ 7,919
Refundable deposits	757	433
Others	6,594	3,954
	$ 9,330	$ 12,306

14. ACCOUNTS PAYABLE (INCLUDING RELATED PARTIES)

The Company's accounts payable are generated from operating activities. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

15. OTHER PAYABLES

	December 31	
	2023	2022
Current		
Other payables		
Payables for salaries or bonuses	$ 39,641	$ 36,295
Payables for outsourced manufacturing overhead	10,747	18,982
Payables for purchases of equipment	7,678	14,384
Payables for annual leave	8,278	8,405
Payable for spares fee	4,900	6,306
Maintenance fees	3,612	2,914
Payable for labor and health insurance	3,253	2,982
Payables for service cost	1,526	2,403
Others	16,273	15,927
	$ 95,908	$ 108,598

(Continued)

	December 31	
	2023	2022
Other current liabilities		
Contract liabilities	$ 18,535	$ 10,572
Others	5,111	3,398
	$ 23,646	$ 13,970

(Concluded)

16. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contribute amounts equal to 5% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year.

The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the standalone balance sheets in respect of the Company's defined benefit plans are as follows:

	December 31	
	2023	2022
Present value of defined benefit obligation	$ 94,672	$ 101,354
Fair value of plan assets	(97,119)	(93,610)
Net defined benefit liabilities (assets)	$ (2,447)	$ 7,744

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2022	$ 98,181	$ (87,181)	$ 11,000
Service cost			
Current service cost	31	-	31
Net interest expense (income)	614	(560)	54
Recognized in profit or loss	645	(560)	85
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(7,219)	(7,219)
Actuarial loss - changes in demographic assumptions	(2,536)	-	(2,536)
Actuarial loss - experience adjustments	10,739	-	10,739
Recognized in other comprehensive income	8,203	(7,219)	984
Contributions from the employer	-	(4,325)	(4,325)
Benefits paid	(5,675)	5,675	-
Balance at December 31, 2022	101,354	(93,610)	7,744
Service cost			
Current service cost	37	-	37
Net interest expense (income)	1,394	(1,318)	76
Recognized in profit or loss	1,431	(1,318)	113
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(710)	(710)
Actuarial gain - changes in financial assumptions	1,040	-	1,040
Actuarial loss - experience adjustments	(5,671)	-	(5,671)
Recognized in other comprehensive income	(4,631)	(710)	(5,341)
Contributions from the employer	-	(4,963)	(4,963)
Benefits paid	(3,482)	3,482	-
Balance at December 31, 2023	$ 94,672	$ (97,119)	$ (2,447)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2023	2022
Operating costs	$ 103	$ 80
Operating expenses	10	5
	$ 113	$ 85

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the

mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2023	**2022**
Discount rate(s)	1.250%	1.375%
Expected rate(s) of salary increase	2.000%	2.00%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	**2022**
Discount rate(s)		
0.25% increase	$ (2,063)	$ (2,332)
0.25% decrease	$ 2,135	$ 2,417
Expected rate(s) of salary increase/decrease		
0.25% increase	$ 2,080	$ 2,358
0.25% decrease	$ (2,020)	$ (2,287)

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	**2022**
Expected contributions to the plans for the next year	$ 5,263	$ 4,495
Average duration of the defined benefit obligation	8.8 years	9.3 years

17. EQUITY

a. Ordinary shares

	December 31	
	2023	2022
Number of shares authorized (in thousands)	500,000	500,000
Shares authorized	$ 5,000,000	$ 5,000,000
Number of shares issued and fully paid (in thousands)		
Ordinary shares	300,311	278,777
Publicly traded shares	$ 1,343,106	$ 1,337,768
Privately issued shares	1,660,000	1,450,000
Shares issued and fully paid	$ 3,003,106	$ 2,787,768
Advance receipts for share capital	$ 957	$ 110

1) On January 13, 2023, the Company issued 21,000 thousand ordinary shares for cash through private placement with a premium price of $15 per share, in which the Company received a full share payment of $315,000 thousand, taking January 13, 2023 as the base date for capital increase. The application of the changing capital amount was approved by the Ministry of Economic Affairs.

2) For the year ended December 31, 2023, the Company's employees exercised 595 thousand employee share options with a price range of $13.3-$13.4 per share, which amounted to $7,917 thousand. Among them, the base dates for 324 thousand shares and 199 thousand shares were June 9, 2023 and November 20, 2023, respectively. As of December 31, 2023, the application for share capital alteration with the Ministry of Economic Affairs had been completed, whereas the alteration of the remaining 72 thousand shares had not been completed and was presented as advance receipts for share capital.

3) On April 15, 2022, the Company issued 84,000 thousand ordinary shares for cash through private placement with a premium price of $11.32 per share. The capital increase amounted to $950,880 thousand, taking April 15, 2022 as the base date. The aforementioned transaction and the application of registration have both been completed.

   On June 20, 2022, the Company's board of shareholders resolved and authorized the issuance of ordinary shares through private placement with the limit of three installments of not more than 100,000 thousand ordinary shares with a par value of $10. On December 5, 2022, the Company issued 15,000 thousand ordinary shares through private placement with a premium price of $15 per share, which amounted to $225,000 thousand. The aforementioned transaction and the application for registration have both been completed.

4) For the year ended December 31, 2022, the Company's employees exercised 626 thousand employee share options with a price of $13.5 per share, which amounted to $8,451 thousand. As of December 31, 2023, the exercise of employee share options for 615 thousand shares has been completed. The capital change registration application with the Ministry of Economic Affairs, with August 26, 2022 as the base date for capital increase, and the remaining 11 thousand shares have not been completed. The remaining part was presented as advance receipts for share capital. In subsequent years, the base date for capital increase was June 9, 2023, and the application for capital change registration has been completed with the Ministry of Economic Affairs.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Issuance of ordinary shares	$ 419,760	$ 310,837
Difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	2,842	2,842
May not be used for any purpose		
Employee share options	1,877	3,409
	$ 424,479	$ 317,088

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, 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 a legal reserve 10% of the remaining profit; however, once the legal reserve has reached the Company's paid-in capital, no further reserve shall be made, 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. Refer to Note 19 (g) Employees' compensation and remuneration of directors for the appropriation policy of employees and directors as set forth in the Articles.

In addition, as set forth in the Articles, the Company's dividends policy considers its operating environment, industry developments, and sustainable development as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the share or cash dividends to be paid, of which cash dividends shall not be less than 50% of the total dividends paid.

As the Company had accumulated deficits in both 2022 and 2021, on June 9, 2023 and June 20, 2022, the shareholders resolved that the Company shall make no appropriations.

d. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (126,150)	$ (137,346)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(8,065)	11,196
Balance at December 31	$ (134,215)	$ (126,150)

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 9,008	$ -
Recognized for the year		
Unrealized gain (loss)	(14,978)	9,485
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	-	(477)
Balance at December 31	$ (5,970)	$ 9,008

18. REVENUE

	For the Year Ended December 31	
	2023	2022
Revenue from contracts with customers		
Revenue from sale of automobile parts	$ 627,276	$ 660,111
System furniture	33,790	-
Revenue from processing	8,384	3,394
Others	268,604	258,393
	$ 938,054	$ 921,898

Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable	$ 16,262	$ 26,881	$ 29,836
Accounts receivable	$ 126,175	$ 175,801	$ 162,946
Contract liabilities (presented under other current liabilities)	$ 18,535	$ 10,572	$ 8,326

19. PROFIT BEFORE INCOME TAX

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	$ 6,276	$ 1,256
Interest on loan from related parties	2,140	2,603
	$ 8,416	$ 3,859

b. Other income

	For the Year Ended December 31	
	2023	2022
Dividend income	$ 17,192	$ -
Litigation fees returned	-	2,437
Rental income	714	753
Mold designing income (Note 26)	-	6,400
Temporary credits recognized as income	-	6,312
Others	2,010	8,557
	$ 19,916	$ 24,459

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Gain (loss) on disposal of property, plant and equipment	$ 1,760	$ (22,220)
Net foreign exchange gains (losses)	219	24,178
Gain (loss) from financial assets at fair value through profit or loss	-	14,234
Others	(1)	(6,058)
	$ 1,978	$ 10,134

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	$ 9	$ 7,362

e. Depreciation

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	$ 30,320	$ 30,230
An analysis of depreciation by function		
Operating costs	$ 24,927	$ 24,820
Operating expenses	5,393	5,410
	$ 30,320	$ 30,230

f. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Short-term benefits	$ 162,596	$ 180,855
Post-employment benefits		
Defined contribution plans	6,446	5,961
Defined benefit plans (Note 16)	113	85
	$ 169,155	$ 186,901
An analysis of employee benefits expense by function		
Operating costs	$ 116,414	$ 105,158
Operating expenses	52,741	81,743
	$ 169,155	$ 186,901

g. Employees' compensation and remuneration of directors

According to the Company's Articles, the Company accrues employees' compensation and remuneration of directors at rates from 0.1% to 3% and no higher than 1.5%, respectively, of net profit before income tax. However, if the Company still had an accumulated deficit, it shall first set aside the amount for offset of deficit. Since the Company had an accumulated deficit in both 2023 and 2022, no employees' compensation and remuneration of directors are accrued. Related information could be found at the Market Observation Post System of the Taiwan Stock Exchange.

h. Gains and losses on foreign currency exchange

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	$ 14,085	$ 33,263
Foreign exchange losses	(13,866)	(9,085)
Net gains (losses)	$ 219	$ 24,178

20. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 271	$ 237
Deferred tax		
In respect of the current year	7,662	11,128
Income tax expense recognized in profit or loss	$ 7,933	$ 11,365

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before tax	$ 94,595	$ 106,580
Income tax expense calculated at the statutory rate	$ 18,919	$ 21,316
Nondeductible expenses in determining taxable income	628	963
Tax-exempt income	(3,438)	(2,847)
Unrecognized loss on liquidation of a subsidiary	(23,561)	(7,344)
Unrecognized loss carryforwards and deductible temporary differences	12,741	(723)
Controlled Foreign Company tax liability	2,644	-
Income tax expense recognized in profit or loss	$ 7,933	$ 11,365

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Deferred tax		
In respect of the current year		
Remeasurement of defined benefit plans	$ (1,068)	$ 197
Translation of foreign operations	2,016	(2,799)
	$ 948	$ (2,602)

c. Current tax assets

	December 31	
	2023	2022
Current tax assets		
Income tax receivable	$ 594	$ 76

d. Deferred tax assets and liabilities

The movements of deferred tax assets were as follows:

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
Temporary differences				
Defined benefit obligations	$ 1,432	$ (986)	$ (446)	$ -
Unrealized investment loss	28,292	(28,292)	-	-
Exchange differences on translating the financial statements of foreign operations	31,537	-	2,016	33,553
Unrealized exchange losses	702	853	-	1,555
Unrealized sales gross profit	-	332	-	332
Idle capacity	163	(151)	-	12
Others	3,989	(581)	-	3,408
	66,115	(28,825)	1,570	38,860
Tax losses	16,221	21,163	-	37,384
	$ 82,336	$ (7,662)	$ 1,570	$ 76,244
Deferred Tax Liabilities				
Temporary differences				
Land appreciation reserve	$ 76,990	$ -	$ -	$ 76,990
Defined benefit plans	-	-	622	622
Land appreciation reserve	$ 76,990	$ -	$ 622	$ 77,612

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
Temporary differences				
Defined benefit obligations	$ 2,083	$ (848)	$ 197	$ 1,432
Unrealized investment loss	28,915	(623)	-	28,292
Exchange differences on translating the financial statements of foreign operations	34,336	-	(2,799)	31,537
Unrealized exchange losses	-	702	-	702
Idle capacity	-	163	-	163
Others	7,133	(3,144)	-	3,989
	72,467	(3,750)	(2,602)	66,115
Tax losses	23,599	(7,378)	-	16,221
	$ 96,066	$ (11,128)	$ (2,602)	$ 82,336
Deferred Tax Liabilities				
Temporary differences				
Land appreciation reserve	$ 76,990	$ -	$ -	$ 76,990

e. Deductible temporary differences for which no deferred tax assets have been recognized in the standalone balance sheets and unused loss carryforwards

	December 31	
	2023	2022
Loss carryforwards of the Company	$ 101,526	$ -
Deductible temporary differences		
Unrealized losses of subsidiaries	$ 123,052	$ 151,623
Others	-	3,594
	$ 123,052	$ 155,217

f. Information on unused loss carryforwards

Loss carryforwards of the Company as of December 31, 2023 comprised:

Unused Amount	Expiry Year
$ 1,663	2027
46,740	2029
48,004	2030
192,043	2033
$ 288,450	

g. Income tax assessments

The Company's income tax returns through 2021 have been assessed by the tax authorities.

21. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2023	2022
Net profit for the year	$ 86,662	$ 95,215

Shares

Unit: In Thousands of Shares

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	299,344	219,225
Effect of potentially dilutive ordinary shares:		
Bonuses for employees	267	196
Weighted average number of ordinary shares used in the computation of diluted earnings per share	299,611	219,421

22. SHARE-BASED PAYMENT ARRANGEMENTS

Qualified employees of the Company was granted 2,300 units of options in January 2019, where each option entitles the holder with the right to subscribe for 1,000 ordinary shares of the Company. The options granted are valid for 5 years and exercisable at certain percentages after the second year from the grant date. The options were granted at an exercise price of at least 75% of the closing price of the Company's ordinary shares listed on the Taiwan Stock Exchange at the grant date, during which the board of directors will decide the actual exercise price. In addition, the exercise price is adjusted accordingly for any subsequent changes in the Company's ordinary shares or when a cash dividend is being paid.

Options granted in January 2019 is priced using the Pseudo American Option pricing model, and the inputs to the model are as follows:

	January 2019
Grant-date share price	$ 21.30
Exercise price	15.98
Expected volatility	29.98%
Expected life (in years)	5
Expected dividend yield	-
Risk-free interest rate	0.54% - 0.73%

Expected volatility is based on the historical share price volatility in the past 5 years.

Information on employee share options was as follows:

	For the Year Ended December 31			
	2023		2022	
	Weighted-average Exercise Price ($)	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)	Number of Options (In Thousands of Units)
Balance at January 1	$ 13.4	655	$ 14.79	1,505
Options granted	-	-	14.79	40
Options losses	-	-	13.49	(264)
Options exercised	13.3-13.4	(595)	13.53	(626)
Balance at December 31	13.3	60	13.4	655
Balance allowed for exercise of options at December 31	13.3	60	13.4	263

Compensation costs recognized were $659 thousand and ($1,117) thousand for the years ended December 31, 2023 and 2022, respectively.

23. CASH FLOW INFORMATION

Non-cash transactions

The Company entered into the following non-cash investing activities:

	For the Year Ended December 31	
	2023	2022
Increase in property, plant and equipment	$ 54,598	$ 445,792
Decrease (increase) in payables for equipment	6,706	(13,438)
Increase (decrease) in prepayments for equipment	(5,940)	7,919
	$ 55,364	$ 440,273

24. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged for 2023 and 2022.

The capital structure of the Company consists of net debt and equity. Key management personnel of the Company review the capital structure on annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure.

25. FINANCIAL INSTRUMENTS

a. Fair value

The carrying amounts of the Company's financial instruments that are not measured at fair value, such as cash and cash equivalents, accounts receivable, refundable deposits, bank borrowings, and accounts payable, approximate their fair values.

b. Fair values of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity				
Listed securities	$ 450,819	$ -	$ -	$ 450,819
Unlisted securities	-	-	331,227	331,227
	$ 450,819	$ -	$ 331,227	$ 782,046

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity				
Listed securities	$ 239,376	$ -	$ -	$ 239,376
Unlisted securities	-	-	280,202	280,202
	$ 239,376	$ -	$ 280,202	$ 519,578

There were no transfers between Levels 1 and 2 in the current and prior years.

2) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of unlisted equity securities were determined using the market approach.

3) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2023

	Financial Assets at FVTOCI
	Equity Instruments
Balance at January 1, 2023	$ 280,202
Recognized in other comprehensive income	(2,881)
Purchase	53,906
Balance at December 31, 2023	$ 331,227

For the year ended December 31, 2022

	Financial Assets at FVTOCI
	Equity Instruments
Balance at January 1, 2022	$ 149,559
Recognized in other comprehensive income	10,760
Reclassified	(477)
Purchase	193,860
Disposals	(73,500)
Balance at December 31, 2022	$ 280,202

c. Categories of financial instruments

		December 31		
		2023		2022
Financial assets				
Financial assets at amortized cost (Note 1)	$	709,606	$	499,563
Financial assets at FVTOCI - Equity Instruments		782,046		519,578
Financial liabilities				
Financial liabilities measured at amortized cost (Note 2)		195,358		243,484

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, accounts receivable, other receivables, other current financial assets, and refundable deposits (presented under other non-current assets).

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term loans, accounts payable, other payables, long-term loans (including long-term loans due in one year), and guarantee deposits received.

d. Financial risk management objectives and policies

The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial derivatives was governed by the Company's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

a) Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposing to foreign currency risk at the end of the reporting period are set out in Note 29.

Sensitivity analysis

The Company is mainly exposed to the USD. The following table details the Company's sensitivity to an increase and decrease in the functional currency against the relevant foreign currencies. If the functional currency had weakened against 5% the relevant currency, the pre-tax profit would have increased by the following amounts:

	USD Impact	
	For the Year Ended December 31	
	2023	2022
Profit or loss	$ 6,295	$ 12,254

This was mainly attributable to the outstanding exposure on foreign currency cash and cash equivalents, receivables, and payables, which were not hedged at the end of the reporting period.

The Company's sensitivity to foreign currency decreased because the Company's sales in USD increased, which resulted in a decline in the accounts receivable in USD.

b) Interest rate risk

The Company is exposed to interest rate risk because the Company borrowed funds at floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of floating rate borrowings.

The carrying amounts of the Company’s financial assets and financial assets with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	$ 374,741	$ 24,568
Cash flow interest rate risk		
Financial assets	142,359	202,699

If interest rates had been 0.5% higher/lower and all other variables were held constant, the Company’s pre-tax profit for the years ended December 31, 2023 and 2022 would have decreased/increased by $712 thousand and $1,013 thousand, respectively.

c) Other price risk

The Company was exposed to equity price risk through its investments in equity securities.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices had been 5% higher/lower, pre-tax other comprehensive income for the year ended December 31, 2023 and 2022 would have increased/decreased by $ 39,102 thousand and $25,979 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Company’s sensitivity to equity prices increased because the Company increased its investment in financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to failure of counterparties to discharge an obligation and financial guarantees provided by the Company.

The Company does not expect significant credit risk because the counterparties are creditworthy financial institutions and companies. The Group does not expect significant credit risk because the counterparties are creditworthy financial institutions and companies. In addition, ongoing credit evaluation is performed on the financial condition of customers in accounts receivable.

The Company's concentration of credit risk was mainly in the Company's largest customer, which accounted for 33% and 49% of total trade receivables as of December 31, 2023 and 2022, respectively.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants

The Company's operating funds and acquired short-term bank loan facilities are enough to cover future operating costs; therefore, there is no liquidity risk due to unable raise funds to fulfil contracts.

a) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following tables detail the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are floating rate, the undiscounted amount was derived from the effective interest rates at the end of the reporting period.

December 31, 2023

	Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 95,867	$ 99,488	$ -	$ 3

December 31, 2022

	Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 102,050	$ 130,150	$ 11,281	$ 3

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Financing facilities

	December 31	
	2023	2022
Amount unused	$ 410,000	$ 1,710,000

26. TRANSACTIONS WITH RELATED PARTIES

The Company's parent company is Brighton-Best International (Taiwan) Inc., which owned 17.82% and 19.20% of the ordinary shares of the Company as of December 31, 2023 and 2022, respectively. Also, after the re-election of the directors at the shareholders' meeting in June 2022, Brighton-Best International (Taiwan) Inc. had control of more than half of the directors' seats, giving it substantial control over the Company. The Company's ultimate parent and ultimate controlling party is Ta Chen Stainless Pipe Co., Ltd. By securing multiple seats on the board of directors of this company and having its representative elected as the chairman of the board, it holds substantial control over the company.

Details of transactions between the Company and other related parties are disclosed below:

a. Related party name and category

Related Party Name	Related Party Category
Ta Chen Stainless Pipe Co., Ltd.	Ultimate Parent entity
Brighton-Best International (Taiwan) Inc.	Parent company
Ta Chen Lung Mei Home Life Co., Ltd.	Fellow company
Right Way Industrial (Malaysia) Sdn. Bhd.	Subsidiary
Right Way North America Inc.	Subsidiary
Right Way Auto Parts (Fu Zhou) Co., Ltd.	Subsidiary until June 30, 2022(Note2)
Fuzhou Weibao International Trade Co., Ltd.	Subsidiary until June 29, 2022(Note2)
Fuzhou Assured Brake Systems Co., Ltd.	Associate until February 8, 2023(Note2)
VICTOR HSIEN	Related party in substance, director of ultimate parent entity since June, 26 2023 (Note1)

Note 1: Refer to Note 12 about the land ownership registered under the related party's name.

Note 2: Detail of transactions are disclosed after it became related party.

b. Sales of goods

Related Party Category/Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Ultimate Parent entity		
Ta Chen Stainless Pipe Co., Ltd.	$ 815	$ -
Fellow company		
Ta Chen Lung Mei Home Life Co., Ltd.	27,969	-
Subsidiary		
Right Way North America Inc.	12,572	13,628
Right Way Industrial (Malaysia) Sdn. Bhd.	4,792	6,356
Right Way Auto Parts (Fu Zhou) Co., Ltd.	-	422
	$ 46,148	$ 20,406

The selling prices and terms of sales to related parties were not significantly different from those of non-related parties.

c. Net purchases

Related Party Category/Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Ultimate Parent entity		
Ta Chen Stainless Pipe Co., Ltd.	$ 16,177	$ -
Subsidiary		
Right Way Industrial (Malaysia) Sdn. Bhd.	94,645	153,834
Others	-	5,093
	$ 110,822	$ 158,927

The purchase prices and terms to related parties were not significantly different from those of non-related parties. The Company's payment term for related parties is prepaid or 30 to 75 days.

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Accounts receivable from related parties	Fellow company		
	Ta Chen Lung Mei Home Life Co., Ltd.	$ 7,437	$ -
	Subsidiaries		
	Right Way North America Inc.	7,717	11,411
	Right Way Industrial (Malaysia) Sdn. Bhd.	2,412	-
		$ 17,566	$ 11,411

(Continued)

Line Item	Related Party Category/Name	December 31 2023		2022	
Other receivables from related parties	Fellow company				
	Ta Chen Lung Mei Home Life Co., Ltd.	$	325	$	-
	Subsidiaries				
	Right Way Industrial (Malaysia) Sdn. Bhd.		5,784		7,801
		$	6,109	$	7,801

(Concluded)

The outstanding receivables from related parties are unsecured. For the years ended December 31, 2023 and 2022, no impairment loss was recognized for receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	December 31 2023		2022	
Accounts payable to related parties	Ultimate Parent entity				
	Ta Chen Stainless Pipe Co., Ltd.	$	6,575	$	-
	Fellow company				
	Ta Chen Lung Mei Home Life Co., Ltd.		240		-
	Subsidiary				
	Right Way Industrial (Malaysia) Sdn. Bhd.		12,143		37,259
		$	18,958	$	37,259

f. Acquisition of property, Plant and Equipment

Related Party Category/Name	Purchase Price For the Year Ended December 31 2023	
Ultimate Parent entity		
Ta Chen Stainless Pipe Co., Ltd.	$	333
Fellow company		
Ta Chen Lung Mei Home Life Co., Ltd.d		844
	$	1,177

g. Lease agreement - 2023

Related Party Category/Name	Amount
Expenses relating leases	
Ultimate Parent entity	
Ta Chen Stainless Pipe Co., Ltd.	$ 14,400
Parent company	
Brighton-Best International (Taiwan) Inc.	13,200
	$ 27,600

Since January 2023, this company has separately leased machinery and equipment from its ultimate parent company and the parent company. The lease terms for both are 1 year, with rental payments based on the rental levels of similar assets, and fixed lease payments are made monthly according to the lease agreement.

h. Loans to related parties (including principal and interest)

	December 31	
Related Party Category/Name	2023	2022
Other receivables from related parties		
Subsidiaries		
Right Way Industrial (Malaysia) Sdn. Bhd.	$ 38,738	$ 46,223
Associates		
Fuzhou Assured Brake Systems Co., Ltd	-	12,367
	$ 38,738	$ 58,590
Interest Income		
Subsidiaries		
Right Way Industrial (Malaysia) Sdn. Bhd.	$ 1,978	$ 1,791
Right Way Auto Parts (Fu Zhou) Co., Ltd	-	243
Associates		
Fuzhou Assured Brake Systems Co., Ltd	162	569
	$ 2,140	$ 2,603

The Company provided the companies mentioned above with unsecured loans at rates comparable to market interest rates.

i. Other transactions with related parties

Related Party Category/Name	Line Item	December 31 2023		December 31 2022	
Ultimate Parent entity					
Ta Chen Stainless Pipe Co., Ltd.	Operating costs	$	14	$	-
	Operating expenses		85		-
		$	99	$	-
	Other income	$	-	$	6,400
Fellow company					
Ta Chen Lung Mei Home Life Co., Ltd.	Operating costs	$	246	$	197
	Operating expenses		348		-
		$	594	$	197

j. Remuneration of key management personnel

	For the Year Ended December 31 2023		2022	
Short-term employee benefits	$	4,367	$	14,019
Share-based payment		1		-
Post-employment benefits		108		187
	$	4,476	$	14,026

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31 2023		2022	
Restricted bank deposit (presented under other current financial assets)	$	600	$	1,101
Land		310,781		265,194
Property, plant and equipment, net (except land)		135,687		117,934
	$	447,068	$	384,229

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. Unused letters of credit for purchases

	December 31	
	2023	2022
Unused letters of credit	$ 851	$ 598

b. Notes payable on deposit guarantee for loan

	December 31	
	2023	2022
Notes payable on deposit guarantee	$ 337,300	$ 1,219,000

29. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 4,123	30.705 (USD:NTD)	$ 126,609
Non-monetary items			
Investments accounted for using the equity method			
MYR	39,111	6.700 (MYR:NTD)	262,048
Financial liabilities			
Monetary items			
USD	23	30.705 (USD:NTD)	714

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 8,173	30.71 (USD:NTD)	$ 205,995
Non-monetary items			
Investments accounted for using the equity method			
MYR	37,644	6.970 (MYR:NTD)	262,382
CNY	19,044	4.408 (CNY:NTD)	83,947
Financial liabilities			
Monetary items			
USD	193	30.71 (USD:NTD)	5,915

The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2023		2022	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	30.705 (USD:NTD)	$ 219	30.71 (USD:NTD)	$ 24,178

30. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (None)

3) Marketable securities held (excluding investments in subsidiaries) (Table 2)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

9) Trading in derivative instruments (None)

b. Information on investees (Table 4)

c. Information on investments in mainland China

Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 5)

d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 6)

RIGHT WAY INDUSTRIAL CO., LTD AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 3)
													Item	Value		
0	The Company	Right Way Industrial (Malaysia) Sdn. Bhd.	Other receivables	Y	$ 48,638	$ 46,058	$ 38,381	5.0	1	$ 94,645	-	$ -	None	$ -	$ 94,645	$ 1,089,316
		Fuzhou Assured Brake Systems Co., Ltd.	Other receivables	N	17,780	-	-	7.0	2	-	Operating capital	-	None	-	408,516	1,089,316

Note 1: The No. column is denoted as follows:

1) Issuer is numbered 0.

2) Investees are numbered starting from 1.

Note 2: The nature of financing is numbered as follows:

1) Business transaction is “1”.

2) The need for short-term financing is “2”.

Note 3:

1) The need for short-term financing: 15% of the Company’s net worth in the most recent audited or reviewed financial statements; Business transaction: to the extent that it does not exceed the amount of business transactions between the two parties, in which the amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties.

2) Aggregate Financing Limit of the Company is 40% of its net worth in the most recent audited or reviewed financial statements.

Note 4: The transaction was eliminated when preparing the consolidated financial statement.

TABLE 2

RIGHT WAY INDUSTRIAL CO., LTD AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Listed shares - Brighton-Best International (Taiwan) Inc.	Parent entity	Financial assets at fair value through other comprehensive income - non-current	12,735,000	$ 450,819	1.23	$ 450,819	
	Listed shares - ROC Tung Mung Development Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	30,840,493	331,227	7.41	331,227	
	Unlisted shares -Phoenix Motor Corporation	None	Financial assets at fair value through profit or loss - current	600,000	-	-	-	The amount is already recognized as impairment losses

TABLE 3

RIGHT WAY INDUSTRIAL CO., LTD AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
0	Right Way Industrial Co., Ltd.	Right Way Industrial (Malaysia) Sdn. Bhd.	1	Purchase	$ 94,645	Based on general transaction price, payment 75 days after monthly closing	8.30
		Right Way Industrial (Malaysia) Sdn. Bhd.	1	Other receivables	44,522	-	1.40
		Right Way North America Inc.	1	Operating Revenue	12,572	Based on general transaction price, Received 180 days after monthly closing	1.10

Note 1: The No. column is denoted as follows:

1) 0 for Parent entity

2) Subsidiaries are numbered starting from 1.

Note 2: The relationships with counterparties are as follows:

1) Parent to subsidiaries

2) Subsidiaries to parent

3) Subsidiaries to subsidiaries

Note 3: Regarding the ratio of transaction amount to consolidated total sales or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet account and based on accumulated balance to consolidated total sales for profit or loss accounts.

Note 4: Intercompany relationships and significant intercompany transactions that account for less than 1% of the total sales and total assets are not disclosed.

Note 5: The transaction above was eliminated when preparing the consolidated financial statement.

TABLE 4

RIGHT WAY INDUSTRIAL CO., LTD AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
The Company	Right Way Industrial (Malaysia) Sdn. Bhd.	Malaysia	Automotive and motorcycle piston manufacturing	$ 202,849 (MYR 30,276)	$ 202,849 (MYR 30,276)	28,665,667	79.63	$ 262,048	$ 9,298	$ 10,225	Subsidiary
	Excellent Growth Investments Limited	British Virgin Islands	Investment	626,415	723,972	20,073,457	100	92	13,222	13,222	Subsidiary
	Right Way North America Inc.	USA	Automotive and motorcycle engine parts for sale	1,575	1,575	-	-	3940	9	9	Subsidiary
	Right Way Global Co., Ltd.	Taiwan	Automotive and motorcycle sales and purchases	-	259,300	-	-	-	(15)	(15)	Subsidiary(Note 2)
Right Way Industrial (Malaysia) Sdn. Bhd.	TRIM Telesis Engineering Sdn. Bhd.	Malaysia	Rod manufacturing	48,475 (MYR 7,235)	48,475 (MYR 7,235)	8,950,000	89.5	1,411	(69)	(62)	Subsidiary
Right Way Global Co., Ltd.	Taiwan Ssangyong Co., Ltd.	Taiwan	Retail sale of motor vehicles	-	16,920	-	-	-	-	-	Associate (Note 1)

Note 1: Sold on January 19, 2023.

Note 2: Dissolved on February 21, 2023, the remaining shares were returned on July 26, 2023 and completed the liquidation on October 6, 2023.

Note 3: Subsidiaries were eliminated when preparing the consolidated financial reports

Note 4: Refer to Table 5 for the information on the investee company in mainland China.

RIGHT WAY INDUSTRIAL CO., LTD AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 6)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022 (Note 6)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 (Note 6)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023	Remark
					Outward	Inward (Note 4)							
Fuzhou Assured Brake Systems Co., Ltd.	Automotive and motorcycle manufacture of mechanical brakes	$ 325,832 (CNY 75,302)	2.	$ 87,018 (USD 2,834)	$ -	$ 97,074 (USD 3,189)	$ -	$ -	-	$ - (3)	$ -	$ -	Note 5

Name of Investment Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023 (Note 6)	Investment Amount Authorized by Investment Commission, MOEA (Note 6)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Right Way	$ 521,831 (USD 16,995)	$ 521,831 (USD 16,995)	$ 1,634,065 (Note 3)

Note 1: Methods of investment are classified as follows:

1) Direct investment.

2) Investments through Excellent Growth Investments Limited.

3) Others.

Note 2: In the column of investment gain (loss):

If company is still in the preparatory stage with no investment gains or losses yet, it should be disclosed.

Basis of recognition of investment gains or losses should be disclosed for the following:

1) The financial statements were audited and attested by a certified public accounting firm with business relationship with an accounting firm in the Republic of China.

2) The financial statements were audited and attested by certified public accountants of Taiwan.

3) Others: The financial statements were not audited and attested by certified public accountants.

Note 3: Net equity x 60% = $2,723,441 x 60% = $1,643,065.

Note 4: Besides inwards, related amounts were based on the average exchange rate of the Bank of Taiwan as of December 31, 2023 (NT$30.705 for US$1,NT$4.327 for RMB$1.

Note 5: The Company resolved in the board of directors' meeting in December 2022 to dispose of all of its shareholdings (31.66%) of Fuzhou Assured Brake Systems Co., Ltd. held by Excellent Growth Investment to a non-related party, the sale procedure was completed in March 2023, refer to Note 11.

Note 6: The Group indirectly invested in Fuzhou Assured Brake Systems Co., Ltd., and reported it to Investment Commission, MOEA for review on April 20, 2023. The investment amount was recovered in the amount of US$3,189 thousand, and the cancellation was approved on April 27, 2023.

RIGHT WAY INDUSTRIAL CO., LTD

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Brighton-Best International (Taiwan) Inc.,	53,540,000	17.82
Win Power E&T Co., Ltd.	16,000,000	5.33
Yu Pao System Cabinet Co., Ltd.	16,000,000	5.33
Shing Hwang Co., Ltd.	15,600,000	5.19

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the standalone financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Securities and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System.

RIGHT WAY INDUSTRIAL CO.,LTD.

Chairman: Hsieh, Li-Yun

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