Stock Code:1526

Sun Race Sturmey-Archer Inc.

2024

ANNUAL REPORT

Information disclosure website specified by the FSC

https://mops.twse.com.tw/

The company discloses annual report-related information website

https://www.sunrace.tw/

May 8,2025

1. Spokesman
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   Title: Vice President
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   E-mail: fiona@sunrace.com

   Deputy Spokesman
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   Title: Finance Dept Senior Manager
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4. Contact Information of the Certified Public Accountants for the Latest Financial Report
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   Tel: (02)2718-6659
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5. Overseas Trade Places for Listed Negotiable Securities and Where Disclosed information can be found : None.

6. Corporate Website: www.sunrace.tw

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1.Report to the Shareholders

Dear Shareholders,
Sun Race Sturmey-Archer Inc. (SRSA) was approved to be established in May, 1972. At present, SRSA is one of the major professional manufacturers of all-around bicycle derailleur and internal gear hub in the world. The products sell internationally under the brand "Sun Race" (derailleur) and the brand "Sturmey Archer" (internal gear hub).
After the establishment of SRSA, it is recognized that only establishing independent key technologies and improving production quality can grasp market opportunities. Under this belief, focusing on research and development and innovation has become one of the important operation philosophies of SRSA.

The operating results in 2024 and the outline of 2025 business plan are as following:

(1) The operating results in 2024

A. The results of execution of the business plan

The consolidated operating income of SRSA in 2024 was NT$(the same below) 720,682 thousands, a decrease of 27.58% compared with the year of 2023, the consolidated gross profit in 2024 was 151,575 thousands, a decrease of 47.21% compared with the year of 2023, and the total consolidated comprehensive net loss in 2024 was (42,816) thousands, compared to the consolidated total comprehensive net profit of 49,793 thousand in 2023, resulting in an unfavorable variance of 92,609 thousand.

B. Budget of 2024 implementation

(Unit: NT$ thousands)

Item	Actual	Budget	Target Completion Rate
Operating Revenue	720,682	866,604	83.16
Gross Profit	151,575	216,651	69.96
Profit from Operations	(68,269)	1,236	(5,523.38)
Income before Income Tax	(68,917)	(2,461)	(2,800.37)

C. Financial position and profitability analysis

Item	2024	2023
Return on total assets (%)	(1.47%)	2.18%
Return on Equity (%)	(3.98%)	3.22%
Profit from Operations／Share issued and fully paid(%)	(11.38%)	5.11%
Income before Income Tax／Share issued and fully paid (%)	(11.49%)	10.37%
Net profit margin (%)	(7.59%)	4.57%
Earnings per share (NT$)	(0.91)	0.76

D. Research and development

SRSA's current research and development direction still focuses on the development of high-end products, especially in the research of patented technologies, the application of new materials, and the development of advanced processes. The global demand for variable speed bike industry still offer growth potential, which supports our continuous improvement based on our existing technological foundation. Newly developed successful technologies or products include new derailleur components and E-bike transmission system components, etc.

The technologies with market value need to be protected by patents, and therefore SRSA attach great importance to patents. In addition to dedicated personnel to handle patent matters, SRSA also use a comprehensive patent management system that encourages R&D engineers to apply for patents. Currently, SRSA have obtained patents in multiple countries, including the European Union, the United States, Japan, mainland China, and Taiwan.

(2) Outline of 2025 business plan

A. Business policy

(A) SRSA will continue to actively research, develop, and produce high-quality internal and external transmission components to meet market demands. SRSA will emphasize the unique characteristics of our internal transmission products compared to competitors. SRSA will also establish a new E-bike transmission system product line and use proprietary technology to secure customized high value-added orders, forming niche market segmentation, and increasing market share and brand strength.

(B) SRSA shall continuously optimize marketing capabilities in the European market.

(C) SRSA will continue to adjust product design and production integration models and invest in key equipment to achieve optimal production conditions, shorten customer delivery times and reasonably manage production costs.

(D) SRSA will strive to implement internal control systems to achieve our goal of creating profits through good management.

B. The volume forecast for our services in 2025 are as follows:

After considering the overall trends in the industry and market demand, SRSA estimate that the combined sales quantity of the main products for the year 2025 will be 2,653 thousands transmission components (including sprockets, transmission system components, and shifters), 75 thousands brake components, spare parts, and other products.

C. Key production and distribution policy

(A) SRSA will implement ISO-9001 quality management system and ISO-14001 environmental management system in production to improve product quality, strengthen production efficiency, increase production capacity, improve overall environmental performance, and effectively evaluate and provide guidance to the suppliers and integrate their operations to ensure that the quality, lead time, and cost of components meet SRSA's needs and goals.

(B) In the sales plan, SRSA will not only maintain the recognition of our existing customers towards the adjusted product lines, but also actively develop new customers, strive to obtain benchmark customized orders, and aim to create higher revenue and profits.

(3) Key strategies for future development

A. Continuously improving the quality of existing products to enhance market competitiveness.
Adequate R&D funds and manpower will be invested to accelerate the improvement of product quality, provide high cost-performance products and unique customized products to consumers, with the goal of achieving sustainable sales growth.

B. Actively developing new products to expand market share.
SRSA is committed to the development of new products to meet market demands, and to timely introduce innovative products to enhance SRSA's brand image and expand market share.

(4) Impacts of external competition, regulations and macroeconomics

A.Due to the aging population in the European bicycle market, sales of E-bike have significantly increased compared to traditional bicycles. SRSA will continue to allocate resources to develop high value-added related products.

B.Due to the impact of the COVID-19 pandemic and the Ukraine-Russia war, the bicycle market has been hit hard by repeated orders, which has led to a surge in inventory for upstream and downstream companies, and a continuous decline in buying momentum, resulting in poor results in inventory liquidation, and extremely severe operational challenges.

C.As the Bank of Japan ended its negative interest rate policy, it would maintain loose monetary policy, the yen is still likely to depreciate in relation to other major currencies in the world and the NTD. As a result, the products of Shimano, a leading manufacturer in the industry, are therefore extremely competitive. SRSA will actively develop high-end products and continue to strive for indicative customized orders to cope with the impact of unfavorable exchange rate factors on sales.

D.The EU will pilot the Carbon Border Adjustment Mechanism (CBAM) in 2023 and expects it to be formally implemented in 2026, which will bring certain challenges to SRSA whose main market is in Europe. SRSA plans to take the following measures in succession: 1. Take inventory of carbon emission data to ensure compliance with CBAM requirements; 2. Improve the low-carbonization and energy-saving efficiency of production processes; 3. Obtain international environmental certification in a timely manner to improve competitiveness; 4. Establish a feasible cooperation model with EU customers to share the results of low-carbon transformation; 5. Pay attention to policy changes and flexibly adjust response strategies.

2.Corporate governance report

(1) Information on the company's directors, supervisors, general manager, assistant general managers, deputy assistant general managers, and the supervisors of all the company's divisions and branch units

A. Information on Directors and Supervisors

Date:April 22, 2025

Job title (Note 1)	Nation-ality or place of registr-ation	Name	Gender, age (Note 2)	Date of election / appoin-tment to current term	Term of offi-ce	Commen-cement date of first term (Note 3)	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 4)	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			(Note 5)
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relation-ship	
Chairman	R.O.C.	Yi-Hsung Hsu	Male Over 71	2024.6.19	3 Year	2003.6.26	830,841	1.38	830,841	1.38	760,138	1.27	-	-	Bachelor of Sociology, National Taipei University. Sales Department Manager , Tah Min Trading Co., LTD.	President, Sun Race Sturmey-Archer Inc. Supervisor, Grate Development Investment Co., LTD. Director , Sun Race Sturmey-Archer (Nantong) Co., LTD.	Vice Chairman Vice President Director Director	Hwei-Yen Lin Hsu Yu-Lin Hsu Wei-Luen Su Yu-Lin Hsu	Spouse Relatives within the second degree Relatives within the second degree Relatives within the second degree	Note6

Job title (Note 1)	Nationality or place of registration	Name	Gender, age (Note 2)	Date of election / appointment to current term	Term of office	Commencement date of first term (Note 3)	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 4)	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			(Note 5)
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relationship	
Vice Chairman	R.O.C.	Hwei-Yen Lin Hsu	Female Over 71	2024.6.19	3 Year	2003.6.26	760,138	1.27	760,138	1.27	830,841	1.38	-	-	Bachelor of Sociology, National Taipei University The University of California, Berkeley. M.E.T. program.	Special assistant, Sun Race Sturmey-Archer Inc. Chairman, Grate Development Investment Co., LTD.	Chairman Director Director Director	Yi-Hsung Hsu Yu-Lin Hsu Wei-Luen Su Yu-Lin Hsu	Spouse Relatives within the second degree Relatives within the second degree Relatives within the second degree	
Director	R.O.C.	Rih-Chang Investment Corporation Deputy: Wei-Luen Su	Male 51-60	2024.6.19	3 Year	2012.6.28	15,144,056	25.24	15,144,056	25.24	-	-	-	-	Bachelor of Business Administration degree with a major in Accounting,University of Washington Business School. Passed the AICPA.	CEO, Sun Race Sturmey-Archer Inc. Director, Sun Race Sturmey-Archer (Nantong) Co., LTD.	Chairman Vice Chairman Director	Yi-Hsung Hsu Hwei-Yen Lin Hsu Yu-Lin Hsu	Relatives within the second degree Relatives within the second degree Spouse	

Job title (Note 1)	Nation-ality or place of registr-ation	Name	Gender, age (Note 2)	Date of election / appoin-tment to current term	Term of offi-ce	Commen-cement date of first term (Note 3)	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 4)	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			(Note 5)
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relation-ship	
Director	R.O.C.	Yu-Lin Hsu	Female 51-60	2024.6.19	3 Year	2021.7.23	35,378	0.06	35,378	0.06	238,719	0.40	-	-	Marketing, BSBA, University of San Francisco.	Chairman, Stellar Investment Co., LTD. Director, Grate Development Investment Co., LTD. Chairman, Sun Race Sturmey-Archer (Nantong) Co., LTD. Director, Business Alliance Ltd. Director, Business First Ltd.	Chairman Vice Chairman Director	Yi-Hsung Hsu Hui-Ying Lin Wei-Lun Su	Relatives within the second degree Relatives within the second degree Spouse	
Director	R.O.C.	Tung-Yuan Yu	Male 51-60	2024.6.19	3 Yea	2024.6.19	-	-	-	-	-	-	-	-	Department of Mechanical Engineering, Chin-Yi Technical College Manager, Junlong Machinery Industry Co., Ltd.	Director, Santon Machincal Co., Ltd.	-	-	-	
Independent Director	R.O.C.	Yueh-Feng Chiang	Male 51-60	2024.6.19	3 Year	2015.6.30	87	-	87	-	-	-	-	-	Bachelor of Accounting, Chung Yuan Christian University	Partner, Cheng Yuan Certified Public Accountants	-	-	-	

Job title (Note 1)	Nationality or place of registration	Name	Gender, age (Note 2)	Date of election / appointment to current term	Term of office	Commencement date of first term (Note 3)	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 4)	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			(Note 5)
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relationship	
Independent Director	R.O.C.	Cheng-Pao Wang	Male Over 71	2024.6.19	3 Year	2018.6.26	-	-	-	-	-	-	-	-	Bachelor of Business administration, National Chengchi University. Master of Business administration, National Taipei University. Secretary, National Association of Small & Medium Enterprise, R.O.C.	Senior Consultant, National Association of Small & Medium Enterprise, R.O.C.	-	-	-	

Job title (Note 1)	Nation-ality or place of registr-ation	Name	Gender, age (Note 2)	Date of election / appoin-tment to current term	Term of offi-ce	Commen-cement date of first term (Note 3)	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 4)	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			(Note 5)
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relation-ship	
Independent Director	R.O.C.	Chin-Yun Lan	Male Over 71	2024.6.19	3 Year	2021.7.23	-	-	-	-	-	-	-	-	Bachelor of Department of Business Administration, Fu Jen Catholic University. Trust Department of HUA NAN Commercial Bank LTD. Retired from International Finance Department of HUA NAN Commercial Bank LTD.	-	-	-	-	

Job title (Note 1)	Nation-ality or place of registr-ation	Name	Gender, age (Note 2)	Date of election / appoin-tment to current term	Term of offi-ce	Commen-cement date of first term (Note 3)	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 4)	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			(Note 5)
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relation-ship	
Independent Director	R.O.C.	Mei-Hui Lin	Female 51-60	2024.6.19	3 Year	2021.7.23	-	-	-	-	-	-	-	-	Bachelor of Accounting, Feng Chia University. Auditor, Touche Certified Public Accountants. Finance Department Manager, NEW Kailung Gear Co., LTD. Special assistant, Yuh Shan Environmental Engineering Co.,LTD.	Chief Audit Officer of Gin Hwa Biotech Inc.	-	-	-	

Note 1:For a corporate shareholder, the name of the corporate shareholder and its representative shall be listed separately (when listing the representative of a corporate shareholder, the name of the corporate shareholder shall also be noted), and Form 1 below shall also be completed.

Note 2: Please state the actual age, or, alternatively, state the age interval into which the actual age falls, e.g., 41~50 years, 51~60 years.

Note 3: Specify the time the person first began to serve as a director or supervisor of the Company. If there has been any break within a term or between terms, add a note specifying the circumstances.

Note 4: Specify experience and qualifications related to the current position. If during a period specified above the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible.

Note 5: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

Note 6: After the re-election on June 19, 2024, the board comprises four independent directors, and a majority of the directors do not concurrently serve as employees or managerial officers.

Form 1: Major Shareholders of Corporate Shareholders

Date: December 31, 2024

Name of corporate shareholder (Note 1)	Major shareholders of the corporate shareholder (Note 2)
Rih-Chang Investment Corporation	Yu-Lin Hsu(30.11%)

Note1: If a director or supervisor is a representative of a corporate shareholder, fill in the name of that corporate shareholder.

Note2: Fill in the names of the corporate shareholder's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios. If any of the major shareholders is a corporate/juristic person, also complete Form 2 below.

Note3: If a corporate/juristic person shareholder is not organized as a company, the shareholder names and shareholding ratios required to be disclosed as mentioned above shall be the names of the capital contributors or donors (for further information, please refer to the announcements of the Judicial Yuan) and their capital contribution or donation rates, respectively. If a donor has died, please further note "deceased."

B. Information on Directors and Supervisors

(A). Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors:

Qualification / Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
Yi-Hsung Hsu	1. Bachelor of Sociology, National Taipei University. 2. Special assistant, Sun Race Sturmey-Archer Inc. 3. Possesses extensive industry experience and management expertise. 4. Free from any circumstances stipulated under any subparagraph of Article 30 of the Company Act.	Not applicable	0
Hwei-Yen Lin Hsu	1. Bachelor of Sociology, National Taipei University. 2. Special assistant, Sun Race Sturmey-Archer Inc. 3. She equips with abundant mastery of leadship and management. 4. Free from any circumstances stipulated under any subparagraph of Article 30 of the Company Act.		0
Rih-Chang Investment Corporation Deputy:Wei-Luen Su	1. Bachelor of Business Administration degree with a major in Accounting,University of Washington Business School. 2. CEO, Sun Race Sturmey-Archer Inc. 3. Director, Sun Race Sturmey-Archer (Nantong) Co., LTD. 4. Passed the AICPA. 5. He equips with abundant industry experience and has a mastery of international trade and operating management. 6. Free from any circumstances stipulated under any subparagraph of Article 30 of the Company Act.		0
Yu-Lin Hsu	1. Marketing, BSBA, University of San Francisco. 2. Deputy General Manager, Sun Race Sturmey-Archer Inc. 3. Chairman, Sun Race Sturmey-Archer (Nantong) Co., LTD. 4. Director, Business Alliance Ltd. 5. Director, Business First Ltd. 6. She equips with abundant mastery of leadship and management.		0

Tung-Yuan Yu	1. Department of Mechanical Engineering, Chin-Yi Technical College 2. Director, Santon Machincal Co., Ltd. 3. He equips with abundant Industry experience and management capabilities. 4. Free from any circumstances stipulated under any subparagraph of Article 30 of the Company Act.		0
Yueh-Feng Chiang	1. Bachelor of Accounting, Chung Yuan Christian University 2. Partner, Cheng Yuan Certified Public Accountants 3. Certified Public Accountant, possessing professional knowledge and skills in accounting and finance. 4. Free from any circumstances stipulated under any subparagraph of Article 30 of the Company Act.	All independent directors meet the requirements for independence: 1. Neither the directors themselves, their spouses, nor relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or any of its affiliates; 2. Neither the directors themselves, their spouses, nor relatives within the second degree of kinship (or through others in their name) hold 1% or more of the total outstanding shares of the Company, or rank among the Company’s top 10 shareholders by shareholding; 3. Do not serve as directors, supervisors, or employees of any company having a specific relationship with the Company; 4. Have not, within the past two years, received remuneration from the Company or any of its affiliates for providing business, legal, financial, accounting, or similar services.	0
Cheng-Pao Wang	1. Bachelor of Business administration, National Chengchi University. 2. Master of Business administration, National Taipei University. 3. Secretary, National Association of Small & Medium Enterprise, R.O.C. 4. Senior Consultant, National Association of Small & Medium Enterprise, R.O.C. 5. He equips with abundant management experience. 6. Free from any circumstances stipulated under any subparagraph of Article 30 of the Company Act.		0
Chin-Yun Lan	1. Bachelor of Department of Business Administration, Fu Jen Catholic University. 2. Trust Department of HUA NAN Commercial Bank LTD. 3. Retired from International Finance Department of HUA NAN Commercial Bank LTD. 4. He retired from the bank and has a mastery of financial management. 5. Free from any circumstances stipulated under any subparagraph of Article 30 of the Company Act.		0
Mei-Hui Lin	1. Bachelor of Accounting, Feng Chia University. 2. Auditor, Touche Certified Public Accountants. 3. Chief Audit Officer of Gin Hwa Biotech Inc. 4. She has a mastery of finance and audit experience. 5. Free from any circumstances stipulated under any subparagraph of Article 30 of the Company Act.		0

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of each director and supervisor. If a member of the Audit Committee, specify their accounting or finance background and work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director or supervisor.

Note 2: Describe the status of independence of each independent director, including but not limited to the following: did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates? ; specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies)?; specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

Note 3: Regarding the method for disclosure, please refer to the "SAMPLE ANNUAL REPORT" page on the website of the Taiwan Stock Exchange Corporate Governance Center.

(2). Diversity and Independence of the Board of Directors:

A. Diversity of the Board of Directors:

(A) Diversification Policy:

According to the Corporate Governance Best Practice Principles, the Board of Directors of our company should provide guidance on corporate strategy, oversee management, and be accountable to the company and shareholders. The various operations and arrangements of the company's corporate governance system should ensure that the Board of Directors exercises its powers in accordance with the law, the company's articles of association, or resolutions of the shareholders' meeting.

The composition of the Board of Directors should be diverse, and appropriate diversification policies should be formulated based on its own operations, business model, and development needs. These policies should include but are not limited to the following two major aspects:

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

Board members should generally possess the knowledge, skills, and qualities necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the overall abilities that the board should possess are as follows:

a. Operational judgment capability.
b. Accounting and financial analysis capability.
c. Management and administration capability.
d. Crisis management capability.
e. Industry knowledge.
f. International market perspective.
g. Leadership capability.
h. Decision-making capability.

(B) Implementation of Diversification Policy:

The company has implemented a policy of diversity by having a board of directors with diverse backgrounds, including industrial professional ability and practical experience in

the industry's development trends.
The company currently has nine board members, including four independent directors (44.44%) and five non-independent directors (55.56%); four employee directors (44.44%) and five non-employee directors (55.56%); five directors under the age of 60 (55.56%) and four directors over the age of 61 (44.44%); board members have diverse backgrounds such as industrial knowledge and can provide professional advice from different perspectives, which is of great help in improving the company's operating performance and management.
The Company attaches great importance to gender equality in the composition of its board of directors. Currently, there are three female directors (33.33%), accounting for one-third of the female board seats.
Among the company's four independent directors, one has served for more than three terms, and the rest have served for no more than three terms.
Reasons for re-election of an independent director after serving for more than three terms: Currently a practicing accountant with a professional background in accounting and familiar with accounting-related laws and regulations. During his tenure, he maintained an independent and objective stance and provided professional advice, which was of great help to the Company. The Company still needs to rely on his expertise. Although he has been re-elected as an independent director for three consecutive terms, he is still elected as the Company's independent director this time.
According to the law, the board of directors is held at least once a quarter. In 2024, a total of 6 board meetings were held, with an attendance rate of 97.92% (47/48) of all directors, indicating the active participation of directors in company decision-making.

Management Objectives	Achieve Situation
The number of concurrent employee director seats should not exceed one-half of all director seats.	Achieved
The number of independent directors exceeds one-third of the total number of directors.	Achieved
At least one female director on the board of directors	Achieved, currently there are three female directors
Women hold one-third of board seats	It was accomplished during the board re-election at the shareholders' meeting in June, 2024.

The Execution of Diversification of the Board of Directors：

Name	Job title	Gender	Nationality or place of registration	Serve as employee	Age			Term of Independent Director		Professional background				Professional knowledge and skills		
					Under 60	61-70	Over 71	Less than 6 years	6 to 9 years	Business Manage-ment	Finance analysis	Industry Knowl-edge	Interna-tional market view	Fina -nce	Law	Risk Manage -ment
Yi-Hsung Hsu	Chairman	Male	Republic of China	V			V			V		V	V			V
Hwei-Yen Lin Hsu	Vice Chairman	Female	Republic of China	V			V			V		V	V			V
Rih-Chang Investment Corporation Deputy: Wei-Luen Su	Director	Male	Republic of China	V	V					V	V	V	V	V	V	V
Yu-Lin Hsu	Independent Director	Female	Republic of China	V	V					V	V	V	V	V	V	V
Tung-Yuan Yu	Independent Director	Male	Republic of China		V					V		V	V			V
Yueh-Feng Chiang	Independent Director	Male	Republic of China		V				V	V	V	V	V	V	V	V
Cheng-Pao Wang	Independent Director	Male	Republic of China				V	V		V	V		V	V		V
Chin-Yun Lan	Independent Director	Male	Republic of China				V	V		V	V	V	V	V		V
Mei-Hui Lin	Independent Director	Female	Republic of China		V			V		V	V		V	V	V	V

(C) The execution status of corporate governance business in FY 2024 is as follows:

a. The board of directors was fully re-elected in the FY 2024, and all independent directors are members of the Audit Committee.

b. In order to establish performance goals to strengthen the efficiency of the board of directors, a performance evaluation of the directors, the board of directors, and functional committees was conducted, and the results were reported to the board of directors.

c. Independent directors were arranged to hold communication meetings with the chief internal auditor and the accountant, and the audit committee deliberated on the independence and suitability of the accountant to implement corporate governance.

d. In accordance with the "Guidelines for Continuing Education for Directors and Supervisors of Listed and OTC Companies," the company arranged for professional institutions to provide education and training courses to directors to meet the requirements of the competent authority.

e. In accordance with regulations, the company cooperated with the board of directors, shareholders' meetings, and the publication of financial and business information to release important information. Corporate briefings were also held to help investors understand the company's operating conditions.

f. The company purchased liability insurance for directors and executives. The insurance amount in the FY 2024 was USD 6 millions, and the important contents of the insurance were reported to the board of directors on May 10, 2024.

B. Independence of the board of directors:

(A) There are nine directors, including four independent directors, representing 44.44% of all directors.

(B) In order to establish a sound board operation system, enhance the supervisory function, and ensure that independent directors can maintain their independence when performing their duties, our Board of Directors has adopted the "Rules of Procedure for Board Meetings" to define the responsibilities of directors to be followed. The directors also adhere to a high degree of self-discipline to implement conflict of interest avoidance. In case a director has a vested interest in a matter being discussed at the board meeting, he or she should explain the important content of the conflict of interest, and if there is a risk of harming the company's interests, the director should not participate in the discussion or vote, and should abstain from voting, and may not act on behalf of other directors to exercise their voting rights.

(C) None of the circumstances specified in Items 3 and 4 of Article 26-3 of the Securities and Exchange Act.

(D) Situation of spouses and relatives within the second degree of relationship between directors: Please refer to pages 4-9 of this annual report (1) Information on directors and supervisors.

C. Information on the Management Team

Date:April 22, 2025

Job title (Note 1)	Nation-ality	Name	Gender	Date of appoint-ment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 2)	Positions concur-rently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second			Rem-arks (Note 3)
					No. of shares	Share hold-ing ratio	No. of shares	Share hold-ing ratio	No. of shares	Share hold-ing ratio			Job title	Name	Relationship	
President	R.O.C.	Yi-Hsung Hsu	Male	1972. 5.26	830,841	1.38	760,138	1.27	-	-	Bachelor of Sociology, National Taipei University. Sales Department Manager , Tah Min Trading Co., LTD.	Supervisor, Grate Development Investment Co., LTD. Director , Sun Race Sturmey-Archer (Nantong) Co., LTD.	Vice President CEO	Yu-Lin Hsu Wei-Luen Su	Relatives within the second degree Relatives within the second degree	Note 4
Vice President	R.O.C.	Yu-Lin Hsu	Female	1998. 4.1	35,378	0.06	238,719	0.40	-	-	Marketing, BSBA, University of San Francisco.	Chairman,Stellar Investment Co., LTD. Director,Grate Development Investment Co., LTD. Chairman , Sun Race Sturmey-Archer (Nantong) Co., LTD. Director, Business Alliance Ltd. Director, Business First Ltd.	President CEO	Yi-Hsung Hsu Wei-Luen Su	Relatives within the second degree Spouse	
CEO	R.O.C.	Wei-Luen Su	Male	1998. 1.1	38,719	0.06	235,378	0.39	-	-	Bachelor of Business Administration degree with a major in Accounting,University of Washington Business School. Passed the AICPA.	Director , Sun Race Sturmey-Archer (Nantong) Co., LTD.	President Vice President	Yi-Hsung Hsu Yu-Lin Hsu	Relatives within the second degree Spouse	

Job title (Note 1)	Nation-ality	Name	Gender	Date of appoint-ment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 2)	Positions concur-rently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second			Rem-arks (Note 3)
					No. of shares	Share hold-ing ratio	No. of shares	Share hold-ing ratio	No. of shares	Share hold-ing ratio			Job title	Name	Relationship	
Manufacturing Division Senior Manager	R.O.C.	Tzu-Hsin Chen	Male	1987. 7.27	-	-	-	-	-	-	Bachelor of Mechanical Engineering, National Taiwan University of Science and Technology.	Chairman, Handy-Shift Company Limited	-	-	-	
Information Technology Section Manager	R.O.C.	Chuan-Fu Wang	Male	1998. 10.1	-	-	-	-	-	-	Bachelor of Statistics, Feng Chia University. Master of Management, Yuan Ze University. Software engineer, Acer Incorporated. Engineer, Sunsino Venture Group.	None.	-	-	-	
Finance Division Manager	R.O.C.	Yung-Chen Yeh	Male	2000. 12.1	30,516	0.05	-	-	-	-	Bachelor of Accounting, Soochow University. Digital learning master's degree program for Accounting and Information Technology and Law,National Chung Cheng University. General Management Office Finance Department Deputy Manager ,Core Pacific Group.	Chairman, Sun Rich Investment Co., LTD. Director , Sun Race Sturmey-Archer Dutch Holding B.V. Director ,Sun Race Sturmey-Archer Europe B.V.	-	-	-	

Note 1: The information in this table should be disclosed for the general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units, including all persons in positions equivalent to general manager, assistant general manager, or deputy assistant general manager, regardless of job title.

Note 2: Specify experience and qualifications related to the current position. If during a period specified above, the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible.

Note 3: If the general manager or person of an equivalent post (the highest level manager) and the chairperson of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

Note 4: Following the re-election on June 19, 2024, the Board includes four independent directors, and a majority of the directors do not concurrently serve as employees or managerial officers.

(2) Remuneration paid during the most recent fiscal year to directors, supervisors, the general manager, and assistant general managers

A Remuneration to Ordinary Directors and Independent Directors (Disclose aggregate remuneration information, with the name(s) indicated for each remuneration range)

Unit: NT$ Thousand

Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income (Note 10)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income (Note 10)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 11)
		Base compensation (A) (Note 2)		Retirement pay and pension (B)		Director profit-sharing compensation (C) (Note 3)		Expenses and perquisites (D) (Note 4)				Salary, rewards, and special disbursements (E) (Note 5)		Retirement pay and pension (F)		Employee profit-sharing compensation (G) (Note 6)						
		The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company		All consolidated entities (Note 7)		The Company	All consolidated entities (Note 7)	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			

Chairman	Yi-Hsung Hsu	0	0	0	0	0	0	480	480	480 -0.88%	480 -0.88%	11,635	11,635	279	279	0	0	0	0	12,394 -22.66%	12,394 -22.66%	0
Vice Chairman	Hui-Ying Lin																					
Director	Wei-Lun Su																					
Director	Yu-Lin Hsu																					
Director	Tung-Yuan Yu																					
Independent Director	Yueh-Feng Chiang	0	0	0	0	0	0	726	726	726 -1.33%	726 -1.33%	0	0	0	0	0	0	0	0	726 -1.33%	726 -1.33%	0
Independent Director	Chen-Pao Wang																					
Independent Director	Ching-Yun Lan																					
Independent Director	Mei-Hui Lin																					

1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid.
   The remuneration structure of independent directors includes business execution expenses and director remuneration stipulated in accordance with the company's articles of association. Business execution expenses are attendance fees, which are collected according to the attendance status; directors' remuneration shall be allocated according to the company's operating performance and shall not exceed the ratio stipulated in the company's articles of association, and shall be distributed in proportion to the attendance rate of each director and other factors.
2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises):None.

Remuneration Range Table

Ranges of remuneration paid to each of the Company’s directors	Names of Directors			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company (Note 8)	All consolidated entities (Note 9) H	The Company (Note 8)	All consolidated entities (Note 9) I
Less than NT$1,000,000	Yi-Hsung Hsu. Hwei-Yen Lin Hsu. Wei-Luen Su. Yu-Lin Hsu. Tung-Yuan Yu. Yueh-Feng Chiang. Cheng-Pao Wang. Chin-Yun Lan. Mei-Hui Lin		Tung-Yuan Yu. Yueh-Feng Chiang. Cheng-Pao Wang.Chin-Yun Lan. Mei-Hui Lin	
NT$1,000,000(incl.)～NT$2,000,000(excl.)	-		Yu-Lin Hsu	
NT$2,000,000(incl.)～NT$3,500,000(excl.)	-	-	Hwei-Yen Lin Hsu. Wei-Luen Su	
NT$3,500,000(incl.)～NT$5,000,000(excl.)	-	-	Yi-Hsung Hsu	
NT$5,000,000(incl.)～NT$10,000,000(excl.)	-	-	-	-
NT$10,000,000(incl.)～NT$15,000,000(excl.)	-	-	-	-
NT$15,000,000(incl.)～NT$30,000,000(excl.)	-	-	-	-
NT$30,000,000(incl.)～NT$50,000,000(excl.)	-	-	-	-
NT$50,000,000(incl.)～NT$100,000,000(excl.)	-	-	-	-
NT$100,000,000 or above	-	-	-	-
Total	9	9	9	9

Note 1: The name of each director shall be stated separately (for a corporate shareholder, the names of the corporate shareholder and its representative shall be stated separately) and the names of the ordinary directors and independent directors shall be stated separately, based on the amount of the aggregated remuneration items paid to each. If a director concurrently serves as a general manager or an assistant general manager, please complete this Table and Table 3-1, or Tables 3-2-1 and 3-2-2.

Note 2: This refers to director base compensation in the most recent fiscal year (including director salary, duty allowances, severance pay, and various rewards and incentives, etc.).

Note 3: Please fill in the amount of director profit-sharing compensation approved by the board of directors for distribution for the most recent fiscal year.

Note 4: This refers to director expenses and perquisites in the most recent fiscal year (including travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc.). If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration.

Note 5: This includes any remuneration received by a director for concurrent service as an employee in the most recent year (including concurrent service as general manager, assistant general manager, other managerial officer, or non-managerial employee) including salary, duty allowances, severance pay, rewards, incentives, travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc. If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

Note 6: This refers to employee profit-sharing compensation (including stocks and cash) received by a director for concurrent service as an employee in the most recent fiscal year (including concurrent service as general manager, assistant general manager, other managerial officer, or non-managerial employee). Disclose the amount of profit-sharing compensation approved or expected to be approved by the board of directors for distribution for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed.

Note 7: Disclose the total amount of remuneration in each category paid to the directors of the Company by all companies in the consolidated financial report (including the Company).

Note 8: Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director by the Company.

Note 9: Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director of the Company by all companies in the consolidated financial report (including the Company).

Note 10: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 11: a. In this column, specifically disclose the amount of remuneration received by the directors of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state "None").

b. If directors of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column I of the Remuneration Range Table, and the name of that column shall be changed to “Parent company and all investee enterprises.”

c. Remuneration means remuneration received by directors of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

B Remuneration to Supervisors (Disclose aggregate remuneration information, with the name(s) indicated for each remuneration range)

Sun Race Sturmey-Archer Inc. elected Independent Directors in July, 2021. Therefore, there is no Remuneration to supervisors.

C Remuneration to the Five Highest Remunerated Management Personnel of a TWSE or TPEx listed Company (Individual Disclosure of Names and Remuneration Items) (Note 1)

(In Thousands of New Taiwan Dollars)

Job title	Name	Salary (A) (Note 2)		Retirement pay and pension (B)		Rewards and special disbursements (C) (Note 3)		Employee profit-sharing compensation (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%) (Note 6)		Remuneration received from investee enterprises other than subsidiaryies or from the parent company (Note 7)
								The Company		All consolidated entities (Note 5)				
		The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	Amount in cash	Amount in stock	Amount in cash	Amount in stock	The Company	All consolidated entities (Note 5)	
President	Yi-Hsung Hsu	3,998	3,998	0	0	216	216	0	0	0	0	4,214 -7.70%	4,214 -7.70%	0
Vice President	Yu-Lin Hsu	2,741	2,741	108	108	151	151	0	0	0	0	3,000 -5.48%	3,000 -5.48%	0
CEO	Wei-Luen Su	2,275	2,275	108	108	125	125	0	0	0	0	2,508 -4.59%	2,508 -4.59%	0
Division Senior Manager	Tzu-Hsin Chen	1,495	1,495	106	106	201	201	0	0	0	0	1,802 -3.29%	1,802 -3.29%	0

Manager	Yung-Chen Yeh	1,378	1,378	102	102	281	281	0	0	0	0	1,761 -3.22%	1,761 -3.22%	0

Note 1: "Management personnel" in the "Five Highest Remunerated Management Personnel" means managerial officers of the Company. "Managerial officers" means those falling within the applicable scope defined in 27 March 2003 Order No. Tai-Cai-Zheng-III-0920001301 of the former Securities and Futures Commission, Ministry of Finance. The "five highest remunerated" is calculated as those ranked in the top five in remuneration based on the sum total of the amounts of salary, retirement pay and pension, rewards and special disbursements, and employee profit-sharing compensation (i.e., the sum of items A+B+C+D) received by each of the Company's managerial officers from all companies in the consolidated financial reports. If any concurrently serving director(s) is among those top, fill out this table and also Table (1-1) above.

Note 2: This refers to the salary, duty allowances, and severance pay of each of the five highest remunerated management personnel in the most recent fiscal year.

Note 3: This refers to the amount of all rewards, incentives, travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, and other remuneration of the five highest remunerated management personnel in the most recent fiscal year. If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

Note 4: This refers to employee profit-sharing compensation (including stocks and cash) received by the five highest remunerated management personnel in the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed. P. 21 of 82

Note 5: Disclose the total amount of remuneration in each category paid to the five highest remunerated management personnel by all companies in the consolidated financial report (including the Company).

Note 6: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 7: a. In this column, specifically disclose the amount of remuneration received by the five highest remunerated management personnel of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state "None"). b. Remuneration means remuneration received by the five highest remunerated management personnel of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act

Remuneration Range Table

Ranges of remuneration paid to each of the Company's general manager(s) and assistant general manager(s)	Names of General Manager(s) and Assistant General Manager(s)	
	The Company (Note 6)	All consolidated entities (Note 7) E
Less than NT$1,000,000	-	-
NT$1,000,000(incl.)～NT$2,000,000(excl.)	-	-
NT$2,000,000(incl.)～NT$3,500,000(excl.)	Yu-Lin Hsu. Wei-Luen Su	
NT$3,500,000(incl.)～NT$5,000,000(excl.)	Yi-Hsung Hsu	
NT$5,000,000(incl.)～NT$10,000,000(excl.)	-	-
NT$10,000,000(incl.)～NT$15,000,000(excl.)		
NT$15,000,000(incl.)～NT$30,000,000(excl.)	-	-
NT$30,000,000(incl.)～NT$50,000,000(excl.)	-	-
NT$50,000,000(incl.)～NT$100,000,000(excl.)	-	-
NT$100,000,000 or above	-	-
Total	3	3

Note 1: The name of each general manager and assistant general manager shall be stated separately, based on the amount of the aggregated remuneration items paid to each. If a director concurrently serves as a general manager or an assistant general manager, please complete this table and Table (1-1), or Tables (1-2-1) and (1-2-2).

Note 2: This includes salary, duty allowances, and severance pay to the general manager(s) and assistant general manager(s) in the most recent fiscal year.

Note 3: This includes the amounts of all types of rewards, incentives, travel expenses, special disbursements, stipends of any kind, provision of facilities such as accommodations or vehicle, and other compensation to the general manager(s) and assistant general managers(s) in the most recent fiscal year. If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

Note 4: This refers to employee profit-sharing compensation (including stocks and cash) received by the general manager(s) and assistant general manager(s) as approved or expected to be approved by the board of directors for the most recent fiscal year (including concurrent service as general manager, assistant general manager, other managerial officer, or non-managerial employee). If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed.

Note 5: Disclose the total amount of remuneration in each category paid to the general manager(s) and assistant general manager(s) by all companies in the consolidated financial report (including the Company).

Note 6: Disclose the names of the general manager(s) and assistant general manager(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each general manager and assistant general manager by the Company.

Note 7: Disclose the names of the general manager(s) and assistant general manager(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each general manager and assistant general manager of the Company by all companies in the consolidated financial report (including the Company).

Note 8: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 9: a.In this column, specifically disclose the amount of remuneration received by the general manager(s) and assistant general manager(s) of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state "None").

b. If general manager(s) or assistant general manager(s) of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column E of the Remuneration Range Table, and the name of that column shall be changed to "Parent company and all investee enterprises."

c. Remuneration means remuneration received by the general manager(s) and assistant general manager(s) of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

D Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

Date: December 31, 2024 (Unit: NT$ thousands)

	Job title (Note 1)	Name (Note 1)	Amount in stock	Amount in cash	Total	As a % of net profit
Managerial officers	President	Yi-Hsung Hsu	0	0	0	0%
	Vice President	Yu-Lin Hsu				
	CEO	Wei-Luen Su				
	Senior Manager	Tzu-Hsin Chen				
	Manager	Yung-Chen Yeh				

Note 1: Names and job titles should be disclosed individually, but profit distributions received may be disclosed in aggregate.

Note 2: Fill in the amount of employee profit-sharing compensation (including stocks and cash) received by the managerial officers as approved or expected to be approved by the board of directors for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. If the Company has already adopted the IFRS, net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 3: The applicable scope of "managerial officers" is defined under the 27 March 2003 FSC Order No. Tai-Cai-Zheng-III-0920001301 as persons in the following positions:

(1) General manager(s) and equivalent level positions

(2) Assistant general manager(s) and equivalent level positions

(3) Deputy assistant general manager(s) and equivalent level positions

(4) Chief officer of the finance division

(5) Chief officer of the accounting division

(6) Other persons who have the power to manage affairs and sign for the Company

Note 4: If any director, general manager, or assistant general manager receives profit-sharing compensation (including stocks or cash), complete this table in addition to Table 1-2.

E. Please compare and explain the analysis of the total amount of remuneration paid to the directors, supervisors, general managers, and deputy general managers of the Company and all subsidiaries included in the consolidated financial statements in the past two years as a percentage of the respective after-tax net income reported in the individual or separate financial statements. Please also explain the policies, standards, and combinations for determining the remuneration, the procedures for setting the remuneration, and the relationship between operating performance and future risks.

(A) This statement is an analysis of the total amount of remuneration paid to the directors, supervisors, general manager, and deputy general manager of the company and its subsidiaries in the past two years, as a percentage of the individual or individual financial report's after-tax net profit.

(Unit: NT$ thousands)

Item / Title	The Company				Consolidated Entities			
	2024		2023		2024		2023	
	Total Amount	A Percentage of net income (%)	Total Amount	A Percentage of net income (%)	Total Amount	A Percentage of net income (%)	Total Amount	A Percentage of net income (%)
Directors	13,120	-23.98%	19,297	42.41%	13,120	-23.98%	19,297	42.41%
President and Vice Presidentand	9,722	-17.77%	12,334	27.11%	9,722	-17.77%	12,333	27.11%
Net Income	(54,704)		45,501		(54,704)		45,501	

The decrease in remuneration for directors in 2024 compared to 2023 was due to the decrease in net profit in 2024;

The decrease in remuneration for the general manager and vice general manager in 2024 compared to 2023 was also due to the decrease in net profit in 2024.

(B) The policies, standards, and combinations for determining the remuneration, and the procedures for setting the remuneration:

a. Policy on Directors’ Remuneration: The remuneration for the Company's directors includes transportation allowances and directors’ compensation. According to Article 19 of the Company's Articles of Incorporation, directors may receive remuneration for performing their duties for the Company, regardless of the Company’s profit or loss. The remuneration is authorized by the Board of Directors and determined based on the level of participation in Company operations and the value of contributions made, within the maximum salary grade specified in the Company's "Salary Grading Table." Furthermore, pursuant to Article 23 of the Articles of Incorporation, if the Company makes a profit, no more than 3% of the profit may be allocated as directors' compensation. However, if there are accumulated losses, the amount necessary to cover those losses must first be reserved. All aforementioned remuneration and compensation must be reviewed and approved by the Compensation Committee and resolved by the Board of Directors.

b. Remuneration for the Company's Managerial Officers: The remuneration for the Company's managerial officers includes salary, bonuses, and employee compensation. Salaries are paid based on industry standards and the Company's "Salary Grading Table." Bonuses are granted according to the Company's operating performance, profitability, and the individual's job performance and contribution to the Company. Additionally, pursuant to Article 23 of the Company's Articles of Incorporation, if the Company generates annual profits, between 0.2% and 3% of the profits shall be allocated as employee compensation. The distribution of employee compensation is carried out in accordance with the Company's "Employee Compensation Distribution Guidelines." All remuneration and compensation for managerial officers must be reviewed and approved by the Compensation Committee and submitted to the Board of Directors for resolution.

(C) The relationship between operating performance and future risks:

Each year, the Company conducts evaluations of the overall Board of Directors, functional committees, and individual board members in accordance with the "Board Performance Evaluation Guidelines." The evaluation results are reported to the Board of Directors. Evaluation criteria include: understanding of the Company's goals and missions, awareness of directors' duties, level of participation in Company operations, management of internal relationships and communication, directors' professionalism and ongoing education, and internal control.

In the current year, self-assessments by individual directors and the overall functioning of the Board were both rated as satisfactory. The distribution of remuneration for individual directors is appropriately adjusted based on the Company's annual performance and future risk considerations. Remuneration includes transportation allowances and directors' compensation.

The remuneration for the General Manager and Deputy General Manager includes salary, bonuses, and employee compensation. Salaries are administered in accordance with the Company's personnel regulations and "Salary Grading Table." Bonuses and employee compensation are granted based on the roles and responsibilities held, and are adjusted appropriately each year in consideration of the Company's business performance and potential future risks.

(3) The state of the company's implementation of corporate governance

A.Operation of the Board of Directors

a.The number of board meetings held in the most recent fiscal year was: 6 (A)

The attendance by the directors and supervisors was as follows:

Title	Name (Note 1)	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【B/A】 (Note 2)	Remarks
Chairman	Yi-Hsung Hsu	6	0	100	
Vice Chairman	Hwei-Yen Lin Hsu	6	0	100	
Director	Wei-Luen Su	6	0	100	
Director	Yu-Lin Hsu	3	0	100	Elected on June 19, 2024.
Director	Tung-Yuan Yu	3	0	100	
Independent director	Yueh-Feng Chiang	6	0	100	
Independent director	Cheng-Pao Wang	6	0	100	
Independent director	Chin-Yun Lan	5	1	83.33	
Independent director	Mei-Hui Lin	6	0	100	
	Total	47	1		

Other information required to be disclosed:

1. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:
   (1) Any matter under Article 14-3 of the Securities and Exchange Act:None.
   (2) In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any board resolution:None.
2. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director’s name, the content of the motion, the cause for recusal, and whether and how the director voted:not applicable.
3. For a TWSE or TPEx listed company, disclose information including the evaluation cycle and period(s) of the board of directors’ self-evaluations (or peer evaluations) and the evaluation method and content. Additionally, complete Table 2(2) Implementation of Evaluations of the Board of Directors.
4. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures taken toward achievement thereof.
   (1) The operation of the board of directors of the company shall be carried out in accordance with laws and regulations and the articles of incorporation of the company.

(2) The company's internal audit will include "the operation of the board of directors" in the annual audit plan and prepare an audit report to meet the comply with the regulations of the competent authority. (3) Among the directors of the company, there are four independent directors accounting represents 44.44% of the current board seats; and the "remuneration committee" and "Audit Committee" have been set up in accordance with the regulations of the competent authority. (4) The performance evaluation of the company's FY 2024 board of directors, for details and results evaluation of the implementation are disclosed in item (B) Implementation of Board Evaluation on pages 29~31 of this annual report. (5) On March 17, 2023, the board of directors of the company approved the establishment of a corporate governance supervisor. (6) The attendance rate of all directors in the 2024 Board of Directors was: 97.92%（47/48）.

Note 1: For a director or supervisor that is a juristic person (corporate entity), disclose the name of the corporate shareholder and the name of its representative.

Note 2: (1) If any director or supervisor left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of board meetings held and the number they attended in person during the period they were in office.

(2) If any by-election for directors or supervisors was held before the end of the fiscal year, the names of the new and old directors and supervisors should be filled in the table, with a note stating whether the director or supervisor left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

(B) Implementation of Evaluations of the Board of Directors

Assessment year: Year 2024

Date of submission to the board of directors: March 10, 2025

Evaluation cycle (Note 1)	Evaluation period (Note 2)	Scope of evaluation (Note 3)	Method of evaluation (Note 4)	Evaluation content (Note 5)
Once a year ; external evaluation performed at least every three years (Latest external evaluation year: 2022 years)	From 2024/1/1 to 2024/12/31 Assessment date: 2025/1/15 to 2025/3/5	□Board of Directors ■Individual Directors □All Functional Committees	A. Master the company's goals and tasks. B. Responsibilities of directors. C. Degree of participation in the company's operations. D. Internal relationship management and communication. E. Professional and continuing education for directors. F. Internal Control.	Assessment result:Excellent. The results of the self-assessment by each director according to the self-assessment form, it shows that individual directors are operating well.

	From 2024/1/1 to 2024/12/31 Assessment date: 2025/1/15 to 2025/3/5	■Board of Directors □Individual Directors □All Functional Committees	A. Degree of participation in the company's operations. B. Improve the decision-making quality of the board of directors. C. The board of directors composition and structure. D.Director selection and continuing education. E. Internal control.	Assessment result:Excellent. According to the evaluation results of the performance evaluation table by the board of directors, the board of directors of the company is operating well.
	From 2024/1/1 to 2024/12/31 Assessment date: 2025/1/15 to 2025/3/5	□Board of Directors □Individual Directors ■All Functional Committees	A. Degree of participation in the company's operations. B. Functional Committee Responsibilities Recognition. C. Improve the decision-making quality of functional committees. D. Functional committee composition and member appointment. E. Internal control.	Assessment result:Excellent. According to the evaluation results of the performance evaluation table by the board of directors, the company's salary and compensation committee and audit committee are operating well.

Conclusion: In summary, the evaluation results summarized above and the performance evaluation evaluation results of the entire board of directors, individual board members and functional committees-the salary and remuneration committee and the audit committee show that the overall operation is excellent.

Note 1: Fill in the cycle on which the board evaluations are performed, for example: performed once per year.

Note 2: Fill in the period covered by the board evaluation, for example: An evaluation was performed of the performance of the board of directors from 1 January 2019 to 31 December 2019.

Note 3: The scope of the evaluation should cover the performance of the board as a whole, the individual directors, and the functional committees.

Note 4: The performance evaluation methods may include internal evaluation by the board, self-evaluations by individual board members, peer evaluations by board members, evaluations external organizations or experts engaged for that purpose, or other suitable method.

Note 5: The evaluation content shall include at least the following based on the scope of the evaluation:

(1) Evaluation of the performance of the board should include at least the following: degree of the board’s participation in the operation of the company; the quality of the board’s decision making; composition and structure of the board; election and continuing education of the directors; internal control.

(2) Evaluation of the performance of individual directors should include at least the following: familiarity 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 relationships and communication; the director's professionalism and continuing education; internal control.

(3) Evaluation of the performance of the functional committees: degree of participation in the operation of the company; awareness of the duties of the functional committee; quality of decisions made by the functional committee; makeup of the functional committee and election of its members; internal control.

B.The state of operations of the audit committee or the state of participation in the board of Directors by the supervisors

(A) Information on Audit Committee Members

Date:December 31, 2024

Capacity \ Qualification \ Name		Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as audit committee member
Convener & Independent Director	Yueh-Feng Chiang	Please reference to P.11 "Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors"		0
Independent Director	Cheng-Pao Wang			0
Independent Director	Chin-Yun Lan			0
Independent Director	Mei-Hui Lin			0

(B) Operation of the Audit Committee

The number of audit committee meetings held in the most recent fiscal year was: 4 (A)

The attendance by the independent directors was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%)【B/A】(Notes 1 and 2)	Remarks
Independent director	Yueh-Feng Chiang	4	0	100	
Independent director	Cheng-Pao Wang	4	0	100	
Independent director	Chin-Yun Lan	4	0	100	
Independent director	Mei-Hui Lin	4	0	100	

Other information required to be disclosed:

1. Annual focus and operation of Audit Committee meetings:

Date	Major Resolutions	Outcome of Resolution	Processing of company

	First Session eleventh Time March 11, 2024	1. Board Performance Evaluation Results Report 2. The company's accounts include Sun Race Sturmey-Archer Europe B.V.'s overdue accounts receivable as "fund loans" 3. Financial statements for the second quarter of 2023 4.2023 Annual Surplus Distribution Case 5.2023 Annual employee remuneration and distribution of remuneration for directors and supervisors 6. Amendments to the company's "Rules of Procedure for the Board of Directors" 7. Amendment to the Company's “Rules of Procedure for Shareholders' Meetings” 8. Revision of internal control system and internal audit system 9. Issuing a statement of internal control 10. Lifting directors' non-competition case 11. Periodic evaluation of the independence of the company's certified accountants 12. The company's bank loan commitments proposal 13. Internal audit execution case	1. Unanimously approved by audit committee members 2. Regularly evaluate the independence of accountants. The accountants provide information on the statement of independence and audit quality indicators (AQIs), and evaluate the evaluation indicators and evaluation standards set by the company. The evaluation items include whether they were family relationship with the company's directors, they hold company stocks, and they had been punished by the competent authority, etc. After the evaluation results, the certified accountants of the company are independent.	Discussed by the board of directors and unanimously approved by all directors present.
	First Session twelfth Time May 10, 2024	1. Financial statements for the first quarter of 2024 2. Contents of insurance for directors and supervisors 3. Proposal for distribution of surplus in the second half of 2023 4. Revision of the Company's “Measures on Matters to be Followed in the Establishment and Exercise of the Board of Directors' Powers” 5. Amendments to the company's "Audit Committee Organization Regulations" 6. The company's bank Loan Commitments proposal 7. Internal audit execution case	Unanimously approved by audit committee members.	Discussed by the board of directors and unanimously approved by all directors present.

Second Session First Time August 8, 2024	1. Proposal for the Election of the Convener of the Audit Committee 2. The company's accounts include Sun Race Sturmey-Archer Europe B.V.'s overdue accounts receivable as "fund loans" 3. Financial statements for the second quarter of 2024 4. Proposed Capital Lending to Subsidiary in Mainland China: Sun Race Sturmey-Archer (Nantong) Co., Ltd. 5. Proposal for the Sustainability Report 6. Amendments to the company's "Related Party Transaction Operation Procedures" 7. Set the company’s employee remuneration and directors’ remuneration distribution date 8. The company's bank Loan Commitments proposal 9. Internal audit execution case	Unanimously approved by audit committee members.	Discussed by the board of directors and unanimously approved by all directors present.
Second Session Second Time November 8, 2024	1. Financial statements for the Third quarter of 2024 2. Proposal for distribution of surplus in the first half of 2024. 3. The Company’s capital increase in the Dutch reinvestment business SUN RACE STURMEY-ARCHER DUTCH HOLDING B.V. 5. Proposal for the Establishment of the Company's "Sustainability Report Preparation and Verification Procedures" 5. Amendments to the Internal Control System and Internal Audit System 6. 2025 annual audit plan 7. The company's bank loan commitments proposal 8. Internal audit execution case	Unanimously approved by audit committee members.	Discussed by the board of directors and unanimously approved by all directors present.
Second Session Third Time March 10, 2025	1. Board Performance Evaluation Results Report 2. The company's accounts include Sun Race Sturmey-Archer Europe B.V.'s overdue accounts receivable as "fund loans" 3. Financial statements for the second quarter of 2024 4. 2024 Annual Surplus Distribution Case 5. 2024 Annual employee remuneration and distribution of remuneration for directors and supervisors 6. Definition of grassroots employees 7. Proposal for the Amendment of the Company's Articles of Incorporation 8. Revision of internal control system and internal audit system 9. Issuing a statement of internal control 10. Periodic evaluation of the independence of the company's certified accountants	Unanimously approved by audit committee members.	Discussed by the board of directors and unanimously approved by all directors present.

	11. The company's bank loan commitments proposal 12. Internal audit execution case		
Second Session Fourth Time May 7, 2025	1. Proposal for the Replacement of the Signing CPA in Coordination with Internal Adjustments of Benison Associated CPA's Firm 2. Financial statements for the first quarter of 2025 3. Contents of insurance for directors and supervisors 4. Proposal for distribution of surplus in the second half of 2024 5. The company's bank Loan Commitments proposal 6. Internal audit execution case	Unanimously approved by audit committee members.	Discussed by the board of directors and unanimously approved by all directors present.

2. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee: None.
   (1) Any matter under Article 14-5 of the Securities and Exchange Act : None.
   (2) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: None.
3. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: None.
4. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication.):
   (1). CPA attended the audit committee on March 10, 2025, and attended the preparation of the audit results of the 2024 annual financial report inquire.
   (2). On March 10, 2025, with the internal audit supervisor and CPAs, for key audit matters - such as sales revenue, subsidiary real estate equipment, inventory and other matters held meetings, and had satisfactory results.
   (3). The communication between the independent directors and the internal audit supervisor is good, and the internal audit supervisor regularly submits the audit report to the audit committee every month. The internal auditors attend the audit committee meetings and report to the independent directors on the implementation of the audit. And it has been included in the audit committee motion.
   (4). The company's audit committee meets at least once a quarter, and the internal audit supervisor will attend and report to the independent directors implementation of internal audit.

Note 1: If any independent director left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of audit committee meetings held and the number they attended in person during the period they were in office.

Note 2: If any by-election for independent directors was held before the end of the fiscal year, the names of the new and old independent directors should be filled in the table, with a note stating whether the independent director left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

(C) Powers of Audit Committee

a. Formulate or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Law.

b. Assessment of the effectiveness of the internal control system.

c. According to Article 36-1 of the Securities and Exchange Act, formulate or amend the procedures for handling major financial business behaviors such as acquiring or disposing of assets, engaging in derivative commodity transactions, lending funds to others, and providing endorsements or guarantees for others.

d. Matters involving the interests of the directors themselves.

e. Significant asset or derivative transaction.

f. Significant loan of funds, endorsement or provision of guarantee.

g. Raising, issuing or private placement of securities with equity nature.

h. Appointment, dismissal or remuneration of certified accountants.

i. Appointment and dismissal of financial, accounting or internal audit supervisors.

j. The annual financial report signed or sealed by the chairman, manager and accounting director.

k. Other major matters stipulated by the company or the competent authority.

(D) In 2024, the Audit Committee convened a total of four meetings. The main matters reviewed and discussed included:

a. Proposal for Financial Statements

b. Proposal for Earnings Distribution

c. Proposal for Lending of Funds to Subsidiaries

d. Proposal Regarding Overdue Accounts Receivable Not Being Reclassified as "Lending of Funds"

e. Proposal for Capital Injection into Subsidiaries

f. Proposal for Distribution of Employee Compensation and Directors' and Supervisors' Remuneration

g. Proposal for Revisions to Various Company Regulations

h. Proposal for Revisions to the Internal Control System and Internal Audit System

i. Proposal for the Internal Control System Declaration

j. Proposal to Waive the Non-Competition Restrictions on Directors

k. Proposal for the Periodic Evaluation of the Independence of the Company's Certified Public Accountant

l. Directors and Officers Liability Insurance Coverage

m. Proposal Regarding Banking Facility Limits

n. Report on the Status of Internal Audit Implementation

o. Proposal for the Election of the Convener of the Audit Committee

C.Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status (Note)</th><th rowspan="2">Deviations 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>1.Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?</td><td>V</td><td></td><td>The Company has established its own “Corporate Governance Principles”. Stakeholders can access the information from the Corporate Governance section at the corporate website. (https://www.sunrace.tw)</td><td>None.</td></tr>
<tr><td>2. Shareholding Structure and Shareholders’ Rights
(1) Does the Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?</td><td>V
V
V</td><td></td><td>(1) The shareholder meeting has the right to propose a mechanism, and the shareholder meeting also has an appropriate speaking time; it is usually handled by the spokesperson or deputy spokesperson.
(2) The Company has appointed a stock affairs agent to assist with matters related to shareholder services. In accordance with applicable regulations, the Company submits monthly reports on the shareholdings of directors and managerial officers. Additionally, on a quarterly basis, the Company obtains information from the Taiwan Depository & Clearing Corporation (TDCC) regarding shareholders holding 5% or more of the Company’s shares, in order to identify major shareholders and their ultimate controllers.
(3) The company has established "related party transaction procedures" to properly control the risk control and firewall mechanism between the company and related</td><td>None.</td></tr>
</table>

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		parties. (4) The company has established the "Management Measures for Preventing Insider Trading" and " Internal material information processing procedures ", which prohibit insiders from using unpublished information on the market to buy and sell securities.	
3. Composition and responsibilities of the board of directors (1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		(1) The company's "Corporate Governance Practice Code" has stipulated that the composition of the board of directors should consider diversity. At present, among the company's nine directors, there are three female directors (33.33%); five directors under the age of 60 (55.56%); four independent directors (44.44%). Please refer to pages 12-13 of this annual report for the disclosure information related to diversification.	None.
(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?		V	(2) The company has set up a salary and remuneration committee and an audit committee in accordance with the law. In the future, relevant functional committees will be established in accordance with legal requirements and operational needs.	
(3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis,	V		(3) The company's "Performance Evaluation Measures for the Board of Directors" has been formulated in accordance with the "Code of Practice for Corporate Governance of Listed OTC Companies", which has	

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?			been approved by the board of directors and disclosed on the company's website - Corporate Governance Zone (https://www.sunrace.tw). According to the regulations, the performance evaluation of the company's board of directors should be carried out by an external professional independent organization or a team of external experts and scholars at least once every three years, and the annual performance evaluation should be carried out at the end of the year. The implementation of the internal and external performance evaluation of the board of directors in 2022 has been reported to the board of directors on March 17, 2023, and has been uploaded and disclosed on the company's website - corporate governance area (https://www.sunrace.tw). The internal performance evaluation and implementation status of the 2024 Board of Directors has been reported to the March 10, 2025 Board of Directors and has been uploaded and disclosed on the company's website - Corporate Governance Zone (https://www.sunrace.tw).	
(4) Does the Company regularly evaluate its external auditors' independence?	V		(4) The audit committee and the board of directors of the company on March 10, 2025 passed the assessment of the independence and competence of accountants. The accountant provides the statement of independence and	

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			audit quality indicators (AQIs) information, and evaluates the evaluation indicators and evaluation standards set by the company. The evaluation items include~ whether they were family relationship with the company's directors, they hold company stocks, and they had been punished by the competent authority, etc. After the evaluation results, the certified accountants of the company are independent.	
4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		The company has been approved by the board of directors on March 17, 2023, and Yung-Chen Yeh, the manager of the finance department, will also be the company's corporate governance supervisor, and the general manager's office will assist in handling corporate governance-related matters. Manager Yeh meets the qualifications set forth in the Company's "Corporate Governance Best Practice Principles," having held a managerial position for over three years in a department related to legal affairs, finance, stock affairs, or corporate governance at a public company. The executive of corporate governance is responsible for the following: (1) Handle matters related to the meetings of the board of directors and shareholders' meetings in accordance with the law; (2) Prepare the minutes of the board of directors and	None.

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			shareholder meetings; (3) Assisting directors and supervisors in their appointment and continuing education; (4) Provide directors and supervisors with the necessary information to carry out their business; (5) Assist directors and supervisors to comply with laws and regulations; (6) Other matters stipulated in the company's incorporation or contract.	
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		Due to the different identities of the company's main stakeholders, the issues of concern to each category of stakeholders are also different. Each department actively continues to interact with stakeholders through multiple channels, so that stakeholders who care about the company can understand overview of the company's operations in a timely manner; at the same time, the company can also grasp the requirements and expectations of stakeholders for the company and respond in a timely manner. For issues of concern to stakeholders, please refer to Table 2 on pages 45-46 of this annual report. The communication with interested parties shall be reported to the board of directors at least once a year. The communications with interested parties in 2024 were reported to the board of directors on May 7, 2025. The company has set up a spokesperson or an deputy	None.

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status (Note)</th><th rowspan="2">Deviations 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>spokesperson, with a dedicated person as the communication channel, and has set up a "stakeholder zone" on the company's website (https://www.sunrace.tw).</td><td></td></tr>
<tr><td>6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?</td><td>V</td><td></td><td>Fubon securities Co.,LTD. shares transfer agency.</td><td>None.</td></tr>
<tr><td>7. Information Disclosure
(1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?
(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?
(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?</td><td>
V

V</td><td>

V</td><td>(1) The company's website (https://www.sunrace.tw) has an "Investor Information" section to disclose relevant information.
(2) The company implements the spokesperson system, and the spokesperson speaks to the outside world uniformly, The relevant information of the legal person briefing session has also been placed on the company website.
(3) The company announces and submits the annual financial report within the prescribed time limit, and announces the first, second, and third quarter financial reports and the operating conditions of each month before the prescribed time limit.</td><td>None.</td></tr>
<tr><td>8. Has the Company disclosed other information to facilitate a better understanding of its corporate</td><td>V</td><td></td><td>(1) The company applies for employee labor health insurance and group insurance, and regularly arrange</td><td>None.</td></tr>
</table>

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?			employee health checks. (2) The company arranges internal and external education and training for employees to enhance their professional skills. (3) The company holds a labor-management meeting as a communication channel between labor and management. (4) The company arranges for directors to continue their training every year and regularly reports on their training status. The report on the training status for 2024 has been completed in accordance with regulations, For details regarding the training content, please refer to page 82 of this annual report. (5) The company has formulated the "Risk Management Policy". Please refer to Table 3 Risk Management on pages 47-48 of this annual report for major risk themes, possible impacts on the company and response strategies. (6) The company insures directors and supervisors liability insurance for directors to reduce and disperse the risk of major damages to the company and shareholders caused by directors and supervisors' mistakes or negligence. (7) The company website (https://www.sunrace.tw) has set up a special area for interested parties and a special	

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status (Note)</th><th rowspan="2">Deviations 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>area for investors.</td><td></td></tr>
<tr><td colspan="5">9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.)
(1) Members of the company's salary and compensation committee attend at least twice a year, and disclose information such as policies, systems, standards and structures for regular review of directors and managers' performance evaluation and salary compensation.
(2) The company shall disclose the interim financial report in English within two months after the filing deadline for the Chinese version of the interim financial report.
(3) The company has prepared a sustainability report since 2021.
(4) The company has introduced ISO-14001 and obtained a third-party verification certificate in October 2022, and the effective operation of the management system must be maintained every year thereafter.</td></tr>
</table>

Note: Regardless of whether “Yes” or “No” is ticked regarding the implementation status, an explanation should still be provided in in the explanation column for each item.

Table 1 Criteria for Assessment of Accountants' Independence

FY 2024

Evaluation Index	Evaluation Standard	Result	Whether it meets independence
Accountant Independence	1. Whether the spouse or relative within the second degree is an employee of the company or its affiliated enterprises.	N/A	Yes
	2. Whether he is a director of the company or its affiliated enterprises.	N/A	Yes
	3. Whether there are natural person shareholders who themselves, their spouses, minor children, or in the name of others hold more than 1% of the company's total issued shares or hold the top ten shares.	N/A	Yes
	4. Whether there is a relationship within the spouse or second-degree relationship with other directors.	N/A	Yes
	5. Whether there is a direct or indirect financial interest relationship with the company.	N/A	Yes
	6. Whether there is financing or guarantee with the company or the directors of the company.	N/A	Yes
	7. Whether there are any non-audit service items provided to the company that may directly affect the audit work.	N/A	Yes
	8. Whether there is an intermediary for the stocks or other securities issued by the company.	N/A	Yes
	9. Whether anyone acts as the company's defender or coordinates any disputes with other third parties on behalf of the company.	N/A	Yes
	10. Whether there is any one of the conditions stipulated in Article 30 of the Company Act.	N/A	Yes

Table 2 Issues Concerned by Stakeholders

Main stakeholder	Importance to the company	Focus on issues	Communication Channel/Frequency	Communication statistics
Shareholder / Investors	● Shareholders are the investors of the company, protect the rights and interests of shareholders, treat all shareholders fairly, and ensure that shareholders have the right to fully understand, participate in and make decisions on major issues of the company.	●Operating performance ●Corporate governance ●Risk management ●Ethical integrity ●Regulatory compliance ●Information security protection ●Product safety	● Contact window: deputy spokesperson contact method: spokesman@sunrace.com ● Standard shareholders meeting/annual ● Official website investor zone/monthly ● Public Information Observatory / irregular	●The number of shares attended by shareholders at regular meetings is 72.05%. ●The investor special line accepts about 15 incoming calls. ●Hold 1 Corporate briefing.
Client	●Customers are the main source of the company's revenue, and the company regards product quality, safety and aftermarket service as its highest commitment to customers.	●Corporate governance ●Regulatory compliance ●Operational performance ●Innovative research and development ●Green products ●Product safety ●Sustainable supply chain ●Customer service ●Information security protection	●Contact window: deputy spokesperson contact method: spokesman@sunrace.com ●Business department visits customers/irregularly ●Phone, E-MAIL/irregular	●The recovery rate of customer satisfaction survey form was 85%. ●The customer satisfaction score is 90.89 points.
Government Agencies	● Government agencies supervise and check compliance with various laws and regulations of the company.	●Corporate governance ●Ethical integrity ●Product safety ●Regulatory compliance ●Greenhouse gases ●Water resource management ●Waste management ●Labor-management communication ●Human rights protection	●Contact window: deputy spokesperson contact method: spokesman@sunrace.com ●Policy advocacy meeting of the competent authority / irregular ●Public Information Observatory / irregular ●Company website/Irregular ●Telephone, E-MAIL, written	●Communications with the competent authorities for official documents, receiving about 170 times and sending about 15 times. ●Telephone communication about 10 times.

		●Information security protection	letter/irregular	
Employee	●Employees are an indispensable force in the company's operations. The company is committed to creating a workplace environment where employees are physically and mentally healthy and diverse.	●Ethical integrity ●Operational performance ●Salary and benefits ●Labor-management communication ●Occupational safety ●Human rights protection ●Talent cultivation	●Contact window: deputy spokesperson contact method: spokesman@sunrace.com ●Labor-management meeting/quarterly ●E-MAIL, telephone, physical complaint mailbox/irregularly	●Labour-management meetings were held 4 times. ●Telephone and E-MAIL accepted 0 case. ●The physical complaint mailbox accepts 0 case.
Supplier	●The company's products and services rely on the stable supply of raw materials and components from many suppliers. ●Using the influence of the company to require suppliers not to pollute the environment or violate human rights.	● Sustainable supply chain	● Contact window: deputy spokesperson contact method: spokesman@sunrace.com ●Factory audit/irregular ●Face-to-face meetings/irregular ●Phone, E-MAIL/irregular	●Quality Control: Approximately 3~4 suppliers visit the factory each month to discuss quality-related issues. ●Procurement: Suppliers come to the factory 8 times a month for communication.
Local Community	●The company implements environmental management and control measures to avoid environmental pollution at the operating site, resulting in a decline in the quality of life in neighboring communities.	● Environmental compliance ● Waste management ● Water resource management ● Grievance mechanism ● Occupational safety ● Participate in public welfare	● Contact window: deputy spokesperson contact method: spokesman@sunrace.com ●Complaint hotline/irregular ●Company official website/irregular ●On-site symposium/irregular	●The information collection mechanism has not been established in the current year, so it will not be disclosed.

Table 3 Risk Management

Risk category	Risk statement	Risk Management Response
Environment	● The manufacturing process is currently unable to effectively reduce energy consumption.	●Reduce the use of energy-intensive processes by adopting alternative manufacturing methods. ●Communicate with customers to adjust product pricing in response to increased costs associated with the use of green electricity, steel, and aluminum.
	●Greenhouse gas emissions continue to increase	● Emission intensity is used as the benchmark. If an increase in emission intensity is observed in the current year, electricity and fuel consumption must be reviewed for any abnormal usage, and follow-up control shall be carried out in accordance with corrective measures.
	●Typhoons and floods	● Upon the issuance of a typhoon warning, SRSA immediately activates the flood protection gates at vehicle entrances, places mobile pumping equipment on standby, and implements other related disaster prevention measures.
Environmental 、 people (including human rights)	● Instability in raw material supply due to suppliers being penalized for violations of environmental or labor regulations	● SRSA has established specifications for subcontractors in accordance with its quality management system to ensure suppliers' capabilities in terms of product quality, delivery time, pricing, and service. In line with the principles of environmental, health, and safety (EHS) management systems and human rights protection, suppliers are guided to comply with relevant regulations on occupational safety and health, environmental protection, and human rights. Nichi is committed to fostering corporate social responsibility and building sustainable partnerships with its suppliers. If an existing supplier fails to pass the evaluation, Nichi will require the supplier to make improvements within a specified period.
People (including human rights)	●Occurrence of occupational accidents or fire incidents	● SRSA has established a reporting mechanism and conducts cause analysis, discussion, and preventive measures to avoid recurrence of accidents and disasters.
	●Facing labor shortages due to less competitive compensation compared to	●Through multiple recruitment channels, such as job banks, human resources agency matchmaking and internal recruitment, etc., we will also review the salary structure internally and discuss adjusting the salary to be higher than the industry average. ●The heads of each department and the human resources department conduct interviews with resigning colleagues to truly understand the reasons for employee resignation, and optimize based on the company's

	industry peers	current situation to control the turnover rate within the company's acceptable range.
	●Insufficient employee competency development	●An annual training plan is established to provide employees with the professional knowledge and skills required for their respective roles, ensuring comprehensive training activities. ●Through the annual training program, the Company plans for compliance with regulatory requirements regarding the proportion of certified personnel on site, and implements professional competency retraining programs. All relevant personnel are expected to obtain valid certification upon completion, in order to achieve the desired key outcomes. ●The Company strives to place employees in roles suited to their talents and expertise, encourages the development and application of individual capabilities, and aims to enhance corporate performance and value through effective talent cultivation.
Governance Aspect、Economic Aspect	●R&D energy is not as good as competitors	●The company targets niche markets and product research and development based on its own advantages. Use government and academic unit resources, such as SBIR, leading new product subsidy projects, and combine the energy of the Industrial Research Institute or universities.
	●Revenue decline ●Product competitiveness decline	●Monitor domestic and international market trends, enhance product quality and delivery timeliness, manage inventory levels, and continuously adjust marketing strategies in a rolling manner.
	●Occurrence of cybersecurity incidents	●Convene regular meetings every year to review the current status of the company's information security protection. ●Increase personnel's awareness of information security protection. ●Continue to pay attention to emerging information security information and technologies, and keep defense or management methods up to date to effectively block new types of information security threats and reduce operational risks. ●For departments within the company that keep business secrets, use information security measures to reduce the possibility of secret leakage. ●Firewall and SWITCH upgrades. ●Commission third-party professional agencies to conduct vulnerability scanning.

D.The state of operations of the audit committee

a.Information on Compensation Committee Members

Date:December 31, 2024

Capacity \ Name \ Qualification		Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as compensation committee member
Convenor and Independent director	Yueh-Feng Chiang	Please reference to P.11 of this annual report for Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors .		0
Independent director	Cheng-Pao Wang			0
Independent director	Mei-Hui Lin			0

Note 1: Please specifically fill in the number of years of relevant work experience, and the professional qualifications and experience, and the status of independence, of each remuneration committee member. If the member is an independent director, you may add a note directing readers to refer to the relevant information in Table 1 Information on Directors and Supervisors (1) on p. ____. For “Capacity,” please specify whether the member is an independent director or other (if the member is the convenor, please note that fact).

Note 2: Professional qualifications and experience: Describe the professional qualifications and experience of each member of the remuneration committee.

Note 3: Independence analysis: Describe the status of independence of each remuneration committee member, including but not limited to the following: whether the member or their spouse or relative within the second degree of kinship serves or has served as a director, supervisor, or employee of the Company or any of its affiliates; the number and ratio of shares of the Company held by the member, their spouse, and their relatives with the second degree (or through their nominees); whether the member has served as a director, supervisor or employee of a “specified company” (see Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount(s) of any pay received by the remuneration committee member for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

Note 4: Regarding the method for disclosure, please refer to the “SAMPLE ANNUAL REPORT” page on the website of the Taiwan Stock Exchange Corporate Governance Center.

b. Operation of the Remuneration Committee

(a) The Company's compensation committee has a total of 3 members.

(b) The term of the current members is from June 27, 2024 to June 18, 2027.

(c) The number of compensation committee meetings held in the most recent fiscal year was: 2 times(A). All members attended in person, and the attendance rate was 100%, committee attendance is as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%)【B/A】(Notes 1 and 2)	Remarks
Convenor	Yueh-Feng Chiang	2	0	100	
Member	Cheng-Pao Wang	2	0	100	
Member	Mei-Hui Lin	2	0	100	

Other information required to be disclosed:

1. Resolutions of the 2024 Remuneration Committee meeting:

Date	Major Resolutions	Outcome of Resolution	Processing of company
2023.1.19	1.Regularly review the salary and remuneration case 2.Salary adjustment proposal 3.Bonus case 4.2023 Annual employee remuneration and directors and supervisors proposal for remuneration allocation	Unanimously approved by committee members.	Discussed by the board of directors and approved by all directors present.
2024.8.8	1. Elect the convener of the Compensation Committee 2. Remuneration of directors and employee remuneration allocation	Unanimously approved by committee members.	Discussed by the board of directors and approved by all directors present.
2025.1.15	1.Regularly review the salary and remuneration case 2.Bonus case 3.2024 Annual employee remuneration and directors and supervisors proposal for remuneration allocation	Unanimously approved by committee members.	Discussed by the board of directors and approved by all directors present.
2025.3.10	1. Proposal for the Amendment of the Articles of Incorporation in Compliance with Article 14, Section 6 of the Securities and Exchange Act	Unanimously approved by committee members.	Discussed by the board of directors and approved by all directors present.

2. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee :None.

3. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion:None.

Note 1: If any remuneration committee member left the committee before the end of the fiscal year, specify the date that they left the committee in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number they attended in person during the period they were on the committee.

Note 2: If any by-election for remuneration committee members was held before the end of the fiscal year, the names of the new and old committee members should be filled in the table, with a note stating whether the member left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number attended in person during the period of each such person's actual time on the committee

b. Responsibilities of the Compensation Committee:

The Compensation Committee shall, with due diligence and in good faith, exercise the following powers and submit its recommendations to the Board of Directors for discussion:

(a) Periodically review these regulations and propose amendments.

(b) Establish and regularly review the Company's policies, systems, standards, and structure for the performance goals and compensation of directors and managerial officers.

(c) Regularly assess and determine the compensation for directors and managerial officers.

c. In 2024, the Compensation Committee held two meetings. The main matters discussed included:

(a) Regular review of compensation policies

(b) Salary adjustment proposal

(c) Bonus proposal

(d) Proposal for the allocation of employee compensation and director compensation for 2023

(e) Election of the convener of the Compensation Committee

(f) Proposal for the distribution of director and employee compensation

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E. Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons；a company that meets certain conditions shall disclose climate-related information

Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		1. The company established a sustainable implementation committee on May 5, 2022, and appointed the deputy general manager as the chairman, and the general manager's office is responsible for the implementation of the committee. The Sustainability Implementation Committee formulates the sustainable development policy, is responsible for implementing and implementing it within the company, and gradually integrates the concept of sustainable management into the company's corporate culture. 2. In order to cope with the environmental, social and corporate governance (hereinafter referred to as ESG) aspects of sustainable development, the Sustainability Implementation Committee has set up a special group, and the responsible departments collect the corresponding stakeholders' opinions on environmental protection, occupational safety, and supply chain management , labor rights, operational performance, and corporate governance, etc., and based on respect for the rights and interests of stakeholders, a special area for stakeholders is set up on the company website to appropriately respond to their concerns. 3. The promotion of sustainable development shall be reported to the board of directors at least once a year. 4. The board of directors listens to the report of the Sustainability Implementation Committee every year and evaluates the feasibility of the company's ESG risk response. It also tracks the effectiveness of implementation measures and makes recommendations to urge the Sustainability Implementation Committee to make adjustments when necessary. 5. The promotion of sustainable development in 2024 was reported to the board of directors on May 7, 2025.	None.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	V		1. The company's risk management structure is centered on various responsible departments to carry out relevant risk assessment operations. According to the degree of concern of different stakeholders to the company and the degree of impact on the company or the external environment, the risk matrix is completed, and then response for major risk projects to ensure the company achieves the goal of sustainable operation. 2. For risk categories and risk management responses, please refer to Table 3 Risk Management on pages 47-48 of this annual report. 3. For the company's major themes and boundaries, please refer to Table 4 on pages 67-68 of this annual report. 4. On May 7, 2025, the operational situation of the risk management policy in 2024 was reported to the board of directors.	None.
3. Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics?	 V		 The company implements management according to the PDCA method. The company has introduced the ISO14001:2015 environmental management system in 2022, and has obtained a third-party verification certificate in October 2022. In the future, it can control greenhouse gases, energy resource consumption, air pollution management, waste water discharge management, waste treatment, noise control and other related environmental issues, continuously improve performance, and strive to minimize the damage caused by environmental impact.	 None.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		The company is a professional manufacturer of bicycle transmission parts. The industry itself has the characteristics of energy saving, carbon reduction, sports, and health. The company recycles various recyclables such as paper, lamp tubes, and oil, and expands the use of renewable energy to achieve energy usage is optimized. 1. Policy: (1) Environmental and energy compliance: Comply with the requirements of environmental laws and regulations. (2) Green procurement to protect the ecology: Prioritize the purchase of environmentally friendly products that meet the requirements of low pollution, recyclability, resource saving, and high energy efficiency, so as to maximize ecological benefits. (3) Use wisdom for energy saving and carbon reduction: Examine energy performance, implement energy-saving measures, improve equipment and other environments, and reduce the impact of operations on the environment. (4) Resource recycling promotes sustainability: Improve the efficiency of resource use, recycle items that can be recycled, properly handle industrial waste, promote resource recycling and advocate sustainable development of the environment. (5) Continuing to improve and fulfill responsibility: Continuously improve the environment.	None.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			2. Objectives: (1) Short-term goals: A. Continue to maintain the validity of the ISO14001 certificate; B.Maintain 100% compliance with environmental regulations and zero ronmental pollution incidents; C. Electricity/Water/Waste Management. (2) Mid-term goals: A. 2026 Greenhouse Gas Inventory: B. Continuously carry out risk management on environmental issues; C. Purchasing high efficiency and low energy consumption equipment. (3) Long-term goals: A. The whole plant continues to save energy and reduce carbon. B. Planning of green products to improve market competitiveness; C. Greenhouse gas inventory verification in 2028; D. Improve the process and reduce power consumption.	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		1. Potential risks: In recent years, in response to global climate change, increasingly stringent international carbon management practices and the awareness of low-carbon consumption, governments and enterprises have begun to attach importance to environmental sustainable management. 2. Evaluation results: At present, the company's existing air pollution includes the exhaust gas emitted by emergency generators, the smell of ink painting and greenhouse gas emissions, the site has set up pollution prevention equipment in the generator set, the ink painting operation area to increase ventilation equipment, greenhouse gas emissions are generated by the category 1 direct emissions used in the plant (such as: gasoline and diesel fuel use, refrigerant escape, septic tank escape), category 2 indirect emissions (such as: electricity use). 3. Response measures: The company established a sustainable implementation committee to lead the factory to review the environmental safety and health management system to improve energy management and greenhouse gas emission reduction capabilities. In addition to proposing energy-saving and carbon reduction indicators and plans in accordance with the management system, it also pays attention to global carbon management issues and low-carbon production, new energy technology.	None.
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of	V		1. Information on greenhouse gas emissions: (1)The company's greenhouse gas emissions for 2024 and 2023years are as follows: <table><tr><td></td><td>FY 2024</td><td>FY 2023</td></tr></table>	None.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?			(see below)	

Project/ Year	Total emissions (metric tons CO2e/year)	Intensity (metric tons CO2e/million yuan)	Total emissions (metric tons CO2e/year)	Intensity (metric tons CO2e/million yuan)
Scope 1				
Sun Race Sturmey-Archer Inc	99.8109	0.2035	110.04	0.12
Scope 2				
Sun Race Sturmey-Archer Inc	558.5645	1.1391	594.40	0.67
Scope 3				
Sun Race Sturmey-Archer Inc	239.4935	0.4884	N/A	N/A

(2) The company's water consumption in 2024and 2023:

	FY 2024	FY 2023
Water Consumption	9,129degrees	12,021degrees

(3) Whether the company's waste output in 2024 and 2023 is harmful:

Annual	Hazardous waste	Non-hazardous waste	Total
2024	0	51,305kg	51,305kg
2023	0	103,053kg	103,053kg

The company's waste primarily consists of domestic waste and other industrial waste, all of which comply with ROHS and REACH regulations and are therefore classified

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			as non-hazardous waste. **Note:** The Scope 1 to Scope 3 greenhouse gas inventory data are based on the Company's internal calculations. Complete data will be disclosed in the 2024 Sustainability Report. (4) The Company's current greenhouse gas reduction targets at the entity level are as follows: ▪ Using 2024 as the base year, reduce energy intensity by 3% by 2030. ▪ Using 2024 as the base year, reduce greenhouse gas emission intensity (Scope 1 + 2 + 3) by 3% by 2030. 2. Management Policy: (1) Implement energy conservation and carbon reduction measures to minimize unnecessary waste. Regularly review the environmental, health, and safety (EHS) management system to enhance energy management and greenhouse gas reduction capabilities. Based on the results of these reviews, establish measurable indicators for goal-oriented management, thereby mitigating the financial impacts of climate risks on business operations. (2) Waste management focuses on source reduction, and reduces the output of waste from the source; followed by waste resource recycling; finally, the process is delegated. Waste entrusted treatment is to comply with laws and regulations as the most basic requirements, and the waste generated by the company is entrusted to legal and professional recycling and removal and treatment companies; before outsourcing the treatment of waste, it must first do a good job of classified collection and storage management in the factory, and then according to the characteristics of the waste, select the appropriate and legal waste removal, the treatment company in	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			accordance with the environmental protection laws and regulations to remove, flow declaration, and hand over to the treatment plant for proper disposal, at present, all waste is currently disposed of domestically, and there is no transnational treatment problem and waste leakage problem. (3) The company attaches great importance to water resources management. 100% of the water resources used by the company come from tap water. In addition, the company only has domestic wastewater but no process wastewater. Domestic wastewater is discharged through sedimentation treatment and has no major negative ecological impact on the surrounding areas. (4) As the base year for the Company’s greenhouse gas reduction targets is 2024, there are currently no results available for reporting on target achievement.	
4. Social Issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		1. In order to safeguard the rights and interests of employees and shape a friendly environment for human rights protection, the company formulates a "human rights policy" in accordance with the core principles of international conventions such as 《the United Nations Universal Declaration of Human Rights》, 《the United Nations Global Compact》, 《the United Nations Guiding Principles on Business and Human Rights》 and the International Labour Organization's 《Declaration on Fundamental Principles and Rights at Work》, respecting universal basic human rights, and abiding by the labor laws and regulations of the company's location, eliminating any infringement and violation of human rights; At the same time, the company will not discriminate against employees in any way; The company attaches great importance to workplace safety and	None.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			health, and is committed to creating a dignified, safe, equal and free from harassment working environment. 2. The company provides employees with a reporting channel, conducts a due diligence investigation after acceptance by a special person, and keeps the personal information of the whistleblower confidential, and if it is verified to be true, promises not to treat the whistleblower unfavorably. 3. No human rights incidents were reported by the Company in 2024.	
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V		1. Employee welfare measures: (1) The company protects the legitimate rights and interests of employees in accordance with labor laws and regulations, and provides pensions, and has an employee welfare committee to handle various welfare matters, and provides information such as employee leave rules on the company's internal website, so that employees can understand relevant labor laws and fundamental rights. For detailed employee welfare measures, please refer to pages 115-116 of this annual report.	None.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			(2) Diversification and equality in the workplace: In 2024, the total number of female employees accounted for 41% of all employees; female senior executives accounted for 20% of all senior executives. 2. The company determines employee salaries based on the achievement rate of annual operating goals and the company's profit performance, and provides colleagues with salaries that are superior to local laws and regulations and are market-competitive, attracting outstanding talents to join the company, improving colleagues' sense of identity with the company, and working together with the company grow and create a win-win situation. In order to confirm that the personal work performance of the personnel properly reflects the personal salary, all employees regularly accept performance appraisals, and the appraisal results will be included in the promotion and development considerations of employees, so that colleagues with special technical expertise can grow into professionals in this field through their own efforts. Employees with management ability and leadership potential are also trained to become managers, providing a broad space for colleagues' career development. 3. For dividend policy, please refer to pages 98-99 of this annual report.	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		1. Safe and healthy working environment: The company attaches great importance to the labor rights and interests of employees, creates a safe workplace environment, provides colleagues with friendly and equal job opportunities, implements gender equality, and creates a workplace atmosphere of mutual respect; regularly arranges special workplace nurses to provide factory services , and go to the scene to observe the working conditions of the interviewer, assess whether the person's work has health risks, and give appropriate health education. 2. Safety and health education: (1) Implement employee health checks every two years, hold fire drills at least twice a year, and provide appropriate and sufficient protective tools. (2) Conduct health promotion courses more than once a year, such as diet, tobacco, alcohol, infectious disease prevention, AIDS and other publicity courses. (3) Identify hazards, assess hazards, and control hazards in the workplace, so that workers can reduce the hazards in the working environment, and make occupational injury cases into teaching materials to publicize and educate colleagues, so that colleagues can raise their safety awareness and prevent them , to achieve the safety management goals of "zero disaster", "zero violation" and "zero infection". 3. Please refer to pages 118-119 of this annual report for the company's "protection measures for employees' personal safety and working environment".	None.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			4. Occupational disaster statistics and occupational safety and health management results: No occupational accidents occurred in 2024. 5. In 2024, there will be 0 fires, 0 casualties and 0% of the total number of casualties; related improvement measures in response to fires: The company holds fire drills at least twice a year ,and passes fire inspections every year.	
(4) Has the Company established effective career development training programs for employees?	V		1. The aspects covered by the company's training plan: leadership management, professional fields, compliance with laws and regulations, etc. Arrange functional training courses for employees from time to time, and provide relevant colleagues to participate in internal and external training. 2. The average training hours of employees in 2024: 12.3 hours; senior executives: 84 hours.	None.
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		1. The company adheres to the following standards: ISO 4210, REACH, ROHS, CPSIA, CALIFORNIA 65; Some products have passed CE certification. 2. The company is a manufacturing industry, all follow government regulations and market practices, shall not deceive, mislead or any other behavior that destroys the trust relationship of customers, business units and purchasing units to provide consumer and supplier complaint telephone and email have been disclosed on the company's website - Stakeholders Area (https://www.sunrace.tw)。	None.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?		V	1. The company has a "Supplier Code of Conduct" and it is disclosed on the company's website - Corporate Governance Zone (https://www.sunrace.tw). 2. The company adheres to the following standards: ISO 4210, REACH, ROHS, CPSIA, CALIFORNIA 65; Some products have passed CE certification. 3. The company is a manufacturing industry, all follow government regulations and market practices, shall not deceive, mislead or any other behavior that destroys the trust relationship of customers, business units and purchasing units to provide consumer and supplier complaint telephone and email have been disclosed on the company's website - Stakeholders Area (https://www.sunrace.tw)。	None.
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	V		Written in accordance with the Sustainability Reporting Standards 2021 (GRI Standards: 2021) issued by the Global Sustainability Reporting Institute (GRI), the 2024 sustainability report is expected to be submitted to the board of directors for approval in the third quarter of 2025. Released before the end of August.	1. Refer to internationally accepted reporting standards or guidelines to prepare sustainability reports and other reports that disclose non-financial information of the company. 2. Failure to obtain guarantee opinions from third-party verification units

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Deviations 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 colspan="5">6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company’s operations: None..
(The company has formulated the "Code of Practice for Sustainable Development", which has been approved by the board of directors on May 10, 2023 and disclosed on the company's website (https://www.sunrace.tw))</td></tr>
<tr><td colspan="5">7. Other important information to facilitate better understanding of the company’s promotion of sustainable development:
1. The company has prepared a sustainability report since 2021.
2. The sustainability report for 2024 is expected to be released before the end of August ,2025 ,after being submitted to the board of directors for approval in the third quarter of 2025.
3. The company has introduced ISO-14001 and obtained a third-party verification certificate in October ,2022, and the effective operation of the management system must be maintained every year thereafter.</td></tr>
</table>

Note 1: If “Yes” is ticked in the “Implementation status” column, please concretely describe the major policies, strategies, and measures adopted and the status of their implementation. If “No” is ticked in the “Implementation status” column, please explain the deviations and the reasons in the “Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons” column and explain the Company’s plans for adoption of related policies, strategies, and measures in the future.

Note 2: The materiality principle refers to focusing on environmental, social and corporate governance issues likely to have a material impact on the Company’s investors and other stakeholders.

Note 3: Regarding the method for disclosure, please refer to the “SAMPLE ANNUAL REPORT” page on the website of the Taiwan Stock Exchange Corporate Governance Center.

Table 4. Major themes and boundaries of the company

Direction	Big topics	Importance	Impact oriented	Internal boundaries	External boundaries			
				Firm	Shareholders/ Investors	Vendor	Client	Local communities
Economy	Operational performance	● The pursuit of maximum profit is the goal of SRSA continuous efforts. It not only enhances the confidence of investors, employees, supply partners and customers in us, but also lays the foundation for creating mutual benefit and common prosperity and moving towards sustainable operation.	Positive potential	●	●	●	●	
Economy	Innovative R&D	● The development of new products/new technologies is the core competitiveness that SRSA attaches the most importance to. Through continuous investment in research and development, SRSA develop diversified product lines to boost the company's revenue.	Positive potential	●	●		●	
Economy	Information security protection	● The research and development results of SRSA are important commercial secrets of the company. In the face of external information security risks, the company needs to continuously improve its information security protection capabilities.	negative potential	●	●		●	
Crowds (including human rights)	Talent Education	● The company arranges further training courses based on the business attributes of colleagues, so that colleagues can achieve themselves, affirm themselves, develop their careers more smoothly, and maintain the company's competitiveness	Positive potential	●				●
Crowds (including human rights)	Occupational safety	● The company provides a healthy and safe workplace environment for employees, so that employees can work with peace of mind.	negative potential	●				●
Crowds (including	Compensation and Benefits	● Providing a market-competitive level of compensation helps Nichi-Richi attract and retain top talent.	Positive potential	●				●

Direction	**Big topics**	**Importance**	**Impact oriented**	**Internal boundaries**	**External boundaries**			
				Firm	**Shareholders/ Investors**	**Vendor**	**Client**	**Local communities**
human rights)								
Environment	Sustainable supply chain	● If supply chain instability occurs or work is suspended due to violations of local regulations, it may lead to a material shortage crisis for Richi. In addition to requiring suppliers to comply with our supplier management policies, the company also has alternative raw material supplies. Make a list of suppliers in case of emergency.	negative potential	●	●	●	●	

Climate-Related Information of TWSE/TPEx Listed Company

1. Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	●Board Oversight of Climate-Related Risks and Opportunities The Vice President serves as the Chairperson of the Sustainability Promotion Committee and reports annually to the Board of Directors on the execution results of ESG initiatives for the year, including performance on climate change issues, impact assessments, and progress toward sustainability goals. ●Role of Management in Assessing and Managing Climate-Related Risks and Opportunities 1. The Vice President, as Chairperson of the Sustainability Promotion Committee, leads department heads in implementing climate-related management tasks. An Environmental, Health and Safety (EHS) Task Force has been established under the committee to identify climate-related risks and assess and respond to climate impacts within their respective areas of responsibility. The Manufacturing Division Head serves as the leader of the task force, promoting green operations to enhance environmental performance and risk control. 2. The Sustainability Promotion Committee is responsible for conducting risk assessments. After identifying key risks, the committee coordinates with relevant departments to develop appropriate response strategies.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	●Identified Short-, Medium-, and Long-Term Climate-Related Risks and Opportunities Short-Term: 1. Transition Risk: Increase in carbon pricing for greenhouse gas (GHG) emissions 2. Market Opportunity: Shifting consumer preferences Medium-Term: 1. Transition Risks: Stricter GHG emissions reporting requirements and Costs associated with transitioning to low-carbon technologies Long-Term: 1. Transition Risks: Continued increases in GHG emission pricing and Long-term costs of adopting low-carbon technologies ●Impact of Climate-Related Risks and Opportunities on Business,

Item	Implementation status
	Strategy, and Financial Planning. Our company manufactures bicycle accessories, which are inherently low-carbon products. Additionally, our facilities have long prioritized energy and water conservation, aligning with the energy-saving characteristics of the industry. Transition Risks: 1. Enhanced GHG Reporting Obligations:To better understand our Scope 1, Scope 2, and Scope 3 emissions, we proactively adopted ISO 14064-1 ahead of regulatory deadlines. 2. Increase in GHG Emission Pricing:After quantifying our Scope 1, 2, and 3 emissions, we are evaluating potential financial impacts of future carbon fees based on the national Carbon Fee Review Committee’s roadmap. Furthermore, the company is assessing the installation of solar power facilities at our plant by the end of 2024, which is expected to save approximately 240,000 kWh of electricity annually once operational. 3. Costs of Low-Carbon Technology Transition:As existing equipment reaches the end of its service life, we plan to prioritize the purchase of energy-efficient, certified machinery. In addition, we are evaluating the replacement of air conditioning systems with more environmentally friendly alternatives. Market Opportunity: Changing Consumer Preferences: With noticeable growth in demand for electric-assist bicycles over traditional bicycles, the company continues to invest resources in the development of high value-added related products.
3. Describe the financial impact of extreme weather events and transformative actions.	Taiwan is located in a typhoon-prone area, and the company has been affected by typhoons. In order to reduce disasters caused by extreme weather, the company promotes regular implementation of operational risk identification to determine the type, content and possible impact of the risk, and develop various emergency response plans. , searching for backup suppliers and alternative materials, partial outsourcing, off-site production backup planning... and other strategies as responses to avoid an increase in risk levels.

Item	Implementation status
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	●Process for Identifying and Assessing Climate-Related Risks The Sustainability Promotion Committee gathers external information on market trends, regulations, technologies, and physical climate developments to identify potential climate-related risks and opportunities for the company. These are assessed based on their potential impact and likelihood of occurrence. Risks and opportunities with an estimated financial impact exceeding NT$10 million annually are classified as material. Identified risks are then prioritized according to their probability and potential operational impact. For higher-priority risks, climate scenario analysis is conducted—taking into account current business operations—to estimate potential financial impacts. ●Process for Managing Climate-Related Risks Once key risks are identified, the Sustainability Promotion Committee collaborates with relevant departments to formulate response strategies. The Vice President reviews the results of the risk assessment and reports them annually to the Board of Directors. ●Integration of Climate-Related Risk Identification, Assessment, and Management into the Company's Overall Risk Management System The processes for identifying, assessing, and managing climate-related risks are embedded within the company's overall risk management framework. This integration ensures that climate-related considerations are systematically evaluated alongside other business risks, and that appropriate mitigation strategies are incorporated into strategic and operational planning.
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.	● Strategic Resilience in Consideration of Different Climate-Related Scenarios 1. Based on the scenario analysis provided by Taiwan's Climate Change Projection and Information Platform (TCCIP) under AR6, the following projections apply: (1) Under the SSP1-2.6 scenario, the projected maximum temperature increase in the company's surrounding environment is as follows: 0.7°C by 2040, 1.0°C by 2060, 1.1°C by 2080, and 1.1°C by 2100. Assuming electricity prices remain unchanged and that the central air conditioning system on the production line is set to 13°C, the estimated impacts on the company's electricity expenditure are as

Item	Implementation status
	follows: ▪2040 (0.7°C increase): Minimal impact on electricity costs ▪2060 (1.0°C increase): Approx. 8% increase in electricity costs ▪2080 (1.1°C increase): Approx. 10% increase in electricity costs ▪2100 (1.1°C increase): Approx. 10% increase in electricity costs (2) Under the SSP5-8.5 scenario, the projected maximum temperature increase in the company's surrounding environment is as follows: 0.8°C by 2040, 1.6°C by 2060, 2.5°C by 2080, and 3.5°C by 2100. Assuming electricity prices remain unchanged and that the central air conditioning system on the production line is set to 13°C, the estimated impacts on the company's electricity expenditure are as follows: ▪**2040 (0.8°C increase):** Minimal impact on electricity costs ▪**2060 (1.6°C increase):** Approx. 15% increase in electricity costs ▪**2080 (2.5°C increase):** Approx. 25% increase in electricity costs ▪**2100 (3.5°C increase):** Approx. 35% increase in electricity costs 2. Based on the Taiwan 3D Disaster Risk Map analysis, the company's geographic location is not situated within a high-risk zone for extreme short-duration rainfall of 350 mm within six hours. Therefore, such events are not expected to result in financial impacts for the company.
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.	● At this stage, the company uses energy intensity and greenhouse gas (GHG) emission intensity as its primary quantitative evaluation indicators. In the future, once the installation of solar power generation facilities at the company's plant is completed, the renewable energy usage ratio will also be included as a disclosed target. ● Scope 1, 2, and 3 GHG Emissions and Related Risks Starting in 2025, the company will disclose its 2024 GHG inventory for Scope 1, Scope 2, and Scope 3 emissions. It is also planning to obtain ISO 14064-1 verification by 2028. 2024 GHG Emissions (metric tons of CO_2e): ▪Scope 1: 99.8109 metric tons CO_2e ▪Scope 2: 558.5645 metric tons CO_2e ▪Scope 3: 239.4935 metric tons CO_2e Note: Scope 1–3 emissions have been calculated internally by the company. Complete and verified data will be disclosed in the

Item	Implementation status
	2024 Sustainability Report. ● Targets for Managing Climate-Related Risks and Opportunities (Energy and Carbon Reduction): ▪Energy intensity: 3% reduction by 2030, using 2024 as the base year ▪GHG emissions intensity (Scope 1 + 2 + 3): 3% reduction by 2030, using 2024 as the base year
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The company has not yet implemented an internal carbon pricing mechanism.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The company has not yet planned to procure renewable energy certificates (RECs).
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 Tables 1-1 and 1-2.

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

1-1-1 Greenhouse Gas Inventory Information

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

The company's greenhouse gas emissions for 2024 and 2023 years are as follows:

	FY 2024		FY 2023	
Project/Year	Total emissions (metric tons CO2e/year)	Intensity (metric tons CO2e/million yuan)	Total emissions (metric tons CO2e/year)	Intensity (metric tons CO2e/million yuan)
Scope 1				
Sun Race Sturmey-Archer Inc	99.8109	0.2035	110.04	0.12
Scope 2				
Sun Race Sturmey-Archer Inc	558.5645	1.1391	594.40	0.67

	Scope 3				
	Sun Race Sturmey-Archer Inc	239.4935	0.4884	N/A	N/A

Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from company activities that are not indirect energy emissions, but origi/te from sources owned or controlled by other companies)

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT$ 1 million) shall be disclosed.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.
According to the Financial Supervisory Commission's (FSC) Sustainability Roadmap, the company is required to complete greenhouse gas assurance for the standalone entity by 2028 at the latest, and for its consolidated subsidiaries by 2029.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it shall note that “Complete assurance information will be disclosed in the sustainability report.” If the Company does not prepare a sustainability report, it shall note that “Complete assurance information will be disclosed on the Market Observation Post System (MOPS),” and shall disclose the complete assurance information in the annual report of the following fiscal year.

Note 2: The assurance institutions shall meet the directions regarding assurance of sustainability reports prescribed by the TWSE and the TPEx.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

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

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.
1. Greenhouse Gas (GHG) Reduction Targets for the Standalone Entity ● Using 2024 as the base year, the company has set the following targets to be achieved by 2030: ▪ A 3% reduction in energy intensity ▪ A 3% reduction in GHG emissions intensity (Scope 1 + Scope 2 + Scope 3) 2. Implementation Measures and Progress (1) The company implements energy conservation and carbon reduction measures to eliminate unnecessary waste. It regularly reviews its environmental,

health, and safety (EHS) management systems to enhance energy management and greenhouse gas (GHG) reduction capabilities. Based on review outcomes, performance indicators are established to support goal-oriented management, aiming to mitigate the financial impact of climate risks on business operations.

(2) The company prioritizes waste reduction at the source, aiming to minimize waste generation from the outset. The next priority is resource recycling, with external disposal as a last resort. All outsourced waste disposal must comply with legal and regulatory requirements. The company entrusts qualified and licensed professional contractors for waste recycling and disposal services.

Prior to outsourcing, waste is properly sorted, collected, and stored on-site. Based on the characteristics of each waste type, suitable and compliant contractors are selected to perform waste removal, disposal, and declaration of flow in accordance with environmental regulations. All waste is currently treated domestically. There are no cross-border waste treatment activities or incidents of waste leakage.

(3) The company places great importance on water resource management. 100% of the water used by the company is sourced from municipal tap water. The company generates only domestic wastewater, with no process-related wastewater. Domestic wastewater is treated through sedimentation before discharge, and it poses no significant negative ecological impact on the surrounding environment.

(4) As the base year for the company's greenhouse gas (GHG) reduction targets is 2024, there are currently no measurable results to report.

3. In accordance with the Financial Supervisory Commission's (FSC) requirements, the company must complete the greenhouse gas (GHG) inventory for its consolidated subsidiaries for the year 2026 by no later than 2027, with 2026 set as the base year.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations.

Note 2: The base year shall be the fiscal year in which the greenhouse gas inventory is completed based on the consolidated financial reporting boundary. For example, under the order issued under Article 10, paragraph 2 of the Regulations, a company with capital of NT$10 billion shall complete the inventory for its fiscal 2024 annual consolidated financial report in 2025, so the base year will be 2024. If a company has disclosed its inventory in its consolidated financial report in an earlier year, it may take the earlier fiscal year as its base year. Also, the data for the base year may be calculated based on a single fiscal year or the average of multiple fiscal years.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

F.Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

The company's operations are handled in accordance with the laws and regulations, and the relevant decisions are based on the interests of shareholders and the company, and are in line with social perceptions.

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Establishment of ethical corporate management policies and programs (1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team? (2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	 V V		 (1) The company has formulated the "Code of Integrity Management" as the company's board of directors and senior management to implement the operating policy criteria, which has been approved by the board of directors and disclosed on the company's website - corporate governance area (https://www.sunrace.tw) . (2) The company has formulated the "Whistleblowing System Measures", which have been approved by the board of directors and disclosed on the company's website - corporate governance area (https://www.sunrace.tw).	None.

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		(3) The company has formulated the "Integrity Management Operation Procedures and Behavior Guidelines", which has been approved by the board of directors and disclosed on the company's website - corporate governance area (https://www.sunrace.tw).	
2. Ethical Management Practice (1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts? (2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	 V V		(1) The company has a credit granting system and an evaluation mechanism for customers and manufacturers as a reference for transactions. (2) I. The company's general manager's office coordinates related affairs. II. The implementation results of integrity management shall be reported to the board of directors at least once a year. III. The implementation results of integrity management have been reported to the board of directors on May 7, 2025. IV. In 2024, SRSA did not receive any reports of personnel violating the honesty policy.	None.

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		(3) I. In the process of performing business, the company's colleagues should explain the company's integrity policy and relevant regulations to the transaction partner, and clearly refuse to directly or indirectly provide, promise, request or accept any illegitimate interests in any form or name. II. The company stipulates that all employees shall not directly or indirectly accept or attempt to obtain any remuneration, money, commission, entertainment or other forms of benefits provided by any manufacturer. And provide appropriate reporting channels, and clearly stipulate the punishment for violations.	
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?		V	(4) The company has an accounting system and an internal control system. Auditors draw up relevant audit plans based on the assessment results of dishonesty risks, and use this to check compliance with the plan for preventing dishonesty. The annual audit plan is effectively implemented.	
(5) Does the company provide internal and external ethical corporate management training programs on a regular	V		(5) New recruits are provided with education and training on integrity management; serving	

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
basis?			officers will also arrange internal education and training every year. 2024for a total of 52.83 hours.	
3. Implementation of Complaint Procedures (1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers? (2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	V V		(1) The company has formulated the "Whistleblowing System Measures", which have been approved by the board of directors and disclosed on the company's website - corporate governance area (https://www.sunrace.tw). (2) The company has established multiple whistle-blowing channels. Stakeholders can submit a signed whistle-blower report through the whistle-blowing mailbox in the stakeholder area of the company's official website and the physical mailbox of the general manager, and the audit team will report to the head of the department or the Audit Committee, which will assign special personnel to carry out investigations and give the accused a chance to express their opinions. In the case of a fair investigation, the investigator shall voluntarily recuse himself, and the informant also has the right to request	None.

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	V		the recusal of the person. If it is confirmed that the accused person has violated the relevant laws or the company's integrity management policy, he should immediately request the accused person to stop the relevant behavior and deal with it appropriately, and if necessary, request damages in accordance with legal procedures to maintain the company's reputation and rights , and provide appropriate rewards for whistleblowers. At the same time, the company promises that the investigation process should be handled impartially and kept strictly confidential. The identity of the whistleblower should not be revealed, and the whistleblower should not be dealt with improperly due to the whistleblower. All investigation process documents are kept in written or electronic form. (3) In 2024, SRSA did not receive any reports of personnel violating the honesty policy.	

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Deviations from the Ethical Corporate Management 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>4. Strengthening Information Disclosure
Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?</td><td>V</td><td></td><td>1. The company has formulated the "Code of Integrity Management", "Integrity Management Operation Procedures and Behavior Guidelines" and "Reporting System Measures", all of which have been approved by the board of directors and disclosed on the company's website - Corporate Governance Zone (https://www.sunrace.tw).
2. As a result of the evaluation, there is no violation of honest management.
3. The implementation results of integrity management have been reported to the board of directors on May 7, 2025.</td><td>None.</td></tr>
<tr><td colspan="5">5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: None.
(The company has formulated the "Integrity Management Code", "Integrity Management Operation Procedures and Behavior Guidelines" and "Whistleblowing System Measures", all of which have been approved by the board of directors and disclosed on the company's website (https://www.sunrace.tw))</td></tr>
<tr><td colspan="5">6.Other important information to facilitate a better understanding of the status of operation of the company’s ethical corporate management policies (e.g., the company’s reviewing and amending of its ethical corporate management best practice principles):
The company has disclosed the relevant working methods on the company website - corporate governance zone (https://www.sunrace.tw).</td></tr>
</table>

Note: Regardless of whether “Yes” or “No” is ticked regarding the implementation status, an explanation should still be provided in in the explanation column for each item.

G.Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed.

(A) The courses that the company's directors and supervisors have participated in 2024 are as follows:

Job title	Name	Date	Organizer	Course name	Time in hours
Director	Yi-Hsung Hsu	2024.11.08	Securities and Futures Institute	How to Maximize the Value-Creation Functions of the Board' s Functional Committees	3.0
				Latest Developments in Insider Trading Practices in Taiwan and Corporate Preventive Measures	3.0
Director	Hwei-Yen Lin Hsu	2024.11.08	Securities and Futures Institute	How to Maximize the Value-Creation Functions of the Board' s Functional Committees	3.0
				Latest Developments in Insider Trading Practices in Taiwan and Corporate Preventive Measures	3.0
Director	Wei-Luen Su	2024.11.08	Securities and Futures Institute	How to Maximize the Value-Creation Functions of the Board' s Functional Committees	3.0
				Latest Developments in Insider Trading Practices in Taiwan and Corporate Preventive Measures	3.0
Director	Yu-Lin Hsu	2024.11.08	Securities and Futures Institute	How to Maximize the Value-Creation Functions of the Board' s Functional Committees	3.0
				Latest Developments in Insider Trading Practices in Taiwan and Corporate Preventive Measures	3.0
Director	Tung-Yuan Yu	2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6.0
		2024.11.08	Securities and Futures Institute	How to Maximize the Value-Creation Functions of the Board' s Functional Committees	3.0
				Latest Developments in Insider Trading Practices in Taiwan and Corporate Preventive Measures	3.0
Independent Director	Yueh-Feng Chiang	2024.11.08	Securities and Futures Institute	How to Maximize the Value-Creation Functions of the Board' s Functional Committees	3.0
				Latest Developments in Insider Trading Practices in Taiwan and Corporate Preventive Measures	3.0
Independent Director	Cheng-Pao Wang	2024.11.08	Securities and Futures Institute	How to Maximize the Value-Creation Functions of the Board' s Functional Committees	3.0
				Latest Developments in Insider Trading Practices in Taiwan and Corporate Preventive Measures	3.0
Independent Director	Chin-Yun Lan	2024.11.08	Securities and Futures Institute	How to Maximize the Value-Creation Functions of the Board' s Functional Committees	3.0
				Latest Developments in Insider Trading Practices in Taiwan and Corporate Preventive Measures	3.0
Independent Director	Mei-Hui Lin	2024.11.08	Securities and Futures Institute	How to Maximize the Value-Creation Functions of the Board' s Functional Committees	3.0
				Latest Developments in Insider Trading Practices in Taiwan and Corporate Preventive Measures	3.0

(B) Succession planning and operation of board members and important management

a. Succession planning and operation of board members

(a) The company's "Articles of Incorporation " clearly stipulates that the election of directors adopts a candidate nomination system and is handled in accordance with the "Director Election Method". The directors of the company are elected for a term of three years, and the overall configuration of the board of directors should be considered. Diversification should be considered in the composition of the board of directors, and an appropriate diversification policy should be drawn up based on its own operation, business model and development needs, which should include but not limited to the two major aspects of standards such as basic conditions and values, and professional knowledge and skills.

(b) The company conducts director succession planning according to the following criteria, and builds a database of director candidates:

I. Integrity, responsibility, innovation and decision-making power, in line with the company's core values, with professional knowledge and skills that are helpful to the company's operation and management.

II. Has industry experience relevant to the business of the company.

III. It can continue to provide the company with an effective, coordinated, diverse board of directors that meets the needs of the company. Pay attention to the gender equality of the members of the board of directors, and the overall expertise of the board of directors needs to include corporate strategy, accounting and taxation, finance, law, administrative management and production management.

(c) The company has formulated the "Performance Evaluation Method of the Board of Directors". The measurement items of the performance evaluation include the degree of participation in the company's operations, the improvement of the quality of the board of directors' decision-making, the composition and structure of the board of directors, the selection and appointment of directors and continuing education, internal control, etc. To confirm the effective operation of the board of directors and evaluate the performance of directors as a reference for future director selection.

b. Succession planning and operation of important management levels

When planning successor candidates, in addition to considering whether they have excellent professional and management capabilities, there is also an assessment of whether they are consistent with the company's philosophy, and they must have personality traits such as integrity and innovation.

For the training content of management successors, in addition to the training of management skills, combined with job rotation and external transfer of group companies and other experiences to comprehensively cultivate the decision-making ability of senior executives.

Key members of the management succession team have in recent years gradually joined second-generation entrepreneur organizations and engage in periodic exchanges with other second-generation business leaders.

Currently, the planned successors have entered the board of directors one after another and receive regular refresher courses every year, with at least 6 hours of refresher training per year, in order to become more familiar with the relevant laws and regulations of the competent authorities.

The total number of hours of training for board members in 2024 was 60 hours

(C) The company cooperates with the formulation or revision of relevant laws and regulations of the securities regulatory authority, and considers the actual operation needs of the company , and has completed the "Rules of Procedure for the Board of Directors", "Director election method","Measures for performance evaluation of the board of directors", " Regulations on matters to be followed in the establishment of the board of directors and the exercise of powers ","Rules of Procedures for Shareholders' Meetings", "Code of Practice for Corporate Governance", "Code of Integrity Management", "Integrity Management Operation Procedures and Behavior Guidelines", "Acquisition or Disposal of Assets Procedures", "Funds Lending to Others and Endorsement Guarantee Operation Measures", "Organizational Regulations of the Audit Committee" and other formulations or revisions, and disclosed on the company website.

H. **The section on the state of implementation of the company's internal control system shall furnish the following:**

(A) A Statement on Internal Control.

<u>Sun Race Sturmey-Archer Inc.</u>

<u>Statement of Internal Control</u>

Date: March 10, 2025.

Based on the findings of self-assessments, the Company states the following with regard to its internal control system for the year of 2024:

1. The Company is fully aware that the establishment, enforcement and maintenance of the internal control system are the responsibility of the Board of Directors and management, and that the Company has already established such a system. The purpose is to provide reasonable assurance to the effectiveness and efficiency of business operations (including profitability, performance and security of assets), reliability of financial reporting and compliance with relevant regulatory requirements.
2. The internal control system has its inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of the above three objectives; moreover, the effectiveness of an internal control system may be subject to changes in environment and circumstances. However, the company's internal control system contains a self-monitoring mechanism, and once deficiencies are identified, the company will take corrective action.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided by the "Governing Regulations for Public Company 's Establishment of Internal Control System" (hereinafter called "Regulations"), that are related to the effectiveness of internal control systems. The criteria introduced by the "Regulations" cover the process of management control and consist 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) Monitoring. Each of the elements in turn contains certain audit items. Please refer to "Regulations" for details.
4. The Company has adopted the aforementioned measures for an examination of the effectiveness of the design and implementation of the internal control system.
5. Based on the findings of the aforementioned examination, the Company believes it can reasonably assure that the design and implementation of its internal control system as of December 31, 2024 (including supervision and management of subsidiaries), including the effectiveness and efficiency in operation, reliability in financial reporting and compliance with relevant regulatory requirements, have achieved the aforementioned objectives.
6. This statement shall be an integral part of the annual report and prospectus of the Company and will be made public. If any fraudulent information, concealment or unlawful practices are discovered in the content of the aforementioned information, the Company shall liable under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.
7. This statement was passed by the Board of Directors Meeting of the company held on March 10, 2025, where none of the 9 attending Directors expressing opinions, and the remainder all affirming the content of this Statement.

Sun Race Sturmey-Archer Inc.

Chairman

President Yi-Hsung Hsu

(B) Where a CPA has been hired to carry out a special audit ofthe internal control system, furnish the CPA audit report: None.

I. Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or duringthe current fiscal year up to the date of publication of theannual report.

(A) Material resolutions of a shareholders' meeting during the 2023

Date	Item	Resolutions	Execute
June 19 , 2024	Reporting matters 1.2023 Annual Business Status Report 2. The Audit Committee reviews the company's 2023 annual financial report 3. 2023 annual employee remuneration and director remuneration distribution report 4. 2023 Annual Earnings Distribution Report 5. Revise the company's "Board of Directors Rules of Procedure"	NA	1. Employee remuneration and director remuneration were all paid in cash on August 14, 2024. 2. Profit distribution (1) First half of the year As approved by the board of directors on November 8, 2023, December 15, 2023 was set as the ex-dividend base date, and December 28, 2023 was set as the cash dividend payment date, and the payment was completed on December 28, 2023. (2) Second half of the year Passed by the board of directors on May 10, 2024, the resolution was not to distribute.
	Acknowledgments 1. Approval of the Company's financial statements for the year ended December 31, 2023.	Voted and passed by shareholders.	Announcements have been made in accordance with relevant regulations.
	Agenda Item 1 1.Revision of the Company's "Rules of Procedure for Shareholders' Meetings"	Voted and passed by shareholders.	After the shareholders' meeting resolution, the revised "Rules of Procedure for Shareholders' Meetings" have been posted on the Company's website.
	Election Item Full re-election of directors (nine directors in total, including four independent directors)	Directors were elected by ballot.	The announcement has been made in accordance with relevant regulations; the change of registration was completed on July 18, 2024.
	Agenda Item 2 1.Proposal to release newly appointed directors from non-competition restrictions	Voted and passed by shareholders.	The announcement has been made in accordance with relevant regulations.

(B) Important resolutions of the Board of Directors as of the date of publication of the Company's FY 2024 and till the annual report printed date

Date	The important resolutions and execute
January 19, 2024	1. Report on the domestic first unsecured conversion price. Due to the distribution of the 2023 first-half cash dividends, the conversion price has been recalculated to the second decimal place. 2. Approval of the proposal passed by the Compensation Committee. Implementation status: All of the above matters have been executed in accordance with the resolutions of the Board of Directors.
March 11 ,2024	1. Report on the business performance for the year 2023. 2. Report the earnings distribution situation in 2023. 3. Report greenhouse gas inventories. 4. Report the results of the board’s performance evaluation. 5. The overdue accounts receivable of Sun Race Sturmey-Archer Europe B.V. will not be transferred to the "fund loan" case through the company's accounts 6. Approved the final accounts form for 2023years. 7. Approval of the profit distribution proposal for the year 2023. 8. Approved the employee remuneration and director remuneration distribution plan for 2012. 9. Approved the amendment to the Company’s “Rules of Procedure for Board of Directors”. 10. Approved the amendment to the Company’s “Rules of Procedure for Shareholders’ Meetings”. 11. Adopt the amendments to the internal control system and internal audit system. 12. By issuing a written internal control statement. 13. Approved the date and venue of the 113th regular meeting of shareholders. 14. Pass the proposal to the shareholders’ meeting to re-elect directors. 15. Approve the nomination of the company’s director candidate list by the board of directors. 16. Approved the formulation of matters related to the "candidate nomination" and "shareholder proposals" of the regular shareholders' meeting. 17. Passed the lifting of directors’ non-competition case. 18. Approved the resolution discussed at the 113th Annual General Meeting of Shareholders. 19. Pass the regular assessment of the independence of the company's certified accountants. 20. Approved the company's bank loan commitments proposal. Implementation status: 1. All of the above matters, except for those that require submission to or approval/discussion by the shareholders' annual meeting, have been executed in accordance with the resolutions of the Board of Directors. 2. The periodic evaluation of the CPA’s independence has been conducted. The CPA

	provided a statement of independence and audit quality indicators (AQIs). The evaluation was based on the criteria established by the Company, including factors such as family relationships with the Company's directors, ownership of Company stock, and any disciplinary actions by regulatory authorities. The result of the evaluation confirmed that the Company's CPA is independent.
May 10 ,2024	1. Report the contents of directors' and supervisors' liability insurance 2. Reporting Greenhouse Gas Inventory 3. Report on the results of integrity management execution 4. Report on the promotion of sustainable development 5. Report on information security risk management 6. Report on communication with stakeholders 7. Report on the operation of risk management policies 8. Report on intellectual property management plans and operations 9. Adopt the financial statement for the first quarter of 2024 10. Pass the profit distribution plan for the second half of 2023 11. Approved the amendment to the company's "Measures on Matters to be Followed in the Establishment and Exercise of the Board of Directors' Powers" 12. Approved the amendment to the Company's "Organizational Rules of the Audit Committee" 13. Approved the company's bank loan commitments proposal. Implementation status: All of the above proposals, except for certain items that require submission to the Annual General Meeting of Shareholders, have been executed in accordance with the resolutions of the Board of Directors.
June 27, 2024	1. Approval of the election of the Chairman and Vice Chairman 2. Approval of the appointment of members of the 6th Compensation Committee Implementation Status: Material information disclosures have been made in accordance with regulations. For items requiring change of registration, the registration was completed on July 18, 2024.
August 8, 2024	1. Report on greenhouse gas inventory 2. Approval of the proposal not to reclassify the overdue receivables from Sun Race Sturmey-Archer Europe B.V. as "loans to others" 3. Approval of the financial statements for the second quarter of 2024 4. Approval of the proposed loan to the PRC reinvested enterprise, Sunrace (Nantong) Mechanical Components Co., Ltd. 5. Approval of the sustainability report 6. Approval of the revision to the Company's "Procedures for Handling Related Party Transactions" 7. Approval of the determination date for the distribution of employee and director compensation 8. Approval of proposals passed by the Compensation Committee 9. Approval of the banking facility limits

	Implementation Status: 1. All of the above proposals have been executed in accordance with the resolutions of the Board of Directors. 2. Employee and director compensation was fully distributed in cash on August 14, 2024.
November 8, 2024	1. Report on greenhouse gas inventory 2. Approval of the financial statements for the third quarter of 2024 3. Approval of the Company's profit distribution proposal for the first half of 2024 4. Approval of the capital increase in the Company's Dutch reinvested enterprise, Sun Race Sturmey-Archer Dutch Holding B.V. 5. Approval of the establishment of the Company's "Procedures for the Preparation and Assurance of the Sustainability Report" 6. Approval of amendments to the internal control system and internal audit system 7. Approval of the 2025 audit plan 8. Approval of the Company's banking facility limits Implementation Status: All of the above proposals, except for certain items that require submission to the Annual General Meeting of Shareholders, have been executed in accordance with the resolutions of the Board of Directors.
January 15, 2025	1. Approval of the proposal passed by the Compensation Committee Implementation Status: The above proposal has been executed in accordance with the resolutions of the Board of Directors.
March 10, 2025	1. Report on the business performance for the year 2023 2. Report on the profit distribution for the year 2023 3. Report on the greenhouse gas inventory 4. Report on the results of the Board of Directors' performance evaluation 5. Approval of the proposal not to reclassify the overdue receivables from Sun Race Sturmey-Archer Europe B.V. as "loans to others" 6. Approval of the financial statements for the year 2023 (113th year of the Minguo calendar) 7. Approval of the profit distribution proposal for the year 2023 (113th year of the Minguo calendar) 8. Approval of the employee compensation and director compensation distribution for the year 2023 (113th year of the Minguo calendar) 9. Approval of the definition of "front-line employees" 10. Approval of the amendment to the Company's "Articles of Incorporation" 11. Approval of the revision to the internal control system and internal audit system 12. Approval of the issuance of the internal control statement 13. Approval of the date and location for the 2025 Annual General Meeting of Shareholders 14. Approval of the "Shareholder Proposals" procedures for the Annual General

	Meeting of Shareholders 15 Approval of the agenda for the 2025 Annual General Meeting of Shareholders 16. Approval of the periodic evaluation of the independence of the Company's certified public accountants 17. Approval of the banking facility limits Implementation Status: 1. All of the above proposals, except for certain items that require submission to or acknowledgment/discussion by the Annual General Meeting of Shareholders, have been executed in accordance with the resolutions of the Board of Directors. 2. The periodic evaluation of the CPA's independence has been conducted. The CPA provided a statement of independence and audit quality indicators (AQIs). The evaluation was based on the criteria established by the Company, including factors such as family relationships with the Company's directors, ownership of Company stock, and any disciplinary actions by regulatory authorities. The result of the evaluation confirmed that the Company's CPA is independent.
May 7, 2025	1. Report on the content of the directors and supervisors liability insurance 2. Report on the greenhouse gas inventory 3. Report on the implementation results of integrity management 4. Report on the progress of sustainable development initiatives 5. Report on information security risk management 6. Report on stakeholder communication 7. Report on the operation of risk management policies 8. Report on intellectual property management plans and operations 9. Approval of the replacement of the certifying auditor due to internal adjustments at Pei Sheng United Accounting Firm 10. Approval of the financial statements for the first quarter of 2025 11. Approval of the profit distribution for the second half of 2023 (113th year of the Minguo calendar) 12.Approval of the Company's banking facility limits Implementation Status: All of the above proposals, except for certain items that require submission to the Annual General Meeting of Shareholders, have been executed in accordance with the resolutions of the Board of Directors.

J. During the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissentingopinion with respect to a material resolution passed by theboard of directors, and said dissenting opinion has beenrecorded or prepared as a written declaration, disclose theprincipal content there of: None.

(4) Information regarding independent auditor

A.CPA information and audit fees

(A) The non-audit public expenses paid to the visa accountant, the firm to which the certified accountant belongs and their affiliates are more than one-fourth of the audit public fee : None, see the table below.

Unit: NT$ Thousands

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
Benison Associated CPA's Firm	Hsin-Yuan Wang	2024/01/01~ 2024/12/31	2,100	91	2,191	Non-audit fee: Certification of transportation expenses and meal expenses.
	Yu-Ya Lin					

Please specify the services for which the non-audit fees were paid: (e.g., tax certification, assurance, or other financial consultation and advisory services).

Note: If the company changed its CPAs or accounting firm during the fiscal year, list the audit periods before and after the change separately, and specify the reason for the change in the "Remarks" column and disclose sequentially the audit and non-audit fees paid. For non-audit fees, additionally specify the content of the services.

B. When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasonsshall be disclosed:None.

C. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed:None.

(5) Information on replacement of certified public accountant: None.

(6) The company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: None.

(7) Any transfer of equity interests and/or pledge of or changein equity interests (during the most recent fiscal year orduring the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percentduring the most recent fiscal year or during the current fiscalyear up to the date of publication of the annual report:

A. Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Major Shareholders

Unit:Thousands of shares

Job title (Note 1)	Name	FY 2024		Current fiscal year as of April 30, 2025	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Chairman	Yi-Hsung Hsu	0	0	0	0
Vice Chairman	Hwei-Yen Lin Hsu	0	0	0	0
Director	Rih-Chang Investment Corporation	0	0	0	0
Director	Yu-Lin Hsu	0	0	0	0
Director	Tung-Yuan Yu	0	0	0	0
Independent Director	Yueh-Feng Chiang	0	0	0	0
Independent Director	Cheng-Pao Wang	0	0	0	0
Independent Director	Chin-Yun Lan	0	0	0	0
Independent Director	Mei-Hui Lin	0	0	0	0
Manager	Yi-Hsung Hsu	0	0	0	0
Manager	Yu-Lin Hsu	0	0	0	0
Manager	Wei-Luen Su	0	0	0	0
Manager	Tzu-Hsin Chen	0	0	0	0
Manager	Yung-Chen Yeh	0	0	0	0

Note 1: Any shareholder holding more than 10 percent of the Company's total share capital shall be noted as a major shareholder, and such shareholders shall be listed individually.

Note 2: If the counterparty of a transfer of shareholding or a pledge of shareholding is a related party, additionally complete the table below.

B. Information on Transfers of Shareholding:None.

C. Information on Pledges of Shareholding:None.

(8) Relationships Among the Top 10 Shareholders

Name (Note 1)	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Rih-Chang Investment Corporation Deputy: Hsiu-Chin Wei	15,144,056	25.24	-	-	-	-	-	-	
Sun Rich Investment CO., LTD. Deputy:Yung-Chen Yeh	1,222,491	2.04	-	-	-	-	-	-	
Yi-Hsung Hsu	830,841	1.38	760,138	1.27	-	-	Hwei-Yen Lin Hsu Wei-Cheng Hsu	Spouse Relatives within the second degree	
Kuei-hao Hsu	813,000	1.36	-	-	-	-	-	-	
Hwei-Yen Lin Hsu	760,138	1.27	830,841	1.38	-	-	Yi-Hsung Hsu Wei-Cheng Hsu	Spouse Relatives within the second degree	
Chin-Sen Chu	746,000	1.24	-	-	-	-	-	-	
Chun-Ting Chen	620,000	1.03	-	-	-	-	-	-	
Wei-Cheng Hsu	597,000	1.00	-	-	-	-	Yi-Hsung Hsu Hwei-Yen Lin Hsu	Relatives within the second degree Relatives within the second degree	
Mao-Sheng Yang	554,000	0.92	-	-	-	-	-	-	
Hui-Chen Huang	552,210	0.92	-	-	-	-	-	-	

Note 1: All of the top 10 shareholders should be listed, and the names of corporate/juristic person shareholders and their representatives should be listed separately.

Note 2: The shareholding ratio (%) is calculated as the total numbers of shares respectively held by the shareholder, their spouse and minor children, or through nominees.

Note 3: Disclose the relationships among the above-listed shareholders, including corporate/ juristic person shareholders and natural person shareholders, in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(9) The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company

(Unit:Per shares)

Date: December 31, 2024

Investee enterprise (Note)	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Business Alliance Ltd.	9,413,000	100%	-	-	9,413,000	100%
Business First Ltd.	-	-	8,018,000	100%	8,018,000	100%
Sun Race Sturmey-Archer (Nantong) CO., LTD.	-	-	-	100%	-	100%
Sun Race Sturmey-Archer Dutch Holding B.V.	120	100%	-	-	120	100%
Sun Race Sturmey-Archer Europe B.V.	-	-	880	100%	880	100%
Energieweg Mijdrecht Ontwikkeling 1 B.V.	-	-	100	100%	100	100%
Energieweg Mijdrecht Ontwikkeling 2 B.V.	-	-	100	100%	100	100%

Note : Long-term investment by the company using the equity method

3.Information on capital raising activities

(1) The company's capital

A.Source of capital stock

Month/ year	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Sources of capital	Capital paid in by assets other than cash	Other
1995.07	10	180,000	1,800,000	180,000	180,000,000	Increased capital by cash NT$80 million	-	Approved date on 1995.07.13 with an approval letter of Shang-Tzu No.109042.
1996.09	-	18,000,000	180,000,000	18,000,000	180,000,000	Changed the par value.	-	Approved date on 1996.09.24 with an approval letter of Shang-Tzu No. 115364.
1996.11	10	19,300,000	193,000,000	19,300,000	193,000,000	Increased capital by cash NT$5 million and capital surplus transferred to capital of NT$8 million	-	Approved date on 1996.11.14 with an approval letter of Shang-Tzu No. 1199621.
1997.06	12	79,000,000	790,000,000	36,230,000	362,300,000	Increased capital by cash NT$150 million and retained earnings transferred to capital NT$19.3 million	-	Approved date on 1997.06.24 with an approval letter of Shang-Tzu No. 109815.

1998.08	-	79,000,000	790,000,000	40,577,600	405,776,000	Retained earnings transferred to capital NT$14,492 thousand and capital surplus transferred to capital NT$28,984 thousand	-	Approved date on 1998.08.21 with an approval letter of Shang-Tzu No. 122724.
1998.12	18	79,000,000	790,000,000	50,577,600	505,776,000	Increased capital by cash NT$100 million	-	Approved date on 1998.12.17 with an approval letter of Shang-Tzu No. 140689.
1999.07	-	79,000,000	790,000,000	60,693,120	606,931,200	Retained earnings transferred to capital NT$50,577.6 thousand and capital surplus transferred to capital NT$50,577.6 thousand.	-	Approved date on 1999.07.22 with an approval letter of Shang-Tzu No. 088126394.
2000.09	16	79,000,000	790,000,000	78,797,088	787,970,880	Increased capital by cash NT$90 million and retained earnings transferred to capital NT$91,039,680	-	Approved date on 2000.09.11 with an approval letter of Shang-Tzu No. 133766.
2005.12	-	79,000,000	790,000,000	56,127,000	561,270,000	Capital reduction of NT$ 226,700,880.	-	Approved date on 2005.12.06 with an approval letter of Shang-Tzu No. 09401242260.

2007.02	3.8	79,000,000	790,000,000	79,000,000	790,000,000	Issued of common shares to specific creditors NT$ 22,873 thousand.	-	Approved date on 2007.02.08 with an approval letter of Shang-Tzu No. 09601029730.
2007.06	-	79,000,000	790,000,000	62,897,000	628,970,000	Capital reduction of NT$161,030 thousand.	-	Approved date on 2007.06.12 with an approval letter of Shang-Tzu No. 09601128190.
2010.08	-	79,000,000	790,000,000	50,000,000	500,000,000	Capital reduction of NT$128,970 thousand.	-	Approved date on 2010.08.13 with an approval letter of Shang-Tzu No. 09901185150.
2016.12	13.85	79,000,000	790,000,000	60,000,000	600,000,000	Increased capital by cash NT$100 million.	-	Approved date on 2018.12.25 with an approval letter of Shang-Tzu No. 10701162590.

Note 1: Disclose the information for the current fiscal year up to the date of publication of the annual report.

Note 2: For a capital increase, specify the date and reference number of the official letter under which the increase was effectively registered (or approved).

Note 3: If any stock is issued at less than par value, this should be prominently indicated.

Note 4: If capital is paid in by offsetting monetary claims or technology against the price of shares, please specify, and also note the type and monetary amount of the offset.

Note 5: If it is a private placement, the fact that it is a private placement should be prominently indicated.

Type of stock	Authorized Capital			Remarks
	Outstanding shares (Note)	Unissued shares	Total	
Ordinary Share	TWSE listed 60,000,000	19,000,000	79,000,000	

Note: Note whether the stock is stock of a TWSE or TPEx listed company (if it is a company under restrictions with respect to TWSE or TPEx listing/trading, this should be noted).

Information Relating to the Shelf Registration System

Type of securities	Amount to be issued		Amount already issued		The purpose and anticipated benefits of the portion already issued	Scheduled issuance period for the unissued portions	Remarks
	Total no. of shares	Amount approved (NT$)	Total no. of shares	Amount approved (NT$)			

Ordinary Share	79,000,000	790,000,000	60,000,000	600,000,000	Strengthen financial structure.	Undecided.	

B. List of Major Shareholders

Names of major shareholders \ Shares	Shareholding (shares)	Shareholding (%)
Rih-Chang Investment Corporation Deputy: Hsiu-Chin Wei	15,144,056	25.24
Sun Rich Investment CO., LTD. Deputy:Yung-Chen Yeh	1,222,491	2.04
Yi-Hsung Hsu	830,841	1.38
Kuei-hao Hsu	813,000	1.36
Hwei-Yen Lin Hsu	760,138	1.27
Chin-Sen Chu	746,000	1.24
Chun-Ting Chen	620,000	1.03
Wei-Cheng Hsu	597,000	1.00
Mao-Sheng Yang	554,000	0.92
Hui-Chen Huang	552,210	0.92

C. Company's dividend policy and implementation thereof

(A) Company's dividend policy

According to the Company’ s Articles 23, the Company made a profit in a fiscal year, if any, the net earnings shall be first used to offset prior years’ operation losses, then the Company accrued employees’ compensation and remuneration of directors at rates of 0.2~3% and no higher than 3%, respectively, of net profit before income tax, employees’ compensation, and remuneration of directors.

According to the Company’ s Articles 23-1,Our company's industry life cycle is currently in the growth phase. In order to align with the company's long-term financial planning for sustainable operation the Group adopts the residual dividend policy.The surplus earning distribution or loss off-setting proposal may be proposed at the close of each half fiscal year. The Company made a profit in each half fiscal year, if any, the net earnings shall be first used to offset prior years’ operation losses, estimate and reserve the taxes and employees’ compensation and remuneration of directors to be paid, then set aside 10% of the remaining amount as legal reserve, however when the legal reserve amounts to the authorized capital, this shall not apply. After setting aside or reversing a special reserve in accordance with the laws and regulations, if any, the remaining portion plus the balance of prior half fiscal year undistributed retained earnings will be recommended by the Board of Directors, distributing surplus earning in the form of new shares to be issued by the Company shall submit to the stockholders’ meeting for approval; distributing surplus earning in the form of cash shall be approved by a meeting of the Board of Directors

The Group made a profit in a fiscal year, if any, the net earnings shall be first used to reserve the taxes to be paid, offset prior years’ operation losses, then set aside 10% of the remaining amount as legal reserve, however when the legal reserve amounts to the authorized capital, this shall not apply. After setting aside or reversing a special reserve in accordance with the laws and regulations, if any, the remaining portion plus accumulated undistributed retained earnings will be recommended by the Board of Directors, distributing surplus earning in the form of new shares to be issued by the Company shall submit to the stockholders’ meeting for approval.

According to Article 240 Item 5 of the Company Act, the Group authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders’ meeting.

According to Article 241 of the Company Act, the Group shall distribute its legal reserve and capital surplus, in whole or in part, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash. In the case of cash distribution, the board of directors shall be authorized to present at least two-thirds of the directors, and the resolutions of more than half of the directors shall be present and reported to the shareholders' meeting.
The proposing distribution plan recommended by the Board of Directors, the dividends to shareholders would not less than 3% of the current year's distributable earnings; cash dividends would not less than 1%.

(B) Implementation thereof

Unit: NT$

Item	First half of 2024	Second half of 2024
Date of approved in the Board of directers’ meeting	November 8, 2024	May 7, 2025
Cash dividends (per share)	0	0
Total Amount	0	0
Dividend payment date	N/A	N/A

D.Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting:None.

E.Compensation of employees, directors, and supervisors:

(A)The percentages or ranges with respect to employee, director,and supervisor compensation, as set forth in the company's articles of incorporation.

If the company makes profit in current year, 0.2% to 3% of profit of the current year shall be distributable as employees’ compensation. However, the company’ s accumulated losses have not been covered, the company shall reserve the compensation amount in advance.

(B)The basis for estimating the amount of employee, director compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

a. The basis for estimating the amount of employee and director compensation: No distribution of employee or director compensation is planned for the year 2024.
b. Amount of employees' remuneration paid in shares, and percentage relative to net income and total employees' remuneration shown in consolidated/standalone financial statements: None.
c. Basis of calculation for employee/director remuneration and share-based compensations; and accounting treatments for any discrepancies between the amounts estimated and the amounts paid: The company will account the difference in the year that the amount approved by the Board of Directors.

(C) Information on any approval by the board of directors of distribution of compensation

The FY 2024 employees' compensation and directors and supervisors' remuneration was accrued as resolved at the meeting of the Board of Directors as follow:

Employee Compensation: NT$0

Director Compensation: NT$0

The amounts resolved by the board were indifferent from the amounts estimated in the latest financial statements.

(D) The actual distribution of employee, director compensation for the previous fiscal year

Unit: NT$

	Actual distribution in 2024	Account listed in 2023	Difference
Employee compensation	348,000	348,000	0
Director compensation	128,888	125,888	0

F. Status of a company repurchasing its own shares: None.

(2) Issuance of corporate bonds:

Issuance of Corporate Bonds

<table>
<tr><td colspan="2">Type of corporate bonds (Note 2)</td><td>The first unsecured convertible corporate bonds issued domestically
(Note 5)</td></tr>
<tr><td colspan="2">Issue (transaction) date</td><td>2023.09.19</td></tr>
<tr><td colspan="2">Face value</td><td>100,000</td></tr>
<tr><td colspan="2">Place of issue and trading (Note 3)</td><td>N/A</td></tr>
<tr><td colspan="2">Issue price</td><td>100</td></tr>
<tr><td colspan="2">Issue amount</td><td>500,000,000</td></tr>
<tr><td colspan="2">Coupon rate</td><td>0%</td></tr>
<tr><td colspan="2">Term</td><td>3-year term, maturity date: September 19, 2026.</td></tr>
<tr><td colspan="2">Guarantor</td><td>None</td></tr>
<tr><td colspan="2">Trustee</td><td>Hua Nan Commercial Bank, Ltd.</td></tr>
<tr><td colspan="2">Underwriter</td><td>Fubon securities Co.,LTD. shares transfer agency</td></tr>
<tr><td colspan="2">Attesting lawyer</td><td>N/A</td></tr>
<tr><td colspan="2">Attesting CPA</td><td>N/A</td></tr>
<tr><td colspan="2">Redemption method</td><td>Principal repayment at maturity</td></tr>
<tr><td colspan="2">Unredeemed balance</td><td>500,000,000</td></tr>
<tr><td colspan="2">Conditions for redemption or early redemption</td><td>Article 18 and Article 19 of the detailed issuance and conversion regulations</td></tr>
<tr><td colspan="2">Restrictive covenants (Note 4)</td><td>N/A</td></tr>
<tr><td colspan="2">Name of rating agency, date and result of rating</td><td>None</td></tr>
<tr><td rowspan="2">Other rights</td><td>The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report publication date</td><td>None</td></tr>
<tr><td>The issuance and conversion, exchange, or subscription rules</td><td>None</td></tr>
<tr><td colspan="2">The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance.</td><td>Based on the current conversion price of 37.29 NTD, it is estimated that the convertible bonds can be converted into 13,408,420 ordinary shares, and the conversion will dilute the profit by approximately 18.27%.</td></tr>
<tr><td colspan="2">Name of the custodian institution of the exchangeable underlyings</td><td>N/A</td></tr>
</table>

Note 1: Corporate bonds included publicly offered and privately placed corporate bonds. Publicly offered corporate bonds are those that have been effectively registered (or approved) by the FSC; privately placed corporate bonds are those that have been approved by a resolution of the board of directors.
Note 2: Adjust the number of columns according to the actual number of issues.
Note 3: Fill in this item if the bonds are overseas corporate bonds.
Note 4: E.g., restrictions on the payment of cash dividends, investment abroad, or requirement to maintain a certain asset ratio, etc.
Note 5: If it is a private placement, the fact that it is a private placement should be prominently indicated.
Note 6: For convertible corporate bonds, exchangeable corporate bonds, shelf registered corporate bonds, or corporate bonds with warrants, further disclose the information for each type of bond in table format according to the features of each.

Convertible Corporate Bonds

Type of corporate bonds (Note 1)		The first unsecured convertible corporate bonds issuance	
Item / Fiscal year		FY 2024	As of 2025.03.31(date) in the current fiscal year (Note 4)
Market price of convertible corporate bonds (Note 2)	Maximum	104.8	97.35
	Minimum	94.55	94.7
	Average	100.04	95.44
Conversion price		37.29	37.29
Issue (transaction) date and conversion price at issuance		2023/09/19 38	2023/09/19 38
Method for performance of conversion obligations (Note 3)		For the company's ordinary shares, the company will fulfill its conversion obligations by issuing new shares. The new shares issued upon conversion will be delivered by account transfer and will not be printed in physical form.	The same content as in the left column.

Note 1: Adjust the number of columns according to the actual number of issues.
Note 2: If there are multiple trading locations for offshore corporate bonds, please list the prices according to the trading locations.
Note 3: Note whether the method is by delivery of issued shares or issuance of new shares.
Note 4: The information for the current year should be that as of the date of publication of the annual report.

(3) Issuance of preferred shares: None.

(4) Issuance of Global depository receipts: None.

(5) Issuance of Employee stock warrants: None.

(6) Issuance of New restricted employee shares: None.

(7) The section on issuance of new shares in connection with mergersor acquisitions or with acquisitions of shares of other companies: None.

(8) The status of implementation of capital all ocation plans: None.

The repayment of bank loans amounting to NT$350,000 thousand and the reinforcement of operating funds amounting to NT$169,062 thousand have been fully executed.

4.Overview of operations

(1) A description of the business:

A.Scope of business

(A) Contents

a. CD01050 Bicycles and bicycles parts manufacturing.
b. F114040 Wholesale bicycles and bicycles parts.
c. CD01040 Motorcycle and motorcycle parts manufacturing.
d. ZZ99999 In addition to licensed business, it may operate business that is not prohibited or restricted by law.

(B) The relative weight of each current products (services)

Item	Relative weight % (2024)
Drive-train components	82.55
Brake components	0.73
Parts	15.63
Other	1.09

(C) Current products and services

a. Drive-train components

(a) Transmission

I. Internal gear hub: Installed on the rear axle or bottom bracket area, this system consists of a planetary gear mechanism. It operates through a shift lever, twist shifter, or electronic shifting unit (which can automatically change gears), enabling the transmission system to achieve different gear ratios for speed variation.

II. Front derailleur: Installed adjacent to chain-rings/crank-set. The chain guide cage can move the chain to different chain-ring for different gears.

III. Rear derailleur: Installed on the rear dropout. The guide pulley can move the chain to different rear sprockets for different gears.

(b) Sprockets

I. Multiple freewheel/Cassette:

Installed on rear hub. Composed of multiple sprockets with different teeth, the gear is determined by the combination of teeth of front chain-ring and rear sprocket.

II. Crank-set:

Installed at the bottom bracket area of the frame, the crankset consists of one to three chainrings with varying tooth counts, paired with left and right crank arms. It serves as a core component of the front drivetrain system.

(c) Shifter: Usually installed on the handle-bar, is a kind of HMI, cyclist can operate the shifter for shifting gears.

b. Brake components: There are four types brake system for bicycle, caliper type, disc brake, drum brake, and coaster brake. The drum brake and coaster brake are built in the hub and are major brake products for us.

(D) New products (services) planned for development

Our development plan is focus on bicycle components, production, and function improvement. According the market trend, the next development projects internal gearing system and derailleur system for e-bike.

B. An overview of the industry

(A) The current status and development of the industry

The development of the bicycle industry in Taiwan is thriving, primarily focusing on mountain bikes and high-end leisure bikes. Domestic bicycle transmission component factories have a strong international brand image, hence there is significant potential for the development of high-end internal gear hubs. Moreover, the trend of electric bicycles continues to gain momentum. In addition to electric city bikes, electric mountain bikes and road bikes are gradually entering the era of electrification. The emerging e-Cargo sector also presents a new rising application market. Despite the slowdown in demand during the post-pandemic era, mid- to low-range bike models face inventory clearance issues, whereas high-end models remain unaffected, with demand in the high-end market still flourishing.

(B) The links between the upstream,midstream and downstream segments of the industry supply chain

The bicycle industry has precise division of labor, starting from upstream raw materials (steel, aluminum alloy, and plastic as the three main materials), component processing, then to midstream manufacturers of transmission, frames, brakes, steering, and wheel systems. Finally, downstream are the assembly plants such as Giant and Merida and other bicycle manufacturers.

(C) Development trends for the company's products

At present, the global annual demand for bicycles is about 110 million, the overall demand is stable, of which it is estimated that about half are variable speed vehicles, and internal gear hub are mainly in Europe and Japan as the largest market, in recent years, due to the international concept of leisure and high-tech components have attracted much attention, coupled with urban traffic congestion problems and environmental awareness on the rise, public bicycle systems have not only been built in major cities in Europe and the United States, but also Taiwan's U-bike and China shared bicycles are popular for all to see. It is foreseeable that in the future, metropolitan areas will vigorously promote bicycles and mass transportation systems in Europe to solve the increasingly serious transportation and energy problems. The future estimated bicycle requirements will tend to comfort orientation and transportation needs, so the durability and ease of maintenance of product parts will be a focus, and the development of internal gear hub provides a good choice for this, its clean, convenient advantages with the internal gear hub speed and control of the increase, has become another mainstream of bicycle transmission, Taiwan U-bike is the use of internal gear hub system.

Although the shared bicycle market has receded, the trend of electric bicycles continues to heat up. On the one hand, in response to the advent of the global aging society, many European elderly people still like to use bicycles as a means of transportation, but physical strength is not enough, e-bike can respond to this demand, and not only the elderly, modern people lack of exercise, e-bike can also extend the riding distance of ordinary people but still maintain the fun of pedaling and achieve the effect of sports, according to Taiwan Electric Intelligent Bicycle Association information, in 2021 the global output value of e-bike is about 18.5 billion US dollars, It is estimated that by 2028, this amount will soar to US$52.2 billion (about NT$1.5 trillion). If SRSA focus on sales, in Europe, where bicycle penetration is high, the sales of E-bike and traditional bicycles have shown a "golden cross", and the sales of e-bike will reach more than 9 million units per year, which is not difficult to see the potential of this market. And most of the e-bikes in Europe are city bicycles, so they also want to be equipped with internal gear hub to continue the original habits. Coupled with the epidemic effect since 2020, the demand for commuter bicycles in Europe and the United States is in the ascendant, and urban commuter bicycles are mainly urban bicycles (including e-bike), which are the main applications of internal gear hub.

(D) Competition for the company's products

Internal gear hub are currently supplied mainly by two manufacturers worldwide, SRSA and Shimano.

At present, the main suppliers of high-end 12-speed mountain bike rear transmissions on the market are Shimano and SRAM, so Taiwanese index group manufacturers must also purchase key transmission components from foreign manufacturers. The high-end 12-speed transmission exceeds the requirements of existing products in terms of manufacturing precision and product reliability. The company is also actively developing related products, and competitors also layout many key technology patents, which must be carefully avoided, and need to innovate patented technologies to achieve necessary important functions.

C. An overview of the company's technologies and its research and development work

In the latest year and as of the date of publication of the annual report, (1) the R&D expenses invested are NT$24,678 thousands; (2) The successfully developed technologies or products are: new internal and external hybrid transmissions and new external transmission systems for new bicycles.

D.The company's long- and short-term business development plans

(A) Short-term

In the short term, SRSA will maintain the recognition of products from existing customers and strengthen the customized sales of niche products as a market segment, so as to facilitate the development of new customers and strive for higher added value; SRSA will also develop products that are simple and convenient to use and expand the consumer market for bicycles.

(B) Long-term

In the long term, SRSA will continue to combine R&D and marketing resources to promote the sales of high-end products, with the strategic goal of creating a high-quality brand image, so as to achieve sustainable profit growth of the enterprise.

(2) An analysis of the market as well as the production and marketing situation

A.An analysis of the market

(A) The geographic areas where the main products (services) of the company are provided (supplied)

(Unit: NT$ thousands)

Annual / Geographic areas	2024		2023	
	Amount	%	Amount	%
United Kingdom	184,912	25.66	161,068	16.19
Taiwan	101,478	14.08	215,775	21.68
Germany	68,939	9.57	176,327	17.72
China	52,166	7.24	41,606	4.18
Netherlands	45,562	6.32	50,030	5.03
France	34,792	4.83	39,037	3.92
Others	232,833	32.30	311,319	31.28
Total	720,682	100.00	995,162	100.00

(B) The company's market share, demand and supply conditions for the market in the future, the market's growth potential

According to the import and export statistics of the main bicycle parts of the International Trade Bureau of the Ministry of Economic Affairs, compiled by the Taiwan Bicycle Export Industry Association, and published on its website, the total export sales value of domestic bicycle related parts (including wheel hubs, single sprockets with ratchet mechanisms, brake wires and their parts, other brakes and their parts, crank gears and their parts, bicycle transmissions, Sprockets for other flywheels, bicycle axles, bicycle handles, etc.) The total export sales value of Taiwan in 2024 was about US$489,186 thousands (Equivalent to about NT$15,524,323 thousands), the company's net export sales in 2024 years was NT$387,565 thousands, accounting for about 3% of Taiwan's export related parts.

The company mainly produces two kinds of drive-train components for bicycle internal gear hub and derailleur, the main use areas of internal gear hub are Europe and Japan, the supply and demand of internal gear hub bicycles, due to the implementation of global urban public bicycles and gradually show signs of heating up.

The company entered the Western European market in 2001, and is familiar with the local users of the product brand "Sturmey Archer" marketing, after years of efforts, in addition to the growth of the original Western European market, it also has a certain market share in Germany, and Germany is currently the largest consumer of internal gear hub for bicycles in Europe; In the derailleur product line, the proportion of sales of products above the middle and high end has gradually increased, so it is less affected by the competition of large and low-priced products.

(C) The company's competitive niche, positive and negative factors for future development, and the company's response to such factors

a. Competitive advantage

Compared with other components and spare parts of bicycles, bicycle transmission components are more technology-intensive industries, in addition to the need for capital investment in plant equipment, the accumulation of technical experience and product development and research is the way for the industry to win the competition, and the successfully developed products often apply for patent protection and market worldwide, so it is quite difficult for new competitors to enter this industry, and the future supply will be provided by existing manufacturers in the market.

b. Positive factors

(a) Industrial advantages

Due to the direct and immediate impact of drive-train components on the riding experience of bicycle consumers, the market leader has a deep layout of technology patent rights, the industry entry technology threshold is relatively high, the company is also committed to the establishment of independent technology, and has a number of related key patents and specialized technologies, the company's future development prospects are optimistic.

(b) Strong research and development ability

In order to enhance product competitiveness, the R&D department continues to develop towards high-end and high-value-added product lines, and recruits master's degree or above talents to expand stable and high-quality R&D personnel. In addition, after years of intensive investment in research and development, the company has built a variety of R&D and testing equipment, has a considerable scale, and has accumulated a considerable amount of expertise, which is also of considerable benefit to the development of new products and technologies.

(c) Private label marketing world

The company has accumulated more than 40 years of production and sales experience, with "SunRace" and "Sturmey Archer" brand marketing the world, product marketing network all over the world, product quality has been deeply affirmed; In 1995, it was awarded the 4th National Award of Outstanding SMEs sponsored by the Small and Medium Enterprise Department of the Ministry of Economic Affairs and the 1st "Little Giant" manufacturer in 1998. For many years, SRSA has also been a frequent visitor to the Taiwan Excellence Award.

(d) The degree of industrial competition is low

Since the production and sales of actuators are capital-intensive, technology-intensive and brand recognition, if other competitors want to have these competitive advantages at the same time, they usually have to accumulate many years of technology and a considerable amount of capital before they can enter the market of the industry, so it is not easy for new manufacturers to replace existing manufacturers with a long history and a number of patent rights and technology research and development capabilities, resulting in a low degree of industrial competition.

(e) Long-term cooperation and good relations with upstream satellite factories

The company has maintained a fairly close and good cooperative relationship with raw material suppliers for a long time, and it is known from the experience of past years that the source of raw material supply is still smooth.

c. Negative factors and the company's response to such factors：

(a) Labor costs are rising

The rise of domestic labor awareness, coupled with the increasing demand for leisure by domestic workers, and the lack of willingness to work overtime, resulting in a supply-demand imbalance; At present, in the production of drive-train components and brake components, manual assembly is still required, and production costs have increased. The countermeasures are as follows:

- Strengthen research and development of high value-added products and innovative production technologies to reduce the impact of rising production costs.
- Develop automated machinery and equipment, with the expectation of replacing manpower with automated machinery and equipment to reduce production costs.
- In addition to introducing foreign workers to make up for the shortage of domestic labor, the company also strengthens on-the-job training of employees, improves the quality of employees, and increases the production value of individual employees.

(b) Shimano still adheres to the mid and low-priced product market as a means to stop the rise of competitors. The countermeasures are as follows:
- Continuously improve product level, strengthen the competitiveness of its own products, and strive for the cooperation of important customers to customized products.
- Pay attention to product trends, strengthen patent research and development, and hope to get a head start in product development.

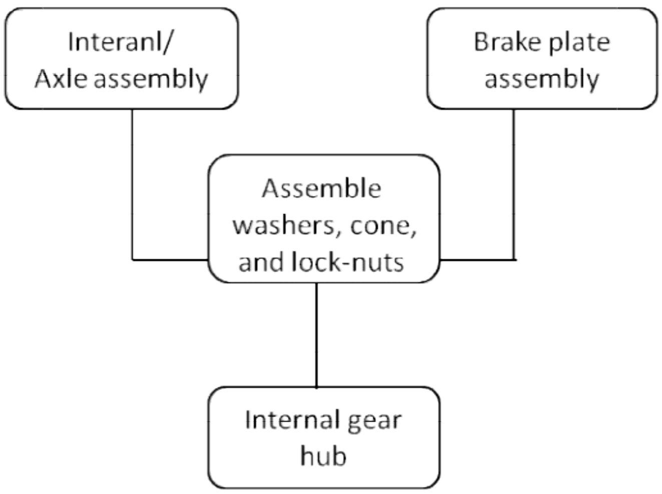
(c) The response strategies to the price-cutting competition from industry peers in the Asian region are as follows:
- Visit customers abroad from time to time to strive for direct orders.
- China export market is dominated by OEM and low-priced products, while the company strives to position itself towards high value-added and medium and high-price to differentiate the market.

B.Usage and manufacturing processes for the company's main products

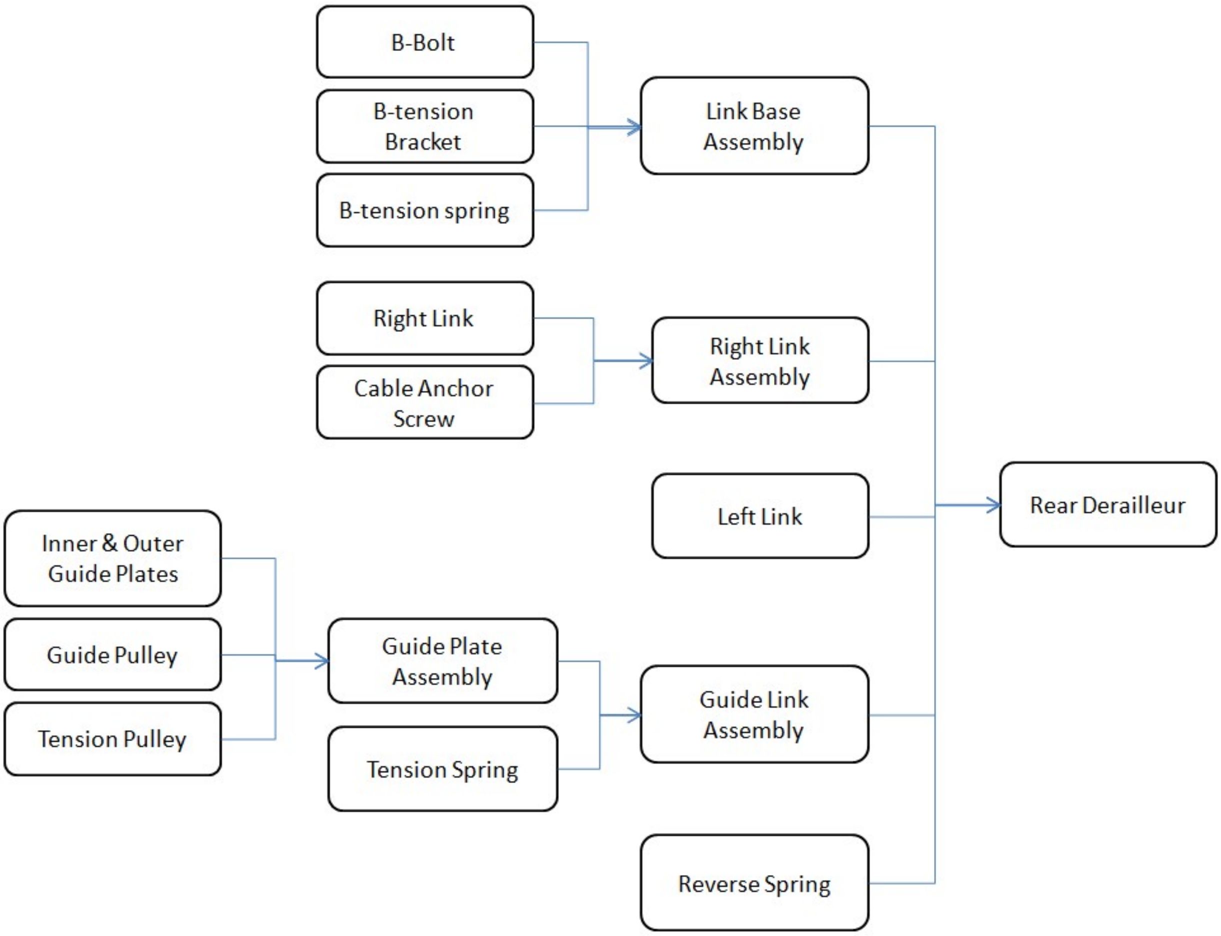
(A) drive-train components

a. Transmission

(a) Internal gear hub: IGH works based on planet gear system. It needs higher technology level than derailleur system. Its assembly flow is as following:



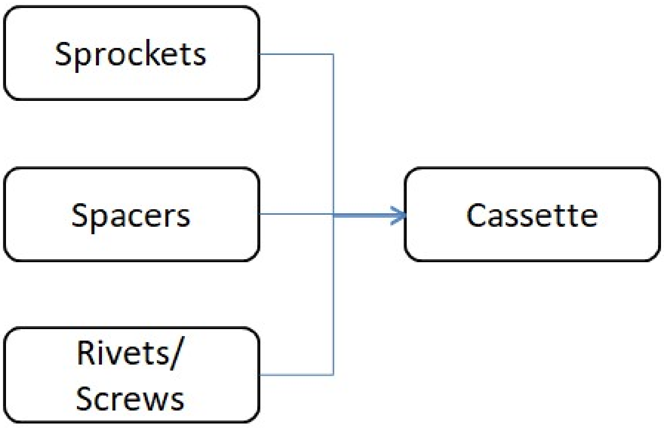
(b) The rear derailleur serves double duty: moving the chain between rear sprockets and taking up chain slack caused by moving to a smaller sprocket.The assembling flow is as following:



b. including sprockets

On a bicycle, the cassette is the set of multiple sprockets that attaches to the hub on the rear wheel. A cassette cog-set works with a rear derailleur to provide multiple gear ratios to the rider.

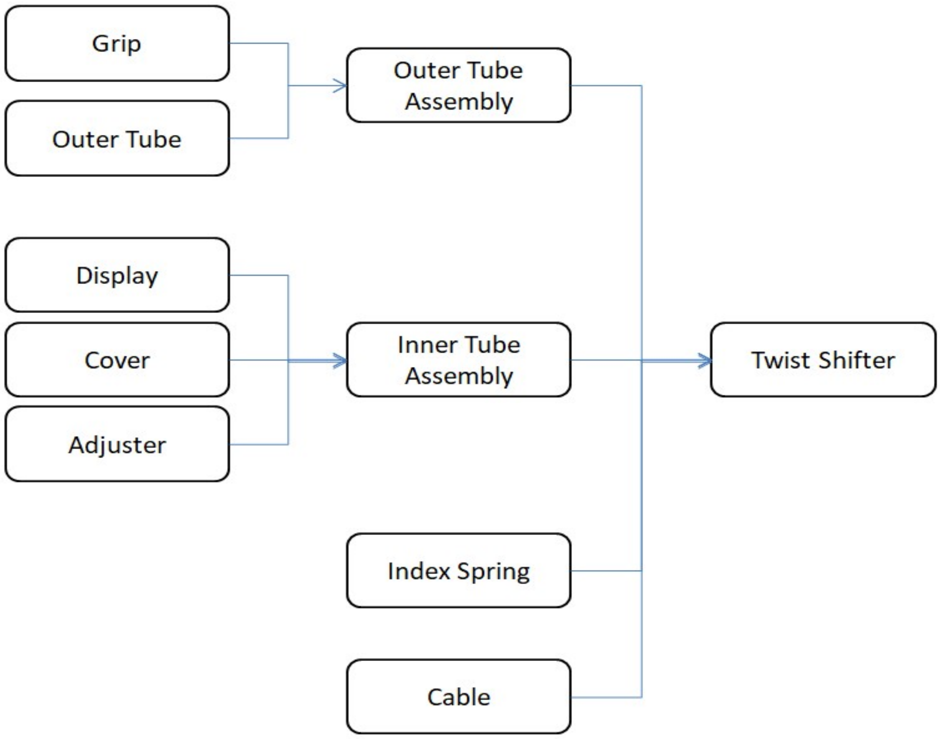
The assembling flow is as following:



c. Shifters

Shifter: it is a kind of HMI, rider can operate shifters to control derailleurs or internal gear hub for shifting.

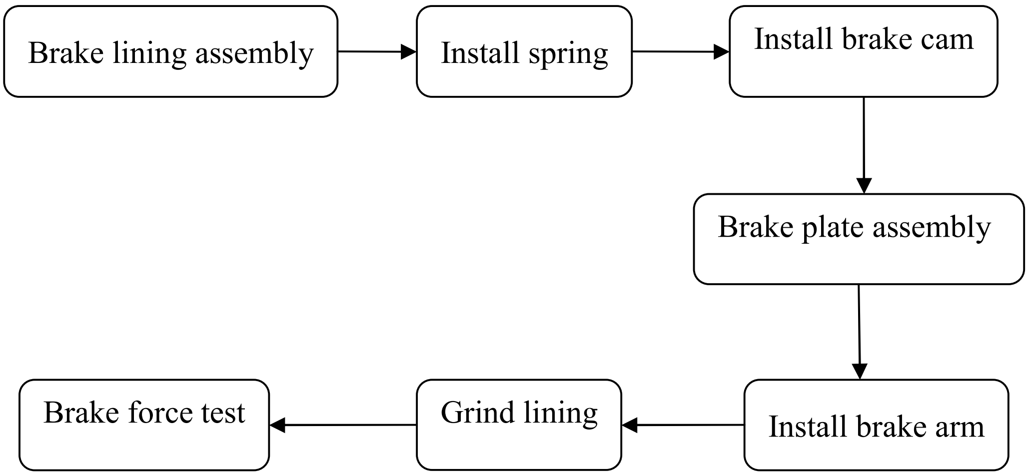
The assembling flow is as following:



(B) Brake components

A drum brake is a brake that uses friction caused by a set of shoes attached with lining that press outward against a rotating cylinder-shaped part called a brake drum.

The assembling flow is as following:



C. Supply situation for the company's major raw materials

The major materials are steel rods and sheets. The parts are made through forge/punch, machining, heat treatment, plating/coating. Taiwan has high level steel industry so there is no supply issue.

D.A list of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years

a.Information on Major Suppliers for the Most Recent 2 Years

(Unit: NT$ thousands)

	2024				2023				Up to the preceding quarter of the 2025			
Item	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases up to the preceding quarter of the current fiscal year (%)	Relationship with the issuer
1	Supplier L	14,091	14.37	None.	Supplier V	42,643	14.31	None.	Supplier Y	7,420	26.35	None.
2	Supplier Y	13,634	13.9	None.					Supplier L	4,950	17.58	None.
	Others	70,335	71.73		Others	255,257	85.69		Others	15,788	56.07	
	Net purchases	98,060	100.00		Net purchases	297,900	100.00		Net purchases	28,158	100.00	

In 2024, the sales declined, so purchases also decreased.

b.Information on Major Customers for the Most Recent 2 Years

(Unit: NT$ thousands)

	2024				2023				Up to the preceding quarter of the 2025			
Item	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of net sales up to the preceding quarter of the current fiscal year (%)	Relationship with the issuer
1	Customer O	161,362	22.39	None.	Customer O	136,603	13.73	None.	Customer O	43,185	21.53	None.
	Others	559,320	77.61		Others	858,559	86.27		Others	157,397	78.47	
	Net sales	720,682	100.00		Net sales	995,162	100.00		Net sales	200,582	100.00	

In 2024, the operating conditions declined, and sales declined.

(3) The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report

March 31, 2025

Fiscal year		2024	2023	As of March 31, 2025 of the current fiscal year
Number of employees	Direct labor	72	107	73
	Indirect labor	89	76	83
	Total	161	183	156
Average age		43.7	43.7	43.7
Average years of service		10.00	9.92	9.92
Education distribution percentage (%)	Ph.D.	0	0	0
	Master's degree	10	10	10
	College	77	75	75
	Senior high school	47	55	44
	Below senior high school	27	43	27

(4) Disbursements for environmental protection

The company is mainly engaged in the assembly of bicycle transmissions, and the assembly process will not cause major environmental pollution. In terms of wastewater treatment, only domestic wastewater is produced, and the company discharges it to the sewage sewer in accordance with regulations.

Disbursements for environmental protection: any losses suffered by the company in the most recent fiscal year and up tothe annual report publication date due to environmental pollution incidents and disclosing an estimate ofpossible expenses that could be incurred currently and in the future and measures being or to be taken:None.

(5) Labor relations

A.Employee benefit plans

(A).Employee benefit plans

The company has always attached great importance to employee welfare and work safety. The company employees welfare committee founded since 1996 to handle various welfare measures so that employees can enjoy corporate operating profits.

The company has not yet established a labor union, so no group agreement has been signed.

a. The company provides employee welfares stated below.

①Emplyee's compensation.

②Employee Stock Option.

③Annual compensation based on the company's performance.

④Retirement pay.
⑤Meal allowance.
⑥Health, labor and business trip insurance.
⑦The employees welfare fund.

b. The employees welfare committee provides other employee welfares stated below.
①Childbirth allowance, medical allowance for employees in hospitalization, funeral allowance and marriage allowance.
②Holiday and birthday voucher or benfit point.
③Emplyees have free group insurance
④Other subsidies for club activities

The subsidiaries of the company located in China provide employee welfares stated below:
①Social insurance and housing fund.
②Marriage allowance.
③Childbirth allowance.
④Medical allowance for employees in hospitalization and funeral allowance.
⑤ Annual compensation based on the company's performance.
⑥ Health and labor insurance.

(B) Employee Training and Development Situation

Employees are periodically scheduled for in-house training sessions and encouraged to participate in external educational courses.

(C) Retirement system

For matters regarding retirement of employees in Taiwan, the company has established the "Labor Retirement Regulations" in accordance with relevant laws and regulations. The payment of retirement benefits to employees is calculated based on their years of service and the average salary for the six months preceding their approved retirement date. The company contributes 2% of the total monthly salary of employees to the Employee Retirement Fund, deposited into an account designated by the Labor Retirement Reserve Supervisory Committee in the name of the committee at the Bank of Taiwan. Additionally, since July of the 94th year of the Republic of China (2005), our company has complied with the regulations of the new labor retirement system, contributing 6% of employees' monthly salaries to retirement pensions into individual accounts at the Labor Insurance Bureau.

Procedures for employees of the company to apply for retirement:

Voluntary Retirement: An employee may voluntarily retire under any of the following circumstances (for those choosing to apply the Labor Pension Act, procedures shall be carried out in accordance with the same Act):

(1) Those who have worked for more than 15 years and are over 55 years old.
(2) Those who have worked for more than 25 years.
(3) Those who have worked for more than ten years and are over 60 years old.

Mandatory retirement:The company shall not enforce retirement unless the employee meets one of the following conditions:

(1) Persons aged sixty-five or above.
(2) Those who are mentally incapacitated or physically disabled and unable to perform their duties.

For the age requirement specified in the first paragraph, for employees engaged in positions with special characteristics such as danger or requiring strong physical abilities, the company may apply to the competent central authority for approval to adjust the age requirement, provided it shall not be less than fifty-five years old.

Pension Benefits Standards:
(1) For those who have worked for years before and after the Labor Standards Act is applied and who choose to continue to apply the pension provisions of the Labor Standards Act under the Labor Standards Act or to retain their working years before the Labor Pension Ordinance is applied, their pension payment standards Compensation is calculated in accordance with Article 84-2 and Article 55 of the Labor Standards Act.
(2) For employees who have the working seniority specified in the preceding paragraph and are compulsorily retired in accordance with the provisions of Paragraph 2, Paragraph 1 of Article 35, if their mental loss or physical disability is caused by the performance of their duties, they shall be exempted from the labor standards in accordance with Article 50 of the Labor Standards Act. Paragraph 2 of Paragraph 1 of Article 5 stipulates an additional 20%.
(3) For employees subject to the pension provisions of the Labor Pension Act, the company will contribute 6% of their wages to the employee's individual pension account on a monthly basis.

Pension benefits:

The company shall provide retirement benefits to employees, to be paid within thirty days from the date of their retirement.

For the retirement of employees in the Chinese mainland subsidiaries, retirement benefits are contributed at a certain ratio based on the employee's salary and deposited into a retirement fund account managed by the local statutory insurance institution. Upon retirement, employees can withdraw their own contributions and the corresponding employer contributions and their interest from the fund account.

Regarding the retirement of employees in the Dutch subsidiaries, pensions and various insurance benefits are paid in accordance with local regulations.

(D)The status of labor-management agreements and measures for preserving employees' rights and interests

Due to the company's strong emphasis on employee welfare and open communication, labor-management relations are harmonious. However, we remain committed to ongoing communication and coordination between labor and management, and we strive to improve welfare measures to further enhance harmony in labor-management relations, aiming to prevent potential labor disputes.

(E) Protection measures for employees' personal safety and working environment

a. Regular implementation of operational environmental monitoring

To ensure the safety and health of employees, the company has established a 'Work Safety Committee' in accordance with the law, and appointed safety and health management personnel responsible for company occupational safety and health matters. This is to prevent occupational accidents, safeguard workers' physical health, and provide a safe working environment for employees' health and safety.

b. Regular implementation of safety and health education and training

① Health promotion courses are held quarterly, covering topics such as nutrition, tobacco and alcohol avoidance, prevention of infectious diseases, and workplace bullying awareness.

② In accordance with the law, irregular safety education training and retraining are conducted for various personnel, including first aid responders, crane operators, forklift operators, etc.

c. Regularly implement health checks, health management and health promotion matters

① The company provides free employee health check-ups every two years and has signed contracts with hospitals for on-site services by occupational physicians and nurses. Individual health interviews are conducted based on health grading, providing relevant advice. Relevant units also organize health seminars and health promotion activities according to demand.

② Healthcare nursing personnel are arranged monthly, and qualified physicians are scheduled quarterly to provide consultation services on-site. They observe and interview personnel at the workplace and assess potential health risks through annual health declaration questionnaires. Health education, physical and mental health protection, as well as tracking management and health guidance, are provided. Employees at higher risk are informed of foreseeable hazards, and measures for preventive health management are coordinated with department supervisors.

d. Regular fire training

① Strengthen disaster prevention education in the factory, raise personnel's awareness of disaster prevention, prevent disasters, and conduct fire drills once a month.

② Conduct four-hour self-defense firefighting team training every six months.

③ Irregularly outsourced training for on-site safety and health personnel, various operation supervisors, and fire management personnel.

e. Implement automatic safety and health inspections to protect the personal safety of workers

① Establishing a safety and health automatic inspection plan to prevent occupational accidents.

② Firefighting equipment undergoes annual scheduled inspections.

③ Forklifts undergo regular inspections, with monthly scheduled inspections conducted and documented. Annual comprehensive inspections are also carried out and recorded.

④ Elevators undergo regular inspections, with monthly scheduled inspections conducted and documented. Annual comprehensive inspections are also carried out and recorded.

⑤ Fixed cranes undergo regular inspections, with pre-operation lifting checks conducted before each use. Monthly scheduled inspections are carried out and documented.

⑥ Regular inspections are conducted on general vehicles, with checks performed and documented daily before operations commence.

⑦On-site operational machinery and equipment are inspected and documented for all protective devices, such as emergency stop switches, guards, and covers, etc.

⑧According to the regulations stipulated in the building public safety inspection certification and reporting procedures, inspections are conducted annually.

⑨Annual outsourced inspections of high and low voltage equipment are conducted.

⑩Outsourced monthly inspections and maintenance of electrical equipment are conducted, along with annual outsourced fire inspections.

f. Occupational accident statistics and occupational safety and health management effectiveness

There were no occupational accidents or workplace safety incidents in the year 2024.

B.List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes: None.

(6) Cyber security management

A.To ensure the information security of the company, the following information security control measures are implemented:

(A) Information security management framework:

The Information Security Implementation Committee was established on May 5, 2022, with three members including the Chief Information Security Officer, Information Security Supervisor, and Information Security Personnel. The committee reports regularly to the board of directors every year.

(B) Information security policies:

To ensure the confidentiality, integrity, and availability of company data, the company evaluates and implements information security management risks and continuous improvement.

(C) Specific management plan:

Various security control measures are established, including network control and personnel access control to prevent unauthorized access and modification. Offsite data backup mechanisms are in place to ensure uninterrupted operations. Immediate updates of anti-virus software, equipment maintenance, regular inventory of information equipment, and control of email sending and receiving permissions are conducted.

(D) 2024 information security implementation results:

a. The Information Security Committee meets once, and the Chief Information Security Officer attended in person.

b. Manager Wang Quanfu, Zhuang Mengyu and Wu Zongda of the Information Department are responsible for the information security business.

c. The VPN connection mechanism was strengthened and the multi-factor 2-factor authentication method was used. An external hard drive was additionally used to back up important systems.

d. No complaints from internal or external stakeholders were received.

e. No leakage of business secrets occurred.

f. Information security awareness training has been promoted internally to all company employees. In addition, external training sessions were also conducted. In the year 2024 (Minguo Year 113), a total of 117 participant attendances were recorded for both internal and external training programs, accumulating 57.83 training hours in total.

(E) The information security risk management report for 2024 was reported to the board of directors on May 7, 2025.

B. List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken:

There were no information security incidents in the year 2024.

(7) Important contracts

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
Long-term Borrowings	The company and HUA NAN BANK	2025.03.28~ 2026.04.28	The borrowings balance as of March 31, 2025 is $120,000 thousand, and the current rate is 2.87%	With the plant as collateral, the principal will be repaid in one lump sum when due.
Long-term Borrowings	Energieweg Mijdrecht Ontwikkeling 1 B.V. and Cooperative Rabobank U.A.	2022.03.31~ 2027.03.01	The borrowings balance as of March 31, 2025 is EUR 312 thousand, with fixed rate 1.54%.	With the building as collateral, the principal will be repaid at EUR 162.72 thousand per year.
Long-term Borrowings	Energieweg Mijdrecht Ontwikkeling 1 B.V. and Cooperative Rabobank U.A.	2022.03.31~ 2027.04.01	The borrowings balance as of March 31, 2025 is EUR 1,700 thousand, with fixed rate 1.70%.	With the building as collateral, the principal will be repaid in one lump sum when due.
Long-term Borrowings	Energieweg Mijdrecht Ontwikkeling 2 B.V. and Cooperative Rabobank U.A.	2023.01.10~ 2028.01.01	The borrowings balance as of March 31, 2025 is EUR 414 thousand, with fixed rate 4.6%.	With the building as collateral, the principal will be repaid at EUR 150.52 thousand per year.
Long-term Borrowings	Energieweg Mijdrecht Ontwikkeling 2 B.V. and Cooperative Rabobank U.A.	2023.01.10~ 2028.01.01	The borrowings balance as of March 31, 2025 is EUR 33 thousand, with fixed rate 4.25%.	With the building as collateral, the principal will be repaid at EUR 12.2 thousand per year.
Long-term Borrowings	Energieweg Mijdrecht Ontwikkeling 2 B.V. and Cooperative Rabobank U.A.	2023.01.10~ 2028.02.01	The borrowings balance as of March 31, 2025 is EUR 1,560 thousand, with fixed rate 4.6%.	With the building as collateral, the principal will be repaid in one lump sum when due.

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
Long-term Borrowings	Energieweg Mijdrecht Ontwikkeling 2 B.V. and Cooperative Rabobank U.A.	2023.01.10~ 2028.02.01	The borrowings balance as of March 31, 2025 is EUR 140 thousand, with fixed rate 4.25%.	With the building as collateral, the principal will be repaid in one lump sum when due.

5.Review and analysis of the company's financial position and financial performance, and a listing of risks

(1) Financial position

Analysis Benchmark : explain the reason for the change of the ratio increase or decrease 20% and the change amount upon 10 million

Unit: NT$ Thousand

Item \ Year	2024	2023	Difference of		Remarks
			Amount	%	
Current assets	1,551,534	1,742,719	(191,185)	(10.97)	
Property, Plant and Equipment	636,317	825,869	(189,552)	(22.95)	1
Intangible assets	4,740	2,264	2,476	109.36	
Other assets	251,547	102,230	149,317	146.06	2
Total assets	2,444,138	2,673,082	(228,944)	(8.56)	
Current liabilities	328,190	394,000	(65,810)	(16.70)	
Non-current liabilities	762,607	882,925	(120,318)	(13.63)	
Total liabilities	1,090,797	1,276,925	(186,128)	(14.58)	
Equity attributable to owners of the parent company	1,353,341	1,396,157	(42,816)	(3.07)	
Share capital	600,000	600,000	0	0.00	
Capital surplus	95,120	95,120	0	0.00	
Retained earnings	651,141	702,199	(51,058)	(7.27)	
Other equity	7,080	(1,162)	8,242	709.29	
Treasury shares	0	0	0	0.00	
Non-controlling interests	0	0	0	0.00	
Total equity	1,353,341	1,396,157	(42,816)	(3.07)	

Explanation on the reasons, impacts and future response plans for changes in the ratio of increase and decrease:

1. Mainly due to the reclassification to investment property.
2. Mainly due to the increase in investment property.

(2) Financial performance

A. Analysis of the increase and decrease ratio of operating results for the last two years (explain the reason for the change of the ratio increase or decrease 20% and the change amount upon 10 million):

Unit: NT$ Thousand

Item \ Fiscal year	2024	2023	Difference of Amount	Difference of %	Remarks
Operating Revenue	720,682	995,162	(274,480)	(27.58)	1
Gross Profit	151,575	287,128	(135,553)	(47.21)	1
Operating Income	(68,269)	30,681	(98,950)	(322.51)	1
Non-operating income and expenses	(648)	31,512	(32,160)	(102.06)	1
Profit Before Income	(68,917)	62,193	(131,110)	(210.81)	1
Net income for the period from continuing operations	(54,704)	45,501	(100,205)	(220.23)	1
Loss from discontinued operations	—	—	—	—	
Net income (loss) for the period	(54,704)	45,501	(100,205)	(220.23)	1
Net income attributable to owners of parent	(54,704)	45,501	(100,205)	(220.23)	1
Net income (loss) attributable to non-controlling interests	—	—	—	—	

Explanation on the reasons, impacts and future response plans for changes in the ratio of increase and decrease:

1. The surge in demand during the COVID-19 pandemic prompted excessive ordering from OEM customers and other major buyers. However, following the pandemic, demand contracted sharply. Since 2023, elevated inventory levels and slow destocking have resulted in a decline in the Company's revenue, with profitability shifting from a net gain to a net loss. In response, the Company has successively launched new market-oriented product models and enhanced its overall marketing capabilities in the European market, including but not limited to new product launches and the aftermarket business.

B. Expected sales quantity and its basis

Unit: PCS

Year	Quantity	Basis	Reason
2025	2, 728 (Thousand)	The estimates are based on past sales trends and projections of market demand for the year 2025.	Market changes in transmission components and spare parts products.

(3) Cash flow

A.Changes and Analysis of Cash Flow for the recent year

Unit: NT$ Thousand

Cash Balance at the period beginning	Net Cash Provided by Operating Activities in the period	Net Increase (Decrease) in Cash and Cash Equivalents	Cash Balance at the period end	Remedy for Liquidity Shortfall	
				Investment Plan	Financing Plan
$342,695	$90,665	($126,532)	$306,828	—	—

1. Changes and analysis of cash flow in 2024:
In the fiscal year 2024, the company's cash decreased by NT$35,867 million compared to the fiscal year2023. The changes in various operating cash flow activities are as follows:
(1) Operating activities net cash inflow amounted to NT$90,665 thousand, primarily due to an increase in inventory and a reduction in contractual liabilities and accounts payable.
(2) Investing activities net cash outflow amounted to NT$20,859 thousand, primarily due to the acquisition of subsidiaries and the acquisition of property, plant, and equipment.
(3) Net cash outflow from financing activities amounted to NT$120,361 thousand, primarily due to a decrease in short-term borrowings and the repayments of long-term borrowings.
(4) The impact of exchange rate fluctuations amounted to NT$14,688 thousand.
2. Remedies for cash shortfall: N/A.
3. Liquidity analysis: The increase in the current ratio from 4.42 in the fiscal year 2023 to 4.73 in the fiscal year 2024 is primarily due to a decrease in accounts payable.

B.Cash Flow Projection for Next Year

Unit: NT$ Thousand

Cash Balance at the period beginning ①	Net Cash Provided by Operating Activities in the period ②	Net Increase (Decrease) in Cash and Cash Equivalents ③	Cash Balance at the period end ①+②+③	Remedy for Liquidity Shortfall	
				Investment Plan	Financing Plan
$306,828	$43,940	($95,497)	$255,271	None.	None.

1.The main reasons for the recent changes in annual cash flow:
(1) Operating activities: The main focus is on liquidating inventory in the coming year, thus anticipating a net cash inflow from operating activities.
(2) Investment activities: As we will be implementing established product development and production plans in the coming year, we anticipate a net cash outflow from investing activities.
(3) Financing activities: The main expectation is to repay loans in the coming year, we anticipate a net cash outflow from financing activities.
2. Remedies and liquidity analysis for expected cash shortfalls: None.

(4) The annual report shall describe the effect upon financial operations of any major capital expenditures during the mostrecent fiscal year: None.

(5) The annual report shall describe the company's reinvestment 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:

A.The company's reinvestment policy for the most recent fiscal year:
The company's investment policy has primarily focused on increasing capital in our Dutch subsidiaries, to strengthen the overall marketing capabilities in Europe.

B. The main reasons for the profits/losses generated thereby:
Mainly due to the decrease in revenue in 2024

C. The investment plans for the coming year:
The company will plan to establish a product line for E-bike transmission systems.

(6) The section on risks

A. The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:
The company's finance department evaluates and analyzes the overall risk exposure of the company, as well as the assessment and analysis of existing transactions, including risks such as exchange rates and interest rates, in accordance with the international political and economic situation. We adopt a conservative and prudent approach to risk mitigation and adhere to the principle of natural hedging in determining hedging positions. The hedging instruments include forward foreign exchange contracts and swap contracts. All procedures are conducted in accordance with company regulations and are regularly disclosed.

B. The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements,guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:
The Board of Directors of the company has approved a loan of up to RMB 15 million to Sun Race Sturmey-Archer (Nantong) Co., Ltd., a wholly-owned subsidiary, to meet its short-term funding needs.
No high-risk, highly leveraged investment, endorsement guarantee, etc.

C. Research and development work to be carried out in the future, and further expenditures expected for research and development work:
Please refer to the annual report “4.Overview of operations”.
The estimated research and development expenses to be allocated for the fiscal year 2025 are approximately NT$21.83,5 million.

D. Effect on the company's financial operations of important policies adopted and changes in the legal environment at domestic and abroad, and measures to be taken in response: None.

E. Effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response:

With the rapid advancement of information technology and widespread digital transformation, cybersecurity threats have increased significantly. These threats include malware attacks, ransomware, hacking attempts, phishing emails, and internal misuse, all of which may impact the Company' s information systems, operational processes, and the security of customer data. The Company continues to allocate resources to strengthen cybersecurity defenses, including implementing multi-factor authentication, intrusion detection and prevention systems, and conducting employee cybersecurity awareness training. Additionally, the Company has established cybersecurity management policies and incident reporting and response mechanisms in accordance with relevant regulations to mitigate the operational impact of cybersecurity risks.

The company shifted the manufacturing of the medium and low-end products that are not exported to the United States to the China manufacturing subsidiary of the company in order to reduce costs and maintain competitiveness; Additionally, the company emphasizes market segmentation through customization for niche products while actively developing high-end products to create a premium brand image, prioritizing quality to enhance the added value of our products.

F. Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

The company's steadfast and prudent management has ensured that there has been no impact on the business due to changes in the company's corporate image.

G. Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken:None.

H. Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

The Company' s Dutch subsidiary has acquired local office facilities and established a permanent operating center, which strengthens overall marketing capabilities in the European market. The acquired facilities are fully utilized, with no idle capacity.

I. Risks associated with any concentration of sales or purchasing operations, and mitigation measures being or to be taken:

(1)The company's sales are relatively diversified among customers, and we maintain long-term good relationships with them. As of now, there is no significant risk of sales concentration.

(2) The company's procurement is relatively diversified among suppliers, and we maintain long-term good relationships with them. As of now, there is no significant risk of procurement concentration.

J. Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

K. Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

L.Litigious and non-litigious matters:

(1) The litigation matter that the Company has decided to determine：
On June 8, 2023, Shanghai Caihuan Architecture Design Co., Ltd. (hereinafter referred to as "Caihuan Company") filed a civil lawsuit against Sun Race Sturmey-Archer (Nantong) Co., Ltd. (hereinafter referred to as "Nantong Company") for the long-term refusal to pay construction fees. Caihuan Company requested the court to order Nantong Company to pay RMB 935,000 in construction fees and RMB 1,461,000 in overdue payment default penalties. Additionally, Caihuan Company petitioned with the People's Court of Nantong Economic Development Zone in Jiangsu Province for property preservation, and to freeze Nantong Company's bank deposits of RMB 2,396,000.
The Jiangsu Province Nantong Intermediate People's Court verdicted a final judgment on May 2024 (Case No. (2023) Su 06 Civil Final 6393), overturning the first-instance judgment. The Jiangsu Province Nantong Intermediate People's Court ruled that Nantong Company should pay Caihuan Company RMB 609,391 and dismissed Caihuan Company's other litigation claims.

(2) Major litigation, non-litigation or administrative disputes in which the Company is still in the company: None.

M.Other Important Risks: None.

(7) Other important matters: None.

6.Other items deserving special mention

(1) Information related to the company's affiliates
Please refer to the Market Observation Post System.
(https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

(2) Where the company has carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report :None.

(3) Other matters that require additional description: None.

(4) If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

Sun Race Sturmey-Archer Inc.

Yi-Hsung Hsu