



Kian Shen Corporation

2024 Annual Report

Publication date: March 31, 2025

Company website: <https://www.kian-shen.com/>

Website for inquiry: <https://mops.twse.com.tw/>

I. Names, titles, contact numbers and email addresses of the Company's spokesperson and acting spokesperson

Spokesperson: Yi-Yu Chen

Title: Finance Manager

Telephone: (03)478-3121

Email: ethan.chen@kian-shen.com

Acting spokesperson: Qiong-Ru Chen

Title: Head of the Accounting Department

Telephone: (03)478-3121

Email: azu.chen@kian-shen.com

II. Addresses and telephone numbers of the company and factory

Address: No. 100, Xinjiang Road, Yangmei District, Taoyuan City

Telephone: (03)478-3121

III. Name, address, website and telephone number of the stock transfer institution

Name: Stock Affairs Section of Kian Shen Corporation

Address: 1F., No. 3, Section 3, Zhongxing Road, Xindian District, New Taipei City

Website: <https://www.kian-shen.com/>

Telephone: (02)2515-6421

IV. Names of the CPAs, CPA firm name, address, website and telephone number for the most recent annual financial report

CPAs' names: Yu-Ting Huang and Chien-Tse Huang

CPA firm: EY Taiwan

Address: 26F., No. 186, Shizheng North 7th Road, Xitun District, Taichung City

Website: https://www.ey.com/zh_tw

Telephone: (04)2559-8999

V. Trading venue for listing and trading of offshore securities and method for querying the information of the offshore securities: None.

Company website: <https://www.kian-shen.com/>

Table of Contents

One.	Letter to Shareholders.....	1
Two.	Company Profile.....	4
Three.	Corporate Governance Report	
	I. Information of Directors, President, Vice Presidents, Associate Vice Presidents, Managerial Officers of Departments	7
	II. Corporate Governance Status	27
	III. Information of CPAs' Fee	74
	IV. Information on Change of CPAs	74
	V. Job Assumption Status of Chairman, President and Managers in charge of Financial or Accounting Operations in the Most Recent Year	74
	VI. Transfer of shares and changes in pledge of shares by directors, managerial officers and shareholders with shareholding of more than 10%	75
	VII. Relationship Information on Shareholders Among the Company's Top Ten Major Shareholders being Related Party of Another	76
	VIII. Comprehensive Shareholding Percentage	77
Four.	Fundraising Status	
	I. Capital and Shares of the Company	78
	II. Issuance of Corporate Bonds	81
	III. Issuance of Preferred Shares Issuance of Preferred Shares	81
	IV. Issuance of Global Depository Receipts	81
	V. Issuance of Employees' Share Subscription Warrant	81
	VI. Issuance of New Restricted Employees Shares	81
	VII. Handling of New Share Issuance due to the M&A or Assignment of Shares of Other Companies.....	81
	VIII. Implementation of Fund Utilization Plan	81
Five.	Operation Overview	
	I. Business Activities	82
	II. Market and Production/Sales Overview	85
	III. Employees	92
	IV. Information on Environmental Protection Expenses	94
	V. Labor-Management Relations	99
	VI. Infocomm Security Management	99
	VII. Important Contracts	105

Six. Review and Analysis of Financial Position and Financial Performance, and Risk Items

I. Comparison and Analysis of Financial Position.....	106
II. Financial Performance Analysis.....	107
III. Cash Flow Analysis	107
IV. Impact of Significant Capital Expenditures in the Most Recent Year on Finance and Business.....	108
V. Investment Policy for the Most Recent Year and Main Causes of Profits.....	109
VI. Risk Analysis.....	109
VII. Other Important Matters	112

Seven. Special Disclosures

I. Related Information of Affiliated Enterprises	116
II. Information on Private Placement of Securities for 2024 and Up to March 31, 2025.....	121
III. Events Having Material Impact on Shareholders' Equity or Securities Price for 2024 and Up to March 31, 2025.....	121
IV. Additional Information Required to be Disclosed	121

One. Letter to Shareholders

I. Operational Highlights

- (I) In the first three quarters of 2024, the Company benefited from the incremental effect of increased orders from medium and large commercial vehicles before production discontinued. This led to growth in the sales of vehicle shells. However, in the fourth quarter, due to delays in electric bus shell certification and battery supply issues, orders were postponed, and the sales of carrying platforms were also lower compared to the same period. Only the sales of parts, driven by the export to Indonesia for customers, were strong and in high demand. Along with payments for new model molds, the operating revenue for 2024 amounted to NT\$1.459 billion, but due to strong sales of the core products in the same period last year and a higher comparison base, the operating revenue decreased by 9% compared to the same period last year.
- (II) In response to customer order demands for 2024, the Company adjusted its production capacity each month to mitigate changes in production scale and reduce the adverse impact of processing. However, as new equipment was gradually introduced, depreciation costs increased, leading to a decrease in gross profit from operations compared to the same period last year. Additionally, in order to address information security risks, the Company increased investment in information software and hardware equipment, and continued to improve working environment and facilities, including offices, staff lounges, and dormitories, resulting in higher operating expenses. The Company's net operating income for 2024 amounted to NT\$54.66 million, a decrease of 16% compared to the same period last year.
- (III) Regarding the reinvested companies, with the strong sales of domestically produced electric vehicles in China, its local electric vehicle manufacturers are gradually consolidating their market leading positions, while the sales of Japanese brands have plummeted, affecting the operations of the reinvested companies. As a result, all companies have actively reduced the cost of purchasing materials, improved

operating efficiency and quality, and saved various expenses to ensure profitability. The total recognized income from investments for the year amounted to NT\$266 million, a decrease of 42% compared to the same period last year. However, excluding the one-time impact of the gain on disposal of Hangzhou Jinlong Kian Shen in the same period last year, it would be a decrease of 10% compared to the same period.

- (IV) Overall, the 2024 net income after taxes for the was at NT\$302 million, with earnings per share of NT\$4.12.

II. Future Outlook

- (I) The Directorate-General of Budget, Accounting, and Statistics (DGBAS) estimates that the economic growth rate for 2025 will be 3.14%. Private final consumption is expected to return to normal levels, investment momentum is optimistic, and international AI opportunities are booming. However, the uncertainty and risks associated with the new U.S. policies under President Trump are relatively high. However, Taiwan's economic fundamentals remain strong, and in response to the net-zero transition, Taiwan continues to promote the electrification of public transportation. The demand for electric vehicles is strong, and it is expected that overall vehicle market sales volume in Taiwan will be able to grow moderately in 2025.
- (II) The Company's business development direction in 2025 will be to continue to strengthen research and development and process optimization, aiming to gain a competitive advantage in the sales of electric bus shells. The Company will actively develop new customers and new business opportunities, while continuing to collaborate with customers on the development and mass production of new vehicle models, and maintain stable supply of existing products to expand revenue scale.

- (III) The reinvested companies benefited from the China government's continued "two-new" subsidy policy, which promotes the replacement of old vehicles and scrapping for new ones. Under the ongoing pressure of increasing penetration rate of electric vehicles, the price war in the automobile market will continue and become more intense. In response, each reinvested company is aligning with customer production plans, concentrating resources to increase production of best-selling models, and setting challenging goals for reducing costs and controlling expenses, with the aim of improving the company's operational performance.

With the full support of shareholders and the joint efforts of all staff, we are confident in continuous expanding new businesses and client bases and improving competitive advantages to create higher profits for shareholders.

Lastly, I wish all shareholders gd health and all the best. Thank you!

Chairman

March 31, 2025

Two. Company Profile

I. Date of Establishment: May 30, 1963

II. Company History:

October, 1955:	Mr. Tsao, Chi-Lung founded Kian Shen Hardware Factory, which initially focused on producing various types of steel shovels and hand tls. It was granted the Class A mark by the Bureau of Central Standards, and its products were sold in 18 countries worldwide.
1963:	The company name was changed to Kian Shen Hardware Factory Co., Ltd.
1970:	The capital was increased to NT\$3 million, and was selected as a satellite factory approved by the military to engage in research and manufacturing of military vehicles and weapon components.
1974:	The Company became a satellite factory of China Motor Corporation, supplying rear body assemblies for small trucks.
1978:	The company name was changed to Kian Shen Corporation.
1979:	The new Yangmei factory covering an area of over 58,0 square meters was completed, specializing in the production of small truck rear carriages and container beams for supply to China Motor Corporation and Weilian Industrial Company.
1981:	The main beams and crossbeams of heavy-duty trucks were officially adopted by Huatong Automobile Company (joint venture with General Motors of the United States) after trial assembly.
1983:	Produced American Harley locomotive fuel tanks and various types of car bumpers, and marketed them in the U.S. market.
1984:	Collaborated with Japan's Takebe Iron Works to produce the shells of large trucks and buses for supply to Kuozui Motors, Ltd. and China Motor Corporation.
1986:	Supplied stamping parts and molds for Fengyong Automobile Company.
November 1990:	The Company was restructured and China Motor Corporation acquired 100% of its equity.
April 1991:	China Development Trust joined the Company's management team and acquired 10% equity.
August 1991:	Kuozui Motors, Ltd. participated in the investment and acquired 35% of the equity.
December 1991:	Establish a wooden bed assembly and painting production line to produce wooden bed rear vehicle bodies.
December 1992:	The new coating factory was completed and put into use, replacing traditional manual spraying with automatic impregnation to improve the working environment, avoid environmental pollution, and enhance product quality.
November 1993:	Handled supplementary public offering.
December 1995:	Technical cooperation with Japan's Yonan Industries Co., Ltd. to produce load arms and supply them to China Motor Corporation.

March 1996:	The Investment Commission of the Ministry of Economic Affairs approved the Company's indirect investment in mainland China's Fuxiang (Fuzhou) Automobile Company, accounting for 35% of its equity.
July 1996:	Passed ISO9002 certification of Bureau of Standards, Metrology and Inspection, MOEA.
August 1996:	Produce bus shells for supply to Isuzu Motor Company in Taiwan.
December 1998:	Passed QS9000 certification.
May 1999:	The Company's shares were officially listed.
March 2000:	Started exporting RK beams to Japan's Hino Heavy Vehicles.
July 2000:	Passed ISO14001 certification by UK's UKAS.
March 2001:	Technical cooperation with Japan's Hirata Industries Co., Ltd. and Miwa Production Institute.
March 2002:	Established a BVI offshore investment company.
July 2002:	Established a joint venture Guangzhou Enten Yulong Transmission System Co., Ltd. with Japan's NTN.
October 2002:	The Industrial Development Bureau, MOEA granted the Outstanding Occupational Safety and Health Management Demonstration Team Award to the Company.
November 2002:	Passed the certification of OHSAS18001 Occupational Safety and Health Management System.
September 2003:	Jointly established "Beijing Ruihan Enten Automotive Parts Co., Ltd." with South Korea's Flange and Japan's NTN.
October 2003:	The Industrial Development Bureau, MOEA granted the Industrial Sustainable Elite Award to the Company.
January 2004:	Passed the certification of TS-16949 Quality Management System.
August 2004:	Establish the subsidiary Jiang Sheng Investment Company.
November 2004:	The Council of Labor Affairs granted to the Company the Five Star Award for National Excellent Units in Promoting Labor Safety and Health.
March 2006:	Jointly established Xiamen Jinlong Kian Shen Vehicle Shell Co., Ltd. with Xiamen Electromechanical Group.
November 2007:	Establish Hong Kong Kian Shen Investment Company.
December 2007:	Obtained the TQ AAA level supplier evaluation of China Motor Corporation.
December 2008:	The subsidiary Jiang Sheng Investment Company handled its liquidation.
July 2009:	MOEA granted to the Company the Outstanding R&D Alliance Award of the 29 Industry Development of Industrial Technology Plan.
February 2011:	Received the Excellent Manufacturer's Design and Development Excellent Performance Award from Yulong Nissan Motor's Coperative System.
July 2012:	Selected by the Ministry of Finance as a business operator with excellent performance in issuing unified invoices.
January 2014:	Jointly established Xiangyang Enten Yulong Transmission System Co., Ltd. with Enten (China) Investment Company.
March 2014:	Received the Excellent Manufacturer's Excellent Overall Performance Award from Yulong Nissan Motor's Coperative System.

August 2014:	Received the ISO14001 Environmental Sustainability Award.
September 2015:	Renewed technical cooperation with Japan's Takebe Iron Works.
February 2016:	Rated A level in the safety and health management system evaluation of the First Section of Kuozui Motors' cooperation Association for three consecutive years.
December 2019:	Received the Health Workplace Certification Mark from the Ministry of Health and Welfare.
April 2020:	The Company ranked among top 6%~20% of all the TWSE and TPEx listed companies in Corporate Governance Evaluation for five consecutive years.
November 2020:	Passed ISO45001 certification.
February 2021:	"Beijing Ruihan Enten Automotive Parts Co., Ltd." handled equity transfer.
March 2021:	Produced electric bus shells for supply to Foxtron Vehicle Technologies Co., Ltd.
June 2021:	Produced wooden bed rear vehicle bodies for supply to Hotai Vehicle Body Manufacturing Co., Ltd.
March 2022:	Established a dedicated production line for low-flr buses.
July 2022:	Rated A level in the safety and health management system evaluation of the First Section of Kuozui Motors' cooperation Association.
November 2022:	Renewed technical cooperation with Japan's Takebe Iron Works.
February 2023:	Awarded A level in the evaluation of China Motor Quality Assurance System.
August 2023:	Obtained patent certifications of M644682 for vehicle platform cover and M644681 and M644683 for truck tailgate structure.
October 2023:	The Company was certified ISO 27001 Information Security Management System.

Three. Corporate Governance Report

I. Information of Directors, President, Vice Presidents, Associate Vice Presidents, Managerial Officers of Departments

(I) Information of Directors

March 31, 2025

Title	Nationality or place of registration	Name	Gender and age	Date of Election (Inauguration)	Term	Date first elected	Shareholding when elected		Current shareholding		Current shareholdings of spouse and minor children		Shareholding in other people's names		Education and experience	Current concurrent positions at the Company and other companies	Other supervisors, directors or supervisors with a relationship of spouse or second-degree kinship.			Remarks
							Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relationship	
	Taiwan	China Motor Corporation					32,201,367	43.87%	32,201,367	43.87%										
Chairman	Taiwan	China Motor Corporation Representative: Chao-Wen Chen	Male Over 61 years old	2022.07.01	Three years	2018.03.21	-	-	-	-	-	-	-	-	Entrepreneur Class, National Cheng Chi University Department of Chemical Engineering, Chung Yuan Christian University	Director and President of China Motor Corporation Director of Shung Ye Motor Co., Ltd. Chairman of Fortune Motors Co., Ltd. Chairman of Taiwan Transportation Vehicle Manufacturers Association Director of Hong Kong Kian Shen Investment Company Director of Kian Shen Investment Co., Ltd.	-	-	-	2

Title	Nationality or place of registration	Name	Gender and age	Date of Election (Inauguration)	Term	Date first elected	Shareholding when elected		Current shareholding		Current shareholdings of spouse and minor children		Shareholding in other people's names		Education and experience	Current concurrent positions at the Company and other companies	Other supervisors, directors or supervisors with a relationship of spouse or second-degree kinship.			Remarks
							Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Relationship	Name	Title	
Director	Taiwan	China Motor Corporation Representative: Chiung-Chih Tseng	Male Over 61 years old	2022.07.01	Three years	2013.07.01	-	-	-	-	-	-	-	Department of Mechanical Engineering, Tamkang University	Director and President of Kiang Shen Corporation Vice President of China Motor Corporation Director of Fuzhou Fuxiang Automobile Industry Co., Ltd. Director of Guangzhou Enten Yulong Transmission System Co., Ltd. Director of Xiamen Jinlong Kian Shen Vehicle Shell Co., Ltd. Director of Xiangyang Enten Yulong Transmission System Co., Ltd. Director of Taiwan Transportation Vehicle Manufacturers Association	-	-	-	-	
	Taiwan	Kuozui Motors, Ltd.					24,178,711	32.94%	24,178,711	32.94%										
Director	Taiwan	Kuozui Motors, Ltd. Representative: Wen-Chih Chien	Male Over 61 years old	2022.07.01	Three years	2019.04.01	-	-	-	-	-	-	-	Department of Industrial Design, Datong University	Director and Vice President of Kuozui Motors, Ltd. Director of Fuzhou Fuxiang Automobile Industry Co., Ltd. Managing Director of Taiwan Transportation Vehicle Manufacturers Association Vice President of the Taiwan Automobile Safety Association	-	-	-	-	
Director	Taiwan	Kuozui Motors, Ltd. Representative: Kun-Sheng Lan	Male Over 61 years old	2022.07.01	Three years	2020.04.01	-	-	-	-	-	-	-	Department of Marine Engineering, National Taiwan Ocean University	AVP of Kuozui Motors, Ltd. Managing Director of SAE Taipei Section Director of Xiamen Jinlong Kian Shen Vehicle Shell Co., Ltd.	-	-	-	1	

Title	Nationality or place of registration	Name	Gender and age	Date of Election (Inauguration)	Term	Date first elected	Shareholding when elected		Current shareholding		Current shareholdings of spouse and minor children		Shareholding in other people's names		Education and experience	Current concurrent positions at the Company and other companies	Other supervisors, directors or supervisors with a relationship of spouse or second-degree kinship.			Remarks
							Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Relationship	Name	Title	
Director	Taiwan	Kuozui Motors, Ltd. Representative: Shih-Rong Ho	Male 51~60 years old	2025.02.01	Three years	2025.02.01	-	-	-	-	-	-	-	EMBA, National Central University	AVP of Kuozui Motors, Ltd. Director of Xiamen Jinlong Kian Shen Vehicle Shell Co., Ltd.	-	-	-	1	
Director	Japan	Kuozui Motors, Ltd. Representative: Naoki Kobayashi	Male 51~60 years old	2022.07.01	Three years	2022.02.01	-	-	-	-	-	-	-	Japan Kogakuin University of Technology & Engineering Department of Production Mechanical Engineering	AVP of Kuozui Motors, Ltd.	-	-	-	1	
Director	Japan	Kuozui Motors, Ltd. Representative: Satoshi Kodaka	Male 51~60 years old	2025.02.01	Three years	2025.02.01	-	-	-	-	-	-	-	Department of Mechanical Engineering, Seikei University	AVP of Kuozui Motors, Ltd.	-	-	-	1	
	Taiwan	Yulon-Administered Enterprises Co., Ltd.					10,600	0.01%	10,600	0.01%										
Director	Taiwan	Yulon-Administered Enterprises Co., Ltd. Representative: Hung-Ching Yang	Male 51~60 years old	2022.07.01	Three years	2022.01.01	-	-	-	-	-	-	-	Entrepreneur Class, National Cheng Chi University Department of Mechanical Engineering, National Sun Yat-sen University	Vice President of China Motor Corporation Director of ROC-Spicer Ltd. Director of Coc Tooling & Stamping Co., Ltd. Chairman of Uni-Calsonic Corp.	-	-	-	-	
Director	Taiwan	Yulon-Administered Enterprises Co., Ltd. Representative: Tung-Tai Hsiung	Male 51~60 years old	2024.01.01	Three years	2024.01.01	-	-	-	-	-	-	-	EMBA, National Central University	Vice President of China Motor Corporation Director of ROC-Spicer Ltd. Director of Yueki Industrial Co., Ltd. Chairman of ROC-Spicer Ltd.	-	-	-	3	

Title	Nationality or place of registration	Name	Gender and age	Date of Election (Inauguration)	Term	Date first elected	Shareholding when elected		Current shareholding		Current shareholdings of spouse and minor children		Shareholding in other people's names		Education and experience	Current concurrent positions at the Company and other companies	Other supervisors, directors or supervisors with a relationship of spouse or second-degree kinship.			Remarks
							Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relationship	
Independent director	Taiwan	Te-Chang Yeh	Male Over 61 years old	2022.07.01	Three years	2016.07.01	-	-	-	-	-	-	-	-	Schl of Economics, National Cheng Chi University	Supervisor of Shanghai Wafer Works Supervisor of Shanghai Jingmeng Silicon Materials Co., Ltd. Supervisor of Zhengzhou Wafer Works Director of Silicon Technology Investment (Cayman) Corp. Independent Director of Carnival Industrial Corporation Independent Director of DFI Inc. Supervisor of Maxkit Technology Co., Ltd.	-	-	-	-
Independent director	Taiwan	Hsuan Wang	Female 41~50 years old	2023.06.15	Three years	2023.06.15	-	-	-	-	-	-	-	-	PhD in Accounting, National University of Taiwan	Independent Director of Highpoint Service Network Corporation Independent Director of AP Memory Technology Corporation Assistant Professor of College of Management and Chairman of Internal Audit Committee, Yuan Ze University, Dean of Corporate Sustainability and Social Responsibility Center, Chairperson of Internal Audit Committee	-	-	-	-

Title	Nationality or place of registration	Name	Gender and age	Date of Election (Inauguration)	Term	Date first elected	Shareholding when elected		Current shareholding		Current shareholdings of spouse and minor children		Shareholding in other people's names		Education and experience	Current concurrent positions at the Company and other companies	Other supervisors, directors or supervisors with a relationship of spouse or second-degree kinship.			Remarks
							Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relationship	
Independent director	Taiwan	Yung-An Lo	Male 51~60 years old	2023.06.15	Three years	2023.06.15	-	-	-	-	-	-	-	-	Bachelor of Laws, Chinese Culture University	Chairman/Attorney of Yung Attorney-At-Law Chairman of Congrongzhichan Co., Ltd.	-	-	-	-

Note 1: Kun-Sheng Lan and Naoki Kobayashi, the representatives of Kuozui Motors, Ltd., were dismissed on February 1, 2025, and Shih-Rong Ho and Satoshi Kodaka were appointed as Directors.

Note 2: Chao-Wen Chen, the representative of China Motor Corporation, departed on April 1, 2025; and Tung-Tai Hsiung was appointed as director.

Note 3: Tung-Tai Hsiung, the representative of China Motor Corporation, departed on April 1, 2025; and Ching-Chi Chen was appointed as director.

(II) Major shareholder of corporate shareholder

March 28, 2025

Names of corporations	Major shareholder of the corporation	Shareholding ratio (%)
China Motor Corporation	1.Tai Yuen Textile Co., Ltd.	25.19
	2.Mitsubishi Motors Corporation	14.00
	3.Yulon Motor Co., Ltd.	8.05
	4.Diamond Hosiery & Thread Co., Ltd.	6.76
	5.Nan Shan Life Insurance Co., Ltd.	1.33
	6.Taiwan Life Insurance Co., Ltd.	1.18
	7.Taishin TIP Customized Taiwan ESG High Dividend Small/Mid-Cap ETF	1.08
	8.Chin-Feng Chen	0.92
	9.Pan German Investment Co., Ltd.	0.87
	10.Yong Han Investment Co., Ltd.	0.72
Kuozui Motors, Ltd.	1.Toyota Motor Corporation	65.00
	2.Hotai Motor Co., Ltd.	30.00
	3.Hino Motors, Ltd.	5.00
	(Total shareholding percentage of aforementioned shareholders is 100%)	
Weitai Investment Co., Ltd.	1.Chen Li-Lien Yen	33.32
	2.Pei-Yu Yen	33.29
	3.Hsiang-Nan Yen	33.29
	4.Pan German Investment Co., Ltd.	0.04
	5.Wei Wen Investment Co., Ltd.	0.02
	6.Le Wen Investment Co., Ltd.	0.02
	7.Jin Yu Investment Co., Ltd.	0.02
	(Total shareholding percentage of aforementioned shareholders is 100%)	

(III) Major Shareholders of Corporate Shareholders as the Major Shareholders

1. Major shareholders as juridical persons for the major shareholders of China Motor Corporation

March 28, 2025

Names of corporations	Major shareholders of corporations	Shareholding ratio (%)
1. Tai Yuen Textile Co., Ltd.	1.Xiang Wei Investment Co., Ltd.	22.15
	2.Yen Tjing Ling Industrial Development Foundation	14.24
	3.Hoffman Brothers Investment Co., Ltd (British Virgin Islands)	9.80
	4.Evans Co., Ltd (British Virgin Islands)	9.71
	5.West Bridge Investment Co., Ltd. (Cayman Islands)	9.13
	6.Li Yuan Investment Co., Ltd.	7.17
	7.Yun Shueng Investment Corp.	6.82
	8.Diamond Hosiery & Thread Co., Ltd.	5.89
	9.Li Peng Investment Co., Ltd.	5.61
	10.Yuan Wei Investment Co., Ltd.	3.10

Names of corporations	Major shareholders of corporations	Shareholding ratio (%)
2. Mitsubishi Motors Corporation	1. Nissan Motor Co., Ltd. 2. Mitsubishi Corporation 3. Master Trust Bank of Japan, Ltd. (Trust Department) 4. Custody Bank of Japan, Ltd. (Trust Department) 5. Northern Trust Global Services Se, Luxembourg Re Ludu Re: Ucits Clients 15.315 Pct Non-Treaty Account 6. Mitsubishi Heavy Industries, Ltd. 7. Man International Cvc-Man Glg Japan Corealpha Fund 8. MUFG Bank, Ltd. 9. The Bank Of New York, Treaty Jasdec Account 10. Custody Bank of Japan, Ltd. (Trust Department 4)	34.01 20.00 6.78 1.74 1.68 1.44 1.01 0.99 0.85 0.66
3. Yulon Motor Co., Ltd.	1. Tai Yuen Textile Co., Ltd. 2. China Motor Corporation 3. Chen Li-Lien Yen 4. Taipei Branch of UBS received Pei-Yu Yen Trust Property Account 5. Taipei Branch of UBS received Hsiang-Nan Yen Trust Property Account 6. Pan German Investment Co., Ltd. 7. Yen Tjing Ling Industrial Development Foundation 8. Weitai Investment Co., Ltd. 9. JPMorgan Chase Bank N.A., in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds 10. Wei Wen Investment Co., Ltd.	17.43 16.02 3.19 3.17 3.17 1.96 1.03 0.80 0.76 0.76
4. Diamond Hosiery & Thread Co., Ltd.	1. Wanda Company (British Virgin Islands) 2. Tai Yuen Textile Co., Ltd. 3. Xiang Wei Investment Co., Ltd. 4. Vivian Wu Yen Business & Industry Development Foundation 5. Le Wen Investment Co., Ltd. 6. Wei Wen Investment Co., Ltd. 7. Chen Li-Lien Yen 8. Pei-Yu Yen 9. Hsiang-Nan Yen (Total shareholding percentage of aforementioned shareholders is 100%)	72.51 21.97 5.09 0.1684 0.13 0.13 0.0002 0.0002 0.0002
5. Nan Shan Life Insurance Co., Ltd.	1. Runcheng Investment Holdings Co., Ltd. 2. Ruen Hua Dyeing & Weaving Co., Ltd. 3. Ying-Tsung Tu 4. Ruentex Xing Co., Ltd. 5. Ruentex Development Co., Ltd. 6. Ruentex Industries Co., Ltd. 7. Yen Sing Investment Co., Ltd. 8. Ruentex Leasing Co., Ltd. 9. Chi-Pin Investment Company 10. Pan City Co., Ltd.	89.55 1.34 1.16 0.97 0.23 0.21 0.16 0.12 0.11 0.09
6. Taiwan Life Insurance Co., Ltd.	CTBC Financial Holding Co., Ltd.	100

Names of corporations	Major shareholders of corporations	Shareholding ratio (%)
7. Taishin TIP Customized Taiwan ESG High Dividend Small/Mid-Cap ETF	N/A (Not a corporation)	-
8. Chin-Feng Chen	N/A (Not a corporation)	-
9. Pan German Investment Co., Ltd.	1.Weitai Investment Co., Ltd.	33.36
	2.Wei Wen Investment Co., Ltd.	33.34
	3.Le Wen Investment Co., Ltd.	33.30
10. Yong Han Investment Co., Ltd.	1.Yulon Motor Co., Ltd.	100

2. Major shareholders as juridical persons for the major shareholders of Kuozui Motors, Ltd.

As of March 28, 2025

Name of shareholders	Major shareholders of corporate shareholders	Shareholding ratio (%)
1. Toyota Motor Corp.	1. Japan Master Trust Bank Co., Ltd. 2. Toyota Industries Corporation 3. Custody Bank of Japan, Ltd. 4. Nippon Life Insurance Company 5. JPMorgan Chase Bank 6. DENSO Corporation 7. State Street Bank and Trust Company 8. BNY MELLON (Representative of Sumitomo Mitsui Banking Corporation) 9. MS&AD Insurance Group Holdings, Inc. 10. Tokio Marine & Nichido Fire Insurance Co., Ltd.	11.68 7.31 5.57 3.88 3.28 2.76 2.06 1.79 1.74 1.56
2. Hotai Motor Co., Ltd.	1. Hotai Motor Co., Ltd. 2. Toyota Motor Corp. 3. Li Gang Enterprise Co., Ltd. 4. Jin Yuan Shan Investment Co., Ltd. 5. Cheng Sun Trading Co., Ltd. 6. Shen Rong Investment Co., Ltd. 7. Yuan Tuo Investment Co., Ltd. 8. Jin Ji Investment Enterprise Co., Ltd. 9. Zi Geng Development Co., Ltd. 10. Tai Chang Investment Co., Ltd.	8.83 8.13 7.42 6.60 4.49 3.11 2.68 2.49 2.43 2.29
3. Hino Motors, Ltd.	1. Toyota Motor Corp. 2. Master Trust Bank of Japan (Trust Department) 3. Custody Bank of Japan, Ltd. (Trust Department) 4. SSBTC CLIENT OMNIBUS ACCOUNT 5. DENSO Corporation 6. GOVERNMENT OF NORWAY 7. Nisshinbo Holdings Inc. 8. Tokio Marine & Nichido Fire Insurance Co., Ltd. 9. J.P. MORGAN CHASE BANK 385781 10. STATE STREET BANK WEST CLIENT-TREATY505234	50.14 10.09 2.92 0.91 0.71 0.69 0.65 0.64 0.63 0.60

3. Major shareholders as juridical persons for the major shareholders of Weitai Investment Co., Ltd.

As of March 28, 2025

Names of corporations	Major shareholders of corporations	Shareholding ratio (%)
1. Chen Li-Lien Yen	Individual shareholder; disclosure is not required.	-
2. Pei-Yu Yen	Individual shareholder; disclosure of major shareholders not required.	-
3. Hsiang-Nan Yen	Individual shareholder; disclosure is not required.	-
4. Pan German Investment Co., Ltd.	1.Weitai Investment Co., Ltd. 2.Wei Wen Investment Co., Ltd. 3.Le Wen Investment Co., Ltd. (Total shareholding percentage of aforementioned shareholders is 100%)	33.36 33.34 33.30
5. Wei Wen Investment Co., Ltd.	1.Chen Li-Lien Yen 2.Pei-Yu Yen 3.Hsiang-Nan Yen 4.Le Wen Investment Co., Ltd. 5.Jin Yu Investment Co., Ltd. 6.Pan German Investment Co., Ltd. 7.Weitai Investment Co., Ltd. (Total shareholding percentage of aforementioned shareholders is 100%)	28.84 28.73 28.73 11.39 2.11 0.10 0.10
6. Le Wen Investment Co., Ltd.	1.Weitai Investment Co., Ltd. 2.Wei Wen Investment Co., Ltd. 3.Pan German Investment Co., Ltd. 4.Chen Li-Lien Yen 5.Pei-Yu Yen 6.Hsiang-Nan Yen (Total shareholding percentage of aforementioned shareholders is 100%)	40.32 30.63 18.92 3.39 3.37 3.37
7. Jin Yu Investment Co., Ltd.	1.Evans Co., Ltd. 2.Pan German Investment Co., Ltd. 3.Weitai Investment Co., Ltd. (Total shareholding percentage of aforementioned shareholders is 100%)	99.96 0.02 0.02

(IV) Disclosure of Information on Professional Qualifications and Independence of Independent Directors

March 31, 2025

Requirement Name	Professional qualifications and experience	Status of independence	Number of independent director positions concurrently holding at other public companies
Chao-Wen Chen	Having work experience in board operations, corporate administration, global markets and related industries. Formerly the Vice President, Assistant Vice President and Production Technology Department Manager of China Motor Corporation.	1. None of the Company's Directors (including independent directors) has been under the circumstances defined by Article 26-3 of the Securities and Exchange Act and Article 30 of the Company Act. 2. The Company has obtained the declarations from independent directors to ensure that the independent directors meet the qualification requirements stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission and the relevant provisions of Article 14-2 of	-
Chiung-Chih Tseng	Having work experience in board operations, factory management, global markets and related industries. Formerly the Assistant Vice President of Production Group and Assistant Vice President of Business Group of China Motor Corporation.		-
Wen-Chih Chien	Having work experience in board operations and factory management. Formerly the Assistant Vice President of Management Department and Senior Manager of Crdination Department of Kuozui Motors, Ltd.		-
Shih-Rong Ho	Having work experience in quality, factory management, and business planning. Formerly the Assistant Vice President and Manager of Crdination Department of Kuozui Motors, Ltd.		-
Satoshi Kodaka	Having work experience in production management, and investigation. Formerly the AVP of Kuozui Motors, Ltd.		-
Hung-Ching Yang	Having work experience in board operations, global markets, corporate administration and related industries. Formerly the President of Southeast Motor, and Assistant Vice President of Production Group and Assistant Vice President of Technology Development Group of China Motor Corporation.		-
Tung-Tai Hsiung	Having work experience in board operations and production management. Formerly the Assistant Vice President of China Motor Corporation and		-

Requirement Name	Professional qualifications and experience	Status of independence	Number of independent director positions concurrently holding at other public companies
	President of Coc Tooling & Stamping Co., Ltd.	the Securities and Exchange Act during their term of office.	
Te-Chang Yeh	Having work experience in board operations and financial investment. Formerly the Advisor of Wafer Works Corporation, Independent Director of Carnival Industrial Corporation, Independent Director of DFI Inc., and Advisor and President of USI Management Consulting Corporation.		2
Hsuan Wang	Having work experience in board operations and financial accounting. Independent Director of Highpoint Service Network Corporation and Independent Director of Advanced Lithium Electrochemistry Co., Ltd.		2
Yung-An Lo	Experience in corporate administration and legal affairs. Served as President of Yong Law Firm and Public Prosecutor of Taichung District Prosecutors Office.		-

(V) Diversity and Independence of the Board of Directors

In the "Measures for Election of Directors", the Company clearly stipulates that for the composition of the board of directors, diversity should be considered with no restriction on the gender, age, nationality. and culture background. In addition to having the knowledge, skills and literacy necessary for performing their duties, in order to achieve the goal of corporate governance, the overall capabilities of the board of directors shall include diversified professional backgrounds with: 1. Ability to make operational judgments. 2. Ability to perform accounting and financial analysis. 3. Ability to conduct management administration. 4. Ability to conduct crisis management. 5. Knowledge of the industry. 6. An international market perspective. 7. Ability to lead. 8. Ability to make policy decisions and diverse professional background.

The composition of directors and independent directors in the board of directors should remain balanced to ensure a high level of independence. The Company's board of directors has set a diversity goal of having at least one female member and at least one foreign member, who should have expertise in operational judgment, management administration, crisis management, risk management, international market perspectives, and leadership decision-making to effectively execute business operations. There are currently 10 directors, of which 1 female director accounts for 10% of the total membership, 1 foreign director accounts for 10% of the total membership, and 3 independent directors accounts for 30% of the total membership. One independent director serves a term of more than 3 years, and the remaining two independent directors serve a term of less than 3 years. In addition, the Company's board diversity concept places great emphasis on gender equality in the composition of board members and will continue to increase the number of female directors in the future.

As of the end of 2024, 5 directors were over 61 years old, 4 directors were 51 - 60 years old, and 1 director was 41 - 50 years old. Among them, all independent directors have met the requirements of the Securities and Futures Bureau of the Financial Supervisory Commission on independent directors. None of the directors have a spousal relationship or a familial relationship within the second degree of kinship. For information regarding each director's academic background, gender, professional qualifications, work experience, and diversity, please refer to the table above and the "Information on Board Members" on the Company's website

(VI) Information of President, Vice Presidents, Assistant Vice Presidents and Supervisors of all departments and branches

March 31, 2025

Title	Nationality	Name	Gender	Date of Election (Inauguration)	Shareholding		Shareholdings of spouse and minor children		Shareholding in other people's names		Education and experience	Current concurrent positions at other companies	Managers with relationships of spouse or relative within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relationship	
President	Taiwan	Chiung-Chih Tseng	Male	2021.09.01	None	None	None	None	None	None	Department of Mechanical Engineering, Tamkang University	Director of Fuzhou Fuxiang Automobile Industry Co., Ltd. Director of Guangzhou Enten Yulong Transmission System Co., Ltd. Director of Xiamen Jinlong Kian Shen Vehicle Shell Co., Ltd. Director of Xiangyang Enten Yulong Transmission System Co., Ltd. Director of Taiwan Transportation Vehicle Manufacturers Association				
Vice President	Taiwan	Yuan-Shuang Peng	Male	2024.04.01	None	None	None	None	None	None	Mechanical Engineering Department, Chien Hsin Industrial College	None				1
Vice President	Taiwan	Cheng-Yi Weng	Male	2021.01.01	None	None	None	None	None	None	Accounting Department, Tamkang University	Director and President of Guangzhou Enten Yulong Transmission System Co., Ltd.				

Title	Nationality	Name	Gender	Date of Election (Inauguration)	Shareholding		Shareholdings of spouse and minor children		Shareholding in other people's names		Education and experience	Current concurrent positions at other companies	Managers with relationships of spouse or relative within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relationship	
Vice President	Taiwan	Der-Hsiang Yu	Male	2017.07.01	None	None	None	None	None	None	Schl of Business Management, Tunghai University					2
Assistant Vice President	Taiwan	Ya-Ling Chang	Female	2019.01.01	None	None	None	None	None	None	Department of Banking and insurance, Feng Chia University					3
Assistant Vice President	Taiwan	Chen-Kui Chen	Male	2021.01.01	None	None	None	None	None	None	Mechanical Engineering Department, Chien Hsin Industrial College	Director and President of Xiangyang Enten Yulong Transmission System Co., Ltd.				
Assistant Vice President	Taiwan	Yu-Cheng Huang	Male	2022.12.01	None	None	None	None	None	None	Institute of Industrial Economics, National Central University	Director and President of Xiamen Jinlong Kian Shen Vehicle Shell Co., Ltd. Director of Fuzhou Fuxiang Automobile Industry Co., Ltd.				2

Title	Nationality	Name	Gender	Date of Election (Inauguration)	Shareholding		Shareholdings of spouse and minor children		Shareholding in other people's names		Education and experience	Current concurrent positions at other companies	Managers with relationships of spouse or relative within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relationship	
Accounting and Finance Manager	Taiwan	Yi-Yu Chen	Male	2025.01.01	None	None	None	None	None	None	M.B.A., Department of Accounting, Chung Yuan Christian University	Supervisor of Guangzhou Enten Yulong Transmission System Co., Ltd. Supervisor of Xiangyang Enten Yulong Transmission System Co., Ltd. Supervisor of Fuzhou Fuxiang Automobile Industry Co., Ltd.				

Note 1: Chen-Ching Sung, the Vice President, was dismissed on April 1, 2024, and was succeeded by Yuan-Shuang Peng.

Note 2: Der-Hsiang Yu, the Vice President, was dismissed due to retirement on February 28, 2025, and the head of information security department was succeeded by Yu-Cheng Huang, the Assistant Vice President.

Note 3: Ya-Ling Chang, the Assistant Vice President, was dismissed due to retirement on February 10, 2025. The positions of the Director of Corporate Governance and Accounting and Finance Manager were succeeded by Yi-Yu Chen, the Finance Manager, .

(VII) Remuneration paid to General Directors, Independent Directors, Supervisors, President and Vice Presidents in the past year:

1. Remuneration to General Directors and Independent Directors

Unit: NT\$ Thousand

Title	Name	Directors' remuneration								Sum of A, B, C, and D and as a percentage of net income after tax		Remuneration to directors holding employee positions concurrently								Sum of A, B, C, D, E, F and G and as a percentage of net income after tax		Remuneration from an invested company other than the Company's subsidiaries or parent company
		Compensation (A)		Pension (B)		Remuneration to Directors (C)		Fees for services rendered (D)				Salaries, bonuses and special allowances (E)		Pension (F)		Remuneration to employees (G)						
		The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company		All companies in financial statements				
																Amount in cash	Amount in shares	Amount in cash	Amount in shares			
Director	China Motor Corporation	-	-	-	-	651	651	-	-	0.22%	0.22%	-	-	-	-	-	-	-	-	0.22%	0.22%	-
Director	Kuozui Motors, Ltd.	-	-	-	-	780	780	-	-	0.26%	0.26%	-	-	-	-	-	-	-	-	0.26%	0.26%	-
Director	Yulon-Administered Enterprises Co., Ltd.	-	-	-	-	521	521	-	-	0.17%	0.17%	-	-	-	-	-	-	-	-	0.17%	0.17%	-
Chairman (Note 2)	Chao-Wen Chen	654	654	-	-	-	-	96	96	0.25%	0.25%	-	-	-	-	-	-	-	-	0.25%	0.25%	6,100
Director	Chiung-Chih Tseng	-	-	-	-	-	-	96	96	0.03%	0.03%	2,802	2,802	103	103	53	-	53	-	1.01%	1.01%	1,017
Director	Wen-Chih Chien	-	-	-	-	-	-	96	96	0.03%	0.03%	-	-	-	-	-	-	-	-	0.03%	0.03%	-
Director (Note 1)	Kun-Sheng Lan	-	-	-	-	-	-	96	96	0.03%	0.03%	-	-	-	-	-	-	-	-	0.03%	0.03%	-
Director (Note 1)	Shih-Rong Ho	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director (Note 1)	Naoki Kobayashi	-	-	-	-	-	-	96	96	0.03%	0.03%	-	-	-	-	-	-	-	-	0.03%	0.03%	-
Director (Note 1)	Satoshi Kodaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director	Hung-Ching Yang	-	-	-	-	-	-	96	96	0.03%	0.03%	-	-	-	-	-	-	-	-	0.03%	0.03%	4,242

Title	Name	Directors' remuneration								Sum of A, B, C, and D and as a percentage of net income after tax		Remuneration to directors holding employee positions concurrently								Sum of A, B, C, D, E, F and G and as a percentage of net income after tax		Remuneration from an invested company other than the Company's subsidiaries or parent company
		Compensation (A)		Pension (B)		Remuneration to Directors (C)		Fees for services rendered (D)				Salaries, bonuses and special allowances (E)		Pension (F)		Remuneration to employees (G)						
		The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company		All companies in financial statements		The Company	All companies in financial statements	
																Amount in cash	Amount in shares	Amount in cash	Amount in shares			
Director (Note 2, 3)	Tung-Tai Hsiung	-	-	-	-	-	-	96	96	0.03%	0.03%	-	-	-	-	-	-	-	-	0.03%	0.03%	4,005
Independent director	Te-Chang Yeh	-	-	-	-	-	-	550	550	0.18%	0.18%	-	-	-	-	-	-	-	-	0.18%	0.18%	-
Independent director	Hsuan Wang	-	-	-	-	-	-	550	550	0.18%	0.18%	-	-	-	-	-	-	-	-	0.18%	0.18%	-
Independent director	Yung-An Lo	-	-	-	-	-	-	530	530	0.18%	0.18%	-	-	-	-	-	-	-	-	0.18%	0.18%	-

Note 1:Kun-Sheng Lan and Naoki Kobayashi, the representatives of Kuozui Motors, Ltd., were dismissed on February 1, 2025, and Shih-Rong Ho and Satoshi Kodaka were appointed as Directors.

Note 2:Chao-Wen Chen, the representative of China Motor Corporation, departed on April 1, 2025; and Tung-Tai Hsiung was appointed as director.

Note 3:Tung-Tai Hsiung, the representative of China Motor Corporation, departed on April 1, 2025; and Ching-Chi Chen was appointed as director.

2. Remuneration to President and Vice Presidents

Unit: NT\$ Thousand

Title	Name	Compensation (A)		Pension (B)		Bonuses and special allowances (C)		Remuneration to employees (D)				Sum of A, B, C, and D and as a percentage of net income after tax		Remuneration from an invested company other than the Company's subsidiaries or parent company
		The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company		All companies in financial statements		The Company	All companies in financial statements	
								Amount in cash	Amount in shares	Amount in cash	Amount in shares			
President	Chiung-Chih Tseng	1,671	1,671	103	103	1,131	1,131	53	-	53	-	0.98%	0.98%	1,017
Vice President	Der-Hsiang Yu	1,526	1,526	91	91	905	905	41	-	41	-	0.85%	0.85%	
Vice President	Chen-Ching Sung	367	367	0	0	0	0	0	-	0	-	0.12%	0.12%	
Vice President	Yuan-Shuang Peng	1,100	1,100	91	91	545	545	41	-	41	-	0.59%	0.59%	
Vice President	Cheng-Yi Weng	1,603	1,603	99	99	1,203	1,203	45	-	45	-	0.98%	0.98%	

3. Analysis of remuneration paid in the past two years to the Company's directors, supervisors, president and vice presidents, and their respective proportion of profit after tax in the individual or respective financial report, and explain the policies, standards and combinations, procedures for setting the remuneration, and their correlation with business performance and future risks

Object of payment	Proportion of total remuneration to profit net of tax		Percentage of increase (decrease)
	2024	2023	
Director	2.60%	2.21%	0.39
President and Vice Presidents	3.52%	2.77%	0.75

Explanation: 1. Remuneration ratios for directors, presidents and vice presidents:

The 2024 operating income and investment income both declined compared to the same period last year, which led to an decrease in remuneration and bonuses, but the decrease in net income was relatively large, resulting in a increase in the proportion of 2024 remuneration from the previous year. In addition, the fixed part such as remuneration is paid according to the value of their participation in and contribution to the Company's operations, with reference to the industry level, and there is no special correlation with the Company's after-tax profit or loss.

2. The policies, standards, and packages for payment of remuneration, the procedures for determining remuneration, and the association with operating performance and future risks:

The remuneration paid by the Company to directors and managers is determined by the Remuneration Committee, which regularly reviews and evaluates the annual and long-term performance goals, policies, systems, standards and structures of salary and remuneration, as well as the achievement of performance goals, in order to comprehensively consider the salary amount, payment method and future operational risks, and the remuneration system to directors and managers is also reviewed from time to time based on the actual operating conditions and relevant laws and regulations.

In accordance with Article 20 of the Company's Articles of Incorporation, if there is net profit after tax in the current year, no more than 1% of the net profit after making up for the accumulated losses shall be appropriated as remuneration to directors and no less than 0.1% of the remuneration to employees.

- (1) Remuneration distribution policy for directors (including independent directors):

According to Article 16 of the Company's Articles of Association, the directors of the Company may receive remuneration, and the remuneration shall be set based on the industry standard. The remuneration provided to the Company's general and independent directors is established through a thorough evaluation of various factors, including the obligations, liabilities, and temporal investments linked to their positions and their involvement in functional committees. A clear correlation exists between these variables and the remuneration received. In addition, the compensation levels are compared to those of directors in comparable industries and other publicly traded companies affiliated with the same conglomerate. The remuneration scheme is approved by the Board of Directors following a resolution and in accordance with applicable Company Act regulations. Directors' remuneration is evaluated based on their participation in the Company's operations (40%), selection and continuing education of directors (20%), Internal control (20%), knowledge of the Company and responsibilities (20%) are included in performance evaluation and remuneration considerations.

(2) Managers' remuneration distribution policy:

Managers' remuneration includes salaries and bonuses. Salaries refer to peers' standards and titles, and academic (economic) qualifications, professional capabilities, and responsibilities. Bonuses are based on the Company's year-end bonuses, incentive management, and employee remuneration guidelines. Managers' performance evaluation items include operating revenue (25%), operating profit (25%), profit before tax (15%) and other financial indicators and key operating indicators (35%). For the evaluation items such as policy formulation/execution plan quality/efficiency and timeliness/cost control/achievement contribution/technology inheritance, the bonuses are calculated after comprehensive consideration and distributed accordingly. In addition to the "three-segment bonuses," an "additional bonus" and a "team performance bonus" are also allocated based on individual grades.

4. Names of managers who received employees' remuneration and the distribution status

Unit: NT\$ Thousand

	Title	Name	Amount in shares	Amount in cash	Total	Proportion of total amount to net profit after tax
Manager	President	Chiung-Chih Tseng	-	53	53	0.02%
	Vice President	Der-Hsiang Yu	-	41	41	0.01%
	Vice President	Yuan-Shuang Peng	-	41	41	0.01%
	Vice President	Cheng-Yi Weng	-	45	45	0.01%
	Assistant Vice President	Ya-Ling Chang	-	133	133	0.04%
	Assistant Vice President	Chen-Kui Chen				
	Assistant Vice President	Yu-Cheng Huang				
	Accounting and Finance Manager	Yi-Yu Chen				

II. Corporate Governance Status

(I) Operation status of board of directors

1. The board of directors held seven meetings in 2024 and up to the end of March 2025, and the attendance of directors is as follows:

Title	Name of corporate shareholder	Name	Actual number of attendances	Number of proxy attendances	Actual attendance rate	Remarks
Chairman	China Motor Corporation	Chao-Wen Chen	6	-	100%	Re-elected on July 1, 2022
Director		Chiung-Chih Tseng	6	-	100%	Re-elected on July 1, 2022
Director	Kuo-zui Motors, Ltd.	Wen-Chih Chien	6	-	100%	Re-elected on July 1, 2022
Director		Shih-Rong Ho	1	-	100%	Newly appointed on February 1, 2025
Director		Kun-Sheng Lan	5	-	100%	Dismissed on January 31, 2025
Director		Satoshi Kodaka	1	-	100%	Newly appointed on February 1, 2025
Director		Naoki Kobayashi	5	-	100%	Dismissed on January 31, 2025
Director	Yulon-Administered Enterprises Co., Ltd.	Hung-Ching Yang	5	1	83%	Re-elected on July 1, 2022
Director		Tung-Tai Hsiung	6	-	100%	Newly appointed on January 1, 2024
Independent director	-	Te-Chang Yeh	6	-	100%	Re-elected on July 1, 2022
Independent director	-	Hsuan Wang	6	-	100%	Newly elected on June 15, 2023
Independent director	-	Yung-An Lo	4	2	67%	Newly elected on June 15, 2023

Other matters to be recorded:

- In case of any of the following circumstances in the operation of the board meetings, state the date, session, content of the proposal, all independent directors' opinions, and the Company's handling of the independent directors' opinions:
 - The items listed in Article 14-3 of the Security and Exchange Act: Please refer to the important resolutions of the shareholders' meeting and the board meeting for the opinions of independent directors.
 - Other than those described above, any objections or qualified opinions raised by independent directors against board resolutions with records or declarations in writing: None.
- For the implementation of the directors' avoidance of the proposals involving personal interests, state the name of the director, the content of the proposal, the reason for the avoidance, and the status of their participation in voting: None.
- For the Company's disclosure of information including the evaluation cycle and period, evaluation scope, method and evaluation content of the board's self (or peer) evaluation, please refer to the Status of Evaluation of the Board of Directors in the following table.
- In the current year and the most recent year, the goal of strengthening the functions of the Board of Directors (e.g., the establishment of an Audit Committee, enhancement of information transparency, etc.) and the evaluation of the implementation, the Company has established an Audit Committee in 2022.

2. Status of Evaluation of the Board of Directors

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	113/01/01~113/12/31	<ol style="list-style-type: none"> 1. Performance evaluation of the board of directors. 2. Performance evaluation of individual board members. 3. Performance evaluation of the Remuneration Committee. 4. Performance evaluation of the Audit Committee. 	Internal self-evaluation by the board, self-evaluation by individual board members, and self-evaluation by the Remuneration Committee and the Audit Committee.	<ol style="list-style-type: none"> 1. Performance evaluation of the board: Participation in the operation of the Company; improvement in the quality of board resolutions, composition and structure of the board of directors; election and continuing study of directors, and internal control. 2. Performance evaluation of individual board members: awareness of the Company and responsibility, participation in the operation of the Company, the director's professionalism and continuing study, and internal control. 3. Performance evaluation of the Remuneration Committee: participation in the operation of the Company, improvement in the awareness of the duties of the Remuneration Committee, quality of decision making by the Remuneration Committee, composition of the Remuneration Committee, and election of its members. 4. Performance evaluation of the Audit Committee: participation in the operation of the Company, improvement in the awareness of the duties of the Audit Committee, quality of decision making by the Audit Committee, composition of the Audit Committee and election of its members, and internal control.
Once every three years	112/08/01~113/07/31	Performance evaluation of the board of directors.	Appointing an external professional organization (Taiwan Corporate Governance Association) to review the operation of the Company's board of directors.	<ol style="list-style-type: none"> 1. Professional competence: Organization and structure, election, and ongoing education. 2. Decision-making effectiveness: Level of operational involvement, improving decision-making quality. 3. Internal control and compliance: Internal control. 4. Sustainable development: ESG promotion, talent succession, and sustainable operational practices.

(II) Operations of the Audit Committee

1. The Company's Audit Committee has three members.

Title	Name	Professional qualifications and experience
convener	Hsuan Wang	Independent Director Hsuan Wang, holds a Doctoral Degree in Accounting and a CPA certificate from National Taiwan University, and is an Assistant Professor of the Schl of Management of Yuan Ze University, Director of the Center for Sustainability and Social Responsibility of the Company, Chairman of the Internal Audit Committee, and concurrently Independent Director of Highpoint Service Network Corporation and Independent Director of AP Memory Technology Corporation.
Committee member	Te-Chang Yeh	Independent Director Te-Chang Yeh has a master's degree from Institute of Economy, National Chengchi University, and is Director of Silicon Technology Investment (Cayman) Corp., and concurrently Supervisor of Shanghai Wafer Works, Supervisor of Shanghai Jingmeng Silicon Materials Co., Ltd. and Supervisor of Zhengzhou Wafer Works, Independent Director of Carnival Industrial Corporation, Independent Director of DFI Inc., and Supervisor of Maxkit Technology Co., Ltd.
Committee member	Yung-An Lo	Independent Director Luo Yung-An holds a Bachelor of Laws degree and a lawyer's certificate from Chinese Culture University. He is the Director of Yung Attorney-At-Law and Chairman of Hsuan Rong Intellectual Property Co., Ltd. concurrently. Term of office of current committee members: The Company established the Audit Committee in 2022.

2. The term of office of the first-term committee members is from July 1, 2022, to June 30, 2025, and as of the end of March 2024 and 2025, the Committee held six meetings (A), with the attendance of the committee members as follows:

Title	Name	Actual number of attendances (B)	Number of proxy attendances	Actual attendance rate (%) (B/A)	Remarks
convener	Hsuan Wang	6	-	100%	
Committee member	Te-Chang Yeh	6	-	100%	
Committee member	Yung-An Lo	4	2	67%	

Other matters to be recorded:

- In case of any of the following circumstances in the operation of the Audit Committee meeting, state the date, session, content of the proposal, independent directors' objections, reservations or significant proposal content, resolution of the Audit Committee, and the Company's handling of the opinions of the Audit Committee:
 - Matters listed in Article 14-5 of the Securities and Exchange Act: Operation Status of the Audit Committee.
 - Other than the matters above, the resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors: None.
- For the implementation of the independent directors' avoidance of the proposals involving personal interests, state the name of the independent director, the content of the proposal, the reason for the avoidance, and the status of their participation in voting: None.
- Communication between independent directors and internal audit supervisors and CPAs (including significant matters, methods, and results of communication regarding the Company's financial and business status): Please refer to the "Communication between Independent Directors and Internal Audit Manager and CPAs" on the Company's website.

3. The Audit Committee of the Company is to assist the board of directors in overseeing the quality and integrity of the Company's execution of accounting, audit and financial reporting processes and financial controls. The main review items include:
- (1) Audit of financial statements and accounting policies and procedures.
 - (2) Internal control system and related policies and procedures.
 - (3) Legal compliance.
 - (4) Corporate risk management
 - (5) Qualification, independence and performance evaluation of CPAs.
 - (6) Appointment, dismissal or remuneration of CPAs.
 - (7) Appointment and dismissal of the financial, accounting or internal auditing officer
 - (8) Fulfillment of Audit Committee's responsibilities.

4. Operation Status of the Audit Committee

Session and term/date	Proposal content	Matters listed in Article 14-5 of the Securities and Exchange Act	Proposals not approved by the Audit Committee, but approved by more than 2/3 of all directors
8th meeting of the 1st term 2024.03.08	1. 2023 individual and consolidated financial statements.	V	
	2. 2023 earnings distribution proposal.	V	
	3. Proposal to issue the Company's 2023 "Declaration on Internal Control System".	V	
	4. Appointment, remuneration and independence of the Company's CPAs for 2024.	V	
	5. Proposal to amend the "Organizational Regulations for the Audit Committee" of the Company.	V	
	Resolution result: 1. Proposal No. 4 was passed by all attending members as proposed, and the Chairman of the Audit Committee was appointed as the proxy to give prior consent to the non-assurance services added in the future. 2. All attending members passed the four other proposals as they were.		
	The Company's handling of the opinions of the Audit Committee: After being submitted to the 11th meeting of the 12th-term board of directors, the proposal was approved by all attending directors as it was.		
9th meeting of the 1st term 2024.05.06	1. Consolidated financial statements for the first quarter of 2024.	—	
	2. Bank credit line renewal.	V	
	3. Financing-nature commercial promissory note renewal.	V	
	Resolution result: All attending members passed the proposal as it was. The Company's handling of the opinions of the Audit Committee: After being submitted to the 12th meeting of the 12th-term board of directors, the proposal was approved by all attending directors as it was.		
10th meeting of the 1st term 2024.07.29	1. Consolidated financial statements for the first half of 2024.	V	
	Resolution result: All attending members passed the proposal as it was. The Company's handling of the opinions of the Audit Committee: After being submitted to the 13th meeting of the 12th-term board of directors, the proposal was approved by all attending directors as it was.		

Session and term/date	Proposal content	Matters listed in Article 14-5 of the Securities and Exchange Act	Proposals not approved by the Audit Committee, but approved by more than 2/3 of all directors
11th meeting of the 1st term 2024.11.01	1. Consolidated financial statements for the first three quarters of 2024.	—	
	2. Formulation of the 2025 audit plan.	V	
	Resolution result: All attending members passed the proposal as it was.		
	The Company's handling of the opinions of the Audit Committee: After being submitted to the 14th meeting of the 12th-term board of directors, the proposal was approved by all attending directors as it was.		
12th meeting of the 1st term 2024.12.19	1. Proposal to revise the Company's "Internal Control System" and "Internal Audit Implementation Rules".	V	
	2. Change of the Company's financial and accounting managers.	V	
	Resolution result: All attending members passed the proposal as it was.		
	The Company's handling of the opinions of the Audit Committee: After being submitted to the 15th meeting of the 12th-term board of directors, the proposal was approved by all attending directors as it was.		
13th meeting of the 1st term 2025.03.07	1. 2024 individual and consolidated financial statements	V	
	2. 2024 earnings distribution proposal	V	
	3. Proposal to issue the Company's 2024 "Declaration on Internal Control System"	V	
	4. Appointment, remuneration and independence of the Company's CPAs for 2025	V	
	Resolution result: 1. All attending members passed the first three proposals as they were. 2. Proposal No. 4 was passed by all attending members as proposed, and the Chairman of the Audit Committee was appointed as the proxy to give prior consent to the non-assurance services added in the future.		
	The Company's handling of the opinions of the Audit Committee: After being submitted to the 16th meeting of the 12th-term board of directors, the proposal was approved by all attending directors as it was.		

(III) The operation status of corporate governance, and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Assessment items	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has formulated and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and disclosed it on the MOPS and the Company's website.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
II. Company Equity Structure and Shareholders' Equity				Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(I) Has the Company established internal operating procedures to handle shareholder suggestions, doubts, disputes and litigation, and implement them in accordance with the procedures?	V		(I) Regarding shareholders' suggestions, questions, disputes, and litigation matters, in addition to the spokesman system to answer and explain, shareholders can visit the Company's website at https://www.kian-shen.com/ to reflect their opinions, and the responsible unit will properly respond; in addition, a dedicated stock affairs unit is set up in the Finance Department to handle and respond at any time.	
(II) Does the Company have a list of the major shareholders who actually control the Company and the final controllers of the major shareholders?	V		(II) The Company keeps track of the list of the major shareholders who actually control the Company and the ultimate controllers of major shareholders, and file shareholding and share pledge and release in accordance with the information reporting procedures for TWSE listed companies.	
(III) Has the Company established and implemented risk control and firewall mechanisms with affiliated enterprises?	V		(III) The Company implements risk control and firewall mechanisms with its affiliates in accordance with the "Regulations Governing Operations Related to Finance and Business Between Related Parties".	
(IV) Has the Company formulated internal regulations to prohibit insiders from trading securities using information not yet published on the market?	V		(IV) The Company has formulated "Management Procedures for Preventing Insider Trading" to prohibit insiders from trading securities using information not yet published on the market?	
III. Composition and				Compliant with the

Assessment items	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
<p>Responsibilities of the Board of Directors</p> <p>(I) Does the board of directors plan to establish diversity policies, specific management goals, and implement them?</p>	V		<p>(I) The Company has established relevant regulations on the composition and diversification of board members in the "Measures for Election of Directors". Board members not only have different gender and nationalities, but also have work experience in different fields, possessing the necessary knowledge, skills and literacy to perform their duties, such as operational judgment, accounting and financial analysis, business management, crisis management, industrial knowledge, international market perspective, leadership and decision-making. For details, please refer to the attachment and "Board Member Information" on the Company's website.</p>	Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
<p>(II) In addition to setting up the Remuneration Committee and the Audit Committee according to law, has the Company voluntarily set up other functional committees?</p>	V		<p>(II) The Company has established the Remuneration Committee and the Audit Committee in accordance with laws and regulations, and will evaluate and establish other functional committees based on the needs of corporate governance and risk management operations.</p>	
<p>(III) Has the Company formulated the performance evaluation measures and the evaluation method for the board of directors, conducted the performance evaluation annually and regularly, and submitted the results of the performance evaluation to the board meeting and used them for the reference of individual directors' remuneration and nomination for renewal?</p>	V		<p>(III) The Company has completed the formulation of the Measures for Performance Evaluation of the Board of Directors, and conducts the annual performance evaluation in late December of each year and submits the evaluation results to the following year's board meeting for reporting. The performance evaluation report for the board of directors for 2024 was completed as required, and submitted to the 16th meeting of the 12th board of directors (March 7, 2025). In addition, in accordance with the Measures, an external performance evaluation is conducted on the board of directors every three years, and the Company commissioned the Taiwan Corporate Governance Association to carry out the evaluation in September 2024, and the report was issued in October of the same year. The evaluation results and</p>	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment items	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(IV) Does the Company regularly evaluate the independence of its certifying CPAs?	V		<p>recommendations have been submitted to the 14th meeting of the 12th board of directors.</p> <p>The Company's procedure for setting remuneration is based on the "Measures for Performance Evaluation of the Board of Directors" which serves as the evaluation basis, and reasonable remuneration is given with reference to the overall operational performance of the Company, the decision-making quality of the board of directors and functional committees, and the evaluation results of the internal control system and individual performance. The appropriateness of the related remuneration has been reviewed by the Compensation Committee and the Board of Directors to seek a balance between the Company's sustainable operations and risk management.</p> <p>(IV) The evaluation of the independence of certifying CPAs is explained as follows:</p> <ol style="list-style-type: none"> 1. In accordance with the "Corporate Governance Best-Practice Principles", the Company evaluates the independence of CPAs with reference to the Audit Quality Indicators (AQIs) on a regular basis (once a year). We have prepared the evaluation table, which was attached, and obtained the declaration of independence issued by the CPA firm and AQI information. After evaluation, the Ernst & Young CPAs Yu-Ting Huang and Chien-Tse Huang appointed by the Company for 2025 did not violate the provisions of accounting laws and regulations on independence in learning, and their work experience and professional qualifications meet the eligibility requirements. 2. The evaluation criteria include the interest relationship between the CPAs and the Company, whether they are prone to double standards, whether they act as advocates for the Company, whether they are familiar with the Company's personnel, whether they 	

Assessment items	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>have been coerced by the Company, and the duration of their practice.</p> <p>3. According to the assessment made by the Audit Committee and the Board of Directors in March 2025, the CPAs appointed by the Company are independent.</p>	
IV. For a TWSE/TPEX listed company, has it allocated eligible and an appropriate number of corporate governance personnel, and designated a director of corporate governance to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform business, assisting directors and supervisors in complying with laws and regulations, handling matters related to the board meeting and shareholders' meeting according to law, and preparing minutes of the board meeting and shareholders' meeting, etc.)?	V		<p>Yi-Yu Chen (with more than three years of professional experience in the financial management of public companies), Manager of the Company's Finance Department, is responsible for supervising corporate governance affairs, and the Company has designated Finance Department as the responsible unit for corporate governance with currently 10 persons.</p> <p>The main responsibilities of the corporate governance unit are to handle matters related to the Company's board of directors and shareholders' meetings, prepare minutes of board of directors and shareholders' meetings, provide directors with the information required for business execution, and report to the board of directors the results of the review of independent directors' qualifications with relevant laws and regulations during their tenure, and other Corporate governance related affairs.</p> <p>For details on the implementation of corporate governance affairs in 2024 and the continuing education of the corporate governance officer, please refer to the Company's website.</p>	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment items	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up stakeholder zones on the Company's website, and properly responded to important corporate social responsibility issues of concern to stakeholders?	V		On the Company's website at: https://www.kian-shen.com/ , a Stakeholders Area has been set up, and there are contact methods at all levels for stakeholders (customers, the general public, and suppliers) to express their opinions and respond appropriately.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
VI. Has the Company appointed a professional stock affairs agency to handle the affairs of the shareholders' meeting?		V	The Company handles its own stock affairs and responds to shareholder suggestions at any time.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
VII. Information Disclosure (I) Has the Company set up a website to disclose financial business and corporate governance information? (II) Has the Company adopted other methods of information disclosure (such as setting up an English website, appointing a special person to be responsible for the collection and disclosure of company information, implementing the spokesperson system, placing on the company website the corporate investor briefing process, etc.)?	V V		(I) The Company has a website at https://www.kian-shen.com/ , which discloses financial, business, and corporate governance-related information. (II) The Company has built a Chinese and English website with the spokesman's contact method on it. At the same time, a dedicated person is designated to collect and disclose company information. The relevant information about corporate investor briefings has also been placed on the Company website for investors to view.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment items	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(III) Has the Company announced and filed its annual financial report within two months after the end of the fiscal year, and announced and filed its first, second, and third quarter financial reports and monthly operating conditions before the prescribed time limit?		V	(III) The Company currently files its financial report and monthly operating status on the prescribed date in accordance with the "Business Matters to Be Handled by Listed Securities Issuers".	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
VIII. Does the Company have other important information that can help to understand the operation of corporate governance (including but not limited to employee rights and interests, employee care, investor relations, supplier relations, rights of interested parties, directors and supervisors' further study, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the Company's purchase of liability insurance for directors and supervisors)?	V		Please refer to the note.	Compliant with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
<p>IX. Please explain the situation that has been improved according to the corporate governance evaluation results issued by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and propose priority strengthening items and measures for those that have not been improved. The results of the 11th "Corporate Governance Assessment" in 2024 are to be announced at the end of April.</p> <p>For the unscored indicator of the 10th board of directors (2023) announced in April 2024, the Company strives to score, as follows:</p> <p>(I) The Company held the shareholders' meeting on May 29, 2024 in order to meet the score requirement of Indicator 1.6.</p> <p>(II) The Company conducted its annual risk assessment in September 2024, which was reviewed by the Risk Management Team to enhance risk identification and implement risk control and countermeasures. On November 1, 2024, the Audit Committee and the Board of Directors</p>				

Assessment items	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>supervised risk management, and formulated an annual audit plan based on the Company's risk assessment results and the opinions of major stakeholders. The Company also reported on the operations of the risk management for 2024 to the Audit Committee and the Board of Directors On March 7, 2025, in order to meet the score requirement of Indicator 2.22.</p> <p>(III) The Company prepared its sustainability report based on the GRI Standards issued by the Global Reporting Initiative (GRI) and submitted it to the Board of Directors on July 29, 2024. The report was also uploaded to the Market Observation Post System and disclosed on the Company's official website to meet the score requirement of Indicator 4.4.</p>	
X.	<p>Note: Important information that helps to understand the operation of corporate governance.</p> <p>Employee rights: The Company implements various protections for the rights and interests of employees in accordance with the Labor Standards Act, and has established an Employee Handbk which outlines the rights employees should have. Employees' rights and interests are disclosed on the Company's internal website and bulletin boards from time to time.</p> <p>(I) Employee care: The Company's various measures for employee care include setting up the employee cafeteria, dormitory, library, health rm, nursing rm, staff lounge, etc. Additionally, we subsidize employee travel, and regularly organize employee health checks.</p> <p>(II) Investor relationship: The Company regularly announces information on its future development and financial status that investors are concerned about on the Company's website, and holds at least two corporate investor briefing sessions every year to explain the current operating status and future prospects to investors. The Company has established a spokesman system to provide investors with answers to relevant questions and explain the Company's future development.</p> <p>(III) Supplier relationship: The Company's Procurement Section is in charge of the development, negotiation, evaluation and management of domestic and foreign suppliers. We also handle quality improvement of parts from suppliers from time to time, and explain the Company's annual plan and future development to suppliers every year.</p> <p>(IV) Rights of stakeholders: The Company manages the rights and obligations of stakeholders in a manner that complies with laws and regulations, and requires relevant units of stakeholders to correspond accordingly.</p> <p>(V) Further study of directors (including independent directors): The Company regularly provides information on further study to directors (including independent directors), and encourages directors (including independent directors) to participate in further study; in addition, in response to the implementation of new laws or accounting systems, we also arrange external professional instructors to offer classes for directors (including independent directors), and the total training hours in 2024 is 66 hours. The relevant training hours are disclosed on the Market Observation Post System.</p> <p>(VI) Implementation of risk management policies and risk measurement standards: The Company has established the Audit Office and conducts regular audits of potential risks. We also report to the board meeting on the implementation of the audit plan and the improvement and tracking of abnormal items on a quarterly basis.</p> <p>(VII) Implementation of customer policy: The Company maintains a stable and gd relationship with customers to create company profits.</p> <p>(VIII) The Company's purchase of liability insurance for directors (including independent directors): In</p>			

Assessment items	Operation status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
<p>order to strengthen corporate governance, the Company purchases liability insurance for directors (including independent directors) every year, and the relevant situation is disclosed on MOPS.</p> <p>(IX) Succession plan for board members and key management: Please refer to the Company's website/Human Resources/Training and Development/Training System.</p>				

Attachment: Accountant Independence Assessment Form

Evaluation direction	Situations affecting independence		Evaluation result	Violation of independence	
				Yes	No
(I) Assessment of the relationship between the CPAs and the Company	1	There is a direct or significant indirect financial interest relationship between the CPAs and the Company.	No such situation		✓
	2	Has financing or guaranty arrangements with the Company or the Company's directors.	No such situation		✓
	3	Has a significant and close business relationship with the Company or the Company's directors or managers.	No such situation		✓
	4	Members of the audit service team have a potential employment relationship with the Company.	No such situation		✓
	5	There is any contingent public expense related to the audit case.	No such situation		✓
(II) Evaluation of whether the CPA holds dual identities	6	Members of the audit service team have served as directors, managers, or in positions that have a significant impact on the audit case at the Company within the past two years.	No such situation		✓
	7	Non-audit services provided to the Company directly affect significant items of the audit case.	No such situation		✓
(III) Whether the CPA acts as the Company's advocate	8	Members of the audit service team are entrusted to act as the Company's advocate or represent the Company in resolving conflicts with third parties.	No such situation		✓
(IV) Evaluation of the CPA's familiarity with the Company's personnel.	9	Members of the audit service team have familial relationships with the Company's directors, managers, or personnel with positions that have a significant impact on the audit case.	No such situation		✓
	10	A former co-practicing CPA, who has resigned within one year, serves as a director, manager, or holds a position at the company that have a significant impact on the audit case.	No such situation		✓
	11	Members of the audit service team receive any gift of significant value or special favor from the Company, its directors, managers, or major shareholders.	No such situation		✓
(V) Evaluation of whether the CPA is coerced by the company	12	To reduce public expenses, pressure is exerted on members of the audit service team to inappropriately reduce the audit work that are required to perform.	No such situation		✓
	13	The Company requires members of the audit service team to accept management's improper choices in accounting policies or improper disclosures in the financial statements.	No such situation		✓

Evaluation direction	Situations affecting independence		Evaluation result	Violation of independence	
				Yes	No
(VI) Evaluation during the CPA's professional career.	14	Whether the same CPA has been performing the audit services for more than seven years (including the current year).	No such situation		✓

(IV) Composition and operation status of Remuneration Committee:

1. Information of Remuneration Committee members

Identity	Requirement	Professional qualifications and experience	Status of independence	Number of remuneration committee member positions concurrently holding at other public companies
	Name			
Independent director (convenor)	Yung-An Lo	1. At least 5 years of work experience in corporate administration and legal affairs. 2. For the experience, please refer to Disclosure of Information on Professional Qualifications and Independence of Independent Directors on page 11.	In compliance with independence requirements.	-
Independent director	Te-Chang Yeh	1. Having work experience in board operations and financial investment for over five years. 2. For the experience, please refer to Disclosure of Information on Professional Qualifications and Independence of Independent Directors on page 11.		2
Independent director	Hsuan Wang	1. Having work experience in board operations and finance for over five years. 2. For the experience, please refer to Disclosure of Information on Professional Qualifications and Independence of Independent Directors on page 11.		2

2. Operation status of Remuneration Committee

- (1) The Company's Remuneration Committee has three members.
- (2) Term of office of current committee members: The term of office of the 5th-term committee members is from July 1, 2022 to June 30, 2025, and for 2024 and until the end of March 2025, the Remuneration Committee held three meetings (A), with the attendance of the committee members as follows:

Title	Name	Actual number of attendances(B)	Number of proxy attendances	Actual attendance rate(%) (B/A)	Remarks
Convener	Yung-An Lo	3	-	100%	Newly elected on June 15, 2023
Committee member	Te-Chang Yeh	3	-	100%	Re-elected on July 1, 2022
Committee member	Hsuan Wang	3	-	100%	Newly elected on June 15, 2023
<p>Other matters to be recorded:</p> <p>1. If the board meeting does not adopt or amend the suggestions of the Remuneration Committee, state the date of the board meeting, the session, the content of the proposal, the resolution of the board meeting, and the Company's handling of the opinions of the Remuneration Committee (if the remuneration adopted by the board meeting is superior to the suggestions of the Remuneration Committee, state the circumstances and reasons for the differences): No such situation.</p> <p>2. If the members of the Remuneration Committee disagree or reserve their opinions on the resolutions, and there are records or written statements in place, state the date, session, content of the proposal, opinions of all members, and the handling of the opinions of the members: No such situation.</p>					

(3) Operation status of Remuneration Committee:

Session and term/date	Proposal content	Resolution result	The Company's handling of the opinions of the Remuneration Committee.
6th meeting of the 5th term 2024.03.08	1. Distribution of directors' and employees' remuneration for 2023.	All attending members passed the proposal as it was.	After being submitted to the 11th meeting of the 12th-term board of directors, the proposal was approved by all attending directors as it was.
7th meeting of the 5th term 2024.12.19	1. Adjustment to managers' salaries for 2024.		After being submitted to the 15th meeting of the 12th-term board of directors, the proposal was approved by all attending directors as it was.
	2. Proposal to set up the 2025 business performance goals.		
8th meeting of the 5th term 2025.03.07	1. Distribution of directors' and employees' remuneration for 2024.		After being submitted to the 16th meeting of the 12th-term board of directors, the proposal was approved by all attending directors as it was.
	2. Proposal to amend the "Part-time Compensation Policy for Senior Executives."		

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

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
I. Has the Company established a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is authorized by the board meeting to be handled by senior management and supervised by the board of directors?	V		The Company has established a Sustainable Development Committee and designated the “Safety and Health Office” as the responsible unit for promoting sustainable development. The President serves as the Chairperson, and the committee structure is established in accordance with Company's organizational setup. The committee is responsible for executing matters related to corporate sustainability. It reports annually to the board meeting on the implementation results of sustainable development. On March 7, 2025, it reported to the board meeting on the implementation status of promoting sustainable development for the year 2024, and also disclosed it on the Company's website. Sustainability-related strategies are closely tied to the Company’s mid- and long-term development. Therefore, the Board of Directors members are appropriately assigned to guide the committee in planning sustainable development strategies. Additionally, at the end of each year, the Board of Directors discusses the budget for the following year and approves the operating performance goals.	Compliant with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
II. Does the Company conduct risk assessment on environmental, social and corporate governance issues related to the company's operations in accordance with the principle of materiality, and has it formulated relevant risk management policies or	V		The Company is mainly engaged in the manufacturing and sales of automotive parts, and has not engaged in high-leverage or high-risk investments. It has functional committees (such as the Remuneration Committee and Audit Committee) to inspect and manage relevant risks and response strategies at any time based on the standards that directors and operators should comply with. In addition, each functional unit of the Company conducts detailed risk identification based on division of labor, and has formulated relevant management policies to effectively reduce the risks of the Company's operations, including: 1. Operational Risk Management	Compliant with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion item	Implementation status		Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
strategies?			<p>(1) Implementing policies for ethical corporate management</p> <p>(2) Insuring liability insurances for directors and key personnel</p> <p>(3) Actively collecting information on laws, regulations, policies, and market changes, and developing countermeasures</p> <p>(4) Implementing corporate governance training to take precautions against the impact and influence of legislative amendments.</p> <p>2. Financial Risk Management</p> <p>(1) Integrating financial control mechanisms and tax planning</p> <p>(2) Regularly implementing currency hedging measures</p> <p>(3) Carefully evaluating market liquidity and bank interest rates</p> <p>(4) Strategically evaluating the benefits of reinvested companies.</p> <p>3. Environmental and Climate Risk Management</p> <p>(1) Obtaining the ISO-14001: 2015 certification, valid from 2023/12/29 to 2026/12/28</p> <p>(2) Establishing various standard operating procedures for emergency response to address changes due to force majeure</p> <p>(3) Developing disaster prevention and reporting mechanisms.</p> <p>4. Occupational Safety and Health Risk Management</p> <p>(1) Establishing a dedicated unit to plan and supervise safety and health operations, and continuously improving personnel, equipment and environmental risks</p> <p>(2) Developing a "Targeted Improvement Plan" and continuously tracking and confirming progress.</p>

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(Continued from previous page)			5. Information Management Risk (1) Implementing the ISO 27001 information security management system and obtaining certification (2) Developing a confidential data protection management policy and implementing confidential data protection (3) Creating an information security manual (4) Setting up endpoint protection systems and conducting strict network monitoring.	Compliant with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
III. Environmental Issues (I) Has the Company established an appropriate environmental management system according to its industrial characteristics?	V		(I) The Company has obtained the ISO-14001:2015 version of the environmental management system certification, and continues the validity of the certificate. Speak, write and produce consistently for system specifications. Assigned dedicated personnel for waste, air pollution and wastewater, who regularly file discharge volumes. Assignment of dedicated personnel: Waste: Level B waste treatment technicians. Air pollution: Dedicated Level B air pollution control personnel. Wastewater: Dedicated Level A wastewater treatment personnel. Energy: Energy administrators.	Compliant with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Is the Company committed to improving energy efficiency and using renewable materials with low impact on the environment?	V		(II) 1. The Company upholds garbage classification to reduce resource waste, established internal web pages, promotes paperless official documents, reduces paper consumption, installs inverters on machinery to control standby power consumption to save energy, and changes the production process to reduce the use of oil and paint. 2. Introduced entry of energy-saving equipment, added solar panels, and introduced power monitoring system. 3. Regularly files to the Environmental Protection Bureau the emission standards of waste produced, sets environmental, safety and health goals/targets annually for management, and improves equipment.	

Promotion item	Implementation status		Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
(Continued from previous page)			<p>4. Promote equipment improvement, process improvement, and optimization of other ancillary equipment.</p> <p>5. Five major energy-saving improvement projects promoted in 2024:</p> <p>(1) Installing paint residues filtration devices in the circulating water pl in the paint spray booth of Wood Finishing Section</p> <p>(2) Replacing the electrophoretic oven windmill with a high-efficiency IE3 motor</p> <p>(3) Installing inverters on the shearing machine.</p> <p>(4) Modifying the door of the electrophoretic oven.</p> <p>(5) Installing large energy-saving fans.</p> <p>6. In 2024, the Company promoted energy-saving improvements, and saved a total of 187,341 kWh, a reduction of 374,544 kWh compared to 2023, with a reduction rate of 7.34%.</p>
(III) Does the Company assess the potential risks and opportunities of climate change to the enterprise now and in the future, and take countermeasures for climate related issues?	V		<p>(III)</p> <p>1. The Company is very concerned about the environmental impact of climate change, and voluntarily discloses carbon emissions through inventory checks. At the same time, an energy conservation group is established, with each department assigning a window to carry out energy conservation statistical analysis, and regular meetings are held every quarter.</p> <p>2. In the annual inventory check of the ISO-14001:2015 environmental management system, energy-saving improvement measures are included in the annual special improvement projects.</p> <p>Compliant with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>

<p>(IV) Does the Company count the greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water reduction or other waste management?</p>	<p>V</p>	<p>(IV)</p> <ol style="list-style-type: none"> 1. To ensure the systematic management of various environmental issues, the Company has introduced the ISO 14001 environmental management system certification, and regularly reviews the achievement of goals and environmental improvement performance. The Company also regularly convenes relevant department heads every month to review and improve the internal environmental KPIs of the factory. 2. The statistics on greenhouse gases, water consumption and waste materials in the past two years are as follows: <ol style="list-style-type: none"> (1) Greenhouse gas: The Company introduced various energy-saving improvement measures, with a goal of reducing emissions by 3% each year; the emissions in 2023 and 2024 were 3,570 tons and 3,363 tons respectively, a reduction of 6%. (2) Water consumption: The Company continuously measures, monitors and directly operates water resources consumption, and plans to improve the efficiency of water consumption for operations and reduce pollution. The goal is to reduce total water consumption by more than 1% annually from 2023 to 2024. The water usage for 2023 and 2024 was 16,010 tons and 23,347 tons, respectively, an increase of 46%, which was due to the increase in the annual production and equipment cleaning and maintenance, resulting in relatively high water consumption. (3) Waste: The waste generated by the Company is general production waste, which is disposed of through incineration, physical treatment and recycling according to the "Waste Cleaning Plan". We have signed contracts with qualified vendors and entrusted them with disposal. In 2023 and 2024, the water consumption was 220.07 tons and 163.79 tons respectively, a reduction of 26%. 	
---	----------	--	--

Promotion item	Implementation status		Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons	
	Yes	No		
IV. Social Issues				
(I) Has the Company formulated relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?	V		(I) The Company complies with labor related laws and regulations, and adheres to internationally recognized human rights norms and principles, including the spirit and basic norms of the United Nations Global Covenant, the United Nations Universal Declaration of Human Rights, and the International Labor Organization Declaration of Fundamental Principles and Rights of Engineering. We protect employees' basic human rights, including freedom of association, collective bargaining rights, caring for disadvantaged groups, prohibiting the use of child labor, eliminating any form of forced labor, and eliminating employment and work discrimination, and do not engage in activities that harm the basic rights of workers. For details, please refer to "Human Rights Policy" on the Company's website.	Compliant with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Has the Company formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits), and appropriately reflected the business performance or results in employee compensation?	V		(II) 1. The Company and its Employee Welfare Committee regularly discuss various employee welfare measures every year, including domestic and foreign tour assistance, language learning subsidies, annual health checks, scholarships and maternity bonuses. 2. The Company has achieved equal pay for the same work and equal promotion opportunities for men and women. The average proportion of female employees in 2024 was 17%, the average proportion of female supervisors was 9%, and the average proportion of female supervisors at the management level and above was 4%. 3. The salaries paid on a monthly basis are included in the salaries of the Company's employees. In addition, the Company calculates and allocates quarterly bonus, three festival bonuses, additional annual bonus, management team performance and other incentive bonuses, as well as employees' remuneration that is not less than 0.1% of the "annual pre tax net profit before deduction of employees'	Compliant with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion item	Implementation status		Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
			<p>remuneration and directors' remuneration" according to the Company's Articles of Association. The amount and distribution method are determined by the board meeting and recognized by the shareholders' meeting, and the amount allocated to each employee is determined by his/her position, contribution and performance. The average employee salary adjustment is disclosed on MOPS.</p> <p>4. According to the Company's "Business Management Measures", the management team formulates business plans and strategic objectives, tracks the progress of execution and corrects the plan every quarter, conducts employee evaluation every six months, and reflects the results of the stage at the right time. Rewards are given through the "Promotion Management Measures" and "Incentive Management Measures". For details, please refer to "Employee Benefits" on the Company's website.</p>
(III) Does the Company provide a safe and healthy working environment for employees, and conduct regular safety and health education for employees?	V		<p>(III) Introduction of ISO 45001: The Company obtained in 2018 the Occupational Safety and Health Management Certification, which is valid from December 6, 2023 to December 5, 2026.</p> <ol style="list-style-type: none"> 1. On September 23, 2024, the Company conducted a general health examination for 243 employees, and a lung function and hearing examination for 352 employees in special operations with dust and noise. 2. The Company conducts the environmental measurement and inspection twice a year (in January and July). The inspection items include noises, organic solvents and lighting inspections, and the results comply with regulations. 3. The Company regularly holds health promotion lectures, and posts safety, hygiene, and health slogans and publicity materials. 4. The factory has established a "Safety and <p>Compliant with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Promotion item	Implementation status		Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons															
	Yes	No																
(Continued from previous page)			<p>Sensory Training Hall", which aims to present high-risk machinery in a reduced size for safety and health training to new employees, in-service employees and contractors, in order to provide a safe and comfortable workplace.</p> <p>5. In order to comply with the labor health protection rules and Personal Data Protection Act, the Company has conducted a comprehensive survey of individual wishes as the basis for implementation, which is superior to the health examination requirement by the laws and regulations.</p> <p>6. Personal health care and consultation is arranged from time to time, and health education is provided during the monthly doctor visit to the factory.</p> <p>7. There were no major disasters (or fires) in 2024. The Company carry out irregular audits for each work environment, and establish a disaster emergency response organization that regularly organizes education and training, firefighting, emergency evacuation, and disaster prevention drills to implement the concept of "disaster prevention for everyone."</p> <p>8. Occupational disasters in 2024:</p> <table><tr><th>Content</th><th>2023</th><th>2024</th></tr><tr><td>Employee disability injury frequency (FR)</td><td>1.57</td><td>6.88</td></tr><tr><td>Number of employee commuting disability cases</td><td>3 cases (victim)</td><td>1 cases (victim)</td></tr><tr><td>Disability injury frequency of third-party manufacturers (FR)</td><td>0 case</td><td>0 case</td></tr><tr><td>Major occupational disasters</td><td>0 case</td><td>0 case</td></tr></table> <p>After review, the Company has taken practical actions to reduce the occurrence rate of disasters:</p> <p>(1) Publicity of prohibited behavior.</p> <p>(2) Automatic check for the implementation status.</p> <p>(3) 4RKY hazard prediction activity.</p> <p>(4) Monthly safety inspections and irregular audits.</p> <p>(5) Safety related activities and competitions.</p>	Content	2023	2024	Employee disability injury frequency (FR)	1.57	6.88	Number of employee commuting disability cases	3 cases (victim)	1 cases (victim)	Disability injury frequency of third-party manufacturers (FR)	0 case	0 case	Major occupational disasters	0 case	0 case
Content	2023	2024																
Employee disability injury frequency (FR)	1.57	6.88																
Number of employee commuting disability cases	3 cases (victim)	1 cases (victim)																
Disability injury frequency of third-party manufacturers (FR)	0 case	0 case																
Major occupational disasters	0 case	0 case																

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(IV) Has the Company established an effective career development training program for employees?	V		(IV) The Company's Management Department is responsible for planning and implementing training, including pre employment training, on-the-job training, multifunctional training, and further study courses in English and Japanese, and appropriate employees are designated to participate in various professional skills courses. The training cost totaled NT\$456 thousand in 2024, for a total of 4,458 hours.	
(V) Does the Company comply with relevant laws and regulations and international standards on issues such as customer health and safety, customer privacy, marketing and labeling of products and services, and has it formulated relevant policies and complaint procedures to protect the rights and interests of consumers or customers?	V		(V) <ol style="list-style-type: none"> 1. The Company has formulated relevant measures as follows to gain customers' trust and satisfaction with its products: <ol style="list-style-type: none"> (1) "Customer Service Measures" (2) The "Customer Complaint Handling Measures" requires that after the product is sold, the Company continues providing services to customers, meet their needs, and safeguard the rights of consumers and stakeholders. 2. The products produced by the Company comply with the regulations and the requirements of the central factory, and the production is carried out in accordance with the standards of the international quality system ISO/IATF16949. 	
(VI) Has the Company formulated a supplier management policy that requires suppliers to comply with relevant specifications on issues, such as environmental protection, occupational safety and health or labor human rights, and the implementation status?	V		(VI) <ol style="list-style-type: none"> 1. Suppliers must comply with the ISO 9001 quality management system certification, and requires suppliers to avoid, reduce, or control the generation and discharge of any form of pollutants or waste. 2. The introduction of new suppliers requires basic information, organizational structure, and business certification (approval letter), and regulated materials must comply with government regulations. 3. Suppliers are required to comply with environmental laws and regulations, the Company conducts occasional visits and holds symposiums to increase the understanding of and assistance to 	

Promotion item	Implementation status		Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
(Continued from previous page)			<p>stakeholders.</p> <p>4. The Company adopts a one-year contract system for suppliers, and the contents already include the supplier's compliance with terms such as quality, technology, safety and health. If any of the terms are violated or any illegal activities occur, the contractual partnership can be terminated at any time.</p> <p>5. Suppliers engaged in construction work must undergo education and training by the safety and health rm and must be qualified in safety and health management. Each project is required to be insured. Daily registration of construction targets, scope of people and construction intervals. (A separate application is required for hot work.) The hazard notification courses for suppliers and contractors in 2024 totaled 54 hours.</p> <p>6. The Company conducts monthly evaluations of suppliers, focusing on service, product quality, and delivery punctuality. A range of evaluation mechanisms, including contract termination, rewards, and on-site coaching, are implemented in accordance with these assessments. Occasionally, supplier conferences are held to share information about the sustainability philosophy and objectives, as well as to acknowledge suppliers who have shown outstanding performance.</p>
V. Has the Company prepared the sustainability report or guidelines that disclose non-financial information of the company by reference to internationally accepted reporting standards or guidelines? Has the aforementioned report obtained the	V		<p>The Company's sustainability report is prepared in accordance with the "Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" issued by the Taiwan Stock Exchange and in compliance with the GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Reporting Initiative in 2021, the AA 1000 AccountAbility Principle Standard, the industry disclosure standards issued by the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD) as the disclosure frameworks. These frameworks serve as the basis for the report, which covers</p>

Promotion item	Implementation status		Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
assurance or guarantee opinion of a third-party certification organization?			various aspects of corporate social responsibility management, key topics and issues, and project performance, and other information. In addition, the sustainability report was reviewed by the heads of relevant departments and the Chairperson of the Sustainable Development Committee, based on their professional knowledge and management experience, and was commissioned to Ernst & Young to perform a limited assurance procedure in compliance with the Standard on Assurance Engagements 3000 and the "Directions for the Implementation of Assurance Institutions for the Sustainability Report of TWSE/TPEX Listed Companies" issued by the Taiwan Stock Exchange, as well as the "Q&A of the Directions for the Implementation of Assurance Institutions for the Sustainability Report of TWSE/TPEX Listed Companies." The limited assurance procedure was performed on the five indicators selected for the 2024 sustainability report. The global assurance work for 2024 is ongoing, and the results will be published once completed. There was no assurance procedure conducted in 2023.
<p>VI. If the Company has its own Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between their operations:</p> <p>The Company has formulated its Sustainable Development Best Practice Principles according to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", established a complete internal control system, and disclosed the annual implementation of its Sustainable Development Best Practice Principles and Sustainable Development Report on the Company's website. All operations are conducted in compliance with laws and regulations, and there are no discrepancies.</p>			
<p>VII. Other important information that facilitates the understanding of the implementation of sustainable development:</p> <p>The full-time units of the Company include "Corporate Governance", "Environmental Sustainability Development", "Stakeholder Care", and "Labor Workers' Rights and Social Care" groups, with the Finance Department, Management Department, Business Department, and Manufacturing Department serving as the main responsible departments of each group.</p> <p>(I) The implementation is explained as follows: - Corporate governance: The Company voluntarily prepared the ESG Sustainability Report, and ranked in the top 21% - 35% of the Company in the 10th (2023) corporate governance appraisal. The results of the 11th (2024) corporate governance appraisal will be announced at the end of April.</p> <p>(II) Environmental sustainability: Actively promoting energy-saving and carbon reduction measures, carrying out improvement projects such as installing large energy-saving fans, implementing energy-saving measures for electrophoretic oven windmills, installing inverters for shearing equipment, installing paint residues filtration devices in the circulating water pl</p>			

Promotion item	Implementation status			Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons												
	Yes	No	Summary													
			in the paint spray booth, and natural smoke exhaust engineering for the central aisle Coc Tooling warehouse, evaluating and replacing energy consumption equipment and devices every year, installing solar panels in the factory for self-generated power, and eliminating old diesel stackers and introducing environment-friendly electric stackers, in order to reduce carbon emissions and fulfill the environmental responsibility of the enterprises.													
(III)			Stakeholder care: The Company visits the village chiefs in the communities (Hsiu-Tsai-Li and Tai-Ping-Li) before the 25th day of each month to learn about the needs of stakeholders and provide assistance in order to maintain the safety of residents in the village.													
(IV)			Community development: Active engagement in diverse community welfare initiatives and voluntary community service in Taoyuan City is regarded as a top priority. Additionally, efforts are made to collaborate with the Xiucai Village cleaning campaign and crdinate the Xiucai Mountain Climbing and Mountain Walk, both of which aim to mitigate environmental pollution. Participated in the "Yangmingshan Mountain Cleaning Event" in the central plant with 11 people contributing a total of 44 hours. The Company organized a winter warmth-giving event, donating funds to eight social welfare organizations, including the Yangmei District Yude Children's Home and the Kangfu Intelligent Development Center. The total donation amount for 2024 amounted to NT\$360 thousand.													
(V)			Industry-academia cooperation: To fulfill corporate social responsibility, industry-academia cooperation is used to provide students with practical experience in related industries before they enter the job market, and to improve their employment opportunities; at the same time, it also improves the company's core technology and reserve talents. The main focus is on those who are willing to intern at the factory. In the future, the Company will develop cooperation with more schools based on its characteristics and business needs. The status of industry-academia cooperation in 2024 is as follows:													
			<table><tr><th>Schl</th><th>Number of people</th><th>Period</th></tr><tr><td>Ming Chi University of Technology</td><td>6</td><td>2022/09/01~2025/06/30</td></tr><tr><td>Minghsin University of Science and Technology</td><td>2</td><td>2023/09/12~2024/09/06</td></tr><tr><td>Vanung University</td><td>2</td><td>2024/07/02~2028/06/30</td></tr></table>		Schl	Number of people	Period	Ming Chi University of Technology	6	2022/09/01~2025/06/30	Minghsin University of Science and Technology	2	2023/09/12~2024/09/06	Vanung University	2	2024/07/02~2028/06/30
Schl	Number of people	Period														
Ming Chi University of Technology	6	2022/09/01~2025/06/30														
Minghsin University of Science and Technology	2	2023/09/12~2024/09/06														
Vanung University	2	2024/07/02~2028/06/30														
(VI)			Social service: Participating in Yangmei Police Station's police friend association activities to strengthen gd local interactive relationships.													
(VII)			Human rights: Setting up dedicated parking lots for pregnant women, providing maternity gifts, nursing rms, health counseling for postpartum mothers, and twice-a-week counseling and care sessions for foreign (Thailand/Indonesia) employees to collect opinions and actively improve their lives and work, as well as improving the living environment and quality of life for foreign employees to provide them with gd living conditions.													
(VIII)			Health promotion: Taking care of the health and safety of employees, hiring a "Chang Gung Hospital specialist doctor" every month to conduct a safety audit within the factory area, and provide personal medical consultation for employees to achieve the goal of a friendly and safe workplace; organizing various health related lectures and health promotion activities, with a total reward amount of NT\$39 thousand granted.													
(IX)			Safety: Implementing the fire prevention plan and automatic inspection plan, requiring new employees to complete 3 hours of training, and arranging for in-service personnel to complete at least 3 hours of training within 3 years, and holding safety related lectures for suppliers and contracted businesses, with a total of 186 hours in 2024.													
(X)			Fire prevention: The fire alarm system is installed for the entire factory and is connecting to the security rm to timely monitor the situation in the plant. At the same time, the factory is													

Promotion item	Implementation status		Differences from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
			Summary
<p>equipped with monitoring systems for important equipment and safety entrances and exits, with network connection to keep track of information at any time.</p> <p>(XI) Hygiene: In order to take care of the health of employees and the happiness of their families, the Company arranges regular employee health checks every year, and the most recent one was held on September 23, 2024, with a general health examination for 272 employees. Among them, a lung function and hearing examination were carried out for 207 and 146 employees engaged in special operations with dust and noises, respectively; the results are also tracked and managed.</p> <p>(XII) “Zero” disasters in the workplace and participated in the filing activity of no disasters in the central factory.</p> <p>(XIII) Handled relevant training and measure revisions according to the regulations of the central competent authority and posted legal regulations on the Company's website for inquiry.</p> <p>(XIV) The Company participated in the subsidy project of the Ministry of Economic Affairs for low-carbon and intelligent upgrade and transformation of the manufacturing industry. The renovation of energy-saving equipment at the plants was fully completed in October 2024, and a subsidy of NT\$2.511 million was received.</p>			

VIII. Implementation of climate-related information

Item	Implementation status
<p>I. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p>The Company has established a Sustainable Development Committee and designated the Safety and Health Office as the responsible unit for promoting sustainable development. It reports annually to the board meeting on the implementation results of sustainable development.</p> <p>The Company has established a dedicated working group composed of senior managers, mainly including the following two groups:</p> <ol style="list-style-type: none"> 1. Sustainability Environment Group: The group is responsible for formulating and implementing the environmental management system, ensuring compliance with relevant environmental laws and regulations and international standards, and continuously evaluating the Company's sustainability transition progress. The group focuses on improving resource efficiency and establishing mechanisms to address climate change, promoting the Company's ongoing development in environmental protection. In addition, a dedicated environmental management unit or personnel has been established, and cross-departmental meetings are held regularly for discussion and coordination to ensure that all departments work together to achieve environmental sustainability goals. 2. Risk Management Group: The group is responsible for formulating and implementing risk management policies and procedures for all companies within the group, with a particular focus on climate-related risks, and paying close attention to the latest laws and regulations and standards related to industry climate risks. The group regularly updates the identification results of climate risks and opportunities to ensure that the Company can timely adjust its response strategies, reduce potential risks, and seize market opportunities. To more effectively incorporate climate change risks into the Company's risk management framework, the Company formulated the "Risk Management Policy and Procedures" on March 8, 2021, and integrated climate change risk management into the overall risk management process for the consolidated companies, ensuring that the entire company follows unified guiding principles when dealing with climate change risks.
<p>II. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p>	<p>In order to effectively respond to the challenges brought by climate change, the Company assesses the potential impact of climate risks and opportunities on its business, conducts a comprehensive review of possible climate impacts, and integrates existing countermeasures to develop specific solutions. The goal is to reduce the impact of climate change on the Company's operations and finances, and to enhance the climate resilience of the organization.</p> <p>The Company will set the major risk threshold at 50% to 100% (approximately NT\$3.5 million to NT\$7 million) of 0.5% of the average net operating revenue for the past three years (2021-2023). The risk assessment</p>

Item	Implementation status				
	will be categorized based on time range into short-term (within 3 years), mid-term (3 to 5 years), and long-term (more than 5 years). Based on these thresholds, the Company will assess the potential operational and financial impacts of climate risks and opportunities on the Company, and develop action plans accordingly to effectively cope with the challenges and opportunities brought by climate change. (For related analysis, please refer to the 2024 Sustainability Report to be published in August 2025.)				
	Risk/ Opportunity	Risk Categories and Opportunities	Short-term (1-3 years)	Mid-term (3-5 years)	Long-term (5-10 years)
	Risk	Physical Risk	<ul style="list-style-type: none">• High-temperature disasters	<ul style="list-style-type: none">• Extreme climate change has led to an increase in the severity of extreme weather events, such as typhoons and floods.	-
		Transition Risk	<ul style="list-style-type: none">• Uncertainty of legal regulations and policies• Costs of equipment investment due to policies promoting climate change adaptation• Higher product and service requirements• Research and development of low-carbon production technologies	<ul style="list-style-type: none">• Changes in stakeholder perceptions	-
	Opportunity		<ul style="list-style-type: none">• Use of low-carbon energy• Development of new markets• Development of low-carbon process production lines• Water resource management	<ul style="list-style-type: none">• In line with international sustainable development trends• Improvement in energy efficiency	-
III. Describe the financial impact of extreme weather events and transformative actions.	1. Financial impact of extreme weather events Extreme weather events (such as typhoons, floods, and high temperatures) pose significant risks to business operations. They may cause damage to on-site infrastructure, long-term power outages, or water shortages, which in turn can affect production and workforce allocation, and impact production line progress and the overall operational capacity of the business. To mitigate such risks, the Company has implemented several countermeasures, including carefully evaluating and strengthening inventory management and contingency stock strategies to respond to the risks of raw material shortages or production and transportation disruptions caused by climate changes. The Company has also introduced remote working and digitalization of data to address climate change issues. By enhancing the				

Item	Implementation status
	<p>flexibility of remote work in terms of time and mode, employees are encouraged to adapt to this work style. Additionally, important internal data has been digitized to reduce the damage caused by climate risks. The Finance Department has established an effective cash flow monitoring mechanism to ensure that the Company has sufficient emergency funds to cover unexpected expenses after disasters, such as repair costs, equipment replacement, and restarting production, which ensure that the Company can quickly resume normal operations after a disaster. The Company also maintains close communication with customers and other stakeholders to minimize the loss of trust caused by operational disruptions. Although the preventive measures mentioned above require additional funds and resources, failing to take timely action could lead to a decrease in revenue, an increase in costs, and an exacerbation of reputational risks.</p> <p>2. Financial impact of transition:</p> <p>Under transition risks, the Company needs to respond to changes in policies and laws and regulations, markets, technology, and reputation. For example, if the Company fails to comply with increasingly strict regulations and policies as required by relevant laws and government oversight, it may face the risk of fines. In terms of the market, there is an increasing expectation for businesses to take climate and environmental responsibility. Customers are paying more attention to and demanding that their suppliers have clear plans and performance regarding climate and environmental matters. If the Company fails to develop a well-structured sustainability governance pathway, it may risk losing potential customers. Additionally, the growing demand for low-carbon products and stakeholders' heightened concern about climate change will have a impact on the Company's reputation and investment situation.</p> <p>To this end, all departments within the Company need to work closely together. In addition to strengthening the internal control system, a review and upgrade of the existing internal control system will be conducted to ensure effective identification and management of climate risks and compliance with increasingly strict regulatory requirements. Additional resources will be invested in sustainability-related training to enhance employees' ability to respond to climate change and transition risks, as well as to attract talent. At the market and technical levels, in addition to establishing plans for enhancing technical skills and talent development, the Company will actively understand customers' concerns and expectations regarding climate issues, aligning with the Company's sustainability plan to gradually become a green supplier. The preventive measures mentioned above will lead to increased operational costs and additional capital expenditures for the Company. If these investments or improvements are not made in a timely manner, it may further increase the Company's reputational risk. Therefore, the Company needs to mitigate the impact of transition risks on its financial and operational performance through systematic resource investment</p>

Item	Implementation status
	and strategic management.
IV. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>The Board of Directors is the highest governing body for the Company's risk management. To strengthen risk management, the Company has established the "Risk Management Policies and Procedures" and a risk management group responsible for identifying and managing various risks in the Company's operations, particularly the physical risks and transition risks arising from climate change, and leading the planning and implementation of related countermeasures.</p> <p>Based on the Company's strategic objectives and the risk management policies approved by the Board of Directors, risk identification and analysis are conducted for the short-, medium-, and long-term goals and business scopes of each department. The risk management group will regularly review the submitted risk assessment reports to ensure that all operational risks are effectively controlled within acceptable limits, and will continue to optimize the principles of risk management operations.</p> <p>In addition, the risk management group will report the risk management implementation status for the previous year to the Board of Directors at least once a year, during board meeting in the first quarter, and will also submit the annual risk assessment report for the year to ensure that the Board of Directors is timely informed of the risk status and can make corresponding decisions and provide guidance.</p>
V. 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.	Currently, the Company has not yet used scenario analysis to assess resilience against climate change. It will be included in the planning depending on its necessity in the future.
VI. 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.	Currently, the Company does not have a transition plan for managing climate-related risks. It will be included in the planning depending on its necessity in the future.
VII. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Currently, the Company has not implemented an internal carbon pricing mechanism. It will be included in the planning depending on its necessity in the future.

Item	Implementation status
<p>VIII.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.</p>	<p>Currently, the Company has not set specific climate-related goals. However, in the future, the Company will follow a sustainable development carbon reduction path and gradually plan and set carbon reduction and climate-related goals to ensure the alignment of business development and environmental responsibility. To fulfill our carbon reduction commitment, the Company will continue to promote improvements in equipment and processes while optimizing the energy efficiency of auxiliary equipment to reduce carbon emissions. These measures will cover Scope 1 (direct carbon emissions) and Scope 2 (indirect carbon emissions from energy), ensuring that carbon reduction actions are effectively implemented, further enhancing the Company's environmental resilience and competitiveness.</p>
<p>IX. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.</p>	<p>Please refer to the table below for details.</p>

IX. The greenhouse gas inventory and assurance status of the Company for the most recent two fiscal years.

(I) Information on greenhouse gas inventory

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 has introduced a greenhouse gas inventory system in 2022 to fully monitor greenhouse gas usage and emissions. In the future, the effectiveness of reduction actions will be verified, and the greenhouse gas inventory information will be disclosed in the sustainability report. The Company conducts greenhouse gas inventory in accordance with ISO 14064-1:2018 standards to comprehensively monitor the Company's greenhouse gas emissions, reduce the carbon footprint of products, and improve the negative impact on the environment during operations. The Company is also gradually improving the disclosure of the boundaries and scope of the greenhouse gas inventory. In addition, the greenhouse gas emissions of the Company in Taiwan for the most recent two fiscal years are as follows:

Item		2023		2024	
		Emissions (tons CO ₂ e)	Intensity (tons CO ₂ e/operating revenue in New Taiwan Dollars millions)	Emissions (tons CO ₂ e)	Intensity (tons CO ₂ e/operating revenue in New Taiwan Dollars millions)
Kian Shen Corporation	Scope 1 Direct greenhouse gas emissions	1,092.8972		1,020.7013	
	Scope 2 Indirect greenhouse gas emissions from energy	2,527.5492		2,342.1499	
	Scope 3 Other indirect greenhouse gas emissions	569.6522		540.7742	
	Total	4,190.0986	2.621274881	3,903.6254	2.676220069

Explanation:

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., including all other indirect emissions).

Note 2: Since the scope of the inventory for 2023 and 2024 was limited to the Taiwan-based operations, the calculation of operating revenue in millions of New Taiwan Dollars is mainly based on the operating revenue from the companies in Taiwan.

(II) 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.

Not applicable. Currently, the Company is a listed company with a capital of less than NT\$5 billion. As the timeline requirements have not yet been met, there is no need to disclose the relevant information at this stage. According to the timeline planned by the Financial Supervisory Commission (FSC), the Company should disclose the parent company's individual inventory information for 2026, and complete the assurance disclosure by 2028. The inventory information of subsidiaries should be disclose in the consolidated financial statements for 2027, with assurance disclosure to be completed starting from 2029.

As of the date of publication of the annual report, the assurance work for 2024 is still ongoing, and the greenhouse gas assurance opinion has not yet been obtained. Upon completion, the assurance results are expected to be announced in the sustainability report for 2024 to be published in August 2025.

X. 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.

In order to plan an effective greenhouse gas reduction strategy, the Company completed the boundary inventory in 2022 and used that year as the base year. The Company plans to achieve a 10% reduction in emissions by 2024 compared to the base year, and to reduce emissions by at least 3% each year starting from the base year. To achieve this goal, carbon management will be integrated into the Company's operational strategy, with concrete action plans developed to promote greenhouse gas reduction.

With the development of international carbon pricing trends, the Company has incorporated the carbon price from international carbon markets and greenhouse gas-related laws and regulations into our carbon reduction management plans, using them as reference indicators for future carbon reduction actions. The Company has also considered the domestic carbon fees imposed under the "Climate Change Response Act" and global carbon emission regulatory mechanisms. Additionally, to increase the use of green electricity, the Company has evaluated external carbon reduction pressures and risks in accordance with the requirements of the "Renewable Energy Development Act." These factors will serve as important references for future carbon reduction actions.

The Company is actively exploring opportunities for low-carbon transition and promoting forward-looking carbon reduction technologies or low-carbon investments, such as process improvement, carbon capture and storage, and other initiatives, by continuously adjusting policies and plans.

Additionally, the Company are implementing specific measures like improving energy efficiency, purchasing energy-saving equipment, and installing solar power systems to ensure that the emission reduction progress aligns with the Company's plans. These efforts are being integrated into the Company's operational competitive advantage.

In addition, to ensure that the management, implementation team, and all employees work together to achieve the greenhouse gas reduction goals, the Company has incorporated the relevant planning goals into operational performance indicators and strengthened accountability management. Through clear driving mechanisms and the deep-rooted sustainable corporate culture, the Company mobilizes all employees to work together and gradually implements the Company's path and goals toward net-zero emissions.

(VI) Performance of ethical corporate management, and differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons:

Assessment items	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
<p>I. Establishment of ethical corporate management policy and plan</p> <p>(I) Has the Company formulated an ethical corporate management policy approved by the board meeting, and clearly stated the policies and practices of ethical corporate management in rules and external documents, as well as the commitment of the board of directors and senior management to actively implement the operation policy?</p> <p>(II) Has the company established a risk assessment mechanism for unethical behavior, regularly analyzed and assessed business activities within its business scope that have a</p>	<p>V</p> <p>V</p>		<p>(I) The Company has established organization structural charts and responsibility regulations (HR-B-007) for each department in accordance with the Company's organizational structure, and adheres to the business philosophy of integrity, responsibility and transparency and consistent ethical standards in all business activities. The Company has formulated the "Ethical Corporate Management Best Practice Principles" approved by the Board of Directors, and in accordance with the "Rules of Work" strictly requires each employee to implement the ethical corporate management policy and practices. The members of the Board of Directors and the management have signed the Corporate Governance Best Practice Principles, the Sustainable Development Best Practice Principles, the Ethical Corporate Management Best Practice Principles, and the Declaration of Ethics, which are explained in the annual report and sustainability report.</p> <p>(II) The Company adheres to the principle of ethical corporate management and conducts business activities in a fair and transparent manner. In accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", the Company has established the "Ethical Corporate Management Best Practice Principles" (CG-B-003) related procedures and behavior guidelines, and regularly evaluates and audits the risks of unethical</p>	<p>Compliant with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</p>

Assessment items	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
<p>high risk of unethical behavior, and formulated a plan to prevent unethical behavior that at least covers the preventive measures for acts under paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?</p> <p>(III) Has the company specified operating procedures, conduct guidelines, disciplinary and appeal systems for violations in the unethical behavior prevention plan, implemented them, and regularly reviewed and amended the disclosure plan?</p>	V		<p>behavior in business activities. In addition, in accordance with paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", it is clearly stipulated that unethical behaviors such as accepting bribes or other improper benefits in the position are not allowed. It is also clearly stipulated in the "Work Rules" of the Company that any unethical behavior will be punished.</p> <p>The Company has an appeal and whistleblowing system, and the whistleblowing channel information is disclosed on the company website.</p> <p>(III) To ensure that the Company's behavior complies with legal norms and ethical standards, the "Work Rules" of the Company clearly stipulate that any unethical behavior will be penalized and punished. For any unethical behavior, the Company has an appeal and whistleblowing system, and the whistleblowing channel information is disclosed on the company website. For any behavior that is suspected of violating professional ethics, the Company treats it with the most serious attitude and takes strict disciplinary measures against violators in all confirmed cases based on the Company's employee reward and punishment and appeal measures, or terminates employment or business relations and takes appropriate legal action.</p> <p>Regarding the provision of prohibiting illegal political donations and prohibiting inappropriate charitable donations or sponsorships, the Company has formulated and implemented the "Donation and Sponsorship Measures" to</p>	

Assessment items	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			ensure compliance with laws and regulations and the implementation of the internal control system.	
II. Implementation of Ethical Corporate Management				Compliant with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
(I) Does the Company evaluate the ethical corporate management record of its counterparties, and specify the terms of ethical behavior in the contracts signed with its counterparties?	V		(I) The Company conducts a annual evaluation of customers, suppliers, and business partners to prevent unethical behavior. They also sign trading contracts with stakeholders (e.g. suppliers, contractors, or other collaborators) with which the Company has business dealings, clearly specifying that the Company may terminate or rescind the terms and conditions of the contracts if the trading counterparties are involved in unethical conduct.	
(II) Has the Company set up a dedicated unit subordinate to the board of directors to promote the ethical corporate management of enterprises, and regularly (at least once a year) report to the board of directors its ethical corporate management policy and plan to prevent unethical behavior, as well as the implementation of supervision?	V		(II) The Company has designated the Management Department as the dedicated unit to promote, communicate, and execute the Company's ethical corporate management; moreover, it checks whether the Company's business-related trading violates the ethical corporate management principle through various internal and external audits, and regularly reports to the directors in March of each year on the implementation status during the board of directors meeting. Completed in 2024: 71 person-times of ethical management promotion and whistle-blowing system education for new employees, and 36 man-hour of internal control education and training for finance and audit personnel; passed computer information security ISO27001 system certification, 2 information system vulnerability scanning operation, and 1	

Assessment items	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(III)Has the Company develop a conflict of interest prevention policy, provided appropriate presentation channels, and implemented them?	V		information security drill and 16 sessions of information intellectual property rights and legal compliance promotion. (III) The Company has clearly stipulated in the "Work Rules" that an employee may be expelled if he engages in work that conflicts with the Company's interests without the Company's approval and damages the rights and interests of the Company, and the circumstances are serious. The Company has also set up an internal opinion box and whistleblowing line to accept whistleblowing cases, and keeps the identity of the whistleblower and the content confidential.	
(IV)Has the Company established an effective accounting system and internal control system for the implementation of ethical operation, and has the internal audit unit formulated relevant audit plans based on the assessment results of unethical behavior risks, and audited the compliance with the unethical behavior prevention plan, or entrusted CPAs to perform the audit?	V		(IV) The Company has established effective accounting and internal control systems, and the Audit Office conducts audits on the internal control system and external activities based on the risk assessment results of unethical behavior in conjunction with the annual audit plan, and reports the audit results and improvement status to the board of directors.	
(V) Does the company	V		(V) In order to promote and advocate ethical	

Assessment items	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
regularly hold internal and external training on ethical corporate management?			behavior, the Company has uploaded the procedures and behavior guidelines related to the "Ethical Corporate Management Best Practice Principles" on the Company's internal website for employees to download and implement. The company provides guidance on ethical behavior and work rules for new employees to enable them to understand ethical behavior and relevant punishments. In addition, stakeholders (e.g. suppliers, contractors) who have business dealings with the Company must comply with the Company's code of business ethics during annual cooperation meetings or during routine transactions.	
<p>III. Operation of the Company's Whistleblower System</p> <p>(I) Has the Company established a specific whistleblower and reward system, established a convenient channel for whistleblowing, and assigned appropriate personnel to handle complaints?</p> <p>(II) Has the Company established standard operating procedures for the investigation of matters reported, follow-up measures</p>	<p>V</p> <p>V</p>		<p>(I) In order to implement the ethical corporate management policy and actively prevent unethical behavior, the Company has established a "whistleblower system", which clearly stipulates the reporting channels for violations of ethical corporate management regulations. The head of the Company's Audit Department is the dedicated person responsible for accepting reported cases.</p> <p>(II) The Company's "whistleblower system" has clearly stipulated the procedures and confidentiality mechanism for accepting accusations and investigations. The accusations received and subsequent investigations are processed with a confidential and rigorous attitude, and the</p>	Compliant with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

Assessment items	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
<p>to be taken after the investigation, and relevant confidentiality mechanisms?</p> <p>(III) Does the Company take measures to protect the whistleblower from improper handling due to the whistleblowing?</p>	V		<p>procedures are clearly defined in internal regulations.</p> <p>(III) The Company shall declare in writing (in a confidentiality agreement) that for the handling of personnel involved in the reported case, it shall keep confidential the whistleblower's identity and the contents of the report, and promise to protect the whistleblower from improper treatment due to the reported matter.</p>	
<p>IV. Strengthening of Information Disclosure</p> <p>Does the Company disclose the content of its Ethical Corporate Management Best Practice Principles and the effectiveness of promotion on its website and MOPS?</p>	V		<p>The Company discloses the content of the "Ethical Corporate Management Best Practice Principles" on the Company's website and the Market Observation Post System, and regularly discloses the Company's operations on the Company's website, including the implementation of ethical corporate management and the measures taken.</p>	Compliant with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
<p>V. If the Company has its own Ethical Corporate Management Best Practice Principles in compliance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between their operations:</p> <p>The Company has established its Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" in June 2014, and the revision was approved by the board meeting in May 2022. The actual operation is in line with legal regulations.</p>				
<p>VI. Other important information that will facilitate the understanding of the Company's ethical corporate management (such as the Company's review and revision of its Ethical Corporate Management Best Practice Principles):</p> <p>The Company discloses its Ethical Corporate Management Best Practice Principles in its internal regulations, annual reports, and company websites, enabling suppliers, customers, shareholders, and other relevant institutions and personnel to have a clear understanding of the Company's ethical</p>				

Assessment items	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
corporate management philosophy and standards.				

(VII) Other important information that enhances the understanding of the Company's governance operations: Please inquire on the Corporate Governance Section of the Market Observation Post System and the Company's website (<https://www.kian-shen.com>).

(VIII) Implementation of the internal control system

1. Internal Control Declaration

Kian Shen Corporation

Declaration on Internal Control System

Date: March 7, 2025

Based on the results of self-assessment, the Company's internal control system for 2024 is hereby declared as follows:

- I. The Company knows that the establishment, implementation and maintenance of the internal control system is the responsibility of the Board of Directors and managers of the Company, and the Company has already established this system. Its purpose is to provide reasonable assurance for the achievement of the objectives of operational effectiveness and efficiency (including profitability, performance and asset security), reliability, timeliness, transparency of reporting, and compliance with relevant norms and relevant laws and regulations. The internal control system has its inherent limitations.
- II. No matter how perfect the design is, an effective internal control system can only provide reasonable assurance for the achievement of the three objectives above. Moreover, due to changes in environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self supervision mechanism, and once deficiencies are identified, the Company will take corrective action immediately.
- III. The Company judges whether the design and implementation of the internal control system is effective in accordance with the judgment items of the effectiveness of the internal control system specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The judgment items of the internal control system adopted in the Regulations are to divide the internal control system into five components according to the process of management control: 1. control environment, 2. risk assessment, 3. control operations, 4. information and communication, and 5. supervision operations. Each component element includes several items. For the items above, please refer to the provisions of the "Regulations".
- IV. The Company has adopted the internal control system judgment items above to evaluate the effectiveness of the design and implementation of the internal control system.
- V. Based on the evaluation results referred to in the preceding paragraph, the Company believes that the design and implementation of the internal control system as of December 31, 2024 (including supervision and management of subsidiaries), including the understanding of the effectiveness of operations and the extent to which efficiency goals have been achieved, the reliability, timeliness, transparency of reporting, and the compliance with relevant norms and relevant laws and regulations, as well as the compliance with relevant internal control systems, are effective and can reasonably ensure the achievement of the goals above.
- VI. This Declaration will become the main content of the Company's annual report and prospectus, and will be made public. If there are false, hidden and other illegal circumstances in the disclosure above, the legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act will be involved.

VII. This Declaration was approved by the board meeting of the Company on March 7, 2025, and all the directors present agreed to the contents of this Declaration.

Kian Shen Corporation

Chairman: Chao-Wen Chen signed

President: Chiung-Chih Tseng signed

2. CPA's audit report on the internal control system via a special project: None.

(IX) Important resolutions of the shareholders' meeting and board meetings in 2024 and up to March 31, 2025

Type	Date	Important resolutions	Implementation status
Shareholders' meeting	2024.05.29	1. Recognition of the Company's 2023 Financial Statements	Already announced and filed according to regulations.
		2. Recognition of the Company's 2023 earnings distribution	July 5, 2024 was set as the base date for cash dividend distribution, and July 30, 2024 was set as the payment date. (Cash dividends of NT\$3.3 per share)
		3. Approval of the amendment to the Company's "Articles of Association"	Already announced on the Company's website, and handled in accordance with the revised procedures.
		4. Approval of lifting the non-competition restriction on directors under Article 209 of the Company Act	Already filed for material information according to regulations.

Board of directors	Proposal content and subsequent handling	Matters listed in Article 14-3 of the Securities and Exchange Act	Independent directors' objections or reservations
11th meeting of the 12th term 2024.03.08	1. 2023 individual and consolidated financial statements.	-	-
	2. Proposal for 2023 earnings distribution.	V	-
	3. The remuneration distribution plan for directors and employees for 2023 reviewed by the Company's Remuneration Committee.	V	-
	4. Proposal to issue the Company's 2023 "Declaration on Internal Control System".	V	-
	5. Date and place of 2024 shareholders' meeting.	V	-
	6. Appointment, remuneration and independence of the Company's CPAs for 2024.	V	-
	7. Proposal to lift the non-competition restriction on the Company's new directors.	-	-
	8. Appointment and dismissal of supervisors at managerial level and above.	-	-
	9. Proposal to revise the Company's "Articles of Association".	-	-
	10. Proposal to revise the Company's "Rules of Procedures for Board Meetings".	-	-
	11. Proposal to amend the "Organizational Regulations for the Audit Committee" of the Company	-	-
12th meeting of the 12th term 2024.05.06	Independent directors' opinions: None. The Company's handling of independent directors' opinions: None. Resolution result: All attending members passed the proposal as it was.		
	1. Consolidated financial statements for the first quarter of 2024.	-	-
	2. Bank credit line renewal.	-	-
	3. Financing-nature commercial promissory note renewal.	-	-
	4. Proposal of renewal of technical cooperation contract.	-	-
	5. Changes of supervisors at managerial level and above.	-	-
	Independent directors' opinions: None. The Company's handling of independent directors' opinions: None. Resolution result: All attending members passed the proposal as it was.		

Board of directors	Proposal content and subsequent handling	Matters listed in Article 14-3 of the Securities and Exchange Act	Independent directors' objections or reservations
13th meeting of the 12th term 2024.07.29	1. Consolidated financial statements for the first half of 2024.	-	-
	2. 2023 Sustainability Report.	-	-
	3. Proposal to stipulate the “Rules Governing the Preparation and Filing of Sustainability Reports” of the Company.	-	-
	4. Changes of supervisors at managerial level.	-	-
	Independent Director's Opinion: Regarding the second proposal, Independent Director Ye suggested that starting from the next fiscal year, the GRI standards reference version for the sustainability report should be the most recent version. Additionally, in accordance with regulations from the competent authorities, a separate chapter should be included to disclose the risks and opportunities caused by climate change and the corresponding resolutions. The Company's handling of independent directors' opinions: Starting from next year, the proposal will be implemented according to the independent directors' suggestion. Resolution result: All attending members passed the proposal as it was.		
14th meeting of the 12th term 2024.11.01	1. Consolidated financial statements for the first three quarters of 2024.	-	-
	2. Formulation of the 2025 audit plan.	-	-
	3. Proposal to revise the Company's "Corporate Governance Best Practice Principles".	-	-
	Independent directors' opinions: None. The Company's handling of independent directors' opinions: None. Resolution result: All attending members passed the proposal as it was.		
15th meeting of the 12th term 2024.12.19	1. Financial forecast and capital expenditure budget for 2025.	-	-
	2. Proposal to amend the “Rules Governing the Preparation and Filing of Sustainability Reports” of the Company.	-	-
	3. Proposal to revise the Company's "Internal Control System" and "Internal Audit Implementation Rules".	V	-
	4. Change of the Company's financial and accounting managers.	V	-
	5. Changes of promotion of supervisors at managerial level and organizational structure.	-	-
	Independent directors' opinions: None. The Company's handling of independent directors' opinions: None. Resolution result: All attending members passed the proposal as it was.		
16th meeting of the 12th term 2025.3.7	1. 2024 individual and consolidated financial statements.	-	-
	2. Proposal for 2024 earnings distribution.	V	-
	3. The remuneration distribution plan for directors and employees for 2024 reviewed by the Company's Remuneration Committee.	V	-
	4. Proposal to issue the Company's 2024 "Declaration on Internal Control System".	V	-
	5. Appointment, remuneration and evaluation of independence and performance of certifying CPAs for 2025.	V	-
	6. Changes of supervisors at managerial level (and above) and organizational structure.	-	-
	7. Change of the Chief Information Security Officer of the Company.	-	-
	8. Change of the Company's corporate governance officer.	-	-

Board of directors	Proposal content and subsequent handling	Matters listed in Article 14-3 of the Securities and Exchange Act	Independent directors' objections or reservations
	9. Re-election of the 13th Directors and Independent Directors.	V	-
	10. The Board of Directors proposes the list of candidates for the 13th Board of Directors and reviews their qualifications.	V	-
	11. Proposal to lift the non-competition restriction on the Company's new directors.	V	-
	12. Proposal to allow the new directors to engage in competitive business activities.	V	-
	13. Proposal to revise the Company's "Articles of Association".	-	-
	14. Date and place of 2025 shareholders' meeting.	V	-
	Independent directors' opinions: None. The Company's handling of independent directors' opinions: None. Resolution result: All attending members passed the proposal as it was.		

- (X) In 2024 and up to March 31, 2025, directors or independent directors have expressed dissenting opinions on important resolutions of the board of directors with records or written statements: None.

III. Information of CPAs' Fees

CPA firm name	CPA's name	CPA audit period	Audit fee	Non-audit fee	Total	Remarks
Ernst & Young	Yu-Ting Huang Chien-Tse Huang	2024.01-2024.12	3,650	400	4,050	Non-audit fees: tax certification, direct deduction method, full-time employee salary checklist, transfer pricing report, and annual report review.

- (I) If the CPA firm is replaced and the audit fees paid in the year of replacement are less than those paid in the year prior to the replacement, the amounts of audit fees before and after the replacement and the reasons thereof shall be disclosed: Not applicable.
- (II) If the audit fees decrease by more than 10% compared to the previous year, the amount, percentage, and reasons for the decrease should be disclosed: Not applicable.

IV. Information on Change of CPAs: No change occurred.

V. The chairman, president and managerial officers in charge of financial or accounting affairs of the Company who has served in the CPA firm or its affiliated enterprises within the most recent year: None.

VI. Relationship Information on Shareholders Among the Company's Top Ten Major Shareholders being Related Party of Another

(I) Transfer of shares by directors, managers, and shareholders with shareholding of more than 10%

Units: shares

Title	Name	2024		Up to March 31 for the year 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairman	Chao-Wen Chen (Note 7)	—	None	—	None
Major shareholder	China Motor Corporation	—	None	—	None
Director	Chiung-Chih Tseng	—	None	—	None
Major shareholder	Kuozui Motors, Ltd.	—	None	—	None
Director	Wen-Chih Chien	—	None	—	None
Director	Kun-Sheng Lan (Note 1)	—	None	—	None
Director	Shih-Rong Ho (Note 1)	—	None	—	None
Director	Naoki Kobayashi (Note 2)	—	None	—	None
Director	Satoshi Kodaka (Note 2)	—	None	—	None
Director	Yulon-Administered Enterprises Co., Ltd.	—	None	—	None
Director	Hung-Ching Yang	—	None	—	None
Director	Tung-Tai Hsiung (Note 3, 7 and 8)	—	None	—	None
Independent director	Te-Chang Yeh	—	None	—	None
Independent director	Hsuan Wang	—	None	—	None
Independent director	Yung-An Lo	—	None	—	None
Manager	Chiung-Chih Tseng	—	None	—	None
Manager	Yuan-Shuang Peng (Note 4)	—	None	—	None
Manager	Der-Hsiang Yu (Note 5)	—	None	—	None
Manager	Cheng-Yi Weng	—	None	—	None
Manager	Ya-Ling Chang (Note 6)	—	None	—	None
Manager	Chen-Kui Chen	—	None	—	None
Manager	Yu-Cheng Huang	—	None	—	None

Note 1: Kun-Sheng Lan, the representative of Kuozui Motors, Ltd., was dismissed from the director position on February 1, 2025, and Shih-Rong Ho was appointed as Director.

Note 2: Naoki Kobayashi, the representative of Kuo Rui Motor Co., Ltd., was dismissed from the director position on February 1, 2025, and Satoshi Kodaka was appointed as Director.

Note 3: Hsin-Cheng Tseng, the representative of Yulon Management Co., Ltd., was dismissed on January 1, 2024, and Tung-Tai Hsiung was appointed as Director.

Note 4: Chen-Ching Sung, the Vice President, was dismissed on April 1, 2024, and Yuan-Shuang Peng was appointed as the new Vice President.

Note 5: Der-Hsiang Yu, the Vice President, was dismissed on February 28, 2025.

Note 6: Ya-Ling Chang, the Assistant Vice President, was dismissed on February 10, 2025.

Note 7: Chao-Wen Chen, the representative of China Motor Corporation, departed on April 1, 2025; and Tung-Tai Hsiung was appointed as director.

Note 8: Tung-Tai Hsiung, the representative of China Motor Corporation, departed on April 1, 2025; and Ching-Chi Chen was appointed as director.

(II) The counterparty of a transfer of shareholding or a pledge of shareholding by directors, managers, and shareholders with shareholding of more than 10% is a related party: None.

VII. Information on Relationship Among Top Ten Major Shareholders

March 31, 2025

Name (Note 1)	Shareholding		Shareholdings of spouse and minor children		Shareholdings in other people's names		Names and relationships of any of the top ten shareholders who are related parties, spouses, or second-degree relatives of one another (Note 3)		Remarks
	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %	Name	Relationship	
China Motor Corporation	32,201,367	43.87	—	—	—	China Motor Corporation	—	—	
Chao-Wen Chen	—	—	—	—	—	Chao-Wen Chen	—	—	Representative of China Motor Corporation
Chiung-Chih Tseng	—	—	—	—	—	Chiung-Chih Tseng	—	—	Representative of China Motor Corporation
Kuozui Motors, Ltd.	24,178,711	32.94	—	—	—	Kuozui Motors Ltd.	—	—	
Kun-Sheng Lan	—	—	—	—	—	Kun-Sheng Lan	—	—	Representative of Kuozui Motors, Ltd.
Wen-Chih Chien	—	—	—	—	—	Wen-Chih Chien	—	—	Representative of Kuozui Motors, Ltd.
Kobayashi Naoki	—	—	—	—	—	Kobayashi Naoki	—	—	Representative of Kuozui Motors, Ltd.
Mu-Shan Chiang	2,134,820	2.91	—	—	—	Mu-Shan Chiang	Su-Luan Liao Li-Fu Chiang Ya-Pin Chiang	Husband and wife Father and son Father and daughter	
Li-Fu Chiang	1,762,060	2.40	—	—	—	Li-Fu Chiang	Mu-Shan Chiang Su-Luan Liao Ya-Pin Chiang	Father and son Mother and Son Brother and sister	
Su-Luan Liao	755,460	1.03	—	—	—	Su-Luan Liao	Mu-Shan Chiang Li-Fu Chiang Ya-Pin Chiang	Husband and wife Mother and Son Mother and daughter	
Ya-Pin Chiang	696,060	0.95	—	—	—	Ya-Pin Chiang	Mu-Shan Chiang Su-Luan Liao Li-Fu Chiang	Father and daughter Mother and daughter Brother and sister	

Weitai Investment Co., Ltd.	661,857	0.90	—	—	—	Weitai Investment Co., Ltd.	—	—	
Feng-Chen Peng	418,000	0.57	—	—	—	Feng-Chen Peng	—	—	
Yung-I Kuo	298,000	0.41	—	—	—	Yung-I Kuo	—	—	
Chi-Chih Weng	274,000	0.37	—	—	—	Chi-Chih Weng	—	—	

Note 1: The names of all top 10 shareholders shall be fully disclosed. For corporate shareholders, both the name of the corporate shareholder and the name of its representative shall be listed separately.

Note 2: The calculation of the shareholding ratio includes shares held under the individual's own name, as well as those held by the individual's spouse, minor children, or under the names of others on the individual's behalf.

Note 3: The shareholders listed above include juridical and natural persons, and the relationship among the shareholders shall be disclosed according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

VIII. Comprehensive Shareholding Percentage Unit: Shares; %

Reinvested company	The Company's investment		Investments of directors, supervisors, managers and directly or indirectly controlled businesses		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Kian Shen Investment Co., Ltd.	10,296,105	100%	—	—	10,296,105	100%

Four. Fundraising Status

I. Capital and Shares of the Company

(I) Source of share capital

1. Source of share capital

Year and month	Issue price	Authorized share capital		Paid-in capital		Remarks			
		Number of shares	Amount	Number of shares	Amount	Source of share capital		Assets other than cash used for share capital payment	Other
1963.05.31	10	100,000	1,000,000	100,000	1,000,000	Establishment		None	None
1970.05.28	10	300,000	3,000,000	300,000	3,000,000	Capital increase in cash	2,000,000	None	None
1978.06.15	10	1,800,000	18,000,000	1,800,000	18,000,000	Capital increase in cash	15,000,000	None	None
1984.05.07	10	5,000,000	50,000,000	5,000,000	50,000,000	Capital increase in cash	10,000,000	None	None
						Capital increase from capital surplus	22,000,000		
1985.02.06	10	8,500,000	85,000,000	8,500,000	85,000,000	Capital increase in cash	35,000,000	None	None
1990.09.07	10	18,500,000	185,000,000	18,500,000	185,000,000	Capital increase in cash	72,000,000	None	None
						Capital increase from capital surplus	28,000,000		
1993.11.01	10	24,975,000	249,750,000	24,975,000	249,750,000	Capital increase out of earnings (Note 1)	64,750,000	None	None
1994.08.16	10	27,972,000	279,720,000	27,972,000	279,720,000	Capital increase out of earnings (Note 2)	29,970,000	None	None
1995.08.17	10	30,769,200	307,692,000	30,769,200	307,692,000	Capital increase out of earnings (Note 3)	27,972,000	None	None
1998.06.27	10	37,324,650	373,246,500	37,324,650	373,246,500	Capital increase out of earnings (Note 4)	61,538,400	None	None
						Capital increase from employee bonus	4,016,100		
1999.08.05	10	50,000,000	500,000,000	41,057,115	410,571,150	Capital increase out of earnings (Note 5)	37,324,650	None	None
2003.06.23	10	50,000,000	500,000,000	45,710,000	457,100,000	Capital increase out of earnings (Note 6)	41,057,110	None	None
						Capital increase from employee bonus	5,471,740		
2004.06.29	10	50,281,000	502,810,000	50,281,000	502,810,000	Capital increase out of earnings (Note 7)	45,710,000	None	None
2005.06.15	10	60,000,000	600,000,000	55,309,100	553,091,000	Capital increase out of earnings (Note 8)	50,281,000	None	None
2006.06.20	10	60,000,000	600,000,000	58,074,555	580,745,550	Capital increase out of earnings (Note 9)	27,654,550	None	None
2007.06.26	10	70,000,000	700,000,000	60,978,282	609,782,820	Capital increase out of earnings (Note 10)	29,037,270	None	None
2008.06.25	10	70,000,000	700,000,000	64,027,196	640,271,960	Capital increase out of earnings (Note 11)	30,489,140	None	None
2009.06.26	10	70,000,000	700,000,000	65,948,011	659,480,110	Capital increase out of earnings (Note 12)	19,208,150	None	None
2011.07.06	10	70,000,000	700,000,000	69,245,411	692,454,110	Capital increase out of earnings (Note 13)	32,974,000	None	None
2016.08.04	10	80,000,000	800,000,000	73,400,135	734,001,350	Capital increase out of earnings (Note 14)	41,547,240	None	None

Note 1: Approved by the Securities Exchange Commission of the Ministry of Finance on September 29, 1993 per letter Ref. No. (82) Tai-Tsai-Cheng (I) 30195.

Note 2: Approved by the Securities Exchange Commission of the Ministry of Finance on July 15, 1994 per letter Ref. No. (83) Tai-Tsai-Cheng (I) 31695.

Note 3: Approved by the Securities Exchange Commission of the Ministry of Finance on June 27, 1995 per letter Ref. No. (84) Tai-Tsai-Cheng (I) 37632.

Note 4: Approved by the Securities Exchange Commission of the Ministry of Finance on June 8, 1998 per letter Ref. No. (87) Tai-Tsai-Cheng (I) 49774.

Note 5: Approved by the Securities Exchange Commission of the Ministry of Finance on June 7, 1999 per letter Ref. No. (88) Tai-Tsai-Cheng (I) 52614.

Note 6: Approved by the Securities Exchange Commission of the Ministry of Finance on June 23, 2003 per letter Ref. No. (92) Tai-Tsai-Cheng (I) 127576.

Note 7: Approved by the Securities Exchange Commission of the Ministry of Finance on June 29, 2004 per letter Ref. No. (93) Tai-Tsai-Cheng (I) 127972.
Note 8: Approved by the Financial Supervisory Commission of the Executive Yuan on June 15, 2005 per letter Ref. No. (94) Jin-Guan-Cheng (I) 123834.
Note 9: Approved by the Financial Supervisory Commission of the Executive Yuan on June 20, 2006 per letter Ref. No. (95) Jin-Guan-Cheng (I) 124924.
Note 10: Approved by the Financial Supervisory Commission of the Executive Yuan on June 26, 2007 per letter Ref. No. (96) Jin-Guan-Cheng (I) 0960032039.
Note 11: Approved by the Financial Supervisory Commission of the Executive Yuan on June 25, 2008 per letter Ref. No. (97) Jin-Guan-Cheng (I) 0970031491.
Note 12: Approved by the Financial Supervisory Commission of the Executive Yuan on June 26, 2009 per letter Ref. No. Jin-Guan-Cheng-Fa-Zi-0980031829.
Note 13: Approved by the Financial Supervisory Commission of the Executive Yuan on July 6, 2011 per letter Ref. No. Jin-Guan-Cheng-Fa-Zi-1000031066.
Note 14: Approved by the Financial Supervisory Commission of the Executive Yuan on August 4, 2016.

2. Type of shares March 31, 2025

Type of shares	Authorized share capital			Remarks
	Outstanding shares (note)	Unissued shares	Total	
Registered ordinary shares	73,400,135	6,599,865	80,000,000	—

Note: Listed shares.

3. Blanket declaration related information: None.

(II) List of Major Shareholders

Name of Major Shareholders		Type of shares	Number of shares held	Shareholding ratio (%)
1.	China Motor Corporation		32,201,367	43.87
2.	Kuozui Motors, Ltd.		24,178,711	32.94
3.	Mu-Shan Chiang		2,134,820	2.91
4.	Li-Fu Chiang		1,762,060	2.40
5.	Ya-Pin Chiang		780,060	1.06
6.	Su-Luan Liao		765,460	1.04
7.	Weitai Investment Co., Ltd.		661,857	0.90
8.	Yung-I Kuo		610,000	0.83
9.	Feng-Chen Peng		333,000	0.45
10.	Chi-Chih Weng		301,000	0.41

(III) Dividend policy and implementation status

1. Dividend policy

Considering the volatility of the Company's industry, the Company being at the maturity phase in its industry life cycle, future working capital needs, and long-term financial planning, the Company distributes no less than 20% of net profit after tax for the year as shareholders' dividends in forms of shares or cash, provided that cash dividends shall account for no less than 20% of total dividends.

For the dividend mentioned in the preceding paragraph, it is proposed that the board of directors draft an earnings distribution scheme and submit it to the shareholders' meeting for resolution.

2. Dividend distribution proposed for the year

The Company plans to distribute a cash dividend of NT\$227,540,419 from the undistributed earnings for 2024, at NT\$3.1 per share. The 2024 earnings distribution scheme mentioned above was discussed and approved by the board meeting on March 7, 2025. It has not been resolved by the shareholders' meeting as of March 31, 2025.

(IV) Impact of free share allotment on the Company's business performance and earnings per share: Not applicable.

(V) Remuneration to employees and directors

1. The percentage or range of employees' and directors' remuneration in accordance with the Company's Articles of Association is that the Company shall allocate no less than 0.1% of the "annual pre tax net profit before deduction of employees' remuneration and directors' remuneration" as employees' remuneration, and no more than 1% as directors' remuneration, respectively.
2. The estimated employees' remuneration and directors' remuneration of the Company for 2024 were recognized at 0.65% and 0.5% of the pre tax net profit before deduction of employees' remuneration and directors' remuneration, respectively. On the shareholders' meeting date, if there is a change in the amount, it will be processed according to the changes in accounting estimates, and adjusted to the account in the year of the shareholders' meeting resolution.
3. Proposed employees' remuneration and directors' remuneration approved by the board meeting
 - (1) On March 7, 2025, the Board of Directors approved the difference of NT\$157,270 between the amount of NT\$2,539,833 and the estimate of NT\$2,697,103 for 2024, and the profit or loss of 2025 will be adjusted; the amount of remuneration to directors is NT\$1,952,000, a difference of NT\$12,635 from the estimated amount of NT\$1,939,365 for 2024, and an adjustment will be made to the 2025 profit or loss.
 - (2) The amount of employee remuneration distributed through stocks, and its proportion to the total amount of net profit after tax and employee remuneration in the current individual and respective financial reports: The Company did not distribute employee remuneration through stocks, so it is not applicable.
4. NT\$3,744,224 to employees and NT\$2,793,000 to directors for 2023 were distributed in 2024, which was approved by the Board of Directors on March 8, 2024 and is the same as the amount actually distributed after the shareholders' meeting.
5. In addition to allocating the abovementioned employees' remuneration, in accordance with the Company's "Business Plan Management Measures", managers or above shall develop a business plan and strategic objectives, track the progress of execution and revise the plan every quarter, and conduct employee assessment every six months to reflect the results of the stage at the right time. Rewards shall be given through the "Promotion Management Measures" and "Incentive Management Measures". In addition, based on business performance and individual work performance of employees, the three-festival bonuses, year-end bonus and group performance bonus shall be distributed to encourage employees to create better results for both the Company and shareholders.

(VI) Shares repurchased by the Company: None

II. Issuance of Corporate Bonds: None.

III. Issuance of Preferred Shares: None.

IV. Issuance of Global Depositary Receipts: None.

V. Issuance of Employees' Share Subscription Warrant: None.

VI. Issuance of New Restricted Employees Shares: None.

VII. Handling of New Share Issuance due to the M&A or Assignment of Shares of Other Companies: None.

VIII. Implementation of Fund Utilization Plan: Not Applicable.

Five. Operation Overview

I. Business Activities

(I) Scope of business

1. Main business activities

- C501030 Manufacture of Veneer Sheets.
- C501060 Manufacture of Wooden Containers.
- C501990 Manufacture of other products of wood.
- CA04010 Surface Treatments.
- CD01020 Rail Vehicle and Parts Manufacturing.
- CD01030 Motor Vehicles and Parts Manufacturing.
- CD01040 Motorcycles and Parts Manufacturing.
- CD01050 Bicycles and Parts Manufacturing.
- CD01990 Other Transport Equipment and Parts Manufacturing.
- CQ01010 Mold and Die Manufacturing.
- CZ99990 Manufacture of Other Industrial Products Not Elsewhere Classified.
- F401010 International Trade.
- ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Business proportion: Manufacturing and sales of automotive related components and molds account for 99% of the business.

3. Current products: Car body shells, beams and crossbeams, platform decks, chassis suspension parts, sub-assy, stamping molds, jigs and meal parts.

4. New products planned for development:

The new products that the Company plans to develop in the future include: Capital electric bus frame and hydrogen energy frame, Hydrogen Valley Bus's hydrogen energy bus shell, hydraulic tailgate and aluminum rear body, container pallet, and products for the aftermarket other than OEM customers.

(II) Industry overview

1. Current industry status and development:

The development of the automotive industry in Taiwan has exceeded sixty years, with a certain level of expertise in research and development, design, manufacturing quality, and management capabilities. The automotive industry possesses a complete and mature supply chain system, with competitiveness in parts development, quality, and management. In recent years, the development of electric vehicles has driven the rapid increase in the importance and proportion of automotive electronics in the overall vehicle components. The high-tech industry resources in Taiwan are now

cooperating with the automotive industry in various ways. The automotive market in Taiwan is gradually maturing, and there is limited room for significant growth. All car manufacturers are committed to strengthening their R&D capabilities and technical levels, increasing the added value of their products, and expanding export markets in order to break through the bottlenecks in survival and development.

2. Relationship among upstream, midstream and downstream of the industry
The automotive industry is both technology-intensive and capital-intensive, having a vast industrial chain and covering a wide range of related industries, including steel, plastics, rubber, glass, machinery, electrical engineering, electronics, finance, services, and others. The professional talent involved includes research and development, manufacturing, procurement, marketing, management, and maintenance. The industry is divided into upstream parts and components suppliers, midstream vehicle manufacturers, and downstream sales and various automotive-related services, with significant interconnections and impacts within the industry. Due to the complexity of the automobile manufacturing and assembly process, which requires tens of thousands of parts, parts and components suppliers and vehicle assembly plants form a central-satellite factory system, establishing long-term stable partnerships. Because of the close interconnections within the automotive industry, all vehicle manufacturers engage in varying degrees of vertical integration with their upstream and downstream partners.

3. Product development trend and competition:

Under the global ESG trend, governments around the world have committed to net-zero carbon emission goals and are actively promoting policies to guide the automotive industry in transitioning to new energy vehicles, which has led to a continuous increase in the sales of new energy vehicles and driven the technology development of key parts and components and the expansion of production scales, aiming to lower the cost of new energy vehicles and improve market acceptance. Additionally, in the domestic automotive market, with multiple brands competing for market share, central manufacturers have started to adopt imported parts and components or completely built-up vehicles to reduce the development and procurement costs of domestically produced parts and components. In response to this situation, effectively integrating the resources and products of the Company's mainland investment business, thereby improving the utilization of production capacity, and strengthening price competitiveness,

will be the key direction of the Company's future development. Continuously maintaining close relationships with technical cooperation companies (Japan's Takebe Iron Works, Hirata Industries Co., Ltd. and Miwa Production Institute) is also an important foundation for ensuring the localization of Japanese car parts.

(III) Technology and R&D overview

1. R&D expenses: The Company invested NT\$25.86 million in R&D expenses in 2024, accounting for approximately 2% of the net operating income.
2. Achievements of development work already completed in the past years:
 - * R&D of parts for CMC's EJD model.
 - * R&D of parts for CMC's wooden bed rear body parts for JS model.
 - * R&D of front cross member for CMC's JS model.
 - * R&D of parts for CMC's AS model.
 - * R&D of parts for the shells and CMC's wooden bed rear body parts for TF model.
 - * R&D of parts for CMC's wooden bed rear body parts for Hezhong.
 - * R&D of the frame for Jin Long's domestically-built mid-power three-phase electric bus.
3. Continuous and future research development plans:
 - * R&D of CMC's ET35 electric car frame/wooden bed/aluminum rear body.
 - * R&D of parts for CMC's rear axle for G50 model.
 - * R&D of parts for the chassis floor and CMC's wooden bed rear body parts for DH model.
 - * R&D of Hotai 5.0T hydraulic tailgate and aluminum rear body.
 - * R&D of the frame for Jin Long's domestically-built mid-power three-phase electric bus.
 - * R&D of RAC EV's electric bus shell.
 - * R&D of Capital Bus's electric bus shell.
 - * R&D of Capital Bus's hydrogen energy bus shell.
 - * R&D of frame for container trailer.
 - * R&D of Hydrogen Valley Bus's hydrogen energy bus shell.
 - * R&D of SOE's golf cart frame.
 - * R&D of Extreme LN3 electric tricycle frame.

(IV) Long-term and short-term business development plan

1. Short-term business development plan:
 - (1) Implement the annual strategy set by the Company to achieve annual

sales targets.

- (2) In response to the increasing domestic production of electric buses, we integrates the demand and models of the domestic bus industry, does not rule out collaborating with research institutions to actively study the solutions, and introduces new equipment to improve production capacity to meet the needs of customer orders.

2. Long-term business development plan

- (1) Continuously competing for the business of metal plate parts, suspension parts and modular parts from other domestic car manufacturers.
- (2) Continuously monitor the domestic and international industry trends, and promote opportunities for mold and component output.
- (3) Expand the business of other platform deck products other than the vehicle business.
- (4) Master the future development trend of green energy components of car factories, actively collect and research relevant information on aluminum beds, rolling, hydraulic and high tension steel plates and aluminum alloy processing, in order to keep up with the trend of technological evolution in car factories.
- (5) Develop self-developed parts and components for the aftermarket and after-sales service markets.

II. Market and Production/Sales Overview

(I) Market analysis

1. Main product sales regions and ratios

The Company's main products are the shells, platform decks, parts, molds and jigs of car bodies. Currently, the main sales area is Taiwan. In 2024, the main sales revenue were NT\$525 million for platform decks, NT\$405 million for shells, NT\$334 million for parts, NT\$94.86 million for electric bus shells, and NT\$82.85 million for molds and jigs.

2. Future market supply and demand

The Ministry of Economic Affairs implemented the new "Localization Supply Chain Cooperation Value Ratio" system starting in August 2024, which will have a corresponding impact on the car manufacturers of domestic brands. In 2024, the overall car market sales reached 458 thousand units, a decrease of 4% compared to the same period last year. Among them, the market share of sedans decreased by 22.9%, mainly affected by the discontinuation of key domestic brand models. The share of RVs and compact commercial vehicles grew by 2.9% and 4.9%, respectively, while

the share of medium-sized commercial vehicles increased by 7% due to the rise in imports. The heavy vehicle market shrank by 19.4%, impacted by low replacement demand and poor performance in the tourism industry.

Looking ahead to 2025, despite the continued impact of political and economic uncertainties on the automotive market, the government's active promotion of the "old-for-new" policy in its final year is expected to stimulate demand. Coupled with sales activities from various brands and stable imports of foreign brands, it is estimated that the new car market in Taiwan will maintain a volume of around 450 thousand units in 2025.

3. Favorable and unfavorable factors for competitive niche and future development, along with corresponding strategies

Among the company's core products, the vehicle shell is an oligopolistic product, while the market share of wooden beds also reaches 90%. As for the parts such as vehicle metal plates, chassis and suspension parts, there is a lot of competition. In order to enhance its core competitiveness, the Company needs to use the capabilities of its technology parent factory to actively cultivate talents in system design and verification, in order to establish its own core technical capability. In addition, the Company is actively expanding the source of customers and products in the after-sales service market export of frames for mid-size buses.

The favorable and unfavorable factors for the future development of the Company are summarized as follows:

<Favorable factors>

- (1) In terms of the development and production of existing professional shells and wooden beds, the Company has an oligopoly advantage in technology and equipment, which can ensure a dominant domestic market share.
- (2) The company's products have long received recognition from the industry and customers, and for the expansion of new markets, it is easy to form alliances to expand new markets/businesses.
- (3) The Company has NC punch machines and mold making and laser punching manufacturing technology to reduce development costs. The renovation of the 5,0-ton hydraulic press and large ED coating tank has been completed to improve the ability to produce large parts.
- (4) The Company has mainland subsidiaries of high homogeneity, which can effectively reduce development costs and increase price competitiveness through joint research and discovery of molds for parts used by both sides of the Taiwan Strait.

- (5) The Company continues paying attention to the demand of and changes in the domestic commercial car shell market, and has an important supply chain advantage for domestic shells.
- (6) The Company, in compliance with the government policy to replace existing fuel-powered mass transportation vehicles, has set up an electric bus shell production line which has started mass production and supply.

<Unfavorable factors>

- (1) The scale of the domestic automotive market is limited, and the cost of developing automotive parts and molds is high; the willingness of the central factory to develop new car models in Taiwan is low, leading to a decrease in opportunities for new businesses.
- (2) The competition in the domestic car market is getting more intense, the central car factory requires price reduction for profit sharing every year, and the price and profit of the OEM parts market is getting lower and lower.
- (3) Increasing awareness of environmental protection and stricter regulations on air and water pollution, the operating costs of factories have increased.
- (4) The risks of cyber hacker attacks and data theft are increasing day by day.

<Countermeasures>

- (1) Participating in the design of car factory components, and finding the Company's technical positioning; expanding the internal and external sales of parts with technical barriers through the recognition of technology or quality, thereby entering the supply chain system of international car factories on both sides of the Taiwan Strait.
- (2) Collaborate with the central factory and downstream manufacturers to implement raw material joint procurement or international procurement to reduce procurement costs.
- (3) Explore emerging markets such as mainland China, India and ASEAN countries, actively seek new customers and businesses, and break through the current difficulties of the Taiwan market.

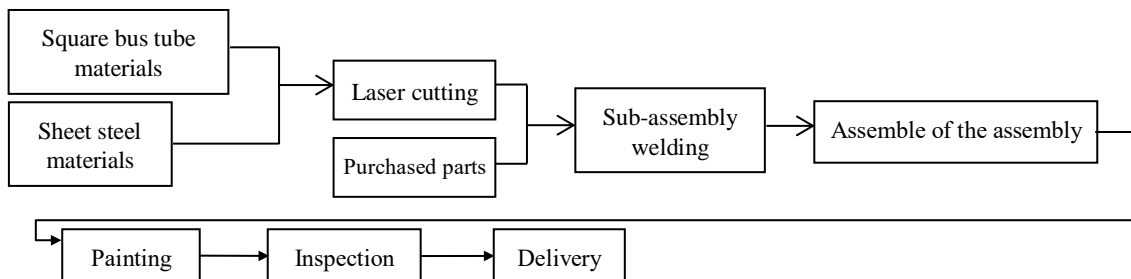
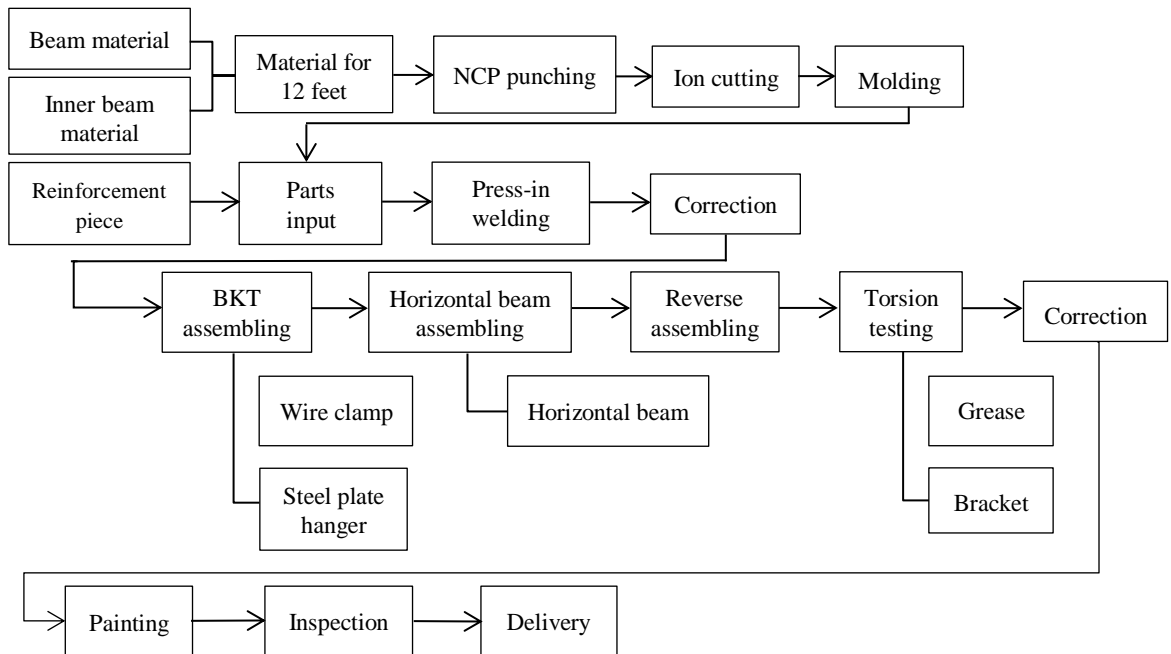
(II) Important applications and production process of main products

1. Important applications of main products

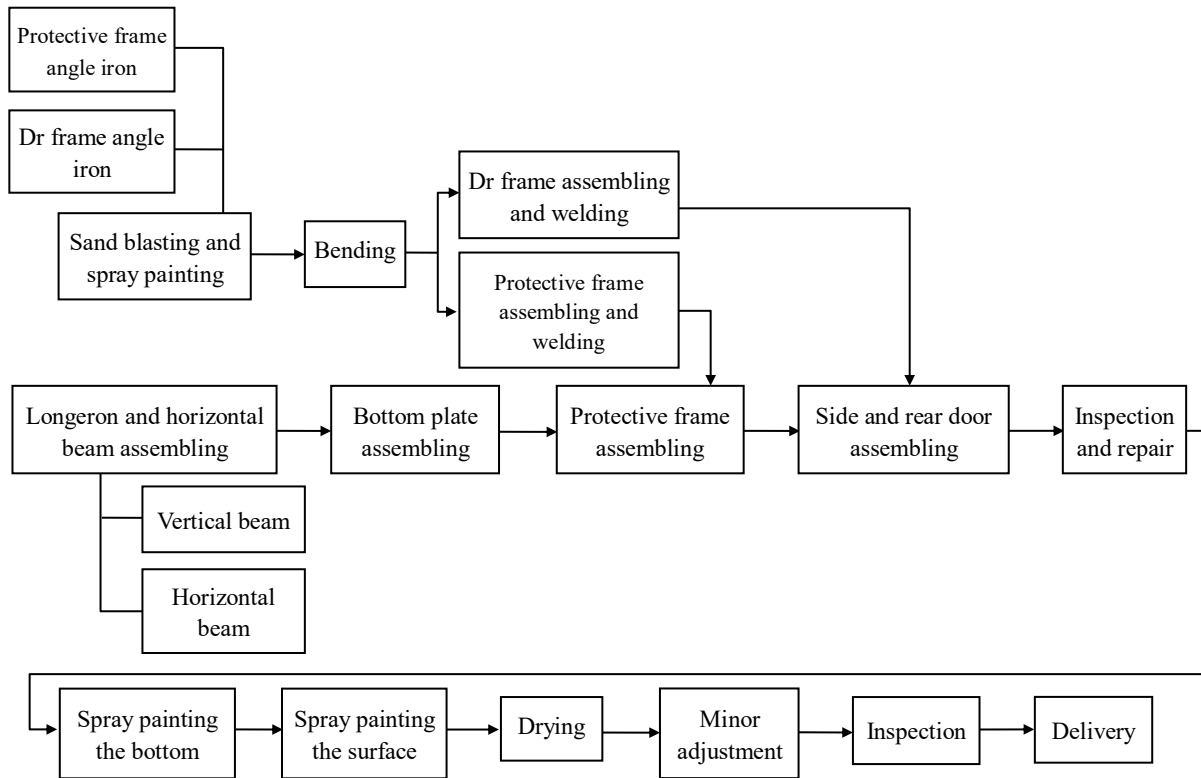
Product type	Important applications or functions
Vehicle shell	Supply of chassis of large, medium and small trucks with a total weight of 3.5 tons (including) and for medium and large buses.
Rear car body of platform deck	For the rear body of small trucks
Metal plate parts	Supply of chassis, body and suspension parts for chassis.
Molds and jigs	For car parts.

2. Production process

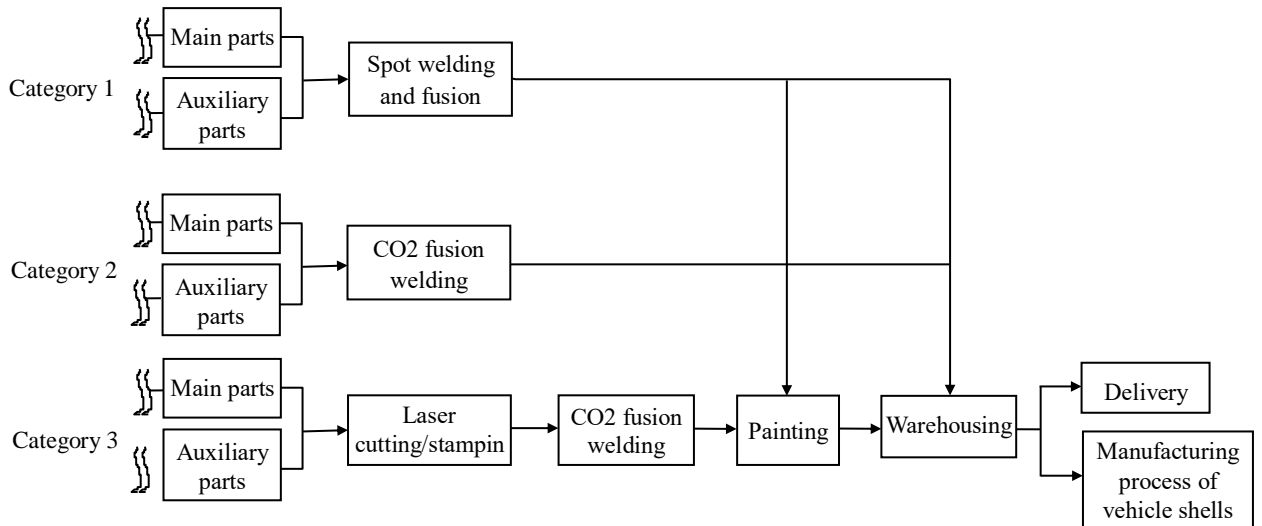
(1) Vehicle shell:



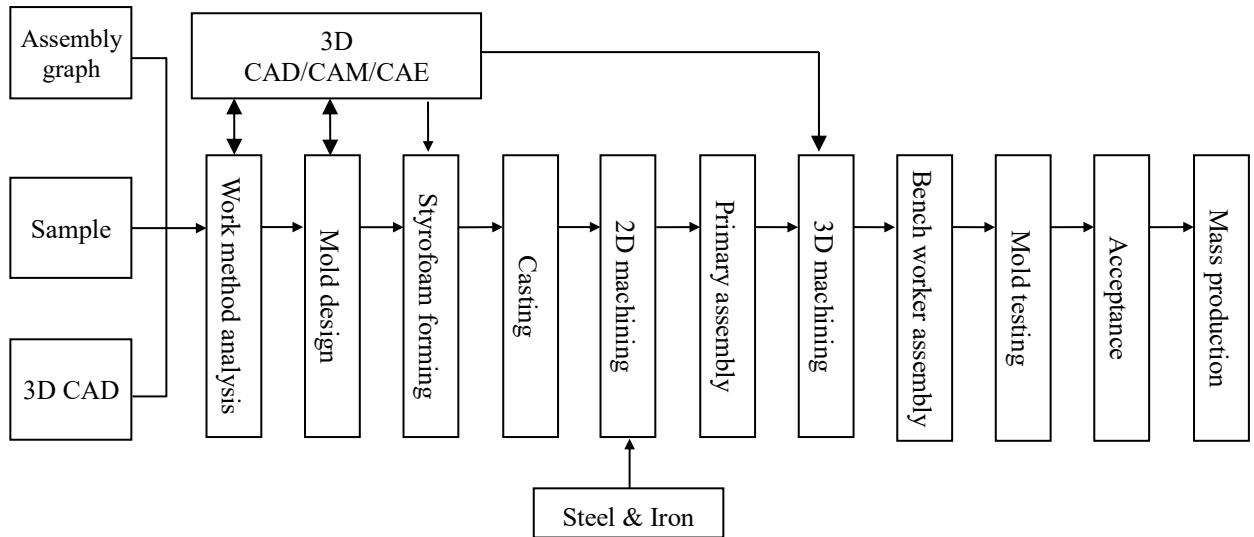
(2) Rear car body of platform deck



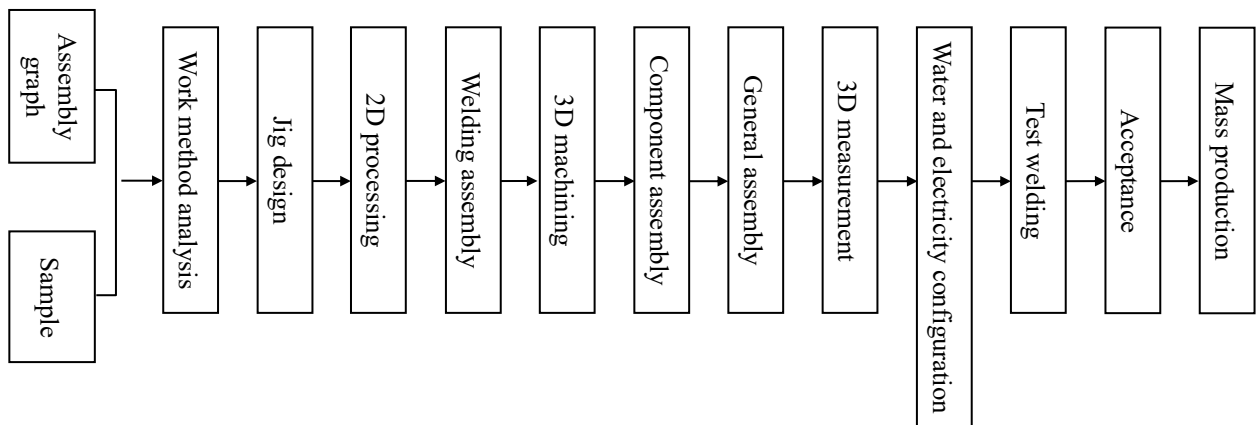
(3) Sheet metal components



(4) Car shell production process



(5) Jig production process



- (III) Supply status of key raw materials: The Company's raw materials are primarily purchased from domestic suppliers with whom we have long-term partnerships and supply agreements. These agreements not only ensure stable raw material prices, but also guarantee a reliable supply of materials.
- (IV) Names of customers representing more than 10% of the total purchase (sale) in the last two years and the purchase (sale) amount and percentage

1. Major suppliers in the last two years

Unit: NT\$ Thousand

Item	2023				2024			
	Name	Amount	Percentage of net annual purchase	Relationship with the issuer	Name	Amount	Percentage of net annual purchase	Relationship with the issuer
1	Yueki Industrial Co., Ltd.	135,639	12%	Substantive related party	Yueki Industrial Co., Ltd.	126,900	13%	Substantive related party
2	Other	964,890	88%		Other	850,430	87%	—
	Net purchase amount	1,100,529	100%		Net purchase amount	977,330	100%	—

2. Major customers in the last two years

Unit: NT\$ Thousand

Item	2023				2024			
	Name	Amount	Percentage of net sales for the year	Relationship with the issuer	Name	Amount	Percentage of net sales for the year	Relationship with the issuer
1	China Motor Corporation	562,763	35%	Parent of the Company	China Motor Corporation	526,158	36%	Parent of the Company
2	Kuozui Motors, Ltd.	723,235	45%	Company adopting the equity method for the Investment in the Company	Kuozui Motors, Ltd.	689,161	47%	Company adopting the equity method for the Investment in the Company
	Other	312,498	20%		Other	243,315	17%	
	Net sales amount	1,598,496	100%		Net sales amount	1,458,634	100%	

III. Employees

Year		2023	2024	As of March 31, 2025
Employees Number of people	Direct employees	216	219	213
	Indirect employees	111	113	111
	Total	327	332	324
Average age		42.13	41.39	42.5
Average years of service		9.29	9.4	9.68
Education Background Distribution	PhD	-	-	-
	Master	15	14	13
	College and university	143	139	138
	Senior high school	113	127	120
	Below senior high school	56	52	53

Indicator	Percentage (%)	Pay equity index	Difference (%)
Female % of total employees	17%	Gap in "average" salary between men and women	1%
Female % of supervisors	9%	Gap in "median" salary between men and women	2%
Females % of managerial officers	4%	-	

- (I) The Company is committed to providing a work environment that is respectful and safe for all employees. We implement diversity in employment, fairness in compensation and promotion opportunities, and ensure that employees are not discriminated against, harassed or treated unfairly due to race, gender, religion, age, political orientation, and other rights protected by applicable laws and regulations.
- (II) The Company values workforce diversity. We currently employ seven individuals with disabilities, which is 2.33 times the legally required number. We provide reasonable accommodation and have established support systems to eliminate barriers in the workplace. In addition, the Company hires foreign nationals, including 36 from Thailand, 42 from Indonesia, 5 from China, and 1 each from Vietnam and the Philippines. We respect the cultural customs of our employees and create a friendly and inclusive work environment. No violations of labor or human rights have occurred.
- (III) To provide a working environment for employees and job seekers that is free from sexual harassment, and to prohibit the occurrence of sexual harassment in the workplace, the Company has formulated the "Workplace Sexual Harassment Prevention, Governance, and Appeal Measures".

IV. Information on Environmental Protection Expenses

- (I) Losses and fines incurred due to pollution of the environment in the past year up until the publication date of this annual report: None.
- (II) Expected environmental protection expenditures in the current and next two years:

Unit: NT\$ Thousand

Item \ Year		2024	2025	2026
	Environmental Protection Expenses	Actual Amount	Estimated Amount	Estimated Amount
Planned procurement of pollution control equipment or expenditure content	(1) Operation costs of wastewater, waste gas and waste treatment	1,529	2,897	2,900
	(2) Pollution testing fees	982	1,554	1,600
	(3) Greenhouse gas inventory	0	210	210
Expected improvement	Compliance with: (1) Air Pollution Control Act (2) Water Pollution Control Act (3) Waste Disposal Act (4) Toxic and Concerned Chemical Substances Control Act			

V. Labor-Management Relations

(I) Availability and execution of employee welfare committee, welfare measures, group insurance, further study and training and retirement policies in the past year and as of the date of publication of the annual report:

1. Establishment of the Employee Welfare Committee

According to the Employee Welfare Regulations, the Company established an Employee Welfare Committee on November 27, 1991, to handle employee welfare matters. Currently there are 9 members; in addition to one ex-officio member (business executor) who is appointed by the Company, other members are selected from employees in different areas. Quarterly meetings are held, and temporary meetings are also held according to actual needs to study employee welfare measures and take care of welfare matters.

2. Employee welfare measures

- (1) The Company provides uniforms, well-equipped employee dormitories, training classrooms and employee restaurants.
- (2) The Company holds activities such as year-end party with lottery draw, and domestic and international travel (with travel subsidy).
- (3) Subsidies for employees' club activities, department meals, and catering.
- (4) Free group regular insurance and injury insurance for employees, as well as regular physical examinations.
- (5) The Company provides inpatient comfort, bereavement comfort and interaction with employees, and employee relatives may enjoy hospitalization subsidies.
- (6) Presents for three major festivals, birthdays, weddings, maternity, retirement and souvenirs for senior colleagues.
- (7) Provide employees with irregular quarterly incentive bonuses. Scholarships to employees and their children.
- (8) High-quality stores in Taiwan are contacted to sign them up as "chartered stores" to provide diverse consumption and selection information to employees.
- (9) Cooperate with the car factory's sales promotion activities and provide discounts for employees' car purchase.
- (10) Female employee support program: breastfeeding room with complete equipment, health education and consultation for postpartum mothers, parking tickets for pregnant women's cars and motorcycles, and gift cash for childbirth.

3. Employee group insurance

All formal employees of the Company are eligible to participate in group insurance for free, covering occupational disaster insurance, personal life insurance (disability compensation, death compensation, etc.), cancer

prevention medical insurance (surgery subsidy and radiation therapy subsidy), hospitalization medical compensation, major injury and disease payment, fracture, and accidental injury and death compensation. The personal life insurance coverage is 10 months' salary, and the accidental injury and death compensation guarantee is 36 months' salary. The hospitalization and medical compensation is on a daily basis or the actual cost payment method (including employees' spouses and children). The estimated benefit amount for employees and their families in 2024 was about NT\$540 thousand.

4. Employee's further study and training

- (1) Education and training are one of the basic benefits of the Company's employees. In order to continuously cultivate talents, assist employees in their growth, and improve the quality of human resources, the Company has established an "Education and Training Measures." According to the Education and Training Measures, the number of hours for the Company's education and training in 2024 reached 4,458 hours, with an education and training cost of approximately NT\$456 thousand.
- (2) In order to implement the Company's education and training philosophy and fully perform the function, the Company's education and training system is divided into the following:
 - * Internal hierarchy levels: Courses that enhance the skills of employees at all levels, including various management capabilities, lectures on environment, safety, hygiene and health, KM, OJT, quality, information, etc. The total training hours are 2,881.5 hours.
 - * Pre-service training: Guiding new employees to familiarize themselves with the Company, organizational development and evolution, work environment, safety and health training, financial security, welfare introduction, etc. The total training hours are 497 hours.
 - * External professional categories: Departments may periodically send personnel to participate in various training courses organized by external training institutions according to business execution needs. In 2024, a total of 133 people obtained professional certificates, technicians' certificates, training completion certificates and refreshment training completion certifications, with a total training time of 1,079.5 hours

5. Retirement system

- (1) In accordance with the "Labor Pension Act", the Company has established the Supervisory Committee of the Labor Retirement Fund to handle matters such as employee retirement application, pension payment, and employee retirement reserve appropriation. The

committee is re-elected once every four years to review the contribution to the employee pension fund, the contribution of the pension fund, and the payment thereof. In 2024, contributions to the New Pension Scheme totaled \$7 million.

- (2) Starting from July 1, 25, if employees choose to apply the pension system of the Labor Pension Act, 6% of their monthly salary will be transferred to the personal pension account of the Bureau of Labor Insurance. The status of employee pension payment is explained in the quarterly meeting to ensure the rights and interests of employees.
- (3) The pension system according to the "Labor Standards Act" belongs to the defined welfare retirement plan managed by the government. The payment of employee pension is calculated based on the number of years of service and the average salary of the six months prior to the approved retirement date. The Company allocates a certain proportion of the employee's monthly salary as pension, which is deposited into the special account of Bank of Taiwan under the name of the Labor Pension Reserve Adult Committee. Before the end of the year, if the estimated balance of the special account is insufficient to pay the estimated pension for workers in the following year, the difference will be allocated in one lump sum before the end of March of the following year. As the designated account with Bank of Taiwan had a year-end balance of NT\$96.93 million in 2024, no additional provision is required. Furthermore, the monthly contribution rate of 2% of total salaries is sufficient to cover the retirement pension obligations under the old Fund.

6. Establishment of Labor-management Committee and Union

In order to coordinate labor relations and promote labor cooperation, it is necessary to increase communication between labor and the management within the enterprise, reduce conflicts, and enable both parties to reach consensus, thereby playing the wisdom and potential abilities of everyone to work together to implement resolutions. The Labor Management Committee was officially established on March 19, 27.

- (1) The Labor-management Committee was formally established on March 19, 2007. Currently, there are five representatives from both labor and management side; regular meetings are held quarterly, and temporary meetings are held according to actual needs.
- (2) In 2017, the employees established a corporate labor union, which carries out relevant labor rights activities in accordance with laws and regulations. However, as the labor union has not yet initiated collective bargaining negotiations with the Company, no collective agreement has been signed.

7. Maintenance measures for employee safety and rights and interests

- (1) Caring for the physical and psychological health of employee

comprehensively, and providing various consultations and guidance.

(2) Full employee participation and management of multiple communications.

- * Advocate the concept of multi-directional communication, encourage participation in management, and cultivate team consensus.
- * Publicize the operation and management status, and increase the loyalty and crisis awareness of employees.
- * Set up an opinion box to focus on employee related issues and protect their rights and interests.
- * Established a communication mechanism for the Employee Welfare Committee and labor management meetings.
- * Regular meeting and communication mechanism for foreign employees.

8. Work environment and employee safety protection measures

The safety of the employees is a top priority for the Company. In addition to complying with relevant national laws and regulations, the Company has also obtained the ISO 45001 certification, valid until December 28, 2026, demonstrating our commitment to continuously improving occupational safety and health standards. In addition, potential safety hazards arising from various types of work environments, such as cutting, rolling, electrical shock, falls, fires and explosions, falling objects, poisoning, suffocation, etc., are identified, risk assessments are conducted, and hazard prevention measures and relevant management standards are implemented to ensure the safety and well-being of all employees and stakeholders. At the same time, through the operation of the Occupational Health and Safety Management System, the Company continuously improves the safety hazard risks related to personnel, equipment, and the environment. In 2024, 377 safety and health improvements were completed.

(1) Specific practices for a good working environment

- * Established a "Safety and Sensory Training Hall" to provide safety and health education and training for new employees, in-service employees and contractors, in order to provide a safe and comfortable workplace.
- * Smoking is completely prohibited in the workplace and restaurant areas, with smoking only allowed in designated smoking areas.
- * Dedicated pedestrian pathways are established within the factories to ensure a clear separation between pedestrians and vehicles.
- * Exhaust fans and local exhaust systems are installed in the factories, and large ventilation equipment is introduced to ensure air quality and improve comfort.
- * Air conditioning is added in the spray operation areas to enhance

comfort.

- * Environmental testing is conducted every six months, focusing on dust, noise, and organic solvents in the factory areas, with continuous monitoring and improvements made to the work environments.
- * Equipped the factory with monitoring systems for important equipment and safety entrances and exits with network connection to keep track of information at any time.

(2) Employee safety protection measures

- * In 2024, the Company recorded a total of 13 occupational accidents, involving 13 individuals (0.03% of the total number of employees as of December 2024). After reviewing and implementing improvement measures, the Company has conducted a review and improvement of the relevant machinery, equipment, and personnel safety operation SOPs, which were then horizontally expanded across the organization. Additionally, employee training and operational observations were carried out. Apart from regularly reviewing and assessing the effectiveness of these improvements, the Company also emphasizes managerial care and attention to the physical and mental well-being of employees, ensuring their safety during work hours.
- * Plan a series of health promotion activities, implement incentive measures to motivate employees to participate, and use accumulated point incentives to assist in maintaining positive health behaviors. In 2023, we continuously obtained the health workplace certification mark approved by the National Health Administration of the Ministry of Health and Welfare.
- * Regular physical check-ups are conducted for employees. For those with abnormal results, in addition to providing health education, employees are required to undergo follow-up checks or treatment to ensure their physical health.
- * On a monthly basis, the "Professional Physician of the Occupational Medicine Department of Chang Gung Hospital" provides on-site services to assist in identifying and evaluating the harmful factors in the work environment, operations and internal organization that affect the physical and mental health of workers, and propose improvements and suggestions and provide and arrange health education, guidance, physical and mental health protection and health promotion for employees to gradually move toward the goal of a friendly and safe workplace.
- * Hold joint meetings on occupational safety, health and environment to timely grasp the progress of safety, health and environmental improvement.

- * A comprehensive fire alarm system has been established throughout the plants, connected to the security room for real-time monitoring of plant activities. Every six months, emergency response drills, self-defense fire-fighting training, and workplace environment assessments are conducted as a basis for improving the work environment for employees.
- (II) In the most recent year and up to the date of publication of the annual report, there was no loss due to labor disputes.

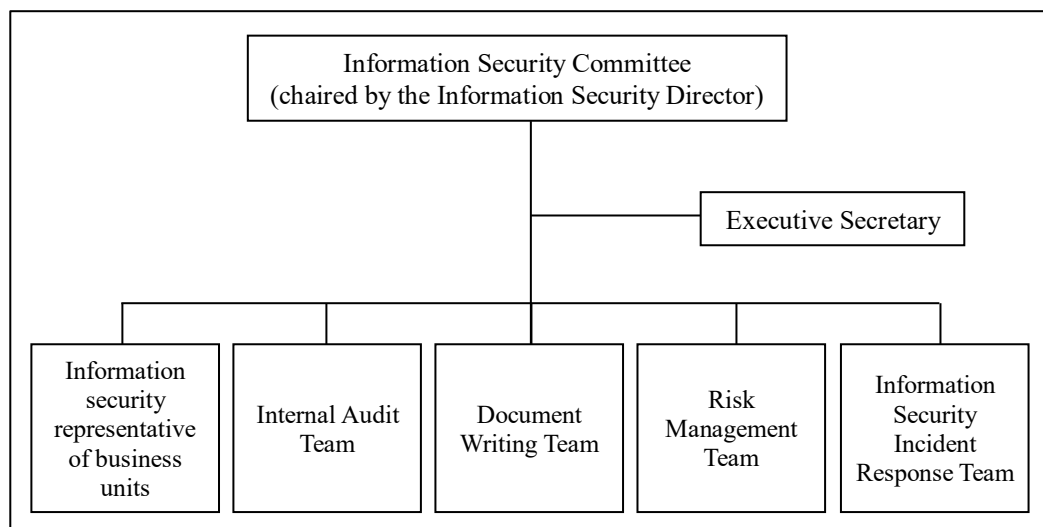
VI. Infocomm Security Management

- (I) Infocomm security management strategy and framework
The Company follows Article 9 "Processing of Computerized Information Systems" in Chapter 2 "Design and Implementation of Internal Control Systems" of the "Guidelines for Establishing Internal Control Systems for Public Companies" and formulated relevant departmental operating regulations to improve the operation environment, in order to reduce the information security threats and risks caused by emerging information technology applications and environmental changes. In addition, the Company has established an Information Security Management System (ISMS) to systematically manage information security, ensuring the confidentiality, integrity, and availability of data.

1. Infocomm security risk management framework

(1) Infocomm security management framework

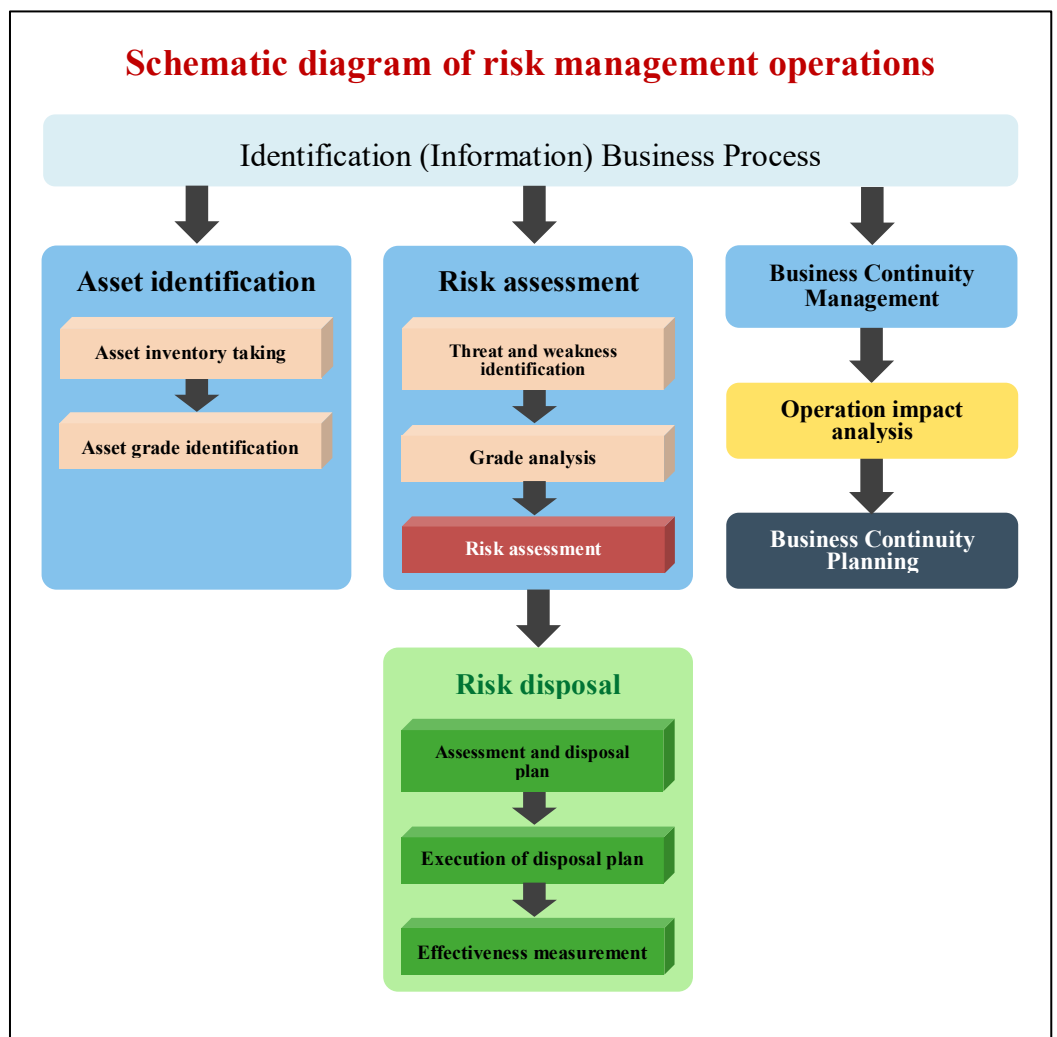
To improve the information security management, the Company obtained ISO 27001:2013 certification in October 2023, valid from October 18, 2023, to October 31, 2026. Additionally, the Company has established an "Information Security Management Committee" and appointed a dedicated information security supervisors and personnel to be responsible for information security operation management, supervision and audit, and other related operations, and regularly reports to the Board of Directors on the status of information security governance and reviews.



- (2) The Company's Information Security organization structure
- To effectively implement information security management, the Information Security Working Group reviewed the work plan, and held an information security management review meeting on July 22 to discuss the current information security-related policies and goals and report the results of the review to related Documents and records for future reference. Any material policy changes should be immediately reviewed to ensure appropriateness and effectiveness, and relevant units should be informed for common compliance.

2. Infocomm security policy

- (1) Enterprise information security management strategy and framework
- To ensure the normal operation of the Company, the information systems are continuously accessible to effectively reduce the risk of theft, improper use, leakage, tampering or destruction of information assets caused by human negligence, deliberate acts or natural disasters, in order to establish an effective management mechanism, and realize management commitments and continuous participation of all employees, and establish information security management standards as the basis for compliance.
- (2) Enterprise information security risk management and continuous improvement architecture



3. Specific management plans

(1) Multiple layers of information security protection

- * Network security: The Company invested NT\$1.25 million for 2024 to implement a network access control system to ensure the overall information security protection of the organization's network.
- * Device security: The Company invested NT\$1.35 million to implement a privileged account management system to ensure the confidentiality and integrity of privileged accounts in various systems. Additionally, the Company invested NT\$500 thousand to back up the core systems to the cloud, enhancing the availability of the core systems.

(2) Review and continuous improvement

In addition to the continuous implementation of information security cycle operations every year, future information security efforts are planned according to the Group's "Information Security Development Blueprint".

- * System maintenance: Regularly implement system security vulnerability scanning, continuously strengthen the basic information environment, establish an automated remote storage mechanism for backup data, adjust and correct the disaster recovery process and drill in a rollover manner.
- * Smart manufacturing: Establish a mechanism for preventing production equipment from virus and hacking, and strengthen production network security management system and monitoring.
- * Information security training: Implement social engineering drills and conduct information security related training irregularly.

4. Resources invested in information security management

Achievements in Promoting the Implementation of Enterprise Information Security Measures in 2024

Season 1: In the first quarter: ISMS cycle was introduced into the BPM system to improve efficiency, enhance transparency, reduce risks, and increase flexibility.

Season 2: Conducted cloud backups of core systems to reduce single-point failure risks.

Season 3: Completed the ISO 27001 re-certification and introduced a privileged account management system, significantly enhancing the Company's information security to prevent unauthorized access and potential internal threats.

Season 4: Performed vulnerability scanning on information systems and carried out social engineering drill plans, and trained one more ISO 27001 lead auditor.

(II) Infocomm security risk and countermeasures:

The Company has established an enterprise risk management mechanism and standard procedures for handling security incidents, and specified relevant processes and measures, including reporting procedures for security incidents, assigning personnel to handle major security incidents, assessing losses suffered and further necessary response measures, evaluating the potential impact of security risks on the Company and countermeasures, and complying with the basic security framework developed by the Group's General Management Office, in order to evaluate the impact on the Company's future development and financial operations. The response measures are as follows:

Procedure	Explanation	Responsible unit/role
<pre> graph TD Start([Start]) --> A[Occurred or suspected information security incident] A --> B[Reporting information security incidents] B --> C[Determining the type and severity of information security incidents] C --> D[Reporting information security incidents] D --> E{Whether to activate the business continuity plan} E -- No --> F[Execute the business continuity plan] E -- Yes --> F F --> G[Case closed] G --> H[Organize/analyze information security incidents] H --> End([End]) </pre>	<ul style="list-style-type: none"> • Occurrence of information security incident • When any of the phenomena listed in the suspected threat and vulnerability occur, or other phenomena that may be harmless to the security of information assets 	<ul style="list-style-type: none"> • All colleagues
	<ul style="list-style-type: none"> • The incident finder reports to the sales representative • Please fill “Handling request of information security incident” and report to the Information Security Incident Response Team 	<ul style="list-style-type: none"> • Incident discoverer • Business Manager • Information Security Incident Response Team
	<ul style="list-style-type: none"> • Determine the level and category of the incident, and whether it needs to be reported • Determine the level and type of the incident and whether it needs to be reported. 	<ul style="list-style-type: none"> • Information Security Incident Response Team
	<ul style="list-style-type: none"> • Based on the type and level of the incident, determine the recipients of the incident report and fill in the handling form. 	<ul style="list-style-type: none"> • Business Manager
	<ul style="list-style-type: none"> • Determine the handling method according to the type and level of the incident. • The head of the incident unit shall determine whether it is necessary to implement the business continuity plan. 	<ul style="list-style-type: none"> • Incident Unit Supervisor • Information Security Incident Response Team
	<ul style="list-style-type: none"> • The information security incident response team, together with technical experts (when necessary), and the person-in-charge of the relevant assets, shall handle the incident according to these procedures • If the repair is not completed in time, the damage control and the implementation of the business continuity plan 	<ul style="list-style-type: none"> • Information Security Incident Response Team
	<ul style="list-style-type: none"> • Conduct emergency response in accordance with the "Business Continuity Management Operating Standards for Information Security" 	<ul style="list-style-type: none"> • Information Security Incident Response Team • Business Manager • Incident Unit Supervisor
	<ul style="list-style-type: none"> • Proceed to "case closure with report" after information security incidents are handled 	<ul style="list-style-type: none"> • Information Security Incident Response Team

	<ul style="list-style-type: none"> • The department in charge of security management collects and summarizes information security incidents in accordance with the "Management Procedures for Management Review", makes statistics on the number, type, level, and scope of impact of information security incidents, analyzes abnormal changes, and conducts reviews and improvements for major information security incidents and learning. 	<ul style="list-style-type: none"> • Responsible unit for information security management
--	--	--

(III) Losses, possible impacts from and implementation of countermeasures for major information security incidents in 2024 and up to March 31, 2025; if there is no reasonable estimate available, state the fact that it cannot be reasonably estimated: None.

VII. Important Contracts

Nature of the Contract	Counterparty	Start and end date of contract	Main contents	Restrictive clauses
Technical cooperation contract	Japan's Miwa Production Institute	From July 9, 2007 to July 8, 2025	Miwa Production Institute provides guidance on the manufacturing technology for the # shaped beams and related assembly parts commissioned by China Motor to the Company.	None
	Japan's Hirata Industries Co., Ltd.	From July 31, 2007 to July 30, 2025 From January 1, 2024 to December 31, 2025	Hirata Industries Co., Ltd. provides guidance on the manufacturing technology related to the front crossbeam, rear suspension metal parts used in the manufacturing of sedans, and assembly parts of the supporting heavy arm, lower arm and connecting rod commissioned by China Motor to the Company, as well as technical advice related to factory operation. In addition, Hirata Industries Co., Ltd. provides guidance on the manufacturing technology related to the GS41 trailing arm commissioned by China Motor to the Company since January 2018.	None
	Japan's Takebe Iron Works	From September 28, 2022 to September 27, 2025	Takebe Iron Works provides technical assistance in the manufacturing technology of the shells, shell metal parts and related assembly parts of trucks and buses commissioned by Kuozui Motors, Ltd. to the Company.	None

Six. Review and Analysis of Financial Position and Financial Performance, and Risk Items

I. Comparison and Analysis of Financial Position

Unit: NT\$ Thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Current asset	2,538,720	2,470,696	68,024	3
Investments accounted for using equity method	2,704,796	2,692,058	12,738	-
Property, plant and equipment	571,514	553,995	17,519	3
Other assets	40,877	35,037	5,840	17
Total assets	5,855,907	5,751,786	104,121	2
Current liabilities	608,576	575,914	32,662	6
Non-current liabilities	257,229	391,556	(134,327)	(34)
Total liabilities	865,805	967,470	(101,665)	(11)
Share capital	734,001	734,001	-	-
Capital surplus	1,251	1,251	-	-
Retained earnings	4,541,113	4,474,491	66,622	1
Other equity interest	(286,263)	(425,427)	(139,164)	(33)
Total equity of shareholders	4,990,102	4,784,316	205,786	4
<p>Explanation of the reasons why the changes in assets, liabilities and shareholders' equity have exceeded 20% in the past two years:</p> <ol style="list-style-type: none"> 1. The decrease in non-current liabilities is a result of the decrease in deferred income tax liabilities. 2. The decrease in other equity is mainly due to the exchange differences on the translation of the financial statements of foreign operations. 				

II. Financial Performance Analysis

(I) Comparison and Analysis of Financial Performance

Unit: NT\$ Thousand

Item \ Year	2024	2023	Increase or decrease	
			Amount	%
Operating revenue, net	1,458,634	1,598,496	(139,862)	(9)
Operating costs	1,280,131	1,417,745	(137,614)	(10)
Gross profit from operations	178,503	180,751	(2,248)	(1)
Operating expenses	123,840	115,358	8,482	7
Net operating income (loss)	54,663	65,393	(10,730)	(16)
Non-operating income and expenses	331,132	486,786	(155,654)	(32)
Profit before tax	385,795	552,179	(166,384)	(30)
Income tax benefits (expenses)	(83,631)	(148,356)	64,725	44
Net profit for the year	302,164	403,823	(101,659)	(25)
Other comprehensive income	145,842	(85,178)	231,020	271
Total comprehensive income (loss) for the year	448,006	318,645	129,361	41
Analysis and explanation of the increase or decrease of over 20% in the past two years:				
1. The decrease in non-operating revenue, net profit before tax and net profit for the year was mainly due to the decrease in investment income recognition.				
2. The decrease in income tax expense was mainly due to the decrease in investment income that resulted in the decrease in the provision for deferred income tax expense.				
3. The increase in other comprehensive income is mainly due to fluctuations in exchange rates that affect the share of other comprehensive income of joint ventures under the equity method and the exchange differences on the translation of financial statements of foreign operations.				

III. Cash Flow Analysis

(I) Changes in cash flow for the year

Unit: NT\$ Thousand

Beginning cash balance	Net cash flow from operating activities for the year	Net cash flow from investing and financing activities for the year	Cash surplus (shortfall)	Remedy for cash shortfall	
				Investment plan	Wealth management plan
1,787,196	19,531	(16,495)	1,790,232	-	-
1. Operating activities: Net cash inflow of NT\$91,953 thousand from operating revenue, with interest and income tax payments amounted to NT\$72,422 thousand.					
2. Investing and financing activities: Net cash outflow from investing and financing activities was due to the payment of cash dividends and the repayment of short-term bank loans.					

(II) Liquidity analysis for the coming year Unit: NT\$ Thousand

Beginning cash balance	Estimated net cash flow from operating activities for the year	Estimated net cash flow from investing and financing activities for the year	Estimated cash surplus (shortfall)	Remedy for cash shortfall	
				Investment plan	Wealth management plan
1,790,232	(105,263)	(51,118)	1,633,851	-	-
<p>1. Analysis of cash flow changes in the coming year:</p> <p>(1) Operating activities: Net cash inflow of NT\$82,812 thousand from operating revenue. However, due to the distribution of profits from subsidiaries back to Taiwan and the impact of the Controlled Foreign Corporation (CFC) system on profit-seeking enterprises, the income tax paid increased, and the cash outflow for various taxes is expected to be NT\$188,075 thousand.</p> <p>(2) Investment and financing activities: The expected net cash flow from investment and financing activities is NT\$51,118 thousand, mainly from cash dividends, and capital expenditures.</p> <p>2. Remedy for cash shortfall and liquidity analysis: Not applicable.</p>					

IV. Impact of Significant Capital Expenditures in the Most Recent Year on Finance and Business

The significant capital expenditure in 2024 was NT\$69.58 million, and the expected benefits are as follows:

- (I) Introduction of new products: Increase the Company's product market share, and increase revenue and sales volume.
- (II) Introduction of components: improve the self-production rate of parts and reduce production costs.
- (III) Strengthen sales: Increase the Company's and products' name recognition, improve after-sales service quality, and promote sales.
- (IV) Improve productivity: Update and automate production line equipment, rationalize layout, improve production capacity and enhance technology.
- (V) Improving quality: Enhance the comprehensive quality assurance capabilities of third-party manufacturers, implement the comprehensive quality assurance system, and enhance customer satisfaction with product quality.
- (VI) Improving the working environment: Upgrade computer equipment, replace office equipment and official vehicles, plan and construct the entire factory office, improve air quality, and add pollution prevention and control equipment.
- (VII) Reducing infocomm security risks: Strengthen system security and data protection, and continuously monitor and maintain information security.

V. Investment Policy for the Most Recent Year, Main Causes of Profit or Loss, Improvement Plan and Investment Plan for the Coming Year: The Company's investment continue to focus on automotive parts manufacturing, and the Company keeps investing in four reinvested companies in mainland China, as listed below:

Reinvested company	Investment amount	Main reasons for profit or loss	Other future investment plans or improvement plans
Fuzhou Fuxiang Automobile Industry Co., Ltd.	USD 2,835 thousand	The new business has entered mass production, production capacity has increased, and fixed costs are effectively shared; the profit was RMB 36,151 thousand.	Promote new business and meet existing production capacity, and continuously promote the reduction activities of cost and controllable expense.
Guangzhou Enten Yulong Transmission System Co., Ltd.	USD 5,000 thousand	Despite the growth in export business, the Company generated a profit of RMB 89,495 thousand due to sluggish domestic demand.	Promoting new businesses and meeting existing capacities.
Xiangyang Enten Yulong Transmission System Co., Ltd.	USD 13,600 thousand	Affected by the competition in the market, the demand for orders was weak, and the profit of the Japanese car manufacturer was RMB 20,690 thousand.	Commit to improving production capacity and continuously promote activities to reduce controllable costs.
Xiamen Jinlong Kian Shen Vehicle Shell Co., Ltd.	USD 1,527 thousand	The profit structure from product sales was improved, resulting in a profit of RMB 5,779 thousand.	Improve the company's health through a sound financial structure.

VI. Risk Analysis

- (I) Impact of interest rate and exchange rate changes and inflation on the Company's profit and loss, and countermeasures in the most recent fiscal year and as of March 31, 2025:
1. The Company manages and maintains sufficient cash and cash equivalents to support operations. Currently, the available cash position is considered adequate, and the impact of interest rate changes on profit and loss is limited. If the interest rate increases/decreases by one basis point within a possible range, the Company's profit or loss for 2024 will increase/decrease by NT\$670 thousand.
 2. The Company holds foreign currency assets, and its reinvested companies are located in Mainland China. The exchange rate risk is mainly affected by fluctuations in RMB exchange rate. When the New Taiwan Dollar appreciates/depreciates by 1% against the RMB, the Company's pre-tax profit or loss for 2024 will decrease/increase by NT\$1,878 thousand.
- (II) Policies on high-risk and highly leveraged investments, loans to others, endorsements/guarantees, and trading of derivatives in the past year and as of March 31, 2025, the main reasons for profit or loss incurred and future

countermeasures:

1. The Company has not been engaged in high-risk or highly leveraged investments.
2. The Company has not extended loans to others, provided endorsements/guarantees or been engaged in derivative trading.

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

1. In addition to continuously participating in the development of new vehicles by various car manufacturers, in order to comply with the trend of energy conservation and carbon reduction, the Company actively collaborates with car manufacturers to develop electric bus shells. To improve product technology and respond to the future market demand for lightweight products, we plan to invest in the research and development of lightweight shells and rear body.
2. The estimated R&D investment cost of the Company for 2025 is NT\$27.19 million.

(IV) Impact of changes in important domestic and international policies and laws on the Company's finance and business in the past year and up to March 31, 2025, and countermeasures: The Company has been paying close attention to the legal regulations and policies that affect its business and operations. Currently, major domestic and international policies and legal changes have no significant impact on the Company's finance and business.

(V) During the most recent year and up to March 31, 2025, the impact of changes in technology (including information security risks) and industry changes on the Company's finance and business, and the response measures:

1. In 2024, there were no significant information and communication security incidents that impacted the Company's operations.
2. For the specific information and communication security risk framework of the Company, please refer to Section 6 "Infocomm Security Management" in Section V. Operation Overview.

(VI) Impact of changes in corporate image on corporate crisis management and response measures in the most recent year and as of March 31, 2025: To strengthen corporate governance, the Company has established independent directors and formed an audit committee, a remuneration committee, and a sustainable development committee, which hold regular meetings. Additionally, the Company complies with the requirements of competent authorities by promptly disclosing significant information and continues to focus on sustainable development and social responsibility issues to build a positive corporate image. To effectively manage communication with the media and avoid improper crisis handling that could affect the Company's image, the Company has implemented a spokesperson mechanism. Additionally, we have dedicated units to address valuable suggestions from stakeholders, ensuring the effective maintenance of the Company's reputation and image.

(VII) Expected benefits, risks and countermeasures in relation to mergers and

- acquisitions in the past year and up to March 31, 2025: Not applicable.
- (VIII) Expected benefits, risks and countermeasures in relation factory expansion in the past year and up to March 31, 2025: Not applicable.
- (IX) Risks faced due to the concentration of purchases or sales in the past year and up to March 31, 2025, and the corresponding countermeasures:
1. The Company is committed to diversifying procurement sources, with the majority of purchases from domestic suppliers. Due to the long-term cooperative relationship and signed supply agreements, the Company's raw material supply is normal and stable, without the risk of concentrated procurement.
 2. The Company uses its expertise and advantages in production and manufacturing to vigorously strive for various vehicle shell businesses for low-floor buses, electric buses, electric locomotives, medium-sized bus and shuttle buses, in order to expand new businesses and markets, and reduce the risk of excessive concentration of customers.
- (X) Impact, risk and countermeasures in relation to major transfer of shareholding by directors, independent directors, or shareholders with more than 10% shareholding in the past year and up to March 31, 2025: Not applicable.
- (XI) Impact, risk and countermeasures in relation to the change of management right in the past year and up to March 31, 2025: Not applicable.
- (XII) Litigation and non-contentious cases in the past year and up to March 31, 2025: None.
- (XIII) Other material risks in the past year and up to March 31, 2025 and countermeasures:

VII. Other Important Matters:

(I) Condensed balance sheet and statement of comprehensive income - consolidated

1. Condensed balance sheet

(Unit: NT\$ Thousand)

Item \ Year		Financial Information for the Past Five Years				
		2020	2021	2022	2023	2024
Current asset		1,242,835	1,303,879	2,093,390	2,470,696	2,538,720
Investments accounted for using equity method		3,513,168	3,479,083	2,950,259	2,692,058	2,704,796
Property, plant and equipment		513,448	520,733	549,636	553,995	571,514
Other assets		15,281	20,189	16,088	35,037	40,877
Total assets		5,284,732	5,323,884	5,609,373	5,751,786	5,855,907
Current liabilities	Before distribution	573,234	486,118	669,940	575,914	608,576
	After distribution	734,714	640,258	824,080	818,134	608,576
Non-current liabilities		387,522	398,845	319,622	391,556	257,229
Total liabilities	Before distribution	960,756	884,963	989,562	967,470	865,805
	After distribution	1,122,236	1,039,103	1,143,702	1,209,690	865,805
Equity attributable to owners of parent		4,323,976	4,438,921	4,619,811	4,784,316	4,990,102
Share capital		734,001	734,001	734,001	734,001	734,001
Capital surplus		1,251	1,251	1,251	1,251	1,251
Retained earnings	Before distribution	3,970,944	4,100,675	4,225,083	4,474,491	4,541,113
	After distribution	3,809,464	3,946,535	4,070,943	4,232,271	4,541,113
Other equity interest		(382,220)	(397,006)	(340,524)	(425,427)	(286,263)
Treasury shares		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Before distribution	4,323,976	4,438,921	4,619,811	4,784,316	4,990,102
	After distribution	4,162,496	4,284,781	4,465,671	4,542,096	4,990,102

Note: The 2025 shareholders' meeting is not yet held, and the profit distribution scheme is not yet determined, so the amount after 2024 distribution is the same as the amount before distribution.

2. Condensed balance sheet

(Unit: NT\$ Thousand, except for earnings per share in New Taiwan Dollars)

Item \ Year	Financial Information for the Past Five Years				
	2020	2021	2022	2023	2024
Operating revenue	1,052,991	1,275,608	1,500,265	1,598,496	1,458,634
Operating costs	960,750	1,171,714	1,352,764	1,417,745	1,280,131
Gross profit from operations	92,241	103,894	147,501	180,751	178,503
Operating expenses	85,937	89,384	102,750	115,358	123,840
Net operating income	6,304	14,510	44,751	65,393	54,663
Non-operating income and expenses	403,842	361,566	294,379	486,786	331,132
Profit before tax	410,146	376,076	339,130	552,179	385,795
Income tax expenses	86,101	69,309	9,312	148,356	83,631
Profit from continuing operations	324,045	306,767	269,818	403,823	302,164
Loss from discontinued business	-	-	-	-	-
Profit (loss)	324,045	306,767	269,818	403,823	302,164
Other comprehensive income (loss after tax)	37,995	(30,342)	65,212	(85,178)	145,842
Total comprehensive income	362,040	276,425	335,030	318,645	448,006
Profit attributable to owners of parent	324,045	306,767	269,818	403,823	302,164
Profit attributable to non-controlling interest	-	-	-	-	-
Comprehensive profit or loss attributable to owners of parent	362,040	276,425	335,030	318,645	448,006
Comprehensive profit or loss attributable to non-controlling interest	-	-	-	-	-
Earnings per share	4.41	4.18	3.68	5.50	4.12

(II) Condensed balance sheet and statement of comprehensive income - individual

1. Condensed balance sheet

(Unit: NT\$ Thousand)

Item \ Year		Financial Information for the Past Five Years				
		2020	2021	2022	2023	2024
Current asset		544,258	515,945	837,541	555,949	849,861
Investments accounted for using equity method		4,212,538	4,266,538	4,205,624	4,606,329	4,393,655
Property, plant and equipment		513,448	520,733	549,636	553,995	571,514
Other assets		15,281	20,189	16,088	35,037	40,877
Total assets		5,285,525	5,323,405	5,608,889	5,751,310	5,855,907
Current liabilities	Before distribution	572,751	485,639	669,456	575,438	608,576
	After distribution	734,231	639,779	823,596	817,658	608,576
Non-current liabilities		388,798	398,845	319,622	391,556	257,229
Total liabilities	Before distribution	961,549	884,484	989,078	966,994	865,805
	After distribution	1,123,029	1,038,624	1,143,218	1,209,214	865,805
Equity attributable to owners of parent		-	-	-	-	-
Share capital		734,001	734,001	734,001	734,001	734,001
Capital surplus		1,251	1,251	1,251	1,251	1,251
Retained earnings	Before distribution	3,970,944	4,100,675	4,225,083	4,474,491	4,541,113
	After distribution	3,809,464	3,946,535	4,070,943	4,232,271	4,541,113
Other equity interest		(382,220)	(397,006)	(340,524)	(425,427)	(286,263)
Treasury shares		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Before distribution	4,323,976	4,438,921	4,619,811	4,784,316	4,990,102
	After distribution	4,162,496	4,284,781	4,465,671	4,542,096	4,990,102

Note: The 2025 shareholders' meeting is not yet held, and the profit distribution scheme is not yet determined, so the amount after 2024 distribution is the same as the amount before distribution.

2. Condensed balance sheet

(Unit: NT\$ Thousand, except for earnings per share in New Taiwan Dollars)

Item \ Year	Financial Information for the Past Five Years				
	2020	2021	2022	2023	2024
Operating revenue	1,052,991	1,275,608	1,500,265	1,598,496	1,458,634
Operating costs	960,750	1,171,714	1,352,764	1,417,745	1,280,131
Gross profit from operations	92,241	103,894	147,501	180,751	178,503
Operating expenses	85,670	89,094	102,453	115,152	123,484
Net operating income	6,571	14,800	45,048	65,599	55,019
Non-operating income and expenses	403,575	361,276	251,800	486,580	330,776
Profit before tax	410,146	376,076	296,848	552,179	385,795
Income tax expenses	86,101	69,309	27,030	148,356	83,631
Profit from continuing operations	324,045	306,767	269,818	403,823	302,164
Loss from discontinued business	-	-	-	-	-
Profit (loss)	324,045	306,767	269,818	403,823	302,164
Other comprehensive income (loss after tax)	37,995	(30,342)	65,212	(85,178)	145,842
Total comprehensive income	362,040	276,425	335,030	318,645	448,006
Profit attributable to owners of parent	324,045	306,767	269,818	403,823	302,164
Profit attributable to non-controlling interest	-	-	-	-	-
Comprehensive profit or loss attributable to owners of parent	362,040	276,425	335,030	318,645	448,006
Comprehensive profit or loss attributable to non-controlling interest	-	-	-	-	-
Earnings per share	4.41	4.18	3.68	5.50	4.12

Seven. Special Disclosures

I. Related Information of Affiliated Enterprises

(I) Consolidated Business Report of Affiliated Enterprises

1. Organization Chart of Affiliated Enterprises



2. Information on affiliates Unit: NT\$ Thousand unless otherwise specified

Company name	Date of establishment	Address	Paid-up capital	Key business or product
Kian Shen Investment Co., Ltd.	2002.03.13	Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands VG1110.	USD 10,296 thousand	Investment
Kian Shen Investment Hong Kong Co. Limited	2007.11.15	13/F., No. 136 Des Voeux Road Central, Central, Hong Kong	USD 25,907 thousand	Investment

3. For those presumed to have controlling or subordinate relationships, information on the same shareholders: None.

4. Information on directors, supervisors and presidents of various affiliated enterprises

Company name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding ratio
Kian Shen Investment Co., Ltd.	Director	Kian Shen Corporation Representative: Chao-Wen Chen	10,296 thousand shares	100%
Kian Shen Investment Hong Kong Co. Limited	Director	Kian Shen Investment Co., Ltd. Representative: Chao-Wen Chen	25,907 thousand shares	100%

5. Operation overview of each affiliate

Unit: NT\$ Thousand, while earnings per share in NT\$
December 31, 2024

Company name	capital	Total assets	Total liabilities	Net value	Operating revenue	Net operating income	Profit or loss (after tax)	Earnings per share (NT\$)
Kian Shen Investment Co.,Ltd	USD 10,296 thousand	4,393,655	-	4,393,655	-	(135)	299,496	29.09
Kian Shen Investment Hong Kong Co.Limited	USD 25,907 thousand	4,393,173	-	4,393,173	-	(221)	299,140	11.55

- (II) Consolidated financial statements of affiliated enterprises: The same as the consolidated statements of parent and subsidiary companies.

(III) Affiliation report

1. Declaration on Consolidated Financial Statements of Affiliated Enterprises:

Declaration on Consolidated Financial Reports of Affiliated Enterprises:

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises" for the year of 2024 (from January 1, 2024 to December 31, 2024) are the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in the International Financial Reporting Standard 10 "Consolidated Financial Statements", and relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of the parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliated enterprises. We hereby declare the above.

Company name: Kian Shen Corporation

Person in charge: Chao-Wen Chen

March 7, 2025

2. Affiliation report for the past year

Kian Shen Corporation
Declaration on Affiliation Report

The Company's Affiliation Report for the year of 2024 (from January 1, 2024 to December 31, 2024) was prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises", and there is no significant discrepancy between the disclosed information and the relevant information disclosed in the notes to the financial report in the period above.

We hereby declare the above.

Company name: Kian Shen Corporation

Person in charge: Chao-Wen Chen

March 7, 2025

3. CPA Review Report on the Affiliation Report

CPA's Review Opinion on the Affiliation Report

The Board of Directors and Shareholders

Kian Shen Corporation

Kian Shen Corporation has prepared its 2024 Affiliation Report in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (hereinafter referred to as "the Criteria"). The financial information disclosed in the report has been reviewed by the CPA certifying the financial statements for the same period, based on the information disclosed in the notes to the financial statements, and this review opinion is submitted pursuant to the Criteria.

In the opinion of the CPA, the information disclosed in the 2024 Affiliation Report of Kian Shen Corporation is not materially inconsistent with the related information disclosed in the notes to the financial statements for the same period, and no violations of the Criteria currently in effect have been identified.

Regards

Kian Shen Corporation

Ernst & Young

CPA: Yu-Ting Huang

Chien-Tse Huang

March 7, 2025

4. Overview of the relationship with affiliated enterprises and controlled companies Unit: share; %

Unit: Shares; %

Name of controlled company	Reason for controlling	Shareholding and pledge of controlled company			Personnel appointed by the controlling company as directors, supervisors, or managers	
		Number of shares held	Shareholding ratio	Number of shares pledged	Title	Name
China Motor Corporation	The President is dispatched by China Motor Corporation	32,201,367	43.87	—	Chairman Director, President	Chao-Wen Chen Chiung-Chih Tseng

5. Purchase and sales transactions

Unit: NT\$ Thousand; %

Status of trading with controlled companies				Conditions of trading with controlled companies		General trading conditions		Reasons for the difference	Accounts/Notes receivable (payable)		Overdue accounts receivable			Remarks
Purchases (Sales)	Amount	Percentage of total sales (purchases)	Gross profit	Unit price (NT\$)	Credit period	Unit price (NT\$)	Credit period		Balance	Percentage of accounts/ notes receivable (payable)	Amount	Method of disposal	Amount of loss allowance	
Sales	526,158	36.07	25,532	-	45 days from the following month after delivery	-	30~95 days from the following month after delivery	-	93,191	36.48	-	-	-	

6. Trading of assets: None.

7. Loaning of Funds to Others: None.

8. Asset leasing: None.

9. Endorsements and guarantees: None.

10. Information on derivative trade: None.

II. Information on Private Placement of Securities for 2024 and Up to March 31, 2025: None.

III. Events Having Material Impact on Shareholders' Equity or Securities Price for 2024 and Up to March 31, 2025: None.

IV. Additional Information Required to be Disclosed: None.

Kian Shen Corporation

Chairman: Tung-Tai Hsiung

Environmental Safety and Health Policies

Comply with environmental safety and health regulations and obligations

Continuously improve the management system to enhance performance

Implement environmental protection to reduce hazards and risks

Aware of own responsibilities and obligations

Zero tolerance for workplace bullying and violence

Create an equal, healthy and friendly work environment

Regularly review the effectiveness of the environmental safety system

Communicate to all personnel working for the organization

Environmental Safety Concept

Safety first, and prevention as the priority

Highest Goals of Environment, Safety and Health

Safety: zero disaster

Health: zero injury

Transportation: zero accident

Environment: zero pollution

Business Philosophy

Loyalty: being loyal to duty, honest and harmonious

Responsibility: customer first, quality first

Progress: down-to-earth, thorough, innovative and developmental

Quality Policy

Group planning and effort: Work together for improvement, respect work, enjoy company and participate together

Quality first: Improve quality awareness and comply with work regulations

Customer satisfaction: Meet customer requirements and improve customer satisfaction