

Stock Code : 2204

China Motor Corporation

2024 Annual Report

(Translation)

Printed on March 31, 2025

Notice to Readers

The Annual Report have been translated into English from the original Chinese version. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.

I. Name, title, telephone number, and email address of the spokesperson and deputy spokesperson:

Spokesperson: Ching-Wu Chien

Title: Executive Vice President

Deputy spokesperson: Hui-Chun Lai

Title: Manager of the Corporate Planning Division

Telephone: (03)4783191

Email: 0800@china-motor.com

II. Address and telephone number of headquarters, branch offices, and plants;

Headquarter: 11F., No. 2, Sec. 2, Dunhua S. Rd., Taipei City

Telephone: (02)23250000

Yang Mei Plant: No. 618, Xiucui Rd., Xiucui Vil., Yangmei Dist., Taoyuan City

Telephone: (03)4783191

Hsin Chu Plant: No. 2, Guangfu Rd., Hsinchu Industrial Park, Hukou Township, Hsinchu County

Telephone: (03)5985841

III. The name, address, telephone number and website of the agency handling shares transfer

China Motor Corporation

Address: 3F-1, No. 1, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City

Telephone: (02)25156421

Website: <https://www.china-motor.com.tw>

IV. The names of the certified public accountants who duly audited the annual financial report for 2024, and the name, address, telephone number and website of the accounting firm to which they belong.

Name of accounting firm: Deloitte & Touche Taiwan

Name of CPA: You-Cheng Hsin CPA, Chih-Ming Shao CPA

Address: 20F., No. 100, Songren Rd., Xinyi Dist., Taipei City

Telephone: (02)27259988

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

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

VI. The Company's Website: <https://www.china-motor.com.tw>

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Report to Shareholders

Dear shareholders,

Last year (2024), the overall automobile market in Taiwan sold 458,000 vehicles, declining by 4.0%. This decline was mainly due to the active clearance of accumulated orders from the pandemic period by various manufacturers in the previous year, which raised the baseline. The Company's annual domestic sales were 52,263 units (including OEM and imported vehicles), declining by 0.8%, with consolidated operating revenue of NT\$39.243 billion, consolidated operating profit of NT\$1.723 billion, consolidated after-tax profit of NT\$4.240 billion, and earnings per share of NT\$7.34.

The company has a solid R&D strength for models and key systems. Over the years, we have continuously adapted our models to meet market demands, making our product line portfolio more diversified and competitive. Last year (2024), we launched the light commercial vehicle J SPACE, the first in its class to feature the Level 2 ADAS (Advanced Driver Assistance System), offering spacious, versatile interiors and limitless imaginative applications. The vehicle generated enthusiastic market discussions upon its release, achieving excellent sales performance with prospects of regaining leadership in the light commercial vehicle market.

In the passenger vehicle segment, affected by the localization policy, the MG brand experienced a sales decline last year. However, leveraging our proprietary technical capabilities, we collaborated closely with our supply chain to accelerate the localization of component development and production. It not only effectively reduces the impact, but also brings technological improvement benefits to the industry..

In 2025 Q1, the Company introduced the Mitsubishi Eclipse Cross 2025 model. In the second half of the year, we will launch the newly self-developed commercial electric vehicle

Report to Shareholders

ET35, featuring Level 2 ADAS, IOT connected vehicle networks, and other advanced safety and intelligent features. These features will integrate with logistics fleet management platforms, providing solutions for customers prioritizing low carbon emissions. By the end of the year, we will also complete preparations for mass production of Mitsubishi's new small SUV.

With joint efforts from our component partner system and dealership network, the Company aims to achieve domestic auto sales of 49,000 units (including OEM and imported vehicles) this year, creating higher value for shareholders.

In overseas markets, the global commodity trade warmed up last year, resulting in the export of 938 complete vehicles, a 33.4% increase compared to 2023. This year, the Company will continue to strengthen and expand complete vehicle export markets in the Middle East, Africa, and ASEAN countries, while actively planning to explore overseas electric vehicle market opportunities with strategic partners.

As for the Company's investment in Fujian Benz, which focuses on high-end commercial vehicles, it sold 26,000 units last year amid a highly volatile environment. This year, we will continue to ensure profitability through steady development.

The Company has excelled in ESG performance, earning recognition in the top 5% of TWSE's Corporate Governance Evaluation for listed companies for eleven consecutive years. In 2024, we received multiple prestigious awards including "CommonWealth Sustainability Award - Second Place in Large Manufacturing Enterprises," "CommonWealth Talent Sustainability Award," and the "National Sustainable Development Award," highlighting our outstanding achievements in corporate governance, sustainable development, and talent cultivation. Additionally, last year, we became the first automotive company in Taiwan to sign and commit to the Science Based Targets initiative (SBTi) and actively promoted carbon disclosure plans, introducing internal carbon pricing to achieve the 2050 net-zero carbon

Report to Shareholders

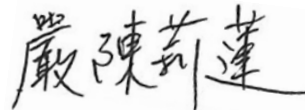
emission goal.

Looking ahead, the Company will continue to deepen its dual transformation strategy. On one hand, we will focus on developing commercial vehicles and diverse carriers with proprietary technology; on the other hand, we will actively expand our multi-brand passenger vehicle product line to ensure long-term competitiveness in products and costs, striving to become the most reliable mobility partner for Taiwan's vehicle owners. In response to the challenges from tariff issues, we will actively respond and demonstrating our determination to sustainably operate in the Taiwan market.

Finally, we sincerely thank all shareholders for their long-term support and encouragement. We will continue our efforts to create more impressive sales results and reward shareholders with concrete actions.

Chairperson

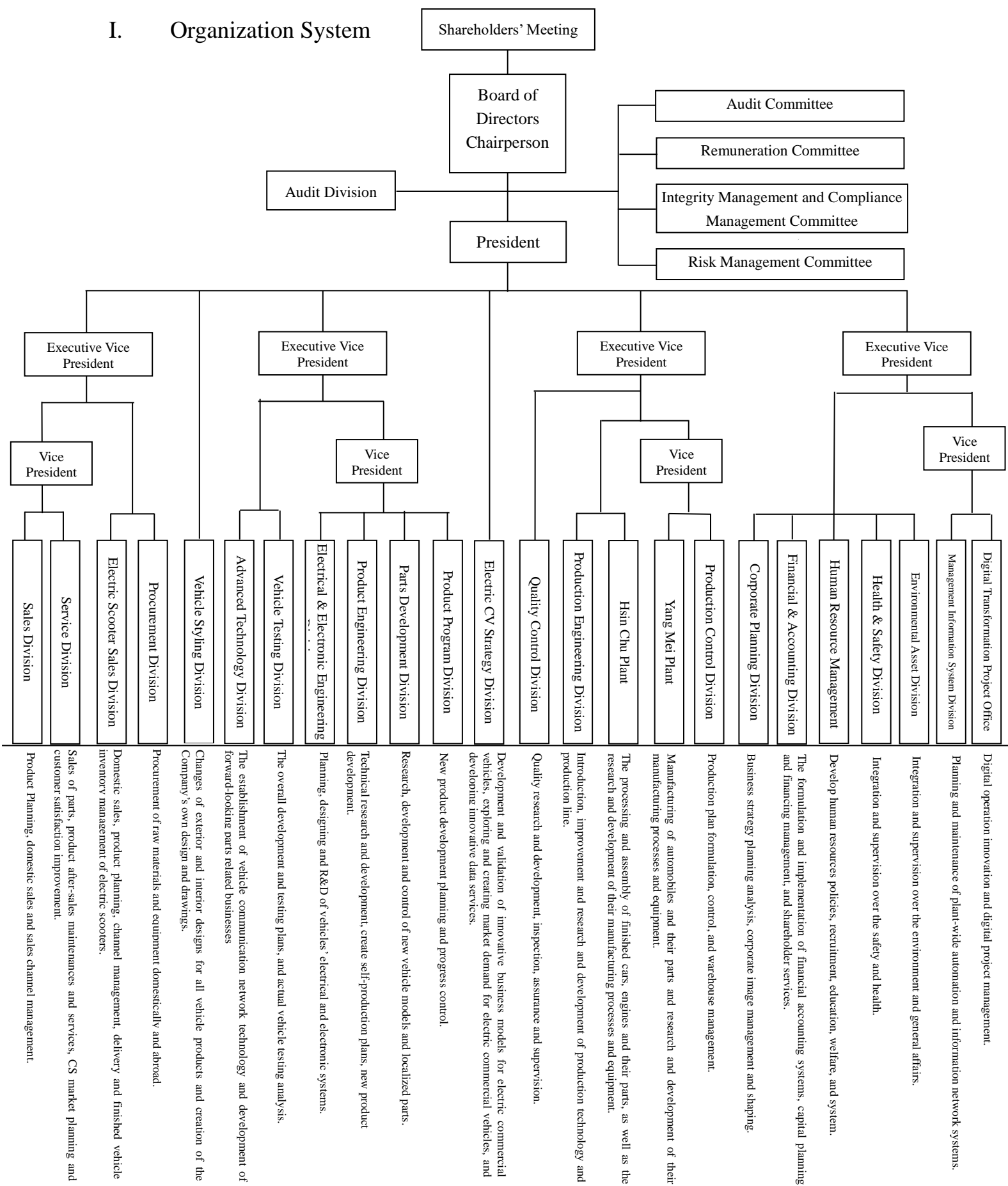
Li-Lien Chen Yen

Handwritten signature of Li-Lien Chen Yen in black ink, consisting of four characters: 嚴, 陳, 莉, 蓮.

March 31, 2025

Corporate Governance Report

I. Organization System



Corporate Governance Report

II. Information on the company's Directors, President, Executive Vice President, Vice President, and the Supervisors of all the company's divisions and branch units

(1) Information on directors

Title	Nation ality or place of registra tion	Name	Gender Age	Elected date	The commenc ement date of the first term	Term of contract	Shareholding when elected		Current shareholding		Spouse and children of minor age's current shareholding	
							Number of shares	%	Number of shares	%	Number of shares	%
Chairperson	R.O.C.	Yulon Motor Co., Ltd. Representati ve Li-Lien Chen Yen	Female Aged 61~65	2022.06.23	1994.07.01	3 years	44,592,177 *2,216,162	8.05 0.40	44,592,177 *2,216,162	8.05 0.40	-	-
Director	Japan	Mitsubishi Motors Corporation Representati ve Yamazaki Yoshinori	Male Aged 55~60	2023.04.14	2016.07.01	3 years	77,507,309	14.00	77,507,309	14.00	-	-
Director	R.O.C.	Tai Yuen Textile Co., Ltd. Representati ve Hsin-I Lin	Male Aged 75~80	2022.06.23	1984.07.20	3 years	139,435,815	25.19	139,435,815	25.19	-	-

*It indicates personal shareholding.

Corporate Governance Report

March 31, 2025

Shareholding in other's name		Principal work experience and academic qualifications	Position(s) held concurrently in the company and / or in any other company	Other Managerial Roles, Directors, or Supervisors who are spouses, or relatives within the second degree of kinship.			Remark
Number of shares	%			Title	Name	Relationship	
-	-	Department of Physical Education, Chinese Culture University Work experience is described as those in the right column	Chairperson, Yulon Motor Co., Ltd. Chairperson, Yulon Nissan Motor Co., Ltd. Chairperson, Taiwan Acceptance Corporation Chairperson, Tai Yuen Textile Co., Ltd. Director, Yulon Construction Co., Ltd. Chairman and President, Yulon Management Co., Ltd. For other details, please refer to the "Summary of affiliated companies"	-	-	-	-
-	-	Department of Economics, Meiji University, Japan Work experience is described as those in the right column	Chief of Oceania and North Asia Department, Mitsubishi Motors Corporation Vice Chairperson, Shenyang Aerospace Mitsubishi Motors Engine Manufacturing Co., Ltd. President, MCIC Holdings Sdn Bhd (Malaysia) Mitsubishi Motors (China) Co., Ltd. Director, Fortune Motors Co., Ltd.	-	-	-	-
-	-	Department of Mechanical Engineering, National Cheng Kung University Chairperson, Industrial Technology Research Institute Vice Premier, Executive Yuan and Chairperson, Council for Economic Planning and Development Minister, Ministry of Economic Affairs Vice Chairman and General Manager, China-Motor Corporation	Director, Yulon Motor Co., Ltd. Executive Director and Independent Director, Shihlin Electric & Engineering Corporation	-	-	-	-

Corporate Governance Report

Title	Nationality or place of registration	Name	Gender Age	Elected date	The commencement date of the first term	Term of contract	Shareholding when elected		Current shareholding		Spouse and children of minor age's current shareholding	
							Number of shares	%	Number of shares	%	Number of shares	%
Director	R.O.C.	Le Wen Investment Co., Ltd. Representative Kuo-Hsing Hsu	Male Aged 65~70	2024.08.01	2024.08.01	3 years	2,215,760	0.40	2,215,760	0.40	-	-
Director	R.O.C.	Tai Yuen Textile Co., Ltd. Representative Chao-Wen Chen (Note 1)	Male Aged 60~65	2022.06.23	2016.06.24	3 years	139,435,815	25.19	139,435,815	25.19	-	-
Director	R.O.C.	Yulon Motor Co., Ltd. Representative Tai-Ming Chen	Male Aged 55~60	2022.06.23	2008.07.21	3 years	44,592,177	8.05	44,592,177	8.05	-	-

Note: 1. TAI YUEN TEXTILE CO., LTD. has appointed Hsin-Cheng Tseng as a director effective April 1, 2025.

Corporate Governance Report

March 31, 2025

Shareholding in other's name		Principal work experience and academic qualifications	Position(s) held concurrently in the company and / or in any other company	Other Managerial Roles, Directors, or Supervisors who are spouses, or relatives within the second degree of kinship.			Remark
Number of shares	%			Title	Name	Relationship	
-	-	Department of Mechanical Engineering, National Taiwan University of Science and Technology Vice President, Yulon Motor Co., Ltd. Vice President, Yulon Management Co., Ltd.	President and Director, Yulon Motor Co., Ltd. Director, Yulon Nissan Motor Co., Ltd. Vice Chairman, Taiwan Acceptance Corporation Director, Luxgen Motor Co., Ltd. Director, Foxtron Vehicle Technologies Co., Ltd. Vice Chairman, Tokio Marine Newa Insurance Co., Ltd. Director, Yulon Administered Enterprises Company Limited Vice Chairman, Yulon Construction Co., Ltd. Chairperson, Yulon Automotive (China) Investment Limited	-	-	-	-
-	-	Executives Program of Graduate School of Business Administration, National Chengchi University Department of Chemical Engineering, Chung Yuan Christian University Executive Vice President, China-Motor Corporation Vice President, China-Motor Corporation General Manager, Production Technology Division, China-Motor Corporation	Chairperson, Kain Shen Corporation Chairperson, Fortune Motors Co., Ltd. Director, Shung Ye Motor Enterprise For other details, please refer to the "Summary of affiliated companies"	-	-	-	-
-	-	LLM, Boston University Bachelor, Department of Law, National Taiwan University	Supervisor Tai Yuen Textile Co., Ltd. Senior Consultant, Jones Day Taipei Office Director, Simplo Technology Co., Ltd. Independent Director, Orient Pharma Co., Ltd.	-	-	-	-

Corporate Governance Report

Title	Nationality or place of registration	Name	Gender Age	Elected date	The commencement date of the first term	Term of contract	Shareholding when elected		Current shareholding		Spouse and children of minor age's current shareholding	
							Number of shares	%	Number of shares	%	Number of shares	%
Independent Director	R.O.C.	Chi-Ching Chen	Male Aged 65~70	2022.06.23	2016.06.24	3 years	-	-	-	-	-	-
Independent Director	R.O.C.	Wei-Ching Lue	Female Aged 65~70	2022.06.23	2019.06.26	3 years	-	-	-	-	-	-
Independent Director	R.O.C.	Yi-Hung Hsieh	Male Aged 60~65	2022.06.23	2022.06.23	3 years	-	-	-	-	-	-

Corporate Governance Report

March 31, 2025

Shareholding in other's name		Principal work experience and academic qualifications	Position(s) held concurrently in the company and / or in any other company	Other Managerial Roles, Directors, or Supervisors who are spouses, or relatives within the second degree of kinship.			Remark
Number of shares	%			Title	Name	Relationship	
-	-	MBA, Massachusetts Institute of Technology Sloan School of Management EMBA, College of Commerce, Global Economics and Trading Management, National Chengchi University Director, GogaMedia Limited Co. Director, Financial One Corp.	Member of Remuneration Committee, China-Motor Corporation Member of Risk Management Committee, China-Motor Corporation Independent Director, Taiwan Acceptance Corporation Director, Haofeng Assets Co., Ltd.	-	-	-	-
-	-	Master, Graduate School, Department of Land Economics, National Chengchi University Deputy Major, New Taipei City Government Commissioner, Department of Finance, New Taipei City Government Deputy Director-General, National Treasury Administration, Ministry of Finance Counselor, Ministry of Finance	Member of Remuneration Committee, China-Motor Corporation Member of Risk Management Committee, China-Motor Corporation	-	-	-	-
-	-	Juris Doctor, Stanford Law School	Member of Remuneration Committee, China-Motor Corporation Member of Risk Management Committee, China-Motor Corporation Independent Director, Taiwan Acceptance Corporation	-	-	-	-

Corporate Governance Report

Table 1: Major Shareholders of the Institutional Shareholders

March 31, 2025

Name of the institutional shareholder	Major Shareholders of the institutional shareholder
1. Tai Yuen Textile Co., Ltd.	1. Xian Wei Investment Co., Ltd. (22.15%) 2. Yen Tjing Ling Industrial Development Foundation (14.24%) 3. British Virgin Islands Hoffman Brother Investment Company (9.8%) 4. British Virgin Islands Evans Corporation (9.71%) 5. Caymans Islands West Bridge Investment Company (9.13%) 6. Li Yuan Investment Corporation (7.17%) 7. Yong shun Investment Corporation (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%)
2. Yulon Motor Co., Ltd.	1. Tai Yuen Textile Co., Ltd. (17.43%) 2. China Motors Corporation (16.02%) 3. Li-Lien Chen Yen (3.19%) 4. Taipei Branch of UBS holding Pei-Yu, Yan's Trust Property Account (3.17%) 5. Taipei Branch of UBS holding Xiang-Nan, Yan's Trust Property Account (3.17%) 6. Fan-Terh Investment Co., Ltd. (1.96%) 7. Yen Tjing Ling Industrial Development Foundation (1.03%) 8. Wei Tai Investment Co., Ltd. (0.80%) 9. JP Morgan Chase Bank in its Capacity as Master Custodian for PGIA Progress International Equity Index (0.76%) 10. Wavin Investment Co., Ltd. (0.76%)
3. Mitsubishi Motors Corporation	1. Nissan Motor Co., Ltd. (34.01%) 2. Mitsubishi Corporation (20.00%) 3. The Master Trust Bank of Japan, Ltd. (Trust Account) (6.78%) 4. Custody Bank of Japan, Ltd. (Trust Account) (1.74%) 5. NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDU RE: UCITS CLIENTS 15.315 PCT NON TREATY ACCOUNT (1.68%) 6. Mitsubishi Heavy Industries, Ltd. (1.44%) 7. MAN INTERNATIONAL ICVC-MAN GLG JAPAN COREALPHA FUND (1.01%) 8. Mitsubishi UFJ Trust and Banking Corporation (0.99%) 9. THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT (0.85%) 10. Custody Bank of Japan, Ltd. (Trust Account 4) (0.66%)
4. Le Wen Investment Co., Ltd.	1. Wei Tai Investment Co., Ltd. (40.32%) 2. Wavin Investment Co., Ltd. (30.63%) 3. Fan-Terh Investment Co., Ltd. (18.92%) 4. Li-Lien Chen Yen (3.39%) 5. Daughter of Li-Lien Chen Yen (3.37%) 6. Son of Li-Lien Chen Yen (3.37%)

Corporate Governance Report

Table Two: The Major Shareholders of the Major Shareholders of the Institutional Shareholders in

Table One

March 31, 2025

Name of the Corporation	Major Shareholders of the Corporation
1. Xian Wei Investment Co., Ltd.	1. Tai Yuen Textile Co., Ltd. (90.60%) 2. Diamond Hosiery & Thread Co., Ltd. (9.40%)
2. Yen Tjing Ling Industrial Development Foundation	The Foundation is funded 100% by Mr. Yen, Ching-Ling (deceased) and Ms. Wu, Shuen-Wen (deceased).
3. British Virgin Islands Hoffman Brother Investment Company	The information is not available due to the limitations of local practices.
4. British Virgin Islands Evans Corporation	The information is not available due to the limitations of local practices.
5. Caymans Islands West Bridge Investment Company	The information is not available due to the limitations of local practices.
6. Li Yuan Investment Co., Ltd.	1. Vivian Wu Industry and Commerce ECCC Foundation (99.126%) 2. Diamond Hosiery & Thread Co., Ltd. (0.869%) 3. Fan-Terh Investment Co., Ltd. (0.001%) 4. Wei Tai Investment Co., Ltd. (0.001%) 5. Le Wen Investment Co., Ltd. (0.001%) 6. Vincent Investment Co., Ltd. (0.001%) 7. Wavin Investment Co., Ltd. (0.001%)
7. Yong shun Investment Corporation	1. Vivian Wu Industry and Commerce ECCC Foundation (99.083%) 2. Diamond Hosiery & Thread Co., Ltd. (0.912%) 3. Fan-Terh Investment Co., Ltd. (0.001%) 4. Wei Tai Investment Co., Ltd. (0.001%) 5. Le Wen Investment Co., Ltd. (0.001%) 6. Vincent Investment Co., Ltd. (0.001%) 7. Wavin Investment Co., Ltd. (0.001%)
8. Diamond Hosiery & Thread Co., Ltd	1. British Virgin Islands Wanda Company (72.51%) 2. Tai Yuen Textile Co., Ltd. (21.97%) 3. Xian Wei Investment Co., Ltd. (5.09%) 4. Vivian Wu Industry and Commerce ECCC Foundation (0.1684%) 5. Le Wen Investment Co., Ltd. (0.13%) 6. Wavin Investment Co., Ltd. (0.13%) 7. Li-Lien Chen Yen (0.0002%) 8. Daughter of Li-Lien Chen Yen (0.0002%) 9. Son of Li-Lien Chen Yen (0.0002%)
9. Li Peng Investment Co., Ltd.	1. Vivian Wu Industry and Commerce ECCC Foundation (98.993%) 2. Diamond Hosiery & Thread Co., Ltd. (1.002%) 3. Fan-Terh Investment Co., Ltd. (0.001%) 4. Wei Tai Investment Co., Ltd. (0.001%) 5. Le Wen Investment Co., Ltd. (0.001%) 6. Vincent Investment Co., Ltd. (0.001%) 7. Wavin Investment Co., Ltd. (0.001%)
10. Yuan Wei Investment Co., Ltd.	1. Vivian Wu Industry and Commerce ECCC Foundation (91.513%) 2. Diamond Hosiery & Thread Co., Ltd. (8.477%) 3. Fan-Terh Investment Co., Ltd. (0.002%) 4. Wei Tai Investment Co., Ltd. (0.002%) 5. Le Wen Investment Co., Ltd. (0.002%) 6. Vincent Investment Co., Ltd. (0.002%) 7. Wavin Investment Co., Ltd. (0.002%)

Corporate Governance Report

Name of the Corporation	Major Shareholders of the Corporation
11. China Motors 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 Taiwan Sustainability High-Yield Mid- and Small-Cap ETF Account (1.08%) 8. Chin-Feng Cheng (0.92%) 9. Fan-Terh Investment Co., Ltd. (0.87%) 10. Yung Han Investment Co., Ltd. (0.72%)
12. Taipei Branch of UBS holding Pei-Yu, Yan's Trust Property Account	None.
13. Taipei Branch of UBS holding Xiang-Nan, Yan's Trust Property Account	None.
14. Fan-Terh Investment Co., Ltd.	1. Wei Tai Investment Co., Ltd. (33.36%) 2. Wavin Investment Co., Ltd. (33.34%) 3. Le Wen Investment Co., Ltd. (33.30%)
15. Wei Tai Investment Co., Ltd.	1. Li-Lien Chen Yen (33.32%) 2. Daughter of Li-Lien Chen Yen (33.29%) 3. Son of Li-Lien Chen Yen (33.29%) 4. Fan-Terh Investment Co., Ltd. (0.04%) 5. Wavin Investment Co., Ltd. (0.02%) 6. Le Wen Investment Co., Ltd. (0.02%) 7. Jing Yu Investment Co., Ltd. (0.02%)
16. JP Morgan Chase Bank in its Capacity as Master Custodian for PGIA Progress International Equity Index	None.
17. Wavin Investment Co., Ltd.	1. Li-Lien Chen Yen (28.84%) 2. Daughter of Li-Lien Chen Yen (28.73%) 3. Son of Li-Lien Chen Yen (28.73%) 4. Le Wen Investment Co., Ltd. (11.39%) 5. Jing Yu Investment Co., Ltd. (2.11%) 6. Fan-Terh Investment Co., Ltd. (0.10%) 7. Wei Tai Investment Co., Ltd. (0.10%)
18. Nissan Motor Co., Ltd.	1. NATIXIS SA AS TRUSTEE FOR FIDUCIE NEWTON 701910 (23.93%) 2. Renault S.A. (17.05%) 3. The Master Trust Bank of Japan (Shintaku-guchi) (9.00%) 4. J.P. MORGAN SE - LUXEMBOURG BRANCH 381648 (3.40%) 5. Suntera (Cayman) Limited as trustee of ECM Master Fund (2.63%) 6. Custody Bank of Japan (Shintaku-guchi) (1.66%) 7. State Street Bank West Client - Treaty 505234 (1.23%) 8. Nippon Life Insurance (1.02%) 9. Moxley and Company (0.99%) 10. The Nomura Trust and Banking (Shintaku-guchi) (0.66%)

Corporate Governance Report

Name of the Corporation	Major Shareholders of the Corporation
19. Mitsubishi Corporation	1. The Master Trust Bank of Japan, Ltd. (Trust Account) (15.90%) 2. BNYM AS AGT/CLTS 10 PERCENT (10.04%) 3. Custody Bank of Japan, Ltd. (Trust Account) (5.61%) 4. Meiji Yasuda Life Insurance Company (4.27%) 5. Tokio Marine & Nichido Fire Insurance Co. (2.42%) 6. The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account / Voting Rights Trustee) (2.42%) 7. STATE STREET BANK WEST CLIENT - TREATY 505234 (1.72%) 8. STATE STREET BANK AND TRUST COMPANY 505001 (1.45%) 9. JP MORGAN CHASE BANK 385781 (1.40%) 10. Japan Trust Bank Co., Ltd. (Retirement Benefit Trust Account / Mitsubishi Electric Corporation Account) (1.33%)
20. The Master Trust Bank of Japan, Ltd. (Trust Account)	1. Mitsubishi UFJ Trust and Banking Corporation (46.50%) 2. Nippon Life Insurance Company (33.50%) 3. Meiji Yasuda Life Insurance Company (10.00%) 4. The Norinchukin Trust & Banking Co., Ltd. (10.00%)
21. Custody Bank of Japan, Ltd. (Trust Account)	1. Sumitomo Mitsui Trust Holdings, Inc. (33.30%) 2. Mizuho Financial Group, Inc (27.00%) 3. Resona Bank, Limited (16.70%) 4. Dai-ichi Life Insurance Company, Limited (8.00%) 5. Asahi Mutual Life Insurance Company (5.00%) 6. Meiji Yasuda Life Insurance Company (4.50%) 7. Japan Post Life Insurance Co., Ltd. (3.50%) 8. Fukoku Mutual Life Insurance Company (2.00%)
22. NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDU RE: UCITS CLIENTS 15.315 PCT NON TREATY ACCOUNT	The information is not available due to the limitations of local practices.
23. Mitsubishi Heavy Industries, Ltd.	1. The Master Trust Bank of Japan, Ltd. (Trust Account) (15.00%) 2. Custody Bank of Japan, Ltd. (Trust Account) (5.40%) 3. STATE STREET BANK AND TRUST COMPANY 505001 (2.60%) 4. Meiji Yasuda Life Insurance Company (2.30%) 5. STATE STREET BANK WEST CLIENT - TREATY 505234 (1.90%) 6. BNYM AS AGT/CLTS NON TREATY JASDEC (1.60%) 7. GOVERNMENT OF NORWAY (1.50%) 8. JP MORGAN CHASE BANK 385781 (1.30%) 9. THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DEPOSITARY RECEIPT HOLDERS (1.20%) 10. Mitsubishi Heavy Industries Shareholding Organization (1.10%)
24. MAN INTERNATIONAL ICVC-MAN GLG JAPAN COREALPHA FUND	The information is not available due to the limitations of local practices.
25. Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Financial Group, Inc. (100%)
26. THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	The information is not available due to the limitations of local practices.
27. Custody Bank of Japan, Ltd. (Trust Account 4)	1. Sumitomo Mitsui Trust Holdings, Inc. (33.30%) 2. Mizuho Financial Group, Inc (27.00%) 3. Resona Bank, Limited (16.70%) 4. Dai-ichi Life Insurance Company, Limited (8.00%) 5. Asahi Mutual Life Insurance Company (5.00%) 6. Meiji Yasuda Life Insurance Company (4.50%) 7. Japan Post Life Insurance Co., Ltd. (3.50%) 8. Fukoku Mutual Life Insurance Company (2.00%)

Corporate Governance Report

(II) Directors' Professional Expertise and Independence Status

1. Information disclosure for director's professional qualification and independence:

March 31, 2025

Director's Name	Director's diversity				Professional qualification and experience	Independence	Number of other public offering companies, which the Director concurrently serving as independent Director within
	Gender	Nationality	Age	Condition			
Li-Lien Chen Yen	Female	R.O.C.	Aged 60~65	Professional qualification: Operations management Experience: Please refer to pages 6-11 for directors' information	<p>1. None of the directors (independent directors included) has the circumstances set forth in Article 26-3 of the Securities and Exchange Act and Article 30 of the Company Act.</p> <p>2. Every year, the Company obtains the statement from the independent directors, to ensure the independent directors to keep meeting the required qualifications set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and the requirements in Article 14-2 of the Securities and Exchange Act.</p>	-	
Yamazaki Yoshinori	Male	Japan	Aged 55~60	Professional qualification: International Business Management Experience: Please refer to pages 6-11 for directors' information		-	
Hsin-I Lin	Male	R.O.C.	Aged 75~80	Professional qualification: Operations management Experience: Please refer to pages 6-11 for directors' information		1	
Kuo-Hsing Hsu	Male	R.O.C.	Aged 65~70	Professional qualification: Operations management Experience: Please refer to pages 6-11 for directors' information		-	
Chao-Wen Chen (Note 1)	Male	R.O.C.	Aged 60~65	Professional qualification: Operations management Experience: Please refer to pages 6-11 for directors' information		-	
Tai-Ming Chen	Male	R.O.C.	Aged 55~60	Professional qualification: Laws Experience: Please refer to pages 6-11 for directors' information		1	
Independent Director	Male	R.O.C.	Aged 65~70	Professional qualification: Operations management		1	

Corporate Governance Report

Chi-Ching Chen				Experience: Please refer to pages 6-11 for directors' information	
Independent Director Wei-Ching Lue	Female	R.O.C.	Aged 65~70	Professional qualification: Finance and commerce Experience: Please refer to pages 6-11 for directors' information	-
Independent Director Yi-Hung Hsieh	Male	R.O.C.	Aged 60~65	Professional qualification: Laws Experience: Please refer to pages 6-11 for directors' information	1

Note: 1. TAI YUEN TEXTILE CO., LTD. has appointed Hsin-Cheng Tseng as a director effective April 1, 2025.

2. Diversity and independence of the Board of Directors:

(1) Diversity of the Board of Directors:

The Company's board of Directors approved a policy on diversity of board members on December 19, 2016, the main elements of which are as follows.

A. The Company will consider the diversity of board members from various aspects, including education, experience, gender, independence, professional experience and different nationalities, when selecting and reviewing Directors and Independent Directors, and will evaluate whether they can perform their duties and bring maximum benefits to the Company after joining the Board.

B. In order for the Company's board members to meet the diversity requirements, the followings are required for measurable diversity indicators:

- ① Independence: The composition of the Directors and the Independent Directors in the Board of the Directors should remain balanced to ensure that the Board of Directors possesses high independence. Hence, the Board of Directors of the Company should include at least three Independent Directors.
- ② Gender: The Company is committed to maintaining a working environment free of gender discrimination. Based on the same considerations, the Company's Board of Directors includes at least one female Director.
- ③ Nationality: For the Company's diversified business portfolio, having one (including more than one) board member with a different nationality supports understanding the knowledge and insights of business operations in other countries. Hence, the

Corporate Governance Report

Company's Board of Directors includes at least one foreign Director.

- ④ Abilities and experiences: Based on the consideration that Directors with financial, academic, and management backgrounds are eligible to provide the Company with professional management advice, the Company's Board of Directors should include at least one Director or Independent Director with professional background (such as accounting).

C. Reason for female directors not reaching one-third of the Board and measures to enhance gender diversity on the Board:

To strengthen corporate governance effectiveness, the Company continues to promote its policy on Board gender diversity. After the election of the 22nd Board of Directors at the shareholders' meeting scheduled for May 29, the number of female directors is expected to reach 3 seats (representing 1/3 of the Board).

(2) Independence of the Board of Directors: The Company's Board of Directors currently consists of nine directors, including three independent directors. The independence of the board of directors is described as the table above.

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(III) Information on the Company's Directors, President, Executive Vice President, Vice President, and the Supervisors of all the Company's divisions and branch units

Title	Nationality	Name	Gender	Elected date	Current shareholding		Spouse and children of minor age's Current shareholding		Shareholding in other's name	
					Number of shares	%	Number of shares	%	Number of shares	%
President	R.O.C.	Chao-Wen Chen (Note 1)	Male	2015.06.01	-	-	-	-	-	-
Executive Vice President	R.O.C.	Hsin-Cheng Tseng (Note 1)	Male	2019.04.01	-	-	-	-	-	-
Executive Vice President	R.O.C.	Hung-Ching Yang	Male	2022.01.01	-	-	-	-	-	-

Note: 1. On March 25, 2025, the Board of Directors approved the retirement of President Chao-Wen Chen. Hsin-Cheng Tseng, Executive Vice President of China Motor Corporation (CMC), will succeed as President effective April 1, 2025.

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Principal work experience and academic qualifications	Position(s) held concurrently in the Company and / or in any other company	Managers who are spouses or relatives within the second degree of kinship			Remark
		Title	Name	Relationship	
Executives Program of Graduate School of Business Administration, National Chengchi University Department of Chemical Engineering, Chung Yuan Christian University Executive Vice President, China-Motor Corporation Vice President, China-Motor Corporation General Manager, Production Technology Division, China-Motor Corporation	Director and General Manager, China-Motor Corporation Chairperson, Kain Shen Corporation Chairperson, Fortune Motors Co., Ltd. Director, Shung Ye Motor Enterprise For other details, please refer to the “Summary of affiliated companies”	-	-	-	-
MBA, National Chengchi University Department of Nuclear Engineering and Science, National Tsing Hua University Vice President, China-Motor Corporation General Manager, Service Division, China-Motor Corporation	Director, Fortune Motors Co., Ltd. Director, Shung Ye Motor Enterprise Director, Fu-Lun Motors Co., Ltd. Chairperson, Xin Mi Co., Ltd. Chairperson, Aprec (Cayman) Industrial Co., Ltd. Chairperson, Xin Mi (Samoa) Co., Ltd. Chairperson, Fuzhou Xin Mi Electric Co., Ltd. For other details, please refer to the “Summary of affiliated companies”	-	-	-	-
Department of Mechanical Engineering, National Sun Yat-Sen University Vice President, China-Motor Corporation General Manager, Development Division, China-Motor Corporation Project General Manager, Electrical Engineering and Electronics Division, China-Motor Corporation	Director, Kain Shen Corporation Chairperson, COC Tooling & Stamping Co., Ltd. Chairperson, China Engine Corporation For other details, please refer to the “Summary of affiliated companies”	-	-	-	-

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Title	Nationality	Name	Gender	Elected date	Current shareholding		Spouse and children of minor age's Current shareholding		Shareholding in other's name	
					Number of shares	%	Number of shares	%	Number of shares	%
Executive Vice President	R.O.C.	Ching-Wu Chien	Male	2021.09.01	-	-	-	-	-	-
Executive Vice President	R.O.C.	Tung-Tai Hsiung	Male	2024.01.01	-	-	-	-	-	-
Vice President	R.O.C.	Ching-Yun Liao	Male	2020.01.01	29	-	-	-	-	-
Vice President	R.O.C.	Kun-Yi Liu	Male	2024.07.01	-	-	-	-	-	-

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March 31, 2025

Principal work experience and academic qualifications	Position(s) held concurrently in the Company and / or in any other company	Managers who are spouses or relatives within the second degree of kinship			Remark
		Title	Name	Relationship	
Executives Program of Graduate School of Business Administration, National Chengchi University Department of Mechanical Engineering, National Taiwan University Vice President, China-Motor Corporation General Manager, Sales Division, China-Motor Corporation General Manager, Marketing Division, China-Motor Corporation	Director, Fortune Motors Co., Ltd. Director, Fujian Benz Automotive Co., Ltd. Director, Mercedes-Benz Light Automotive Hongkong Limited For other details, please refer to the “Summary of affiliated companies”	-	-	-	-
EMBA Institute, National Central University Graduate School, Department of Mechanical Engineering, National Cheng Kung University Department of Mechanical Engineering, National Cheng Kung University General Manager, Production Technology Division, China-Motor Corporation Project General Manager, Production Technology Division, China-Motor Corporation	Director, Kain Shen Corporation Director, China Engine Corporation Chairperson, ROC-Spicer Ltd. Director, Yueki Industrial Co., Ltd. For other details, please refer to the “Summary of affiliated companies”	-	-	-	-
Graduate School, Department of Mechanical Engineering, National Cheng Kung University Department of Mechanical Engineering, National Cheng Kung University General Manager, Product Project Division, China-Motor Corporation Project General Manager, Product Engineering Department, China-Motor Corporation	Director, Fortune Motors Co., Ltd. Director, Lukemold Technologies Co., Ltd.	-	-	-	-
Department of Mechanical Engineering, National Cheng Kung University Project Assistant Vice President, Quality Control Division, China Motor Corporation General Manager, Product Project Division, China-Motor Corporation General Manager, Product Engineering Division, China-Motor Corporation	Director, ROC-Spicer Ltd. Director, Taiway Industry Co., Ltd. Director, Fujian Spicer Drivetrain System Co., Ltd. Director, Shenyang Spicer Driveshaft Co., Ltd. Director, Tai-ya Investment (HK) Co., Ltd. Director, Fujian Huaqing Engine Industry Ltd.	-	-	-	-

Corporate Governance Report

Title	Nationality	Name	Gender	Elected date	Current shareholding		Spouse and children of minor age's Current shareholding		Shareholding in other's name	
					Number of shares	%	Number of shares	%	Number of shares	%
Vice President	R.O.C.	Chen, Ching-Chi	Male	2023.01.01	68	-	-	-	-	-
Vice President	R.O.C.	Li, Rui-Nan	Male	2024.03.18	-	-	-	-	-	-
Accounting and Finance Supervisor	R.O.C.	Chun-Ching Liao	Female	2020.01.01	-	-	-	-	-	-
Corporate governance officer	R.O.C.	Hui-Chun Lai	Female	2025.03.12	-	-	-	-	-	-

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March 31, 2025

Principal work experience and academic qualifications	Position(s) held concurrently in the Company and / or in any other company	Managers who are spouses or relatives within the second degree of kinship			Remark
		Title	Name	Relationship	
EMBA Institute, National Central University General Manager, Production Management Division, China-Motor Corporation General Manager, Director of Yanmei Plant, China-Motor Corporation	Director, COC Tooling & Stamping Co., Ltd. Director, ROC-Spicer Ltd. Director, Uni Auto Parts Manufacture Co., Ltd. Director, Uni-Calsonic Corp.	-	-	-	-
Department of Information Management, Chung Yuan Christian University Vice President, MiTAC Information Technology Co., Ltd. Chief Executive Vice President, Flysheet System Technology Co., Ltd.	None.	-	-	-	-
Department of Accounting, Tamkang University Project Manager, Sales Division, China-Motor Corporation	Supervisor, Uni-Calsonic Corp. Supervisor, Fortune Motors Co., Ltd. Supervisor, Fu Lun Motors Co., Ltd. Supervisor, Aprec (Cayman) Industrial Co., Ltd. Supervisor, South East (Fujian) Motors Co., Ltd. Supervisor, Xin Mi Co., Ltd. Supervisor, Fuzhou Xin Mi Electric Co., Ltd. For other details, please refer to the “Summary of affiliated companies”	-	-	-	-
Graduate School of Business Administration, National Chengchi University Director, Corporate Planning Division, China Motor Corporation	None.	-	-	-	-

Corporate Governance Report

(IV) Remuneration paid during the most recent fiscal year to General Directors, Supervisors, President, and Executive Vice President

1. Remuneration Paid to Directors and Independent Directors

Unit: NT\$ Thousand

Title	Name	Director's Remuneration								Total Remuneration (A+B+C+D) Over Net Profit After Tax in Percentage %				Part-time employees received related remuneration								Total Remuneration (A+B+C+D+E+F+G) Over Net Profit After Tax in Percentage %				Received remuneration from other non-subsiidiary invested businesses or the Parent Company
		Wages (A)		Pensions (B)		Remuneration (C)		Business execution expenses (D)						Salaries, bonuses and allowances (E) (Note 3)		Pensions (F)		Employee Remuneration (G)								
		From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company (%)	From All Consolidated Entities (%)	From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company		From All Consolidated Entities		From the Company	From All Consolidated Entities	From the Company (%)	From All Consolidated Entities (%)	
																	Cash Value	Stock Value	Cash Value	Stock Value						
Corporate Director	Yulon Motor Co., Ltd.	-	-	-	-	11,454	11,614	-	-	11,454	11,614	0.286	0.290	-	-	-	-	-	-	-	-	11,454	11,614	0.286	0.290	-
Corporate Director	Tai-Yuen Textile Co., Ltd.	-	-	-	-	4,582	4,661	-	-	4,582	4,661	0.114	0.116	-	-	-	-	-	-	-	-	4,582	4,661	0.114	0.116	-
Corporate Director	Mitsubishi Motors	-	-	-	-	2,291	2,291	-	-	2,291	2,291	0.057	0.057	-	-	-	-	-	-	-	-	2,291	2,291	0.057	0.057	376
Corporate Director	Le Wen Investment Co., Ltd.	-	-	-	-	2,291	2,291	-	-	2,291	2,291	0.057	0.057	-	-	-	-	-	-	-	-	2,291	2,291	0.057	0.057	-
Chairperson	Li-Lien Chen Yen	15,892	15,892	-	-	-	-	1,556	1,556	17,448	17,448	0.435	0.435	-	-	-	-	-	-	-	-	17,448	17,448	0.435	0.435	13,960
Director	Hsin-I Lin	-	-	-	-	-	-	120	120	120	120	0.003	0.003	2,404	2,404	-	-	-	-	-	-	2,524	2,524	0.063	0.063	120
Director	Yamazaki Yoshinori	-	-	-	-	-	-	120	120	120	120	0.003	0.003	-	-	-	-	-	-	-	-	120	120	0.003	0.003	-
Director	Chen-Hsiang Yao (Note 1)	-	-	-	-	-	-	70	70	70	70	0.002	0.002	-	-	-	-	-	-	-	-	70	70	0.002	0.002	8,268
Director	Kuo-Hsing Hsu (Note 1)	-	-	-	-	-	-	50	50	50	50	0.001	0.001	-	-	-	-	-	-	-	-	50	50	0.001	0.001	4,907
Director	Chao-Wen Chen (Note 2)	-	1,022	-	-	-	-	120	243	120	1,265	0.003	0.032	16,156	16,156	68	68	116	-	116	-	16,460	17,605	0.411	0.439	3,957
Director	Tai-Ming Chen	-	-	-	-	-	-	120	120	120	120	0.003	0.003	-	-	-	-	-	-	-	-	120	120	0.003	0.003	-
Independent Director	Chi-Ching Chen	-	-	-	-	-	-	1,440	1,440	1,440	1,440	0.036	0.036	-	-	-	-	-	-	-	-	1,440	1,440	0.036	0.036	-
Independent Director	Wei-Ching Lue	-	-	-	-	-	-	1,440	1,440	1,440	1,440	0.036	0.036	-	-	-	-	-	-	-	-	1,440	1,440	0.036	0.036	-
Independent Director	Yi-Hung Hsieh	-	-	-	-	-	-	1,440	1,440	1,440	1,440	0.036	0.036	-	-	-	-	-	-	-	-	1,440	1,440	0.036	0.036	-

1. Please specify the payment policy, system, standards, and structure of the remuneration of independent Directors, as well as the relevance between the factors, such as their responsibilities, risks, input time, and the amount of paid remuneration: For the remuneration paid to the independent Directors, a comprehensive consideration is taken, including their responsibilities, risks, and input time as a Director and a member in any functional committee, while referring to the independent Directors' remuneration in other enterprises with governmental stakes and other listed companies within the Group and then the remunerations decided pursuant to the regulations related to the Company Act, with approval from the Board of Directors.

2. In addition to the aforementioned disclosures, any remuneration received in the most recent year by the Directors of the Company for rendering services (such as serving as a non-employed consultant) to any company listed in the Financial Report: None.

Note: 1. Le Wen Investment Co., Ltd. has appointed Kuo-Hsing Hsu as a director effective August 1, 2024.

2. TAI YUEN TEXTILE CO., LTD. has appointed Hsin-Cheng Tseng as a director effective April 1, 2025.

3. This fee includes the company's vehicle distribution fee and fuel subsidy, but does not include the relevant remuneration to the driver, which is NT\$545 thousand.

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2. Remuneration Paid to the President and Executive Vice President

Unit: NTD\$ Thousand

Title	Name	Wages		(B) Pensions		Bonuses and allowances (C)		Employee Remuneration				Total Remuneration (A+B+C+D) Over Net Profit After Tax in Percentage %				Received remuneration from other non-subsi-dary invested businesses or the Parent Company
		From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company (Note 2)	From All Consolidated Entities	From the Company		From All Consolidated Entities		From the Company	From All Consolidated Entities	From the Company (%)	From All Consolidated Entities (%)	
								Cash Value	Stock Value	Cash Value	Stock Value					
President	Chao-Wen Chen (Note 1)	3,487	3,487	68	68	12,669	12,669	116	-	116	-	16,340	16,340	0.408	0.408	3,957
Executive Vice President	Hsin-Cheng Tseng (Note 1)	2,480	2,480	156	156	6,200	6,200	82	-	82	-	8,918	8,918	0.223	0.223	499
Executive Vice President	Hung-Ching Yang	2,440	2,440	45	45	4,997	4,997	78	-	78	-	7,560	7,560	0.189	0.189	346
Executive Vice President	Ching-Wu Chien	2,501	2,501	45	45	5,074	5,074	78	-	78	-	7,698	7,698	0.192	0.192	376
Executive Vice President	Tung-Tai Hsiung	2,224	2,224	151	151	3,896	3,896	73	-	73	-	6,344	6,344	0.158	0.158	492

Note: 1. On April 1, 2025, the Board of Directors approved the retirement of President Chao-Wen Chen. Hsin-Cheng Tseng, Executive Vice President of China Motor Corporation, will succeed as President.

2. This fee includes the Company's vehicle distribution fee and fuel subsidy, but does not include the relevant remuneration to the driver, which is NT\$2,970 thousand.

Corporate Governance Report

3. The ratio analysis of the remuneration paid to the Company's Directors, President and Executive Vice President to the net profit after tax during the two most recent fiscal years.

(1) Analysis of the total remuneration paid by the company as a proportion of the post-tax net profit in the individual financial statements

Unit: NTDS\$ Thousand

Payee	2024		2023	
	Total amount of Remuneration	The ratio of remuneration to the individual net profit (%)	Total amount of Remuneration	The ratio of remuneration to the individual net profit (%)
Director	42,986	1.073	51,728	0.916
President and Executive Vice President	46,860	1.170	58,912	1.042

(2) Analysis of the total remuneration paid by the company and all companies within the financial reports as a proportion of the post-tax net profit in the individual financial statements

Unit: NTDS\$ Thousand

Payee	2024		2023	
	Total amount of Remuneration	The ratio of remuneration to the individual net profit (%)	Total amount of Remuneration	The ratio of remuneration to the individual net profit (%) (Note)
Director	44,370	1.107	52,906	0.936
President and Executive Vice President	46,860	1.170	59,517	1.053

(3) Description

- A. 1. The ratio of directors' remuneration to the Company's total net profit has increased compared to 2023, mainly due to the decrease in after-tax net profit. Additionally, the fixed remuneration for directors is paid according to their level of participation in company operations and value of contribution, based on industry standards, and has no particular correlation with the Company's after-tax profit or loss.
2. The ratio of President and Executive Vice Presidents' remuneration to the Company's total net profit has increased compared to 2023, mainly due to the decrease in after-tax net profit and the addition of one Vice President.

B. The correlation among the remuneration payment policy, standards and structure, remuneration

Corporate Governance Report

establishing procedures, and management efficacy and risks in the future:

The remunerations paid to Directors and managers are decided by the Remuneration Committee, which reviews the annual and long term performance objectives of the Company's Directors and managers, as well as policy, standards and structure on regular basis. The achievement of these performance objectives by Directors and managers are reviewed periodically. With the consideration of remuneration amounts, payment methods, and future operating risks, the proposal is presented to the Board of Directors before implementation.

1. Policy to distribute remunerations to directors (independent directors included)

Pursuant to Article 28 of the Articles of Incorporation, the Directors of the Company may receive compensations, for which the Board of Directors are authorized to decide based on the peers' standards. The remuneration of directors are considered comprehensively with their participation in the Company's operation and performance evaluation. The aspects taken into accounts including: the degree of participation in the company's operations (40%), the election of the directors and their continuing professional education (20%), internal control (20%) and grasp of the company's goals and mission and recognition of director's duties (20%); these are considered for performance appraisal and remuneration payment. The remuneration of directors and managerial officers are reviewed based on the actual operating conditions and related laws and regulations from time to time.

2. Policy to distribute remunerations to managerial officers

Article 27 of the Articles of Incorporation also specifies that in case that there is profit in a fiscal year, the remunerations to employees and Directors shall be provided; provided the remunerations to employees shall not be less than 0.1%, while remunerations to Directors shall not be more than 0.5%. Independent Directors are not entitled to such distribution. The remunerations to managerial officers include salaries and bonuses. For salaries, the peers' standard, title, level, education and career background, expertise and functions are referred to. For bonus, the "Guidelines of Issuing Annual Incentive Bonus and Employee Bonus", and the managerial officers performance evaluation items, including financial indicators (profitability, operating effects, and achievement rate of objectives) and non-financial indicators (e.g. contributions), are taken into accounts comprehensively, to calculate the remuneration percentage and reasonable remuneration is given. The remuneration system to Directors and managerial officers may be reviewed from time to time based on the actual operation and related laws and regulations.

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(V) Names of the managers allocating employee remuneration and the state of allocations

March 31, 2025
Unit: NTD\$ Thousand

Title		Name	Amount of Stock Dividends	Amount of Cash Dividends	Total	The ratio of total amount to the net profit after tax (%)
Managers	President	Chao-Wen Chen	-	747	747	0.018
	Executive Vice President	Hsin-Cheng Tseng				
	Executive Vice President	Hung-Ching Yang				
	Executive Vice President	Ching-Wu Chien				
	Executive Vice President	Tung-Tai Hsiung				
	Vice President	Ching-Yun Liao				
	Vice President	Chen, Ching-Chi				
	Vice President	Li, Rui-Nan				
	Vice President	Kun-Yi Liu				
	Accounting and Finance Supervisor	Chun-Ching Liao				
	Corporate governance officer	Hui-Chun Lai				

Note: 1. On April 1, 2025, the Board of Directors approved the retirement of President Chao-Wen Chen. Hsin-Cheng Tseng, Executive Vice President of China Motor Corporation, will succeed as President.

Corporate Governance Report

3. The state of the Company's implementation of corporate governance

(I) The state of operations of the Board of Directors

(1) The Board of Directors' Meeting convened 7 times during the year 2024 and up to March 31, 2025, and the attendance of Directors was as follows:

Title	Name of the institutional shareholder	Representative Name	Actual Attendance	Attendance	Ratio of Actual Attendance	Remark
Chairperson	Manufactured by Yulon Motor Co., Ltd.	Li-Lien Chen Yen	7	0	100	
Director	Mitsubishi Motors Corporation	Yamazaki Yoshinori	6	1	86	
Director	Tai-Yuen Textile Co., Ltd.	Hsin-I Lin	6	1	86	
Director	Le Wen Investment Co., Ltd.	Chen-Hsiang Yao	4	0	100	Le Wen Investment Co., Ltd. has appointed Kuo-Hsing Hsu as a director effective August 1, 2024.
		Kuo-Hsing Hsu	3	0	100	
Director	Tai-Yuen Textile Co., Ltd.	Chao-Wen Chen	7	0	100	TAI YUEN TEXTILE CO., LTD. has appointed Hsin-Cheng Tseng as a director effective April 1, 2025.
Director	Manufactured by Yulon Motor Co., Ltd.	Tai-Ming Chen	7	0	100	
Independent Director	-	Chi-Ching Chen	7	0	100	
Independent Director	-	Wei-Ching Lue	7	0	100	
Independent Director	-	Yi-Hung Hsieh	7	0	100	

Other information to be documented:

- I. The operation of the board of Directors' meeting shall state the date and period of the board meeting, the content of the motion, the opinions of all independent Directors and the Company's handling of the opinions of the independent Directors if any of the following circumstances apply:
 - (I) Matters listed in Article 14-3 of the Securities and Exchange Act: Since the Company established the Audit Committee, Article 14-5 of the Securities and Exchange Act is applicable and Article 14-3 of the Securities and Exchange Act is not applicable. Please refer to the description of "Operation of the Audit Committee" for relevant resolutions.
 - (II) Other than the foregoing, other resolutions of the Board of Directors that were opposed or qualified by the independent Directors and for which records or written statements are available: None.
- II. The recusal of a Director from an interest motion should include the name of the Director, the content of the motion, the reason for the recusal, and the circumstances of the vote: The Directors of the Company uphold the principle of high self-discipline and do not vote on the motions listed in the board of Directors' meeting if they have an interest that may be detrimental to the Company's interests; with respect to the recusal of an independent Director's remuneration, the Company has established internal procedures for the recusal of interest in 2017 and follows them accordingly.
- III. Assessment of the current and most recent year's goals for enhancing the functions of the Board of Directors (e.g., establishing an audit committee, enhancing information transparency, etc.) and their implementation: The Company established an audit committee in 2016.

Corporate Governance Report

(2) The Board of Directors meetings were convened 7 times in 2024 and up to the end of March 2025, and the attendance of independent Directors was as follows:

Attendance of Independent Directors at each Board of Directors' Meeting							
◎Actual Attendance; ●Proxy Attendance, *Absence							
Annual	2024					2025	
Meeting Date	March 12	May 7	July 30	November 5	December 24	March 11	March 25
Chi-Ching Chen	◎	◎	◎	◎	◎	◎	◎
Wei-Ching Lue	◎	◎	◎	◎	◎	◎	◎
Yi-Hung Hsieh	◎	◎	◎	◎	◎	◎	◎

(3) The state of implementing Board of Directors evaluations

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Content of Evaluation
To be executed once every year	2024.01.01~2024.12.31	Evaluation of Board of Directors' Performance	Internal self-assessment by the Board of Directors	<ol style="list-style-type: none"> 1. Level of participation in the operation of the Company 2. Improvement on the decision making quality of the Board 3. Composition and structure of the Board 4. Director election and continuing training 5. Internal Control
To be executed once every year	2024.01.01~2024.12.31	Evaluation of Individual Director's Performance	Self-assessment by the Board member	<ol style="list-style-type: none"> 1. Understanding in the Company and duties 2. Alignment of the goals and mission of the Company; 3. Level of participation in the operation of the Company 4. Management of internal relationship and communication; 5. Directors' professionalism and continuing training 6. Internal Control

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(II) Operation of the Audit Committee:

(1) There are three members in the Company's Remuneration Committee.

Title	Name	Professional qualification and experience
Convener	Chi-Ching Chen	Chi-Ching Chen, the independent director, holds the degree of MBA from Massachusetts Institute of Technology Sloan School of Management. He had served as the director of GigaMedia Limited Co. and Financial One Corp. and now is currently serving as the independent Director and Director, Haofeng Assets Co., Ltd.
Committee Member	Wei-Ching Lue	Wei-Ching Lue, the independent director, holds the degree of Master, Graduate School, Department of Land Economics, National Chengchi University, and had served as Commissioner, Department of Finance, New Taipei City Government
Committee Member	Yi-Hung Hsieh	Independent Director Yi-Hung Hsieh holds a doctorate degree from Stanford University, USA, and is an Independent Director of Taiwan Acceptance Corporation.

(2) Tenure of office: the Company established the Audit Committee in 2016, and the tenure of the 3rd intake office is from July 1, 2022 to June 30, 2025. In 2024 and up to end of March 2025, five meetings were convened and the attendance of each member is as follows:

Title	Name	Number of Actual Attendance	Number of Proxy Attendance	Ratio of Actual Attendance	Remark
Convener	Chi-Ching Chen	5	0	100	
Committee Member	Wei-Ching Lue	5	0	100	
Committee Member	Yi-Hung Hsieh	5	0	100	

Other information to be documented:

- I. If any of the following circumstances applies, the operation of the audit committee shall state the date and period of the board meeting, session, contents of proposal, contents of dissent, qualified opinions or key recommendation of independent directors, the opinions of the audit committee and the Company's handling of the opinions of the audit committee.
 - (I) Matters listed in Article 14-5 of the Securities and Exchange Act: Please refer to point (5).
 - (II) In addition to the foregoing, other resolutions not approved by the Audit Committee and approved by two-thirds of all Directors: None.
- II. The circumstances under which an independent Director disqualifies himself/herself from the implementation of an interest motion shall state the name of the independent Director, the content of the motion, the reasons for the disqualification and the circumstances under which he/she participated in the vote: None.
- III. Communication between independent Directors and internal auditors and accountants (e.g., matters, methods and results of communication regarding the Company's financial and business conditions): Please refer to (6) "Description of communication between the Company's Independent Directors and internal auditors and accountants" for details.

Corporate Governance Report

- (3) The purpose of CMC's Audit Committee is to assist the board of directors in supervising the quality and integrity of CMC's accounting, auditing, financial reporting and financial control processes. The committee is mainly involved in the review of the following issues:

1. Financial statement audit and accounting policy and procedures	9. Grievance report
2. Internal control system and related policy and procedures	10. Fraud prevention plan and investigation report
3. Material asset or derivative transactions	11. Information security
4. Major loans, endorsements or guarantees	12. Corporate risk management
5. Offering or issuance of securities	13. Background, independence and performance of attesting accountants
6. Derivatives and cash investments	14. Appointment, dismissal or remuneration of attesting accountants
7. Compliance	15. Appointment and dismissal of finance, accounting or internal audit managers
8. Whether managers and Directors are involved in related party transactions and prone to conflict of interest	16. Fulfillment of Audit Committee duties

- (4) China Motor Corporation's Audit Committee has been empowered under its foundation principles to conduct appropriate review and investigation as needed to fulfill its duties. The committee may also contact internal auditors, financial statement auditors and employees directly to serve the above purpose. The Audit Committee is also empowered to engage lawyers, CPAs or other consultants to assist its duties, and may monitor performance of the above external parties. For a complete context of Audit Committee foundation rules, please visit CMC's website.

Corporate Governance Report

(5) The Audit Committee held 5 meetings in 2024 and up to the end of March 2025.

Description of the operation of the Audit Committee:

Board of Directors	Proposal description	Matters listed in Article 14-5 of the Securities and Exchange Act	Resolutions not approved by the Audit Committee but approved by more than 2/3 of all Directors	
The 21st term 12th meeting 2024.03.12	1. The Company's financial report for 2023	V		
	2. The Company's profit distribution for 2023	V		
	3. Proposal of cash dividend distribution	V		
	4. Proposal to issue the 2023 "Statement of Internal Control System"	V		
	5. The change of the Company's CPAs and evaluation of the independence and suitability of the CPAs as of year 2024	V		
	6. Proposal to make partial amendments to "Board of Directors Conference Rules" and "Board Meeting Convention, Management and Internal Rules"	V		
	7. Proposal to make amendments to the Company's "Audit Committee's Articles of Association" and the "Internal Audit Implementation Policies for the Rules of Procedure and Operational Management for the Audit Committee"	V		
	Resolution of the Audit Committee (March 12, 2024): Passed by all members of the Audit Committee.			
	The Company's handling of the Audit Committee's opinion: Passed unanimously by all present Directors.			
The 21st term 13th meeting 2024.05.07	The Company's consolidated financial statements for the first quarter of 2024	V		
	Resolution of the Audit Committee (May 7, 2024): Passed by all members of the Audit Committee.			
	The Company's handling of the Audit Committee's opinion: Passed unanimously by all present Directors.			
The 21st term 14th meeting 2024.07.30	The Company's consolidated financial statements for the second quarter of 2024	V		
	Resolution of the Audit Committee (July 30, 2024): Passed by all members of the Audit Committee.			
	The Company's handling of the Audit Committee's opinion: Passed unanimously by all present Directors.			
The 21st term 15th meeting 2024.11.05	1. The Company's consolidated financial statements for the third quarter of 2024	V		
	2. Formulated the Company's 2025 audit plan.	V		
	3. Amendment of part of the articles of the "Internal Control System" and "Enforcement Rules of Internal Audit"	V		
	4. Partial amendments to the articles of the Company's "Internal Control System of the Stock Affairs Unit" and the "Internal Audit Implementation Policies for the Stock Affairs Unit."	V		
	Resolution of the Audit Committee (November 5, 2024): Passed by all members of the Audit Committee.			
	The Company's handling of the Audit Committee's opinion: Passed unanimously by all present Directors.			

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Board of Directors	Proposal description	Matters listed in Article 14-5 of the Securities and Exchange Act	Resolutions not approved by the Audit Committee but approved by more than 2/3 of all Directors
	present Directors.		
The 21st term 16th meeting 2025.03.11	1. The Company's financial report for 2024	V	
	2. The Company's profit distribution for 2024	V	
	3. Proposal of cash dividend distribution	V	
	4. Proposal to submit the "Declaration on the Internal Control System" for FY 2024	V	
	5. The evaluation of the independence and suitability of the CPAs for 2025	V	
	6. Proposed partial amendments to the Company's "Articles of Incorporation".	V	
	7. Proposed amendment of part of the articles of the "Internal Control System" and "Enforcement Rules of Internal Audit"	V	
	Resolution of the Audit Committee (March 11, 2025): Passed by all members of the Audit Committee.		
	The Company's handling of the Audit Committee's opinion: Passed unanimously by all present Directors.		

(6) Description of communication between the Company's Independent Directors and internal auditors and accountants

A. Communication method between the Independent Directors of the Company and the internal auditors and accountants

- a. The independent Directors and the accountant meet regularly every year, and the accountant communicates with the independent Directors regarding the review of the Company's financial condition and the implementation of internal control, including the update of relevant laws and regulations and the explanation of contents that have a more significant impact on profit or loss.
- b. The head of internal audit meets regularly with the independent Directors to explain the status of the Company's internal audit execution and internal control operations.

B. Summary of communication state in 2024 and up to March 31, 2025

Date	Key points of communication between Independent Directors and accountants	Key points of communication between Independent Directors and Head of internal audit
2024.03.11	<ul style="list-style-type: none"> ✓ Description of the scope and methods of the Group's 2023 audit ✓ Description of significant accounting policies, significant accounting 	<ul style="list-style-type: none"> ✓ October, 2023 ~ February, 2024 Audit Highlights Report ✓ The audit supervisor communicated with the meeting participants on the

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Date	Key points of communication between Independent Directors and accountants	Key points of communication between Independent Directors and Head of internal audit
	<ul style="list-style-type: none"> estimates, and significant events or transactions in 2023 ✓ Description of the key audit matters for the year 2023 ✓ Description of the compilation of the 2023 audited consolidated financial statements ✓ Summary of audit conclusions 	<ul style="list-style-type: none"> issues raised.
2024.05.06	<ul style="list-style-type: none"> ✓ Description of the scope and methodology of the Group's review in Q1 2024 ✓ Description of unaudited portions of non-significant subsidiaries and equity method investments Q1 2024 ✓ Description of the compilation of the Q1 2024 audited individual financial statements ✓ Description of material events or transactions in Q1 2024 ✓ Description summary of review conclusions for Q1 2024 	<ul style="list-style-type: none"> ✓ March 2024 Audit Highlights Report ✓ The audit supervisor communicated with the meeting participants on the issues raised.
2024.07.29	<ul style="list-style-type: none"> ✓ Description of the scope and methodology of the Group's review in Q2 2024 ✓ Description of unaudited portions of non-significant subsidiaries and equity method investments Q2 2024 ✓ Description of the compilation of the Q2 2024 audited consolidated financial statements ✓ Description of material events or transactions in Q2 2024 ✓ Description Summary of Review Conclusions for Q2 2024 	<ul style="list-style-type: none"> ✓ April to June 2024 Audit Highlights Report ✓ The audit supervisor communicated with the meeting participants on the issues raised.
2024.11.04	<ul style="list-style-type: none"> ✓ Description of the scope and methodology of the Group's review in Q3 2024 ✓ Description of unaudited portions of non-significant subsidiaries and equity method investments Q3 2024 ✓ Description of the compilation of the Q3 2024 audited consolidated financial statements ✓ Description of relevant material events and transactions in Q3 2024 ✓ Description Summary of Review Conclusions for Q3 2024 ✓ Description of the key audit matters for the year 2024 ✓ Description of the plan, scope and timing of the Group's audit for 2024 	<ul style="list-style-type: none"> ✓ July to September 2024 Audit Highlights Report ✓ The audit supervisor communicated with the meeting participants on the issues raised.
2025.03.10	<ul style="list-style-type: none"> ✓ Description of the scope and methods of the Group's 2024 audit ✓ Description of significant accounting policies, significant accounting estimates, and significant events or 	<ul style="list-style-type: none"> ✓ October 2024 to February 2025 Audit Highlights Report ✓ The audit supervisor communicated with the meeting participants on the issues raised.

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Date	Key points of communication between Independent Directors and accountants	Key points of communication between Independent Directors and Head of internal audit
	<ul style="list-style-type: none"> transactions in 2024 ✓ Description of the key audit matters for the year 2024 ✓ Description of the compilation of the 2024 audited consolidated financial statements ✓ Summary of 2024 audit conclusions ✓ Law and Regulation Update 	

(7) The state of implementing Board of Director evaluation

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Content of Evaluation
To be executed once every year	2024.01.01~2024.12.31	Evaluation of Audit Committee's performance	Audit Committee Internal Self-Assessment	<ol style="list-style-type: none"> 1. Level of participation in the operation of the Company 2. Understanding of the Audit Committee's duties 3. Improvement on the decision making quality of the Audit Committee 4. Composition and election of Audit Committee members 5. Internal Control

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(III) The state of the Company's implementation of corporate governance, any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance

Items of Evaluation	The state of implementation			Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Description Summary	
1. Has the Company established and disclosed the Code of Corporate Governance Practices in accordance with the "Code of Corporate Governance Practices for Listed Companies"?	√		The Company has established a Code of Corporate Governance Practices, which is disclosed on the Market Observation Post System and the Company's website.	The Company has established and disclosed the Company's Code of Corporate Governance Practices in accordance with the "Code of Corporate Governance Practices for Listed Companies" and has also established a comprehensive internal control system, therefore, the Company has operated and enforced the relevant regulations in accordance with the spirit of the "Code of Corporate Governance Practices for Listed Companies."
II. Shareholding structure and shareholders' equity of the Company (I) Does the Company have internal procedures to handle shareholders' suggestions, questions, disputes and litigation matters, and implement them in accordance with the procedures?	√		(I) For shareholder suggestions, questions, disputes, and litigation matters, in addition to having a spokesperson who provides explanations to shareholders' suggestions or questions, shareholders can visit the Company's website (https://www.china-motor.com.tw) to express their opinions. Depending on the issue, the responsible department will provide an appropriate response. Additionally, the Group has a dedicated shareholder services unit that can handle and respond to matters at any time.	(I) Comply with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
(II) Does the Company have a list of the major shareholders and ultimate controllers of the major shareholders who actually control the Company?	√		(II) The Company keeps track of the list of major shareholders and ultimate controllers of major shareholders who effectively control the Company, and reports its shareholdings and the creation and dissolution of shares in accordance with the provisions of the Regulations Governing the Reporting of Information by Public Companies.	(II) Comply with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."

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Items of Evaluation	The state of implementation			Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Description Summary	
(III) Has the Company established and implemented a risk control and firewall mechanism with its affiliates?	√		(III) The Company implements risk control and firewall mechanisms with its affiliates in accordance with the "Regulations Governing Related Party Transactions."	(III) Comply with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
(IV) Does the Company have internal regulations that prohibit insiders from trading marketable securities using information that is not publicly available?	√		(IV) The Company has established the "Procedures for Prevention of Insider Trading" to prohibit insiders from trading marketable securities using undisclosed information in the market.	(IV) Comply with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
III. Composition and Responsibilities of the Board of Directors				
(I) Has the board of directors established the diversity policy and the concrete management target, and implement accordingly?	√		(I) Based on the Company's "Corporate Governance Best Practice Principles," the "Policy of Board Member Diversification" was established in December 2016 for the composition of the Board of Directors, published on the official website and enforced. To meet the diversification requirements for the Directors, please refer to the "Policy of Board Member Diversification" Section for the related measuring indicators and implementation.	(I) Comply with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
(II) Other than the Remuneration Committee and the Audit Committee which are required by law, does the Company plan to set up other Board committees?	√		(II) The Company has established the Audit Committee and Remuneration Committee, as required by laws. In August 2023, the Risk Management Committee was upgraded to a functional committee under the Board of Directors, with independent directors serving as committee members.	(II) Comply with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
(III) Has the Company established methodology for evaluating the performance of its Board of Directors, on	√		(III) The Company has approved the "Guidelines for Evaluating Performance of the Board of Directors" in December 2015. The internal evaluation to the performance of the Board of Directors is at least	(III) Comply with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed

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Items of Evaluation	The state of implementation			Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Description Summary	
an annual basis, reported the results of performance to the Board of Directors, and use the results as reference for Directors' remuneration and renewal?			<p>conduct once per year. The evaluation is conducted through questionnaire, including "Operation of the Board of Directors" and "Participation of Directors," in the way that Directors evaluate operations of the Board of Directors and themselves for the participation. The outcomes of the aforementioned questionnaire will be the reference for selecting or nominating Directors. Every year once all the questionnaires are recovered, the Company analyzes the questionnaires as mentioned previously, and presents the outcomes and the improvement suggestions to the Board of Directors.</p> <p>The evaluations items for the performance of the Board of Directors including: (1) the participations to the Company's operation; (2) enhancement of the quality of the Board of Directors' decision-making; (3) composition and structure of the Board of Directors; (4) selection and continuing educations of Directors; and (5) internal controls. Items that are covered in the measurements of the evaluations against the performance of the Directors shall at least include the followings: (1) understanding of the Company and awareness to the functions of Directors; (2) participations to the Company's operation; (3) expertise and continuing educations of Directors; and (4) internal controls. The Company has completed the evaluations to the performances of the Board of Directors and Directors in January 2025. The outcomes of the 2024 evaluation showed an outstanding overall operations of the Board of Director.</p>	Companies"
(IV) Does the Company regularly assess the independence and suitability of the CPAs?	√		<p>(IV) Explanation on the assessment to the attesting accountants' independence and suitability:</p> <p>1. According to the Company's Corporate Governance Best-Practice Principles, the Company regularly (once a year) evaluates the independence and suitability of the certified public</p>	(IV) Comply with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"

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Items of Evaluation	The state of implementation			Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Description Summary	
			<p>accountants, and submits the evaluation results to the Board of Directors.</p> <p>2. By referring the “Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China,” No. 10, “Integrity, Objectivity and Independence,” the assessment form is made, and the Declaration of Independence and Audit Quality Indicator (AQI) is obtained from the accounting firm.</p> <p>3. The evaluation criteria include the interest relationship between the accountant and the Company, whether the accountant has dual identity, whether the accountant serves as the company's advocate, whether the accountant is familiar with the Company's personnel, whether there is any coercion by the Company, the duration of the accountant, and AQI indicators (such as audit experience).</p> <p>4. With the assessment by the Audit Committee and the Board of Directors in March 2025, the attesting accountants engaged by the Company conform to the independence and suitability.</p>	
5. Evaluation result of the independence and suitability of the CPAs				
Items of Evaluation				Yes/No
I. Independence				
1. The members of the Audit Division and their family members do not have significant direct or indirect significant financial interests with the Company.				Yes
2. There is no mutual financing or guarantee by the Company or its directors and members of the audit team or their family members (this is a normal business lending business activity by a financial institution.)				Yes
3. There is no close business relationship between the CPA firm or members of the audit service team and the Company or its affiliates.				Yes
4. There is currently no potential employment relationship between the members of the audit service team and the Company.				Yes
5. A member of the audit service team, who has not served as a director of the Company or any position that has a significant impact on the audit in the past two years.				Yes
6. The audit fees paid by the Company to the CPAs are paid in a fixed amount, which are non-contingent and have no overdue fees that would affect the independence of the audit.				Yes
7. The non-audit services provided by the CPA firm and its affiliates to the Company, including disbursement, travel expenses, etc., did not directly affect the important subjects of the audit case, did not involve the Company's management functions, did not make decisions on behalf of the Company, independence was not affected.				Yes
8. The members of the audit service team are not entrusted to defend the Company's position or opinions, or represent the Company to mediate conflicts with third parties.				Yes
9. The CPAs have not served more than seven years after their appointment this year.				Yes
10. The members of the audit service team are not related to the Company's directors,				Yes

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Items of Evaluation	The state of implementation			Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Description Summary	
			managers or personnel who have a significant impact on the audit cases.	
11. The Company's directors and managers did not give any gifts of great value to the members of the audit team.				Yes
12. None of the Company's directors, managers, or personnel who have a significant impact on the audits has retired/resigned from the accounting firm within one year.				Yes
13. An independent director of the Company did not work for such accounting firm during the two years before and during his/her term of office. The Company's Remuneration Committee members are not professionals providing commercial, legal, financial, accounting services or consultations during the two years prior to and during the term of office.				Yes
14. The Company did not cause the members of the audit service team to bear or feel intimidation from the Company to maintain objectivity and clarify professional skepticism. For example, the choice of accounting policy or the disclosure of the financial statements has improper requirements to reduce the audit work that should be performed under the pretext of reducing fees.				Yes
15. The members of the audit service team have not violated the Certified Public Accountant Act.				Yes
II. Adaptability				
1. The CPA has not been disciplined by the competent authority or the Institute of Certified Public Accountants, or disciplined pursuant to Article 37, Paragraph 3 of the Securities and Exchange Act.				Yes
2. Do the CPAs voluntarily update the Company on taxation, securities regulations and the newly revised IFRS accounting standards on a regular basis?				Yes
3. Do the CPAs maintain good communication with the Company's management (including internal auditors) and directors?				Yes
4. Do the accountants provide the Company with financial and tax consulting services from time to time, and assist in the communication and coordination with the competent authorities?				Yes
5. Do the accountants complete the signing of the financial statements for each period of our company as scheduled? Are the formal financial reports for the first three quarters completed within 45 days of the end of each respective quarter, and the annual financial report completed within three months of the end of the fiscal year?				Yes
6. Do the accountants complete the review or audit of the financial statements of the investee companies on schedule?				Yes
7. Do the auditors perform the audit of the financial statements in accordance with auditing standards and the Regulations Governing Auditing and entrusted Attestation of Financial Statements by Certified Public Accountants?				Yes
8. Whether the quality and timeliness of the auditing and taxation services provided by the accountants meet the needs.				Yes
9. Whether the accounting firm has sufficient scale and resources to provide audit services for the Company, and whether the members of the audit service team are stable.				Yes
10. Do the CPAs perform the mid-term and annual audits in accordance with the service items in the letter of appointment, and no inappropriate matters have occurred.				Yes
11. Whether the CPA firm notifies the Company's management and the Board of Directors of any significant issues and developments in a timely manner in terms of risk management, corporate governance, financial accounting and related risk control.				Yes
12. Whether the CPA make recommendations for the Company's internal control audit.				Yes

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Items of Evaluation	The state of implementation			Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Description Summary	
IV. Does the TWSE/TPEX Listed Company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by Directors, assisting Directors' compliance of law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings)?	√		<p>For the corporate governance, the Company has set the Head of Corporate Governance, with the resolution of the Board of Directors. The Head of Corporate Governance is appointed to a Director (who is a managerial officer, with three years or more experience of management in legal, finance, or agenda area for a listed company). The dedicated units are pointed to General Manager Office and Finance Department, to take charge of the following corporate governance related affairs:</p> <ol style="list-style-type: none"> 1. Registration or changes to registration of the Company, including changes of Directors /supervisors and business in operations. 2. Shareholders' meeting-related affairs, including the proposals to shareholders' meeting; meeting notice of shareholders' meeting; convention of meetings, preparation of meeting minutes and uploading. 3. Board of Directors related affairs, including the internal approvals for the proposals to the Board of Directors, notice of Board meeting; convention of meetings, preparation of meeting minutes and required announcement and submitting the documents such as meeting minutes. 4. Regular provision of required information for Directors to fulfill their duties, including quarterly financial reports, overview of the Company's operations, resolutions of the Audit Committee; and resolutions of the Remuneration Committee. 5. Implementation of corporate governance, including conducting continuing education of corporate governance to Directors and related executives of the Company, establishing the goals of corporate governance promotion, and periodical tracking. 6. Actively improving the ranking of corporate governance for the Company, the objective is to be within the top 5% of all listed companies. <p>Business execution status for 2024:</p> <ol style="list-style-type: none"> 1. Planning and arrangement of Directors' ongoing education in 2024. 2. Purchase of Director liability insurance in 	Comply with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"

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Items of Evaluation	The state of implementation			Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Description Summary	
			<p>2024.</p> <p>3. To implement the corporate governance, the internal performance evaluation to the Board of Directors and Directors was conducted in January 2024 and reported to the Board of Directors in March.</p> <p>4. In order to implement corporate governance, an external performance evaluation has been conducted for the Board of Directors in November 2024, and it was reported to the Board of Directors in March 2025.</p> <p>5. The periodical investor conferences were conducted to present the operating performance in 2024.</p> <p>6. The General Shareholders' Meeting was convened in May 2024 the registration for the date of General Shareholders' Meeting, the meeting notices, agenda manuals and meeting minutes were prepared within the period required by laws, pursuant to laws.</p> <p>7. Directors are notified and given relevant information at least 7 days in advance prior to a board meeting. Minutes are prepared and disseminated to individual Directors within 20 days after each meeting, and are being kept as important files.</p> <p>8. Regularly reviewing the objectives and implementation of corporate governance, through the ESG Committee and presenting to the Board of Directors every six months.</p> <p>9. The corporate governance has been ranked among the top 5% of all listed companies for 10 consecutive years.</p> <p>10. The total number of hours of training for the Head of Corporate Governance for the year 2024 have met the regulatory requirement.</p>	
V. Has the Company established a means of communicating with its Stakeholders: none (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company	√		The Company has set up a stakeholder section on the Company's website, and the website has detailed contact information of stakeholders as a communication channel for stakeholders (shareholders, employees , customers, the general public, and suppliers) to provide feedback, and to respond appropriately .	Comply with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”

Corporate Governance Report

Items of Evaluation	The state of implementation			Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Description Summary	
respond to stakeholders' questions on corporate responsibilities?				
VI. Has the Company appointed a professional shareholders' affairs agency for its Shareholders' Meetings?		√	The Company handles the shareholders' affairs internally.	To grasp the lists of major shareholders controlling the Company de facto and the ultimate controllers of these shareholders timely, the Company handles the shareholders affairs internally.
VII. Information Disclosure (I) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status?	√		(I) The Company's website has disclosed the information of finance, business and corporate governance.	(I) Comply with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
(II) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	√		(II) The Company has established an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, and uploads the information related to the investor conference to the corporate website.	(II) Comply with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
(III) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?		√	(III) The Company reports financial reports and the monthly operating status pursuant to the "List of Matters Required to Be Handled by Issuers of Listed Securities."	(III) The Company abides with the "List of Matters Required to Be Handled by Issuers of Listed Securities."

Corporate Governance Report

Items of Evaluation	The state of implementation			Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Description Summary	
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, Directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for Directors)?	√		Please refer to the note.	Comply with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"
<p>IX. Regarding the Corporate Governance Evaluation results recently released by the Taiwan Stock Exchange Corporate Governance Center, describe the improvements made and priority enhancement measures for areas not yet improved: In the 10th Corporate Governance Evaluation results (2023) released in April 2024, the Company has achieved the distinction of ranking among the top 5% for ten consecutive years! In addition, regarding indicators where points were not earned in the 10th evaluation and newly added indicators for the 11th evaluation, the Company has worked to earn points in the 11th (2024) Corporate Governance Evaluation: (1) Indicators 3.13 and 3.21 - voluntarily disclosed individual remuneration of directors, President, and Executive Vice Presidents; (2) Indicator 4.23 - disclosed policies linking senior officer remuneration with ESG-related performance evaluations; (3) Indicator 4.24 - the ESG report was submitted to and approved by the Board of Directors; (4) Indicator 4.22 - invested NT\$3 million to support domestic arts and cultural activities, channeling corporate resources into the cultural and arts sector to bring positive development to Taiwan's culture.</p> <p>Note: Key information helpful to understand the operation of corporate governance</p> <p>(I) Employee interests: The Company protects employees' interests pursuant to the Labor Standard Act, with the employee manual established to specify the interests they are entitled to. The affairs related to employees' interests are published on the intranet and Company bulletin boards from time to time.</p> <p>(II) Care to employees: the measures to care for employees include canteen, dorms, and multi-function sport center, library, health care center. Also, carnivals and subsidies to employee trips are provided from time to time, with regular physical checks.</p> <p>(III) Investor relations: The Company regularly published the information concerned by investors, such as future development and financial positions, on the official website. At least two investor conferences are called every year to explain the current operating status and outlooks. Dedicated personnel are set to</p>				

Corporate Governance Report

Items of Evaluation	The state of implementation			Any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Description Summary	
			<p>reply the questions from investors and explain the Company's future development.</p> <p>(IV) Supplier relations: The Company has Procurement Department in place. The Department takes charge of supplies from suppliers, as well as the improvement of the qualities of parts supplied by the suppliers from time to time. The supplier convention is convened annually to explain the annual plans of the Company and the outlooks.</p> <p>(V) Rights of stakeholders: The Company manages the rights and obligations to stakeholders pursuant to laws and regulations, and a dedicate unit is appoint to deal with stakeholders.</p> <p>(VI) Continuing Education Taken by the Directors: The Company regularly provided the information regarding continuing educations to Directors (independent Directors included), and encourage them to take such educations. Also, for any enforcement of new laws, regulations, or accounting system, external instructors are invited to the Company, to provide sessions to Directors (independent Directors included). All these are disclosed on the MOPS.</p> <p>(VII) The implementation of risk management policies and measure standards of risks: The Company has Audit Office in place, to conduct routine audits of possible risks and present their implementation in the regular internal operating meetings. To strengthen governance and enhance risk management operations, the Company has established a Risk Management Committee comprised of independent directors. This committee assists the Board of Directors in planning and overseeing risk management matters and regularly reports the implementation status of risk management to the Board of Directors.</p> <p>(VIII) Implementation of client policies (respecting consumers' needs): The Company has 0800 hotlines and a webpage to respond to consumers' needs and feedbacks. Distributors are also required to respond timely to the clients.</p> <p>(IX) Insurance bought for Directors and supervisors by the Company: to enhance the corporate governance, the Company purchases liability insurances for Directors (independent Directors included) every year, and discloses such on the MOPS.</p>	

Corporate Governance Report

(IV) The Remuneration Committee's composition and operating status:

1. the Remuneration Committee member's information

March 31, 2025

Identity	Condition	Professional qualification and experience	Independence	The number of companies' Remuneration Committee membership(s) that is (are) concurrently held
	Name			
Independent Director (Convener)	Chi-Ching Chen	1. Five or more years experience in operations management 2. Please refer to Information of Directors (Independent Directors) in pages 10-11 for the details of experience.	Consistent to the independence requirement	1
Independent Director	Wei-Ching Lue	1. Five or more years experience in finance and commerce 2. Please refer to Information of Directors (Independent Directors) in pages 10-11 for the details of experience.	Consistent to the independence requirement	0
Independent Director	Yi-Hung Hsieh	1. More than 5 years of working experience in law 2. Please refer to Information of Directors (Independent Directors) in pages 10-11 for the details of experience.	Consistent to the independence requirement	1

2. The information of operation of the Remuneration Committee.

(1) 3 Remuneration Committee Members are appointed

(2) Tenure of office: From July 1, 2022 to June 30, 2025, the Remuneration Committee held 2 meetings (A) in the most recent year, with committee member attendance as follows:

Title	Name	Attendance (B)	Number of Proxy Attendance	Ratio of Actual Attendance (B/A)	Remark
Convener	Chi-Ching Chen	2	0	100%	The duties of the Remuneration Committee are stated in description (3)
Committee Member	Wei-Ching Lue	2	0	100%	
Committee Member	Yi-Hung Hsieh	2	0	100%	

Other information to be documented:

- I. If the Board of Directors declines to adopt or modify the recommendation of the Remuneration Committee, it should specify the date of the meeting, session, content of the motion, resolution of the Board of Directors, and the Company's response to the Remuneration Committee's opinion (if the Remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the differences and the causes for such differences shall be specified): None.
- II. If any member objected or expressed reservations to the resolutions of the Remuneration Committee and such opinions are recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the responses to members' opinions should be specified: None.

Corporate Governance Report

(3) The duties of the Remuneration Committee

The Compensation Committee shall exercise the care of a prudent manager to fulfill the following duties, and offer recommendations for discussion by the board of directors:

- A. Prescribe and periodically review the performance assessment and remuneration policy, system, standards, and structure of the Directors and the managers.
- B. Periodically evaluate and prescribe the remuneration of the Directors and the managers.

(4) The most recent annual Remuneration Committee meeting date, resolution content, and the Company's handling of the Remuneration Committee's opinions are as follows:

Compensation Committee	Proposal description	Outcome of resolution	Company's response to Compensation Committee's opinions
5th meeting of the 5th board 2024.3.12	The Company's 112 remuneration to the Directors and the employees.	Passed unanimously by committee members.	Proposed by the board of directors and passed unanimously by all attending members.
6th meeting of the 5th board 2024.12.24	1. Adjustment of the salary for managerial officers for 2024. 2. The calendar plan of the Remuneration Committee meetings in the fiscal year 2025.	Passed unanimously by committee members.	Proposed by the board of directors and passed unanimously by all attending members.

(5) Others: none

3. The implementation status of the assessment of the Remuneration Committee.

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Content of Evaluation
To be executed once every year	2024.01.01~ 2024.12.31	Performance assessment of the Remuneration Committee.	Self-assessment of the Remuneration Committee.	1. Level of participation in the operation of the Company 2. Cognition of the duties of the Remuneration Committee. 3. Improve the decision quality of the Remuneration Committee. 4. The composition and election of the Remuneration Committee. 5. Internal Control

Corporate Governance Report

(V) The Risk Management Committee's composition and operating status:

The Risk Management Committee was originally an operation-level committee. In order to further improve the Company's risk control and management and strengthen the functions of the Board of Directors, the Risk Management Committee was upgraded to a functional committee under the Board of Directors in 2023, with independent directors as members, assisting the Board of Directors in planning and supervising the Company's related risk management affairs, timely reflect the implementation of risk management to the Board of Directors, and propose necessary suggestions.

1. Qualifications and duties of the members of the Risk Management Committee:

(1) The Risk Management Committee consists of three independent directors:

March 31, 2025

Identity	Name	Condition	Professional qualification and experience	Independence
Independent Director (Convener)	Chi-Ching Chen		1. Five or more years experience in operations management 2. Please refer to Information of Directors (Independent Directors) in pages 10-11 for the details of experience.	Consistent to the independence requirement
Independent Director	Wei-Ching Lue		1. Five or more years experience in finance and commerce 2. Please refer to Information of Directors (Independent Directors) in pages 10-11 for the details of experience.	Consistent to the independence requirement
Independent Director	Yi-Hung Hsieh		1. More than 5 years of working experience in law 2. Please refer to Information of Directors (Independent Directors) in pages 10-11 for the details of experience.	Consistent to the independence requirement

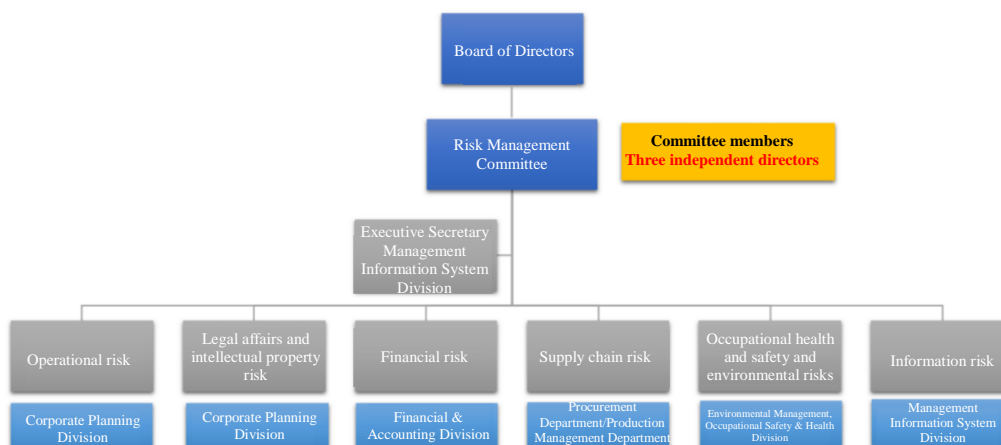
(2) The duties and responsibilities of committee members include:

- Review risk management policies, procedures and framework, and regularly review their applicability and execution effectiveness
- Assess risk tolerance, guiding resource allocation
- Ensure that the risk management mechanism can adequately address the risks faced by the Company and is integrated into the daily operating procedures

Corporate Governance Report

- Approval of risk control priorities and risk levels
- Review the implementation of risk management, propose necessary improvements, and report to the Board of Directors on a regular basis
- Execute the risk management decisions of the Board of Directors

2. Organization Structure:



3. Operational status:

Committee Term: August 10, 2023 to June 30, 2025. The Risk Management Committee held 2 meetings (A) in the most recent year, with committee member attendance as follows:

Title	Name	Professional qualification and experience	Number of Actual Attendance (B)	Number of Proxy Attendance	Ratio of Actual Attendance (B/A)	Remark
Convener	Chi-Ching Chen	Professional qualifications and experience (description 1).	2	0	100%	-
Committee Member	Wei-Ching Lue		2	0	100%	
Committee Member	Yi-Hung Hsieh		2	0	100%	

Corporate Governance Report

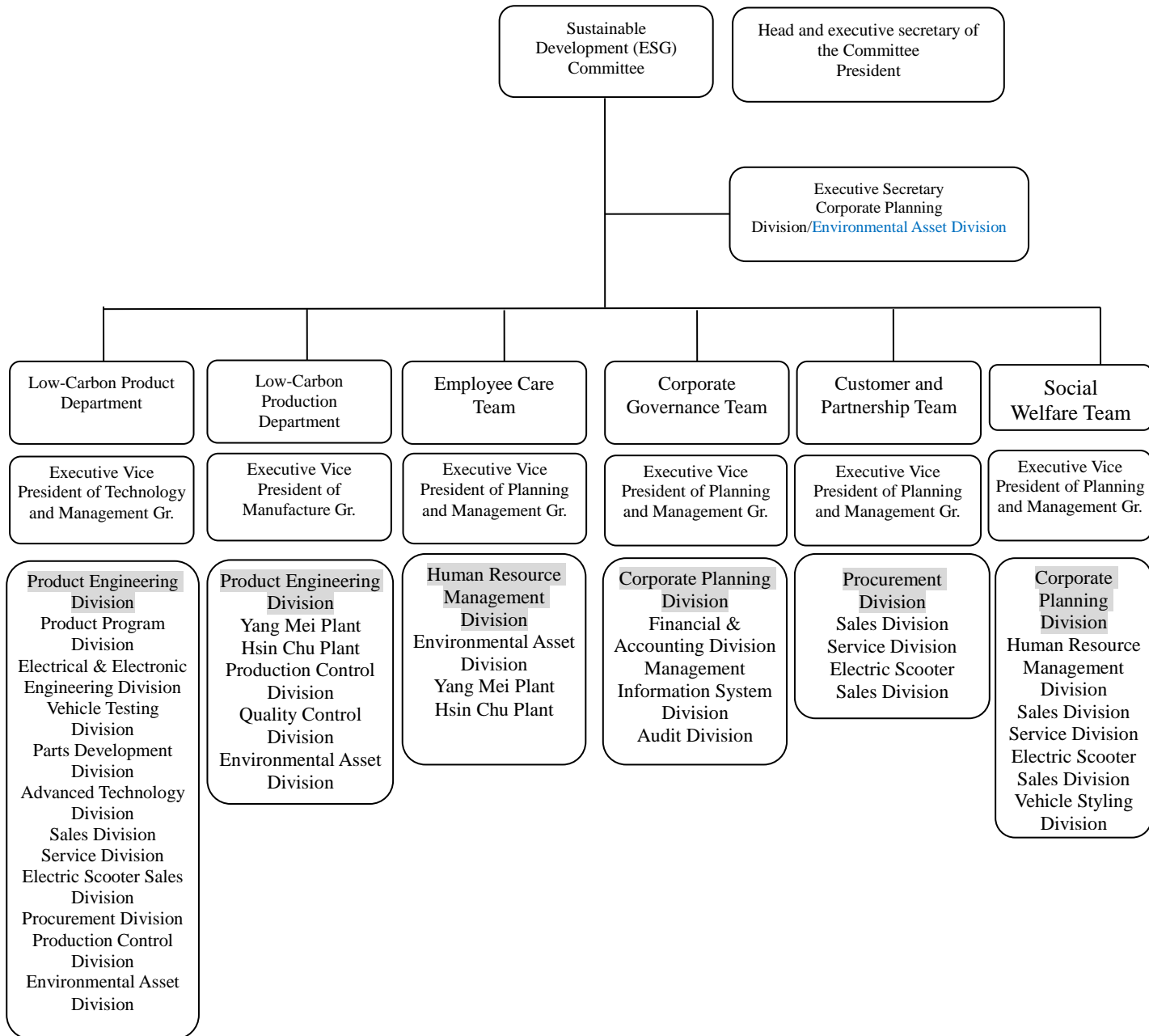
4. The most recent annual Remuneration Committee meeting date, resolution content, and the Company's handling of the Risk Management Committee's opinions are as follows:

Risk Management Committee	Proposal description	Outcome of resolution	Company's response to Risk Management Committee's opinions
2nd meeting of the 1st board 2024.7.30	All items in this meeting were for reporting purposes. (Report on the Company's mid-year 2024 risk management implementation status)	All reporting matters were acknowledged.	All reporting matters were acknowledged.
3rd meeting of the 1st board 2024.12.24	2024 Risk Management Committee working plan.	Passed unanimously by committee members.	Proposed by the board of directors and passed unanimously by all attending members.

- (VI) The state of the Company's implementation of sustainable development, any variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance:

China Motor Corporation has been actively promoting corporate governance, developing sustainable environments, and maintaining social welfare for a long time. To enhance the efficiency of corporate social responsibility initiatives, the Company established the "Corporate Social Responsibility Management Committee (referred to as the CSR Management Committee)" in 2014, which was renamed as the Sustainability Committee (referred to as the ESG Committee) in 2022. The President serves as the committee chairman, with the President's Office and Environmental Assets Division serving as executive secretaries. Under the committee, there are six subcommittees: "Low-Carbon Products," "Low-Carbon Production," "Employee Care," "Corporate Governance," "Customer and Partner Relations," and "Social Welfare." Each subcommittee is led by a Vice President level officer, with secretariats from each subcommittee and relevant departments responsible for implementing sustainability development initiatives and editing the Company's ESG report. The execution results are regularly presented to the Board of Directors.

Corporate Governance Report



Note: ■ indicates Departmental Secretary Division

Corporate Governance Report

1. The state of the Company's implementation of sustainable development, any variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance

Promotion Item	Implementation Status			Any variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Description Summary	
I. Has the Company established the governance framework to promote sustainable development, appointed the dedicated (concurrent) sustainable development unit, and the board of directors authorizes the senior management to handle the affairs, with the supervision of the board of directors?	√		<p>1. Include the sustainability into the operating philosophy, and develop the sustainability strategy blueprint</p> <p>CMC tightly linked with the “up-and downstream vendors,” “customers,” “employees,” and “society,” and shape the solid brand image together. In the course of operation, CMC deeply realizes that other than the corporate governance and operational performance in the course of business operation, it is also necessary to cherish the resources provided by the environment and society, and stay committed to the stakeholders. Harmony, innovation, topness, and sustainability are interlinked philosophy. Continuous innovation in harmony, pursuit of topness and sustainable operation are the upmost philosophy of a company’s existence. In 2019, China Motor Corporation, under the leadership of Chairperson Li-Lien Chen Yen, embraced a new chapter by upgrading the management philosophy from "HIT" to "HITS" (Harmony, Innovation, Top excellence, Sustainability), gradually implementing the company's sustainability strategy and initiating reforms across manufacturing operations, corporate governance, and social welfare initiatives.</p> <p>In order to demonstrate its determination to promote sustainable goals, CMC once again inventoried the industrial trends, climate change risks and opportunities, and as the echo to the 17 United Nations Sustainable Development Goals (SDGs), CMC established the “sustainable development strategy,” and formulated a “stable governance,” “top innovation,” “harmony and co-prosperity,” “environmental sustainability” and “social care” as the five major pillars for implementation and management. The Company has gradually implemented the Company's sustainable strategy, innovating in the regards of corporate governance, manufacturing, social welfare, while actively responding to the needs of stakeholders, seeking to drive the development of the automotive industry chain and enhancement of the Company’s sustainable value through the connection of the ecosystem, and become a the most reliable diversified mobile partner.</p> <p>2. Sustainable Development (ESG) Committee The Company understands that achieving</p>	Complied with the requirements of “Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.”

Corporate Governance Report

Promotion Item	Implementation Status			Any variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Description Summary	
			<p>sustainable development goals without effective management mechanisms makes it impossible to transform objectives into concrete actions. To integrate ESG principles with business operations and corporate culture, the Company established the "Corporate Social Responsibility Management Committee (CSR Management Committee; renamed to Sustainability Committee in 2022)" in 2014. This committee includes subgroups focused on "Low-Carbon Products," "Low-Carbon Production," "Employee Care," "Corporate Governance," "Customer and Partner Relations," and "Social Welfare," responsible for implementing the company's sustainability policies. The organizational structure operates as follows:</p> <ol style="list-style-type: none"> (1) Two meetings are held annually, with each task force explaining the implementation of the promotion, and establishes the three-year promotion goals in the rolling manner. (2) Reports to the board of directors every year (semi-annually), explaining the annual ESG implementation outcomes and key tasks for the future promotion. (3) Completing and uploading the ESG report of the previous year (the Company's official website and the Market Observation Post System) before the statutory deadline every year. (4) The implementation of sustainable development is disclosed in the annual report every year. <p>3. The board of directors' supervision to the sustainable development</p> <p>The ESG Committee reports the annual implementation results to the Board of Directors semi-annually. The discussion topics include ESG award-winning performance, outcomes of key task implementation, review and improvement, and follow-up promotion directions. Based on such, the future sustainable development strategy will be formed, and sustainable development tasks will be promoted to various units at different levels; the accountability of each level operates as follows:</p> <ol style="list-style-type: none"> (1) Supervision by the Board of Directors In order to improve the internalization and communication of sustainable development, the proposal and implementation of ESG policies, systems or related management guidelines, and specific promotion plans must be regularly reported to the board of directors. 2) Management Level Report the key annual ESG results and activities 	

Corporate Governance Report

Promotion Item	Implementation Status			Any variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Description Summary	
			<p>to the operation meeting to share with the managerial attendees in the meeting as a top-down promotion, and the managers are requested to have their subordinator to engage in actively.</p> <p>(3) The ESG Committee holds regular meetings The ESG Committee holds meeting every six months, and the secretaries of each task force will prepare and report the implementation results of the period, while communicating important matters, and review the three-year goals in the rolling manner.</p> <p>(4) Annual ESG guidelines at department level The annual guidelines of each department will undertake the ESG task promotion goals, and review the implementation of each department on a quarterly basis, including reviewing the stage implementation results and the estimate the achievement rate, and report such to the president and senior management, to actively promote and achieve annual goals.</p> <p>(5) Establish the sustainable corporate culture</p> <p>① Promote volunteer reward program, and provide all employees with three-days volunteer leave annually, car for volunteer activities, so that employees can work on the charity events with peace of mind.</p> <p>② Caring events for the aboriginal people are held regularly every year, and all employees of the plants are called on to join as volunteers. The large-scale recruitment activities are held in public occasions such as employee canteens and family days.</p> <p>③ The outcomes of key annual ESG promotion records of volunteer activities, and experience sharing are announced on the corporate intranet, to encourage management and employees to participate enthusiastically.</p> <p>④ Organize ESG sustainability literacy courses and advocacy activities to strengthen and help employees develop ESG concepts so that sustainability thinking can be deeply rooted in the hearts of each employee.</p>	
II. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk	√		<p>1. This disclosure covers the Company's sustainable development performance at its major presences from January 2024 to December 2024. The risk assessment boundary is mainly based on the Company's production bases in Taiwan, including the Yangmei Plant and Hsinchu Plant.</p> <p>2. Risk management policies for each sustainable</p>	Complied with the requirements of "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies."

Corporate Governance Report

Promotion Item	Implementation Status		Description Summary	Any variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No		
management policies or strategies?			<p>development dimension</p> <p>The Company is mainly engaged in the manufacturing and sale of finished vehicles and parts, and does not engage in high-leverage, high-risk investments.</p> <p>In order to strengthen the Company's governance and sound risk management, in addition to establishing functional committees (Audit Committee and Remuneration Committee) , we have also voluntarily established functional committees (Risk Management Committee) to related risks and update response strategies from time to time. Furthermore, each functional unit of the Company identifies detailed risks based on respective expertise and establishes related management policies to effectively reduce the Company's operation risks which includes:</p> <p>(1) Operation risk management ① Implement ethical management policies, ② insure the Directors and management, ③ insure business interruption, ④ proactively collect changes in laws, policies and the market, and formulate countermeasures, and ⑤ implement corporate governance education and training to prevent the impact stemmed from amendments of laws.</p> <p>(2) Legal affairs and intellectual property risk management ① Employ professional legal personnel to review various contracts and provide internal legal advice, to handle legal disputes and litigation, and to assist in handling patents, trademarks and IP rights and other related affairs, ② timely monitor and manage changes in laws and regulations through the system to strengthen legal compliance.</p> <p>(3) Financial risk management ① Integrate the financial control mechanism and tax planning, ② regularly hedge the foreign exchange rate risks, ③ prudently assess the market capital situation and bank interest rates, and ④ strategically evaluate the benefits of the reinvestment companies and manage important assets.</p> <p>(4) Supply chain risk ① Promote the business inspection plan of suppliers; ② Actively monitor the fluctuation of raw materials to ensure that suppliers can sustainably stabilize supplies and prepare materials. ③ Based on the natural disaster</p>	

Corporate Governance Report

Promotion Item	Implementation Status			Any variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Description Summary	
			<p>(typhoon) forecast of the Central Meteorological Administration and conduct post-disaster real-time supply surveys. ④ Promote the selection and evaluation of top-performing companies and encourage them to establish management systems for occupational safety and environmental sustainability.</p> <p>(5) Occupational health and safety and environmental risks management ① The Company has obtained ISO 45001 and CNS 45001 (occupational safety and health management system) certification; and ISO 14001, ISO 140641 and other environment-related management system certification. ② An emergency response organization was established from February 2020 to respond to various environmental risks and formulate COVID-19 prevention and emergency response plans.</p> <p>(6) Information risk management ① Introduction and certification of the ISO 27001 information security management system (valid between December 16, 2022 and October 31, 2025); ② Information security testing of the production environment; and ③ Improvement of basic network environment.</p> <p>The company focuses on major sustainability issues and themes in accordance with GRI Standards principles, international sustainability standards and norms, United Nations Sustainable Development Goals (SDGs), Responsible Investment practices, industry trends, and interactions with stakeholders. The Company has developed sustainable development strategies and related risk management policies, which are detailed and disclosed in the sustainability report.</p> <p>(https://www.china-motor.com.tw/layout2.php?name=CSR%20Report)</p>	
III. Environmental Issues (I) Has the Company established a proper environmental management system according to its industrial characteristics?	√		(I) The Company has established various environmental systems suitable for the Company's production operations, such as environmental management system (ISO14001), energy management system (ISO50001), The management systems such as the water resource efficiency management system (ISO 46001) have been certified and disclosed on the company's official website and in the sustainability report.	(I) Complied with the requirements of "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies."

Corporate Governance Report

Promotion Item	Implementation Status			Any variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Description Summary	
(II) Is the Company committed to improving the energy utilization efficiency and using recycled materials with low impact on the environment?	√		(https://www.china-motor.com.tw/layout2.php?name=CSR%20Report) (II) The Company manages energy use and pursues long-term carbon reduction goals through two major strategies: "Continuous implementation of energy-saving initiatives that include non-production energy consumption" and "Establishment of environmental management system verification and energy conservation subsidies." We actively promote various energy reduction measures, select equipment with high energy efficiency and energy-saving designs to reduce corporate and product energy consumption, and expand renewable energy usage to optimize energy efficiency.	(II) Complied with the requirements of "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies."
(III) Does the Company assess the potential risks and opportunities of climate change to the Company now and in the future, and take measures to respond to climate-related issues?	√		(III) Energy management: Implemented and obtained ISO50001 system certification (valid from December 9, 2022 to December 8, 2025) and established CMC energy management system (EMS). Through this system, resource usage information is monitored in real-time, and regular meetings are held to review and effectively control energy efficiency. In addition, the ESG Environmental Sustainability Team meets regularly to review the carbon emission status of the parts, and uses the recycled or low-carbon materials with low environmental impact in the part design stage. A detailed description of the Company's climate change risk and opportunity analysis was disclosed in the Company's Sustainability Report. (https://www.china-motor.com.tw/layout2.php?name=CSR%20Report)	(III) Complied with the requirements of "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies."
(IV) Has the Company compiled statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years, and formulated policies for energy conservation and carbon reduction, greenhouse gas reduction, water use reduction or other waste	√		(IV) To ensure that every environmental issue is systematically managed, the Company has introduced and obtained ISO 14001 environmental management system certification (valid from December 14, 2023 to December 13, 2026), regularly reviews the achievement of targets and environmental improvement projects, conducts annual internal audits and commissions BSI to conduct external audits, and holds environmental management review meetings to report and review various environmental	(IV) Complied with the requirements of "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies."

Corporate Governance Report

Promotion Item	Implementation Status		Description Summary	Any variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No		
management?			<p>performance. Specific measures for environmental sustainability are as follows (Note):</p> <ol style="list-style-type: none"> 1. Improve the efficiency of energy use and implement low carbon manufacturing. <ol style="list-style-type: none"> (1) In 2024, there were 25 carbon reduction improvement projects, achieving a carbon reduction of 580 tons CO₂e. The investment cost was NT\$20.227 million, which reduced production costs by NT\$4.349 million annually. (2) Promote the upgrade of major equipment, introduce high efficiency air compressors, replacement of transformers, iced water hosts, etc. to reduce energy consumption. (3) Replace the factories' mercury lighting lamps with energy-saving LED lamps. (4) Control and examine the carbon and water footprints of products, and has obtained BSI certification in 2019. 2. Greenhouse gas emissions: The results of the greenhouse gas inventory, assurance status, and reduction policies are listed in the climate-related information of this annual report for listed companies. 3. Water consumption <ol style="list-style-type: none"> (1) As a major water user, the paint factory dismantled obsolete water-consuming equipment and systems and implemented a centralized spraying system to concentrate productions and reduce water and electricity consumption. (2) Enhanced the recycling of process water and promoted the recycling of process boiler steam condensate and coating plant UF wash water through the reverse osmosis equipment, effectively reduced total water consumption. (3) The total water intake of Yangmei plant was 170,878 tons in 2024 and 175,632 tons in 2023, saving 2.7% of water consumption. The Company was also certified ISO 46001 for water efficiency. (Effective 2022/6/22–2025/6/21) 4. Waste Management <ol style="list-style-type: none"> (1) All types of wastes are reported online and entrusted to legal vendors in accordance with the regulations, and the rate of proper disposal is 100%. 	

Corporate Governance Report

Promotion Item	Implementation Status			Any variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance															
	Yes	No	Description Summary																
			<p>(2) A waste solvent recovery system was installed in the coating factory. The waste solvent removal volume in 2023 and 2024 was 41.01 tons and 53.85 tons, respectively, a decrease of 60.55% and 48.20% from 103.95 tons in 2020.</p> <p>(3) The Company is working to achieve the goal of circular economy by introducing recyclable plastic materials into the entire car lineup and increasing the recycling rate of product parts.</p> <p>(4) Reduced the non-recyclable waste and increased the recycling rate from 78.29% of the base year of 2017 to 95.40%. (5) Implemented refuse sorting and promoted the waste reduction project, reducing waste by 54.27% compared to that of the base year 2017.</p> <p>Waste output for the past 2 years (Note 1):</p> <table border="1"> <thead> <tr> <th>Annual</th> <th>Hazardous industrial waste (tons)</th> <th>Non-hazardous industrial waste (tons)</th> <th>Total weight (tons)</th> <th>Waste intensity (tons/ million NTD revenue) (Note 1)</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>42.0559</td> <td>478.10</td> <td>520.1559</td> <td>0.01353</td> </tr> <tr> <td>2024</td> <td>54.9722</td> <td>461.8200</td> <td>516.7922</td> <td>0.01317</td> </tr> </tbody> </table> <p>Note 1: 2024 data is self-compiled by the Company. For information verified by third parties, please refer to the Company's Sustainability Report.</p> <p>Note 2: Consolidated revenue for 2023 and 2024 was NT\$38,433 million and NT\$39,243 million respectively.</p>	Annual	Hazardous industrial waste (tons)	Non-hazardous industrial waste (tons)	Total weight (tons)	Waste intensity (tons/ million NTD revenue) (Note 1)	2023	42.0559	478.10	520.1559	0.01353	2024	54.9722	461.8200	516.7922	0.01317	
Annual	Hazardous industrial waste (tons)	Non-hazardous industrial waste (tons)	Total weight (tons)	Waste intensity (tons/ million NTD revenue) (Note 1)															
2023	42.0559	478.10	520.1559	0.01353															
2024	54.9722	461.8200	516.7922	0.01317															
<p>IV. Social Issues</p> <p>(I) Does the Company formulate management policies and procedures according to applicable laws and regulations and the International Bill of Human Rights?</p>	√		<p>(I) The Company complies with relevant labor laws and regulations and respects internationally recognized basic labor human rights principles. The HR Department of the Company regularly reviews labor laws and regulations and readily examines whether or not the internal practices are complied with the laws and regulations and will cooperate in amending the relevant practices if modifications are required. The Company has no differential treatment in its employment policies.</p>	<p>(I) Complied with the requirements of "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies."</p>															
<p>(II) Has the Company established and implemented reasonable employee welfare</p>	√		<p>(II) The Company strives to create a happy workplace with a friendly environment and industry-leading strategies, hoping to not only retain talents with happiness, but also to take care of employees' family lives through innovative practices.</p>	<p>(II) Complied with the requirements of "Sustainable Development</p>															

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Promotion Item	Implementation Status		Description Summary	Any variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No		
programs (including remuneration, vacation and other benefits, etc.) and appropriately reflected operational performance or results in employee compensation?			<p>1. Quality Work Environment (1) Staff cafeteria, coffee shops, etc. are available for employees to eat and drink healthily, and a complete sports and leisure center (with indoor basketball/badminton court, gymnasium, aerobatics classroom, etc.) is available for free use by employees and their families. A comprehensive library is established with more than 20,000 books, magazines, and DVDs to be borrowed by the employee, free-of-charge.</p> <p>2. Happy and Diversified Vacation In addition to the leave provided under the Labor Standards Act, the Company provides special leave, company travel leave, a nine-day summer vacation and winter vacation (to coincide with the Spring Festival), a new student leave for those whose children are attending elementary school, and volunteer leave.</p> <p>3. Thoughtful and Comprehensive Maternity Care Measures (1) The Company has an affiliated kindergarten and after-school childcare center, solving employees' childcare issues and allowing them to work without worry. (2) Starting from 2018, the Company provides childcare subsidies for employees' children under 3 years old who don't meet the minimum age requirement for nursery classes and are enrolled in contracted childcare institutions (adjusted to NT\$24,000 annually starting from 2023). (3) Family members (spouse and children) also enjoy daily hospital allowance benefits under the group insurance plan. (4) Free newborn insurance services are provided, and well-equipped breastfeeding rooms are available. (5) The Company offers scholarships for employees' children, summer camps, and occasional parent-child seminars.</p> <p>4. Convenient and Preferential Living Assistance (1) The company organizes annual family days and hiking activities, inviting employees' family members to participate. (2) Employee dormitories are provided, with complimentary internet access and package receiving services. (3) Diverse transportation services include</p>	<p>Best Practice Principles for TWSE/GTSM Listed Companies.”</p> <p>(III) Complied with the</p>

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Promotion Item	Implementation Status			Any variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Description Summary	
(III) Does the Company provide a safe and healthy working environment for employees and implement regular safety and health education for employees?	√		<p>shuttle buses, business trip vehicles, and discounted car rentals for evenings and holidays. Employees are also offered preferential low-interest loans for vehicle purchases.</p> <p>(4) The Company provides legal consultation, psychological counseling services, mail handling, banking services, and medical clinic services at the health center.</p> <p>5. Decent Payroll System Including basic salary, bonus for at least 2 months of monthly payroll for 3 festivals (Spring Festival, Mid-Autumn Festival, and Dragon Boat Festival), and special year-end bonus according to the Company's operational performance and personal evaluation. In addition, the employees enjoy birthday gift coupons, senior staff recognition and awards, and employee travel grants.</p> <p>6. Workplace diversity and equality The Company provides equal employment opportunities and working environments. Over the past three years, women have accounted for approximately 14% of the workforce, with men comprising 86%. Additionally, among the current 34 senior executives, approximately 11.8% are women. Furthermore, employees aged 51 and above represent 32% of the workforce, indicating our commitment to fostering an inclusive environment that values and supports employees of different age groups, in addition to promoting gender equality.</p> <p>(III) The Company established the "Safety & Health Division," which not only conducts audits on work safety in each working environment, but also supervises the safety and health affairs of the whole company and holds regular workplace safety training.</p> <p>1. The Company established "Employee Health Management Practices" and conducts annual employee health examination with a frequency and items that are better than that required by law and performs health education and follow-up with outpatient physicians in response to the examination results. Related health promotion mechanisms include: (1) Case tracking management: To intervene according to the urgency of the improvement and</p>	<p>requirements of "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies."</p> <p>(IV) Complied with the requirements of "Sustainable Development Best Practice Principles for TWSE/GTSM Listed</p>

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Promotion Item	Implementation Status			Any variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Description Summary	
			<p>conduct case tracking management by providing personal health education, individual medical counseling and referral treatment, as well as regular follow-up reviews of status every quarter.</p> <p>(2) The health center employs specialists who provide daily outpatient and medical counseling services.</p> <p>(3) Health promotion activities: weight and fat loss classes, physical fitness testing, blood donation activities and related preventive health activities, etc.</p> <p>(4) Hire visually impaired professional massage therapists to provide employees with stress relief massage services.</p> <p>2. In 2024, the Company had a total of 8 occupational accidents (excluding commuting accidents), involving 8 employees (representing 0.36% of the total number of employees as of December 2024). After reviewing and improving strategies, we conducted a review and improvement of relevant equipment and personnel safety operating procedures (SOPs) simultaneously. We also provided education and training for personnel and observed operations. In addition to regularly reviewing and improving effectiveness, we value supervisor care and attention to the physical and mental well-being of colleagues to ensure safety during work hours.</p> <p>3. In 2024, the Company had 1 fire incident with no casualties. Following this incident, improvement strategies were developed to address various aspects including personnel, machinery, materials, methods, and environment. In addition to implementing required improvement measures, the Company also assigned staff to conduct inspections to prevent recurrence.</p> <p>4. The Company has established the "Emergency Response Operation Standard for the Yangmei Plant" to regulate the procedures for emergency contact, handling, disposal, and recovery in the event of accidents (including fires, floods, droughts, strong typhoons, etc.). This standard requires at least one drill to be conducted annually, and any shortcomings in the contingency procedures are to be reviewed and revised. In the event of a natural disaster, immediate notification should be made to the relevant departments. Details are disclosed in the Company's Sustainability Report.</p> <p>https://www.china-motor.com.tw/layout2.php?name=</p>	<p>Companies.”</p> <p>(V) Complied with the requirements of “Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.”</p> <p>(VI) Complied with the requirements of “Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.”</p>

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Promotion Item	Implementation Status		Description Summary	Any variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No		
(IV) Does the Company develop effective career development programs for employees?	√		<p><u>CSR%20Report)</u></p> <p>(IV) The Company regularly conducts education and training programs, including pre-employment classes and in-service training, and assigns appropriate employees to attend courses on job-related knowledge and skills. The Company has always been deeply committed to talent development, dedicating significant resources to creating a continuous and diverse learning environment. Through five major training systems—including new employee training, competency training, management training, professional training, and project-based training—we have mapped out comprehensive learning pathways for our employees. In 2024, a total of 4,796 internal training sessions were conducted, with 32,676 participants and a cumulative 51,462 training hours.</p>	
(V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of its products and services, and has established relevant policies and complaint procedures to protect consumer or customer rights?	√		<p>(V) Regarding the product advertisements, in addition to the principle of truthfulness and honesty in accordance with the actual vehicle as the main emphasis, all the appeals and methods of expression are in compliance with the laws and regulations stipulated by the Government authorities, and under the premise of complying with the laws and regulations, the relevant vehicle product data are labeled in the appropriate positions on the product to clearly inform consumers, and are also detailed in the car owner's manual, so that consumers can fully and conveniently understand the specifications, performance, operation and precautions of the product. In order to provide better service to every CMC car owner, CMC has developed a comprehensive customer service management mechanism, and regularly conducts service improvement, information update and staff training for the customer services hotline, and also connects with the 0800 free service hotline of dealerships across the country to provide consumers with more diversified and comprehensive services and channels for consultation on their rights.</p>	
(VI) Does the Company formulate a supplier management policy	√		<p>(VI) The Company expects to lead the automotive industry chain manufacturers to be concerned about and exercise their social responsibilities and move towards sustainable development together,</p>	

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Promotion Item	Implementation Status			Any variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Description Summary	
requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health or labor rights, and their implementation status?			and thus has signed the "Fundamental Contracts" with suppliers and implemented ESG assessment and auditing of suppliers to ensure their compliance with the Company's environmental and occupational safety and health policies and laws and regulations. In addition, the Company will include the "Integrity and Compliance Pledge" in the "Fundamental Contracts" signed with suppliers and has the right to terminate and cancel the contract in case of dishonest behavior of the suppliers.	
V. Does the Company refer to international reporting rules or guidelines to compile reports that disclose non-financial information of the Company, such as sustainability report? Has the CSR report obtained a certifying third-party's verification of statement of assurance?	√		The sustainability report of the Company for the previous year is prepared in accordance with the General Standard, Sector Standard, and Material Topics Standard issued by the Global Reporting Initiative (GRI). It discloses the identified significant economic, environmental, and social (including human rights) themes and impacts of the company, as well as disclosure items and their reporting requirements. The report references industry-specific indicator information from the Sustainability Accounting Standards Board (SASB) standards and provides an index of SASB indicators corresponding to the content of the report. Additionally, it is compiled in accordance with the AccountAbility 1000 (AA1000) Principles of Accountability (2018). The content of the sustainability report covers various aspects including corporate social responsibility management policies, significant themes and key issues, project performance, and more. In addition, the sustainability report has been reviewed by the relevant department heads and ESG Committee Chairperson of the Company based on their professional knowledge and management experience. Ernst & Young Global has been commissioned to select the factors for the 2023 sustainability reports in accordance with Standards of Assurance No. 3000. The assurance procedures for the six indicators have been implemented, and the independent assurance statement is attached to the appendix of the sustainability report.	Complied with the requirements of "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies."
VI. If the Company has established its own sustainable development principles in accordance with the "Best Practice Principles for Sustainable Development Practice Principles" to formulate the Company's Sustainable Development Best-Practice Principles, and has also established a comprehensive internal control system and cooperates with related regulations.				
VII. Other important information for understanding the Company's implementation of sustainable development promotion: The Company's sustainability report has been disclosed on its official website and the Market				

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(VII) Climate-related information of TWSE-listed companies

(1) Implementation of climate-related information:

Item	Implementation Status
<p>1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.</p>	<p>CMC has long been concerned about the extreme climate and the operational crisis that may be caused by global warming. Since 2014, BES has established the "Sustainable Development (ESG) Committee" with President as the Chairman. It is the highest internal sustainable development and decision-making center in the Company. Each working group under the Committee is headed by an executive at the vice president level or above. They lead the senior executives of each department to review the Company's climate-related risks and opportunities management guidelines, coordinate and allocate short-term tasks, and formulate mid-term and long-term policies. Sustainable development plans and goals, and the Audit Division to perform sustainable business supervision and audit matters.</p> <p>In terms of monitoring climate-related risks and opportunities, the Board of Directors is the highest governance body of climate change and sustainability issues and is responsible for supervision and decision-making, while the "Sustainable Development (ESG) Committee" is the body responsible for climate issues. In 2023, the Company upgraded the "Risk Management Committee" to a functional committee at the Board level. For climate-related risks, the "Risk Management Committee" regularly evaluates the Company's various risk operations every year, and focuses on the operational risks, supply chain risks, occupational health and safety, and environmental risks derived from climate changes for impact assessment and management. Work with the "Sustainable Development (ESG) Committee" to assist CMC in proposing responses and solutions to climate issues, with the goal of building corporate resilience under the threat of climate risks.</p> <p>China Motor Corporation signed on to join the Science Based Targets Initiative (SBTi) in February 2023, and received approval for its commitment in January 2024, becoming the first automotive company in Taiwan to sign. In accordance with the methodologies prescribed by SBTi, China Motor Corporation will use a baseline year with externally verified data to establish its carbon reduction pathway and commit to the recommended approach. The Company has formulated near-term carbon reduction plans and conducted systematic data analysis to set specific carbon reduction targets and pathways for Scope 1, Scope 2, and Scope 3 of its "greenhouse gas inventory." China Motor Corporation plans to establish these targets and submit them to SBTi for review within two years. In addition, we simultaneously published the Task Force on Climate-Related Financial Disclosures (TCFD) since 2023. The report and the Sustainability Report are regularly reviewed by the Board of Directors each year to ensure that the Board of Directors has a proper grasp of the Company's internal climate-related risks and opportunities, and can examine the Company's climate management through regular reports, strategy, and urging the management team to make adjustments in a timely manner.</p>
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the Company (short-, medium-, and long-term).</p>	<p>China Motor Corporation is actively formulating solutions, with the "Sustainability Committee" as the highest responsible unit for climate change and management issues. The committee annually reviews the company's climate change strategy and goals, manages climate change risk and opportunity actions, and examines implementation status while discussing future plans. The company aims to reduce operational and financial impacts brought by climate change and enhance organizational climate resilience.</p> <p>The Company completed the latest climate risk and opportunity assessment in 2024, and analyzed the risk issues through "frequency (short, medium and long-term)" and "impact degree" and focused on the following 6 climate risk items from the 15 climate risk <u>items Risks: Vehicle product efficiency regulations and standards, carbon fee/energy tax collection, changes in consumer behavior and preference, demand for low-carbon products and services, frequent occurrence of power shortages caused by extreme climate,</u> greenhouse gas caps and emissions trading. In regards to climate opportunity issues, using the same dual-dimension matrix analysis method, two major opportunities have been identified from among eight climate change opportunity items: sustainable digital transformation and service experience, and low-carbon product development and innovative services. The Company integrates major items from both climate risk and opportunity assessment results to jointly analyze potential financial and operational impacts.</p>

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	Risk Category and Opportunity	Short-term (1-3 years)	Medium-term (3-5 years)	Long-term (5+ years)	
	Risks	<p>Transition risks Risks in transitioning to a low-carbon economy encompass policy regulations, carbon fees/energy taxes, emissions trading, market changes, and reputational risks, affecting product standards, consumer demands, and corporate sustainability compliance.</p>	<ul style="list-style-type: none"> • Vehicle product efficiency regulations and standards • Changes in consumer behavior and market preferences • Demand for low-carbon products and services 	<ul style="list-style-type: none"> • Greenhouse gas cap-and-trade systems and emissions trading • Carbon fees, energy tax collection 	<ul style="list-style-type: none"> • Reputational damage from negative environmental events • Sustainability-related regulations and 2050 net-zero carbon emissions
		<p>Physical Risks Assessment of operational and supply chain risks brought by climate change, covering equipment damage, operational disruption, supply chain instability, resource shortages, and ecological environmental changes, affecting business stability and sustainable development</p>	<ul style="list-style-type: none"> • Frequent power outages due to extreme temperatures 	<ul style="list-style-type: none"> • Material shortages due to climate change • Personnel injuries from extreme storms/heavy rainfall • Supply chain instability from frequent natural disasters • Operational disruptions from frequent natural disasters 	<ul style="list-style-type: none"> • Water shortages/fires due to drought and high temperatures • Operational equipment damage from flooding • Personnel health impairment from high temperatures
		<p>Opportunities Climate change mitigation and adaptation actions can bring climate-related opportunities for businesses, including improved resource efficiency, development of new energy vehicles, strengthened corporate resilience, and creating market competitive advantages through renewable energy and green manufacturing processes</p>	<ul style="list-style-type: none"> • Sustainable digital transformation and service experience • Renewable energy installation and green electricity purchase 	<ul style="list-style-type: none"> • Enhancing green corporate reputation and building corporate resilience • Low-carbon product development and innovative services • New energy vehicle regulatory subsidies 	<ul style="list-style-type: none"> • Vehicle production considering green manufacturing processes and environmental protection • Accommodating consumer preferences in actively pursuing product carbon neutrality • Energy-saving equipment planning for production processes

Mitigating and adapting to the impact of climate risks, and grasping the potential business opportunities hidden in climate opportunities. The Company referred to the above-mentioned

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risk and opportunity factors to review the affected business scope and financial impact, inventory self-owned resources and development opportunities, and assess whether to invest in damage prevention and development opportunities. The merger company has assessed the above risks and identified climate-related risks and opportunities that may have significant financial impacts, as well as response strategies as follows:

Transition risks/climate opportunities		
Risks/Opportunities	Financial impact - (negative) / + (positive)	Countermeasures
<p>Risks:</p> <ul style="list-style-type: none"> • Carbon fees/ energy tax collection • Greenhouse gas cap-and-trade systems and emissions trading 	<p>-Increased costs: Payment of carbon fees/energy taxes leading to higher operational costs</p> <p>-Increased costs: Installation of renewable energy or purchase of green electricity resulting in higher operational costs</p> <p>-Increased costs: Additional carbon reduction equipment and increased operating costs</p>	<ul style="list-style-type: none"> • Strengthen energy management in plant areas, implement greenhouse gas reduction actions, and promote electricity transformation according to the 2050 net-zero carbon emission schedule • Improve energy efficiency and invest in green energy, construct green factories to obtain green building certification • Encourage suppliers to conduct greenhouse gas inventories and carbon reduction actions
<p>Risks:</p> <ul style="list-style-type: none"> • Demand for low-carbon products and services • Changes in consumer behavior and market preferences 	<p>-Increased costs: Continued development of low-carbon products resulting in increased R&D expenses</p> <p>-Increased costs: Guidance and assistance to suppliers for developing low-carbon products, causing additional costs and increased procurement amounts</p> <p>-Decreased revenue: Failure to meet consumer and market preferences, or failure to offer suitable low-carbon products and services, leading to revenue decline</p> <p>-Decreased revenue: Brand reputation damage due to insufficient climate change actions, affecting consumer trust and subsequently leading to revenue decline</p>	<ul style="list-style-type: none"> • The company will continue to invest in low-carbon product research and development by increasing R&D personnel and establishing project teams to accelerate technology development and implementation, enhancing market competitiveness while meeting regulatory requirements • Adopt circular economy or low-carbon footprint raw materials, and reconfigure product components • Use a top-down approach to lead/guide suppliers in carbon reduction efforts, creating a low-carbon ecosystem • Actively incorporating international initiative indicators such as SBTi, CDP, ICP, and TNFD biodiversity to enhance sustainability performance ratings, thereby strengthening the company's ESG image • Reinforcing corporate governance, establishing a corporate culture that prioritizes climate change issues, and committing to carbon reduction efforts
<p>Risks:</p> <ul style="list-style-type: none"> • Vehicle product efficiency regulations and standards 	<p>-Increased costs: To meet stricter energy efficiency standards, additional R&D resources must be invested, raising development costs for hybrid or electric vehicle technologies</p> <p>-Increased costs: Regulatory requirements leading to higher vehicle testing, certification, and compliance expenses</p> <p>-Decreased revenue: Failure to meet standards in a timely manner could result in certain models being ineligible for sale or subject to penalties, affecting revenue</p>	<ul style="list-style-type: none"> • Continuing investment in research, development, and launch of electric two-wheelers, four-wheelers, and PHEVs, introducing products and services that meet market demands • The Company will improve the energy efficiency of vehicles to provide consumers with environmentally friendly low-carbon vehicle products • Reducing energy consumption throughout vehicle life cycles, developing low-carbon

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			products and services
	<p>Risks:</p> <ul style="list-style-type: none"> Frequent power outages due to extreme temperatures 	<p>-Increased costs: Manufacturing facilities affected by power outages or restrictions impact production capacity, leading to production delays and additional operating costs (such as investments in backup power equipment and energy storage systems)</p> <p>-Decreased revenue: Supply chain disruptions causing component delivery delays, hindering new vehicle production and affecting sales and delivery schedules</p> <p>-Decreased revenue: Consumer concerns about electric vehicle range and charging infrastructure affecting electric vehicle sales growth</p>	<ul style="list-style-type: none"> Develop renewable energy plans ahead of regulatory deadlines to promote energy diversification, reduce Scope 2 carbon emissions, and mitigate electricity shortage risks Continuously track, manage, and require suppliers to enhance their ability to prevent fire/flood incidents and power outages, enabling immediate response and handling when emergencies occur Invest in parts manufacturers, integrate the supply chain, and redesign supply risk strategies Product diversification strategy, introducing a wide range of vehicle products (including high-efficiency fuel vehicles, PHEVs, EVs, etc.) to meet consumers' diverse needs, while fulfilling the green energy requirements of businesses and vehicle owners, and continuing to actively introduce pure electric vehicle models
	<p>Opportunities:</p> <ul style="list-style-type: none"> Low-carbon product development and innovative services Sustainable digital transformation and service experience 	<p>+Decreased costs: As low-carbon technologies mature, manufacturing efficiency and energy usage efficiency improve, reducing long-term operational costs</p> <p>+Decreased costs: Applying data analytics and intelligent AI manufacturing to improve energy and resource utilization efficiency, reducing production and operational costs</p> <p>+Decreased costs: Through vehicle data analysis, enhancing preventive maintenance capabilities to reduce warranty and repair costs</p> <p>+Increased revenue: Developing new energy vehicles (PHEVs, EVs) and energy-saving technologies to meet market demand and increase market competitiveness</p> <p>+Increased revenue: Implementing Internet of Vehicles (IoV) and digital after-sales services (such as remote maintenance, OTA updates) to improve user experience and increase subscription service revenue</p>	<ul style="list-style-type: none"> In response to global market trends and consumer demand for low-carbon transportation, we are actively developing new energy vehicles, diverse powertrain technologies, and related supporting measures to enhance market competitiveness. We continue to research and develop innovative products to strengthen our core competitiveness, produce high-quality products with professional technology, develop diverse service channels, and continuously improve customer service to increase customer satisfaction China Motor Corporation is transforming its traditional auto manufacturing mindset when providing products and services to customers, focusing on two major strategies centered on "human mobility" and "goods mobility." We are advancing toward a mobility service strategy, committed to three core pillars: "enhancing customer and employee experience," "strengthening data-driven operational capabilities," and "establishing a new service ecosystem."
3. Describe the financial impact of	Based on the discussions and focus of the aforementioned committee meetings, the potential financial and operational impacts of extreme weather events and transition actions on climate		

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<p>extreme climate events and transformation actions.</p>	<p>change risks were identified through meetings with external consultant experts and department heads of CMC. The potential impacts are as follows:</p> <p>Risk item (I): Flooding risk analysis for business locations The two main production bases, Yangmei Factory and Hsinchu Factory, were assessed by external consultants to face a certain degree of risk of flooding. With the frequent occurrences of extreme weather in the future, the risk will be even more serious. In order to avoid the possible flooding of the factory area in the future, resulting in the interruption of operations and production, thereby reducing revenue and increasing the cost of recovery, the Company will formulate response policies based on the results of these analyses, carefully assess potential risks, and formulate corresponding management and response measures.</p> <p>Risk item (II): Power shortage risk analysis According to the simulation results of power shortage risk scenario analysis by external consultants, the amount of revenue loss due to power shortage is not significant, and it will not have significant financial impact on CMC. However, the Company still face this risk with caution, since electricity is one of the necessary energy consumptions for production. In order to avoid the potential impact of this risk on our operations, the Company actively establishes damage prevention measures and introduces emergency power generation equipment and renewable energy power generation, we hope to achieve the purpose of prevention before the event through the establishment of crisis awareness in advance.</p> <p>Risk Item (III): Carbon pricing risk analysis Based on the carbon pricing risk simulation conducted by the external consultant, CMC is not currently a major carbon emission player. Although significant carbon costs are incurred under various simulation scenarios, these costs do not have a significant impact on the Company's overall revenue. However, the Company is still highly concerned about carbon-related issues. As an automobile manufacturer and distributor, the Company is aware that if we do not propose a transformation plan and improve the energy efficiency of our products, we may not be able to meet the expectations of the market and consumers, and ultimately lead to a decline in the market position. Therefore, in addition to actively adopting renewable energy facilities, we also optimize the automobile manufacturing process, hoping to reduce the carbon emission of each product's life cycle through technology upgrades, in order to provide customers with environmentally friendly and low-carbon products.</p> <p>In the face of transition risk, the shift to a low-carbon economy may encounter changes such as product efficiency regulations and standards, carbon fees/energy taxes, shifts in consumer behavior preferences, demand for low-carbon products and services, electricity shortage crises, and greenhouse gas emissions cap-and-trade systems. These factors could potentially increase operating costs or decrease sales volume. Considering China Motor Corporation's gradual introduction of low-carbon products and continuous development of new products while actively expanding into new energy vehicle markets, sales across various scenarios show no significant impact. Therefore, the company focuses on analyzing operating costs. Under the risk of low-carbon transition, the company has taken the initiative to establish "internal carbon pricing," implementing a carbon emissions management mechanism at NT\$1,039 per ton of CO₂. Through proactive management, the company ensures its own operations while avoiding increased costs in the supply chain. For the relevant analysis and financial impact, please refer to the Company's Sustainability Report. (https://www.china-motor.com.tw/layout2.php?name=CSR%20Report)</p>
<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>The Board of Directors is the highest decision-making body for risk management at China Motor Corporation, directly overseeing the company's risk management framework. To ensure sound risk assessment and strengthen management functions, in addition to the "Risk Management Committee," China Motor Corporation also identifies risks brought by "climate change" through the "Sustainability Committee." The various teams under the "Sustainability Committee" identify the company's climate change risks and opportunities through the following steps:</p> <ol style="list-style-type: none"> 1. Collecting climate change information/2. Interviewing the responsible department/3. Distributing questionnaires on TCFD risks and opportunities/4. Conducting matrix analysis on

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	<p>major climate risks and opportunities/5. Setting annual climate and environmental indicators.</p> <p>Through the above procedures, we compile major climate risk and opportunity issues and corresponding risk management measures, engage external consultants to conduct regular education and training on climate and sustainability issues, and conduct reviews and follow-up with responsible departments. In addition, we review the changes in risks and opportunities in policies, regulations, technology, market, and business reputation and transformation on a yearly basis. We also work with our "Risk Management Committee" to regularly assess the operation of various risks, and jointly work with all units on the establishment of annual climate and environmental indicators to measure the progress and effectiveness of the Company.</p>											
<p>5. If a scenario planning is used to evaluate the resilience in the face of climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used shall be explained.</p>	<p>China Motor Corporation uses scenario analysis to evaluate the resilience to climate change risks. For detailed financial impact results of these analyses, please refer to the Company's annual Sustainability Report. The reference data used is summarized in the table below:</p> <table border="1" data-bbox="494 716 1527 1182"> <thead> <tr> <th data-bbox="494 716 657 750">Risk items</th> <th data-bbox="657 716 1216 750">Scenario-based use</th> <th data-bbox="1216 716 1527 750">Factors for analysis</th> </tr> </thead> <tbody> <tr> <td data-bbox="494 750 657 884">Risk of flooding at business locations</td> <td data-bbox="657 750 1216 1030" rowspan="2">The Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report uses Representative Concentration Pathways (RCPs), with the difference in radiative forcing between the year 2100 and 1750 as an indicator. The report adopts the RCP 8.5 scenario.</td> <td data-bbox="1216 750 1527 884"> <ol style="list-style-type: none"> 1. Factory location 2. Flood risk potential diagram </td> </tr> <tr> <td data-bbox="494 884 657 1030">Risk of power shortage</td> <td data-bbox="1216 884 1527 1030"> <ol style="list-style-type: none"> 1. Electricity shortage rate 2. Days of interruption in operation </td> </tr> <tr> <td data-bbox="494 1030 657 1182">Carbon pricing risk</td> <td data-bbox="657 1030 1216 1182">The International Energy Agency's Stated Policies Scenario (SPS), Announced Pledges Scenario (APS), and Net Zero Emissions by 2050 Scenario (NZE).</td> <td data-bbox="1216 1030 1527 1182"> <ol style="list-style-type: none"> 1. Carbon emission scenario evolution 2. Carbon fee scenario evolution </td> </tr> </tbody> </table>	Risk items	Scenario-based use	Factors for analysis	Risk of flooding at business locations	The Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report uses Representative Concentration Pathways (RCPs), with the difference in radiative forcing between the year 2100 and 1750 as an indicator. The report adopts the RCP 8.5 scenario.	<ol style="list-style-type: none"> 1. Factory location 2. Flood risk potential diagram 	Risk of power shortage	<ol style="list-style-type: none"> 1. Electricity shortage rate 2. Days of interruption in operation 	Carbon pricing risk	The International Energy Agency's Stated Policies Scenario (SPS), Announced Pledges Scenario (APS), and Net Zero Emissions by 2050 Scenario (NZE).	<ol style="list-style-type: none"> 1. Carbon emission scenario evolution 2. Carbon fee scenario evolution
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<p>6. If there is a transformation plan in response to the management of climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.</p>	<p>Based on the discussions and focus of the aforementioned committee meetings, the development opportunities and future goals of climate transition actions and development objectives were identified through meetings with external consultant experts and department heads of Chinese Automobile. The development opportunities and future goals of climate change opportunity events are as follows:</p> <p>Opportunity item (I): Energy efficiency improvement of products To actively respond to global market trends and consumer preferences, the Company is committed to the development of electric two- and four-wheel vehicles and PHEV/EV. At the same time, the Company will improve the energy efficiency of vehicles to provide consumers with environmentally friendly low-carbon vehicle products. In addition, the Company is also committed to reducing the energy consumed by the vehicle life cycle and developing low-carbon products and services to respond to the needs of consumers in Taiwan for sustainable development.</p> <p>Opportunity (II): Renewable energy deployment In order to meet the regulatory deadline, the Company has developed renewable energy plans ahead of schedule to promote energy diversification, reduce Scope 2 carbon emissions and mitigate the risk of power shortage. At the same time, the Company strengthens energy management and introduces new energy-saving equipment systems to improve energy efficiency and thereby reduce overall operating costs. In the face of global warming and renewable energy issues, the Company actively promotes energy-saving plans to adapt to changes and promote sustainable development.</p> <p>Opportunity (III): Improvement of loss prevention For supply chain management, the Company invests in parts factories to integrate the supply chain and re-plan supply risk strategies. Suppliers are required to continuously improve their fire and flood prevention capabilities to ensure the most timely response and handling in case of emergencies. For the production sites, the Company reviews soil and water conservation and drainage capacity to avoid flooding, and improves the damage prevention measures in advance.</p>											

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	<p>To achieve carbon neutrality, China Motor Corporation has formulated a low-carbon transformation plan that will target direct emissions from operational activities (Scope 1), indirect emissions from energy use (Scope 2), and indirect emissions generated from the value chain (Scope 3). Implementation contents include:</p> <ol style="list-style-type: none"> 1. Establishing internal carbon pricing China Motor Corporation, taking the lead in the automotive industry, has established "internal carbon pricing" at NT\$1,039 per ton of CO₂ to introduce a carbon emission management mechanism. Through systematic management, this encourages each department to enhance carbon reduction benefits and promote more precise carbon emission control. 2. Leading by example, guiding suppliers to actively reduce carbon emissions To move toward "2050 Net Zero Transition," China Motor Corporation is actively collaborating with its supply chain to reduce carbon emissions. The company has partnered with 11 suppliers including Chiang Shen, Ho Sheng, and Chun Yuan Steel to jointly receive subsidies from the Industrial Development Bureau of the Ministry of Economic Affairs under the "Leading by Example" project. Within two years (2023-2025), they will implement 41 energy-saving equipment carbon reduction transformation projects with a total investment of NT\$110 million, demonstrating their determination to promote an ESG ecosystem. 3. Deploying renewable energy China Motor Corporation's environmental sustainability policy actively promotes energy conservation and carbon reduction through the use of renewable energy. The company is installing solar photovoltaic systems at its facilities in three phases: Phase 1 completed the mandatory capacity of 536KW in 2023; Phase 2 will complete the optimal area capacity installation of 1,835KW by 2025; and Phase 3 will implement the maximum capacity installation of 9,678KW by 2030, accumulating a total of 11,523KW with renewable energy accounting for 25% of electricity consumption. 4. Signing and joining the Science Based Targets Initiative (SBTi) China Motor Corporation further signed on to join the Science Based Targets Initiative (SBTi) in December 2023, and received approval for its commitment in January 2024, becoming the first automotive company in Taiwan to sign. In accordance with the methodologies prescribed by SBTi, the Company will use a baseline year with externally verified data to establish its carbon reduction pathway and commit to the recommended approach. The Company has formulated near-term carbon reduction plans and conducted systematic data analysis to set specific carbon reduction targets and pathways for Scope 1, Scope 2, and Scope 3 of its "greenhouse gas inventory." China Motor Corporation plans to establish these targets and submit them to SBTi for review within two years. Through our commitment to international initiative organizations, we demonstrate our company's determination to reduce energy consumption and carbon emissions, specifically responding to the goal of limiting global warming to within 1.5°C. <p>Please refer to the Company's sustainability report for detailed analysis of development opportunities, costs invested and future goals and results mentioned above. (https://www.china-motor.com.tw/layout2.php?name=CSR%20Report)</p>
<p>7. If the internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.</p>	<ol style="list-style-type: none"> 1. To achieve CMC's decarbonization pathway and goals, and to promote low-carbon investments while establishing a low-carbon assessment mechanism internally, the company has initiated an Internal Carbon Pricing (ICP) mechanism. The pricing basis for internal carbon pricing is derived from past carbon reduction project effectiveness, incorporating external risk factors to determine a reasonable price. Furthermore, global, regional (Asia), and industry-specific internal carbon pricing prices are considered. The internal carbon pricing price of CMC, NT\$1,039/tons of CO₂, falls within a reasonable range. <p>To create substantial impact through internal carbon pricing, we invite relevant departments such as the Environmental Assets Division, Corporate Planning Division, and Finance and Accounting Division to form a core internal carbon pricing team. This team focuses on the reasonableness of carbon price setting, applicability of internal carbon pricing, accuracy of carbon reduction targets, and effectiveness of carbon reduction programs. They implement continuous evaluation and planning mechanisms, reporting management results to company</p>

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	<p>executives through the Sustainability Committee. The current internal carbon pricing mechanism strengthens carbon reduction decision-making among senior executives and deeply instills environmental sustainability beliefs in every colleague's daily operations. In line with domestic and international carbon reduction trends and China Motor Corporation's carbon reduction pathway and target adjustment mechanisms, we are gradually connecting with operational strategies to expand application scope, steadily aligning with international sustainability contexts.</p>
<p>8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained; if carbon offsets or renewable energy certificates (RECs) were used to achieve the goals, the source and quantity of carbon reduction credits or quantity of Renewable Energy Certificates (RECs) for which they are exchanged should be explained.</p>	<p>1. To implement ESG and corporate sustainable management, China Motor Corporation has established long-term carbon reduction goals aimed at achieving net-zero carbon emissions by 2050, with the objective of achieving carbon neutrality throughout the entire production process by 2050. Based on this commitment, the company has issued its "2050 Net-Zero Declaration." 2. Based on Taiwan's "2050 Net Zero Emissions Pathway," we have established short and medium-term targets for Scope 1 and Scope 2 emissions using 2018 as the baseline year, aiming to achieve a 30% carbon reduction by 2030 and net-zero emissions by 2050. We have implemented various carbon reduction measures accordingly, utilizing the ISO 50001 energy management system for energy efficiency assessment and certification, and conducting third-party verification of greenhouse gas emissions in accordance with ISO 14064 standards to establish a baseline for carbon reduction data. Through continuous energy efficiency improvements and the use of renewable energy (self-generated solar power), we have achieved a cumulative carbon reduction of 10.05% since 2018. 3. China Motor Corporation has obtained two certificates for renewable energy certification (Note 1): one for 536.5 KW and another for 1343.16 KW. In 2024, these systems generated 819,000 kWh of green electricity for internal factory use, resulting in a carbon reduction of 404.85 tons. When combined with energy efficiency improvements, the total carbon reduction reached 1,070 tons.</p> <p>Note 1: At the current stage, obtaining the Renewable Energy Equipment Verification Report (Rep) is a prerequisite procedure before the issuance of Renewable Energy Certificates (RECs).</p>
<p>9. Greenhouse gas inventory and assurance status is detailed in (2).</p>	<p>Please refer to the following explanation in (2).</p>

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(2) The Company's greenhouse gas inventory and assurance status for the past two years

A. Greenhouse gas inventory information

1. The parent company individually must begin inventory from 2025.
2. Subsidiaries included in consolidated financial reports must begin inventory from 2026.

Annual	Item	Scope 1 (Note 1)	Scope 2 (Note 1)	Scope 3 (Note 1)
2023	Total emissions (metric tons CO ₂ e)	8,553	12,190	2,553,457
	Intensity (Note 2) (tons of CO ₂ e/NTD million)	0.2225	0.3172	66.4392
2024 (Before verification)	Total emissions (metric tons CO ₂ e)	8,218	11,638	2,150,749
	Intensity (Note 2) (tons of CO ₂ e/NTD million)	0.2094	0.2966	54.8059

Note 1:

Scope 1: The scope includes the Yangmei Plant and the Hsinchu Plant.

Scope 2: Includes the Yangmei Plant, Hsinchu Plant, 11th floor of Taipei Office, Youshi Plant, 8th floor of Jing-Lun Building, and Taichung Wenxin.

Scope 3: Includes the Yangmei Plant, Hsinchu Plant, 11th floor of Taipei Office, Youshi Plant, 8th floor of Jing-Lun Building, and Taichung Wenxin.

Note 2:

The intensity is calculated as the greenhouse gas generated per one million NTD of revenue, of which the consolidated revenue in 2023 and 2024 was NT\$ 38,433 million and NT\$ 39,243 million, respectively.

Note 3:

Please refer to the Company's 2024 Sustainability Report for complete information.

B. Greenhouse gas assertion information

1. The parent company shall implement assurance starting from 2027.
2. Subsidiaries included in consolidated financial statements shall implement assurance starting from 2028.

CMC will inventory the greenhouse gas emissions of each plant every year. As of the date of publication of the annual report, the greenhouse gas inventory of 2023 and 2024 has been completed and verified by a third party of AFNOR. For the latest information, please refer to the Company's 2024 Sustainability Report.

(<https://www.china-motor.com.tw/layout2.php?name=CSR%20Report>)

(3) Greenhouse gas reduction goals, strategies and concrete action plans

1. China Motor Corporation's carbon reduction goal is to achieve net-zero emissions by 2050, with greenhouse gas emission reduction targets covering Scope 1 and Scope 2. Using 2018 as the baseline, the company aims to reduce carbon emissions by 30% by 2030 and achieve net-zero emissions by 2050, and will implement relevant carbon reduction measures accordingly.
2. CMC signed a commitment to adhere to the Science-Based Targets initiative (SBTi) on November 3, 2023. The company will use externally verified data from the baseline year to establish a carbon reduction pathway following the SBTi methodology. Short- and mid-term carbon reduction plans will be formulated, and systematic data analysis will be conducted to set specific carbon reduction targets and pathways for Scopes 1, 2, and 3 emissions under the greenhouse gas inventory. The Company plans to establish goals and submit them for SBTi review within two years, demonstrating its determination to achieve net-zero emissions by 2050 and to respond effectively to the goal of limiting global warming to within 1.5°C.

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(VIII) The state of the Company's performance in the area of ethical corporate management, any variance from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance:

Items of Evaluation	The state of implementation			Variance from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance.
	Yes	No	Description Summary	
I. Establishment of ethical corporate management policies and programs				
(I) Does the Company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	√		(I) All the business activities conducted by the Company are based on the principles of fairness, honesty, trustworthiness, and transparency. All employees must behave in good faith. The Company has established the "Ethical Corporate Management Best Practice Principle" and the "Procedures for Ethical Management and Guidelines for Conduct" which strictly require each employee to implement the ethical policies. The ethical corporate management policies of the Company are specified in the annual reports and CSR reports, as well as how the Board of Directors and management fulfill the commitment of ethic management.	(I) Complied with the Ethical Corporate Management Best Practice Principle.
(II) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate	√		(II) To have employees understand the ethical behaviors, the Company not only publishes the regulations and documents related to ethical management on the intranet for them to inquire any time, but also applies diversified approaches, such as posters, promotional activities, to announce the Company's management philosophy and compliance to systems of the Company. Moreover, to ensure the Company's business activities conform to the laws and regulations of ethical management, a whistle-blowing system is also provided in the official website and the internal platform. In the Company's "Procedures for Ethical Management and Guidelines for Conduct," the unethical behaviors and related preventive procedures are specified and set forth that the violations will be punished pursuant to the Working Rules and the related regulations.	(II) Complied with the Ethical Corporate Management Best Practice Principle.

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Items of Evaluation	The state of implementation			Variance from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance.
	Yes	No	Description Summary	
<p>Management Best-Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(III) Does the Company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments?</p>	√		<p>(III) The Company's "Procedures for Ethical Management and Guidelines for Conduct" has set forth the preventive procedures specifically for the business activities with higher risks of unethical behaviors, such as receiving improper benefits, political donations, donations and sponsorships, and the regulations are reviewed and amended regularly. Also, in the Company's "Working Rules," the sections of "Service Ethics" and "Reward/Disciplinary Actions, Promotion and Performance Appraisal" explain what are the acceptable employee's behaviors and how to handle others' improper behaviors and the appeals for disciplinary actions. The "Working Rules" are explained in the orientation and published on the intranet for employees to inquire any time.</p>	<p>(III) Complied with the Ethical Corporate Management Best Practice Principle.</p>
<p>II. Fulfill operations integrity policy</p> <p>(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p> <p>(II) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the</p>	√		<p>(I) In the "Working Rules," the Company specifies relevant ethics of services, greatly emphasizes the ethics of all business counterparties, and incorporate the ethical clauses into the standard contract templates.</p> <p>(II) The Company's implementation status is as follows: 1. The Company has established the ethical management and governance management committee. The executive secretary is the Human Resources Department, and the GR of</p>	<p>(I) Complied with the Ethical Corporate Management Best Practice Principle.</p> <p>(II) Complied with the Ethical Corporate Management Best</p>

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Items of Evaluation	The state of implementation		Description Summary	Variance from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance.
	Yes	No		
ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?			<p>Planning and Management Head is the Chief member. Based on the functions and scopes of each unit, the implementation of the Ethical Corporate Management Best Practice Principle is ensured. The implementation is reported to the Board of Directors at least once every year by the General Manager Office. The implementation status for 2024 has been reported in the Board Meeting on 24 December 2024.</p> <p>2. As the policy for preventing conflicts of interests, and provision of proper channel for statement, the Company has established "The China Motor Corporation's Ethical Corporate Management Best Practice Principle" in 2015.</p> <p>3. The affairs promoted for the ethical management in 2024 are listed as follows:</p> <p>(1) Development of the unethical conduct risk assessment scale.</p> <p>(2) Announce ethical management to the new Directors and new manager and require them to sign the statement for ethical management.</p> <p>(3) Announce the ethical management concept to employees aperiodically.</p>	Practice Principle.
(III) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	√		(III) In the "Working Rules," the Company specifies that if an employee takes any job with a similar nature as that of the Company and having conflicts of interests, without the Company's prior consent, and thus damage the Company's interests, he/she may be dismissed and sued if the condition is severe. Moreover, employees' annual work objectives are derived from the Company's or the department's annual work direction. The Company ensures the consistency of the objectives top-down and prevents conflicts of interests through thorough communications.	(III) Complied with the Ethical Corporate Management Best Practice Principle.
(IV) Does the Company have effective	√		(IV) To ensure the accuracy and completeness of the financial related process and respective controls,	(IV) Complied with the

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Items of Evaluation	The state of implementation			Variance from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance.
	Yes	No	Description Summary	
<p>accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?</p> <p>(V) Does the Company regularly hold internal and external educational trainings on operational integrity?</p>	✓		<p>the Company has designed the internal control system. The Audit Office also prepares the annual audit plans for various audits. The outcomes of audit and the subsequent correction programs are presented to the Board of Directors and management, as the consolidation of audit performance and prevention to the unethical behaviors.</p> <p>(V) In 2024, the Company conducted the trainings related to the ethical management issues (including the compliance of the ethical management regulations, orientations of ethical management, and case studies of ethical management) with total 3,343 of participating head counts and 1,845 hours.</p>	<p>Ethical Corporate Management Best Practice Principle.</p> <p>(V) Complied with the Ethical Corporate Management Best Practice Principle.</p>
<p>III. Operation of the integrity channel.</p> <p>(I) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p> <p>(II) Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?</p> <p>(III) Does the Company provide proper whistleblower</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) to (III) The employees may directly report to the Human Resources Department, or may report any violations of ethics directly to the Supervisors via the "Employee Complaint Mailbox," and the respective investigations are conducted privately. Moreover, the whistleblowing may be anonymous, and the presiding department shall never disclose the information related to the whistleblower for full protection. The Company also publicized the whistleblowing hotline and handling practices. Dedicated personnel and relevant operating procedures will be appointed based on the identity of the stakeholder. For detailed information, please refer to the "Stakeholders" section on the Company's official website: (https://www.china-motor.com.tw/stakeholder.php)</p>	<p>(I)~(III) were complied with the Ethical Corporate Management Best Practice Principle</p>

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Items of Evaluation	The state of implementation			Variance from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance.
	Yes	No	Description Summary	
protection?				
IV. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	√		The Company has disclosed the content of the Company's ethical corporate management principles on its official website and the MOPS, and the Company's operating status is also disclosed on the official website regularly, which if necessary may include the status of its ethical corporate management.	Complied with the Ethical Corporate Management Best Practice Principle
V. If the Company has established the ethical corporate management policies based on the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies," please describe any discrepancy between the policies and their implementation: In 2014, the Company established its own Code of Business Ethics with reference to the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies." At present, the Company also established a comprehensive internal control system, therefore the Company has been operating and implementing according to the spirit of the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies."				
VI. Other important information to facilitate a better understanding of the Company's ethical corporate management policies: The Company's ethical corporate management principles have been amended in December 2015 (effective from July 2016); also, the "Ethical Management and Compliance Management Committee" has convened annual meetings regularly since 2015. The meeting was convened in November 2024 to explain the implementation of the concurrent year and discuss the future approaches.				

(IX) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance:

Please refer the "Corporate Governance" of Market Observation Post System and the Company's website (<https://www.china-motor.com.tw>).

(X) The state of implementation of the company's internal control system

1. Statement of Internal Control System

The Statement of Internal Control System has been filed. Please refer to the "Announcements of Statement of Internal Control" section on the Market Observation Post System.

(<https://mops.twse.com.tw/mops/#/web/t06sg20>)

2. The independent auditor's report shall be disclosed if the auditor is designated to review internal control system: None.

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(XI) Material resolutions of a shareholders meeting or a Board of Directors meeting in 2024 and up to March 31, 2025

1. Important resolutions of the board of directors' meetings

Date of meeting	Important Resolutions	Implementation Status
2024.03.12	<ol style="list-style-type: none"> 1. The Company's 2023 Financial Reports. 2. The Company's 2023 Earnings Distribution. 3. Proposal of cash dividend distribution. 4. The Company's 2023 remuneration to the Directors and the employees. 5. Proposal to submit the "Declaration on the Internal Control System" for 2023. 6. The meeting date and location of the Company's 2024 Annual Meeting of Shareholders. 7. The change of the Company's CPAs and evaluation of the independence and suitability of the CPAs as of year 2024. 8. Proposal to make partial amendments to "Board of Directors Conference Rules" and "Board Meeting Convention, Management and Internal Rules." 9. Proposal to make partial amendments to the Company's "Audit Committee's Articles of Association" and the "Internal Audit Implementation Policies for the Rules of Procedure and Operational Management for the Audit Committee." 10. Change of managerial officers of the Company. 	<p>The Company has implemented the resolutions and disclosed in the Market Observation Post System. Among others, motion 1 and 2 will be proposed to 2024 Shareholder Meeting for resolution.</p>
2024.05.07	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements for the first quarter of 2024. 	<p>The Company has implemented the resolutions and disclosed in the Market Observation Post System.</p>
2024.07.30	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements for the second quarter of 2024. 2. The Company's 2023 ESG report. 3. Changes of department managers (or above) of the Company. 	<p>The Company has implemented the resolutions and disclosed in the Market Observation Post System.</p>
2024.11.05	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements for the third quarter of 2024. 2. Formulated the Company's 2025 audit plan. 3. Amendment of part of the articles of the "Internal Control System" and "Enforcement Rules of Internal Audit". 4. Partial amendments to the articles of the Company's "Internal Control System of the Stock Affairs Unit" and the "Internal Audit Implementation Policies for the Stock Affairs Unit". 5. Proposal for removing the non-compete restrictions for the Directors in the 114 Shareholder Meeting. 	<p>The Company has implemented the resolutions and disclosed in the Market Observation Post System. Among others, motion 5 will be proposed to 2025 Shareholders' Meeting for resolution.</p>
2024.12.24	<ol style="list-style-type: none"> 1. The Company's 2025 annual corporate budget. 2. The forecast of the Company's major purchases sales with related parties in 2025. 3. Adjustment of the salary for managerial officers for 2024. 	<p>The Company has implemented the resolutions and disclosed in the Market Observation Post System.</p>

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Date of meeting	Important Resolutions	Implementation Status
2025.03.11	<ol style="list-style-type: none"> 1. The Company's 2024 Financial Reports. 2. Proposed amendment to the Company's "Articles of Incorporation." 3. Proposed amendment of part of the articles of the Company's "Internal Control System" and "Enforcement Rules of Internal Audit". 4. The Company's 2024 Earnings Distribution. 5. Proposal of cash dividend distribution. 6. Allocation of the employees' and the Directors' remuneration for the fiscal year 2024. 7. Proposal to submit the "Declaration on the Internal Control System" for 2024. 8. The meeting date and location of the Company's 2025 Annual Meeting of Shareholders. 9. Re-election of the directors and independent directors of 22nd term. 10. The Board of Directors proposed the last of director candidates of the 22nd Term and the qualification review. 11. Proposal to remove restrictions imposed against CMC's 22nd board of directors during the 2025 General Shareholders' Meeting. 12. Evaluation of the independence and suitability of the CPAs as of year 2025. 13. Change of managerial officers of the Company. 14. Establishing the scope of basic-level employees. 	<p>The Company has implemented the resolutions and disclosed in the Market Observation Post System. Of which, motions 1 and 4 will be submitted to the 2025 General Shareholders' Meeting for ratification; motions 2 and 11 will be submitted to the 2025 General Shareholders' Meeting for election; and motions 9 and 10 will be submitted to the 2025 General Shareholders' Meeting for resolution.</p>
2025.03.25	<ol style="list-style-type: none"> 1. Change of the President of the Company. 2. Removal of the non-compete restrictions for managerial officers. 	<p>The Company has implemented the resolutions and disclosed in the Market Observation Post System.</p>

2. Important resolutions and Implementation of the 2024 shareholders' meeting:

Date of meeting	Important Resolutions	Implementation Status
2024.05.31 General Shareholders' Meeting	1. Recognition of the final account book as of 2023.	We have announced and reported according to the regulations.
	2. Recognition the allocation of earnings as of 2023.	The cash dividend distribution is NT\$6 per share with the distribution base date on July 26, 2024; the dividends have been distributed on August 21, 2024.
	3. Approved the amendments to some provisions of the Company's "Shareholders' Meeting Conference Rules".	Has been processed in accordance with the revised rules.
	4. Removed the non-compete restrictions for Directors.	We have implemented according to the resolved contents.

(XII) From January 1, 2024 to March 31, 2025, for directors who had different opinions on important resolutions passed by the Board of Directors with records or written statements, the main content: None.

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IV. Information on CPA professional fees

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remark
Deloitte & Touche	Yu-Chen Sin	2024.01.01~2024.12.31	NT\$ 7,210 thousand	NT\$ 1,325 thousand	NT\$ 8,535 thousand	
	Chih-Ming Shao	2024.01.01~2024.12.31				

Note: The non-audit fee service content includes consolidated financial statement systems, tax certification, etc.

- (I) Replace the accounting firm and the audit fee paid in the year of replacement is less than that in previous year, disclose the amount of audit fee before and after the replacement and its reasons: N.A.
- (II) For the audit fee that is reduced more than 10 percent as comparing to the previous year, disclose the amount reduced, percentage and reason: N.A.

V. Information for Replacement of CPA

(I) Regarding the former CPA

Replacement Date	January 2024		
Replacement reasons and explanations	Due to the internal business adjustment of Deloitte Taiwan, accountants Ya-Ling Weng and Hsu Xiu-Ming were replaced by Yu-Chen Sin and Chi-Ming Shao.		
Appointment terminated or unacceptable by the client or the CPA	Status	Parties	The Company
	Termination of appointment	CPA	(N.A.)
	No longer accepted (continued) appointment	(N.A.)	(N.A.)
Other issues (except for unqualified issues) in the audit reports within the last two years	In 2024, some subsidiaries and some long-term equity investments priced under the equity method were recognized based on the audited reports of other CPAs, because of the unqualified opinions issued and the paragraphs of other matters.		
Differences with the Company	Yes	-	Accounting principles or practices
		-	Disclosure of financial statements
		-	Audit scope or steps
		-	Others
	None.	√	
Explanation	-		

Corporate Governance Report

Other disclosure (items to be disclosed in accordance with clause 10.6.A.d to g of Regulations Governing Information to be Published in Annual Reports of Public Companies)	None.
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(II) Regarding the successor CPA

Name of CPA	Deloitte & Touche
Name of CPA	CPAs You-Chen Sin and Chih-Ming, Shao
Date of Appointment	January 2024
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the Company's financial reports that the CPA might issue prior to the engagement.	N.A.
Succeeding CPA's written opinion of disagreement toward the former CPA	None.

(III) The former CPA's written response to the matters referred to Item 1 and Item 2-3, Subparagraph 5, Article 10 of Regulations Governing Information to be Published in Annual Reports of Public Companies: N.A.

VI. Chairperson, President and Heads of Finance or Accounting who worked in the CPA's firm or its affiliates: None.

VII. Changes in Shareholdings of Directors, Managers and Major Shareholders

(I) Information regarding the equity transfer and pledge changes of the Company's directors, managerial officers, and shareholders holding more than 10% of shares has been reported in accordance with regulations. Please refer to the disclosure data on the Market Observation Post System.

(https://mops.twse.com.tw/mops/#/web/query6_1)

(https://mopsov.twse.com.tw/mops/web/STAMAK03_1)

(II) Where the counterparty in any such transfer or pledge of equity interests is a related party, the counterparty's name, and its relationship with the Company as well as the Company's Directors, Supervisors, and shareholders with shareholdings of over 10%, and the number of shares transferred or pledged shall be disclosed: None.

Corporate Governance Report

VIII. Relationship among the Top Ten Shareholders

Name	Current Shareholding		Spouse and children of minor age's current shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives within Two Degrees.		Remark
	Number of shares	%	Number of shares	%	Number of shares	%	Name	Relationship	
Tai-Yuen Textile Co., Ltd	139,435,815	25.19	-	-	-	-	Yulon Motor Co., Ltd	Same Chairman	-
							Tai-Yuen Textile Co., Ltd	Same Chairman	
							Yung Han Investment Co., Ltd.	Same Chairman	-
Representative: Hsin-I Lin	-	-	-	-	-	-	-	-	-
Representative: Chao-Wen Chen (Note 1)	-	-	-	-	-	-	-	-	-
Mitsubishi Motors Corporation	77,507,309	14.00	-	-	-	-	-	-	-
Representative: Yamazaki Yoshinori	-	-	-	-	-	-	-	-	-
Yulon Motor Co., Ltd	44,592,177	8.05	-	-	-	-	Tai-Yuen Textile Co., Ltd	Same Chairman	-
							Tai-Yuen Textile Co., Ltd	Same Chairman	
							Yung Han Investment Co., Ltd.	Same Chairman	-
Representative: Li-Lien Chen Yen	2,216,162	0.40	-	-	-	-	-	-	-
Representative: Tai-Ming Chen	-	-	-	-	-	-	-	-	-
Tai-Yuen Textile Co., Ltd	37,438,652	6.76	-	-	-	-	Tai-Yuen Textile Co., Ltd	Same Chairman	-
							Yulon Motor Co., Ltd	Same Chairman	
							Yung Han Investment Co., Ltd.	Same Chairman	-
Nan Shan Life Insurance Company, Ltd.	7,337,000	1.33	-	-	-	-	-	-	-
Taiwan Life Insurance Co., Ltd.	6,549,600	1.18	-	-	-	-	-	-	-
Taishin Taiwan Sustainability High-Yield Mid-and Small-Cap ETF Account	6,006,000	1.08	-	-	-	-	-	-	-
Chin-Feng Cheng	5,080,000	0.92	-	-	-	-	-	-	-

Corporate Governance Report

Fan-Terh Investment Co., Ltd.	4,826,758	0.87	-	-	-	-	-	-	-
Yung Han Investment Co., Ltd.	3,997,638	0.72	-	-	-	-	Tai-Yuen Textile Co., Ltd	Same Chairman	-
							Yulon Motor Co., Ltd	Same Chairman	
							Tai-Yuen Textile Co., Ltd	Same Chairman	

Note: 1. TAI YUEN TEXTILE CO., LTD. has appointed Hsin-Cheng Tseng as a director effective April 1, 2025.

Corporate Governance Report

IX. The total number of shares and total equity stake held in any single enterprise by the company, its Directors, Managerial Officers, and any companies controlled either directly or indirectly by the company.

March 31, 2025

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/ Supervisors/ Managers		Total Ownership	
	Number of shares	%	Number of shares	%	Number of shares	%
Yulon Motor Co., Ltd.	171,382,445	16.13	225,960,053	21.12	397,342,498	37.25
Kian Shen Corporation	32,201,367	43.87	49,331	0.07	32,250,698	43.94
Fortune Motors Co	132,116,729	41.93	30,990,158	9.62	163,106,887	51.55
Sino Diamond Motor Corporation	151,067,030	100.00	-	-	151,067,030	100.00
Tokio Marine Nawa Insurance Co., Ltd.	288,504,465	24.04	223,517,245	18.63	512,021,710	42.67
Alliance Investment & Management Co., Ltd	77,500,000	100.00	-	-	77,500,000	100.00
Mercedes-Benz Vans Hong Kong Limited	46,565,750	32.45	-	-	46,565,750	32.45
ROC Spicer Ltd.	147,990	29.60	102,302	20.46	250,292	50.06
China Motor Investment Co., Ltd.	40,000	100.00	-	-	40,000	100.00
COC Tooling & Stamping Co., Ltd.	33,564,678	49.76	33,891,444	50.23	67,456,122	99.99
Hwa Wei Holdings Co., Ltd.	40,000	40.00	60,000	60.00	100,000	100.00
Uni Auto Parts Manufacture Co., Ltd.	13,032,137	15.00	21,728,516	25.00	34,760,653	40.00
Shung Ye Motor Enterprise	49,332,552	39.99	12,368	0.01	49,344,920	40.00
China Engine Corporation	21,999,750	52.10	16,113,750	38.16	38,113,500	90.26
Uni-calsonic Corp.	6,083,525	31.20	5,982,575	30.68	12,066,100	61.88
Yueki Industrial Co., Ltd.	2,936,222	15.08	12,783,109	65.67	15,719,331	80.75
Tai Ya Investment (HK) Co., Limited	2,288,459	29.60	1,584,917	20.50	3,873,376	50.10
Fujian Spicer Drivetrain System Co., Ltd.	7,308,000	29.00	5,166,000	20.50	12,474,000	49.50

Note: The affiliates are investment of the Company accounted for using equity method

Information on Capital Raising Activities

I. Capital and Shares

(I) Source of Capital

1. Sources of capital:

Unit: thousand shares; NTD thousand

Month/ Year	Issue Price (NTD)	Authorized Capital		Paid-in Capital		Remark		
		Number of shares	Value	Number of shares	Value	Sources of Capital	Capital Increased by Assets Other than Cash	Others
September 2007	10	1,800,000	18,000,000	1,391,301	13,913,008	Stock dividends of Common Stock	-	Jing-Shou-Shang-Zi No. 09601227310, dated September 14, 2007
January 2011	10	1,800,000	18,000,000	1,384,051	13,840,508	Decrease in treasury stock	-	Jing-Shou-Shang-Zi No. 10001001380, dated January 17, 2011
August 2019	10	1,800,000	18,000,000	553,620	5,536,203	Capital reduction by cash	-	Jing-Shou-Shang-Zi No. 10801113240, dated August 19, 2019

2. Information related to the blanket declaration system: None.

(II) Type of Stock

March 31, 2025

Unit: share

Share Type	Authorized Capital		
	Outstanding shares (note)	Unissued shares	Total
Registered Share Certificates	553,620,342	1,246,379,658	1,800,000,000

Note: TWSE listed stock

Information on Capital Raising Activities

(III) List of Major Shareholders

March 31, 2025

Shareholder	Shares of Stock	Shareholding (share)	Shareholding Percentage (%)
1. Tai Yuen Textile Co., Ltd.		139,435,815	25.19
2. Mitsubishi Motors Corporation		77,507,309	14.00
3. Yulon Motor Co., Ltd.		44,592,177	8.05
4. Diamond Hosiery & Thread Co., Ltd		37,438,652	6.76
5. Nan Shan Life Insurance Co., Ltd.		7,337,000	1.33
6. Taiwan Life Insurance Co., Ltd.		6,549,600	1.18
7. Taishin Taiwan Sustainability High-Yield Mid-and Small-Cap ETF Account		6,006,000	1.08
8. Chin-Feng Cheng		5,080,000	0.92
9. Fan-Terh Investment Co., Ltd.		4,826,758	0.87
10. Yung Han Investment Co., Ltd.		3,997,638	0.72

(IV) Company's dividend policy and implementation status

1. Dividend Policy

The dividend policy in the current version of the Articles of Incorporation is as follows:

At the end of each fiscal year, if there are profits, apart from compensating for accumulated losses and paying taxes, the company should first allocate ten percent to the statutory surplus reserve. If there are still profits for that year, the company should then allocate a special surplus reserve as required by the regulatory authorities. The remaining profits, along with any accumulated undistributed profits from previous years, will be subject to a proposal by the Board of Directors for distribution. Profit distribution will be in cash, as per company regulations, authorized by the Board of Directors, and reported to the shareholders' meeting. However, for the distribution of new shares, a resolution shall be submitted to the shareholders' meeting for distribution.

The Company is operated in a mature and stable industry. Dividends are distributed with reference to the Company's profitability, capital demand for future business

Information on Capital Raising Activities

plans and industry environment change. In addition, the dividend distribution plan is made with reference to shareholder benefit and long-term organizational financial planning. Dividend distribution is not less than 40% of the net income. Dividends are distributed in the form of cash or stock. The amount of cash distributed each year shall not be less than 20% of the total amount of dividends issued.

2. Proposed Distribution of Dividend at the present Shareholder Meeting

The Company's 2024 earnings appropriation was approved by the Board of Directors, cash dividend of NT\$ 4.2 per share, and the Board of Directors was authorized to make a resolution in accordance with the Articles of Incorporation.

If the Company resolves to buy back the Company's shares or transfer treasury shares to employees that affect the number of shares outstanding as at the dividend distribution date, it is proposed to the Board of Directors to adjust the dividend distribution ratio.

(V) The Impact of stock dividend issuance on the Company's business performance and earnings per share: None.

(VI) Remuneration of employees and Directors

1. Information Relating to Compensation of Employees, Directors and Supervisors in the Articles of Incorporation

The Company's Articles of Incorporation stipulates the regulations regarding employees and Directors' compensation as follows:

The remuneration payable by the Company in the case of profit for the year is as follows.

- (1) No higher than 0.5% of net income as remuneration for Directors.
- (2) No less than 0.1% of net income as remuneration for employees. The Board of Directors may resolve to make distributions in stock or cash to employees of affiliated companies who meet certain criteria, which are authorized to be set by the Board of Directors.

Information on Capital Raising Activities

The employee's compensation and remuneration to Directors should be approved by the Board of Directors and be presented on Shareholders Meeting.

However, if the Company still has accumulated losses, it shall retain the amount of the indemnity in advance and then allocate employees' and Directors' remuneration in accordance with the rate designated in the first item.

The Company distributed a fixed percentage (0.5% for the past three years except for the loss-making 2022) from the pre-tax net income prior to deducting remunerations to employees and Directors.

2. Accounting for the difference between the actual amount of employee and Director remuneration and the estimated amount. The Company makes the best estimate of the remuneration to employees and Directors according to the Company's Articles of Incorporation and recognizes such remuneration as expenses. In the event of a material change in the amount of payment resolved by the Board of Directors in the subsequent period, such change shall be adjusted to the current year (the year in which such expense was originally recognized). If there is a change in the actual amount paid in the following year, such change will be treated as a change in accounting estimate and recorded as profit or loss in the following year.
3. The approval status of remuneration distribution by the Board of Directors:
 - (1) If the amount of employee compensation and Director remuneration distributed in cash or stock differs from the amount estimated in the year in which the expense is recognized, the amount, the reason and the treatment of such difference shall be disclosed:

The Company's employee and director remuneration distribution proposal for 2024 was approved at the 17th meeting of the 21st Board of Directors on March 11, 2025. The proposal allocates NT\$40,142 thousand for employee cash remuneration and NT\$20,618 thousand for director remuneration, which is equivalent to the estimated amount recognized as expenses for the year. If there are any changes to the actual distribution amount in 2025, it will be treated as a change in accounting estimate and listed as profit or loss for 2025.

Information on Capital Raising Activities

The Company also provides incentive bonuses such as bonus for the three festivals, additional annual bonus, and bonus for the growth of the management team based on the operating performance and individual performance of employees to encourage employees to create better performance for the Company and its shareholders.

- (2) The amount of employee compensation distributed in stock and its proportion to the aggregate of the standalone net income after tax and total employee compensation in the standalone financial statements of the period:

The Company has not distributed remuneration to employees in the form of stocks in 2024 and therefore the circumstance is not applicable.

4. The actual distribution status of remuneration to employees and Directors and Supervisors (including number of shares distributed, amount and share price), the amount, reason and handling of difference from the recognized employee profit sharing and remunerations to Directors and supervisors:

The employee remuneration and director remuneration distribution proposal for the year 2023 was approved by the 12th meeting of the 21st Board of Directors on March 12, 2024. The approved distribution includes NT\$51,550 thousand for employee cash remuneration and NT\$30,550 thousand for director remuneration, which matches the amounts actually distributed after the shareholders' meeting.

(VII) Status of the Company's repurchase of its own shares: None.

II. Issuance of Corporate Bonds: None

III. Issuance of Preferred Stock: None

IV. Issuance of Global Depository Receipts: None

V. Issuance of Employee Stock Options and New Restricted Employee Shares: None.

VI. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None

VII. Financing Plans and Implementation: N.A.

I. Business Activities

(I) Business Scope

1. Main areas of business operations

- (1) CA01090 Aluminum Casting
- (2) CB01010 Machinery and Equipment Manufacturing
- (3) CC01010 Electricity Transmission and Distribution Enterprise
- (4) CD01030 Motor Vehicles and Parts Manufacturing
- (5) CD01040 Motorcycles and Parts Manufacturing
- (6) CD01050 Bicycles and Parts Manufacturing
- (7) CC01090 Manufacture of Batteries and Accumulators
- (8) CD01990 Other Transport Equipment and Parts Manufacturing
- (9) CQ01010 Mold and Die Manufacturing
- (10) E603050 Automatic Control Equipment Engineering
- (11) E603100 Electric Welding Construction
- (12) E604010 Machinery Installation
- (13) E605010 Computer Equipment Installation
- (14) F106030 Wholesale of Molds
- (15) F112040 Wholesale of Petroleum Products
- (16) F113010 Wholesale of Machinery
- (17) F113110 Wholesale of Batteries
- (18) F113020 Wholesale of Electrical Appliances
- (19) F113070 Wholesale of Telecommunication Apparatus
- (20) F114010 Wholesale of Motor Vehicles
- (21) F114020 Wholesale of Motorcycles
- (22) F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
- (23) F114040 Wholesale of Bicycle and Component Parts Thereof
- (24) F114050 Wholesale of Tires
- (25) F119010 Wholesale of Electronic Materials
- (26) F206030 Retail Sale of Molds

Operations Overview

- (27) F212050 Retail Sale of Petroleum Products
- (28) F213010 Retail Sale of Electrical Appliances
- (29) F213060 Retail Sale of Telecommunication Apparatus
- (30) F213110 Retail Sale of Batteries
- (31) F214010 Retail Sale of Motor Vehicles
- (32) F214020 Retail Sale of Motorcycles
- (33) F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
- (34) F214040 Retail Sale of Bicycle and Component Parts Thereof
- (35) F214050 Retail Sale of Tires
- (36) F219010 Retail Sale of Electronic Materials
- (37) F401010 International Trade
- (38) F401021 Restrained Telecom Radio Frequency Equipment and Materials Import
- (39) F501990 Other Catering
- (40) H703100 Real Estate Leasing
- (41) I102010 Investment Consulting
- (42) I103060 Management Consulting
- (43) I301010 Information Software Services
- (44) I401010 General Advertisement Service
- (45) I501010 Product Designing
- (46) IE01010 Telecommunications Service Number Agencies
- (47) IZ01010 Photocopy
- (48) IZ02010 Typing
- (49) IZ04010 Translation
- (50) IZ12010 Manpower Dispatched
- (51) J901020 Regular Hotel
- (52) J903020 Mountain Climbing Guiding
- (53) JA01010 Automobile Repair
- (54) JA01990 Other Automobile Services
- (55) JA02010 Electric Appliance and Electronic Products Repair

Operations Overview

- (56) JA02020 Motorcycle Repair
- (57) JA02030 Bicycle Repair
- (58) JB01010 Conference and Exhibition Services
- (59) JE01010 Rental and Leasing
- (60) J202010 Industry Innovation and Incubation Services
- (61) F106010 Wholesale of Hardware
- (62) CC01020 Electric Wires and Cables Manufacturing
- (63) CC01030 Electrical Appliances and Audiovisual Electronic Products
Manufacturing
- (64) CC01080 Electronics Components Manufacturing
- (65) IZ99990 Other Industrial and Commercial Services
- (66) ZZ99999 All business activities that are not prohibited or restricted by law,
except those that are subject to special approval.

2. Revenue distribution

Manufacture and sales of vehicles and related components accounted for 98% of revenue.

3. Current Products of the Company

- Commercial vehicles:

- Delica 2.4L series

- 2.4L P350 Hybrid

- Veryca A180/A190 /A210 1.5L series

- CMC J SPACE 1.5L series

- Sedans:

- Colt Plus 1.5L series

- Recreational/Business vehicles:

- HS 1.5T/2.0T/PHEV series

- ZS 1.5L series

- Outlander 2.4L series

- Epoch Cross 1.5T/PHEV series

- Zinger 1.5T series

Operations Overview

Zinger PICK UP 2.4L series

- Electric vehicles

Electric commercial vehicles: CMC E300 series

Electric passenger vehicles: MG4 EV series

Electric scooter: EZ1, EZ-R , iE PICKUP, Jinxuan 125

Mini electric two-wheelers : Bobe, Shine

4. Future plans for new products

Our plans for the development of new products in the future aim to meet market demands and create sales topics. We will continue to unveil innovative and cutting-edge types on the basis of our current models in order to enhance the competitiveness of our products and the power of product in each market segment. With comprehensive marketing strategies, our sales performance will improve. Moreover, responding to the trend of electrification of vehicles, the Company will strengthen the coverage of new energy vehicles and gradually introduce HEV hybrid vehicles, PHEV plug-in hybrid vehicles and BEV electric vehicles for sale.

Based on the multi-energy strategy of parallel charging/replacing, the Company develops the most suitable products for customers based on different scenarios of new models. In addition to home chargers, the Company has also worked with Gogoro to develop single-battery and dual-battery products that are suitable for different scenarios. For the tram model, we will also plan for the New Year or all-new colors to boost overall sales.

(II) Industry Overview

1. Current status and development trend of the industry

Taiwan's auto industry has a complete and mature supply chain system that is competitive in terms of parts development, quality, and management. In recent years, the development of IIoT and electric vehicles has led to a rapid increase in the proportion and importance of automotive electronics- in vehicle components. Taiwan's high-tech industry's advantageous resources are collaborating with the automotive industry in various ways. Development of new technologies for key

components of electric vehicles, such as motors and control systems, to increase the value of the auto component system.

In addition, the development of electric vehicles and IIoT technology not only provides new ideas for vehicle design and development, but also brings new business opportunities and business models, including online sales, charging station services, the ecosystem of the Internet of Vehicles, battery leasing and car-sharing services, etc. The automotive industry has expanded its business scope to integrate software and services.

2. Upstream, midstream and downstream industry linkages

Automobiles is a technology and capital intensive industry that involves an extensive range of business partners from parts suppliers in the upstream, car manufacturing in the midstream to sales and after-sale service partners in the downstream. These industry participants work closely and affect each other on a significant level. The relationship between parts suppliers and car manufacturers is especially intricate given the complex procedures and more than ten thousand parts involved in car manufacturing and assembly. For this reason, parts suppliers generally work with car manufacturers in a satellite arrangement to ensure long-term and stable business relationship. Due to the tight working relationship within the automobile industry, car manufacturers also have the tendency to engage upstream and downstream partners in vertical integrations of varying degree.

3. Product competition

Under the global ESG trend, governments worldwide have committed to net-zero carbon emissions targets and are actively promoting policies to guide the automotive industry's transformation toward new energy vehicles (including PHEVs and pure electric vehicles). This is driving the continuous increase in new energy vehicles' share of overall automotive market sales, spurring technological development and scale expansion of key electric vehicle components such as batteries. These developments help reduce the cost of new energy vehicles and further improve market acceptance, accelerating the growth of the new energy vehicle market.

Operations Overview

Additionally, as intelligent connectivity technologies become increasingly mature, they are advancing the widespread adoption of advanced driver assistance systems (ADAS) and vehicle networking functions. Consequently, various automobile manufacturers and technology companies are actively launching smart new energy vehicle products and intelligent automotive electronics. Furthermore, it remains necessary to monitor the impact of U.S. tariff policies on the overall automotive industry, continuously analyze demand and external environmental changes in depth, constantly enhance product competitiveness, and meet the changing needs of consumers and market conditions.

(III) Technology and R&D overview

1. R&D expenses

The Company's standalone R & D expenses amounted to NTD 1,953,058 thousand for 2024; the consolidated R & D expenses for 2024 amounted to NTD 2,013,483 thousand.

2. Successfully developed technology and products in 2024 and by 31 March 2025

- (1) In February 2024, the CMC Veryca intelligent connected vehicle development was completed and mass-produced and sold.
- (2) The cross-border pure electric vehicle (MG4) development was completed in June 2024 and mass production and sales began.
- (3) The safety regulation compliance development for DELICA van/DELICA truck was completed in October 2024, followed by mass production and sales.
- (4) In October 2024, the development for the Outlander model with stricter safety regulations was completed and mass-produced and sold.
- (5) In October 2024, the COLT Plus model's safety regulation compliance development was completed, followed by mass production and sales.
- (6) In October 2024, the product enhancement development for China Motor Corporation's Mitsubishi Electric Vehicle E300 model was completed, followed by mass production and sales.
- (7) In November 2024, China Motor Corporation's all-new generation J SPACE model

development was completed, followed by mass production and sales.

- (8) In November 2024, the safety regulation compliance development for China Motor Corporation's Mitsubishi truck was completed, followed by mass production and sales.
- (9) In November 2024, the safety regulation compliance development for China Motor Corporation's KENBO HYBRID 3.5-ton truck was completed, followed by mass production and sales.
- (10) In December 2024, the safety regulation compliance development for China Motor Corporation's ZINGER truck was completed, followed by mass production and sales.
- (11) In December 2024, the safety regulation compliance development for China Motor Corporation's Mitsubishi Electric Vehicle E300 model was completed, followed by mass production and sales.

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

In short-term development, we will invest more resources in CV, continuously strengthen the sales system and service network, and engage in product upgrading and new model launch to actively deal with the challenges of competitive products and so to maintain market leadership. In passenger cars, we will continue to introduce new models into the market and offer various high value-added products to meet the consumer needs and so to increase market share. In e-scooters, we will actively expand the youth consumer market and introduce both the charging and battery-replacement models to meet the needs in different scenarios.

In terms of long-term development plans, we will continue to actively utilize the core resources of our company to promote the development of various product businesses and deepen technical capabilities, achieving the company's sustainable growth goals. This includes independently developing a brand-new electric commercial vehicle platform, leveraging Taiwan's automotive and high-tech industry resources, deepening key technologies in electric vehicles and smart connectivity, mastering key component sourcing, and fully supporting the medium- to long-term plans for the launch of electric commercial vehicle products. Additionally, we will seek overseas market cooperation opportunities through independently developed models. Under a multi-brand strategy,

Operations Overview

passenger car products will continue to introduce new models in various major segmented markets to expand production capacity and enhance the cost competitiveness of the entire company's product line. Electric two-wheeled vehicles will continue to strengthen the competitiveness of shared platforms with proprietary technology, accelerating the speed and cost competitiveness of future new models. Furthermore, in the autonomous mobile robot (AMR) business developed with the company's core capabilities, we have successfully entered the customer base of leading semiconductor manufacturers in recent years. In the future, we will continue to grow along with customers' expansion plans and develop new customers continuously.

II. Market, production, and sales overview

(I) Market analysis

1. Main product sales and sales regions

The Company's products include sedans, recreational, commercial vehicles, and electric two-wheelers. Currently, the Company mainly sells them in Taiwan. **In 2024**, the Company sold 52,263 domestic cars (including imported cars and OEM products); in terms of electric motorcycles, 2,091 units of eMOVING were sold; 4,054 units of electric motorcycles were sold; total sales were 6,145 units.

2. Future supply, demand and growth of the market

After experiencing the car shortage benefits due to the pandemic in 2023, Taiwan's car market returned to a more stable performance in 2024. Last year (2024), Taiwan's total car sales reached nearly 457,000 units, a decrease of about 4% compared to the 477,000 units in 2023. Among these, domestically produced cars totaled nearly 233,000 units, with a market share of about 50.9%, similar to the previous year. Imported cars totaled 224,000 units, with a market share of 49.1%. Additionally, electric vehicles reached a record high market share of 8.3%. Looking ahead to this year (2025), new car sales are estimated to be around 450,000 units, comparable to last year's (2024) performance.

3. Competition strategy in the car market

Operations Overview

Faced with a challenging environment, the Company will proactively focus on deepening the Taiwanese market and investing into new energy and systems.

Explanation is as follows:

Favorable factors

- (1) After years of diligent cultivation, the Company has established an excellent brand image with great word of mouth that has won consumers' identification and recognition. Moreover, the Company have successfully been established as the leader of commercial vehicle brands among consumers.
- (2) The Company has engaged in in-house R&D for decades, and in 89, China-motor Asia Research & Technology Center (CARTEC) was established. The continuous investments accumulate the R&D capabilities, and well recognized by the partners other than laying a solid foundation.
- (3) In terms of passenger vehicles, the Company continues to deeply cultivate the Mitsubishi brand while also expanding product sources through representing the MG brand to satisfy diverse consumer needs and simultaneously capture growth trends in the new energy market.
- (4) In response to the green energy trend, our company has long been committed to the development of new energy technologies. We have already established a presence in the field of new energy systems, with mass-produced models. As one of the pioneers in Taiwan's domestic electric vehicle industry, we are driving forward innovation and sustainability in the automotive sector.
- (5) The Company has the most compact sales and service network and a complete horizontal peripheral business system in Taiwan. The scope of services includes automobile sales, product insurance, car owner services, car leasing and used car sales, etc. With innovative technologies such as digital marketing, the Company is able to enhance its competitive advantages comprehensively and effectively.

Unfavorable factors:

- (1) In response to the increasingly stringent vehicle emission regulations in various countries and the transition to new energy vehicles, car manufacturers must

Operations Overview

continue to invest in the development of optimized hybrid vehicles as well as the development of new energy vehicles.

- (2) Anxiety about the price and range of electric vehicles affects consumers' acceptance of electric vehicles.
- (3) International car manufacturers enter the Taiwan market through imports, leveraging brand consolidation, collaborations, and globally dispersed production layouts to offer models with enhanced cost competitiveness. This strategy allows them to provide more cost-competitive vehicles to the market.

Countermeasures:

- (1) Cultivate the Taiwan market

In the commercial vehicle market, we leverage proprietary technology and market leadership to capture local customer demand advantages, enhancing product competitiveness. We continuously deepen customer relationships through service network advantages and digital technology platforms. For passenger car products, we employ a flexible multi-brand strategy, accelerating the introduction of models. This approach allows us to optimize our product lineup, and enhance cost competitiveness in the most efficient and effective manner.

- (2) Active management in overseas markets

The Company actively accelerates the expansion of export business, and prioritizes markets in the Middle East, Central and South America, and Southeast Asia. In the future, the Company will strive for overseas market cooperation opportunities with its self-developed models.

- (3) Enhance the ability of technology R&D

The China-motor Asia Research & Technology Center (CARTEC) has independently developed many brand-new and improved models (e.g., next-generation Zinger, Veryca/E-Veryca, Zinger Pick up, and Colt Plus) to fulfill the needs of the automotive market. In the future, the Company will expand the scope of its in-house technology and establish the capability of key components

Operations Overview

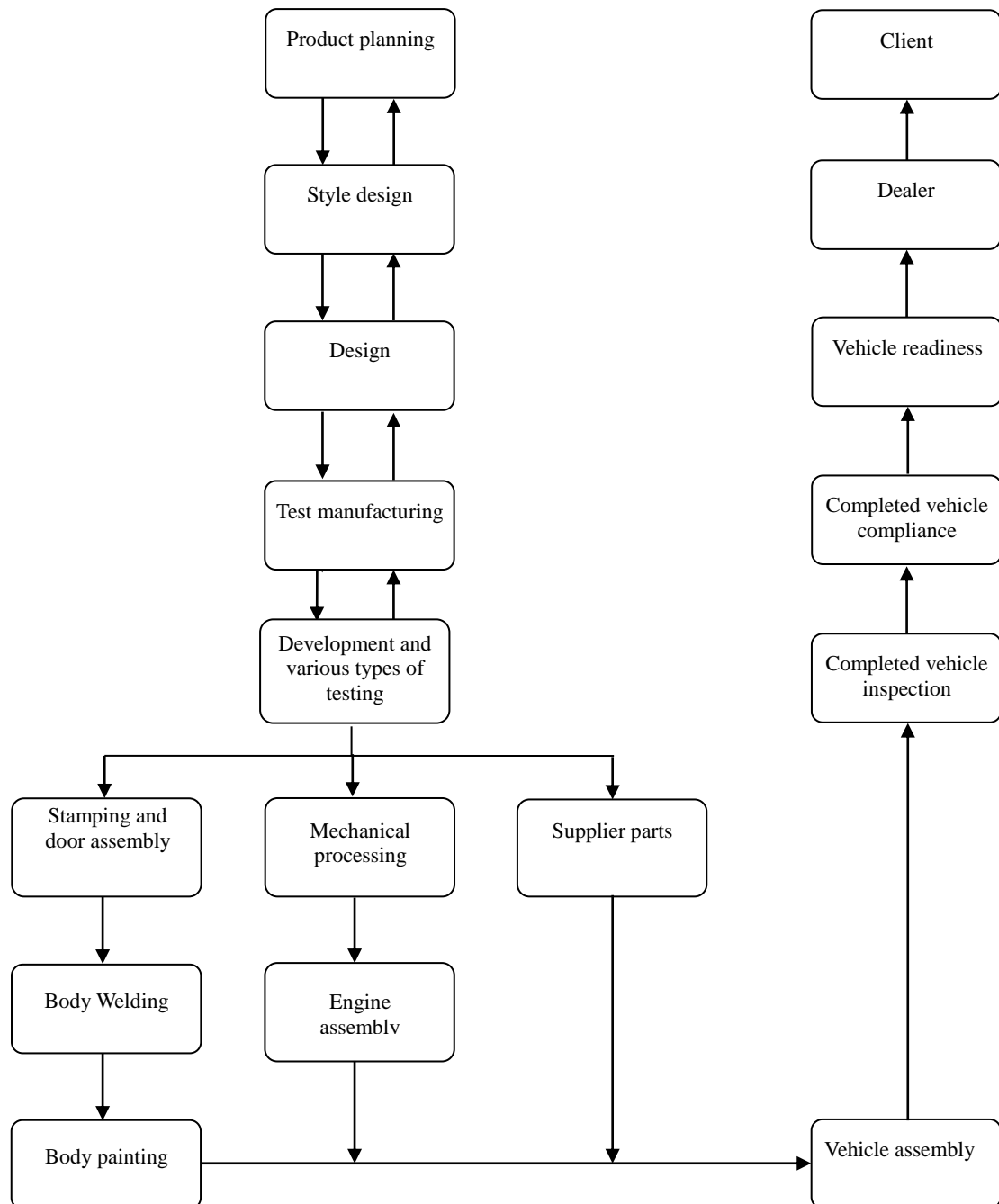
support of electric cars to ensure the competitiveness in self-developed vehicles and the new energy market, and to cultivate independent design and development capabilities.

In electric two-wheelers, we will independently develop the shared model platform, capture key component technology, enhance cost competitiveness, and accelerate new product launches in the future.

Operations Overview

(II) Main Uses and Production Processes of Major Products

The Company mainly produces a variety of commercial vehicles, sedans and leisure/commercial vehicles primarily for cargo, passenger and leisure use, and their production processes are as follows:



Operations Overview

(III) Supplying Status of Core Materials

The raw materials purchased by the Company are critical parts needed for operations such as car and scooter manufacturing, sales and maintenance. International suppliers are companies including Mitsubishi Corporation of Japan. Domestic parts supplies are supported by auto and scooter parts third-parties. With signed contracts and long-time cooperation, the Company's raw materials supplying status is very stable.

Category	Supplier	Item	Procurement Strategy
Automotive Parts	Mitsubishi Motors Co., Ltd. and SAIC Motor International Trading Co., Ltd.	Imported parts	Contract signed, delivery in batches
Automotive Parts	118 suppliers for the main parts and components of Kian Shen Corporation	Auto parts that are domestically produced	Contract signed, delivery in batches
Raw material	Such as CPC Corporation, Taiwan	Various oil products	Contract signed, delivery in batches
Raw material	Such as Taiwan Kansai Paint Co. Ltd.	Baking varnish, spray paint, solvent, etc	Contract signed, delivery in batches
Raw material	Nippon Steel and Sumitomo Metal and Chun Yuan Steel Industry Co., Ltd. and others	Steel plates	Contract signed, delivery in batches

(IV) Suppliers and Clients that Takes over 10% of the Amount of Imports (Sales) over the Last Two Years

1. For the past two years, suppliers accounting for more than ten percent of total purchases

Unit: NTD\$ Thousand

Item	2023				2024			
	Name	Value	% of Total net purchase	Relationship with Issuer	Name	Value	% of Total net purchase	Relationship with Issuer
1	Company A	6,138,978	24.9	None.	Company A	8,260,769	30.99	None.
	Others	18,541,241	75.1	-	Others	18,392,759	69.01	-
	Net purchase	24,680,219	100	-	Net purchase	26,653,528	100	-

Operations Overview

2. Major Clients in the Last Two Calendar Year

Unit: NTD\$ Thousand

Item	2023				2024			
	Company Name	Value	% of Total Net sales	Relationship with Issuer	Company Name	Value	% of Total Net sales	Relationship with Issuer
1	Fortune Motors Co	16,539,535	43.0	Affiliate accounted for using equity method	Fortune Motors Co	16,394,075	41.8	Affiliate accounted for using equity method
	Others	21,892,981	57.0	-	Others	22,849,121	58.2	-
	Net Sales	38,432,516	100	-	Net Sales	39,243,196	100	-

Note: the table above is the consolidated information

III. Employees

March 31, 2025

Annual	2023	2024	March 31, 2025
Number of employees	3,117	3,112	3,051
Average Age	41.85	42.85	42.97
Average years of Service	13.06	13.46	13.53
Education	Ph. D.	3	3
	Master	552	575
	Bachelor	1,219	1,221
	Senior High School	1,179	1,161
	Below Senior High School	164	152

Note: The table above is based on consolidated information.

Operations Overview

IV. Environmental Protection Expenditure

(I) From January 1, 2024 to March 31, 2025, the Company has not incurred any losses or been subject to penalties due to environmental pollution (including compensation and violations of environmental regulations resulting from environmental protection audits, which would require listing the date of disposition, disposition reference number, violated regulation provisions, content of violation, and content of disposition): None.

(II) Forecast of Environmental Expenses for the next three years

Unit: NTD\$ Thousand

Annual Item	2025		2026		2027	
	Environmental Protection Expenditure	Value	Environmental Protection Expenditure	Value	Environmental Protection Expenditure	Value
Proposed Pollution Prevention and Control Equipment or Expenses	(1) Waste water, waste gas and waste treatment transportation fee	46,478	(1) Waste water, waste gas and waste treatment transportation fee	69,009	(1) Waste water, waste gas and waste treatment transportation fee	69,009
	(2) Pollution Inspection Fee	16,357	(2) Pollution Inspection Fee	14,335	(2) Pollution Inspection Fee	14,335
Expected improvement situation	Complied with the (1) Air Pollution Control Act, (2) Water Pollution Control Act, (3) Waste Disposal Act, and (4) Toxic and Concerned Chemical Substances Control Act.					

V. Labor and Management Relationship

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

1. Employee Welfare

(1) Uniforms, transportation vehicles and holiday/night car rental concessions.

(2) Fully equipped dormitories, activity centers, training centers, restaurants and

Operations Overview

nurseries.

- (3) Regularly holding activities such as family day, year-end dinner and raffles drawing, domestic and foreign travel (with travel subsidies),
- (4) Sponsoring employee's social group activities.
- (5) Free group term insurance, injury insurance, and regular health checkups for colleagues.
- (6) Providing hospitalization condolences, sympathy and mutual aid pro mourning, and dependents entitled to hospitalization benefits.
- (7) Providing gifts for the three major Public Holidays, birthdays, wedding, child birth, pregnancy and retirement.
- (8) Providing scholarships for employees and their children, emergency loans and aids.
- (9) Signing agreements with excellent domestic stores to become "Appointed Stores" to provide employees with diversified information for purchasing and selection.
- (10) Providing discounts to employees for purchasing cars.

2. Education and Training system

- (1) The Company's human resources development integrates the two goals of "Corporate Development" and "Employee Satisfaction" to nurture professionals, develop personal potential and establish learning organizations so that the growth of the Company and employees are integrated.
- (2) To implement the concept of talent development, the Company's talent development system is divided into "in-house education and training," "off-site education and training," "overseas training," "job training" and "training for verification personnel" to provide a series of courses of core working skill, management skill and professional skill and to offer a convenient real-time online learning system, so that the personal development of employees and the needs of the work task are closely integrated.
 - A. In-house education and training:
 - a. Core working skill training
 - b. Management skill training
 - c. Professional skill training
 - d. New Employee Training

Operations Overview

e. Project Training

B. Off-site education and training:

For the implementation of education and training in the Company, in addition to the planned in-house education and training, each department may apply to send its staffs to participate in various education and training courses sponsored by external organizations according to its needs. The application for off-site education and training shall be reviewed by the education and training department for qualification and recommendation of dispatching the training or not.

C. Overseas training:

Each department may, according to its actual work needs, participate in overseas training organized by external organizations, or propose its own overseas training program and send appropriate personnel to overseas training after approval.

D. On-the-Job training (OJT):

The managers at each level will develop their staff's abilities by assigning work, coaching, and implementing projects in the workplace according to the nature of their work and their individual abilities.

E. Training for verification personnel:

Training and qualification verification for personnel of each department who engages in design, production, installation, after-sales service and environmental management related inspection, testing and monitoring matters, internal auditing and environmental management, and safety and health related operations.

F. Succession training for management and executive personnel:

The Group's senior management conference regularly reviews the selection, promotion, rotation, relocation and expatriation, and cultivation process of the succession of senior management of the Group and each subsidiary every year to implement the management mechanism of the Group's reserve candidates. In addition to providing multiple training methods for the reserve talents in the "Management Talent Cultivation Program," the Company also assigns important projects and responsibilities and establishes a rotation career path to

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complement the implementation of experience training and job rotation for increasing the working exposures and accelerating the maturity of the reserve talents.

3. Retirement System

- (1) The retirement of employees shall be conducted in accordance with the following stipulations:
 - A. The Company has established a retirement scheme for formally employed colleagues, wherein retirement benefits are calculated by setting aside 2% of the employee's total monthly salary as retirement reserve. These funds are managed by the Company's Labor Retirement Reserve Supervisory Committee and deposited in a designated account at the Bank of Taiwan under the name of the committee.
 - B. Those who choose to adopt the Labor Standards Act for retirement will be eligible for retirement benefits only when they meet the Labor Standards Act requirements for retirement and apply for retirement.
 - C. Those who choose to adopt the Labor Pension Act shall be paid 6% monthly by the Company to their personal accounts based on the wages of the employees from the date of filing, and their years of service before opting for the Labor Pension Act will be preserved and they can apply for pension only when they meet the retirement requirements of the Labor Standards Law and apply for retirement.
 - D. The Labor Pension Act is applicable to all employees who joined the Company after 1 July 2005 (including those who left and were re-employed).
- (2) The retirement requirements of employees shall be conducted in accordance with the following stipulations:
 - A. An employee who has one of the following conditions may apply for retirement:
 - a. Have been employed by the Company for at least 15 years and have reached the age of 55.
 - b. Have been employed by the Company for at least 25 years.

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c. Have been employed by the Company for at least 10 years and have reached the age of 65.

B. The Company shall not compel an employee to retire unless the employee falls under one of the following circumstances:

a. Reaches the age of 65

b. Is mentally or physically incapacitated for work.

(3) The pension benefits for employees calculated in accordance with the Labor Standards Act are as follows:

A. Two base units shall be granted for each year of service; however, one base unit shall be granted for each year of service in excess of 15 years, up to a maximum of a total of 45 base units. Those who have worked for less than half year shall be counted as half year, and those who have worked over half year shall be counted as one year.

B. For employees who retire due to mental or physical disability resulting from the performance of their duties, 20% or five base units shall be added in accordance with the provisions of the aforementioned clauses.

C. The standard of base unit of pension refers to the average monthly salary at the time of retirement approved.

4. Labor-management Agreements

(1) Based on the concept of coexistence and co-prosperity, our Company works together in the spirit of harmony and cooperation to seek the greatest benefits for all employees.

(2) The Company has established a year-end bonus and profit-sharing system to combine the interests of employees with that of the Company and to create excellent performance together.

(3) Regularly convene labor-management meetings to smoothen communication channels and promote harmonious and solidarity between employers and employees.

(4) China Motor Corporation and the labor union have reached a consensus, signing a Collective Agreement to promote labor-management harmony and protect the rights of both parties. In accordance with the Labor Union Act and Collective Agreement Act, the company and the enterprise union signed a collective

Operations Overview

agreement on March 31, 2017, which was renewed on October 30, 2024. The agreement protects the rights of all employees, covering 100% of China Motor Corporation's workforce, to safeguard employee working conditions and benefits while promoting cooperation between labor and management.

5. Employee Rights Protection Measures

- (1) Promote a program of assistance for employees to maintain their physical and social health, provide psychological and legal consultation and counseling, and build a comprehensive, holistic and caring counseling system.
- (2) Conduct training on managerial roles and implement coaching skills in daily management.
- (3) Promote the concept of multi-directional communication, encourage participation in management, and cultivate team consensus.
- (4) Disclosure of operation and management status to increase cohesion and crisis awareness among employees.
- (5) Focus on issues of employees, enhance the union organization, and protect the rights and interests of employees.
- (6) Regularly convene labor-management meetings to coordinate the relationship between employers and employees.

6. Working environment and employee safety protection measures

The safety of colleagues at work is the Company's top priority. In addition to complying with relevant national laws and regulations, the Company also obtained the ISO/CNS 45001 certificate. As of December 13, 2026; the Hsinchu Plant has been awarded the 2023 Five-Star Award for Outstanding Occupational Safety and Health Unit by the Ministry of Labor and passed the performance review. The current validity period is until October 24, 2026. This exemplifies the Company's persistence in continuously improving the occupational safety and health standards. Moreover, for various hazards that may be caused by the nature of different workplaces, such as: cutting, winding, induction, falling, fire and explosion, falling objects, poisoning, asphyxiation...etc., hazard identification, risk assessment and introduction of hazard prevention measures and related management regulations are conducted to ensure the safety and physical and mental health of all employees and stakeholders. Meanwhile,

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the Company has continued to improve the risk of hazards to personnel, equipment and the environment through the operation mechanism of the occupational safety and health management system and completed **182** safety and health improvements in **2024**.

(1) Specific practices for a good working environment

- A. The Company has planted abundant flowers and trees in the vacant land of its factories to decorate the environment and has planned thematic flower areas and seasonal flowers according to the seasons.
- B. Set up QCC space, a café, and other resting places.
- C. Smoking is prohibited in all workplaces and restaurants and can only do so in designated smoking locations.
- D. Set up a special walkway for dining and commuting to and from work, and properly separate pedestrian and vehicle traffic.
- E. The plant is widely equipped with turbine exhaust and partial exhaust equipment to ensure air quality.
- F. Introduction and improvement of intrinsic safety of equipment
- G. Additional air conditioners are installed in the painting areas to improve comfort.
- H. Every half year, the Company implements the environment measurement to monitor and improve the working places for dust, noise and organic solvents in the factory.

(2) Protection measures for employee's physical safety

- A. Plan and implement occupational safety and health management system to improve the performance of safety and health management.
- B. Develop occupational safety and health management plans and execute them effectively to ensure the safety and health of employees.
- C. Regularly convene occupational safety and health meetings and track the status of achieving safety and health performance indicators to strengthen the implementation of safety and health policies
- D. Regularly conduct health examinations for employees and require employees to undergo regular follow-up examinations or treatment in addition to health education for those with abnormal health examination results to ensure the health of employees.

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E. To prioritize employee health, China Motor Corporation has established a Health Center, employing professional doctors, pharmacists, nurses, and nutritionists to provide services at the factory. This offers employees convenient access to medical care.

F. Promote the concept of hazard prevention and risk management among employees and their families, and continue to conduct home safety and fire escape training, fire escape training in employees' offices, factories and dormitories, carbon monoxide poisoning prevention, traffic safety, observation of employees' work safety, and other factory disaster cases studies. In 2024, a total of 3,267 people had completed occupational safety and health education training.

7. Code of Conduct and Ethics

(1) Code of Conduct: The Company has set "honesty, care and responsibility" as the code of conduct for its employees.

(2) Code of Ethics: The Company's work rules include a special chapter on "Service Ethics," which explicitly regulates work attitude, stringent confidentiality, rules on the use of public property, and the prohibition of accepting bribes or improper benefits.

(II) List any losses suffered by the company in 2024 up to March 31, 2025 due to labor disputes

In 2024 and up to March 31, 2025, the Company has not suffered any significant losses due to labor disputes. However, the Company has been fined for violating labor regulations as determined by labor inspections. The Company was fined NT\$20,000 for violating Article 22, Paragraph 2 of the Labor Standards Act, as ruled in Taoyuan City Government Labor Inspection Letter No. 1130213359 dated August 9, 2024. Additionally, due to one labor dispute case, the court awarded more than NT\$80,000 in severance pay for involuntary termination, in accordance with Article 79, Paragraph 1, Item 1 and Article 80-1, Paragraph 1 of the same law.

VI. Cyber security management

(I) Cyber security management strategy and framework

The Company complies with Chapter II “Design and Operation of Internal Control Systems,” and Article 9 “Process the Digitized Information System” of the “Regulations Governing Establishment of Internal Control Systems by Public Companies” to establish the related internal operating regulations, and improve operating environment, to respond to the information security challenges and impacts brought by the evolving technologies, and lower the risk of information security threats.

1. Cyber security policy

To achieve our company's mission objectives and meet the expectations and requirements of top management regarding information security, and to ensure the confidentiality, integrity, and availability of our company's information assets, our information security policy is defined as: "Information security is everyone's responsibility." Furthermore, to enhance information security management, the Company obtained ISO27001:2013 certification in December 2022. The certificate is valid from December 16, 2022 to October 31, 2025. An "Information Security Management Committee" has also been established, with a dedicated information security supervisor and dedicated information security personnel to be responsible for the Company's information security operation management, supervision, and verification, and other related operations, and regularly report the status of information security governance and review to the Board of Directors.

2. Cyber security management framework

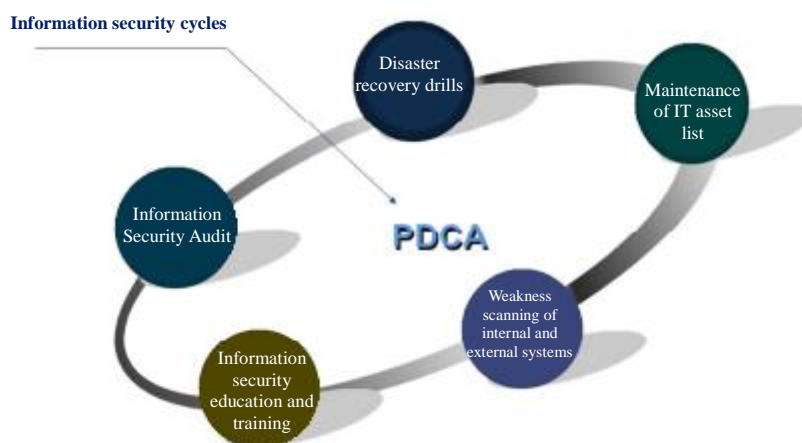
(1) Corporate information security management strategy and framework

To effectively implement the information security management, the information security working plans are reviewed via the information security task force. Based on Plan-Do-Check-Act (PDCA) management circular mechanism, the applicability and protective measures of information security policies are reviewed, and the results are periodically reported back in the information security review meeting.

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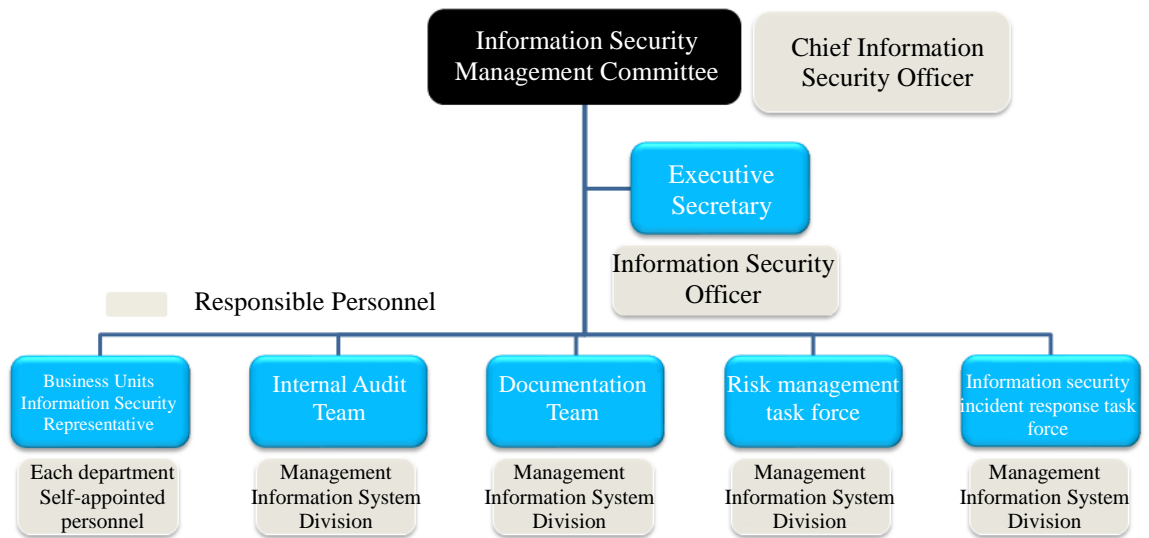
- ① “Planning Phase” emphasizes the information security risk management, while establish the complete information security management system (ISMS), and promoting the upgrading and introduction the certification of international information security management system (ISO/IEC 27001) , to reduce the corporate information security threats from the aspects of system, technology, and procedure, and thus establishing the highest-spec confidential information safeguard service meeting customers’ needs.
- ② “Do Phase” establishes the multi-layer information security safeguard, and continues to introduce innovative information security defense technologies, to integrate and internalize the information security control mechanism to the daily operating process such as operation and maintenance of soft- and hardware, and supplier information security management, as well as monitor the information security systematically, to protect the confidentiality, integrity, and availability of the Company’s key assets.
- ③ “Check Phase” actively monitors the effects of the information security management, and takes corrective or improving measures based on the outcomes of audit; the information security vulnerabilities are patched via the regular vulnerability scanning.
- ④ “Act Phase”: takes the review and continual improvements as the foundation, to implement the supervision and audit, for ensuring the continuous effectiveness of the information security regulations. When employees violate the related regulations and procedures, they are handled with the process handling the information security violation, and the HR disciplinary action may be taken depending on the violation (including their annual performance appraisal or take necessary legal action); in addition, the improvement actions, such as information security measures, education, training and promotion shall be reviewed and implemented regularly, to ensure the Company’s key confidential information not leaked out.

- (2) Corporate information security risk management and continual improvement framework
3. Information security management mechanism
 - (1) Information security decision-making and supervision
 - ① Conduct ISO 27001 external audits once a year
 - (2) Information security threats and trend tracking
 - ① Collect threat intelligence on TWCERT/CC information security platform and send plant-wide information security reports
 - (3) Information security education and training plan
 - ① Conduct social engineering drills twice a year
 - ② Conduct company-wide information security training once a year
 - (4) Refinement of information security protection technology
 - ① Penetration testing is conducted once a year
 - (5) Implement information security governance
 - ① The "Information Security Management Review Meeting" is held once a year
 - ② Annual PDCA cycle:
 - Q1 Asset inventory and risk evaluation
 - Q2 Carry out information internal audit, correction and improvement.
 - Q3 Business continuity plan drill
 - Q4 Information security management review



4. Structure of the Company's Information Security Management Committee

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5. Concrete management programs

(1) CMC has introduced a number of information security measures in recent years to improve overall information security, such as:

- ① Strengthen basic environment security: Internet identity recognition system, strengthen virtual enterprise network system
- ② Upgrade information defenses: Upgrade the anti-virus and anti-hack systems, introduce an email filtering system to reduce the risk of phishing attacks, and establish an endpoint protection system
- ③ Reduce the risk of data loss: Establish an offline backup mechanism
- ④ Establishment of trace recording function: Introduction of data access audit system

(2) Future information security planning

Other than continuously implementing the information security cycle operation, the future information security enhancement is planned pursuant to the Group's "information security development blueprint."

- ① System maintenance:
 - Regularly perform system security vulnerability scanning
 - Strengthen the basic information environment

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- Establish an automated remote storage mechanism for backup data
- Disaster recovery procedures and drill through rolling adjustments

② Smart manufacturing:

- Establishment of anti-virus and anti-hack mechanisms for production equipment
- Enhance production network security control and monitoring

③ Information security training:

- Conduct social engineering drills
- Ad hoc training on information security

(II) Cyber information risks and countermeasures:

We have established the Information Security Management Committee to keep monitoring the latest information regarding information security threats. We have also established the legal affairs unit to track the information security regulations and policies in real-time. The group's administration department establishes the fundamental information security framework to evaluate the effect on the effect of information security on our future development and finance.

1. Risks and management measures of information technology security

The Company has established a comprehensive internet and computing security network, but it cannot guarantee that its computing systems which control or maintain vital corporate functions, such as its manufacturing operations and enterprise accounting, would be completely immune to crippling cyber attacks by any third party to gain unauthorized access to its internal network systems, to sabotage its operations and goodwill or otherwise. In the event of a serious cyber attack, the Company's systems may lose important corporate data or its production lines may be shut down pending the resolution of such attack.

While the Company seeks to continuously review and assess its cybersecurity policies and procedures to ensure their adequacy and effectiveness, the Company cannot guarantee that it will not be susceptible to new and emerging risks and attacks in the evolving landscape of cybersecurity threats. These cyber attacks may also attempt to

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steal the Company's trade secrets and other sensitive information, such as proprietary information of its customers and other stakeholders and personal information of its employees. Malicious hackers may also try to introduce computer viruses, corrupted software or ransomware into the Company's network systems to disrupt our operations, blackmail us to regain control of its computing systems, or spy on it for sensitive information. These attacks may result in us having to pay damages for its delayed or disrupted orders or incur significant expenses in implementing remedial and improvement measures to enhance its cybersecurity network, and may also expose us to significant legal liabilities arising from or related to legal proceedings or regulatory investigations associated with, among other things, leakage of employee, customer or third party information, which the company has an obligation to keep confidential.

The Company implements the related improvement measures and continues to update, such as building up an production line virus-scan system to prevent malicious software from entering the production equipment; updating the new-generation firewall system and network control to prevent virus contagion in the plants; building end-point safeguard system; introducing advanced solutions to detect and handle malicious software; enhancing data protection and detection of phishing mails; establishing an integrated information security operation and maintenance platform.

In addition, the Company employs certain third party service providers for the Company and its affiliates worldwide with whom the Company needs to share highly sensitive and confidential information to enable them to provide the relevant services. Despite that the Company requires the third party service providers to comply with the confidentiality and/or internet security requirements in its service agreements with them, there is no assurance that each of them will strictly fulfill such obligations, or at all. The on-site network systems of and the off-site cloud computing networks, such as servers maintained by such service providers and/or its contractors, are also subject to risks associated with cyber attacks. If the Company or its service providers are not able to timely resolve the respective technical difficulties caused by cyber attacks, or

Operations Overview

ensure the integrity and availability of its data (and data belonging to its customers and other third parties) or control of its or its service providers' computing systems, the Company's commitments to its customers and other stakeholders may be materially impaired and its results of operations, financial condition, prospects and reputation may also be materially and adversely affected as a result.

- (III) List any losses suffered by the company in 2024 and as of March 31, 2025 due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

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VII. Important contracts:

Contract Nature	Parties	commencement dates and expiration dates of contracts	Details	Restrictive clauses
Licensing and technical cooperation contracts	Mitsubishi Motors Corporation	1 July, 2005 to 28 October, 2034	The Company is licensed to manufacture and sell parts, components, and vehicles designed by Mitsubishi Motors Corporation based on the design, drawings, and technical specifications provided by it. Mitsubishi Motors Corporation should send staff to provide necessary technical assistance in manufacturing at any time at the request of the Company.	The Company should not assign or re-license the rights and licenses granted by Mitsubishi Motors Corporation to a third party without Mitsubishi Motors Corporation's prior written consent.
Parts supply and sales of completed vehicles agreements	Daimler Trucks Asia Taiwan Ltd.	January 1, 2017 to August 31, 2026	<ol style="list-style-type: none"> The Company provides vehicles under the FUSO brand and locally manufactured parts to Daimler Trucks Asia Taiwan Ltd. (DTAT). DTAT shall provide imported parts to the Company. 	The rights and obligations shall not be transferred to third parties without the prior written consent of the counterparty.
Distribution contract	Fortune Motors Co., Ltd.	August 1, 2018 to December 31, 2025	Distribution of sedans, RVs, vans, and trucks below 3.5 tons.	Distribution territory: Taiwan and Fujian areas under the ROC jurisdiction.
Distribution contract	Shung Ye Motor Enterprise	December 30, 2017 to December 30, 2025	Distribution of sedans, RVs and vans below 3.5 tons.	Distribution territory: Taiwan and Fujian areas under the ROC jurisdiction.
Distribution contract	MG Motor Taiwan Co., Ltd.	April 25, 2022 to July 31, 2025	Distribution of passenger cars and RVs.	Distribution territory: Taiwan and Fujian areas under the ROC jurisdiction.
Shareholders Agreement	Daimler AG	Since 4 November 2004	Established and manages Fujian Daimler Automotive Co., Ltd. (now Fujian Benz Automotive Co., Ltd.), a joint venture established among CMC, Daimler AG, and Fujian Motors Group, to manufacture medium and light sedans at the weight 2 ~ 6 tons.	Except for models licensed by Mitsubishi Motors Corporation or Daimler AG or independently developed models, the Company should not develop, manufacture, and distribute models

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				competitive with models manufactured and distributed by Fujian Benz Automotive Co., Ltd. in China.
License Agreement	SAIC Motor International Trading Co., Ltd.	February 15, 2022 - February 14, 2032	The Company may manufacture and sell spare parts and automobiles according to the drawings, specifications and all technical information provided by SAIC Motor International.	The rights and authorizations granted to the Company as contracted shall not be sub-authorized by the Company to a third party.

Review and Analysis of Financial Position and Financial Performance, and Risk Management

I. Financial position

Comparative Analysis of Financial Position

Unit: NTD\$ Thousand

Item	Annual December 31, 2024	December 31, 2023	Difference	
			Value	%
Current assets	15,536,007	14,425,585	1,110,422	7.70
Investment	26,444,189	25,336,169	1,108,020	4.37
Property, Plant and Equipment	8,678,667	7,722,091	956,576	12.39
Intangible assets	989,321	793,573	195,748	24.67
Other assets	1,972,760	2,087,038	(114,278)	(5.48)
Total assets	53,620,944	50,364,456	3,256,488	6.47
Current liabilities	11,565,044	9,524,935	2,040,109	21.42
Non-current liabilities	1,120,969	1,341,807	(220,838)	(16.46)
Total Liabilities	12,686,013	10,866,742	1,819,271	16.74
Share capital	5,536,203	5,536,203	-	-
Capital surplus	7,454,640	7,452,065	2,575	0.03
Retained earnings	24,230,705	23,441,684	789,021	3.37
Other equity interest	(115,190)	(610,593)	495,403	81.13
Treasury stock	-	-	-	-
Equity attributable to the parent company	37,106,358	35,819,359	1,286,999	3.59
Non-controlling interest	3,828,573	3,678,355	150,218	4.08
Total equity	40,934,931	39,497,714	1,437,217	3.64

Differential analysis (with a change of more than 20% in the last two years, and the amount of the change of more than NT\$10 million):

1. Intangible assets increased mainly due to the additional intangible assets accumulated from the development of new vehicle models.
2. Current liabilities increased, mainly due to the Company's fulfillment of corporate social responsibility by raising capital for New Safety Pandemic Insurance claims, which created a funding gap. To meet daily operational funding needs, the Company obtained short-term loans from banks.
3. Other equity increased, primarily due to the recognition of "Exchange Differences on Translation of Foreign Operations."

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II. Financial performance

Comparative Analysis of Financial Performance

Unit: NTD\$ Thousand

Annual Item	2024	2023	Increase (decrease) in amount	Percentage of change (%)
Operating revenue	39,243,196	38,432,516	810,680	2.11
Operating costs	33,534,957	32,408,650	1,126,307	3.48
Gross profit	5,708,239	6,023,866	(315,627)	(5.24)
Realized gross profit	5,703,586	6,026,143	(322,557)	(5.35)
Operating expenses	3,980,849	3,382,146	598,703	17.70
Operating income	1,722,737	2,643,997	(921,260)	(34.84)
Non-operating income and expenses	2,818,062	4,165,096	(1,347,034)	(32.34)
Profit or loss before tax from continuing operations	4,540,799	6,809,093	(2,268,294)	(33.31)
Income tax benefits (expenses)	(324,428)	(889,735)	565,307	63.54
Profit or loss after tax from continuing operations	4,216,371	5,919,358	(1,702,987)	(28.77)
Income from Discontinued Operations	23,260	4,965	18,295	368.48
Net profit for the year	4,239,631	5,924,323	(1,684,692)	(28.44)
Other comprehensive income	781,294	(304,040)	1,085,334	356.97
Total comprehensive income for the year	5,020,925	5,620,283	(599,358)	(10.66)
Differential analysis: (with a change of more than 20% in the last two years, and the amount of the change of more than NT\$10 million):				
<ol style="list-style-type: none"> 1. The decrease in operating profit is mainly due to investments in new energy vehicle research and development, as well as the impact of implementing the "localized supply chain cooperation value ratio" policy. 2. The decrease in non-operating income and expenses is primarily due to reduced recognition of investment income from investee companies. 3. The decrease in pre-tax income, after-tax income, and net income from continuing operations is explained in points 1 and 2 above. 4. The decrease in income tax expense is mainly due to reduced profitability. 5. The profit from discontinued operations represents the adjustment of relevant gains and losses to discontinued operations in accordance with regulations, as the Company sold its subsidiary Jiangsu Lvjie in Q4 2024. 6. The increase in other comprehensive income is mainly due to increases in "unrealized valuation gains and losses on equity instruments measured at fair value through other comprehensive income," "gains and losses on hedging instruments," and "exchange differences on translation of foreign operations' financial statements." 				

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III. Financial ratios for the past two years

Analysis item		Annual	
		2024	2023
Financial structure (%)	Debt of asset ratio	23.66	21.58
	Ratio of long-term capital to property, plant and equipment	484.59	528.87
Solvency (%)	Current ratio	134.34	151.45
	Quick ratio	71.44	92.06
	Interest coverage ratio (times)	316.44	1,023.36
Operating capability (times)	Accounts receivable turnover rate	15.09	13.83
	Average collection period (days)	24.18	26.39
	Inventory turnover	6.53	7.43
	Average days in sales	55.89	49.12
	Property, plant and equipment turnover rate	4.79	5.53
	Total assets turnover	0.75	0.78
Profitability (%)	Return on assets	8.18	12.00
	Return on equity	10.54	15.68
	Pre-tax income to paid-in capital (%)	82.02	123.08
	Net profit margin	10.80	15.39
	Earnings per Share (NTD)	7.34	10.36
Cash flow (%)	Cash flow ratio	2.23	44.74
	Cash flow adequacy ratio	42.57	50.73
	Cash reinvestment ratio	(4.59)	3.12

Note: Based on information on consolidated financial statements

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1. Financial structure

- (1) Debt of long fund to bank property and equipment = total liabilities / total assets.
- (2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / property, plant and equipment.

2. Solvency

- (1) current ratio = current assets / current liabilities
- (2) quick ratio = (current assets - inventory - prepaid expenses - other current assets) / current liabilities.
- (3) Interest coverage ratio = earnings before interest and tax / Interest Expense.

3. Operating performance

- (1) Account receivable turnover (including accounts receivable and notes receivable resulted from business operation) = net sales / average balance of account receivable (including accounts receivable and notes receivable resulted from business operation).
- (2) Days sales in account receivable = 365 / account receivable turnover.
- (3) Inventory turnover = cost of goods sold / average inventory.
- (4) Account payable turnover (including accounts payable and notes payable resulted from business operation) = operating costs / average balance of account payable (including accounts payable and notes payable resulted from business operation).
- (5) Average days in sales = 365 / Inventory turnover.
- (6) Property, plant and equipment turnover = net sales / net average property, plant and equipment.
- (7) Total assets turnover = net sales / average total assets.

4. Profitability

- (1) Ratio or return on total assets = [net income + interest expense × (1 - tax rate)] / average total assets
- (2) Ratio or return on equity = net income / average net equity
- (3) Net profit margin = Profit or loss after tax / Net sales.
- (4) Earnings per share = (net income - preferred stock dividend) / weighted average stock shares issued.

5. Cash flow

- (1) Cash flow ratio = net cash flow from operating activity / current liabilities.
- (2) Cash flow adequacy ratio = (net cash flow from operating activities within five year / (capital expenditure + inventory increase + cash dividend) within five years.
- (3) Cash re-investment ratio = (net cash flow from operating activity - cash dividend) / (total fixed assets + long-term investment + other assets + working capital).

6. Leverage

- (1) Operating leverage = (net operating income - operating variable cost and expense) / operating income.
- (2) Financial leverage = operating income / (operating income - interest expense).

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IV. Analysis of cash flow

(I) Liquidity analysis for the last two years

Annual Item	2024	2023	Increase (decrease) %
Cash flow ratio (%)	2.23	44.74	(95.02)
Cash flow adequacy ratio (%)	42.57	50.73	(16.09)
Cash reinvestment ratio (%)	(4.59)	3.12	(247.12)
Analysis and explanation of the percentage of increase or decrease: The decrease in cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio was mainly due to the decrease in net cash flow from operating activities in 2024.			

Note: The information presented in the table is based on the information in the consolidated financial statements.

(II) Analysis of the Company's cash liquidity in the coming year

Cash balance at the beginning of the year	Expected net cash flow from operating activities throughout the year	Expected net cash flow from investing and financing activities throughout the year	Expected cash surplus (deficit) amount	Remedies for expected cash deficit	
				Investment plan	Financial plan
1,108,744	777,846	(1,001,725)	884,865	-	-
<p>1. Analysis of cash flow changes in the coming year:</p> <p>(1) Operating activities: A net cash inflow of NT\$777,846 thousand is expected from operating revenue.</p> <p>(2) Investing activities: A net cash inflow of NT\$68,480 thousand is expected from investing activities.</p> <p>(3) Financing activities: A net cash outflow of NT\$1,070,205 thousand is expected from financing activities.</p> <p>2. Remedies for expected cash deficit and liquidity analysis: Not applicable.</p>					

Note: The information presented in the table is based on the information in the standalone financial statements.

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V. Effect of any material capital expenditure in the most recent year on finance and business

The material capital expenditure in 2024 was NT\$1,960,322 thousand, and the expected benefits are as follows:

- (I) Introduction of new products: increasing the market share of the Company's products and improving turnover and sales volume.
- (II) Introduction of parts and components: increasing the proportion of self-made parts and reducing production costs.
- (III) Strengthening of sales: improving market awareness for the Company and its products, enhancing the after-sales service quality and further growing the sales.
- (IV) Upgrading of productivity: upgrading production line equipment, implementing automation, rationalizing layouts, increasing production capacity, and enhancing technologies.
- (V) Quality improvement: enhancing the total quality assurance capability of the Company's suppliers, implementing the operation of the total quality assurance system, ensuring quality by eliminating the price of non-conformance (PONC), improving customer satisfaction with product quality, and carrying out source management and mistake-proofing measures.
- (VI) Work environment improvement: upgrading computer equipment, replacing old office equipment and official vehicles, implementing office planning and construction for all the Company's plants, improving air quality, installing pollution prevention equipment, etc.
- (VII) Land purchase: purchasing land in response to operational needs and future business planning.

VI. Reinvestment policy and major causes of profit or deficit and improvement plans in the most recent year and the investment plan for the next year

We chiefly maintain investments in automotive-related sectors. Looking back on 2024, the overall investment income dropped compared to 2023. The main reasons for the decrease include: Tokio Marine Nawa Insurance had a one-time reversal in 2023 of estimated claim losses that had been conservatively recorded in 2022; FBAC experienced reduced sales

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volume in 2024; and Kian Shen recognized a one-time disposal gain from its investee company Hangzhou Jinlong in 2023. These factors led to a decrease in the combined recognized profits from the Company and its other investees in 2024.

VII. Risk management

(1) Effect of interest and exchange rate fluctuations and inflation on the Company's profits (losses), and response measures to be taken in the future:

Interest rate fluctuations primarily affect the financial assets held by the Company. If interest rates increase by 25 basis points, the Company's pre-tax net profit in 2024 would decrease by NT\$6,265 thousand.

We hold some of our assets and liabilities in foreign currencies. As a result, any change of the exchange rates will lead to decreased values of our assets in foreign currencies and exposure to risks of fluctuating cash flow in the future. According to the estimated data in our operating results for 2024, if the NT dollar appreciates 1% against the US dollar, our net profit before tax will decrease by NT\$920 thousand; if the NT dollar appreciates 1% against the Japanese yen, our net profit before tax will decrease by NT\$275 thousand; if the NT dollar appreciates 1% against RMB, our net profit before tax will decrease by NT\$3,555 thousand.

With global inflation easing, major economies such as the United States and Europe are expected to gradually reduce interest rates. However, geopolitical risks and uncertainties surrounding changes in U.S. trade policies may still affect the global economy. Inflation and changes in interest rates may partially affect the Company's operating costs. Therefore, the Company will continue to pay attention to market dynamics to respond to changes in the demand for the Company's products and services.

(II) The Company's policies regarding high-risk investments, highly leveraged investments, loans to others, endorsements, guarantees, and derivative transactions, the main reason for profits or losses, and response measures to be taken in the future:

1. The Company does not engage in high-risk and highly leveraged investments.
2. The Company's loans to others, endorsements, guarantees, and derivative transactions shall be governed by the Company's "External Party Lending Procedures," "Endorsement and Guarantee Policy," and "Derivative Transaction Procedures."

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(III) Research and development work to be carried out in the future, and further expenditures expected for research and development work:

The Company's China-motor Asia Research & Technology Center (CARTEC)'s mission and the development of the product portfolio shall follow the Company's existing management guidelines and focus on new energy, safety, and technology. The Company's technology research and development projects are as follows: (1) Developing technologies that can quickly respond to market demand characteristics and regulations (2) Developing system integration capabilities for differentiated and high value-added special edition products (3) Modifying products to meet the needs of different export regions (4) Developing new energy and energy-saving products and focusing on advanced power systems, electronic control systems, the integrated design of automotive electronics, and analysis and verification technology (5) Developing green energy scooter products with cutting-edge features. (6) Continue developing localization of components to expand and deepen cooperation value with the domestic supply chain.

The Company estimates that the individual R&D expense in 2025 will be NT\$2,125,912 thousand.

(IV) Effect of important policies adopted and changes in the legal environment at home and abroad on the Company's finance and business, and response measures to be taken:

The Company continues to pay close attention to the changes in laws and policies that affect the Company's business and operations. Since 2024, important policies adopted and changes in the legal environment at home and abroad have not had a significant effect on the Company's finance and business.

(V) Effect of changes in technology (including cyber security risks) and in the industry on the Company's finance and business, and response measures to be taken:

(1) After assessment, information security risk incidents have had no significant effect on the Company's operations.

(2) The industry is changing towards new energy and electrified products. The Company has also increased investment in the research and development of related products.

Therefore, there is no significant effect on the Company's operations.

(VI) Effect of changes in the corporate image on the Company's crisis management, and

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response measures to be taken: None.

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

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: None.

(IX) Risks associated with any concentration of purchases or sales, and response measures to be taken:

The Company's purchases are distributed to hundreds of suppliers and are not concentrated. Although the Company sells through two main distributors, it is a feature of the industry to interact with a limited number of distributors. The Company has entered into contracts with the distributors, and also holds equity in them. In addition, since the Company has cooperated with the distributors for many years, there is no risk of sales concentration.

(X) Effect on and risk to the Company in the event that a major amount of shares belonging to a director or major shareholder in the Company has been transferred or has otherwise changed hands, and response measures to be taken: None.

(XI) Effect on and risk to the Company associated with any change in management rights, and response measures to be taken: None.

(XII) Litigious and non-litigious matters: None.

(XIII) Other important risks and response measures to be taken: None.

VIII. Other important matters: None.

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I. Information on affiliates

This information has been publicly announced on the Market Observation Post System: "Affiliates Section," where you can search for information from various years by company code or abbreviation. (https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

II. Private placement of securities in 2024 and up to March 31, 2025: None.

III. Other matters that require additional description: None.

IV. Matters materially affecting shareholders' equity or securities prices in 2024 and up to March 31, 2025: None.

China Motor Corporation



Chairperson
Li-Lien Chen Yen

嚴陳莉蓮